

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2007, or tax year beginning 07/01, 2007, and ending 06/30, 2008

2007

Department of the Treasury Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

See instructions on back.

Name of exempt organization

Employer identification number

KAP'IOLANI MEDICAL CENTER AT PALI MOMI

99-0274038

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return, if any.

1a Form 990 check here [X] b Total revenue, if any (Form 990, line 12) 1b 136101775
2a Form 990-EZ check here [ ] b Total revenue, if any (Form 990-EZ, line 9) 2b
3a Form 1120-POL check here [ ] b Total tax (Form 1120-POL, line 22) 3b
4a Form 990-PF check here [ ] b Tax based on investment income (Form 990-PF, Part VI, line 5) 4b
5a Form 8868 check here [ ] b Balance due (Form 8868, line 3c) 5b

Part II Declaration of Officer

6 [ ] I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account.

[ ] If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2007 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

Handwritten signature of officer

Date

5/11/09

VP SYSTEM CONTROLLER & C

Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return.

ERO's Use Only section with fields for signature, date (5/12/09), firm name (ERNST & YOUNG U.S. LLP), address (55 MERCHANT ST., SUITE 1900, C-120 HONOLULU HI 96813), EIN (34-6565596), and phone number (808-531-2037).

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer's Use Only section with fields for signature, date, firm name, address, EIN, and phone number.

# Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047  
**2007**  
Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the **2007** calendar year, or tax year beginning **07/01, 2007**, and ending **06/30/2008**

<p><b>B</b> Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Termination</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type. See Specific Instructions.</p>	<p><b>C</b> Name of organization <b>KAP'IOIANI MEDICAL CENTER AT PALI MOMI</b></p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>55 MERCHANT STREET, 24TH FLOOR</b></p> <p>City or town, state or country, and ZIP + 4 <b>HONOLULU, HI 96813</b></p>	<p><b>D</b> Employer identification number <b>99-0274038</b></p> <p><b>E</b> Telephone number <b>(808) 535-7355</b></p> <p><b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶</p>
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

*H and I are not applicable to section 527 organizations.*

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

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

**H(c)** Are all affiliates included? (If "No," attach a list. See instructions.)  Yes  No

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

**I** Group Exemption Number ▶

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**G** Website: ▶ **WWW.KAPIOLANI.ORG**

**J** Organization type (check only one)  501(c) ( **3** ) (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **146,964,465.**

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

	1	Contributions, gifts, grants, and similar amounts received:							
	a	Contributions to donor advised funds	1a						
	b	Direct public support (not included on line 1a)	1b	16,120.					
	c	Indirect public support (not included on line 1a)	1c	890,890.					
	d	Government contributions (grants) (not included on line 1a)	1d						
	e	Total (add lines 1a through 1d) (cash \$ <b>907,010.</b> noncash \$ )	1e	907,010.					
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	129,598,311.					
	3	Membership dues and assessments	3						
	4	Interest on savings and temporary cash investments	4	16,318.					
	5	Dividends and interest from securities	5	1,281,512.					
	6a	Gross rents	6a						
	b	Less: rental expenses	6b						
	c	Net rental income or (loss). Subtract line 6b from line 6a	6c						
	7	Other investment income (describe ▶ )	7						
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	14,451,180.	8a	(B) Other	4,180.		
	b	Less: cost or other basis and sales expenses	10,763,207.	8b	35,338.				
	c	Gain or (loss) (attach schedule)	3,687,973.	8c	-31,158.				
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)		8d	3,656,815.				
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>							
	a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	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						
	10a	Gross sales of inventory, less returns and allowances	10a	110,595.					
	b	Less: cost of goods sold	10b	64,145.					
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c	46,450.					
	11	Other revenue (from Part VII, line 103)	11	595,359.					
	12	<b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	136,101,775.					
Expenses	13	Program services (from line 44, column (B))	13	85,405,109.					
	14	Management and general (from line 44, column (C))	14	34,967,105.					
	15	Fundraising (from line 44, column (D))	15						
	16	Payments to affiliates (attach schedule)	16						
	17	<b>Total expenses.</b> Add lines 16 and 44, column (A)	17	120,372,214.					
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	15,729,561.					
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	80,565,755.					
	20	Other changes in net assets or fund balances (attach explanation) <b>STMT 7. STMT. B.</b>	20	-8,639,016.					
	21	<b>Net assets or fund balances at end of year.</b> Combine lines 18, 19, and 20	21	87,656,300.					

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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 the instructions.)

Table with 5 columns: Description, (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include 22a Grants paid from donor advised funds, 22b Other grants and allocations, 23 Specific assistance to individuals, 24 Benefits paid to or for members, 25a Compensation of current officers, 25b Compensation of former officers, 25c Compensation and other distributions, 26 Salaries and wages of employees not included on lines 25a, b, and c, 27 Pension plan contributions not included on lines 25a, b, and c, 28 Employee benefits not included on lines 25a - 27, 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. (attach schedule), 43 Other expenses not covered above (itemize): a STMT 9, b, c, d, e, f, g, 44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).

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

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

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

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.

What is the organization's primary exempt purpose? **▶ PROVIDE HOSPITAL/HEALTH CARE SERVICES**  
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 10  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Grants and allocations \$ \_\_\_\_\_ ) If this amount includes foreign grants, check here

**85,405,109.**

**b**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Grants and allocations \$ \_\_\_\_\_ ) If this amount includes foreign grants, check here

**c**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Grants and allocations \$ \_\_\_\_\_ ) If this amount includes foreign grants, check here

**d**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Grants and allocations \$ \_\_\_\_\_ ) If this amount includes foreign grants, check here

**e** Other program services (attach schedule)  
(Grants and allocations \$ \_\_\_\_\_ ) If this amount includes foreign grants, check here

**f Total of Program Service Expenses** (should equal line 44, column (B), Program services) . . . . . **▶ 85,405,109.**

**Part IV Balance Sheets** (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.						
<b>Assets</b>	45	Cash - non-interest-bearing			45	
	46	Savings and temporary cash investments		-654,508	46	-838,173
	47a	Accounts receivable	47a 14,648,511			
	b	Less: allowance for doubtful accounts	47b 573,505	12,029,551	47c	14,075,006
	48a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51a	Other notes and loans receivable (attach schedule)	51a			
	b	Less: allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use		1,593,910	52	1,743,696
	53	Prepaid expenses and deferred charges		622,027	53	507,441
	54a	Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b	Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	38,091,438	54b	39,137,464
	55a	Investments - land, buildings, and equipment: basis	55a	STMT 12		
	b	Less: accumulated depreciation (attach schedule)	55b		55c	
	56	Investments - other (attach schedule)			56	
	57a	Land, buildings, and equipment: basis	57a 148,531,677			
b	Less: accumulated depreciation (attach schedule)	57b 86,396,101	61,045,868	57c	62,135,576	
58	Other assets, including program-related investments (describe <input type="checkbox"/> STMT 13)		670,454	58	1,975,560	
59	<b>Total assets</b> (must equal line 74). Add lines 45 through 58		113,398,740	59	118,736,570	
<b>Liabilities</b>	60	Accounts payable and accrued expenses		10,127,059	60	10,154,101
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)	STMT 14	20,781,164	64a	20,822,377
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe <input type="checkbox"/> STMT 15)		1,924,762	65	103,792
66	<b>Total liabilities.</b> Add lines 60 through 65		32,832,985	66	31,080,270	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted		80,348,567	67	87,443,516
	68	Temporarily restricted		217,188	68	212,784
	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	<b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21).		80,565,755	73	87,656,300
	74	<b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		113,398,740	74	118,736,570

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>a</b>	135,146,130.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:		
<b>1</b>	Net unrealized gains on investments . . . . .	<b>b1</b>	-1,050,948.
<b>2</b>	Donated services and use of facilities . . . . .	<b>b2</b>	
<b>3</b>	Recoveries of prior year grants . . . . .	<b>b3</b>	
<b>4</b>	Other (specify): <u>SEE STATEMENT 16</u>	<b>b4</b>	95,303.
	Add lines <b>b1</b> through <b>b4</b> . . . . .	<b>b</b>	-955,645.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .	<b>c</b>	136,101,775.
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :		
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>	
<b>2</b>	Other (specify): _____	<b>d2</b>	
	Add lines <b>d1</b> and <b>d2</b> . . . . .	<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b> . . . . .	<b>e</b>	136,101,775.

