

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust
The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No. 1545-0047

2000

Open to Public Inspection

A For the 2000 calendar year, OR tax year period beginning JUL 1 2000 and ending JUN 30 2001

B Check if applicable: <input type="checkbox"/> Change of address <input type="checkbox"/> Change of name <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return (Use also for state reporting)	C Name of organization <u>KAMEHAMEHA SCHOOLS</u>		D Employer identification number <u>99-0073480</u>
	Number and street (or P.O. box if mail is not delivered to street address) <u>P.O. BOX 3466</u>		E Telephone number <u>(808) 523-6200</u>
	City or town, state or country, and ZIP <u>HONOLULU HI 96801</u>		F Check <input type="checkbox"/> if application pending

G Organization type (check only one) ☒ 501(c)(3) (insert no) ☐ 527
OR ☐ 4947(a)(1)

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

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) _____

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

(H and I are not applicable to section 527 orgs.)

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? N/A ☐ Yes ☐ No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Enter 4-digit group exemption no. (GEN)

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ☐

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received	STATEMENT 15			
	a Direct public support	1a			
	b Indirect public support	1b	73,933,000.		
	c Government contributions (grants)	1c	2,696,027.		
	d Total (add lines 1a through 1c)				
	Cash \$ <u>76,629,027.</u> noncash \$ <u> </u>			1d	76,629,027.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	2,312,825.
	Membership dues and assessments			3	
	Interest on savings and temporary cash investments			4	1,510,508.
	Dividends and interest from securities			5	47,492,250.
Revenue	6 Gross rents	6a	138,572,451.		
	b Less: rental expenses	6b	65,378,538.		
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	73,193,913.
	7 Other investment income (describe OTHER INVESTMENT INCOME (LOSS))			7	<17,540,132.>
	8 a Gross amount from sale of assets other than inventory STATEMENT 16	(A) Securities	(B) Other		
		2,772,179,046.	86,901,088.		
	b Less: cost or other basis and sales expenses			8b	907,823.
	c Gain or (loss) (attach schedule)			8c	85,993,265.
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	STMT 3	STMT 4	8d	103,766,134.
	9 Special events and activities (attach schedule)				
Revenue	a Gross revenue (not including \$ <u> </u> of contributions reported on line 1a)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
	10 a Gross sales of inventory, less returns and allowances	10a			
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
	11 Other revenue (from Part VII, line 103)			11	16,206,841.
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	303,571,366.
	13 Program services (from line 44, column (B))			13	138,684,875.
	14 Management and general (from line 44, column (C))			14	22,811,287.
Expenses	15 Fundraising (from line 44, column (D))			15	
	16 Payments to affiliates (attach schedule)			16	
	17 Total expenses (add lines 16 and 44, column (A))			17	161,496,162.
	18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	142,075,204.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	3,346,844,726.
	20 Other changes in net assets or fund balances (attach explanation)	SEE STATEMENT 5		20	548,383,887.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	4,037,303,817.

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.

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
22 Grants and allocations (attach schedule) cash \$ 15,444,430, noncash \$	22 15,444,430.	15,444,430.	STMT 6	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25 1,727,412.	522,500.	1,204,912.	0.
26 Other salaries and wages	26 59,781,471.	45,307,761.	14,473,710.	
27 Pension plan contributions	27			
28 Other employee benefits	28 13,421,971.	11,662,615.	1,759,356.	
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31 603,878.		603,878.	
32 Legal fees	32 5,562,899.		5,562,899.	
33 Supplies	33 6,868,806.	5,503,624.	1,365,182.	
34 Telephone	34 1,385,084.	299,897.	1,085,187.	
35 Postage and shipping	35 340,567.	230,586.	109,981.	
36 Occupancy	36 732,529.	702,781.	29,748.	
37 Equipment rental and maintenance	37 3,288,598.	786,295.	2,502,303.	
38 Printing and publications	38 620,085.	556,301.	63,784.	
39 Travel	39 768,998.	584,938.	184,060.	
40 Conferences, conventions, and meetings	40 568,554.	309,260.	259,294.	
41 Interest	41 1,490,595.		1,490,595.	
42 Depreciation, depletion, etc (attach schedule)	42 13,179,109.	11,022,027.	2,157,082.	
43 Other expenses (itemize)				
a SEE STATEMENT 18	43a 35,711,176.	45,751,860.	<10,040,684.>	
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 161,496,162.	138,684,875.	22,811,287.	0.

Reporting of Joint Costs Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?

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 \$ _____.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ►

SEE STATEMENT 19-22

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
 (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)

a SEE STATEMENT 23-31		
	(Grants and allocations \$ 15,444,430.)	138,684,875.
b		
	(Grants and allocations \$)	
c		
	(Grants and allocations \$)	
d		
	(Grants and allocations \$)	
e Other program services (attach schedule)	(Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		138,684,875.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing		45		
	46 Savings and temporary cash investments	213,558,107.	46	105,482,212.	
	47 a Accounts receivable	47a 19,020,235.			
	b Less allowance for doubtful accounts	47b 11,311,279.	85,503,156.	47c 7,708,956.	
	48 a Pledges receivable	48a			
	b Less allowance for doubtful accounts	48b		48c	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees			50	
	51 a Other notes and loans receivable	51a 15,365,068.			
	b Less allowance for doubtful accounts	51b	18,758,318.	51c 15,365,068.	
	52 Inventories for sale or use		976,904.	52 889,334.	
	53 Prepaid expenses and deferred charges		27,259,592.	53 25,725,898.	
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a Investments - land, buildings, and equipment basis	55a			
	b Less accumulated depreciation	55b		55c	
56 Investments - other	SEE STATEMENT 7	2,834,069,611.	56	3,648,194,398.	
57 a Land, buildings, and equipment, basis	57a 683,766,390.				
b Less accumulated depreciation	57b 205,127,202.	482,801,519.	57c 478,639,188.		
58 Other assets (describe <input type="checkbox"/>)			58		
59 Total assets (add lines 45 through 58) (must equal line 74)		3,662,927,207.	59	4,282,005,054.	
Liabilities	60 Accounts payable and accrued expenses		25,930,408.	60	42,665,636.
	61 Grants payable			61	
	62 Deferred revenue		14,058,259.	62	21,172,533.
	63 Loans from officers, directors, trustees, and key employees			63	
	64 a Tax-exempt bond liabilities			64a	
	b Mortgages and other notes payable		213,832,076.	64b	118,575,000.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 8)		62,261,738.	65	62,288,068.
66 Total liabilities (add lines 60 through 65)		316,082,481.	66	244,701,237.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted		3,346,844,726.	67	4,037,303,817.
	68 Temporarily restricted			68	
	69 Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds			70	
	71 Paid-in or capital surplus, or land, building, and equipment fund			71	
	72 Retained earnings, endowment, accumulated income, or other funds			72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)		3,346,844,726.	73	4,037,303,817.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		3,662,927,207.	74	4,282,005,054.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements With Expenses per Return
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a	Total expenses and losses per audited financial statements	a	321,381,133.
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	STMT 10 \$ 163,469,996.		
	Add amounts on lines (1) through (4)	b	163,469,996.
c	Line a minus line b	c	157,911,137.
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	STMT 12 \$ 3,585,025.		
	Add amounts on lines (1) and (2)	d	3,585,025.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	161,496,162.

