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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** **and ending**

**B** Check if applicable:
- [X] Address change
- [X] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

**C** Name of organization
PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 3375 KOAPAKA STREET — Room/suite I-540

City or town, state or country, and ZIP + 4 HONOLULU, HI 96819

**F** Name and address of principal officer: HELEN PETROVITCH
SAME AS C ABOVE

**D Employer identification number** 99-0312283

**E** Telephone number 808-524-4411

**G** Gross receipts $ 2,858,859.

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

**H(b)** Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list (see instructions)

**H(c)** Group exemption number ▶

**I** Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no ) [ ] 4947(a)(1) or [ ] 527

**J Website:** ▶ WWW.PHREI.ORG

**K** Form of organization [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

**L** Year of formation 1994 **M** State of legal domicile HI

## Part I Summary

| | | | |
|---|---|---|---|
| 1 | Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O | | |
| 2 | Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets | | |
| 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 | 10 |
| 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 10 |
| 5 | Total number of individuals employed in calendar year 2010 (Part V, line 2a) | 5 | 59 |
| 6 | Total number of volunteers (estimate if necessary) | 6 | 1 |
| 7a | Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| b | Net unrelated business taxable income from Form 990-T, line 34 | 7b | 0. |

| | | Prior Year | Current Year |
|---|---|---|---|
| 8 | Contributions and grants (Part VIII, line 1h) | 1,389,255. | 2,857,434. |
| 9 | Program service revenue (Part VIII, line 2g) | 0. | 0. |
| 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 4,133. | 1,425. |
| 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 0. | 0. |
| 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 1,393,388. | 2,858,859. |
| 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 0. | 32,902. |
| 14 | Benefits paid to or for members (Part IX, column (A), line 4) | 0. | 0. |
| 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 656,352. | 1,650,454. |
| 16a | Professional fundraising fees (Part IX, column (A), line 11e) | 0. | 0. |
| b | Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. | | |
| 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 214,348. | 548,669. |
| 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 870,700. | 2,232,025. |
| 19 | Revenue less expenses Subtract line 18 from line 12 | 522,688. | 626,834. |

| | | Beginning of Current Year | End of Year |
|---|---|---|---|
| 20 | Total assets (Part X, line 16) | 1,451,146. | 3,225,982. |
| 21 | Total liabilities (Part X, line 26) | 0. | 2,641,118. |
| 22 | Net assets or fund balances. Subtract line 21 from line 20 | 1,451,146. | 584,864. |

## 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

**Sign Here**

▶ George Webster Ross — Signature of officer — Date 6/6/11

▶ GEORGE WEBSTER ROSS, BOD SECRETARY — Type or print name and title

**Paid Preparer Use Only**

| | | | | |
|---|---|---|---|---|
| Print/Type preparer's name: DENEEN NAKASHIMA | Preparer's signature: Deneen Nakashima | Date 6/3/2011 | Check [ ] if self-employed | PTIN P00170623 |
| Firm's name ▶ PKF PACIFIC HAWAII, LLP | | | Firm's EIN ▶ | |
| Firm's address ▶ 1132 BISHOP STREET SUITE 2500 HONOLULU, HI 96813 | | | Phone no 808-536-0066 | |

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



SCANNED JUN 30 2011
RECEIVED JUN 13 2011 OGDEN, UT

**Part III Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:
SEE SCHEDULE O

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 [X] 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 [X] 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 $ 2,197,207. including grants of $ 32,902. ) (Revenue $ 2,858,859. )
PHREI CONDUCTED MEDICAL RESEARCH PROJECTS

4b (Code: ) (Expenses $ including grants of $ ) (Revenue $ )

4c (Code: ) (Expenses $ including grants of $ ) (Revenue $ )

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $ ) (Revenue $ )

4e **Total program service expenses** ▶ 2,197,207.

**Part IV Checklist of Required Schedules**

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A* | 1 | X | |
| 2 | Is the organization required to complete Schedule B, Schedule of Contributors? | 2 | X | |
| 3 | 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* | 3 | | X |
| 4 | **Section 501(c)(3) organizations.** 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* | 4 | | X |
| 5 | 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* | 5 | | |
| 6 | 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* | 6 | | X |
| 7 | 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* | 7 | | X |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III* | 8 | | X |
| 9 | 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* | 9 | | X |
| 10 | Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V* | 10 | | X |
| 11 | 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. | | | |
| a | Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI* | 11a | X | |
| 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* | 11b | | X |
| c | 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* | 11c | | X |
| d | 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* | 11d | | X |
| e | Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X* | 11e | X | |
| f | 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* | 11f | X | |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII* | 12a | X | |
| 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* | 12b | | X |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E* | 13 | | X |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | 14a | | X |
| 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* | 14b | | X |
| 15 | 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 United States? *If "Yes," complete Schedule F, Parts II and IV* | 15 | | X |
| 16 | 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 United States? *If "Yes," complete Schedule F, Parts III and IV* | 16 | | X |
| 17 | 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* | 17 | | X |
| 18 | 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* | 18 | | X |
| 19 | 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* | 19 | | X |
| 20a | Did the organization operate one or more hospitals? *If "Yes," complete Schedule H* | 20a | | X |
| b | If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions) | 20b | | |

