



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**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)**

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

OMB No 1545-0047  
**2010**  
**Open to Public Inspection**

**A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> PALAMA SETTLEMENT		<b>D Employer identification number</b> 99-0074140
	Doing Business As		<b>E Telephone number</b> (808) 845-3945
	Number and street (or P O box if mail is not delivered to street address) 810 N VINEYARD BLVD	Room/suite	
	City or town, state or country, and ZIP + 4 HONOLULU, HI 96817		

<b>F Name and address of principal officer</b> JACKSON NAKASONE 810 N VINEYARD BLVD HONOLULU, HI 96817	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)  <b>H(c)</b> Group exemption number ▶
---	--

**I Tax-exempt status**  501(c)(3)  501(c) ( ) (Insert no )  4947(a)(1) or  527

**J Website:** ▶ WWW.PALAMASETTLEMENT.ORG

**K Form of organization**  Corporation  Trust  Association  Other ▶ **L Year of formation** 1910 **M State of legal domicile** HI

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities TO PROVIDE FACILITIES, SERVICES AND PROGRAMS TO SUPPORT, IMPROVE, AND POSITIVELY ENHANCE THE CULTURAL, SOCIAL, EDUCATIONAL, PHYSICAL AND EMOTIONAL WELL-BEING OF THE RESIDENTS SURROUNDING PALAMA SETTLEMENT		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	26
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	26
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a)	<b>5</b>	32
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	100
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	784,112	863,214
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	386,756	226,246
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-71,629	8,733
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	377,928	509,597
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,477,167	1,607,790
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	11,000	16,250
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	1,091,241	1,097,922
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 64,457	0	0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	603,186	617,026
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,705,427	1,731,198
<b>19</b> Revenue less expenses Subtract line 18 from line 12	-228,260	-123,408	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	3,874,406	3,858,918
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20	257,881	365,801
		3,616,525	3,493,117

**Part II Signature Block**

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.

<b>Sign Here</b>	***** Signature of officer	2011-10-03 Date
	JEAN EVANS EXECUTIVE DIRECTOR Type or print name and title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ N&K CPAS INC				Firm's EIN ▶
	Firm's address ▶ 1001 BISHOP ST SUITE 1700 ASB TOWER HONOLULU, HI 968133696				Phone no ▶ (808) 524-2255

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III

**1** Briefly describe the organization's mission

THE SETTLEMENT WAS ESTABLISHED IN 1896 AND INCORPORATED IN 1910 TO IMPROVE THE PHYSICAL, SOCIAL, EDUCATIONAL, EMOTIONAL, AND CULTURAL ASPECTS OF THE INDIVIDUAL, FAMILY, AND COMMUNITY IN THE PALAMA AREA OF HONOLULU IMPROVEMENT IS REALIZED THROUGH STIMULATING AND ENABLING RESIDENTS TO DEVELOP THEMSELVES AND THEIR COMMUNITY, PROVIDING OR ASSISTING IN PROVIDING NEEDED SERVICES OTHERWISE NOT AVAILABLE, COOPERATING WITH PUBLIC AND PRIVATE AGENCIES, AND PROVIDING FACILITIES, SUPPORT SERVICES AND PROGRAMS RESPONSIVE TO THE EVER-CHANGING NEEDS OF THE AREA RESIDENTS

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ 343,819 including grants of \$ ) (Revenue \$ 170,801 )  
 PSYCHO-SOCIAL WELL-BEING PROGRAMS - PROVIDE CHILDREN, YOUTH, ADULTS, AND SENIOR CITIZENS IN THE COMMUNITY THE OPPORTUNITY TO PARTICIPATE IN PROGRAMS AND ACTIVITIES THAT PROMOTE HEALTH, WELLNESS, POSITIVE SOCIAL INTERACTIONS, DEVELOPMENT OF SOCIAL SKILLS AND APPROPRIATE BEHAVIOR, AND A COMMITMENT TO COMMUNITY DEVELOPMENT WITHIN THE RECREATION DIVISION THE PAKOLEA PROGRAM (AN ACADEMIC/SPORTS/BEHAVIORAL MODIFICATION PROGRAM) HELPS YOUTH AGES 7-17 THROUGH SPORTS, ACADEMICS AND TEACHING OF SOCIALIZATION SKILLS THE LELAND BLACKFIELD YOUTH ACTIVITY CENTER IS A DROP-IN CENTER TO PROVIDE A SAFE AND STRUCTURED ENVIRONMENT FOR YOUTH TO SPEND THEIR FREE TIME WHILE ENJOYING ACTIVITIES THE YOUTH ACTIVITIES DEPARTMENT PROVIDES A SAFE AND STRUCTURED ENVIRONMENT FOR YOUTH TO PARTICIPATE IN INTRAMURAL SPORTS, CULTURAL ENRICHMENT, AND OTHER SOCIAL/RECREATIONAL/LEISURE ACTIVITIES THE AQUATICS DEPARTMENT PROVIDES YOUTH IN THE COMMUNITY WITH PUBLIC SWIM THE SENIOR CITIZENS DEPARTMENT PROVIDES THE COMMUNITY'S SENIOR CITIZENS WITH OPPORTUNITIES TO SOCIALIZE AND INTERACT WITH OTHERS, EXERCISE BOTH PHYSICALLY AND MENTALLY, AND PROMOTE HEALTHY LIVING

