

Return of Organization Exempt From Income Tax

2004

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

A For the 2004 calendar year, or tax year beginning 07/01, 2004, and ending 06/30/2005

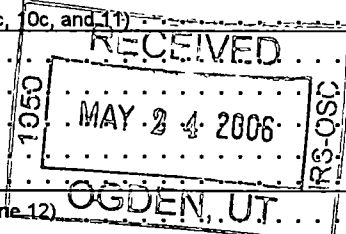
B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization TRUSTEES OF THE ESTATE OF BERNICE PAUHI BISHOP, DBA KAMEHAMEHA SCHOOLS. D Employer identification number 99-0073480. E Telephone number (808) 523-6200. F Accounting method: Cash, Accrual, Other (specify).

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

G Website: WWW.KSBE.EDU. J Organization type: 501(c)(3). K Check here if the organization's gross receipts are normally not more than \$25,000. L Gross receipts: 10,283,822,334. H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Net rental income, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets or fund balances at beginning of year, Other changes in net assets, Net assets or fund balances at end of year.



ENVELOPE POSTMARK DATE MAY 15 2006

SCANNED JUN 29 2006

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Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include 22 Grants and allocations, 23 Specific assistance, 24 Benefits paid, 25 Compensation of officers, 26 Other salaries and wages, 27 Pension plan contributions, 28 Other employee benefits, 29 Payroll taxes, 30 Professional fundraising fees, 31 Accounting fees, 32 Legal fees, 33 Supplies, 34 Telephone, 35 Postage and shipping, 36 Occupancy, 37 Equipment rental and maintenance, 38 Printing and publications, 39 Travel, 40 Conferences, conventions, and meetings, 41 Interest, 42 Depreciation, depletion, etc, 43 Other expenses not covered above, 44 Total functional expenses.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? [] Yes [x] 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 (See page 25 of the instructions.)

Table with 2 columns: Description, Program Service Expenses. Row a: STMT 6 (Grants and allocations \$ 14,255,769.) 176,715,767. Row b: (Grants and allocations \$) Row c: (Grants and allocations \$) Row d: (Grants and allocations \$) Row e: Other program services (attach schedule) (Grants and allocations \$) Row f: Total of Program Service Expenses (should equal line 44, column (B), Program services) 176,715,767.

Part IV Balance Sheets (See page 25 of the instructions.)

				(A)		(B)
				Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
Assets	45	Cash - non-interest-bearing		24,867.	45	24,992.
	46	Savings and temporary cash investments		11,434,182.	46	9,537,733.
	47a	Accounts receivable	47a 6,769,017.			
	b	Less: allowance for doubtful accounts	47b 3,917,618.	5,636,255.	47c	2,851,399.
	48a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule)	51a NONE			
	b	Less: allowance for doubtful accounts	51b	1,293,583.	51c	NONE
	52	Inventories for sale or use		397,864.	52	438,423.
	53	Prepaid expenses and deferred charges		503,490,252.	53	436,955,651.
	54	Investments - securities (attach schedule) STMT 8. <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		3,701,899,397.	54	4,064,295,245.
	55a	Investments - land, buildings, and equipment, basis	55a			
b	Less: accumulated depreciation (attach schedule)	55b		55c		
56	Investments - other (attach schedule)		739,684,249.	56	867,286,272.	
57a	Land, buildings, and equipment, basis	57a 1,007,982,418.				
b	Less: accumulated depreciation (attach schedule)	57b 291,416,803.	703,735,386.	57c	716,565,615.	
58	Other assets (describe STMT 10)		8,665,461.	58	10,241,742.	
59	Total assets (add lines 45 through 58) (must equal line 74)		5,676,261,496.	59	6,108,197,072.	
Liabilities	60	Accounts payable and accrued expenses		69,588,163.	60	60,489,813.
	61	Grants payable			61	
	62	Deferred revenue		21,090,964.	62	19,022,829.
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)	STMT 11	256,715,000.	64b	244,880,000.
	65	Other liabilities (describe STMT 13)		533,772,923.	65	464,170,827.
66	Total liabilities (add lines 60 through 65)		881,167,050.	66	788,563,469.	
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		4,795,094,446.	67	5,319,633,603.
	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; column (B) must equal line 21)		4,795,094,446.	73	5,319,633,603.
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)		5,676,261,496.	74	6,108,197,072.

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-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	837,181,477.
b	Amounts included on line a but not on line 12, Form 990.		
	(1) Net unrealized gains on investments . . . \$		120,556,888.
	(2) Donated services and use of facilities \$		
	(3) Recoveries of prior year grants \$		
	(4) Other (specify)		
	STMT 14 \$		-3,884,017.
	Add amounts on lines (1) through (4) ▶	b	116,672,871.
c	Line a minus line b ▶	c	720,508,606.
d	Amounts included on line 12, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 . . . \$		
	(2) Other (specify):		
	STMT 15 \$		-63,758,088.
	Add amounts on lines (1) and (2) . . ▶	d	-63,758,088.
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	656,750,518.

a	Total expenses and losses per audited financial statements ▶	a	312,642,318.
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 16 \$		73,967,841.
	Add amounts on lines (1) through (4) . . ▶	b	73,967,841.
c	Line a minus line b ▶	c	238,674,477.
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 17 \$		16,342,071.
	Add amounts on lines (1) and (2) . . ▶	d	16,342,071.
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	255,016,548.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 18		3,264,337.	147,698.	267,186.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule - see page 28 of the instructions

Part VI Other Information (See page 28 of the instructions.)

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? . . . 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 STMT 21 and check whether it is X exempt or nonexempt
81 a Enter direct and indirect political expenditures See line 81 instructions. 81a NONE
b Did the organization file Form 1120-POL for this year? . . . 81b N/A
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 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? . . . 85b N/A
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
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 on line 85f? . . . 85g N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 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) orgs. 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) orgs. 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 NONE; section 4912 NONE; section 4955 NONE
b 501(c)(3) and 501(c)(4) orgs. 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 . . . 89b X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . NONE
d Enter: Amount of tax on line 89c, above, reimbursed by the organization . . . NONE
90 a List the states with which a copy of this return is filed N/A
b Number of employees employed in the pay period that includes March 12, 2004 (See instructions) . . . 90b 2005
91 The books are in care of CONTROLLER Telephone no 808-523-6200
Located at 567 SOUTH KING STREET, HONOLULU, HI ZIP + 4 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 (See page 33 of the instructions.)

Note: 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) Exclusion code	(D) Amount	
93 Program service revenue					
a <u>STMT 22</u>		2,500.			9,324,738.
b					
c					
d					
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			14	3,421,094.	
96 Dividends and interest from securities	523000	445.	14	77,738,178.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property	900003	75,000.	16	78,218,698.	
98 Net rental income or (loss) from personal property					
99 Other investment income	525990	-666,156.	18	12,675,449.	
100 Gain or (loss) from sales of assets other than inventory			18	475,948,846.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b <u>OTHER REVENUE</u>			01	11,726.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		-588,211.		648,013,991.	9,324,738.
105 Total (add line 104, columns (B), (D), and (E))					656,750,518.