[illegible]

☐ Yes ☒ No

Part VI Other Information

	N/A	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		x
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		x
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	x	
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	x	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement.	79		x
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	x	
b If "Yes," enter the name of the organization STATEMENT 34 and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81 a Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a		0.
b Did the organization file Form 1120-POL for this year?	81b		x
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		x
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b		N/A
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	x	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	x	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		x
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		N/A
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a		N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b		N/A
c Dues, assessments, and similar amounts from members	85c		N/A
d Section 162(e) lobbying and political expenditures	85d		N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g		N/A
h If section 6033(e)(1)(A) dues notice were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		N/A
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a		N/A
b Gross receipts, included on line 12, for public use of club facilities	86b		N/A
87 501(c)(12) organizations Enter a Gross income from members or shareholders	87a		N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	x	
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>			
b 501(c)(3) and 501(c)(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," attach a statement explaining each transaction STATEMENT 35	89b	x	
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d Enter Amount of tax on line 89c, above, reimbursed by the organization			0.
90 a List the states with which a copy of this return is filed <u>N/A</u>	90a		
b Number of employees employed in the pay period that includes March 12, 2000	90b		1362

91 The books are in care of **CONTROLLER** Telephone no **(808) 523-6200**
 Located at **567 SOUTH KING STREET SUITE 200, HON, HI** ZIP code **96813**

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ☐
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 **N/A**

Part VII Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a TUITION					4,147,613.
b FOOD SERVICE					1,921,284.
c OTHER REVENUE					1,685,308.
d LESS: FINANCIAL AID					<5,441,380.>
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments		0.14		1,510,508.	
96 Dividends and interest from securities			14	47,492,250.	
97 Net rental income or (loss) from real estate					
a debt-financed property			38	<352,549.>	
b not debt-financed property	900003	62,205.	16	73,484,257.	
98 Net rental income or (loss) from personal property					
99 Other investment income STATEMENT 36		4,350,416.	18	<21,890,548.>	
100 Gain or (loss) from sales of assets other than inventory			18	103,766,134.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a OTHER REVENUE STATEMENT 36	900003	2,017,727.	01	14,189,114.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		6,430,348.		218,199,166.	2,312,825.
105 Total (add line 104, columns (B), (D), and (E))					226,942,339.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes

Line No ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93	SEE STATEMENT 37

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE STATEMENT 38	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Preparing schedules and statements, and to the best of my knowledge and belief, it is true, information of which preparer has any knowledge (Important See General Instruction W)

10/02

ERIC YEAMAN, COO/CFO

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information

► MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2000

Name of the organization

KAMEHAMEHA SCHOOLS

Employer identification number

99 0073480

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions List each one If there are 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 & deferred compensation	(e) Expense account and other allowances
G. ISHIKAWA 567 S. KING ST., STE 200, HONO, HI	TAX DIRECTOR FULL	271,610.	9,736.	1,800.
R. PARK 567 S. KING ST., STE 200, HONO, HI	ADM/PLNG DIR FULL	260,023.	1,895.	2,375.
K. TESHIMA 567 S. KING ST., STE 200, HONO, HI	APPRAISAL DIR FULL	214,627.	7,659.	1,800.
N. AIPA 567 S. KING ST., STE 200, HONO, HI	INTERIM CAO FULL	413,630.	8,285.	2,850.
D. KEALOHA 567 S. KING ST., STE 200, HONO, HI	INTERIM CAO FULL	176,882.	3,421.	1,800.
Total number of other employees paid over \$50,000	355			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
GROUP 70 INTERNATIONAL 925 BETHEL STREET 5TH FLOOR, HON, HI 96813	ARCHITECT	2,815,852.
ARTHUR ANDERSEN LLP 737 BISHOP ST, STE 2900, HON, HI 96813	CONSULTING	2,103,742.
MILLER & CHEVALIER 655 FIFTEENTH STREET NW STE 900, DC 20005	LEGAL	1,845,817.
MORGAN LEWIS & BOCKIUS LLP 1800 M. STREET NW, DC 20036	LEGAL	986,163.
PRICEWATERHOUSECOOPERS LLP P.O. BOX 7247-8001, PA 19170-8001	CONSULTING	885,448.
Total number of others receiving over \$50,000 for professional services	108	

Part III Statements About Activities

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1	x	
If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ 81,749.				
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities				
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary?			
a	Sale, exchange, or leasing of property?	2a	x	
b	Lending of money or other extension of credit?	2b	x	
c	Furnishing of goods, services, or facilities?	2c	x	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	x	
e	Transfer of any part of its income or assets?	2e		x
If the answer to any question is "Yes," attach a detailed statement explaining the transactions		SEE STATEMENT 13		
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	x	
4 a	Do you have a section 403(b) annuity plan for your employees?	4a	x	
b	Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments (See page 2 of the instructions)	STATEMENT 39		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 ☒ A school Section 170(b)(1)(A)(ii) (Also complete Part V, page 5)
- 7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 ☐ A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **▶**
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ 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 charitable, etc., 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) (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Schedule A (Form 990 or 990-EZ) 2000

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
Note. You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

N/A

Calendar year (or fiscal year beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization a benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	26a	N/A
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts		26b	N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)		26c	N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____		26d	N/A
e Public support (line 26c minus line 26d total)		26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	N/A %

27 Organizations described on line 12

a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year:

(1999)

(1998)

(1997)

(1996)

b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(1999)

(1998)

(1997)

(1996)

c Add: Amounts from column (e) for lines 15 _____ 16 _____
17 _____ 20 _____ 21 _____

27c

N/A

d Add: Line 27a total _____ and line 27b total _____

27d

N/A

e Public support (line 27c total minus line 27d total)

27e

N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)

27f

N/A

g Public support percentage (line 27e (numerator) divided by line 27f (denominator))

27g

N/A

%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))

27h

N/A

%

28 Unusual Grants For an organization described in line 10, 11, or 12, that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)

Part V Private School Questionnaire**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	x	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	x	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.) KAMEHAMEHA SCHOOLS PUBLICIZES ANNOUNCEMENTS RELATING TO ADMISSIONS APPLICATION AVAILABILITY IN ALL LOCAL NEWSPAPERS AND PERIODIC HAWAIIAN PUBLICATIONS.	x	
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	x	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	x	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	x	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	x	
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		x
b Admissions policies?		x
c Employment of faculty or administrative staff?		x
d Scholarships or other financial assistance?		x
e Educational policies?		x
f Use of facilities?		x
g Athletic programs?		x
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)		x
34 a Does the organization receive any financial aid or assistance from a governmental agency? STATEMENT 40	x	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		x
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	x	

Schedule A (Form 990 or 990-EZ) 2000

Part VI-A Lobbying Expenditures by Electing Public Charities

(To be completed ONLY by an eligible organization that filed Form 5768)

Check here ☐ If the organization belongs to an affiliated group
 Check here ☐ If you checked "a" above and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	81,749.
38	Total lobbying expenditures (add lines 36 and 37)	38	81,749.
39	Other exempt purpose expenditures	39	161,414,413.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	161,496,162.
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	1,000,000.
42	Grassroots nontaxable amount (enter 25% of line 41)	42	250,000.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 9 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
45 Lobbying nontaxable amount	1,000,000.	1,000,000.	100,000.		2,100,000.
46 Lobbying ceiling amount (150% of line 45(e))					3,150,000.
47 Total lobbying expenditures	81,749.	84,431.			166,180.
48 Grassroots nontaxable amount	250,000.	250,000.			500,000.
49 Grassroots ceiling amount (150% of line 48(e))					750,000.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A)

	N/A		Amount
	Yes	No	
During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers			
b Paid staff or management (include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

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

51 Did the reporting 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 organization to a noncharitable exempt organization of

(i) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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 organization. If the organization 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.

	Yes	No
51a(i)		x
a(ii)		x
b(i)		x
b(ii)		x
b(iii)		x
b(iv)		x
b(v)		x
b(vi)		x
c		x

N/A

[illegible]

52 a Is the organization 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

N/A

[illegible]

Schedule B
(Form 990 or 990-EZ)

Schedule of Contributors

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

Supplementary Information for line 1d of Form 990 or
line 1 of Form 990-EZ (see instructions)

2000

Name of organization

KAMEHAMEHA SCHOOLS

Employer identification number

99-0073480

Organization type (check one)-Section ☒ 501(c)(3) (enter number) ☐ 527 or ☐ 4947(a)(1) nonexempt charitable trust

A Section 501(c)(7), (8), or (10) organizations-

Check this box if the organization had no charitable contributors who contributed more than \$1,000 during the year (But see **General rule** below) ☐

Enter here the total gifts received during the year for a religious, charitable, etc., purpose **\$**

Note: This form is generally not open to public inspection except for section 527 organizations.

General Instructions

Purpose of Form

Schedule B (Form 990 or 990-EZ) is used by organizations required to file Form 990, Return of Organization Exempt From Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt From Income Tax, to provide the information regarding their contributors that is required for line 1d of Form 990 (or line 1 of Form 990-EZ).