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

| | | | Yes | No |
|---|---|---|---|---|
| 21 | 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? *If "Yes," complete Schedule I, Parts I and II* | 21 | X | |
| 22 | 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? *If "Yes," complete Schedule I, Parts I and III* | 22 | | X |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J* | 23 | | X |
| 24a | 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? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25* | 24a | | X |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | |
| c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | |
| d | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | 24d | | |
| 25a | **Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I* | 25a | | X |
| 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? *If "Yes," complete Schedule L, Part I* | 25b | | X |
| 26 | 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? *If "Yes," complete Schedule L, Part II* | 26 | | X |
| 27 | 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? *If "Yes," complete Schedule L, Part III* | 27 | | X |
| 28 | 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): | | | |
| a | A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV* | 28a | | X |
| b | A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV* | 28b | | X |
| c | 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? *If "Yes," complete Schedule L, Part IV* | 28c | | X |
| 29 | Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M* | 29 | | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M* | 30 | | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I* | 31 | | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II* | 32 | | X |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I* | 33 | | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1* | 34 | | X |
| 35 | Is any related organization a controlled entity within the meaning of section 512(b)(13)? | 35 | | X |
| a | Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes [X] No | | | |
| 36 | **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2* | 36 | | X |
| 37 | 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? *If "Yes," complete Schedule R, Part VI* | 37 | | X |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O | 38 | X | |

**Part V** **Statements Regarding Other IRS Filings and Tax Compliance**

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

| | | | | Yes | No |
|---|---|---|---|---|---|
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | 1a | 3 | | |
| b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 1b | 0 | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | | X | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 2a | 59 | | |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2b | | X | |
| | **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file*. (see instructions) | | | | |
| 3a | Did the organization have unrelated business gross income of $1,000 or more during the year? | 3a | | | X |
| b | If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O* | 3b | | | |
| 4a | 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)? | 4a | | | X |
| b | If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | | X |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | | X |
| c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | 5c | | | |
| 6a | Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible? | 6a | | | X |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 6b | | | |
| 7 | **Organizations that may receive deductible contributions under section 170(c).** | | | | |
| a | Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor? | 7a | | | X |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7b | | | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | | X |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7d | | | |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | | X |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | | X |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | | X |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 7h | | | X |
| 8 | **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | 8 | | | X |
| 9 | **Sponsoring organizations maintaining donor advised funds.** | | | | |
| a | Did the organization make any taxable distributions under section 4966? | 9a | | | X |
| b | Did the organization make a distribution to a donor, donor advisor, or related person? | 9b | | | X |
| 10 | **Section 501(c)(7) organizations.** Enter: | | | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | | |
| 11 | **Section 501(c)(12) organizations.** Enter: | | | | |
| a | Gross income from members or shareholders | 11a | | | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | | | |
| 12a | **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? | 12a | | | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | | | |
| 13 | **Section 501(c)(29) qualified nonprofit health insurance issuers.** | | | | |
| a | Is the organization licensed to issue qualified health plans in more than one state? | 13a | | | |
| | **Note.** See the instructions for additional information the organization must report on Schedule O. | | | | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 13b | | | |
| c | Enter the amount of reserves on hand | 13c | | | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | 14a | | | X |
| b | If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* | 14b | | | |

**Part VI Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 [X]

## Section A. Governing Body and Management

| | | | | Yes | No |
|---|---|---|---|---|---|
| 1a | Enter the number of voting members of the governing body at the end of the tax year | 1a | 10 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent | 1b | 10 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | 2 | X | |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | | 3 | X | |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | 4 | X | |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | 5 | | X |
| 6 | Does the organization have members or stockholders? | | 6 | X | |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | | 7a | | X |
| b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | | 7b | | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | | | |
| a | The governing body? | | 8a | X | |
| b | Each committee with authority to act on behalf of the governing body? | | 8b | X | |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O* | | 9 | | X |

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

| | | | Yes | No |
|---|---|---|---|---|
| 10a | Does the organization have local chapters, branches, or affiliates? | 10a | | X |
| b | If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? | 10b | | |
| 11a | Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? | 11a | X | |
| b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | | |
| 12a | Does the organization have a written conflict of interest policy? *If "No," go to line 13* | 12a | X | |
| b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | X | |
| c | Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done* | 12c | X | |
| 13 | Does the organization have a written whistleblower policy? | 13 | X | |
| 14 | Does the organization have a written document retention and destruction policy? | 14 | X | |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | | |
| a | The organization's CEO, Executive Director, or top management official | 15a | X | |
| b | Other officers or key employees of the organization | 15b | X | |
| | If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.) | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | | X |
| b | If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | 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 Forms 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.

[ ] Own website [X] Another's website [X] Upon request

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.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

ALLYSON ENDO - 808-524-4411

3375 KOAPAKA STREET STE I-540, HONOLULU, HI 96819

## Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

### Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (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 | | | |
| JAMES HASTINGS<br>CHAIR | 0.10 | X | | X | | | | 0. | 0. | 0. |
| WILLIAM DUBBS<br>VICE CHAIR | 0.10 | X | | X | | | | 0. | 0. | 0. |
| G. WEBSTER ROSS<br>SECRETARY/TREASURER | 0.10 | X | | X | | | | 0. | 0. | 0. |
| MARY ANN ANTONELLI<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| IRWIN SCHATZ<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| DOUGLAS WILSON<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| JERRIS HEDGES<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| DEE JAY MAILER<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| MARY BOLAND<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| LESLIE MORLAND<br>DIRECTOR | 0.10 | X | | | | | | 0. | 0. | 0. |
| HELEN PETROVITCH, M.D.<br>EXECUTIVE DIRECTOR | 4.00 | X | | | X | | | 29,303. | 0. | 0. |
| VICKI L. SHAMBAUGH, M.A., M.P.H.<br>R&D DIRECTOR | 40.00 | X | | | X | | | 71,270. | 0. | 0. |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