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 (See page 34 of the instructions.)

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).
▼	
	<u>STMT 23</u>

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(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
<u>N/A STMT 24</u>	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (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

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: [Signature] Date: MAY - 2 2006

Type or print name and title: CEO

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: APR 28 2006 Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. W): P00037058

Firm's name (or yours if self-employed), address, and ZIP + 4: PRICEWATERHOUSECOOPERS LLP EIN: 13-4008324

999 BISHOP STREET, STE. 1900 Phone no: 808-531-3400

HONOLULU, HI 96813

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 - (See separate instructions.)

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

OMB No 1545-0047

2004

Name of the organization **TRUSTEES OF THE ESTATE OF BERNICE
PAUHI BISHOP, DBA KAMEHAMEHA SCHOOLS** Employer identification number **99-0073480**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the 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
<u>ALLAN N. YEE</u> 567 SOUTH KING STREET, STE 200 HONOLULU, HI 96813	LEGAL COUNSEL 40-60 HRS	189,277.	7,653.	503.
<u>RICHARD M. LAU</u> 567 SOUTH KING STREET, STE 200 HONOLULU, HI 96813	DIR. HUMAN RESOURCE 40-60 HRS	178,826.	12,896.	1,804.
<u>DWIGHT M. KEALOHA</u> 567 SOUTH KING STREET, STE 200 HONOLULU, HI 96813	DIR. PAUHI LEADER. 40-60 HRS	175,799.	5,856.	1,293.
<u>SUSAN W. TODANI</u> 567 SOUTH KING STREET, STE 200 HONOLULU, HI 96813	DIR. DEV. & PLANNING 40-60 HRS	173,052.	14,650.	494.
<u>MICHAEL J. LUM</u> 567 SOUTH KING STREET, STE 200 HONOLULU, HI 96813	FACILITIES ENGINEER 40-60 HRS	169,579.	9,298.	494.
Total number of other employees paid over \$50,000 ▶	662			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the 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
<u>JP MORGAN INVESTMENT MANAGEMENT</u> P.O. BOX 27169, NEW YORK, NY 10087-7169	INVESTMENT MGT.	2,420,728.
<u>MORGAN STANLEY OFFSHORE INTERNATIONAL</u> 1221 AVE. OF THE AMERICAS, NY, NY 10020	INVESTMENT MGT.	2,326,729.
<u>SBI GROUP INC.</u> 15303 N. DALLAS PKWY, ADDISION, TX 75001	CONSULTING	1,805,815.
<u>WELLINGTON TRUST COMPANY</u> 75 STATE ST., BOSTON, MA 02109	INVESTMENT MGT.	1,508,642.
<u>AXA ROSENBERG INVESTMENT MANAGEMENT</u> 4 ORINDA WAY, BLDG E, ORINDA, CA 94563	INVESTMENT MGT.	1,268,931.
Total number of others receiving over \$50,000 for professional services ▶	114	

Part III Statements About Activities (See page 2 of the instructions.)

Table with 3 columns: Question, Yes, No. Contains questions 1 through 4b regarding lobbying activities, grants, and credit counseling.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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 [X] A school. Section 170(b)(1)(A)(ii). (Also complete Part V)
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.)

Table with 2 columns: (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)

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 NOT APPLICABLE

Table with columns for years (a) 2003, (b) 2002, (c) 2001, (d) 2000, and (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 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 NOT APPLICABLE; b Prepare a list for your records to show the name of and amount contributed by each person; c Total support for section 509(a)(1) test; d Add Amounts from column (e) for lines 18, 19, 22, 26b; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)); 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person"; b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records 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; c Add Amounts from column (e) for lines 15, 16, 17, 20, 21; d Add Line 27a total and line 27b total; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test; g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)); 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant.

Part V Private School Questionnaire (See page 7 of the instructions.)
(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.) ----- STMT 29 ----- -----	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?	X	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement) ----- -----		
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?		X
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		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	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

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

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" 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
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	NONE
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	195,027.
38	Total lobbying expenditures (add lines 36 and 37)	38	195,027.
39	Other exempt purpose expenditures	39	254,733,934.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	254,928,961.
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	}	1,000,000.
	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		
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	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

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 11 of the instructions)

Lobbying Expenditures During 4-Year Averaging Period						
Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total	
45	Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
46	Lobbying ceiling amount (150% of line 45(e))					6,000,000.
47	Total lobbying expenditures	195,027.	212,379.	209,574.	170,107.	787,087.
48	Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
49	Grassroots ceiling amount (150% of line 48(e))					1,500,000.
50	Grassroots lobbying expenditures	NONE	NONE	16,660.	NONE	16,660.

Part VI-B Lobbying Activity by Nonelecting Public Charities

NOT APPLICABLE

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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:	Yes	No	Amount
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)			

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

FORM 990, PART I - OTHER INVESTMENT INCOME

DESCRIPTION

AMOUNT

INCOME FROM SUBSIDIARIES AND INVESTMENTS

12,009,293.

TOTAL

12,009,293.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON MARKETABLE SECURITIES EQUITY IN EARNINGS OF SUBSIDIARY & AFFILIATES	120,556,888. 2,248,299.
TOTAL	----- 122,805,187. =====

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR
AND
FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

GRANTS PAID

GRANTS - SEE STATEMENT 3A

21,693,335.

LESS: FINANCIAL AID INCLUDED WITH PROGRAM REVENUE

-7,437,566.

TOTAL CONTRIBUTIONS PAID

14,255,769.

FORM 990, PART II – GRANTS AND ALLOCATIONS PAID DURING THE YEAR

During the 2005 fiscal year, Kamehameha Schools awarded more than \$23 million in financial aid and scholarships to 8,996 recipients. The awards included \$14,811,431 in post-high school scholarships to Kamehameha and non-Kamehameha students, \$5,622,409 in financial aid and scholarships to Kamehameha students in grades K-12, \$531,849 in financial aid and scholarships to Kamehameha and non-Kamehameha preschool students, \$866,980 in summer and enrichment financial aid, and \$1,680,552 in financial aid and scholarships to Pauahi Keiki Scholars.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
PROFESSIONAL AND OTHER SERVICE	24,955,474.	10,103,919.	14,851,555.
INSURANCE	4,943,154.	2,342,542.	2,600,612.
UTILITIES	4,635,897.	4,635,897.	NONE
REPAIRS AND ALTERATIONS	9,150,247.	8,018,033.	1,132,214.
PROV FOR UNCOLLECTIBLE ACCTS	1,330,031.	1,330,031.	NONE
FOOD SERVICE	2,838,509.	2,838,509.	NONE
INCOME TAXES	5,261,756.	NONE	5,261,756.
OTHER TAXES	64,226.	52,385.	11,841.
REAL PROPERTY TAX	77,513.	77,513.	NONE
OTHER INVESTMENT EXPENSE	16,342,071.	NONE	16,342,071.
OTHER EXPENSES	-560,734.	386,993.	-947,727.
TOTALS	69,038,144.	29,785,822.	39,252,322.