**4b** (Code ) (Expenses \$ 406,764 including grants of \$ ) (Revenue \$ 24,310 )  
 RECREATION - MOST OF THE YOUTH PROGRAMS ARE DESIGNED TO HELP YOUTH IMPROVE ON THE BEHAVIORS THEY EXHIBIT WHILE AMONG PEERS, ADULTS, THEIR FAMILIES, AND THE COMMUNITY-AT-LARGE MANY OF THE YOUTH SEEN COME THROUGH THE PROGRAMS FROM AT-RISK NEIGHBORHOODS AND DEAL EVERYDAY WITH THE DANGERS OF SUBSTANCE USE/ABUSE, GANG VIOLENCE, FAMILY DISINTEGRATION, ETC AS A RESULT, THEIR BEHAVIORS WHEN AROUND FRIENDS, FAMILY, ETC , SOMETIMES INVOLVE JUVENILE DELINQUENCY (CUTTING SCHOOL, GRAFFITI, FIGHTING, SWEARING, ETC ), SUBSTANCE ABUSE (ALCOHOL AND SMOKING), ANGER, DISTRUST OF ADULTS AND OTHERS, BULLYING, ETC THE PROGRAMS FOR YOUTH ARE DESIGNED TO HELP THEM ESCAPE THIS CYCLE AND EMPOWER THEM TO CREATE A BETTER ENVIRONMENT FOR THEMSELVES AND THOSE AROUND THEM IN ADDITION, THE IN-COMMUNITY TREATMENT PROGRAM (ICTP) PROVIDES AN ALTERNATIVE LEARNING ENVIRONMENT FOR YOUTH WHO ARE FAILING OUT OF SCHOOL AND IN TROUBLE WITH JUVENILE JUSTICE/HAVE A PROBATION OFFICER ASSIGNED TO THEM MORE SO NOW THAN BEFORE, MOST OF THESE YOUTH HAVE ISSUES BEYOND JUST ACADEMICS (I E PHYSICAL OR SEXUAL ABUSE, TEEN PREGNANCY, DOMESTIC ABUSE, FAMILY DISINTEGRATION/PARENTAL ABSENCE, PEER PRESSURE, ETC ) THE PRESENCE OF A STAFF SOCIAL WORK COUNSELOR IS DESIGNED TO NOT ONLY MAINTAIN, BUT IMPROVE ON THESE YOUTHS MENTAL HEALTH CONDITION SO THAT IT NO LONGER PRESENTS A NEGATIVE IMPACT ON THEIR ACADEMICS OR THEIR LIFESTYLE CHOICES IN ADDITION, SENIORS ARE PROVIDED THE BASIC OPPORTUNITIES TO ENGAGE IN SOCIALIZATION AND EXERCISE THAT REQUIRES MENTAL CALISTHENICS SUCH AS COUNTY LINE DANCING AND MAH JONG, HELPS THEM TO MAINTAIN AND EXERCISE THEIR CRITICAL BRAIN FUNCTIONS THE NEIGHBORHOOD DEVELOPMENT AND NEIGHBORHOOD DEVELOPMENT AND COMMUNITY OUTREACH PROGRAM (NDCOP), PROVIDES SUPPORT SERVICES TO THE LOW-INCOME AND/OR IMMIGRANT POPULATIONS LIVING IN THE HOUSING PROJECTS THESE SERVICES ARE IN PART, DESIGNED TO MAINTAIN THE MENTAL HEALTH OF HOUSING PROJECT RESIDENTS WHO STRUGGLE EVERYDAY WITH MANY OF THE BASICS THAT ARE TAKEN FOR GRANTED - FOOD, HOUSING, CLOTHING, EDUCATIONAL EXPENSES, CULTURE AND LANGUAGE BARRIERS, AND VIOLENCE

**4c** (Code ) (Expenses \$ 241,437 including grants of \$ ) (Revenue \$ 12,714 )  
 DELINQUENCY PROGRAM - ALL OF THE YOUTH PROGRAMS (RECREATION, ACADEMIC/SPORTS/BEHAVIORAL MODIFICATION, IN-COMMUNITY TREATMENT PROGRAM, NEIGHBORHOOD DEVELOPMENT AND COMMUNITY OUTREACH PROGRAM YOUTH ACTIVITIES, DROP-IN CENTER, ETC ) HAVE AS A PIECE OF THEIR GOAL, PREVENTING JUVENILE DELINQUENCY

**4d** Other program services (Describe in Schedule O ) **See also Additional Data for Description**  
 (Expenses \$ 365,825 including grants of \$ ) (Revenue \$ 18,421 )

**4e Total program service expenses** \$ 1,357,845

**Part IV Checklist of Required Schedules**

		Yes	No
<b>1</b>	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A <input checked="" type="checkbox"/>	Yes	
<b>2</b>	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? <input checked="" type="checkbox"/>	Yes	
<b>3</b>	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
<b>4</b>	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		No
<b>5</b>	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		
<b>6</b>	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I <input checked="" type="checkbox"/>		No
<b>7</b>	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II <input checked="" type="checkbox"/>		No
<b>8</b>	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III <input checked="" type="checkbox"/>		No
<b>9</b>	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV <input checked="" type="checkbox"/>		No
<b>10</b>	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V <input checked="" type="checkbox"/>	Yes	
<b>11</b>	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
<b>a</b>	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. <input checked="" type="checkbox"/>	Yes	
<b>b</b>	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. <input checked="" type="checkbox"/>	Yes	
<b>c</b>	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. <input checked="" type="checkbox"/>		No
<b>d</b>	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. <input checked="" type="checkbox"/>		No
<b>e</b>	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. <input checked="" type="checkbox"/>	Yes	
<b>f</b>	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. <input checked="" type="checkbox"/>		No
<b>12a</b>	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII <input checked="" type="checkbox"/>	Yes	
<b>b</b>	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional <input checked="" type="checkbox"/>		No
<b>13</b>	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
<b>14a</b>	Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b>	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV		No
<b>15</b>	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Parts II and IV		No
<b>16</b>	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Parts III and IV		No
<b>17</b>	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		No
<b>18</b>	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	Yes	
<b>19</b>	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
<b>20a</b>	Did the organization operate one or more hospitals? If "Yes," complete Schedule H		No
<b>b</b>	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

**Part IV Checklist of Required Schedules** *(continued)*

<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	<b>21</b>		No
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	<b>22</b>	Yes	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	<b>23</b>		No
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	<b>24a</b>		No
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	<b>25a</b>		No
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	<b>25b</b>		No
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	<b>26</b>		No
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	<b>27</b>		No
<b>28</b> Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>		No
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28c</b>		No
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<b>29</b>		No
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	<b>32</b>		No
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	<b>33</b>		No
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	<b>34</b>		No
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .	<b>35</b>		No
<b>a</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>		No
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	<b>37</b>		No
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question ID, question text, and Yes/No response. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, and various organizational requirements.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . .

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (26), 1b (26), 2 (No), 3 (No), 4 (No), 5 (No), 6 (No), 7a (No), 7b (No), 8a (Yes), 8b (Yes), 9 (No).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a (No), 10b, 11a (No), 11b, 12a (Yes), 12b (Yes), 12c (Yes), 13 (Yes), 14 (Yes), 15a (Yes), 15b (No), 16a (No), 16b.

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed HI
18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ROSALINDA REYES, 810 N VINEYARD BLVD, HONOLULU, HI 96817, (808) 845-3945



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							151,395	0	29,992	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		No
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

**Part VIII Statement of Revenue**

		(A)	(B)	(C)	(D)	
		Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . . <b>1a</b>	187,073				
	<b>b</b> Membership dues . . . . . <b>1b</b>					
	<b>c</b> Fundraising events . . . . . <b>1c</b>	22,110				
	<b>d</b> Related organizations . . . . . <b>1d</b>					
	<b>e</b> Government grants (contributions) . . . . . <b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . . <b>1f</b>	654,031				
	<b>g</b> Noncash contributions included in lines 1a-1f \$					
	<b>h Total.</b> Add lines 1a-1f . . . . . ▼		863,214			
	<b>Program Service Revenue</b>		<b>Business Code</b>			
<b>2a</b> CONTRACT AND SERVICE F		900099	203,555	203,555		
<b>b</b> OTHER PROGRAM		900099	22,691	22,691		
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>f</b> All other program service revenue						
<b>g Total.</b> Add lines 2a-2f . . . . . ▼		226,246				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . . ▼		8,733		8,733	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . . ▼					
	<b>5</b> Royalties . . . . . ▼					
	<b>6a</b> Gross Rents	(i) Real	487,979			
		(ii) Personal				
		<b>b</b> Less rental expenses				
		<b>c</b> Rental income or (loss)	487,979			
	<b>d</b> Net rental income or (loss) . . . . . ▼		487,979		487,979	
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		<b>b</b> Less cost or other basis and sales expenses				
		<b>c</b> Gain or (loss)				
<b>d</b> Net gain or (loss) . . . . . ▼						
<b>8a</b> Gross income from fundraising events (not including \$ 22,110 of contributions reported on line 1c) See Part IV, line 18 . . . . . <b>a</b>		45,739				
	<b>b</b> Less direct expenses . . . . . <b>b</b>	24,121				
	<b>c</b> Net income or (loss) from fundraising events . . . . . ▼		21,618		21,618	
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . . <b>a</b>						
	<b>b</b> Less direct expenses . . . . . <b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities . . . . . ▼					
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>						
	<b>b</b> Less cost of goods sold . . . . . <b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory . . . . . ▼					
Miscellaneous Revenue		<b>Business Code</b>				
<b>11a</b> _____						
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> All other revenue . . . . .					
	<b>e Total.</b> Add lines 11a-11d . . . . . ▼					
<b>12 Total revenue.</b> See Instructions . . . . . ▼		1,607,790	226,246	0	518,330	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
<b>2</b>	Grants and other assistance to individuals in the U S See Part IV, line 22	16,250	16,250		
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
<b>4</b>	Benefits paid to or for members				
<b>5</b>	Compensation of current officers, directors, trustees, and key employees . . . . .	181,388	140,315	31,920	9,153
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b>	Other salaries and wages	680,272	491,079	149,006	40,187
<b>8</b>	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	35,420	27,399	6,233	1,788
<b>9</b>	Other employee benefits . . . . .	138,314	100,909	30,017	7,388
<b>10</b>	Payroll taxes . . . . .	62,528	45,332	13,536	3,660
<b>a</b>	Fees for services (non-employees)				
	Management . . . . .				
<b>b</b>	Legal . . . . .				
<b>c</b>	Accounting . . . . .				
<b>d</b>	Lobbying . . . . .				
<b>e</b>	Professional fundraising services See Part IV, line 17 . . . . .				
<b>f</b>	Investment management fees . . . . .				
<b>g</b>	Other . . . . .	151,777	119,835	31,345	597
<b>12</b>	Advertising and promotion . . . . .				
<b>13</b>	Office expenses . . . . .	66,244	53,406	7,721	5,117
<b>14</b>	Information technology . . . . .				
<b>15</b>	Royalties . . . . .				
<b>16</b>	Occupancy . . . . .	181,304	171,025	10,235	44
<b>17</b>	Travel . . . . .	14,194	13,343	758	93
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b>	Conferences, conventions, and meetings . . . . .	12,078	2,800	1,330	7,948
<b>20</b>	Interest . . . . .				
<b>21</b>	Payments to affiliates . . . . .				
<b>22</b>	Depreciation, depletion, and amortization . . . . .	133,905	126,554	7,351	
<b>23</b>	Insurance . . . . .	19,248	18,662	586	
<b>24</b>	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
<b>a</b>	AWARDS AND GRANTS	18,447	8,783	882	8,782
<b>b</b>	EQUIPMENT RENTAL & MAIN	13,232	12,701	456	75
<b>c</b>	PRINTING & PUBLICATIONS	10,290	8,224	304	1,762
<b>d</b>	DUES & SUBSCRIPTIONS	2,115		2,015	100
<b>e</b>	LESS DIRECT FUNDRAISING	-24,121			-24,121
<b>f</b>	All other expenses	18,313	1,228	15,201	1,884
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24f	1,731,198	1,357,845	308,896	64,457
<b>26</b>	<b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .		<b>1</b>	
	<b>2</b> Savings and temporary cash investments . . . . .	415,818	<b>2</b>	462,173
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	38,314	<b>4</b>	65,726
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .	50,821	<b>9</b>	47,104
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	5,599,274		
	<b>b</b> Less accumulated depreciation . . . . .	4,033,152	1,654,236	<b>10c</b> 1,566,122
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	1,715,217	<b>12</b>	1,717,793
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .		<b>15</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	3,874,406	<b>16</b>	3,858,918	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	82,840	<b>17</b>	100,062
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	142,364	<b>19</b>	234,335
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities Complete Part X of Schedule D . . . . .	32,677	<b>25</b>	31,404
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	257,881	<b>26</b>	365,801
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	1,521,871	<b>27</b>	1,413,172
	<b>28</b> Temporarily restricted net assets . . . . .	180,850	<b>28</b>	166,141
	<b>29</b> Permanently restricted net assets . . . . .	1,913,804	<b>29</b>	1,913,804
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	3,616,525	<b>33</b>	3,493,117	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	3,874,406	<b>34</b>	3,858,918	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	1,607,790
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	1,731,198
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-123,408
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	3,616,525
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	3,493,117