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

<b>a</b>	Total expenses and losses per audited financial statements . . . . .	<b>a</b>	120,467,517.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:		
<b>1</b>	Donated services and use of facilities . . . . .	<b>b1</b>	
<b>2</b>	Prior year adjustments reported on Part I, line 20 . . . . .	<b>b2</b>	
<b>3</b>	Losses reported on Part I, line 20 . . . . .	<b>b3</b>	
<b>4</b>	Other (specify): <u>SEE STATEMENT 17</u>	<b>b4</b>	95,303.
	Add lines <b>b1</b> through <b>b4</b> . . . . .	<b>b</b>	95,303.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .	<b>c</b>	120,372,214.
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :		
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>	
<b>2</b>	Other (specify): _____	<b>d2</b>	
	Add lines <b>d1</b> and <b>d2</b> . . . . .	<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b> . . . . .	<b>e</b>	120,372,214.

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See 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 plans	(E) Expense account and other allowances
SEE STATEMENT 18		NONE	NONE	NONE

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 10
75b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) 75b X
75c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." SEE STATEMENT 23 75c X
75d Does the organization have a written conflict of interest policy? 75d X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1: SEE STATEMENT 28, NONE, NONE, NONE, NONE.

Part VI Other Information (See the instructions.)

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change 76 X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? 77 X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X
78b If "Yes," has it filed a tax return on Form 990-T for this year? 78b N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79 X
80a 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
80b If "Yes," enter the name of the organization STMT 30 and check whether it is X exempt or X nonexempt
81a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a NONE
81b Did the organization file Form 1120-POL for this year? 81b X

Part VI Other Information (continued)

		Yes	No
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?	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.)		
82 b			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
83 b			
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84 b		N/A	
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		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		N/A
85 c			
d	Section 162(e) lobbying and political expenditures		N/A
85 d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		N/A
85 e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		N/A
85 f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85 g			
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?		N/A
85 h			
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		N/A
86 a			
b	Gross receipts, included on line 12, for public use of club facilities		N/A
86 b			
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		N/A
87 a			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		N/A
87 b			
88 a	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		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	X	
88 b			
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		X
89 b			
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
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		N/A
89 g			
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, 2007 (See instructions.)	90 b	793
91 a	The books are in care of		DONNA MASUDA-KAM
	Located at		55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI
	Telephone no.		808-535-7355
	ZIP + 4		96813
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
91 b			
	If "Yes," enter the name of the foreign country		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

**Part VI Other Information (continued)**

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? . . . . . **91c**  Yes  No  
 If "Yes," enter the name of the foreign country ▶ \_\_\_\_\_  
 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 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 32</u>					66,788,521.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					62,809,790.
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments . . . . .			14	16,318.	
96 Dividends and interest from securities . . . . .			14	1,281,512.	
97 Net rental income or (loss) from real estate:					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory . . . . .			18	3,656,815.	
101 Net income or (loss) from special events . . . . .					
102 Gross profit or (loss) from sales of inventory . . . . .			01	46,450.	
103 Other revenue: a <u>STMT 33</u>				16,081.	579,278.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)) . . . . .				5,017,176.	130,177,589.
105 Total (add line 104, columns (B), (D), and (E)) . . . . . ▶					135,194,765.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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).
▼	SEE STATEMENT 6

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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).

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
X	

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	SEE STATEMENT 34			
b				
c				
<b>Totals</b>				4,886,585.

**107** Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
X	

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	SEE STATEMENT 36			
b				
c				
<b>Totals</b>				8,108,308.

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

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.

**Please Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_  
 Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature Alvin L Date 5/14/09 Check if self-employed   
 Preparer's SSN or PTIN (See Gen. Inst. X) \_\_\_\_\_  
 Firm's name (or yours if self-employed), address, and ZIP + 4 ERNST & YOUNG U.S. LLP EIN 34-6565596  
55 MERCHANT ST., SUITE 1900, C-120 Phone no. 808-531-2037  
HONOLULU, HI 96813

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

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

OMB No. 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information - (See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Employer identification number

**KAP' IOLANI MEDICAL CENTER AT PALI MOMI**

**99-0274038**

**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
SEE STATEMENT 37				
Total number of other employees paid over \$50,000 . . . ▶		353		

**Part II-A 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
SEE STATEMENT 38		
Total number of others receiving over \$50,000 for professional services . . . ▶		3

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 39		
Total number of other contractors receiving over \$50,000 for other services . . . ▶		16

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

Schedule A (Form 990 or 990-EZ) 2007

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

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? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ 1,415. (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

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 substantial contributors, 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? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

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? . . . . . STMT. 40

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

3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) . . . . .

3a X

b Did the organization have a section 403(b) annuity plan for its employees? . . . . .

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement . . . . .

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .

3d X

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g . . . . .

4a X

b Did the organization make any taxable distributions under section 4966? . . . . .

4b N/A

c Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .

4c N/A

d Enter the total number of donor advised funds owned at the end of the tax year . . . . . ▶

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year . . . . . ▶

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts . . . . . ▶

NONE

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year . . . . . ▶

NONE

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that 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.)
- 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III - Functionally Integrated       Type III - Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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) 2006, (b) 2005, (c) 2004, (d) 2003, 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 not included in line 18; 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. Attach a schedule. Do not include gain or (loss) from sale of capital assets; 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." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) (2005) (2004) (2003); 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. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. 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: (2006) (2005) (2004) (2003); 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: Enter amount from line 23, column (e); 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 2003 through 2006, 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. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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?
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?
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?
32 Does the organization maintain the following:
a Records indicating the racial composition of the student body, faculty, and administrative staff?
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
d Copies of all material used by the organization or on its behalf to solicit contributions?
33 Does the organization discriminate by race in any way with respect to:
a Students' rights or privileges?
b Admissions policies?
c Employment of faculty or administrative staff?
d Scholarships or other financial assistance?
e Educational policies?
f Use of facilities?
g Athletic programs?
h Other extracurricular activities?
34 a Does the organization receive any financial aid or assistance from a governmental agency?
b Has the organization's right to such aid ever been revoked or suspended?
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

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>		
<b>39</b> Other exempt purpose expenditures . . . . .	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>		
<b>41</b> 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	<b>41</b>		
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			
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) . . . . .	<b>42</b>		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	<b>43</b>		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	<b>44</b>		

**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 13 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
Lobbying nontaxable amount . . . . .					
<b>45</b> amount . . . . .					
Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>46</b> . . . . .					
<b>47</b> Total lobbying expenditures					
Grassroots nontaxable amount . . . . .					
<b>48</b> amount . . . . .					
Grassroots ceiling amount (150% of line 48(e)) . . . . .					
<b>49</b> . . . . .					
<b>50</b> Grassroots lobbying expenditures . . . . .					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 13 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
<b>a</b> Volunteers . . . . .		X	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .		X	
<b>c</b> Media advertisements . . . . .		X	
<b>d</b> Mailings to members, legislators, or the public . . . . .		X	
<b>e</b> Publications, or published or broadcast statements . . . . .		X	
<b>f</b> Grants to other organizations for lobbying purposes . . . . .		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .	X		1,415.
<b>i</b> Total lobbying expenditures (Add lines c through h.) . . . . .			1,415.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities. **STMT 41**