Attach the Schedule B (Form 990 or 990-EZ) to Form 990 or 990-EZ. Attach Schedule B after Schedule A (Form 990 or 990-EZ), Organization Exempt Under Section 501(c)(3), if that return is required for the organization.

Who Must File Schedule B (Form 990 or 990-EZ)

All organizations must file Schedule B (Form 990 or 990-EZ) unless they certify that they do not meet the filing requirements of Schedule B (Form 990 or 990-EZ) by checking the box in item L of the heading of their Form 990 or Form 990-EZ.

See the instructions for item L in the Instructions for Form 990 and Form 990-EZ.

Caution Schedule B (Form 990 or 990-EZ) is not a substitute for the list of "contributors" required for Part IV-A, Support Schedule, of Schedule A (Form 990 or 990-EZ).

Public Inspection

Schedule B (Form 990 or 990-EZ) is

- Open to public inspection for a section 527 political organization.
- Generally not open to public inspection for the other organizations that must file this form.

If a non-section 527 organization files a copy of Form 990, or Form 990-EZ, and attachments with any state, it should not include its Schedule B (Form 990 or 990-EZ) in the attachments for the state unless a schedule of contributors is specifically required by the state. States that do not require the information might make the schedule available for public inspection along with the rest of the Form 990 or Form 990-EZ.

See the Instructions for Form 990 and Form 990-EZ for phone help and the public inspection rules for those forms and their attachments, which include Schedule B (Form 990 or 990-EZ).

Contributors Required To Be Listed On Part I

"Contributor" includes individuals, fiduciaries, partnerships, corporations, associations, trusts, and exempt organizations.

General rule. Unless the organization is covered by one of the special rules below, it must list on Part I every contributor who during the year, gave the organization directly or indirectly, money, securities, or any other type of property totaling \$5,000 or more for the year. Also complete Part II for a noncash contribution. In determining the \$5,000 amount, total all of the contributor's gifts of \$1,000 or more for the year.

Section 501(c)(3) organizations. For an organization described in section 501(c)(3) that meets the 33 1/3% support test of the Regulations under sections 509(a)(1)/170(b)(1)(A)(vi) (whether or not the organization is otherwise described in section 170(b)(1)(A))-

List in Part I only those contributors whose contribution of \$5,000 or more is greater than 2% of the amount reported on line 1d of Form 990 (or line 1 of Form 990-EZ) (Regulations section 1.6033-2(a)(2)(iii)(a)).

Example. A section 501(c)(3) organization, of the type described above, reported \$700,000 in total contributions, gifts, grants, and similar amounts received on line 1d of its Form 990. The organization is only required to list in Parts I and II of its Schedule B (Form 990 or 990-EZ) each person who contributed more than the

greater of \$5,000 or \$14,000 (2% of \$700,000). Thus, a contributor who gave a total of \$11,000 would not be reported in Parts I and II for this section 501(c)(3) organization. Even though the \$11,000 contribution to the organization exceeded \$5,000, it did not exceed \$14,000.

Section 501(c)(7), (8), or (10) organizations. For noncharitable contributions to one of these organizations, list in Part I contributors who gave \$5,000 or more as described in the **General rule** discussed above.

If a section 501(c)(7), (8), or (10) organization received contributions or bequests for use exclusively for religious, charitable, etc., purposes (sections 170(c)(4), 2055(a)(3), or 2522(a)(3))-

List in Part I each contributor whose contributions total more than \$1,000 during the year that were for a religious, charitable, etc., purpose. To determine the \$1,000, aggregate all of a contributor's gifts for the year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that received any charitable contributions and listed any charitable contributors on Part I must also complete Part III.

If section 501(c)(7), (8), or (10) organization received charitable gifts, but is not required to list any charitable contributors on Part I, check the box on line A at the top of Schedule B (Form 990 or 990-EZ) and enter the amount of charitable contributions received in the space provided. The organization need not complete and attach Part III.

Specific Instructions

Note. You may duplicate Parts I, II, and III if more copies are needed. Number each page of each Part.

Part I. In column (a), identify the first contributor listed as no. 1 and the second contributor as no. 2, etc. Number consecutively. Show the contributor's name, address, aggregate contributions for the year, and the type of contribution (e.g., whether an individual, payroll, or noncash contribution). Report payroll contributions by listing the employer's name, address, and total amount given (unless an employee gave enough to be listed individually).

Part II. In column (a), show the number that corresponds to the contributor's number in Part I. Describe the noncash contribution fully. Report on property with readily determinable market value (i.e., market quotations for securities) by listing its fair market value (FMV). For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the bona fide bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property's fair market value.

Part III. Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes, must complete Parts I through III for those persons whose gifts totaled more than \$1,000 during the year. Show also, in the heading of Part III, total gifts that were \$1,000 or less and were for a religious, charitable, etc., purpose. Complete this information only on the first Part III page.

If an amount is set aside for a religious, charitable, etc., purpose, show in column (d) how the amount is held (e.g., whether it is mingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column (e) and explain the relationship between the two organizations.

Name of organization

Employer identification number

KAMEHAMEHA SCHOOLS

99-0073480

Part I Contributors

(a) No.	(b) Name, address and ZIP code	(c) Aggregate contributions	(d) Type of contribution
1		\$ 73,933,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
2		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
3		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
4		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
5		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
6		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)

KAMEHAMEHA SCHOOLS
FORM 990, PART I, LIST OF CONTRIBUTORS (NOT OPEN TO PUBLIC INSPECTION)
JUNE 30, 2001

99-0073480

<u>NAME AND ADDRESS</u>	<u>INDIRECT PUBLIC SUPPORT</u>	<u>GOVERNMENT GRANTS</u>
	73,933,000	
		305,300
		854,964
		1,176,260
		134,643
		224,860
TOTAL	<u>73,933,000</u>	<u>2,696,027</u>

STATEMENT 14 IS NOT USED

STATEMENT 15

FORM 990

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
RENTAL INCOME	1	138,572,451.
TOTAL TO FORM 990, PART I, LINE 6A		138,572,451.

FORM 990

RENTAL EXPENSES

STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
RENTAL EXPENSES		65,378,538.	
- SUBTOTAL -	1		65,378,538.
TOTAL TO FORM 990, PART I, LINE 6B			65,378,538.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 3

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SECURITIES	2,772,179,046.	2,754,406,177.	0.	17,772,869.
TO FORM 990, PART I, LINE 8	2,772,179,046.	2,754,406,177.	0.	17,772,869.

FORM 990

GAIN (LOSS) FROM SALE OF OTHER ASSETS

STATEMENT

4

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
OTHER			PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	86,901,088.	548,367.	359,456.	0.	85,993,265.
TO FM 990, PART I, LN 8	86,901,088.	548,367.	359,456.	0.	85,993,265.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
DESCRIPTION		AMOUNT	
UNREALIZED LOSSES & RESERVE ON INVESTMENTS		<116,339,238.>	
EQUITY IN EARNINGS OF AFFILIATE OR SUBSIDIARY		664,723,125.	
TOTAL TO FORM 990, PART I, LINE 20		548,383,887.	

FORM 990

CASH GRANTS AND ALLOCATIONS
APPROVED BUT NOT PAID BY FILING DEADLINE

STATEMENT 6

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SEE STATEMENT 17			NONE	15,444,430.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				15,444,430.

FORM 990	OTHER INVESTMENTS	STATEMENT 7
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DESCRIPTION	VALUATION METHOD	AMOUNT
INVESTMENT - SECURITIES	MARKET VALUE	1,320,881,443.
INVESTMENT IN SUPPORT ORGANIZATIONS & SUBSIDIARY	COST	2,327,312,955.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		3,648,194,398.

FORM 990	OTHER LIABILITIES	STATEMENT	8
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DESCRIPTION

AMOUNT

ACCruED POSTRETIReMENT	18,868,252.
DEFERRED COMPENSATION PLAN	12,345,283.
ACCruED PENSION LIABILITY	31,074,533.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	62,288,068.

FORM 990

OTHER REVENUE NOT INCLUDED ON FORM 990

STATEMENT

9

DESCRIPTION

AMOUNT

ACTIVITIES OF WHOLLY OWNED SUBSIDIARY

98,091,458

INVESTMENT EXPENSES

<3,585,025.>

UNREALIZED LOSSES AND RESERVE ON INVESTMENTS

<116,339,238.>

EQUITY IN EARNINGS OF SUBSIDIARY AND AFFILIATES

664,723,125.