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	Yes	
<b>c</b>	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O		No
<b>d</b>	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

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

**Public Charity Status and Public Support**

OMB No 1545-0047

**2010**

**Open to Public Inspection**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
PALAMA SETTLEMENT

Employer identification number

99-0074140

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9  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 exempt 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)**. (Complete Part III )
- 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h  
 a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f  If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?  
 (ii) a family member of a person described in (i) above?  
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	773,613	728,055	769,458	784,112	863,214	3,918,452
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3	773,613	728,055	769,458	784,112	863,214	3,918,452
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						335,679
<b>6 Public Support.</b> Subtract line 5 from line 4						3,582,773

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>7</b> Amounts from line 4	773,613	728,055	769,458	784,112	863,214	3,918,452
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	500,141	505,560	441,558	386,497	386,322	2,220,078
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )	63,184	12,455	1,866			77,505
<b>11 Total support</b> (Add lines 7 through 10)						6,216,035
<b>12</b> Gross receipts from related activities, etc (See instructions )					<b>12</b>	1,643,426
<b>13 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> ▶						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	<b>14</b>	57.640 %
<b>15</b> Public Support Percentage for 2009 Schedule A, Part II, line 14	<b>15</b>	58.930 %
<b>16a 33 1/3% support test—2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶		<input checked="" type="checkbox"/>
<b>b 33 1/3% support test—2009.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶		<input checked="" type="checkbox"/>
<b>17a 10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		<input checked="" type="checkbox"/>
<b>b 10%-facts-and-circumstances test—2009.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		<input checked="" type="checkbox"/>
<b>18 Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		<input checked="" type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12)						
<b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> 						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2009 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2010</b> (line 10c column (f) divided by line 13 column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2009</b> Schedule A, Part III, line 17	<b>18</b>	
<b>19a 33 1/3% support tests—2010.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization 		
<b>b 33 1/3% support tests—2009.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization 		
<b>20 Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

**Part IV** **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

<b>Facts And Circumstances Test</b>
-------------------------------------

--

--

---

**Explanation**

---

SCHEDULE A, PART II, LINE 10, EXPLANATION OF OTHER INCOME OTHER INCOME

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization PALAMA SETTLEMENT

Employer identification number 99-0074140

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

**3** Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange programs
- e**  Other

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

**5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

**b** If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

**2a** Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

**b** If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
<b>1a</b> Beginning of year balance . . . . .	1,913,804	1,918,116	1,922,038		
<b>b</b> Contributions . . . . .		3,425	600		
<b>c</b> Investment earnings or losses . . . . .		-7,737	38,353		
<b>d</b> Grants or scholarships . . . . .			42,875		
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .	1,913,804	1,913,804	1,918,116		

**2** Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment  0 %
- b** Permanent endowment  100 000 %
- c** Term endowment  0 %

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
<b>(i)</b> unrelated organizations . . . . .	<b>3a(i)</b>	No
<b>(ii)</b> related organizations . . . . .	<b>3a(ii)</b>	No
<b>b</b> If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .	<b>3b</b>	

**4** Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (Investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		107,154		107,154
<b>b</b> Buildings . . . . .		5,138,975	3,739,353	1,399,622
<b>c</b> Leasehold improvements . . . . .				
<b>d</b> Equipment . . . . .		353,145	293,799	59,346
<b>e</b> Other . . . . .				
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				1,566,122

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) TIME CERTIFICATES OF DEPOSIT	1,717,793	C
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12 )	1,717,793	

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 13 )		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
NOTES PAYABLE	31,404
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25 )	31,404

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	1,607,790
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	1,731,198
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	-123,408
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	
<b>9</b>	Total adjustments (net) Add lines 4 - 8	<b>9</b>	0
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	<b>10</b>	-123,408

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	1,631,911
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	1,631,911
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIV) . . . . .	<b>4b</b>	-24,121
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	-24,121
<b>5</b>	Total Revenue Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	1,607,790

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	1,755,319
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV) . . . . .	<b>2d</b>	24,121
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	24,121
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	1,731,198
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIV) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	0
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	1,731,198