**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 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Sub-total ▶ | | | | | | | | 100,573. | 0. | 0. |
| c Total from continuation sheets to Part VII, Section A ▶ | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) ▶ | | | | | | | | 100,573. | 0. | 0. |

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 |
|---|---|---|---|
| 3 | Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual* | | X |
| 4 | 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? *If "Yes," complete Schedule J for such individual* | | X |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person* | | X |

**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. NONE

| (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) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|---|---|---|---|---|---|---|---|
| Contributions, gifts, grants and other similar amounts | 1 a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | | | | | |
| | d Related organizations | 1d | | | | | |
| | e Government grants (contributions) | 1e | 2238017. | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 619,417. | | | | |
| | g Noncash contributions included in lines 1a-1f $ 15,000. | | | | | | |
| | h **Total.** Add lines 1a-1f | | ▶ | 2857434. | | | |
| Program Service Revenue | | Business Code | | | | | |
| | 2 a | | | | | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| | g **Total.** Add lines 2a-2f | | ▶ | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | ▶ | 1,425. | | | 1,425. |
| | 4 Income from investment of tax-exempt bond proceeds | | ▶ | | | | |
| | 5 Royalties | | ▶ | | | | |
| | | (i) Real | (ii) Personal | | | | |
| | 6 a Gross Rents | | | | | | |
| | b Less: rental expenses | | | | | | |
| | c Rental income or (loss) | | | | | | |
| | d Net rental income or (loss) | | ▶ | | | | |
| | | (i) Securities | (ii) Other | | | | |
| | 7 a Gross amount from sales of assets other than inventory | | | | | | |
| | b Less: cost or other basis and sales expenses | | | | | | |
| | c Gain or (loss) | | | | | | |
| | d Net gain or (loss) | | ▶ | | | | |
| | 8 a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from fundraising events | | ▶ | | | | |
| | 9 a Gross income from gaming activities See Part IV, line 19 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from gaming activities | | ▶ | | | | |
| | 10 a Gross sales of inventory, less returns and allowances | a | | | | | |
| | b Less: cost of goods sold | b | | | | | |
| | c Net income or (loss) from sales of inventory | | ▶ | | | | |
| | Miscellaneous Revenue | | Business Code | | | | |
| | 11 a | | | | | | |
| | b | | | | | | |
| | c | | | | | | |
| | d All other revenue | | | | | | |
| | e **Total.** Add lines 11a-11d | | ▶ | | | | |
| | 12 **Total revenue.** See instructions | | ▶ | 2858859. | 0. | 0. | 1,425. |

## 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 |
|---|---|---|---|---|
| 1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21 | 32,902. | 32,902. | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 100,573. | 58,630. | 41,943. | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 1,136,526. | 915,720. | 220,806. | |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | 23,840. | 16,357. | 7,483. | |
| 9 Other employee benefits | 91,996. | 42,820. | 49,176. | |
| 10 Payroll taxes | 297,519. | 232,709. | 64,810. | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | | | | |
| d Lobbying | | | | |
| e Professional fundraising services See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other | 66,535. | 66,535. | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | 142,435. | 71,297. | 71,138. | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 142,279. | 90,936. | 51,343. | |
| 17 Travel | 90,958. | 80,316. | 10,642. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 8,028. | 2,517. | 5,511. | |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | | | | |
| 23 Insurance | 3,191. | | 3,191. | |
| 24 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 ) | | | | |
| a CONTRACT SERVICES | 54,034. | 9,508. | 44,526. | |
| b REPAIRS & MAINTENANCE | 21,947. | 1,790. | 20,157. | |
| c PARTICIPANT COSTS | 10,366. | 10,366. | | |
| d DUES & SUBSCRIPTIONS | 8,332. | | 8,332. | |
| e INDIRECT COST ALLOCATIO | 0. | 564,804. | -564,804. | |
| f All other expenses | 564. | | 564. | |
| 25 Total functional expenses. Add lines 1 through 24f | 2,232,025. | 2,197,207. | 34,818. | 0. |
| 26 Joint costs. Check here ▶ ☐ 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) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|
| Assets | 1 | Cash - non-interest-bearing | 1,007,708. | 1 | 2,722,871. |
| | 2 | Savings and temporary cash investments | 443,438. | 2 | |
| | 3 | Pledges and grants receivable, net | | 3 | 407,518. |
| | 4 | Accounts receivable, net | | 4 | |
| | 5 | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 | 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) | | 6 | |
| | 7 | Notes and loans receivable, net | | 7 | |
| | 8 | Inventories for sale or use | | 8 | |
| | 9 | Prepaid expenses and deferred charges | | 9 | 51,157. |
| | 10a | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 44,436. | | | |
| | b | Less: accumulated depreciation — 10b: | 0. | 10c | 44,436. |
| | 11 | Investments - publicly traded securities | | 11 | |
| | 12 | Investments - other securities. See Part IV, line 11 | | 12 | |
| | 13 | Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 | Intangible assets | | 14 | |
| | 15 | Other assets. See Part IV, line 11 | | 15 | |
| | 16 | **Total assets.** Add lines 1 through 15 (must equal line 34) | 1,451,146. | 16 | 3,225,982. |
| Liabilities | 17 | Accounts payable and accrued expenses | | 17 | 105,162. |
| | 18 | Grants payable | | 18 | |
| | 19 | Deferred revenue | | 19 | 2,507,575. |
| | 20 | Tax-exempt bond liabilities | | 20 | |
| | 21 | Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 | Other liabilities. Complete Part X of Schedule D | 0. | 25 | 28,381. |
| | 26 | **Total liabilities.** Add lines 17 through 25 | 0. | 26 | 2,641,118. |
| Net Assets or Fund Balances | | **Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.** | | | |
| | 27 | Unrestricted net assets | 411,771. | 27 | 584,864. |
| | 28 | Temporarily restricted net assets | 1,039,375. | 28 | 0. |
| | 29 | Permanently restricted net assets | | 29 | |
| | | **Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.** | | | |
| | 30 | Capital stock or trust principal, or current funds | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building, or equipment fund | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| | 33 | Total net assets or fund balances | 1,451,146. | 33 | 584,864. |
| | 34 | Total liabilities and net assets/fund balances | 1,451,146. | 34 | 3,225,982. |