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

KAMEHAMEHA SCHOOLS WAS ESTABLISHED UNDER THE AUSPICES OF THE WILL AND CODICILS OF BERNICE PAUHI 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 GIVING PREFERENCE TO STUDENTS OF HAWAIIAN ANCESTRY TO THE EXTENT PERMITTED BY LAW.

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.

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.



Bernice Pauahi Bishop

"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.)

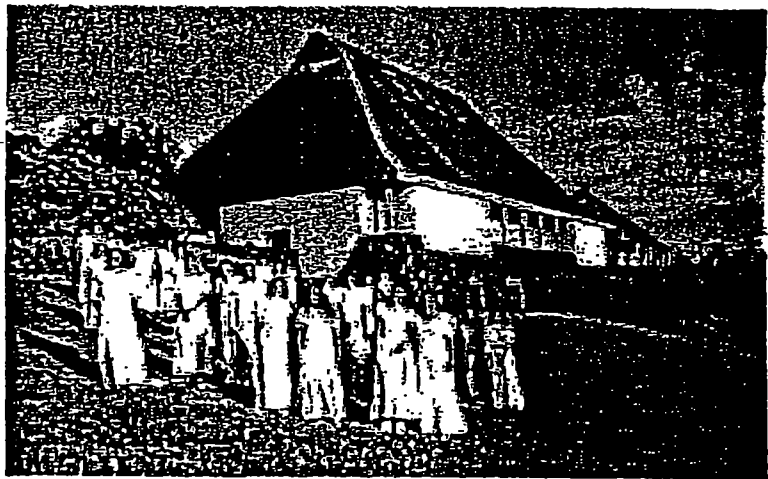
Vision

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.

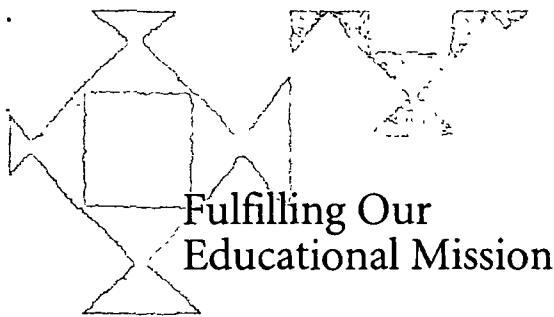
Mission

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 - PROGRAM SERVICE ACCOMPLISHMENTS (A THROUGH D)

ITEM	DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
A	<p>KAMEHAMEHA SCHOOLS SERVES FULL-TIME STUDENTS AND PARTICIPATES 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. ATTACHED IS AN EXCERPT FROM THE ANNUAL REPORT.</p>	14,255,769.	176,715,767.
TOTAL		14,255,769.	176,715,767.



Fulfilling Our Educational Mission



Since its inception more than 25 years ago, the Kamehameha Schools Early Childhood Education (ECE) program has provided more than 15,000 *keiki* with a quality preschool education. During the 2004-2005 school year, Kamehameha extended its educational reach to over 1,350 *keiki* at 31 preschools on Hawai'i, Kaua'i, Maui, Moloka'i and O'ahu. Kamehameha is currently the state's largest private preschool provider. Approximately 14 percent of all Hawaiian preschoolers in Hawai'i are directly served by Kamehameha's preschool and scholarship programs, more than any preschool provider in the state.

In addition to serving *keiki* through its preschool programs, Kamehameha Schools helped improve the quality of early education statewide by sharing its resources and expertise with community organizations through collaborations and professional development opportunities.

Fiscal Year 2005 Highlights

Family education

In its first year of operation in Waimānalo, the Kamehameha Schools Hi'ilani Early Childhood Family Education program served nearly 50 area families. The program serves Hawaiian *keiki* from prenatal to three years old and is a collaboration with the Waimānalo Health Center, Waimānalo Hawaiian Homestead Association and Queen Lili'uokalani Children's Center. Hi'ilani provided families with education and guidance on child health, development and enhancing parent-child interaction. Family-focused events included a prenatal resource fair and infant *lomi* (massage)

workshop. The program also collaborated with the John A. Burns School of Medicine Department of Pediatrics to co-sponsor an Early Steps to School Readiness Conference. Approximately 150 professionals from throughout the state attended the conference, which focused on child development screening and surveillance. Plans include expansion of this new program to communities in West O'ahu, East Kaua'i, East Hawai'i and Moloka'i.

Cultivating communities

In order to channel more of its resources to serve young learners, Kamehameha Schools launched Ho'omohala Kaiāulu (to help communities blossom) which focuses on optimizing the development of Hawaiian children from prenatal to eight years old. Kamehameha formed several successful community partnerships through Ho'omohala Kaiāulu, offering educational opportunities and support to *keiki* and their families. They included:

- A collaboration with Tūtū and Me to provide traveling preschool services to families in Pāhoa, Kea'au, Kualapu'u and Kaunakakai
- A collaboration with the Institute for Native Pacific Education and Culture to offer a summer kindergarten transition program for *keiki* in Waimānalo, Ko'olau Loa, East Hawai'i, Kaua'i and Moloka'i
- A collaboration with KHON-TV to sponsor its First Five Hawai'i campaign, aimed at raising public awareness of the importance of early childhood education



Accreditation assistance

Kamehameha Schools teamed up with the Hawai'i Association for the Education of Young Children (HAEYC) to guide 23 new non-Kamehameha preschools through the national accreditation process. Kamehameha Schools provided funding for mentor training and accreditation resources for HAEYC's accreditation project. More than 6,500 *keiki* at 77 preschools now benefit from this partnership. Accreditation from the National Association for the Education of Young Children assures that a preschool meets well-regarded national educational standards.

Scholarship support

The Pauahi Keiki Scholars program helped increase preschool attendance among *keiki* statewide. Kamehameha awarded approximately \$1.6 million in need-based preschool scholarships to 325 three- and four-year-olds during the 2004-2005 school year. The annual scholarships were provided to *keiki* attending accredited preschools approved by Kamehameha Schools. In an effort to boost the number of children who would qualify for the scholarships, Kamehameha partnered with the Hawai'i Association for the Education of Young Children to help preschools earn their national accreditation.

Arts education

In a continuing effort to integrate Hawaiian culture, values, and lifestyle themes into its curriculum, Kamehameha's ECE Division participated in an arts education program featuring lessons by local performing artists. Funding came from Kamehameha's 'Ike Hawai'i Arts Consortium. Maui-based *kumu hula*

Pono Murray helped Hawaiian culture come alive for *keiki* through interactive I Ka Wā Kahiko (Once Upon a Time) sessions. Storytelling expert Mauiola Cook taught teachers how to bring Hawaiian literature to life through the use of song, dance, props, and costumes. And performers from 'Ōhi'a Productions imparted to children the importance of protecting Hawai'i's natural environment with an emphasis on the Hawaiian concepts of *mālama* (to care for) and *kuleana* (responsibility).