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUNDS' INTEREST WILL BE USED FOR CAPITAL IMPROVEMENT PROJECTS AND TO SUPPORT THE ORGANIZATION'S VARIOUS PROGRAMS
PART XII, LINE 4B - OTHER ADJUSTMENTS		DIRECT FUNDRAISING EXPENSES -24,121
PART XIII, LINE 2D - OTHER ADJUSTMENTS		DIRECT FUNDRAISING EXPENSES 24,121

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization PALAMA SETTLEMENT

Employer identification number 99-0074140

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
b Internet and e-mail solicitations
c Phone solicitations
d In-person solicitations
e Solicitation of non-government grants
f Solicitation of government grants
g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions? (Yes/No), (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization. Includes a Total row at the bottom.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<b>GOLF TOURNAMENT</b> (event type)	_____ (event type)	<b>1</b> (total number)	(Add col (a) through col (c))
<b>Revenue</b>	<b>1</b> Gross receipts . . . . .	65,864		1,985	67,849
	<b>2</b> Less Charitable contributions . . . . .	22,110			22,110
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	43,754		1,985	45,739
<b>Direct Expenses</b>	<b>4</b> Cash prizes . . . . .	1,500			1,500
	<b>5</b> Non-cash prizes . . . . .	7,448			7,448
	<b>6</b> Rent/facility costs . . . . .	7,438			7,438
	<b>7</b> Food and beverages . . . . .	5,533			5,533
	<b>8</b> Entertainment . . . . .				
	<b>9</b> Other direct expenses . . . . .	2,202			2,202
	<b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				24,121
<b>11</b> Net income summary Combine lines 3 and 10 in column (d) . . . . . ▶				21,618	

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
<b>Revenue</b>	<b>1</b> Gross revenue . . . . .				
<b>Direct Expenses</b>	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No		
<b>7</b> Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶					
<b>8</b> Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶					

**9** Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_  
**a** Is the organization licensed to operate gaming activities in each of these states? . . . . .  Yes  No  
**b** If "No," Explain \_\_\_\_\_

**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . .  Yes  No  
**b** If "Yes," Explain \_\_\_\_\_

- 11** Does the organization operate gaming activities with nonmembers? . . . . .  Yes  No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . .  Yes  No

**13** Indicate the percentage of gaming activity operated in

<b>a</b> The organization's facility . . . . .	<b>13a</b>	
<b>b</b> An outside facility . . . . .	<b>13b</b>	

**14** Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . .  Yes  No

**b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

**c** If "Yes," enter name and address

Name ▶

Address ▶

**16** Gaming manager information

Name ▶

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

- Director/officer                       Employee                       Independent contractor

**17** Mandatory distributions

**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . .  Yes  No

**b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
------------	-----------------	-------------



**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	14	16,250			

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE PROGRAM ADMINISTRATOR AND THE FUND DEVELOPER ARE RESPONSIBLE FOR MONITORING THE PROGRAM(S) GRANT MONIES BOTH INDIVIDUALS REVIEW THE DISBURSEMENTS BEFORE PROCESSING AND SUBMITS THESE TO THE EXECUTIVE DIRECTOR FOR FINAL APPROVAL INDIVIDUALS ARE CONSIDERED FOR THE FOLLOWING TWO PALAMA SETTLEMENT SCHOLARSHIPS BLACKFIELD & FRIENDS SCHOLARSHIP SELECTION AND DETERMINATION OF AWARDS ARE BASED ON A STUDENT'S LIVING IN THE PALAMA COMMUNITY, FINANCIAL NEED, AND FOR ACHIEVING HIGH SCHOLASTIC RECORDS THE SCHOLARSHIP IS FOR PRIVATE HIGH SCHOOLS WITHIN THE STATE OF HAWAII OR COLLEGE/UNIVERSITY/VOCATIONAL TRAINING EITHER WITHIN THE STATE OF HAWAII OR ON THE MAINLAND FUNDING FOR THE SCHOLARSHIP IS ACQUIRED THROUGH INDIVIDUAL AND PRIVATE FOUNDATION DONATIONS HANNAH COCHRANE SCHOLARSHIP FUND SELECTION AND DETERMINATION OF AWARDS ARE BASED ON HIGH SCHOLASTIC RECORDS, FINANCIAL NEED AND ENROLLMENT IN A STATE OF HAWAII COLLEGE / UNIVERSITY / VOCATIONAL SCHOOL FUNDS ARE BASED UPON THE INTEREST OF AN ENDOWMENT MANAGED BY THE HAWAII COMMUNITY FOUNDATION THE STUDENTS' SCHOOL INVOICES PALAMA SETTLEMENT BI-ANNUALLY TO RECEIVE PAYMENT FOR THE SCHOLARSHIP AWARDED APPLICANTS SUBMIT AN APPLICATION, IF THE CRITERIA ARE MET, INTERVIEWS ARE SCHEDULED WITH THE BOARD OF TRUSTEES SCHOLARSHIP COMMITTEE OVERALL SCHOLARSHIP INFORMATION STUDENTS ARE REQUIRED TO PROVIDE PALAMA SETTLEMENT WITH EVIDENCE OF ENROLLMENT VOLUNTEERING AT PALAMA SETTLEMENT IS HIGHLY ENCOURAGED AND VARIOUS OPPORTUNITIES ARE OFFERED TO THE SCHOLARSHIP RECIPIENTS THROUGHOUT THE YEAR

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.**  
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