TOTAL TO FORM 990, PART IV-A

642,890,320.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 10
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DESCRIPTION

AMOUNT

GROSS RENT EXPENSE	65,378,538.
ACTIVITIES OF WHOLLY OWNED SUBSIDIARY	98,091,458.
TOTAL TO FORM 990, PART IV-B	163,469,996.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT 11
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DESCRIPTION

AMOUNT

GROSS RENT EXPENSES

<65,378,538.>

TOTAL TO FORM 990, PART IV-A

<65,378,538.>

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT 12
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DESCRIPTIONAMOUNT

INVESTMENT EXPENSES

3,585,025.

TOTAL TO FORM 990, PART IV-B

3,585,025.

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH DIRECTORS, STATEMENT 13
TRUSTEES, PRINCIPAL OFFICERS OR CREATOR
PART III, LINE 2

LINE 2(A) VARIOUS PROPERTIES ARE LEASED TO WHOLLY OWNED SUBSIDIARIES
 BASED ON BUSINESS TERMS & CONDITIONS

LINE 2(B) LOANS AND EXTENSIONS OF CREDIT ARE PROVIDED TO WHOLLY OWNED SUBS
 BASED ON COMMERCIAL TERMS AND CONDITIONS

LINE 2(C) CAMPUS LODGING IS PROVIDED TO CERTAIN KEY INDIVIDUALS AS A
 CONDITION OF EMPLOYMENT UNDER IRC SECTION 119(D)

LINE 2(D) SEE FORM 990, PART V

ALL ABOVE ACTIVITIES WERE PREVIOUSLY APPROVED BY THE BOARD
OF DIRECTORS

FORM 990, PART I - REVENUE, EXPENSES, AND CHANGES IN NET ASSETS OR FUND
BALANCES, LINE 8C

LAND SALES AND EXCHANGES ARE COMPRISED PRIMARILY OF CONDEMNATION PROCEEDS RECEIVED FROM THE STATE OF HAWAII AND THE CITY AND COUNTY OF HONOLULU, OR A PLANNED PROGRAM OF LIQUIDATION COVERED UNDER IRS PRIVATE LETTER RULINGS. COST BASIS INFORMATION IS NOT READILY AVAILABLE, HOWEVER, SUBSTANTIALLY ALL LANDS SOLD WERE HELD SINCE THE INCEPTION OF THE BERNICE PAUHI BISHOP ESTATE IN 1884.

	Gross Proceeds	Cost, Sales Expenses	Net Gain
Securities	\$2,772,179,046	\$2,754,406,177	\$17,772,869
Land Sales & Other	86,901,088	907,823	85,993,265
	<u>\$2,859,080,134</u>	<u>\$2,755,314,000</u>	<u>\$103,766,134</u>

FORM 990, PART II - STATEMENT OF FUNCTIONAL EXPENSES, LINE 22

FINANCIAL AID SCHOLARSHIPS WERE PROVIDED TO APPROXIMATELY 12,148 STUDENTS
DETAILS ARE AVAILABLE UPON REQUEST

THE FOLLOWING IS AN EXCERPT FROM THE ANNUAL REPORT

KAMEHAMEHA SCHOOLS FINANCIAL AID

Kamehameha Schools increased its contribution to financial aid and scholarships in the 2000-2001 academic and fiscal year by \$437,000

By year's end, KS' Financial Aid Department – along with the Post-High Counseling Department – were administratively transferred into Ke Ali'i Pauahi Foundation. From that platform, Financial Aid will continue to administer KS' pre-kindergarten through post-high financial aid and scholarships that benefit students of Hawaiian ancestry.

KAMEHAMEHA SCHOOLS-FUNDED FINANCIAL AID*

	Amount	Applications	Recipients	Percent Awarded
Preschool-Grade 12				
Preschool	\$262,910	593	489	82.5%
Elementary	\$699,982	730	635	87.0%
KS Secondary School	\$3,173,046	1,755	1,530	87.2%
Summer Programs				
KS Campus Program	\$712,120	3,115	2,522	81.0%
KS/DOE Summer Program	\$494,515	3,285	3,172	96.6%
Post-High School				
KS Graduates	\$8,185,594	1,972	1,288	65.3%
Non-KS Graduates	\$6,216,524	4,557	1,751	38.4%
KS/Alu Like Vocational Programs	\$1,033,649	713	670	94.0%
Other Programs				
Ho'omaka Hou	<u>\$107,471</u>	<u>97</u>	<u>91</u>	<u>93.8%</u>
Total KS Funded Aid	\$20,885,811	16,817	12,148	72.2%
Less Financial Aid of Program Services	<u>(\$5,441,380)</u>			
Grants and Allocations	\$15,444,430			

Source: Kamehameha Schools Financial Aid Division

In addition to KS-funded financial aid and scholarship programs, to help expand services to Hawaiian students, Kamehameha's Financial Aid Division assists other agencies and private funding sources with the administration of scholarships, grants and programs that benefit Hawaiians.

KAMEHAMEHA SCHOOLS

99-0073480

FORM 990, PART II, STATEMENT OF FUNCTIONAL EXPENSES, LINE 43, OTHER EXPENSES

JUNE 30, 2001

	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>
PROFESSIONAL AND OTHER SERVICES	9,720,062	2,637,967	7,082,095	NONE
INSURANCE	4,024,025	1,464,076	2,559,949	
UTILITIES	2,162,263	2,158,595	3,668	
REPAIRS AND ALTERATIONS	5,835,725	5,601,757	233,968	
PROVISION FOR UNCOLLECTIBLE ACCTS	4,560,470	145,063	4,415,407	
FOOD SERVICE	2,272,707	2,272,707	0	
INVESTMENT EXPENSE	3,585,025	0	3,585,025	
INCOME TAXES	1,027,000	0	1,027,000	
OTHER TAXES	240,245	37,077	203,168	
REAL PROPERTY TAXES	27,641	27,641	0	
OTHER	2,256,013	1,983,939	272,074	
ALLOCATION OF INDIRECT G&A COSTS	0	29,423,038	(29,423 038)	
TOTAL	35,711,176	45,751,860	(10,040,684)	NONE

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

KAMEHAMEHA SCHOOLS WAS ESTABLISHED UNDER THE AUSPICES OF THE WILL AND CODICILS OF BERNICE PAUAHI BISHOP IN 1887 AND IS NOW ONE OF THE LARGEST PRIVATE SCHOOLS IN THE UNITED STATES SERVING GRADES K-12 AND PRESCHOOL FOR OVER ONE HUNDRED YEARS, KAMEHAMEHA SCHOOLS HAS CONTINUOUSLY PROVIDED QUALITY EDUCATION TO DESCENDENTS OF HAWAIIAN ANCESTRY

THE ATTACHED ARE EXCERPTS FROM THE STRATEGIC PLAN 2000-2015

Ke Ali'i Pauahi's Will

The Will and Codicils of Bernice Pauahi Bishop established Kamehameha Schools. They grant broad powers to the trustees to determine the character of the education offered and to manage the schools and endowment.