Teacher training

The ECE Division helped enhance overall early childhood education in Hawai'i by opening its teacher training sessions to more than 130 educators including faculty and staff of private preschools, the Hawai'i State Department of Education, and the University of Hawai'i. The sessions featured presentations by nationally renowned educators on topics including: teaching children of generational poverty, teaching preschool boys, and the moral development and understanding of child behavior. The sharing of resources opened doors to future educational collaborations.

KAPĀLAMA CAMPUS



Located at Kapālama on the island of O‘ahu, the 600-acre Kamehameha Schools Kapālama Campus is the oldest and largest of the schools’ three K-12 campuses. During the 2004-2005 school year, it enrolled 3,194 students and employed more than 600 teachers, administrators, and support staff. The campus served an additional 2,500 students through its summer school program – nearly 1,100 of those students were non-Kamehameha *haumāna* (students).

Since its inception in 1887, this campus has graduated more than 20,600 young men and women. Of the schools’ nearly 450 graduates in 2005, 100 percent were accepted to two- and four-year colleges nationwide.

The Kapālama Campus maintained the excellence of its K-12 programs in fiscal year 2005, and extended its educational reach even further by hosting Hawaiian-focused cultural and educational events for the community.



Fiscal Year 2005 Highlights

Curriculum mapping

The Kapālama Campus elementary school has charted a course toward educational excellence by implementing curriculum mapping in its classrooms. The school successfully trained 79 percent of its faculty in this process, a critical initiative which allows teachers and administrators to see the connections and alignment between and across grade levels. The process allows for more efficient use of time by enabling teachers to decrease overlap between grade levels. It also enhances the advancement of curriculum throughout the elementary school.

High-tech education

Technology continued to play a key role in teaching and learning at the Kapālama Campus middle school. One hundred percent of the school’s interdisciplinary teaching teams had active Web sites and 75 percent of faculty maintained active Web pages. More than 50 percent of teachers began using a new online grading system that encourages communication among parents, teachers and students. Full participation was anticipated during the 2005-2006 school year. In addition, tech-savvy students integrated computer use into school projects in countless ways including presentations and movie-making. The school celebrated the talents of its top movie-makers by showcasing their works at a year-end movie festival.



Accreditation achieved

After an intensive two-year, self-study process, the Kapālama Campus high school was awarded a six-year accreditation by the Hawai'i Association of Independent Schools and the Western Association of Schools and Colleges. The six-year accreditation indicates that the school is a well-organized, well-managed institution of learning, with clear purposes and plans for improvement. The self-study process was a campuswide collaborative effort, involving the *mana'o* (thoughts) and contributions of every faculty and staff member.

A cultural connection

The Hawaiian Cultural Center Project, which is laying the groundwork for a cultural facility at the Kapālama Campus, was renamed Ka'iwakīloumoku, an epithet given to King Kamehameha I. In its continuing efforts to promote Hawaiian cultural education, practices, and traditions, Ka'iwakīloumoku hosted a series of cultural events for the community. More than 2,500 people participated in the 11 events which included panel discussions on *hula*, *kanikapila* (music-making) sessions, and some priceless talk-story time with noted Hawaiian treasures such as Nona Beamer and Eddie Kamae.



Building stronger families

Strengthening families was the focus of a day-long summit organized by the Kapālama Campus Parents and Alumni Relations (PAR) Department in January 2005. More than 300 parents and children took part in the third annual Kamehameha Schools Family Summit, which featured workshops and interactive activities. Hōkū Award-winning musician Brother Noland shared his *mana'o* on strengthening families during his keynote address. The summit was part of the campus' ongoing efforts to build stronger families. Those efforts include partnering with public and private schools to offer parent workshops on topics such as understanding adolescents and building resilient families.

HAWAI'I CAMPUS



The 312-acre Kamehameha Schools Hawai'i Campus is located in the lush, forested region of Kea'au, with views of majestic Mauna Loa and Mauna Kea. During the 2004-2005 school year, it enrolled 967 students in grades K-11 and employed more than 190 teachers, administrators, and support staff. The Hawai'i Campus was founded in 1996 and will celebrate its first graduating class in the year 2006.

Hawai'i Campus *keiki* flourished in the areas of character, cultural, and career education. The campus also educated Hawaiian children not enrolled at Kamehameha Schools through successful summer outreach and community partnership programs.

Fiscal Year 2005 Highlights

Character education

Honesty, respect, responsibility, empathy, and civic duty – character traits essential to the healthy development of children – are being woven into lessons throughout the curriculum by the Hawai'i Campus elementary school. The school has implemented the Tribes program, which

helps build character in *keiki* by encouraging community building, cooperation, and the sharing and conservation of resources in the classroom. The goal of the program is to equip children with the skills necessary to be successful in an ever-changing world. The program is part of Kamehameha's systemwide effort to cultivate character education in the classroom.

A journey of discovery

The perpetuation of *'ike Hawai'i* (Hawaiian knowledge and understanding) is an emphasis throughout the Kamehameha Schools system. The Hawai'i Campus middle school broadened *'ike Hawai'i* opportunities for students through service learning projects. The projects included a visit to the culturally significant Kahuwai Village located on Kamehameha Schools land in Puna. The Native Hawaiian village remains virtually undisturbed since it was last inhabited during the early 1900s. During their day-long journey of discovery, the students learned the skills and traditions that shaped the lives of ancient Hawaiians, and experienced firsthand how to *laulima* (work together) to *mālama* (care for) the land.

Career exploration

The Hawai'i Campus Career Academy Program took flight, giving juniors and seniors the chance to make initial career choices, become more career-focused, and discover the real-world relevance of their academic studies. The program combines liberal arts and technical preparatory studies to provide students with skills development and career orientation in the following fields: arts and communication, business and leadership, engineering and design, science and natural resources, and social and government services. Prior to graduation, students have the opportunity to garner hands-on experience in their chosen fields through job internships at area businesses and community organizations.





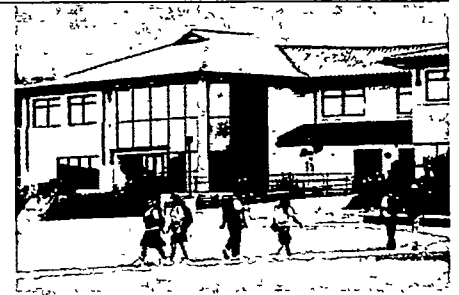
MAUI CAMPUS

Summer outreach

In its ongoing efforts to extend its educational reach into the community, the Hawai'i Campus opened its doors to all Hawai'i island students as part of its summer school program. During its third year of operation, the program served over 1,100 students in grades K-8. More than 550 of those served were non-Kamehameha students. The program offered a broad spectrum of academic courses and special summer camps in robotics, sports, and band. The summer school program was staffed by teachers from the Kamehameha Schools faculty as well as the Hawai'i community.