**2010**

**Open to Public Inspection**

**Name of the organization**  
PALAMA SETTLEMENT

**Employer identification number**

99-0074140

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE ORGANIZATION'S BUSINESS MANAGER AND EXECUTIVE DIRECTOR WORK CLOSELY WITH THE OUTSIDE ACCOUNTING FIRM IT ENGAGES TO REVIEW THE RETURN AND PROVIDE ANY ADDITIONAL INFORMATION REQUESTED THE FORM 990 IS PRIMARILY REVIEWED, PRIOR TO SUBMITTAL BY THE OUTSIDE ACCOUNTING FIRM, AND BY THE ORGANIZATION'S EXECUTIVE DIRECTOR AND BUSINESS MANAGER THE FORM 990, AS COMPARED TO THE ORGANIZATION'S ANNUAL AUDIT WHICH IS REVIEWED BY THE BOARD'S BUDGET & FINANCE COMMITTEE AND APPROVED BY THE FULL BOARD PRIOR TO FINALIZATION, DOES NOT CURRENTLY REQUIRE BOARD REVIEW PRIOR TO SUBMISSION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	<p>ARTICLE VII - CONFLICT OF INTEREST POLICY, SECTION 7 1 CONFLICT OF INTEREST TRANSACTIONS, GENERALLY A CONFLICT OF INTEREST TRANSACTION IS A TRANSACTION WITH THE CORPORATION IN WHICH A TRUSTEE OR OFFICER OF THE CORPORATION HAS A DIRECT OR INDIRECT INTEREST A CONFLICT OF INTEREST TRANSACTION IS NOT VOIDABLE OR THE BASIS FOR IMPOSING LIABILITY ON THE TRUSTEE OR OFFICER IF THE TRANSACTION WAS FAIR AT THE TIME IT WAS ENTERED INTO OR IS APPROVED AS PROVIDED IN THIS SECTION A TRANSACTION IN WHICH A TRUSTEE OR OFFICER HAS A CONFLICT OF INTEREST MAY BE APPROVED IF THE MATERIAL FACTS OF THE TRANSACTION AND THE TRUSTEE'S OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE BOARD OF TRUSTEES OR A COMMITTEE OF THE BOARD OF TRUSTEES AND THE TRANSACTION WAS AUTHORIZED, APPROVED, OR RATIFIED BY THE BOARD OF TRUSTEES OR COMMITTEE OF THE BOARD OF TRUSTEES A TRUSTEE OR OFFICER OF THE CORPORATION HAS AN INDIRECT INTEREST IN A TRANSACTION IF (1) ANOTHER ENTITY IN WHICH THE TRUSTEE OR OFFICER HAS A MATERIAL INTEREST OR IN WHICH THE TRUSTEE OR OFFICER IS A GENERAL PARTNER IS A PARTY TO THE TRANSACTION, OR (2) ANOTHER ENTITY OF WHICH THE TRUSTEE OR OFFICER IS A DIRECTOR, OFFICER, OR TRUSTEE IS A PARTY TO THE TRANSACTION A CONFLICT OF INTEREST TRANSACTION IS AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVES THE AFFIRMATIVE VOTE OF A MAJORITY OF THE TRUSTEES EITHER ON THE BOARD OR ON THE COMMITTEE, WHO HAVE NO DIRECT OR INDIRECT INTEREST IN THE TRANSACTION, PROVIDED THAT A TRANSACTION MAY NOT BE AUTHORIZED, APPROVED, OR RATIFIED UNDER THIS SECTION BY A SINGLE TRUSTEE IF A MAJORITY OF THE TRUSTEES ON THE BOARD WHO HAVE NO DIRECT OR INDIRECT INTEREST IN THE TRANSACTION VOTE TO AUTHORIZE, APPROVE, OR RATIFY THE TRANSACTION, A QUORUM IS PRESENT FOR THE PURPOSE OF TAKING ACTION UNDER THIS SECTION THE PRESENCE OF OR A VOTE CAST BY A TRUSTEE WITH A DIRECT OR INDIRECT INTEREST IN THE TRANSACTION DOES NOT AFFECT THE VALIDITY OF ANY ACTION TAKEN UNDER THIS SECTION, PROVIDED THE TRANSACTION IS OTHERWISE APPROVED AS PROVIDED IN THIS SECTION SECTION 7 2 INTERESTED PERSON ANY TRUSTEE, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH BOARD OF TRUSTEE DELEGATED POWERS, WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST, AS DEFINED IN SECTION 7 3 OF THESE BY LAWS, IS AN INTERESTED PERSON SECTION 7 3 FINANCIAL INTEREST A PERSON HAS A FINANCIAL INTEREST IF THE PERSON HAS, DIRECTLY OR INDIRECTLY, THROUGH BUSINESS, INVESTMENT, OR FAMILY (1) AN OWNERSHIP OR INVESTMENT INTEREST IN ANY ENTITY WITH WHICH THE CORPORATION HAS A TRANSACTION OR ARRANGEMENT, (2) A COMPENSATION ARRANGEMENT WITH THE CORPORATION OR WITH ANY ENTITY OR INDIVIDUAL WITH WHICH THE CORPORATION HAS A TRANSACTION OR ARRANGEMENT, OR (3) A POTENTIAL OWNERSHIP OR INVESTMENT INTEREST IN, OR COMPENSATION ARRANGEMENT WITH, ANY ENTITY OR INDIVIDUAL WITH WHICH THE CORPORATION IS NEGOTIATING A TRANSACTION OR ARRANGEMENT COMPENSATION INCLUDES DIRECT AND INDIRECT REMUNERATION AS WELL AS GIFTS OR FAVORS THAT ARE NOT INSUBSTANTIAL A FINANCIAL INTEREST IS NOT NECESSARILY A CONFLICT OF INTEREST UNDER SECTION 7 5 OF THESE BY LAWS, A PERSON WHO HAS A FINANCIAL INTEREST MAY HAVE A CONFLICT OF INTEREST ONLY IF THE APPROPRIATE GOVERNING BOARD OR COMMITTEE DECIDES THAT A CONFLICT OF INTEREST EXISTS SECTION 7 4 DUTY TO DISCLOSE IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE TRUSTEES AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT SECTION 7 5 DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE BOARD OF TRUSTEES OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS SECTION 7 6 PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST THE FOLLOWING PROCEDURES WILL BE FOLLOWED TO ADDRESS THE POSSIBLE CONFLICT OF INTEREST (1) AN INTERESTED PERSON MAY MAKE A PRESENTATION AT THE BOARD OF TRUSTEES OR COMMITTEE MEETING, BUT AFTER THE PRESENTATION, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT INVOLVING THE POSSIBLE CONFLICT OF INTEREST (2) THE CHAIRPERSON OF THE BOARD OF TRUSTEES OR COMMITTEE SHALL, IF APPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT (3) AFTER EXERCISING DUE DILIGENCE, THE BOARD OF TRUSTEES OR COMMITTEE SHALL DETERMINE WHETHER THE CORPORATION CAN OBTAIN WITH REASONABLE EFFORTS A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST (4) IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY POSSIBLE UNDER CIRCUMSTANCES NOT PRODUCING A CONFLICT OF INTEREST, THE BOARD OF TRUSTEES OR COMMITTEE SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED TRUSTEES WHETHER THE TRANSACTION OR ARRANGEMENT IS IN THE CORPORATION'S BEST INTEREST, FOR ITS OWN BENEFIT, AND WHETHER IT IS FAIR AND REASONABLE IN CONFORMITY WITH THE ABOVE DETERMINATION IT SHALL MAKE ITS DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT SECTION 7 7 VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY THE FOLLOWING PROCEDURES SHALL BE TAKEN, IF A POSSIBLE CONFLICT OF INTEREST HAS NOT BEEN DISCLOSED (1) IF THE BOARD OF TRUSTEES OR COMMITTEE HAS REASONABLE CAUSE TO BELIEVE AN INTERESTED PERSON HAS FAILED TO DISCLOSE ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, IT SHALL INFORM THE INTERESTED PERSON OF THE BASIS FOR SUCH BELIEF AND AFFORD THE INTERESTED PERSON AN OPPORTUNITY TO EXPLAIN THE ALLEGED FAILURE TO DISCLOSE (2) IF, AFTER HEARING THE INTERESTED PERSON'S RESPONSE AND AFTER MAKING FURTHER INVESTIGATION AS WARRANTED BY THE CIRCUMSTANCES, THE BOARD OF TRUSTEES OR COMMITTEE DETERMINES THE INTERESTED PERSON HAS FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, IT SHALL TAKE APPROPRIATE DISCIPLINARY AND CORRECTIVE ACTION, WHICH MAY INCLUDE WITHOUT LIMITATION REMOVAL BY THE BOARD OF TRUSTEES SECTION 7 8 PROCEEDINGS THE MINUTES OF THE BOARD OF TRUSTEES AND ALL COMMITTEES WITH BOARD DELEGATED POWERS SHALL CONTAIN (1) THE NAMES OF THE PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO HAVE A FINANCIAL INTEREST IN CONNECTION WITH AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, THE NATURE OF THE FINANCIAL INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND THE BOARD'S OR COMMITTEE'S DECISION AS TO WHETHER A CONFLICT OF INTEREST IN FACT EXISTED (2) THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSIONS AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSION, INCLUDING ANY ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION WITH THE PROCEEDINGS SECTION 7 9 COMPENSATION THE FOLLOWING PROVISIONS CONCERN COMPENSATION (1) A TRUSTEE OF THE BOARD WHO RECEIVES COMPENSATION, DIRECTLY OR INDIRECTLY, FROM THE CORPORATION FOR SERVICES IS PRECLUDED FROM VOTING ON MATTERS PERTAINING TO THAT TRUSTEE'S COMPENSATION (2) A MEMBER OF ANY COMMITTEE WHOSE JURISDICTION INCLUDES COMPENSATION MATTERS AND WHO RECEIVES COMPENSATION, DIRECTLY OR INDIRECTLY, FROM THE CORPORATION FOR SERVICES IS PRECLUDED FROM VOTING ON MATTERS PERTAINING TO THAT COMMITTEE MEMBER'S COMPENSATION (3) NO TRUSTEE OR ANY MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS WHOSE JURISDICTION INCLUDES COMPENSATION MATTERS AND WHO RECEIVES COMPENSATION, DIRECTLY OR INDIRECTLY, FROM THE CORPORATION, EITHER INDIVIDUALLY OR COLLECTIVELY, IS PROHIBITED FROM PROVIDING INFORMATION TO ANY COMMITTEE REGARDING COMPENSATION SECTION 7 10 ANNUAL STATEMENTS EACH TRUSTEE, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN AT THE COMMENCEMENT OF HIS OR HER TERM A STATEMENT WHICH AFFIRMS SUCH PERSON (1) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, (2) HAS READ AND UNDERSTANDS THE POLICY, (3) HAS AGREED TO COMPLY WITH THE POLICY, AND (4) UNDERSTANDS THE CORPORATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15A	THE EXECUTIVE DIRECTOR HAS THE DUTIES OF THE CHIEF EXECUTIVE OFFICER AND THEREFORE HER COMPENSATION IS REVIEWED IN ACCORDANCE WITH THE ORGANIZATION'S BY-LAWS WHICH CALL FOR PERIODIC REVIEWS TO DETERMINE WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE, BASED ON COMPETENT SURVEY INFORMATION AND THE RESULT OF ARM'S LENGTH BARGAINING THIS MAY INCLUDE THE USE OF OUTSIDE EXPERTS THE BOARD ENSURES THAT NO ONE INVOLVED IN THE DELIBERATIONS OF THE EXECUTIVE DIRECTOR'S COMPENSATION HAS A CONFLICT OF INTEREST, AND THE DELIBERATIONS AND DECISIONS ARE CONTEMPORANEOUSLY DOCUMENTED NO OFFICERS OF THE BOARD ARE COMPENSATED THE ORGANIZATION HAS DETERMINED THERE ARE NO EMPLOYEES THAT MEET THE DEFINITION OF KEY EMPLOYEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ARTICLES OF INCORPORATION ARE FILED WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (DCCA), STATE OF HAWAII, AND ARE BY NATURE OF BEING RECORDED THERE, A MATTER OF PUBLIC RECORD THE AGENCY'S BY-LAWS ARE NOT REQUIRED TO BE RECORDED WITH THE DCCA AND ARE NOT REQUIRED TO BE MADE AVAILABLE FOR PUBLIC INSPECTION HOWEVER, UPON REQUEST, WE MAY SHARE SUCH PROVISIONS AS PART VI WHICH IS THE CONFLICT OF INTEREST STATEMENT THE ORGANIZATION'S/AGENCY'S 990 TAX INFORMATION IS AVAILABLE ON WWW GUIDESTAR COM FOR ANY MEMBER OF THE PUBLIC TO ACCESS SHOULD THEY CHOOSE TO DO SO