## FORM 990 - GENERAL EXPLANATION ATTACHMENT

SALE OF SECURITIES  
PART I, LINE 8

	TOTAL PROCEEDS	TOTAL BASIS	TOTAL
GAIN/(LOSS)			
FNMA PL	7	7	0
SEAGATE TECHNOLOGY	2	0	2
AMERICAN FDS EUROPACIFIC	191,909	0	191,909
VANGUARD INSTITUTIONAL INDEX	2,363,144	2,363,144	0
GMO FOREIGN FUND III	1,316,313	562,501	753,812
GMO US CORE FUND III	2,541,938	2,394,955	146,983
KALMAR GROWTH	55,307	0	55,307
LONGLEAF PARTNERS	59,601	0	59,601
LONGLEAF PARTNERS SMALL CAP	25,307	0	25,307
BARLOW PARTNERS OFFSHORE	1,647,631	1,055,834	591,797
EMERGING (FREE) MKTS COUNTRY	443,568	84,304	359,264
PRIVATE ADVISORS	1,193,328	949,553	243,775
WELLINGTON TRUST CO SELECT CAP	312,105	157,624	154,481
WELLINGTON TRUST CO US RESEARCH	2,959,727	2,186,557	773,171
COLCHESTER GLOBAL BOND FUND	12,980	11,543	1,437
GMO BENCHMARK	1,263,865	972,140	291,725
REICH & TANG	64,448	25,045	39,403
TOTAL GAIN/(LOSS) ON BOARD DESIGNATED INVESTMENTS	14,451,180	10,763,207	3,687,973

## FORM 990 - GENERAL EXPLANATION ATTACHMENT

SALE OF EQUIPMENT  
PART I, LINE 8

DESCRIPTION	COST	ACC DEP	NET	SELL/ TRADE-IN	GAIN/ LOSS
COMP & EQUIP	4,125	2,063	2,062	0	-2,062
MACH & EQUIP	16,531	8,421	8,110	0	-8,110
MACH & EQUIP	12,046	11,919	127	0	-127
MACH & EQUIP	10,850	4,650	6,200	0	-6,200
MACH & EQUIP	67,213	53,330	13,883	0	-13,883
FURN & EQUIP	8,893	5,542	3,351	0	-3,351
MACH & EQUIP	15,101	13,496	1,605	0	-1,605
MACH & EQUIP	307,326	307,326	0	0	0
TIC - STERIS CORP				2,090	2,090
ADJ FOR PRIOR YEAR TIC - ORTHO TABLE				2,090	2,090
TOTAL	442,084	406,747	35,338	4,180	-31,158

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
 =====

## LAND, BUILDINGS &amp; EQUIPMENT

FORM 990, PART II, LINE 42 - COLUMN A &amp; PART IV, LINE 57

## LINE 42 - DEPRECIATION EXPENSE

BUILDINGS AND IMPROVEMENTS	1,595,239
FIXED EQUIPMENT	11,530
MAJOR MOVABLE EQUIPMENT	4,224,170
MINOR EQUIPMENT	124,806
LAND IMPROVEMENTS	4,314
CAPITALIZED LEASES	27,482
TOTAL	5,987,541

## LINE 57 - LAND, BUILDINGS &amp; EQUIPMENT

LAND	9,609,148
CONSTRUCTION IN PROGRESS	522,287
BUILDINGS & IMPROVEMENTS	79,563,124
FIXED EQUIPMENT	230,594
MAJOR MOVABLE EQUIPMENT	54,974,590
MINOR EQUIPMENT	2,786,237
LAND IMPROVEMENTS	830,540
CAPITALIZED LEASES	15,157
TOTAL	148,531,677
LESS: ACCUM DEPRECIATION	86,396,101
NET TOTAL	62,135,576

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
=====

TAX EXEMPT BOND LIABILITIES  
FORM 990, PART IV, LINE 64A

DESCRIPTION OF THE BOND: SPECIAL PURPOSE REVEUNE BONDS, SERIES 1993

ISSUE DATE: FEBRUARY 1993

MATURITY DATE: JULY 1, 2019

PURPOSE OF ISSUE: REFINANCE CORPORATE DEBT AND FINANCE STRUCTURES

PORTION OF FACILITY FINANCED BY ISSUE USED BY THIRD PARTY: NONE

ORIGINAL ISSUE AMOUNT: \$75,210,000

FORM 8038, 8038-G, OR 8038-GC: FORM 8038

REPAYMENT TERMS: VARYING PRINCIPAL AND INTEREST

INTEREST RATE: 5.00% - 6.40%

UNEXPENDED BOND PROCEEDS: \$-0-

AMOUNT OF ISSUE OUTSTANDING: \$21,028,440

UNAMORTIZED DISCOUNT: \$206,063

FORM 990 - GENERAL EXPLANATION ATTACHMENT

=====

FORMER OFFICERS, DIRECTORS AND TRUSTEES  
 FORM 990, PART V-B: FORMER OFFICER, DIRECTORS, AND TRUSTEES

THE INDIVIDUALS LISTED BELOW AND DETAILED IN PART V-B ARE FORMER OFFICERS WHO WERE PAID THE FOLLOWING COMPENSATION AMOUNTS FROM HAWAII PACIFIC HEALTH, AN AFFILIATED EXEMPT ENTITY. HAWAII PACIFIC HEALTH'S FEDERAL IDENTIFICATION NUMBER IS 99-0246363.

NAME	COMPENSATION	CONTR TO EMP BENEFIT PLAN	EXPENSE ACCOUNT
ROGER DRUE	14,079	NONE	NONE
JANA HALL	8,404	NONE	NONE
DEW-ANNE LANGCAON	199,964	1,410	NONE
RICHARD ROBEL	86,988	NONE	NONE
PAULA DIAS	210,560	50,338	NONE
MICHELLE KAKAZU	10,969	NONE	NONE

THE INDIVIDUAL LISTED BELOW IS A FORMER OFFICER WHO WAS PAID THE FOLLOWING COMPENSATION AMOUNTS FROM KAPIOLANI MEDICAL SPECIALISTS, AN AFFILIATED EXEMPT ENTITY. KAPIOLANI MEDICAL SPECIALISTS' FEDERAL IDENTIFICATION NUMBER IS 99-0322406.

RODNEY BOYCHUK, M.D.	268,892	52,809	NONE
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FORM 990 - GENERAL EXPLANATION ATTACHMENT  
=====RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES  
FORM 990, PART VIII

KAPI'OLANI MEDICAL CENTER AT PALI MOMI HAS BEEN IMPROVING AND ADVOCATING FOR THE HEALTH AND WELLBEING OF RESIDENTS IN WEST OAHU SINCE 1989. THE HOSPITAL IS COMMITTED TO CARING FOR PATIENTS ON BOTH AN INPATIENT AND OUTPATIENT BASIS AND TO SERVING ITS COMMUNITY AS A PROVIDER OF CHARITY CARE, HEALTH EDUCATION AND PREVENTATIVE PROGRAMS. THE HOSPITAL'S REVENUE FROM PATIENT SERVICES (LINE NOS. 93A, 93B AND 93C) REFLECTS THESE COMMITMENTS AND INCLUDES PAYMENTS FROM THE STATE OF HAWAII FOR SERVICES RENDERED TO MEDICAID, QUEST AND OTHER LOW-INCOME PATIENTS, AS WELL AS PAYMENTS FROM THE FEDERAL GOVERNMENT, PRIVATE INSURERS AND PRIVATE INDIVIDUALS.