## Part XI Reconciliation of Net Assets

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

| | | | |
|---|---|---|---|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 2,858,859. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 2,232,025. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 626,834. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 1,451,146. |
| 5 | Other changes in net assets or fund balances (explain in Schedule O) | 5 | -1,493,116. |
| 6 | Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 584,864. |

## Part XII Financial Statements and Reporting

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

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? | 2a | | X |
| b | Were the organization's financial statements audited by an independent accountant? | 2b | X | |
| c | If "Yes" to line 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. | 2c | X | |
| d | 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: [X] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis | | | |
| 3a | 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? | 3a | X | |
| 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 | 3b | X | |

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

Department of the Treasury
Internal Revenue Service

# Public Charity Status and Public Support

**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.**

OMB No 1545-0047

**2010**

**Open to Public Inspection**

| Name of the organization | Employer identification number |
|---|---|
| PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE | 99-0312283 |

**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: SEE SCHEDULE O

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?

| | | Yes | No |
|---|---|---|---|
| (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 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).

| (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? Yes | (iv) No | (v) Did you notify the organization in col (i) of your support? Yes | (v) No | (vi) Is the organization in col (i) organized in the U S ? Yes | (vi) No | (vii) Amount of support |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |

**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 |
|---|---|---|---|---|---|---|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 **Total.** Add lines 1 through 3 | | | | | | |
| 5 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) | | | | | | |
| 6 **Public support.** Subtract line 5 from line 4 | | | | | | |

## Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
|---|---|---|---|---|---|---|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 11 **Total support.** Add lines 7 through 10 | | | | | | |

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** 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 **stop here** ▶ ☐

## Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2010.** 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 **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2009.** 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 **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

## 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 |
|---|---|---|---|---|---|---|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 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 | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 **Total.** Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| 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 | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 **Public support** (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 |
|---|---|---|---|---|---|---|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 **Total support** (Add lines 9, 10c, 11, and 12.) | | | | | | |

14 **First five years.** 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 **stop here** ▶ ☐

### Section C. Computation of Public Support Percentage

| | | |
|---|---|---|
| 15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2009 Schedule A, Part III, line 15 | 16 | % |

### Section D. Computation of Investment Income Percentage

| | | |
|---|---|---|
| 17 Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from **2009** Schedule A, Part III, line 17 | 18 | % |

19a **33 1/3% support tests - 2010.** 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 **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2009.** 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 **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

**SCHEDULE D** (Form 990)

Department of the Treasury
Internal Revenue Service

# Supplemental Financial Statements

▶ 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.

OMB No 1545-0047

**2010**

Open to Public Inspection

**Name of the organization** PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

**Employer identification number** 99-0312283

## 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.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|---|---|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 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? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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? ☐ Yes ☐ No

## 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 (e.g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

| | Held at the End of the Tax Year |
|---|---|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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? ☐ Yes ☐ No

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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, 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 |
|---|---|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

c Beginning balance
d Additions during the year
e Distributions during the year
f 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 |
|---|---|---|---|---|---|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

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

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

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

**Part VI 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 |
|---|---|---|---|---|
| 1a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | 44,436. | | 44,436. |
| e Other | | | | |
| **Total.** Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶ | | | | 44,436. |

**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) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| (I) | | |
| Total. (Col (b) must equal Form 990, Part X, col (B) line 12 ) ▶ | | |

**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 |
|---|---|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Col (b) must 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 |
|---|---|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. *(Column (b) must 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 |
|---|---|
| (1) Federal income taxes | |
| (2) CAPITAL LEASE OBLIGATIONS | 28,381. |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶ | 28,381. |

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 Audited Financial Statements

| | | | |
|---|---|---|---|
| 1 | Total revenue (Form 990, Part VIII, column (A), line 12) | 1 | 2,858,859. |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 2 | 2,232,025. |
| 3 | Excess or (deficit) for the year. Subtract line 2 from line 1 | 3 | 626,834. |
| 4 | Net unrealized gains (losses) on investments | 4 | |
| 5 | Donated services and use of facilities | 5 | |
| 6 | Investment expenses | 6 | |
| 7 | Prior period adjustments | 7 | |
| 8 | Other (Describe in Part XIV.) | 8 | -1,493,116. |
| 9 | Total adjustments (net). Add lines 4 through 8 | 9 | -1,493,116. |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | 10 | -866,282. |