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 99-0074140  
**Name:** PALAMA SETTLEMENT

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JACKSON NAKASONE PRESIDENT	2 00	X		X				0	0	0
ISMAEL EUSTAQUIO 1ST VP	2 00	X		X				0	0	0
RICHARD SUTTON 2ND VP	2 00	X		X				0	0	0
JARRETT WALTERS 3RD VP	2 00	X		X				0	0	0
ROLAND CHANG TREASURER	2 00	X		X				0	0	0
RANDAL HASHIMOTO SECRETARY	2 00	X		X				0	0	0
PETER AKAMU BOARD MEMBER	2 00	X						0	0	0
MARY ANN CHANGG BOARD MEMBER	2 00	X						0	0	0
JOHNNY CHIEM BOARD MEMBER	2 00	X						0	0	0
LINDA GEE BOARD MEMBER	2 00	X						0	0	0
THOMAS E GRIFFIN BOARD MEMBER	2 00	X						0	0	0
JAMES HARROW BOARD MEMBER	2 00	X						0	0	0
GLENN KIMURA BOARD MEMBER	2 00	X						0	0	0
LYNN KINNEY BOARD MEMBER	2 00	X						0	0	0
MAUDE LAU BOARD MEMBER	2 00	X						0	0	0
KENNETH LEE BOARD MEMBER	2 00	X						0	0	0
RUSSELL LOO BOARD MEMBER	2 00	X						0	0	0
DARYLE NEKOBA BOARD MEMBER	2 00	X						0	0	0
ROY OSHITA BOARD MEMBER	2 00	X						0	0	0
PAULA RATH BOARD MEMBER	2 00	X						0	0	0
PAUL SAITO BOARD MEMBER	2 00	X						0	0	0
NEIL TAGAWA BOARD MEMBER	2 00	X						0	0	0
CARRIE WONG BOARD MEMBER	2 00	X						0	0	0
DENIS WONG BOARD MEMBER	2 00	X						0	0	0
ALAN YAMAMOTO BOARD MEMBER	2 00	X						0	0	0

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES YAMAMOTO BOARD MEMBER	2 00	X						0	0	0
JEAN EVANS EXECUTIVE DIRECTOR	39 00			X				23,747	0	1,957
JAN HARADA EXECUTIVE DIRECTOR	39 00			X				42,190	0	4,117
ROSALINDA REYES BUSINESS MANAGER	39 00			X				38,904	0	9,305
DONNA TANIGUCHI PROGRAM DIRECTOR	39 00			X				46,554	0	14,613

**Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)**

**4d. Other program services**

(Code	) (Expenses \$	365,825	including grants of \$	) (Revenue \$	18,421 )
EDUCATIONAL SERVICE - THE ICTP IS AN ALTERNATIVE LEARNING ENVIRONMENT WHERE YOUTH WHO ARE FAILING OUT OF SCHOOL AND IN TROUBLE WITH THE FAMILY COURT/JUVENILE JUSTICE, ARE REFERRED TO PALAMA SETTLEMENT'S ICTP IN ORDER TO WORK ON IMPROVING THEIR ACADEMIC PROGRESS, THEIR BEHAVIORS, AND THEIR OVERALL NECESSARY LIFE SKILLS THE STAFF WORK IN CONJUNCTION WITH THE STUDENT'S HOME SCHOOL TO HELP THE STUDENT PROGRESS TO A POINT WHERE THEY ARE ABLE TO EITHER RETURN TO THEIR HOME SCHOOL TO FINISH THEIR HIGH SCHOOL EDUCATION OR, THEY EARN ENOUGH CREDITS TO GRADUATE WITH THEIR SENIOR CLASS IN ADDITION, THE PAKOLEA PROGRAM PROVIDES ACADEMIC GUIDANCE AND USES SPORTS AS A MOTIVATION FOR PARTICIPATING YOUTH TO WORK AS HARD IN THE CLASSROOM AS THEY DO ON THE FIELD THE COMMUNITY COMPUTER CENTER PROVIDES COMPUTER EDUCATION CLASSES FOR CHILDREN AND YOUTH FOOD SERVICE - ACTIVITIES PRIMARILY INCLUDE PROVIDING NUTRITIOUS LUNCHES FOR THE CHILDREN/YOUTH WHO PARTICIPATE IN THE 6 WEEK SUMMER INTER-SESSION PROGRAM, AS WELL AS MID-AFTERNOON SNACKS					