Pāhoa Community Tutoring Center

The Hawai'i Campus formed an educational partnership with the Hawai'i State Department of Education and the Queen Lili'uokalani Children's Center to offer after-school tutoring support to East Hawai'i students. Plans were laid for the creation of the Pāhoa Community Tutoring Center, scheduled to open in early 2006. The purpose of the pilot program is to improve student achievement through assistance in reading, mathematics and study skills. The center will serve students in grades K-12 and will operate out of Keonepoko Elementary School Cafeteria.



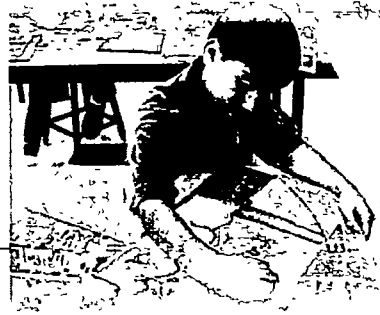
The 180-acre Kamehameha Schools Maui Campus is situated on the gentle slopes of Maui's spectacular dormant volcano, Haleakalā. During the 2004-2005 school year it enrolled 966 students in grades K-11 and employed more than 190 teachers, administrators, and support staff. Founded in 1996, the Maui Campus will celebrate its first graduating class in the year 2006.

Maui Campus students sharpened their academic and athletic skills as part of the campus' popular after-school programs. The year culminated with the completion of high school construction and the cultivation of a community partnership to serve at-risk Hawaiian children.

Fiscal Year 2005 Highlights

After-school program

Studies suggest that students participating in after-school programs show improved achievement in math, reading, and other academic subjects. The Maui Campus elementary school launched its first after-school program to give its students an academic edge, and to provide a safe, nurturing environment for campus *keiki*. The program provides students with support in the areas of academics, arts, and other enrichment activities. By the end of the 2004-2005 school year, nearly one-third of elementary school children were enrolled in the extended-day program.



Co-curricular activities

The Maui Campus middle school has its own separate faculty once again, thanks to the addition of new high school buildings. Prior to the addition, middle school faculty and facilities were shared among middle school as well as high school students. The change strengthened the teaching teams throughout the middle school and allowed for growth in areas such as co-curricular programs. These optional after-school programs encourage socialization, promote sportsmanship and help students refine their existing academic skills. Subjects include performing arts, sports and yearbook. By the end of the school year, more than 75 percent of Maui middle schoolers were enrolled in co-curricular activities.

Campus construction

The Maui Campus high school celebrated the completion of six major construction projects. Students are flourishing in the new facilities which include: two career academy buildings, an administration building, a gymnasium and a 2,200-seat stadium complex. Plans are underway for a community gathering place to be housed on the high school campus. The multi-purpose facility will include spaces for performing arts and chapel services and will accommodate about 600 people.

Summer outreach

In its ongoing effort to extend its educational reach into the community, Kamehameha Schools Maui opened its campus to all Maui students as part of its Summer of Opportunities summer school program. During its third year of operation, the program served more than 600

students in grades K-8. More than 450 of those served were non-Kamehameha students. The program offered a broad spectrum of courses including math, language arts, science, technology, sports, Hawaiian culture and the arts. Summer of Opportunities was staffed by teachers from the Kamehameha Schools faculty as well as the Maui community.

An educational partnership

The Maui Campus developed and piloted an innovative partnership with the Hawai'i State Department of Education (DOE) to serve at-risk children from predominantly Hawaiian communities. Twenty middle school students, identified by public schools as being at risk for school failure, attended the four-week summer program entitled Ka Lei O Ka Lanakila (the banner of victory). The partnership focused on building Hawaiian cultural skills and knowledge in the students while developing the professional teaching skills of DOE instructors. Kamehameha and DOE teachers teamed up to develop culturally relevant curriculum and teaching strategies to help the students succeed in school. The DOE teachers have incorporated the curriculum and strategies into their classrooms and are sharing them with other instructors as well. The program received high marks from participants as well as parents, and will continue in the summer of 2006.

COMMUNITY OUTREACH EDUCATION



Kamehameha Schools reaches beyond its campus-based programs to provide quality educational opportunities for Hawaiian learners. Collaborations with Native Hawaiian organizations, the Hawai'i State Department of Education, post-high institutions, businesses and community organizations enable Kamehameha to deliver more services to Hawaiians.

Great strides were made in community outreach education especially in the support of Hawaiian-focused charter schools. Other outreach programs enabled Kamehameha to serve Hawaiian learners of all ages on O'ahu, Kaua'i, Maui, Hawai'i and Moloka'i.

Fiscal Year 2005 Highlights

Community collaborations

Kamehameha Schools' nine Extension Education Division departments served more than 13,100 learners.* The key to EED's success was the division's successful collaboration with community organizations to deliver more services to Hawaiians. They included:

- The formation of a community consortium to offer online career planning opportunities to Hawaiian communities
- A partnership with the Waiākea Settlement YMCA to provide homework tutors for after-school programs at Kapi'olani and Keaukaha elementary schools in Hilo
- Collaborations with the Hawai'i State Department of Education to provide literacy teaching for grades K-3, Hawaiian cultural presentations for grades 4 and 7, and supplemental learning materials for all students
- Partnerships with the Foster Parent Association, Child and Family Services, Hawai'i Juvenile Justice Project, Pacific Resources for Education and Learning, and Hawai'i Coalition for Dads on projects including the development of culturally appropriate professional development training for agency staff and the creation of curricula to support substance abuse and violence prevention
- Collaborations with Kamehameha alumni, Hawaiian civic clubs and other community groups to offer workshops on Hawaiian culture, career education, and Hawaiian issues for learners on the mainland

* Some keiki and their families may have received multiple services.



EDUCATIONAL SUPPORT

Charter school support

Kamehameha Schools views charter schools as a promising educational alternative for Hawaiian students and demonstrates its support through its Ho'olako Like department. Ho'olako Like (to enrich together) provides financial support to charter schools that emphasize Hawaiian values, culture and language. Twelve charter schools on O'ahu, Kaua'i, and Hawai'i received more than \$1.5 million in funding through the program during fiscal year 2005. The schools operate in predominantly Hawaiian communities and serve approximately 1,100 students, 90 percent of whom are of Hawaiian ancestry. In addition to funding, the program also provided assistance with curriculum, program evaluation, professional staff development, accreditation, and consultation on other funding opportunities.

Kamehameha also supports charter schools serving Hawaiian communities by contributing to the Ho'okāko'o Corporation, an independent, nonprofit organization that operates public schools that have converted to charter schools. The corporation received more than \$1.65 million in funding during fiscal year 2005 to cover the cost of administrative support and to assist two charter schools: Waimea Middle School on the island of Hawai'i and Kualapu'u Elementary School on Moloka'i. The schools serve a combined 850 students, 60 percent of whom are of Hawaiian ancestry.