AN AFFILIATE OF HAWAII PACIFIC HEALTH, THE STATE'S LARGEST HEALTHCARE PROVIDER, KAPI'OLANI MEDICAL CENTER AT PALI MOMI IS A COMMUNITY-BASED ACUTE CARE HOSPITAL THAT DELIVERS STATE-OF-THE-ART HEALTHCARE AND MEDICAL SERVICES AT A FACILITY THAT FEATURES OPEN-AIR WALKWAYS, A RELAXING COURTYARD AND FINELY APPOINTED PRIVATE PATIENT ROOMS. CONSTANTLY STRIVING FOR EXCELLENCE, THE HOSPITAL PURSUES SYSTEM-WIDE RISK ASSESSMENT, AND MITIGATION AND ANALYSIS OF OUTCOMES, AS WELL AS IMPROVED DATA COLLECTION. AVAILABLE MEDICAL TECHNOLOGY ON SITE INCLUDES A MINIMALLY INVASIVE SURGICAL SUITE EQUIPPED WITH TELEMEDICINE CAPABILITIES AND LEEWARD OAHU'S ONLY CARDIAC CATHETERIZATION UNIT FOR DETECTION OF HEART DISEASE.

AS PART OF ITS COMMITMENT TO COMMUNITY HEALTH EDUCATION AND OUTREACH, IN FISCAL 2008, KAPI'OLANI MEDICAL CENTER AT PALI MOMI PALI MOMI OFFERED FREE GLUCOSE MONITORING AND BLOOD PRESSURE SCREENINGS TWICE A MONTH. ADDITIONALLY, PALI MOMI SPONSORED ITS ANNUAL FAMILY HEALTH FAIR AND KIDS FEST AND OFFERED REGULAR DIABETES SCREENINGS.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
CHANGE IN INTEREST IN KHF AND WHF	212,784.
OTHER CHANGES IN TR NET ASSETS	656.
TOTAL	213,440.

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
NET EQUITY TRANSFERS	5,070,733.
TRANSFERS	217,844.
NET UNREALIZED LOSS ON INVESTMENTS	2,512,931.
UNREALIZED LOSS- ALTERNATIVE INVESTMENTS	1,050,948.
	-----
TOTAL	8,852,456.
	=====

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
PHYSICIAN SERVICES	1,610,241.	392,067.	1,218,174.
INVESTMENT BANK FEES	156,711.		156,711.
INSURANCE	1,838,226.		1,838,226.
REGISTRY & TEMP SERVICES	1,121,629.	1,011,016.	110,613.
OUTSIDE MEDICAL SERVICES	1,022,855.	988,525.	34,330.
LABORATORY SERVICES	3,201,659.	3,201,659.	
TRANSCRIPTION SERVICES	1,041,684.	1,041,684.	
REPAIRS & MAINTENANCE	2,596,397.	1,867,007.	729,390.
OTHER PURCHASED SERVICES	2,932,285.	1,019,662.	1,912,623.
BAD DEBTS	6,835,189.	6,835,189.	
CORP ALLOC/ISP	11,121,296.	282,500.	10,838,796.
FOOD	223,470.	61,679.	161,791.
DUES	132,994.	4,577.	128,417.
TAXES & LICENSES	99,033.	11,678.	87,355.
TRAINING	40,007.	25,973.	14,034.
MOVING & RECRUITMENT	30,570.		30,570.
MISCELLANEOUS	36,530.	3,290.	33,240.
<b>TOTALS</b>	<b>34,040,776.</b>	<b>16,746,506.</b>	<b>17,294,270.</b>

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS  
=====PROGRAM SERVICE ACCOMPLISHMENT A  
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KAPI`OLANI MEDICAL CENTER AT PALI MOMI HAS BEEN IMPROVING AND ADVOCATING FOR THE HEALTH AND WELL-BEING OF INDIVIDUALS AND FAMILIES IN LEEWARD OAHU FOR THE PAST TWO DECADES. AS AN AFFILIATE OF HAWAII PACIFIC HEALTH, THE STATE'S LARGEST HEALTHCARE PROVIDER, KAPI`OLANI MEDICAL CENTER AT PALI MOMI, IS A COMMUNITY-BASED ACUTE CARE HOSPITAL DELIVERING TOP-QUALITY CARE IN ORTHOPEDICS, EMERGENCY MEDICINE, GENERAL SURGERY AND MEDICINE, OPHTHALMOLOGY, WOMEN'S SERVICES AND ONCOLOGY.

FOR THE FOURTH CONSECUTIVE YEAR, HAWAII MEDICAL SERVICE ASSOCIATION RANKED KMCPM # 1 FOR THE HOSPITAL QUALITY AND SERVICE RECOGNITION PROGRAM. FOR THE SECOND YEAR IN A ROW, PALI MOMI WAS HONORED WITH A GOLD MEDAL BY THE AMERICAN HEART AND AMERICAN STROKE ASSOCIATIONS FOR THEIR GET WITH THE GUIDELINES PROGRAM. THE AWARD RECOGNIZES PALI MOMI'S COMMITMENT TO QUALITY TREATMENT OF PATIENTS HOSPITALIZED WITH CORONARY ARTERY DISEASE (CAD).

OTHER NOTABLE SERVICE AREAS INCLUDE EMERGENCY MEDICINE, GENERAL SURGERY, ONCOLOGY, ORTHOPEDICS AND OPHTHALMOLOGY. ADDITIONALLY, PALI MOMI IS PROUD TO HOUSE THE FIRST RETINAL CENTER IN THE STATE AND THE ONLY CARDIAC CATHETER UNIT IN LEEWARD OAHU.

THE HOSPITAL HAS 116 ACUTE CARE BEDS AND MORE THAN 800 FULL-TIME EMPLOYEES. DURING FISCAL 2008, KAPI`OLANI MEDICAL CENTER AT PALI MOMI ADMITTED 5,584 PATIENTS FOR A TOTAL OF 34,519 PATIENT DAYS. EMERGENCY VISITS AT PALI MOMI HAVE INCREASED TO 34,831 PATIENTS AND THERE WERE 5,590 OUTPATIENT SURGERIES, AS WELL AS 1,982 INPATIENT SURGERY CASES. OUTPATIENT ENCOUNTERS (THOSE NOT FOR EMERGENCIES OR SURGERIES) INCREASED TO 103,203 IN FISCAL 2008.

THE STAFF AT PALI MOMI WORKS TO SERVE THE MEDICAL NEEDS OF ITS NEIGHBORS ON OAHU, AND IS ALSO A VALUED COMMUNITY PARTNER. IN FISCAL 2008, PALI MOMI HOSTED A VARIETY OF FREE COMMUNITY EVENTS TO RAISE PUBLIC AWARENESS OF CURRENT HEALTHCARE AND WELLNESS ISSUES - FROM "BREATHE WITH EASE INTO THE NEW YEAR," WHICH ADDRESSED FIREWORKS' NEGATIVE EFFECTS ON AIR QUALITY, TO ITS FAMILY AND SENIOR HEALTH FAIRS AND MULTIPLE SUPPORT GROUPS. PALI MOMI ALSO OFFERED FREE GLUCOSE MONITORING AND BLOOD PRESSURE SCREENING TWICE

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS  
=====

A MONTH.

NEARLY 100 PEOPLE VOLUNTEER IN THE MEDICAL CENTER EVERY YEAR.

KAPI`OLANI MEDICAL CENTER AT PALI MOMI TREATS ALL RESIDENTS OF LEEWARD OAHU REGARDLESS OF THEIR ABILITY TO PAY, SERVING AS THE COMMUNITY'S SAFETY NET PROVIDER OF HEALTHCARE. AN ESTABLISHED CHARITY CARE POLICY SETS GUIDELINES IN WHICH PATIENTS QUALIFY FOR FREE CARE. IN FISCAL 2008, THE HOSPITAL PROVIDED MORE THAN \$1.7 MILLION WORTH OF CARE TO INDIVIDUALS, WHO WERE UNINSURED OR UNABLE TO PAY FOR THEIR CARE.