Bernice Pauahi Bishop

The Will and Codicils in pertinent part state

"Thirteenth I give, devise and bequeath all of the rest, residue and remainder of my estate real and personal, wherever situated unto the trustees below named, their heirs and assigns forever, to hold upon the following trusts, namely to erect and maintain in the Hawaiian Islands two schools, each for boarding and day scholars, one for boys and one for girls, to be known as, and called the Kamehameha Schools

"I direct my trustees to expend such amount as they may deem best, not to exceed however one-half of the fund which may come into their hands, in the purchase of suitable premises, the erection of school buildings, and in furnishing the same with the necessary and appropriate fixtures furniture and apparatus

"I direct my trustees to invest the remainder of my estate in such manner as they may think best, and to expend the annual income in the maintenance of said schools, meaning thereby the salaries of teachers, the repairing buildings and other incidental expenses, and to devote a portion of each years income to the support and education of orphans, and others in indigent circumstances, giving the preference to Hawaiians of pure or part aboriginal blood, the proportion in which said annual income is to be divided among the various objects above mentioned to be determined solely by my said trustees they to have full discretion

"I desire my trustees to provide first and chiefly a good education in the common English branches, and also instruction in morals and in such useful knowledge as may tend to make good and industrious men and women, and I desire instruction in the higher branches to be subsidiary to the foregoing objects

"For the purposes aforesaid I grant unto my said trustees full power to lease or sell any portion of my real estate, and to reinvest the proceeds and the balance of my estate in real estate, or in such other manner as to my said trustees may seem best

"I also give unto my said trustees full power to make all such rules and regulations as they may deem necessary for the government of said schools and to regulate the admission of pupils, and the same to alter, amend and publish upon a vote of a majority of said trustees

"I also direct that my said trustees shall annually make a full and complete report of all receipts and expenditures, and of the condition of said schools to the Chief Justice of the Supreme Court, or other highest judicial officer in this country, and shall also file before him annually an inventory of the property in their hands and how invested, and to publish the same in some Newspaper published in said Honolulu, I also direct my said trustees to keep said school buildings insured in good Companies, and in case of loss to expend the amounts recovered in replacing or repairing said buildings

"I also direct that the teachers of said schools shall forever be persons of the Protestant religion, but I do not intend that the choice should be restricted to persons of any particular sect of Protestants " (Will of Bernice Pauahi Bishop, paragraph 13)

"17th I give unto the trustees named in my will the most ample power to sell and dispose of any lands or other portion of my estate, and to exchange lands and otherwise dispose of the same, and to purchase land, and to take leases of land whenever they think it expedient, and generally to make such investments as they consider best, but I direct that my said trustees shall not purchase land for said schools if any lands come into their possession under my will which in their opinion may be suitable for such purpose, and I further direct that my said trustees shall not sell any real estate, cattle ranches, or other property, but to continue and manage the same, unless in their opinion a sale may be necessary for the establishment or maintenance of said schools, or for the best interest of my estate And I give unto my executors named in my said will full power to sell any portion of my real estate for the purpose of paying debts or legacies without obtaining leave of Court, and to give good and valid deeds for the same, the purchasers under which are not to be responsible for the application of the purchase money" (Codicil 1, paragraph 17)

"4th Of the two schools mentioned in the thirteenth article of my said will, I direct the school for boys shall be well established and in efficient operation before any money is expended or anything is undertaken on account of the new school for girls It is my desire that my trustees should do thorough work in regard to said schools as far as they go and I authorize them to defer action in regard to the establishment of said school for girls, if in their opinion from the condition of my estate it may be expedient, until the life estates created by my said will have expired, and the lands so given shall have fallen into the general fund I also direct that my said trustees shall have power to determine to what extent said school shall be industrial, mechanical, or agricultural, and also to determine if tuition shall be charged in any case " (Codicil 2, paragraph 4)

At the first Founder's Day ceremony in December, 1889, Charles Reed Bishop, Pauahi's husband and a member of Kamehameha's first Board of Trustees, elaborated on her intentions



Charles Reed Bishop

"Bernice Pauahi Bishop, by founding the Kamehameha Schools, intended to establish institutions which should be of lasting benefit to her country The founder of these schools was a true Hawaiian She knew the advantages of education and well directed industry Industrious and skillful herself, she respected those qualities in others Her heart was heavy, when she saw the rapid diminution of the Hawaiian people going on decade after decade and felt it was largely the result of their ignorance The hope that there would come a turning point, when, through enlightenment, the adoption of regular habits and Christian ways of living, the natives would not only hold their numbers, but would increase again, like the people of other races, at time grew faint, and almost died out And so, in order that her own people might have the opportunity for fitting themselves for such competition, and be able to hold their own in a manly and friendly way, without asking any favors which they were not likely to receive, these schools were provided for, in which Hawaiians have the preference, and which she hoped they would value and take the advantages of as fully as possible " (Handicraft, Vol 1, No 1, January, 1889 Honolulu H I)

Vision

Kamehameha Schools is a dynamic and nurturing learning community committed to educational excellence. We assist people of Hawaiian ancestry to achieve their highest potential as "good and industrious men and women." We do so by contributing to their development as people who are

- grounded in spiritual and Christian values,
- intellectually, emotionally, and socially self-reliant,
- resourceful, resilient, life-long learners,
- equipped with the skills they need to succeed in endeavors of their choosing,
- responsible, ethical, contributing members of their multi-cultural and diverse communities, and
- prepared to practice and perpetuate the Hawaiian values and traditions of Ke Ali'i Pauahi.

Mission

Kamehameha Schools' mission is to fulfill Pauahi's desire to create educational opportunities in perpetuity to improve the capability and well-being of people of Hawaiian ancestry.



FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

KAMEHAMEHA SCHOOLS SERVES FULL-TIME STUDENTS AND PARTICIPANTS THROUGH ITS EDUCATIONAL EXTENSION PROGRAMS (E G SUMMER PROGRAMS, GRANTS, K-3 READING PROGRAMS AND KS/DOE PROGRAMS) THE PROGRAMS FOCUS ON PROVIDING EDUCATION TO CHILDREN OF HAWAIIAN DESCENT

THE FOLLOWING IS AN EXCERPT FROM THE ANNUAL REPORT

EDUCATION OVERVIEW

Building an educational system to embody the goals set forth in *Kamehameha Schools Strategic Plan 2000-2015* – guided our endeavors in the opening year of the 21st century at Kamehameha Schools

BUILDING AN EXPANDING SYSTEM

Kamehameha's system-wide enrollment – in Kindergarten through Grade 12 (K-12) campuses – reached 3,534 students for the 2000-2001 year Enrollment in KS' Early Childhood Education program rose to an all-time high of 1,057, making the total 4,591 full-time student population the largest ever at Kamehameha

TOTAL ENROLLMENT BY PROGRAM – 2000-2001

Official enrollment for the 2000-2001 school year as of September 1, 2000

Program	Number	
	Program	Campus
O'ahu Campus		3,184
Elementary (KES – K-6)*	752	
Middle School (7-8)	636	
Secondary School (9-12)	1,796	
Hawai'i Campus		174
Elementary (K-5)	126	
Middle School (6-7)	48	
Maui Campus		176
Elementary (K-5)	128	
Middle School (6-7)	48	
Preschool Enrollment		1,057
O'ahu Preschools	471	
Hawai'i Preschools	386	
Kaua'i Preschools	106	
Maui Preschools	74	
Moloka'i Preschool	20	
Total Program Enrollment		4,591

Source School Administrative Student Information (SASI) Database

*Hawai'i and Maui Campuses have formally adopted a middle school structure that will ultimately encompass grades 6-8 KS O'ahu Campus has not transferred grade 6 to the middle school at this time

While K-12 enrollment figures for KS O'ahu Campus are expected to remain stable – at approximately 3,100 students – enrollment at Kamehameha's Hawai'i and Maui Campuses should reach more than 1,000 students at each facility within the next five years Kamehameha seeks 5,000 K-12 students enrolled system-wide by 2005

KAMEHAMEHA SECONDARY SCHOOL O'AHU CAMPUS

The Class of 2001 added 436 new graduates to Kamehameha Schools 18,504 alumni who earned diplomas between 1891 and 2000. Sixty graduates received Academic Honors Diplomas by earning an overall grade point average of 3.5 or higher, completing a minimum of 12 honors credits and enrolling in an Advanced Placement, fourth-year language or university course during their senior year.

ENROLLMENT

Kamehameha Secondary School

Official enrollment for the 2000-2001 school year as of September 1, 2000

Grade 7	320
Grade 8	316
Grade 9	450
Grade 10	450
Grade 11	449
Grade 12	447
Division Total	2,432

Source: SASI Database

CAMPUS CONSTRUCTION

Renovation of Keawe Locker Room was finished and the Kūnuiākea Athletic Complex neared completion by the end of the 2000-2001 academic year. Located below Mawaena field, the \$13-million Kūnuiākea complex consists of a 400-meter all-weather track, a natural turf field for football and soccer, and bleacher seating for 3,000.

Derived from a name given to Kamehameha in conjunction with his custodial obligations to the war image Kūkā'ūmoku, also known as Kūnuiākea, a committee of KS cultural experts named the complex Kūnuiākea – "Stand amidst grand expanse."