In addition to its campus-based and outreach programs, Kamehameha Schools provides services that help make education and learning materials more accessible to Native Hawaiians.

The educational barriers of affordability and Hawaiian ancestry verification were lifted for thousands of Hawaiian families during the 2005 fiscal year. Countless other learners are benefiting from historical, cultural and research materials published and distributed by the schools.

Fiscal Year 2005 Highlights

Financial aid & scholarship opportunities

Fulfilling Kamehameha's educational mission includes lending support to families with financial need. During the 2005 fiscal year, Kamehameha Schools awarded more than \$23 million in financial aid and scholarships to nearly 9,000 recipients. The awards included:

- More than \$531,000 in financial aid to approximately 600 Kamehameha preschoolers
- More than \$5.6 million in financial aid to approximately 2,500 Kamehameha Schools students in grades K-12
- More than \$866,000 in summer school and enrichment program financial aid to approximately 2,900 Kamehameha and non-Kamehameha students
- More than \$1.6 million in pre-K scholarships to 325 non-Kamehameha preschoolers, and
- More than \$14.8 million in post-high scholarships to 2,660 Kamehameha and non-Kamehameha Schools graduates



Hawaiian ancestry verification

Kamehameha Schools gives preference to program applicants of Hawaiian ancestry to the extent permitted by law. To facilitate the ancestry verification process for families, Kamehameha developed the Ho'oulu Hawaiian Data Center in 2003. The center verifies the Hawaiian ancestry of program applicants who wish to be considered under the schools' preference policy. During the 2005 fiscal year, the center received a total of 19,200 ancestry verification applications. Since its inception, the center has reviewed over 42,000 applications resulting in the verification of nearly 26,000 Hawaiian learners.

Kamehameha Schools Press

Kamehameha Schools Press publishes educational and cultural materials including Hawaiian history reference books, biographies, collections of Hawaiian folklore, and Hawaiian language-publications. During fiscal year 2005, Kamehameha Schools Press published 11 new titles including the first three books of its *Pauahi Readers* series aimed at children in preschool through early elementary school. Two of the press' books received awards during the fiscal year: *Ke Aupuni Mō'i* received the Historic Preservation Publication Award from the Historic Hawai'i Foundation, and *Explorations! Ho'omāka'ika'i* (third edition) received an Excellence in Children's Hawaiian Culture Award from the Hawai'i Book Publishers Association.

Pauahi Publications

Kamehameha Schools produces and disseminates research publications, references, and teacher resources for Native Hawaiian education through Pauahi Publications. During the 2005 fiscal year, Pauahi Publications published *Ka Huaka'i: 2005 Native Hawaiian Educational Assessment*. Written and researched by Kamehameha Schools' Policy Analysis & System Evaluation (PASE) Department, the 428-page publication documents the educational, social, health, and cultural well-being of the Hawaiian population. Also published was the second volume of *Hūlili: Multidisciplinary Research on Hawaiian Well-Being*, which includes articles on research and trends in the Hawaiian community.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>
DEFERRED CHARGES/OTHER ASSETS	42,822,581.	50,603,439.
COLLATERAL-SECURITIES LENDING	460,667,671.	386,352,212.
TOTALS	503,490,252.	436,955,651.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
COMMON & PREFERRED STOCK	3,678,048,037.	4,055,297,541.
COMMON STOCK - LISTED	18,644,360.	8,997,704.
PROMISSORY NOTES/SUBORDINATED DEBT	5,207,000.	NONE
TOTALS	<u>3,701,899,397.</u>	<u>4,064,295,245.</u>

FORM 990, PART IV - INVESTMENTS - OTHER

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
INVESTMENT IN SUBSIDIARY AND AFFILIATES	129,763,397.	132,011,696.
PARTNERSHIPS & OTHER	609,920,852.	735,274,576.
TOTALS	<u>739,684,249.</u>	<u>867,286,272.</u>

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
INTEREST & OTHER RECEIVABLE	767,238.	927,216.
INVESTMENT INCOME RECEIVABLE	7,898,223.	9,314,526.
TOTALS	8,665,461.	10,241,742.

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: PRUDENTIAL CAP CORP-SR PROMISSORY NOTES

ORIGINAL AMOUNT: 118,600,000.

INTEREST RATE: 6.890000

MATURITY DATE: 06/22/2013

REPAYMENT TERMS: SUM OF \$11,860,000 PLUS INT EACH 6/22, BEG 6/22/04

PURPOSE OF LOAN: FINANCING FOR HAWAII KAI COMM & WINDWARD MALL

DESCRIPTION AND FMV CASH OF \$118,600,000

OF CONSIDERATION:

BEGINNING BALANCE DUE 106,715,000.
ENDING BALANCE DUE 94,880,000.

LENDER: PRUDENTIAL CAP CORP-SHELF AGREEMENT A

ORIGINAL AMOUNT: 20,000,000.

INTEREST RATE: 6.800000

MATURITY DATE: 03/01/2027

REPAYMENT TERMS: SUM OF \$952,381 PLUS INT EACH 3/1, BEG 3/1/2007

PURPOSE OF LOAN: FINANCING FOR CIP, INCL KEA'AU AND MAUI CAMPUSES

DESCRIPTION AND FMV CASH OF \$20,000,000

OF CONSIDERATION:

BEGINNING BALANCE DUE 20,000,000.
ENDING BALANCE DUE 20,000,000.

LENDER: PRUDENTIAL CAP CORP-SHELF AGREEMENT B

ORIGINAL AMOUNT: 70,000,000.

INTEREST RATE: 4.880000

MATURITY DATE: 06/10/2028

REPAYMENT TERMS: SUM OF \$3,333,333.33 + INT EACH 6/10, BEG 6/10/08

PURPOSE OF LOAN: FINANCING FOR CIP, INCL KEA'AU AND MAUI CAMPUSES

DESCRIPTION AND FMV CASH OF \$70,000,000

OF CONSIDERATION:

BEGINNING BALANCE DUE 70,000,000.
ENDING BALANCE DUE 70,000,000.

LENDER: PRUDENTIAL CAP CORP-SHELF AGREEMENT C
 ORIGINAL AMOUNT: 60,000,000.
 INTEREST RATE: 4.930000
 MATURITY DATE: 04/14/2029
 REPAYMENT TERMS: PRINCIPAL PLUS INT EACH 4/14, BEG 4/14/09
 PURPOSE OF LOAN: FINANCING FOR CIP, INCL KEA'AU AND MAUI CAMPUSES
 DESCRIPTION AND FMV OF CONSIDERATION: CASH OF \$60,000,000

BEGINNING BALANCE DUE	60,000,000.
ENDING BALANCE DUE	60,000,000.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	256,715,000.
	=====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	244,880,000.
	=====

FORM 990, PART IV - OTHER LIABILITIES
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
ACCRUED POSTRETIREMENT	21,276,735.	22,145,005.
DEFERRED COMPENSATION PLAN	9,480,011.	9,488,823.
ACCRUED PENSION LIABILITY	42,407,594.	46,184,787.
OBL TO REPAY SEC LEND COLL	460,608,583.	386,352,212.
	-----	-----
TOTALS	533,772,923.	464,170,827.
	=====	=====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
EQUITY OF EARNING OF AFFILIATE AND SUBSIDIARY	2,248,299.
INVESTMENT EXPENSES	-16,342,071.
ACTIVITIES OF WHOLLY-OWNED SUBSIDIARY	10,209,755.