FORM 990, PART IV - INVESTMENTS - OTHER SECURITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	COST OR FMV
CORPORATE STOCK	38,091,438.	39,137,464.	FMV
TOTALS	38,091,438.	39,137,464.	

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
ARTWORK	23,596.	45,316.
DUE FROM HAWAII PACIFIC HEALTH AN EXEMPT AFFILIATE	127,410.	NONE
DUE FROM KAPIOLANI MEDICAL SPECIALISTS, AN EXEMPT AFFILIATE	22,400.	25,752.
DUE FROM KAPIOLANI HEALTH FOUNDATION, AN EXEMPT AFFILIATE	46,641.	116,671.
OTHER RECEIVABLES DUE FROM PROVIDERS INSURANCE CORPORATION, AN EXEMPT AFFILIATE	450,407.	191,255.
DUE FROM HAWAII PACIFIC HEALTH PARTNERS, AN EXEMPT AFFILIATE	NONE	110,298.
BENEFICIAL INT. IN NA OF FDN	NONE	7,383.
DUE FROM GOVT AGENCIES	NONE	212,784.
	NONE	1,266,101.
TOTALS	670,454.	1,975,560.

FORM 990, PART IV - TAX-EXEMPT BOND LIABILITIES

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DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SPECIAL PURPOSE REVENUE - 1993 - ISSUED 2/93	20,781,164.	20,822,377.
UNEXPENDED PROCEEDS:	NONE	
THIRD PARTY PERCENTAGE:	NONE	
TOTALS	----- 20,781,164. -----	----- 20,822,377. -----

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
ESCHEAT	1,574.	3,136.
DEFERRED EQUIPMENT PURCH. PLAN	91,509.	72,779.
LT LIABILITY CAPITAL LEASE	5,925.	NONE
DUE TO THIRD PARTY PAYORS	1,353,459.	NONE
DUE TO PROVIDERS INSURANCE CORPORATION, AN EXEMPT AFFILIATE	451,253.	NONE
DUE TO STRAUB CLINIC & HOSPITAL, AN EXEMPT AFFILIATE	15,269.	15,438.
DUE TO WILCOX HOSPITAL FOUNDATION, AN EXEMPT AFFILIATE	169.	169.
DUE TO KAUAI MEDICAL CLINIC, AN EXEMPT AFFILIATE	5,604.	12,270.
TOTALS	<u>1,924,762.</u>	<u>103,792.</u>

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

DESCRIPTION -----	AMOUNT -----
COST OF INVENTORY SOLD	64,145.
LOSS DISPOSAL OF PROP & EQUIP	31,158.
	-----
TOTAL	95,303.
	=====

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

DESCRIPTION	AMOUNT
LOSS ON DISPOSAL PROP & EQUIP	31,158.
COST OF INVENTORY SOLD	64,145.
TOTAL	95,303.

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MARK GRIEF MD 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	CHAIRMAN 1.00	NONE	NONE	NONE
VIOLETA ARNOBIT RN 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	VICE CHAIRMAN 1.00	NONE	NONE	NONE
CARLETON CHING 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	DIRECTOR 1.00	NONE	NONE	NONE
BETH HOBAN RN 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	DIRECTOR 1.00	NONE	NONE	NONE
GORDON NIHEI 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	DIRECTOR 1.00	NONE	NONE	NONE
BRYAN MATSUMOTO MD 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	DIRECTOR 1.00	NONE	NONE	NONE
HUGH HAZENFIELD MD	DIRECTOR, CHIEF OF STAFF 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813				
*RECEIVED A STIPEND OF \$20,000 FOR MEDICAL SERVICES PROVIDED AND NOT FOR THEIR DUTIES AS A DIRECTOR ON THE BOARD.				
CHARLES A STED 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	DIRECTOR, PRESIDENT 2.00	NONE	NONE	NONE
CHARLES R CHING ESQ 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	SVP, GEN COUNSEL & SECRETARY 1.00	NONE	NONE	NONE
RAYMOND P VARA JR 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	EXEC VP, CEO OF OPERATIONS 9.00	NONE	NONE	NONE
DAVID OKABE 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	EXEC VP, CFO & TREASURER 3.00	NONE	NONE	NONE
GAIL LERCH 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	EXEC. VICE PRESIDENT 5.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
VIRGINIA PRESSLER FISHER MD 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	EXEC. VICE PRESIDENT 1.00	NONE	NONE	NONE
EARL INOUE 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	VP SYSTEM CONTROLLER & CRO 1.00	NONE	NONE	NONE
ARTHUR GLADSTONE 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	COO STRAUB & VP HPH 1.00	NONE	NONE	NONE
JENNIE CHAHANOVICH 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	COO KMCPM 55.00	NONE	NONE	NONE
STEVEN ROBERTSON 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	SR VICE PRESIDENT & CIO 8.00	NONE	NONE	NONE
TERRY LONG 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	VICE PRESIDENT 1.00	NONE	NONE	NONE
WARREN CHAIKO	VICE PRESIDENT 10.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813				
WILLOW MORTON 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	VICE PRESIDENT 6.00	NONE	NONE	NONE
SUSAN MASUMOTO--NONAKA 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	VICE PRESIDENT 8.00	NONE	NONE	NONE
HILTON RAETHEL 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	VICE PRESIDENT 5.00	NONE	NONE	NONE
PRUDENCE KUSANO 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HPH COMPLIANCE OFFICER 1.00	NONE	NONE	NONE
BETTY KANESHIRO 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	ASSISTANT CORPORATE SECRETARY 1.00	NONE	NONE	NONE
MELINDA ASHTON MD 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	MEDICAL DIRECTOR 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DAVID FOX 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	PRIVACY & INFORMATION SECURITY 1.00	NONE	NONE	NONE
JESSICA BRUGGEMANN 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	ASSISTANT CORPORATE SECRETARY 1.00	NONE	NONE	NONE
ANDREW DANG MD 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	DIRECTOR 1.00	NONE	NONE	NONE
GRAND TOTALS		NONE	NONE	NONE

FORM 990, PART V-A COMPENSATION PROVIDED BY RELATED ORGANIZATION

NAME, ORGANIZATION NAME, RELATIONSHIP	EMPLOYER ID #	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
CHARLES A STED HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	1,148,152.	176,157.	14,961.
CHARLES R CHING ESQ HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	350,046.	74,363.	NONE
RAYMOND P VARA JR HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	731,873.	138,856.	9,989.
DAVID OKABE HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	524,890.	83,702.	10,863.
GAIL LERCH HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	480,408.	96,223.	7,800.

FORM 990, PART V-A COMPENSATION PROVIDED BY RELATED ORGANIZATION

NAME, ORGANIZATION NAME, RELATIONSHIP	EMPLOYER ID #	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
VIRGINIA PRESSLER FISHER MD HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	369,069.	80,169.	2,834.
EARL INOUE HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	212,425.	71,418.	NONE
ARTHUR GLADSTONE HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	316,737.	63,126.	NONE
JENNIE CHAHANOVICH HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	260,928.	44,843.	NONE
STEVEN ROBERTSON HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	315,414.	85,173.	NONE

FORM 990, PART V-A COMPENSATION PROVIDED BY RELATED ORGANIZATION

NAME, ORGANIZATION NAME, RELATIONSHIP	EMPLOYER ID #	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
TERRY LONG HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	188,207.	70,447.	NONE
WARREN CHAIKO HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	226,611.	61,068.	4,800.
WILLOW MORTON HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	169,460.	70,690.	NONE
SUSAN MASUMOTO-NONAKA HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	192,620.	65,588.	NONE
HILTON RAETHEL HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	197,299.	53,717.	1,323.