KAMEHAMEHA ELEMENTARY SCHOOL O'AHU CAMPUS

Kamehameha Elementary Schools (KES) continues the governance shift toward more inclusive decision making as increased authority was delegated to grade levels. Faculty and staff worked proactively to improve services to students and to maximize parental involvement in their child's curriculum. Among the most popular parent-child programs were the Family Night of Stars, Family Science Night, Family Math Night, and a Family Language Arts Workshop.

ENROLLMENT

KAMEHAMEHA ELEMENTARY SCHOOL

Official enrollment for the 2000-2001 school year as of September 1, 2000

	Number of Classrooms	Class Size	Total
Kindergarten	4	20	80
Grade 1	4	20	80
Grade 2	4	20	80
Grade 3	4	20	80
Grade 4	6	24	144
Grade 5	6	24	144
Grade 6	6	24	144
Division Total			752

Source: SASI Database

CAMPUS CONSTRUCTION

Two major construction projects altered the landscape of KES in 2000-2001. The first, a \$400,000 renovation of the kindergarten playground, included state of the art equipment and safety features. The second, a much-needed \$850,000 conversion of the Elementary School's Kamāmalu parking lot, created a beautiful playground complete with basketball and volleyball courts, an outdoor stage and grass gathering space.

KAMEHAMEHA SCHOOLS HAWAI'I CAMPUS

Construction of Kamehameha Schools' newest, permanent K-12 campus at Kea'au, dominated much of KS Hawai'i's administrative and faculty focus during the 2000-2001 academic year. In anticipation of the new campus' fall 2001 opening, a middle school curriculum was completed, and a collaborative assessment of instructional practices, strategies and student learning was undertaken.

Overseeing the multi-layered tasks essential to moving the Hawai'i Campus from Keaukaha to Kea'au was Principal and Acting Headmaster Barbara Robertson. There was at least as much anticipation within the community, whose support has been vital to Kamehameha Schools' commitment to expanding the reach of its program and services for people of Hawaiian ancestry on Hawai'i Island.

Opened to 80 K-3 students in the fall of 1996, KS' temporary Hawai'i campus at Keaukaha enrolled 174 K-7 students in the 2000-2001 academic year. Trustees' approval to expand educational programs and services at the new campus envisions a Hawai'i Campus K-12 student population approaching 1,000 by 2005.

ENROLLMENT

KS Hawai'i Campus Elementary School

Official enrollment for the 2000-2001 school year as of September 1, 2000

	Number of Classrooms	Class Size	Total
Kindergarten	1	20	20
Grade 1	1	20	20
Grade 2	1	19	19
Grade 3	1	19	19
Grade 4	1	24	24
Grade 5	1	24	24
Total			126

Source: SASI Database

KS Hawai'i Campus Middle School

Official enrollment for the 2000-2001 school year as of September 1, 2000

	Number of Classrooms	Class Size	Total
Grade 6	1	24	24
Grade 7	1	24	24
Total			48

Source: SASI Database

CAMPUS SUMMER PROGRAM

Learning about Kamehameha Schools' academic program, daily practices, songs, chants, values and behavioral expectations were the focus during the KS Hawai'i summer orientation program for incoming students

Teachers also used the summer program opportunity to evaluate students, their strengths and needs, and to help determine strategies, groupings, tutorials and enrichment programs within grade levels. An afternoon program encouraged students to participate in enrichment activities including technology, leadership, recreation and Hawaiian history and culture. Among the participants, 224 were Kamehameha students and 12 were non-KS Hawaiian students.

CAMPUS CONSTRUCTION

On June 2, 2000 amid chants and the songs of KS Hawai'i children, Kamehameha Schools broke ground on the 300-acre Kea'au campus site, just south of Hilo, Hawai'i. The estimated \$30 million Phase I construction – largely completed during the 2000-2001 year – included two classroom buildings, mechanical, electrical and guard house facilities as well as an athletic field, campus roadway and parking lot.

One 22,000 square-foot classroom building houses six standard classrooms, two specialty science rooms, a teacher planning center and multi-purpose spaces.

A second 18,000 square-foot classroom building features an art and ceramics lab, teen health center, facilities for Hawaiian cultural and language studies, industrial arts drafting lab, computer lab, teacher planning center and support spaces.

KAMEHAMEHA SCHOOLS – MAUI CAMPUS

Kamehameha Schools-Maui Campus served 176 students in grades K-7 during the 2000-2001 academic year. Principal and Acting Headmaster Cordy MacLaughlin oversaw construction of Maui Campus' newest four-classroom building as the Maui program moved ever closer to filling out its middle school student population.

KS Maui Campus completed its curriculum design and implementation for middle school expansion. Additionally, a secondary school curriculum was prepared based on KS O'ahu Campus' graduation requirements, University of Hawai'i-Mānoa entrance requirements and the concept of career academies.

As an initial response to stakeholder input gained during the year-long (1999-2000) strategic planning process, Kamehameha Schools committed to expanding the Maui Campus from its original K-8 strategy to include a high school component.

A Maui Campus community advisory board, made up of parents, staff and community members, met throughout the year to focus on a vision for Maui's K-12 program.

ENROLLMENT

KS Maui Campus Elementary School

Official enrollment for the 2000-2001 school year as of September 1, 2000

	Number of Classrooms	Class Size	Total
Kindergarten	1	20	20
Grade 1	1	20	20
Grade 2	1	20	20
Grade 3	1	20	20
Grade 4	1	24	24
Grade 5	1	24	24
Total			128

Source SASI Database

KS Maui Campus Middle School

Official enrollment for the 2000-2001 school year as of September 1, 2000

	Number of Classrooms	Class Size	Total
Grade 6	1	24	24
Grade 7	1	24	24
Total			48

Source SASI Database

In May 2001, a traditional "Oli Aloha" performed by Hawaiian Language Specialist Ivallee Kamalu welcomed the board of trustees and CEO McCubbin as part of the new trustee orientation. Seated among students from grades 6 and 7, they enjoyed an Aloha Assembly followed by classroom visits. Later that evening, the CEO hosted a reception for alumni, parents and staff to both introduce the new board members, and renew Kamehameha's commitment to expanding its reach on Maui.

CAMPUS CONSTRUCTION

To accommodate the growing spatial requirements of a K-12 campus, Kamehameha Schools purchased an 80-acre parcel adjacent to the schools' 100-acre campus site at 'A'apueo, mauka of Pukalani. The additional acreage creates opportunities for future planning and development of the Maui Campus.

EARLY CHILDHOOD EDUCATION

Kamehameha Schools Preschool Division formally changed its name to the Early Childhood Education Division (ECE) to reflect the expanded age range of children participating in ECE Programs – a major focus within *Kamehameha Schools Strategic Plan 2000-2015*.

The 2000-2001 school year began with 56 classrooms serving 1,057 three- and four-year old children, and 57 classrooms were operational by year's end. During the year, the trustees approved two new four-classroom sites, one each on Hawai'i and Maui. KS' Early Childhood Education division also implemented a modified ten-month, year-round instruction schedule.

ENROLLMENT

Preschool Enrollment—Systemwide

Official enrollment for the 2000-2001 school year as of September 1, 2000

Regions	Sites	Classrooms		Enrollment		
		3-year-olds	4-year-olds	3-year-olds	4-year-olds	Total
O'ahu						
Honolulu	2	0	6	0	120	120
Ko'olaupoko	5	0	5	0	91	91
Ko'olaupoko	1	0	2	0	40	40
Wa'ianae	4	0	11	0	220	220
Hawai'i						
East Hawai'i	7	1	9	15	174	189
West Hawai'i	5	4	7	62	135	197
Kaua'i	2	2	4	32	74	106
Mau	3	0	4	0	74	74
Moloka'i	1	0	1	0	20	20
Program Total	30	7	49	109	948	1,057

Source KS Preschools Principal's Report for the 2000-2001 school year

In keeping with Kamehameha Schools strategic emphasis, literacy, parental involvement and staff development continued as major themes within KS' Early Childhood Education Division. Individual staff and in-service workshops, and parent workshops focused on literacy training and strategies.

Among literacy strategies, ECE expanded its *Breakthrough to Literacy* (BTL) project, increasing participation from four to nine classrooms during the 2000-2001 academic year. *Breakthrough to Literacy* is an interactive computer literacy curriculum that helps children develop skills necessary to become competent and comfortable readers. Preliminary findings indicate that children participating in the BTL program showed greater gains than those who did not participate.