TOTAL	-3,884,017.
	=====

FORM 990, PART IV-A - OTHER REVENUE ON RETURN BUT NOT ON BOOKS

=====

DESCRIPTION	AMOUNT
-----	-----
GROSS RENT EXPENSES	-63,758,088.

TOTAL	-63,758,088.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
-----	-----
GROSS RENT EXPENSE	63,758,088.
ACTIVITIES OF WHOLLY-OWNED SUBSIDIARY	10,209,753.

TOTAL	73,967,841.

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS

DESCRIPTION	AMOUNT
-----	-----
INVESTMENT EXPENSES	16,342,071.

TOTAL	16,342,071.
	=====

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DEE JAY MAILER P.O. BOX 3466 HONOLULU, HI 96801	CEO 40-60 HRS	400,000.	20,706.	53,534.
KIRK BELSBY P.O. BOX 3466 HONOLULU, HI 96801	VP ENDOWMENT 40-60 HRS	603,281.	18,682.	100,450.
MICHAEL P. LOO P.O. BOX 3466 HONOLULU, HI 96801	VP FINANCE & ADMIN. 40-60 HRS	230,906.	14,100.	300.
RAYNARD C. SOON P.O. BOX 3466 HONOLULU, HI 96801	VP CRC 40-60 HRS	187,338.	12,154.	1,222.
ANN R. BOTTICELLI P.O. BOX 3466 HONOLULU, HI 96801	VP CRC 40-60 HRS	15,179.	726.	24.
COLLEN I. WONG P.O. BOX 3466 HONOLULU, HI 96801	VP LEGAL 40-60 HRS	225,000.	16,096.	274.
CHARLENE R. HOE	INTERIM COMM. OUT. 40-60 HRS	143,758.	10,735.	419.

TRUSTEES OF THE ESTATE OF BERNICE

99-0073480

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS ----- P.O. BOX 3466	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
HONOLULU, HI 96801				
JULIAN AKO P.O. BOX 3466	INTERIM VP EDUCATION 40-60 HRS	123,920.	7,505.	908.
HONOLULU, HI 96801				
MICHAEL J. CHUN P.O. BOX 3466	HEADMASTER KAPALAMA 40-60 HRS	215,473.	7,455.	NONE
HONOLULU, HI 96801				
STANLEY FORTUNA JR. P.O. BOX 3466	HEADMASTER HAWAII 40-60 HRS	179,135.	11,339.	31,685.
HONOLULU, HI 96801				
DANIEL R. CHAMBERLAIN P.O. BOX 3466	HEADMASTER MAUI 40-60 HRS	143,292.	12,353.	78,007.
HONOLULU, HI 96801				
RANDIE K. FONG P.O. BOX 3466	DIRECTOR CULT. DEV. 40-60 HRS	100,200.	8,433.	80.
HONOLULU, HI 96801				
DARREL R. HOKE P.O. BOX 3466	DIRECTOR INT. AUDIT 40-60 HRS	186,855.	7,414.	283.

TRUSTEES OF THE ESTATE OF BERNICE

99-0073480

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
HONOLULU, HI 96801				
DOUGLAS ING P.O. BOX 3466	TRUSTEE 20-30 HRS	99,000.	NONE	NONE
HONOLULU, HI 96801				
CONSTANCE LAU P.O. BOX 3466	TRUSTEE 20-30 HRS	99,000.	NONE	NONE
HONOLULU, HI 96801				
NAINOA THOMPSON P.O. BOX 3466	TRUSTEE 20-30 HRS	107,000.	NONE	NONE
HONOLULU, HI 96801				
DIANE PLOTTS P.O. BOX 3466	TRUSTEE 20-30 HRS	110,500.	NONE	NONE
HONOLULU, HI 96801				
ROBERT KIHUNE P.O. BOX 3466	TRUSTEE 20-30 HRS	94,500.	NONE	NONE
HONOLULU, HI 96801				
GRAND TOTALS		3,264,337.	147,698.	267,186.

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

KE ALI'I PAUHI FOUNDATION
CHARLES REED BISHOP TRUST

FORM 990, PART VII - PROGRAM SERVICE REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
TUITION					9,226,703.
FOOD SERVICES					3,734,567.
OTHER REVENUES	453220	2,500.			871,034.
LESS FINANCIAL AID					-7,437,566.
TRANSPORTATION FEE					1,110,000.
STUDENT FEES					1,820,000.
TOTALS		2,500.			9,324,738.

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
-------------	--

93	ALL REPORTED INCOME IS GENERATED FROM ACTIVITIES THAT ARE CUSTOMARILY CARRIED ON BY EDUCATIONAL INSTITUTIONS WITHIN THE DEFINITION OF INTERNAL REVENUE CODE SECTION 170 (B) (1) (A) (II), INCLUDING TUITION, MEAL FEES, BOARDING FEES, STUDENT FEES, BUS PASSES, AND THE LIKE, ALL OF WHICH CONTRIBUTE DIRECTLY TO THE OVERALL EDUCATIONAL PROGRAM.
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Kamehameha Schools
 Form 990, Part IX
 Information Regarding Taxable Subsidiaries & Disregarded Entities
 FYE June 30, 2005

(REPORTED IN THOUSANDS)

Name and Address	FEIN	Percentage Ownership	Nature of Activities	Total Income	EOY Assets
1 Bishop Holdings Corporation	99-0335777	100.00%	Investment, Real Estate	10,581	160,332
2 Konia, Inc.	99-0309615	100.00%	Investment	0	134
3 Newport Kohala, LLC	56-2392110	100.00%	Investment	6,264	134,222
4 Sino Finance Group, Ltd.	99-0324838	90.48%	Investment	0	6,476
5 Meridian Associates, LP	33-0423466	97.29%	Real Estate	7,888	36,964
6 Montrose Erwin Square Investors, LP	56-1574915	89.46%	Real Estate	0	0
7 Erwin Square, LP	56-1574914	89.46%	Real Estate	49	4,758
8 Erwin Square Office Tower, LP	56-1574916	89.46%	Real Estate	9	60
9 Montrose Land Acquisition, LP	56-1583601	99.00%	Real Estate	240	1,401
10 Southern Nevada Income Properties	33-0324029	91.43%	Real Estate	86,066	80,614
11 Carlyle West Coast Portfolio	52-2215093	98.00%	Real Estate	(80)	20
12 Carlyle Liquidity Discount Portfolio		98.00%	Real Estate	0	0
13 Carlyle Sunnyvale Coinvestment Qualified, LP	52-2215081	98.00%	Real Estate	2,199	954