FORM 990, PART V-A COMPENSATION PROVIDED BY RELATED ORGANIZATION

NAME, ORGANIZATION NAME, RELATIONSHIP	EMPLOYER ID #	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
PRUDENCE KUSANO HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	129,533.	33,693.	NONE
BETTY KANESHIRO STRAUB CLINIC AND HOSPITAL SUPPORTING ORGANIZATION	91-2151670	71,553.	28,199.	NONE
MELINDA ASHTON MD HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	218,724.	34,595.	NONE
DAVID FOX HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	92,405.	25,710.	NONE
JESSICA BRUGGEMANN HAWAII PACIFIC HEALTH SUPPORTING ORGANIZATION	99-0246363	75,032.	8,453.	NONE

FORM 990, PART V-A COMPENSATION PROVIDED BY RELATED ORGANIZATION

NAME, ORGANIZATION NAME, RELATIONSHIP	EMPLOYER ID #	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ANDREW DANG MD STRAUB CLINIC & HOSPITAL SUPPORTING ORGANIZATION	91-2151670	319,952.	71,154.	NONE
GRAND TOTALS		6,591,338.	1,437,344.	52,570.

FORM 990, PART V-B - FORMER OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	LOANS AND ADVANCES	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ROGER DRUE 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				
JANA HALL 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				
DEW-ANNE LANGCAON 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				
RICHARD ROBEL 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				

FORM 990, PART V-B - FORMER OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	LOANS AND ADVANCES	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
PAULA DIAS 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				
RODNEY BOYCHUK MD 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				
MICHELLE KAKAZU 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	NONE	NONE	NONE	NONE
SEE STATEMENT 5 RE FORMER OFFICERS, DIRECTORS AND TRUSTEES				
GRAND TOTALS	NONE	NONE	NONE	NONE

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

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RELATED ORGANIZATION NAME: KAPI`OLANI MEDICAL CENTER FOR WOMEN AND CHILDREN  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: KAPI`OLANI HEALTH FOUNDATION  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: KAPI`OLANI MEDICAL SPECIALISTS  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: KAUAI MEDICAL CLINIC  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: PROVIDERS INSURANCE  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: STRAUB CLINIC AND HOSPITAL  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: STRAUB FOUNDATION  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: WILCOX FOUNDATION  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: WILCOX MEMORIAL HOSPITAL  
EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: HAWAII PACIFIC HEALTH PARTNERS INC AND SUBSIDIARIES  
EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: STRAUB PHARMACY  
EXEMPT: NONEXEMPT: X

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

=====

RELATED ORGANIZATION NAME: STRAUB PROFESSIONAL SERVICES

EXEMPT: NONEXEMPT: X

FORM 990, PART VII - PROGRAM SERVICE REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
NET PATIENT REVENUE					66,364,718.
RENTAL INCOME RELATED TO PROGRAM SERVICES					423,803.
TOTALS					66,788,521.

FORM 990, PART VII - OTHER REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
INTEREST INCOME ON INCOME GUARANTEE ADVANCES					5,825.
HOSPITAL CAFETERIA					7,852.
PARKING			03	16,081.	521,215.
MISCELLANEOUS					44,386.
COPIES MEDICAL RECORDS					
TOTALS				16,081.	579,278.

FORM 990, PART XI - TRANSFERS TO CONTROLLED ENTITIES STATEMENT  
=====

CONTROLLED ENTITY'S NAME: STRAUB FOUNDATION  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT ST., 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0109350  
TRANSFER AMOUNT: 168.  
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
DONATIONS

CONTROLLED ENTITY'S NAME: PROVIDERS INSURANCE CORPORATION  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT ST 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 71-0893000  
TRANSFER AMOUNT: 1,742,340.  
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
PROFESSIONAL LIABILITY PREMIUMS

CONTROLLED ENTITY'S NAME: STRAUB CLINIC AND HOSPITAL  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 91-2151670  
TRANSFER AMOUNT: 768,107.  
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

CONTROLLED ENTITY'S NAME: PROVIDERS INSURANCE CORPORATION  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 71-0893000  
TRANSFER AMOUNT: 110,573.  
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

CONTROLLED ENTITY'S NAME: KAUAI MEDICAL CLINIC  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0326099  
TRANSFER AMOUNT: 6,666.  
EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

CONTINUED

STATEMENT 34

FORM 990, PART XI - TRANSFERS TO CONTROLLED ENTITIES STATEMENT (CONT'

=====

CONTROLLED ENTITY'S NAME: WILCOX MEMORIAL HOSPITAL  
 CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
 CITY, STATE & ZIP: HONOLULU, HI 96813  
 EIN: 99-0074365  
 TRANSFER AMOUNT: 70,957.  
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
 INTERNAL SUPPORT SERVICES PROVIDED

CONTROLLED ENTITY'S NAME: KAPIOLANI MEDICAL CTR FOR WOMEN CHILDREN  
 CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
 CITY, STATE & ZIP: HONOLULU, HI 96813  
 EIN: 99-0177350  
 TRANSFER AMOUNT: 2,187,774.  
 EXPLANATION OF TRANSFER TO CONTROLLED ENTITY:  
 INTERNAL SUPPORT SERVICES PROVIDED

FORM 990, PART XI - TRANSFERS FROM CONTROLLED ENTITIES STATEMENT  
=====

CONTROLLED ENTITY'S NAME: HAWAII PACIFIC HEALTH  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT ST., 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0246363  
TRANSFER AMOUNT: 311,056.  
EXPLANATION OF TRANSFER FROM CONTROLLED ENTITY:  
CAPITAL CONTRIBUTIONS

CONTROLLED ENTITY'S NAME: KAPIOLANI MEDICAL SPECIALISTS  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0322406  
TRANSFER AMOUNT: 3,352.  
EXPLANATION OF TRANSFER FROM CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

CONTROLLED ENTITY'S NAME: HAWAII PACIFIC HEALTH PARTNERS, INC.  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0246363  
TRANSFER AMOUNT: 7,383.  
EXPLANATION OF TRANSFER FROM CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

CONTROLLED ENTITY'S NAME: HAWAII PACIFIC HEALTH  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT STREET 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0246363  
TRANSFER AMOUNT: 7,786,161.  
EXPLANATION OF TRANSFER FROM CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

CONTROLLED ENTITY'S NAME: HPHRI  
CONTROLLED ENTITY'S ADDRESS: 55 MERCHANT ST., 24TH FLOOR  
CITY, STATE & ZIP: HONOLULU, HI 96813  
EIN: 99-0246363  
TRANSFER AMOUNT: 356.  
EXPLANATION OF TRANSFER FROM CONTROLLED ENTITY:  
INTERNAL SUPPORT SERVICES PROVIDED

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
WESLEY MEDEIROS 98-1079 MOANALUA AIEA, HI 96826	PHARMACIST 40.00	162,226.	28,507.	NONE
ALICIA BERTULFO 98-1079 MOANALUA ROAD AIEA, HI 96826	HOUSE SUPERVISOR 40.00	173,705.	36,484.	NONE
ODESSA RIVERA 98-1079 MOANALUA ROAD AIEA, HI 96826	RN - CHARGE 40.00	162,970.	24,656.	NONE
CHRISTI L KELIPIO 98-1079 MOANALUA ROAD AIEA, HI 96826	DIR CLINICAL SVC 40.00	163,653.	33,743.	NONE
CLIFFORD K WILLIAMS 98-1079 MOANALUA ROAD AIEA, HI 96826	HOUSE SUPERVISOR 40.00	160,960.	31,537.	NONE
TOTAL COMPENSATION		823,514.	154,927.	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.  
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
HAWAII HOSPITAL PHYSICIANS INC 98-1079 MOANALUA ROAD ROOM 437 AEIA, HI 96701	PHYSICIAN SERVICES	1,013,087.
PHYSICIANS ANESTHESIA SERVICE INC 321 NO KUAKINI STREET SUITE 306 HONOLULU, HI 96817	PHYSICIAN SERVICES	316,467.
ISLAND NURSES INC 3808 KANAINA AVE. # 205 HONOLULU, HI 96815	MEDICAL SERVICES	309,363.
NURSEFINDERS P.O. BOX 1300 HONOLULU, HI 96813	MEDICAL SERVICES	160,067.
ALTRES MEDICAL P.O. BOX 1410 HONOLULU, HI 96807	MEDICAL SERVICES	152,078.
	TOTAL COMPENSATION	----- 1,951,062. =====