Kamehameha Schools' ECE program emphasizes family involvement in the education of their children. ECE teachers and staff regularly conduct parent orientation sessions and workshops as well as individual parent conferences. Popular parent workshops include the Keiki Book Bag project, nutrition, brain development, child development and other parenting topics that underscore the family's critical role in the quality and effectiveness of their child's learning experience.

CLASSROOM CONSTRUCTION

The \$2.6 million Waimānalo Preschool site dedicated in July 2000 and neared completion in the 2000-2001 academic year.

Continuing Kamehameha's Early Childhood Education program expansion with the Department of Hawaiian Home Lands (DHHL), Kamehameha Schools broke ground on two new, four-classroom preschool facilities.

In April, groundbreaking ceremonies were held at Waimea, Hawai'i. In May, traditional Hawaiian ʻōʻō – the agricultural digging stick tool – turned the earth at Paukūkalo, Maui, to set another Kamehameha preschool construction project in motion. Once completed, both Waimea and Paukūkalo facilities will house four classrooms: two for four-year-olds and two for three-year-olds. These classrooms will bring the number of DHHL-partnered Kamehameha Schools preschools to 14.

EXTENSION EDUCATION

In August 2000, KS' Extension Education Division was directed to reach more Hawaiians through outreach programs, community collaborations, and the formation of educational partnerships. The program has successfully expanded outreach through existing programs as well as initiating renewed and first-time collaborations.

Included under the Extension Education umbrella in 2000-2001 were specialized programs such as Distance Learning, Grants, the Hawaiian Studies Institute, K-3 Reading Program, Post-High Counseling, and – by far the largest – Summer Programs.

SUMMER PROGRAMS

Summer Programs reached an all-time enrollment high of 7,928. Campus-based summer enrollment totaled 5,003, 2,607 students participated in KS/Hawai'i State Department of Education (DOE) programs, and 318 in special partnership programs.¹

Non-KS Hawaiian students made up the bulk – 3,370 – of KS O'ahu summer programs enrollment, followed by 1,530 KS students and 103 others enrolled in campus-based summer programs.

Day programs included 2,701 Summer School students in grades K-12, Performing Arts Academy with 103 students in grades 6-12 and the Summer Science Institute with 27 KS secondary school students.

Ho'omāka'ika'i Explorations is an enormously popular boarding program – especially among neighbor island and out-of-state Hawaiian children. This campus-based cultural immersion experience for post-fifth grade non-KS Hawaiian students served 1,817 students this past year. Ho'omāka'ika'i Explorations offers instruction in Hawaiian language, music, dance, history, crafts, Hawaiian plants and field trips to important cultural sites.

Other summer boarding programs included Computer Camp serving 193 post-sixth and seventh grade non-KS Hawaiian students, Kūlia I Ka Pono leadership camp reaching 116 post-seventh and eighth grade non-KS Hawaiian students, and Kamehameha Schools Institute for International Studies, reaching 14 Hawaiian and 15 foreign students.

ENROLLMENT

Summer Programs – O'ahu Campus

	O'ahu	Hawai'i	Mau	L/M*	Kaua'i	OOS**	Total
Summer School	2,630	30	6	6	13	16	2,701
Ho'omāka'ika'i Explorations	967	297	143	48	129	233	1,817
Computer Camp	74	49	14	9	34	13	193
Kūlia I Ka Pono	40	37	13	3	14	9	116
Performing Arts Academy	102	0	0	1	0	0	103
Summer Science Institute	27	0	0	0	0	0	27
International Studies	6	4	0	1	2	16	29
Distance Learning	1	8	2	2	4	0	17
Total	3,847	425	178	70	196	287	5,003

Source: Principal of Summer Programs' Annual Report 2000-2001

* Lāna'i/Moloka'i, ** Out of State

In a significant return to KS/DOE collaboration, KS extended program support to 22 DOE sites on all major Hawaiian Islands.

¹ Summer programs data from Summer Programs Principal's Annual Report 2000-2001

ENROLLMENT

KS/DOE Partnered Summer Programs

	O'ahu	Hawai'i	Mau	L/M*	Kaua'i	OOS**	Total
Anuenue -2 (+9 other sites)	518	0	25	0	0	0	543
Hōlualoa	0	143	0	0	0	0	143
Kahakai	0	195	0	0	0	0	195
Kalāheo	0	0	0	0	229	3	232
Kapa'a	0	0	0	0	163	0	163
Kohala	0	177	0	0	0	0	177
Konawaena	0	147	0	0	0	0	147
Lā'ie	97	0	0	0	0	0	97
Lāna'i	0	0	0	88	0	0	88
Leihōkū	180	0	0	0	0	0	180
Moloka'i	0	0	0	114	0	0	114
Nānāikapono	172	0	0	0	0	0	172
Waimea	0	356	0	0	0	0	356
Total	967	1,018	25	202	392	3	2,607

Source: Principal of Summer Programs' Annual Report 2000-2001

* Lāna'i/Moloka'i, ** Out of State

Kamehameha Schools not only helped fund the cost of teachers, specialists, kūpuna, and aides at DOE sites, but also provided instructional materials, limited transportation, office supplies, snacks, and teacher training. Kamehameha's Hawaiian Studies Institute developed, disseminated and provided curriculum and Hawaiian values training for 150 DOE teachers and site coordinators participating in a program centering on a study of Kamehameha I.

Unique Collaborations

	O'ahu	Hawai'i	Mau	L/M*	Kaua'i	OOS**	Total
Culinary Arts Academy	5	0	0	0	0	0	5
Ha'aeo o Hāna I Nā Keiki	0	0	144	0	0	0	144
Mau Excite Camp (MEDB)	0	0	25	0	0	0	25
Mau Violin Workshop	0	0	30	0	0	0	30
Proj. Kupalau-Nā Pua No'eau	20	25	0	56	13	0	114
Total	25	25	199	56	13	0	318

Source: Principal of Summer Programs' Annual Report 2000-2001

* Lāna'i/Moloka'i, ** Out of State

Unique study opportunities included exciting new collaborations such as the Culinary Arts Academy – a new joint program with Kapi'olani Community College. KS also worked with the Maui Economic Development Board and the US Air Force in a pilot "Women in Technology" project fostering science and math careers for 25 Hawaiian middle school girls from public and private schools on Maui.

Through its new *Ho'omau I ka Ho'ilina* program, Summer Programs launched its first lecture series aimed at perpetuating Hawaiian culture and language for mainland alumni and their families. The initial series was presented in Bellevue, Washington in November 2000 and in Fairfax, Virginia in May 2001.

K-3 READING PROGRAM

A collaborative program with the DOE, KS Kindergarten to Grade 3 (K-3) Reading Program served Nānākuli (K-1) and Nānāikapono (K-3) Elementary Schools on the Wa'anae Coast of O'ahu. Nearly 500 high-interest books were provided to each classroom library, staff training to DOE teachers, parent workshops, and tutoring sessions for highest-risk students.