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

| | | | | | |
|---|---|---|---|---|---|
| 1 | Total revenue, gains, and other support per audited financial statements | | | 1 | 3,004,559. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | | | |
| a | Net unrealized gains on investments | 2a | | | |
| b | Donated services and use of facilities | 2b | 145,700. | | |
| c | Recoveries of prior year grants | 2c | | | |
| d | Other (Describe in Part XIV.) | 2d | | | |
| e | Add lines 2a through 2d | | | 2e | 145,700. |
| 3 | Subtract line 2e from line 1 | | | 3 | 2,858,859. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | | |
| b | Other (Describe in Part XIV.) | 4b | | | |
| c | Add lines 4a and 4b | | | 4c | 0. |
| 5 | Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)* | | | 5 | 2,858,859. |

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

| | | | | | |
|---|---|---|---|---|---|
| 1 | Total expenses and losses per audited financial statements | | | 1 | 2,377,725. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | | | |
| a | Donated services and use of facilities | 2a | 145,700. | | |
| b | Prior year adjustments | 2b | | | |
| c | Other losses | 2c | | | |
| d | Other (Describe in Part XIV.) | 2d | | | |
| e | Add lines 2a through 2d | | | 2e | 145,700. |
| 3 | Subtract line 2e from line 1 | | | 3 | 2,232,025. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | | |
| b | Other (Describe in Part XIV.) | 4b | | | |
| c | Add lines 4a and 4b | | | 4c | 0. |
| 5 | Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)* | | | 5 | 2,232,025. |

## 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, line 2; 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.

SCHEDULE D, PART XI, LINE 8

CASH TO ACCRUAL ADJUSTMENT (1,493,116)

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations, Governments, and Individuals in the United States**

**Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.**

▶ **Attach to Form 990.**

OMB No 1545-0047

**2010**

**Open to Public Inspection**

Name of the organization PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

**Employer identification number** 99-0312283

**Part I General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ▶ [ ]

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|---|---|---|---|---|---|---|---|
| PRO-CHANGE BEHAVIOR SYSTEMS, INC | 05-0508853 | | 32,902. | 0. | | | ASSIST IN PROVIDING PROGRAM SERVICES |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations ▶

3 Enter total number of other organizations ▶ 1.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

**Schedule I (Form 990) (2010)**

032101 01-13-11

**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. Part III can be duplicated 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 |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

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

SUBRECIPIENT GRANTS ARE MONITORED ON A CONSISTENT BASIS UTLIZING THE SUBRECIPIENT MONITORING GUIDELINES SET FORTH IN OMB CIRCULAR A-133.

**SCHEDULE M (Form 990)**

Department of the Treasury
Internal Revenue Service

# Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990.

OMB No 1545-0047

**2010**

Open to Public Inspection

Name of the organization PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

Employer identification number 99-0312283

## Part I Types of Property

| | | (a) Check if applicable | (b) Number of contributions or items contributed | (c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g | (d) Method of determining noncash contribution amounts |
|---|---|---|---|---|---|
| 1 | Art - Works of art | | | | |
| 2 | Art - Historical treasures | | | | |
| 3 | Art - Fractional interests | | | | |
| 4 | Books and publications | | | | |
| 5 | Clothing and household goods | | | | |
| 6 | Cars and other vehicles | | | | |
| 7 | Boats and planes | | | | |
| 8 | Intellectual property | | | | |
| 9 | Securities - Publicly traded | | | | |
| 10 | Securities - Closely held stock | | | | |
| 11 | Securities - Partnership, LLC, or trust interests | | | | |
| 12 | Securities - Miscellaneous | | | | |
| 13 | Qualified conservation contribution - Historic structures | | | | |
| 14 | Qualified conservation contribution - Other | | | | |
| 15 | Real estate - Residential | | | | |
| 16 | Real estate - Commercial | | | | |
| 17 | Real estate - Other | | | | |
| 18 | Collectibles | | | | |
| 19 | Food inventory | | | | |
| 20 | Drugs and medical supplies | | | | |
| 21 | Taxidermy | | | | |
| 22 | Historical artifacts | | | | |
| 23 | Scientific specimens | | | | |
| 24 | Archeological artifacts | | | | |
| 25 | Other ▶ ( OFFICE FURNIT ) | X | 1 | 15,000. | FMV |
| 26 | Other ▶ ( ) | | | | |
| 27 | Other ▶ ( ) | | | | |
| 28 | Other ▶ ( ) | | | | |

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement — 29

| | | | Yes | No |
|---|---|---|---|---|
| 30a | During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? | 30a | | X |
| b | If "Yes," describe the arrangement in Part II. | | | |
| 31 | Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? | 31 | X | |
| 32a | Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? | 32a | | X |
| b | If "Yes," describe in Part II. | | | |
| 33 | If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II. | | | |

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 990-EZ 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 | Employer identification number |
|---|---|
| PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE | 99-0312283 |