SCHEDULE A, PART III - EXPLANATION FOR LINE 2A

VARIOUS PROPERTIES ARE LEASED TO WHOLLY OWNED SUBSIDIARIES THROUGH
TRANSACTIONS CONDUCTED AS IF THE PARTIES WERE UNRELATED.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C
=====

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

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D
=====

SEE FORM 990, PART V

SCHEDULE A, PART III - EXPLANATION FOR LINE 3A
=====

KAMEHAMEHA SCHOOLS PROVIDES NEED AND MERIT BASED FINANCIAL AID SCHOLARSHIPS AND GRANTS TO INCREASE THE OPPORTUNITIES AVAILABLE TO STUDENTS IN THEIR PURSUIT OF EDUCATION GIVING PREFERENCE TO CHILDREN OF HAWAIIAN ANCESTRY TO THE EXTENT PERMITTED BY LAW.

FINANCIAL ASSISTANCE IS PROVIDED IN THE FORM OF:

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

SCHEDULE A, PART V - EXPLANATION FOR LINE 31

KAMEHAMEHA SCHOOLS PUBLICIZES ANNOUNCEMENTS RELATING TO ADMISSIONS APPLICATION AVAILABILITY IN ALL LOCAL NEWSPAPERS AND PERIODIC HAWAIIAN PUBLICATIONS.

KAMEHAMEHA SCHOOLS

99-0073480

FORM 990, PART 1 - REVENUE, EXPENSES, AND CHANGES IN NET ASSETS OF FUND BALANCES, LINE 8C

Land sales and exchanges are comprised of residential land sales under a planned program of liquidation generally covered under the IRS private letter rulings and non-residential land sales. Cost basis information is not readily available for all land sales, however, substantially all lands sold were held since the inception of Bernice Pauahi Bishop Estate in 1884.

<u>DESCRIPTION</u>	<u>GROSS PROCEEDS</u>	<u>COST, SALES EXPENSES</u>	<u>GAIN OR (LOSS)</u>
SECURITIES	9,914,561,322	9,554,542,008	360,019,314
LAND SALES & OTHERS	124,701,252	8,771,720	115,929,532
	<u>10,039,262,574</u>	<u>9,563,313,728</u>	<u>475,948,846</u>

KAMEHAMEHA SCHOOLS
FOR YEAR ENDING JUNE 30, 2005

99-0073480

FORM 990, PART IV - BALANCE SHEET

LINE 57 - LAND, BUILDINGS AND EQUIPMENT: BASIS & ACCUMULATED DEPRECIATION

	COST OR OTHER BASIS	BEGINNING ACCUMULATED DEPRECIATION	CURRENT YEAR DEPRECIATION	DISPOSALS ADJUSTMENT	ENDING ACCUMULATED DEPRECIATION	ENDING BOOK VALUE
LAND	57,642,528					57,642,528
REAL ESTATE HELD FOR SALE	3,769,468					3,769,468
BUILDING & IMPROVEMENTS	843,558,212	235,710,150	29,065,461	(86,902)	262,250,180	581,308,032
FURN/FIXT/EQUIP	45,080,299	27,448,690	4,362,457	(2,644,524)	29,166,623	15,913,675
CONSTRUCTION IN PROGRESS	57,931,911					57,931,911
	<u>1,007,982,418</u>	<u>263,158,840</u>	<u>33,427,918</u>	<u>(2,731,426)</u>	<u>291,416,803</u>	<u>716,565,614</u>

LESS: AMOUNTS INCLUDED AS RENTAL EXPENSE

(11,070,290)

22,357,628

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
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II (on page 2 of this form). **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)

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.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print <small>File by the due date for filing your return. See instructions</small>	Name of Exempt Organization TRUSTEES OF THE ESTATE OF BERNICE PAUahi BISHOP, DBA KAMEHAMEHA SCHOOLS	Employer identification number 99-0073480
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O PRICEWATERHOUSECOOPERS LLP 999 BISHOP STREET, SUITE 1900	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. HONOLULU, HI 96813	

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 |

• The books are in the care of ▶ MICHAEL LOO

Telephone No. ▶ 808-523-6200 FAX No. ▶ 808-537-1229

- 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-months for a **Form 990-T corporation**) extension of time until FEBRUARY 15, 2006 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, 2004 and ending JUNE 30, 2005

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. \$ NONE

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. \$ NONE

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. \$ 0.00

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box **Note**. Only complete 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 TRUSTEES OF THE ESTATE OF BERNICE PAUHI BISHOP, DBA KAMEHAMEHA SCHOOLS	Employer identification number 99-0073480
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O PRICEWATERHOUSECOOPERS LLP	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. 999 BISHOP STREET, #1900, HONOLULU, HI 96813	

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

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

- The books are in the care of **MICHAEL LOO**
Telephone No. **808-523-6200** FAX No. **808-537-1229**
- 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, 2006
- 5 For calendar year _____, or other tax year beginning JULY 1, 2004, and ending JUNE 30, 2005.
- 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 COMPILE THE INFORMATION NECESSARY TO FILE 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. \$ NONE
- 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. \$ NONE
- 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 [Signature] Title Certified Public Accountant P00037058 Date DEC 28 2005

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 extended due date of the return for which an extension was requested.
- Other _____

Director _____ By _____ Date _____

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)

PricewaterhouseCoopers LLP
 First Hawaiian Center
 999 Bishop Street, Suite 1900
 Honolulu HI 96813
 Telephone (808) 531 3400
 Facsimile (808) 531 3433

DATE: May 15, 2006
 CERTIFIED MAIL 7005 1160 0004 6201 4982
 RETURN RECEIPT REQUESTED

Internal Revenue Service
 Ogden, UT 84201-0027

We submit to you the following for filing:

	<u>Request Extension To</u>	<u>Year End</u>	<u>Amount Enclosed</u>
<u>Forms 990, U.S. Return of Organization Exempt from Income Tax</u>			
Ke Ali'i Pauahi Foundation	N/A	06/30/2005	None
Trustees of the Estate of Bernice Pauahi Bishop, dba Kamehameha Schools	N/A	06/30/2005	None
<u>Forms 990-T, U.S. Exempt Organization Business Income Tax Return</u>			
Ke Ali'i Pauahi Foundation	N/A	06/30/2005	None
Trustees of the Estate of Bernice Pauahi Bishop, dba Kamehameha Schools	N/A	06/30/2005	None

**RECEIPT AND RETURN TO
 ATTENTION: VALERIE KONO
 PRICEWATERHOUSECOOPERS LLP
 TAX SERVICES
 FIRST HAWAIIAN CENTER
 999 BISHOP STREET, SUITE 1900
 HONOLULU, HAWAII 96813**