GRANTS

Kamehameha Schools assists in administering federal grants, programs and scholarships including the Kamehameha Talent Search, Native Hawaiian Safe & Drug Free Schools, Native Hawaiian Health Scholarship, and Native Hawaiian Higher Education Program

KAMEHAMEHA SCHOOLS
 FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
 JUNE 30, 2001

<u>NAME AND ADDRESS</u>	<u>TITLE AND TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
R KIHUNE 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	122,000	NONE	NONE
R LIBKUMAN 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	49,500	NONE	NONE
C LAU 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	100,500	NONE	NONE
D COON 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	49,500	NONE	NONE
F KEALA 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	49,500	NONE	NONE
D ING 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	51,000	NONE	NONE
D PLOTTS 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	51,000	NONE	NONE
N THOMPSON 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	TRUSTEE PART	49,500	NONE	NONE

KAMEHAMEHA SCHOOLS
FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
JUNE 30, 2001

<u>NAME AND ADDRESS</u>	<u>TITLE AND TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
H MCCUBBIN 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	CEO FULL	321,026	3,894	28,565
W BROOKS JR 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	CIO FULL	300,000	9,324	2,035
E YEAMAN 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	CFO FULL	224,532	7,314	2,533
C WONG 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	CLO FULL	170,636	7,917	3,325
M CHUN 567 SOUTH KING STREET, SUITE 200 HONOLULU, HI 96813	ACTING CEO FULL	188,718	1,967	9,056
TOTAL		1,727,412	30,416	45,514

KAMEHAMEHA SCHOOLS

99-0073480

FORM 990, PART VI – NAMES OF RELATED ORGANIZATIONS

KAMEHAMEHA ACTIVITIES ASSOCIATION
KE ALI'I PAUAHI FOUNDATION
CHARLES REED BISHOP TRUST

FORM 990, PART VI - OTHER INFORMATION, LINE 89b

VARIOUS ALLEGED PROHIBITED TRANSACTIONS BY THE FORMER TRUSTEES OF KAMEHAMEHA SCHOOLS (LOKELANI LINDSEY, OSWALD STENDER, HENRY PETERS, RICHARD WONG AND GERARD JERVIS) WERE THE SUBJECT OF A SETTLEMENT AGREEMENT WITH THE IRS, THE ATTORNEY GENERAL OF THE STATE OF HAWAII AS PARENS PATRIAE, AND THE FORMER TRUSTEES' INSURANCE CARRIER IN SEPTEMBER 2000 UNDER THE TERMS OF THE SETTLEMENT, KS RECEIVED A PAYMENT OF APPROXIMATELY \$14 MILLION, A PORTION OF WHICH THE IRS AGREED TO TREAT AS A CORRECTION OF THE ALLEGED PROHIBITED TRANSACTIONS BY THE FORMER TRUSTEES

KAMEHAMEHA SCHOOLS
FORM 990, PART VII, ANALYSIS OF INCOME PRODUCING ACTIVITIES
JUNE 30, 2001

99-0073480

LINE 99, OTHER INVESTMENT INCOME

SHELTER BAY GROSS PROFIT	321000	4,200,476
SHELTER BAY OTHER INCOME	321000	84,965
CAPITAL LOSS FROM PARTNERSHIPS	900000	(3 000)
PARTNERSHIP INCOME	900000	67,975
TOTAL UBIT OTHER INVESTMENT INCOME		<u>4,350,416</u>

LINE 103, OTHER REVENUE

CREDIT ENHANCEMENT INCOME	900003	618,342
RTJ ACQUISITION LLC	900003	1,399,385
TOTAL UBIT OTHER REVENUE		<u>2,017,727</u>

FORM 990, PART VIII - RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF
EXEMPT PURPOSES

LINE 93 - ALL INCOME REPORTED WERE FROM ACTIVITIES THAT ARE CUSTOMARILY CARRIED ON BY EDUCATIONAL INSTITUTIONS WITHIN THE DEFINITION OF INTERNAL REVENUE CODE SECTION 170(b)(1)(A)(ii), SUCH AS TUITION, MEAL FEES, BOARDING FEES, STUDENT FEES, BUS PASSES, AND THE LIKE, ALL WHICH CONTRIBUTE IMPORTANTLY TO THE OVERALL EDUCATIONAL PROGRAMS

Kamehameha Schools
Form 990, Part IX
FYE 6/30/2001

Name & EIN No	% * Ownership	Nature of Business	NOTE 1 Total Income (in thousands)	End of Year Assets (in thousands)
Meridian Associates, L P EIN 33-0423466	97 77%	Real Estate	7,674	42,195
Montrose Erwin Square Investors L P EIN 56-1574915	89 46%	Real Estate	0	0
Erwin Square, L P EIN 56-1574914	89 46%	Real Estate	144	6,049
Erwin Square Office Tower I, L P EIN 56-1574916	89 46%	Real Estate	28	645
Montrose Land Acquisition, L P EIN 56-1583601	99 00%	Real Estate	282	2,027
Southern Nevada Income Properties EIN 33-0324029	91 43%	Real Estate	24,742	113,213
Sino Finance Group, LTD EIN 99-0324938	90 48%	Investment	359	6,618
Bishop Holdings Corporation EIN 99-0335777	100 00%	Investments and Property Management	112,305	300,867
Konia, Inc EIN 99-0309615	100 00%	Investment	7	118
Carlyle West Coast Portfolio EIN 52-2215093	98 00%	Real Estate	1,629	2,804
Carlyle Liquidity Discount Portfolio	98 00%	Real Estate	0	0
Carlyle Hartford Coinvestment Qualified, L P EIN 52-2215053	98 00%	Real Estate	0	7,153
Carlyle North Courthouse Coinvestment Qualified, L P EIN 52-2215067	98 00%	Real Estate	370	3,873
Carlyle San Jose Coinvestment Qualified, L P EIN 52-2215071	98 00%	Real Estate	887	2
Carlyle Sunnyvale Coinvestment Qualified, L P EIN 52-2215081	98 00%	Real Estate	122	4,388
Carlyle Stoneridge Coinvestment Qualified, LP [1] EIN 52-2224052	98 90%	Real Estate	0	810

* - criteria - investments with 50% or greater ownership

[1] - Investment was sold on 2 /23/01

NOTE Total Income is based on gross income per financial statements as tax return income
is not available

FORM 990, SCHEDULE A, PART III - EXPLANATION FOR LINE 4

KAMEHAMEHA SCHOOLS PROVIDES NEED AND MERIT BASED FINANCIAL AID SCHOLARSHIPS AND GRANTS TO INCREASE THE OPPORTUNITIES AVAILABLE TO STUDENTS OF HAWAIIAN DESCENT IN THEIR PURSUIT OF EDUCATION

FINANCIAL ASSISTANCE IS PROVIDED IN THE FORM OF

- GENERAL FINANCIAL ASSISTANCE - NEED BASED
- SPECIAL PROGRAMS AND COMMUNITY SCHOLARSHIPS - NEED AND/OR MERIT BASED

SEE STATEMENT 17 FOR AN EXCERPT FROM THE ANNUAL REPORT

KAMEHAMEHA SCHOOLS

99-0073480

FORM 990, SCHEDULE A, PART V - EXPLANATION FOR LINE 34A

KAMEHAMEHA SCHOOLS RECEIVES VARIOUS GOVERNMENT GRANT FUNDING TO
FURTHER THE CHARITABLE, SCIENTIFIC, LITERARY, AND EDUCATIONAL PURPOSES OF
THE ORGANIZATION

Form **8868**

(December 2000)

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ▶ ☒ **X**
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)
- Note** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed)

Note. Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only ▶ ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	KAMEHAMEHA SCHOOLS	99-0073480
	Number, street, and room or suite no. If a PO box, see instructions	
	P.O. BOX 3466	
	City, town or post office, state and ZIP code. For a foreign address, see instructions	
	HONOLULU HI 96801	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ▶ ☐ If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension will cover

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until FEBRUARY 15, 20 02, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ▶ ☐ calendar year 20 ____ or
- ▶ ☒ tax year beginning JULY 1, 20 00, and ending JUNE 30, 20 01

- 2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ NONE

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶

Title ▶ Chief Financial Officer Date ▶ 11/09/01

For Paperwork Reduction Act Notice, see Instruction

Form **8868** (12-2000)

- **an Additional (not automatic) 3-Month Extension, complete only Part II and check this box** ☒ **Not** **Delete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.**
- **If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)**

Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization KAMEHAMEHA SCHOOLS	Employer Identification number 99-0073480
	Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 3466	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions HONOLULU HI 96801	

Check type of return to be filed (File a separate application for each return)

- ☒ Form 990 ☐ Form 990-EZ ☐ Form 990-T (sec. 401(a) or 408(a) trust) ☐ Form 1041-A ☐ Form 5227 ☐ Form 8870
☐ Form 990-BL ☐ Form 990-PF ☐ Form 990-T (trust other than above) ☐ Form 4720 ☐ Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until MAY 15, 2002
- 5 For calendar year _____, or other tax year beginning JULY 1, 2000 and ending JUNE 30, 2001
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO GATHER THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ 0
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **Chief Financial Officer** Date 2/12/02

Notice to Applicant — To Be Completed by the IRS

- ☒ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other _____

Director _____ By _____ Date MAY 06 2002

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Number and street (include suite, room, or apt. no.) Or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)