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PHREI IS DEDICATED TO IMPROVING HEALTH AND HEALTHCARE FOR VETERANS AND ALL PEOPLE IN HAWAII AND AROUND THE WORLD. DRIVEN BY THE VALUES OF EXCELLENCE AND INNOVATION, PHREI SCIENTISTS FOCUS ON A RANGE OF HEALTH ISSUES, INCLUDING PTSD, NEURODEGENERATIVE DISEASES, CANCER, DIABETES, AGING, OBESITY, CARDIOVASCULAR DISEASE, WOMEN'S HEALTH, TELEHEALTH, AND HEALTHCARE DELIVERY. HAWAII'S DIVERSE ETHNIC POPULATION, ISLAND SETTING, AND COLLABORATIVE SPIRIT PROVIDE A RICH ENVIRONMENT FOR EPIDEMIOLOGICAL RESEARCH THAT ADDRESSES HEALTH CONCERNS ON A LOCAL, NATIONAL, AND INTERNATIONAL SCALE.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

PHREI IS DEDICATED TO IMPROVING HEALTH AND HEALTHCARE FOR VETERANS AND ALL PEOPLE IN HAWAII AND AROUND THE WORLD. DRIVEN BY THE VALUES OF EXCELLENCE AND INNOVATION, PHREI SCIENTISTS FOCUS ON A RANGE OF HEALTH ISSUES, INCLUDING PTSD, NEURODEGENERATIVE DISEASES, CANCER, DIABETES, AGING, OBESITY, CARDIOVASCULAR DISEASE, WOMEN'S HEALTH, TELEHEALTH, AND HEALTHCARE DELIVERY. HAWAII'S DIVERSE ETHNIC POPULATION, ISLAND SETTING, AND COLLABORATIVE SPIRIT PROVIDE A RICH ENVIRONMENT FOR EPIDEMIOLOGICAL RESEARCH THAT ADDRESSES HEALTH CONCERNS ON A LOCAL, NATIONAL, AND INTERNATIONAL SCALE.

FORM 990, PART VI, SECTION A, LINE 2: PHREI'S BOARD MEMBERS INCLUDE STATUTORY MEMBERS FROM VAPIHCS (VA PACIFIC ISLANDS HEALTH CARE SYSTEM). PHREI IS AN AFFILIATE OF THIS ORGANIZATION AND DOES BUSINESS WITH VAPIHCS.

Name of the organization PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

Employer identification number 99-0312283

FORM 990, PART VI, SECTION A, LINE 3: PHREI OUTSOURCES THE HUMAN RESOURCES FUNCTION TO ALTRES, INC.

FORM 990, PART VI, SECTION A, LINE 4: PHREI HAS CHANGED ITS ACCOUNTING BASIS FROM CASH BASIS TO ACCRUAL BASIS EFFECTIVE JANUARY 1, 2010.

FORM 990, PART VI, SECTION A, LINE 6: THE PHREI DIRECTORS HAVE RIGHTS TO ELECT MEMBERS OF THE GOVERNING BODY AND APPROVE SIGNIFICANT DECISIONS OF THE GOVERNING BODY.

FORM 990, PART VI, SECTION B, LINE 11: THE AUDIT AND FINANCE COMMITTEE REVIEWS THE DRAFT, WHICH WAS PREPARED BY THE CONTROLLER, EXECUTIVE DIRECTOR, AND AUDITOR, AND RECOMMENDS ACCEPTANCE TO THE BOARD OF DIRECTORS. THE BOD SECRETARY SIGNS THE RETURN.

FORM 990, PART VI, SECTION B, LINE 12C: THE ORGANIZATION REQUIRES THE DIRECTORS, OFFICERS, AND EXECUTIVE STAFF TO SIGN AN ANNUAL STATEMENT INDICATING THEY RECEIVED, READ, AND UNDERSTAND THE CONFLICT OF INTEREST POLICY AND THAT THEY HAVE DISCLOSED ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST. THE EXECUTIVE DIRECTOR REVIEWS AND FORWARDS TO THE ENTIRE BOARD OF DIRECTORS FOR DETERMINATION OF A CONFLICT OF INTEREST. WHEN AN ACTUAL OR POSSIBLE CONFLICT IS IDENTIFIED, THE DIRECTOR, OFFICER OR EXECUTIVE STAFF RECUSES THEMSELVES FROM THE DISCUSSION AND DECISION MAKING.

FORM 990, PART VI, SECTION B, LINE 15: THE COMPENSATION COMMITTEE REVIEWS INDEPENDENT SALARY SURVEYS, COMPARABLE COMPENSATION FOR SIMILARLY QUALIFIED INDIVIDUALS AND CONTEMPORANEOUSLY DOCUMENTS THEIR DECISION MAKING IN ESTABLISHING THE COMPENSATION FOR THE EXECUTIVE DIRECTOR POSITION. THE

Name of the organization PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

Employer identification number 99-0312283

EXECUTIVE DIRECTOR'S COMPENSATION IS REVIEWED AND SET BY THE BOARD OF DIRECTORS UPON RECOMMENDATION FROM THE COMPENSATION COMMITTEE. THE COMPENSATION PROCESS FOR ALL STAFF EXCEPT THE EXECUTIVE DIRECTOR AND INVESTIGATORS IS DETERMINED BY FOLLOWING THE "GUIDELINES AND PROCEDURES FOR ANNUAL COMPENSATION REVIEW".

FORM 990, PART VI, SECTION C, LINE 19: GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST. THE ORGANIZATION'S FINANCIAL STATEMENTS ARE AVAILABLE AT THE FEDERAL AUDIT CLEARINGHOUSE.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

CASH TO ACCRUAL ADJUSTMENT -1,493,116.