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.  
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
SODEXHO INC AND AFFILIATES 888 S. KING STREET HONOLULU, HI 96813	FOOD & CATERING SERV	485,782.
CLINICAL LABORATORIES OF HAWAII LLP P.O. BOX 1300 HONOLULU, HI 96807	MEDICAL SERVICES	3,566,064.
CONSTRUCTORS HAWAII INC 740 KOHUO STREET HONOLULU, HI 86817	CONSTRUCTION	1,254,068.
FRESENIUS MEDICAL CARE N AMERICA P.O. BOX 1300 HONOLULU, HI 96807	MEDICAL SERVICES	897,981.
UNITED LAUNDRY SERVICES INC 2291 ALAHAO PLACE HONOLULU, HI 96819	LAUNDRY SERVICES	597,618.
	TOTAL COMPENSATION	----- 6,801,513. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

=====

BOARD MEMBERS WHO ARE ALSO DOCTORS RECEIVED STIPENDS AS MEDICAL DIRECTORS FOR THE VARIOUS HOSPITALS. SEE OFFICER'S LIST FOR AMOUNTS PART V-A.

SCHEDULE A, PART VI-B - LOBBYING ACTIVITY EXPLANATION

=====

LOBBYING FEES RELATED TO DUES PAID TO HEALTHCARE ASSOCIATION OF HAWAII

**Exempt Organization Business Income Tax Return** (and proxy tax under section 6033(e))

**2007**

Open to Public Inspection  
 for 501(c)(3) Organizations Only

For calendar year 2007 or other tax year beginning 07/01, 2007, and  
 ending 06/30, 2008. See separate instructions.

**A**  Check box if address changed

**B** Exempt under section  
 501(c)(3)  408(e)  220(e)  408A  530(a)  529(a)

**C** Book value of all assets at end of year: 118,736,570.

**D** Employer identification number: 99-0274038

**E** Unrelated business activity codes (See instructions for Block E on page 9.)

Name of organization (  Check box if name changed and see instructions.)  
KAPIOLANI MEDICAL CENTER AT PALI MOMI

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.  
55 MERCHANT STREET, 24TH FLOOR

City or town, state, and ZIP code  
HONOLULU, HI 96813

**F** Group exemption number (See instructions for Block F on page 9.)

**G** Check organization type:  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H** Describe the organization's primary unrelated business activity.

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
 If "Yes," enter the name and identifying number of the parent corporation. **SEE STATEMENT 1**

**J** The books are in care of DONNA MASUDA-KAM Telephone number 808-535-7355

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales			
b	Less returns and allowances			
c	Balance	1c		
2	Cost of goods sold (Schedule A, line 7)	NONE		
3	Gross profit. Subtract line 2 from line 1c	NONE		NONE
4 a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from partnerships and S corporations (attach statement)	5		
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See page 11 of the instructions; attach schedule.)	12		
13	<b>Total.</b> Combine lines 3 through 12.	NONE		NONE

Part II Deductions Not Taken Elsewhere (See page 12 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)				
14	Compensation of officers, directors, and trustees (Schedule K)	14		NONE
15	Salaries and wages	15		
16	Repairs and maintenance	16		
17	Bad debts	17		
18	Interest (attach schedule)	18		
19	Taxes and licenses	19		
20	Charitable contributions (See page 14 of the instructions for limitation rules.)	20		
21	Depreciation (attach Form 4562)	21	NONE	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		NONE
23	Depletion	23		
24	Contributions to deferred compensation plans	24		
25	Employee benefit programs	25		
26	Excess exempt expenses (Schedule I)	26		
27	Excess readership costs (Schedule J)	27		
28	Other deductions (attach schedule)	28		
29	<b>Total deductions.</b> Add lines 14 through 28	29		NONE
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		NONE
31	Net operating loss deduction (limited to the amount on line 30)	31		
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		NONE
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33		
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.	34		NONE

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here [X] See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) NONE (2) NONE (3) NONE b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) (2) Additional 3% tax (not more than \$100,000) c Income tax on the amount on line 34 STMT 2 35c NONE 36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) 36 37 Proxy tax. See page 16 of the instructions 37 38 Alternative minimum tax 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies. 39 NONE

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a b Other credits (see page 17 of the instructions) 40b c General business credit. Check here and indicate which forms are attached: [ ] Form 3800 [ ] Form(s) (specify) 40c d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 NONE 42 Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 NONE 44 a Payments: A 2006 overpayment credited to 2007 44a b 2007 estimated tax payments 44b c Tax deposited with Form 8868 44c d Foreign organizations: Tax paid or withheld at source (see instructions) 44d e Backup withholding (see instructions) 44e f Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total 44f 45 Total payments. Add lines 44a through 44f 45 46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached [ ] 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 NONE 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 NONE 49 Enter the amount of line 48 you want: Credited to 2008 estimated tax Refunded 49 NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here [ ] Yes [X] No 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. [ ] Yes [X] No 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 1 NONE 2 Purchases 2 3 Cost of labor 3 4 a Additional section 263A costs (attach schedule) 4a b Other costs (attach schedule) 4b 5 Total. Add lines 1 through 4b 5 NONE 6 Inventory at end of year 6 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2, 7 NONE 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [ ] Yes [X] No

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

Sign Here [Signature] 5/15/09 Vice President Date Title May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer's Use Only Preparer's signature [Signature] Date 5/14/09 Check if self-employed [ ] Preparer's SSN or PTIN P00216618 Firm's name (or yours if self-employed), address, and ZIP code ERNST & YOUNG U.S. LLP 55 MERCHANT ST., SUITE 1900, C-120 HONOLULU, HI 96813 EIN 34-6565596 Phone no. 808-531-2037

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 20)

1 Description of property

Table with 4 rows for property description (1-4).

2 Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3 Deductions directly connected with the income.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A).

Schedule E - Unrelated Debt-Financed Income (see instructions on page 20)

Table with 5 columns: 1 Description of debt-financed property, 2 Gross income from or allocable to debt-financed property, 3 Deductions directly connected with or allocable to debt-financed property, 4 Amount of average acquisition debt, 5 Average adjusted basis, 6 Column 4 divided by column 5, 7 Gross income reportable, 8 Allocable deductions.

Totals. Total dividends-received deductions included in column 8.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 21)

Table for Exempt Controlled Organizations with 6 columns: 1 Name of Controlled Organization, 2 Employer Identification Number, 3 Net unrelated income, 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column 5.

Nonexempt Controlled Organizations

Table for Nonexempt Controlled Organizations with 5 columns: 7 Taxable Income, 8 Net unrelated income, 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income in column 10.