FORM 990, PART XII, LINE 1

PHREI CHANGED THEIR ACCOUNTING METHOD FROM CASH METHOD TO ACCRUAL METHOD. FORM 3115 WILL BE FILED WITH FORM 990 FOR THE YEAR ENDED DECEMBER 31, 2010.

FORM 990, PART XII, LINE 2C

PHREI HAS AN AUDIT AND FINANCE COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT. THIS PROCESS HAS CHANGED SINCE THE PRIOR YEAR.

FORM 990, SCHEDULE A, PART I, LINE 4

SPARK MATSUNAGA VA PACIFIC HEALTH CARE SYSTEM, HONOLULU, HI

Name of the organization PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE

Employer identification number 99-0312283

Form **8868**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

# Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No. 1545-1709

› If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]

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

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

| Type or print | Name of exempt organization | Employer identification number |
|---|---|---|
| File by the due date for filing your return See instructions | PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE | 99-0312283 |
| | Number, street, and room or suite no. If a P.O. box, see instructions.<br>C/O 1132 BISHOP STREET, SUITE 2500 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions.<br>HONOLULU, HI 96813 | |

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . [0 1]

| Application Is For | Return Code | Application Is For | Return Code |
|---|---|---|---|
| Form 990 | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 990-EZ | 03 | Form 4720 | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

• The books are in the care of ▶ ALLYSON ENDO 3375 KOAPAKA STREET STE I-540 - HONOLULU, HI 96819
Telephone No. ▶ 808-524-4411 FAX No. ▶ 808-524-5559

• If the organization does not have an office or place of business in the United States, check this box . . . . ▶ [ ]

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 2010 or
▶ [ ] tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

| | | | | |
|---|---|---|---|---|
| 3a | If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | $ | 0. |
| b | If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | $ | 0. |
| c | **Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | $ | 0. |

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

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FORM DNP-2
7/2008

FILED 01/21/2010 12:57 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

STATE OF HAWAII
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**
**Business Registration Division**
335 Merchant Street
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810
Phone No (808) 586-2727

01/22/2010 20007

81510 D2

# ARTICLES OF AMENDMENT TO CHANGE CORPORATE NAME

(Section 414D-183, Hawaii Revised Statutes)

*PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK*

The undersigned, duly authorized officers of the corporation submitting these Articles of Amendment, certify as follows:

1. The present name of the corporation is:
   VA Research ~~and~~ Education Corporation of the Pacific
   &
2. The name of the corporation is changed to:
   Pacific Health Research and Education Institute
3. The amendment to change the corporation name was adopted on: January (Month) 8th (Day) 2010 (Year)

(Check one)

☐ at a meeting of the ***members***.

| Designation (class) Of membership | *Total Number of Memberships (votes) outstanding* | Total Number of Votes Entitled to be Cast By each Class | Number of Votes Cast by each class For Amendment | Number of Votes Cast by each class Against Amendment |
|---|---|---|---|---|
| | | | | |

**OR**

☐ by written consent of the ***members*** holding at least eighty per cent of the voting power.

**OR**

☒ by a sufficient vote of the ***Board of Directors*** or ***Incorporators*** because member approval was not required.

4. Check one:
   ☐ The written approval of a specified person or persons named in the articles of incorporation was obtained
   ☒ The written approval of a specified person or persons is not required

The undersigned certifies under the penalties of Section 414D-12, Hawaii Revised Statutes, that the undersigned has read the above statements, I/we are authorized to make this change, and that the statements are true and correct

Signed this 20th day of January 2010

James E. Hastings, M.D., FACP, Chair
(Type/Print Name & Title)

James E Hastings
(Signature of Officer)

Myra K. Look, Executive Director
(Type/Print Name & Title)

Myra K Look
(Signature of Officer)

SEE INSTRUCTIONS ON REVERSE SIDE. The articles must be signed by at least one officer of the corporation

01/22/2010 20007

Form **3115**
(Rev December 2009)
Department of the Treasury
Internal Revenue Service

# Application for Change in Accounting Method

OMB No 1545-0152

| Name of filer (name of parent corporation if a consolidated group) (see instructions) | Identification number (see instructions) |
|---|---|
| PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE | 99-0312283 |
| | Principal business activity code number (see instructions) 541700 |
| Number, street, and room or suite no If a P O box, see the instructions 3375 KOAPAKA STREET, SUITE I-540 | Tax year of change begins (MM/DD/YYYY) 01/01/2010 |
| | Tax year of change ends (MM/DD/YYYY) 12/31/2010 |
| City or town, state, and ZIP code HONOLULU HI 96819 | Name of contact person (see instructions) GEORGE WEBSTER ROSS |
| Name of applicant(s) (if different than filer) and identification number(s) (see instructions) | Contact person's telephone number (808) 524-4411 |

If the applicant is a member of a consolidated group, check this box . . . . . ▶ ☐

If **Form 2848,** Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box . . . . . ▶ ☒

**Check the box to indicate the type of applicant.**

- ☐ Individual
- ☐ Corporation
- ☐ Controlled foreign corporation (Sec. 957)
- ☐ 10/50 corporation (Sec. 904(d)(2)(E))
- ☐ Qualified personal service corporation (Sec. 448(d)(2))
- ☒ Exempt organization. Enter Code section ▶ 501(c)(3)
- ☐ Cooperative (Sec. 1381)
- ☐ Partnership
- ☐ S corporation
- ☐ Insurance co (Sec 816(a))
- ☐ Insurance co (Sec. 831)
- ☐ Other (specify) ▶