Totals. Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> . . . . . ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> . . . . . ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

**Schedule J - Advertising Income** (see instructions on page 22)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) . . . . . ▶						

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b>	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.
<b>Totals, Part II</b> (lines 1-5) . . . . . ▶						

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
STMT 3		%	
		%	
		%	
		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 . . . . . ▶			NONE

NAME AND FEIN OF PARENT CORPORATION

=====

HAWAII PACIFIC HEALTH  
99-0246363

FORM 990T - ORGANIZATIONS TAXABLE AS CORPORATIONS - TAX COMPUTATION

1	TAXABLE INCOME FROM LINE 34, PAGE 1, 990-T .....	NONE
2	LINE 1 OR THE CORPORATION'S SHARE OF THE \$50,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS .....	NONE
3	SUBTRACT LINE 2 FROM LINE 1 .....	NONE
4	LINE 3 OR THE CORPORATION'S SHARE OF THE \$25,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS .....	NONE
5	SUBTRACT LINE 4 FROM LINE 3 .....	NONE
6	LINE 5 OR THE CORPORATION'S SHARE OF THE \$9,925,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS .....	NONE
7	SUBTRACT LINE 6 FROM LINE 5 .....	NONE
8	ENTER 15% OF LINE 2 .....	NONE
9	ENTER 25% OF LINE 4 .....	NONE
10	ENTER 34% OF LINE 6 .....	NONE
11	ENTER 35% OF LINE 7 .....	NONE
12	MEMBER'S SHARE OF ADDITIONAL TAX: (A) 5% OF THE EXCESS OVER \$100,000 OR (B) \$11,750 .....	
13	MEMBER'S SHARE OF ADDITONAL TAX: (A) 3% OF THE EXCESS OVER \$15 MILLION OR (B) \$100,000 .....	
14	TOTAL OF LINES 8 THROUGH 13. ENTER THIS AMOUNT ON LINE 35C, PAGE 2, 990-T .....	NONE

KAPIOLANI MEDICAL CENTER AT PALI MOMI  
FEDERAL ID NO # 99-0274038  
June 30, 2008

Form 990-T: PART II, LINE 31 - NET OPERATING LOSS DEDUCTION

FYE 06/30/98 loss carryover	751,448
FYE 06/30/01 loss carryover	416,808
FYE 06/30/02 loss carryover	537,645
FYE 06/30/03 loss carryover	414,046
FYE 06/30/04 loss carryover	776,946
FYE 06/30/05 loss carryover	948,454
FYE 06/30/06 loss carryover	391,360
FYE 06/30/07 income	(13,750)
Total Carryforward NOL	<u>4,222,957</u>

Form 990-T: PART II, LINE 6 -ALTERNATIVE MINIMUM TAX NET OPERATING LOSS DEDUCTION

FYE 06/30/98 loss carryover	759,341
FYE 06/30/01 loss carryover	416,808
FYE 06/30/02 loss carryover	537,645
FYE 06/30/03 loss carryover	414,046
FYE 06/30/04 loss carryover	776,946
FYE 06/30/05 loss carryover	948,454
FYE 06/30/06 loss carryover	391,360
FYE 06/30/07 income	(13,750)
Total Carryforward NOL	<u>4,230,850</u>

**CONTROLLED GROUP ELECTION STATEMENTS**

**ELECTION TO ALLOCATE \$125,000 BUSINESS ASSET EXPENSE**

The undersigned corporation, component members of a controlled group of corporation, as defined in Internal Revenue Code §179(d)(7), hereby consent to the apportionment plan listed below with respect to the taxable year of each corporation which includes June 30, 2008.

**ELECTION TO ALLOCATE \$40,000 ALTERNATIVE MINIMUM TAX EXEMPTION**

The undersigned corporation, component members of a controlled group of corporation (within the meaning of Internal Revenue Code §1563(a)), hereby consent under IRC §1.58-1(c)(3) to the apportionment plan listed below with respect to the taxable year of each corporation which includes June 30, 2008.

**ELECTION TO ALLOCATE \$150,000 ALTERNATIVE MINIMUM TAX EXEMPTION**

The undersigned corporation, component members of a controlled group of corporation (within the meaning of Internal Revenue Code §1563(a)), hereby consent under IRC §1.58-1(c)(3) to the apportionment plan listed below with respect to the taxable year of each corporation which includes June 30, 2008.

**ELECTION TO ALLOCATE TAXABLE INCOME BRACKETS**

The undersigned corporation, component members of a controlled group of corporation (within the meaning of Internal Revenue Code §1563(a)), hereby consent under IRC §1.58-1(c)(3) to the apportionment plan listed below with respect to the taxable year of each corporation which includes June 30, 2008.

**ELECTION TO ALLOCATE ACCUMULATED EARNINGS CREDIT**

The undersigned corporation, component members of a controlled group of corporation (within the meaning of Internal Revenue Code §1563(a)), hereby consent under IRC §1.535-3 to the apportionment plan listed below with respect to the taxable year of each corporation which includes June 30, 2008.

Company	Employer Number	Apport. of Depr. Business Asset Expense	Apport. of \$40,000 Alt. Min Tax Exemption	Apport. of \$150,000 Alt. Min. Tax Exemption
1	99-0318588	\$125,000	\$40,000	\$150,000
2	99-0177350	None	None	None
3	99-0274038	None	None	None
4	99-0145107	None	None	None
5	99-0265504	None	None	None
6	99-0326099	None	None	None
7	91-2151670	None	None	None

**CONTROLLED GROUP ELECTION STATEMENTS**





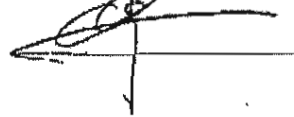
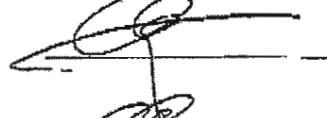
STATEMENT OF TAX BRACKET ALLOCATION

The amounts in each taxable income bracket in the tax table in IRC §11(b) have been allocated to the following corporations pursuant to §1.1563-3(a)

Company	Employer Number	First \$50,000 of Taxable Income	Taxable income over \$50,000 but not over \$75,000	Taxable income over \$75,000 but not over \$100,000	Taxable income over \$100,000 but not over \$335,000	Taxable income over \$335,000 but not over \$10,000,000
1	99-0318588	\$50,000	\$25,000	\$25,000	\$235,000	\$9,665,000
2	99-0177350	None	None	None	None	None
3	99-0274038	None	None	None	None	None
4	99-0145107	None	None	None	None	None
5	99-0265504	None	None	None	None	None
6	99-0326099	None	None	None	None	None
7	91-2151670	None	None	None	None	None

CONTROLLED GROUP ELECTION STATEMENTS

IDENTIFICATION AND SIGNATURES:

Company	Employer Number	Name and Address	Taxable Year End	Signature and Title of Officer
1	99-0318588	Hawaii Pacific Health Partners, Inc. & Subsidiaries 55 Merchant Street, 24 <sup>th</sup> Floor Honolulu, HI 96813	06/30/08	
2	99-0177350	Kapiolani Medical Center for Women and Children 55 Merchant Street, 24 <sup>th</sup> Floor Honolulu, HI 96813	06/30/08	
3	99-02474038	Kapiolani Medical Center at Pali Momi 55 Merchant Street, 24 <sup>th</sup> Floor Honolulu, HI 96813	06/30/08	
4	99-0145107	Straub Pharmacy, Inc. 55 Merchant Street, 24 <sup>th</sup> Floor Honolulu, HI 96813	06/30/08	
5	99-0265504	Straub Professional Services, Inc. 55 Merchant Street, 24 <sup>th</sup> Floor Honolulu, HI 96813	06/30/08	
6	99-0326099	Kauai Medical Clinic, Inc. 3-3420 Kuhio Highway, Suite B Lihue, Hawaii 96766	06/30/08	
7	91-2151670	Straub Clinic & Hospital 55 Merchant Street, 24 <sup>th</sup> Floor Honolulu, HI 96813	06/30/08	