**Check the appropriate box to indicate the type of accounting method change being requested.** (see instructions)

- ☐ Depreciation or Amortization
- ☐ Financial Products and/or Financial Activities of Financial Institutions
- ☒ Other (specify) ▶ CHANGE FROM CASH TO ACCRUAL METHOD (IRC SECTION 446)

**Caution.** *To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested*

**The taxpayer must attach all applicable supplemental statements requested throughout this form.**

## Part I Information For Automatic Change Request

| | | Yes | No |
|---|---|---|---|
| 1 | Enter the applicable designated automatic accounting method change number for the requested automatic change Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions ▶ (a) Change No 122 (b) Other ☐ Description ▶ CHANGE FROM CASH TO ACCRUAL METHOD | | |
| 2 | Do any of the scope limitations described in section 4 02 of Rev Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation . . . . . | | X |

**Note.** *Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).*

## Part II Information For All Requests

| | | Yes | No |
|---|---|---|---|
| 3 | Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? . . . . . If "Yes," the applicant is not eligible to make the change under automatic change request procedures. | | X |
| 4 a | Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? . . . If "No," go to line 5. | | X |
| b | Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)? . . . . . N/A | | |

**Signature** *(see instructions)*

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

**Filer**

× George Webster Ross × 6/6/11
Signature and date

× George Webster Ross BOD Secretary
Name and title (print or type)

**Preparer (other than filer/applicant)**

Deneen Nakashima JUN 3 2011
Signature of individual preparing the application and date

DENEEN NAKASHIMA
Name of individual preparing the application (print or type)

PKF PACIFIC HAWAII LLP
Name of firm preparing the application

**Part II Information For All Requests** (continued)

| | | Yes | No |
|---|---|---|---|
| 4 c | Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)? N/A | | |
| d | Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? N/A<br>If "Yes," attach the consent statement from the director | | |
| e | Is the request to change the method of accounting being filed under the 90-day or 120-day window period? N/A<br>If "Yes," check the box for the applicable window period and attach the required statement (see instructions).<br>☐ 90 day ☐ 120 day: Date examination ended ▶ _____ | | |
| f | If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination.<br>Name ▶_____ Telephone number ▶_____ Tax year(s) ▶_____ | | |
| g | Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? N/A | | |
| 5 a | Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court?<br>If "Yes," enter the name of the (check the box) ☐ Appeals officer and/or ☐ counsel for the government, and the tax year(s) before Appeals and/or a Federal court<br>Name ▶_____ Telephone number ▶_____ Tax year(s) ▶_____ | | X |
| b | Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? N/A | | |
| c | Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? N/A<br>If "Yes," attach an explanation. | | |
| 6 | If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's **(a)** name, **(b)** identification number, **(c)** address, and **(d)** tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court. | | |
| 7 | If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? N/A<br>If "Yes," the applicant is **not** eligible to make the change. | | |
| 8 a | Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)? | | X |
| b | If "Yes," attach an explanation | | |
| 9 a | Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)? | | X |
| b | If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent. | | |
| c | If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation. | | |
| 10 a | Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? | | X |
| b | If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s). | | |
| 11 | Is the applicant requesting to change its **overall** method of accounting? | X | |
| | If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting Also, complete Schedule A on page 4 of this form | | |
| | **Present method:** ☒ Cash ☐ Accrual ☐ Hybrid (attach description) | | |
| | **Proposed method:** ☐ Cash ☒ Accrual ☐ Hybrid (attach description) | | |

**Part II Information For All Requests** (continued)

| | | Yes | No |
|---|---|---|---|
| 12 | If the applicant is either (i) **not** changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following: N/A | | |
| | a The item(s) being changed | | |
| | b The applicant's present method for the item(s) being changed | | |
| | c The applicant's proposed method for the item(s) being changed | | |
| | d The applicant's present overall method of accounting (cash, accrual, or hybrid). | | |
| 13 | Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each If the applicant has more than one trade or business as defined in Regulations section 1 446-1(d), describe. whether each trade or business is accounted for separately, the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application SEE STATEMENT 1 | | |
| 14 | Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation. | X | |
| 15 a | Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . . | | X |
| b | If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application | | |
| 16 | Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response? | | X |
| 17 | If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change. | | |

| 1st preceding year ended mo 12 yr 2009 | 2nd preceding year ended mo 12 yr 2008 | 3rd preceding year ended mo 12 yr 2007 |
|---|---|---|
| $ 1,393,388 | $ 760,044 | $ 263,717 |

**Part III Information For Advance Consent Request** N/A

| | | Yes | No |
|---|---|---|---|
| 18 | Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent procedures | | |
| 19 | Attach a full explanation of the legal basis supporting the proposed method for the item being changed Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists | | |
| 20 | Attach a copy of all documents related to the proposed change (see instructions) | | |
| 21 | Attach a statement of the applicant's reasons for the proposed change | | |
| 22 | If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation. | | |
| 23 a | Enter the amount of **user fee** attached to this application (see instructions) ▶ $ _____ | | |
| b | If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions). | | |

**Part IV Section 481(a) Adjustment**

| | | Yes | No |
|---|---|---|---|
| 24 | Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment?. If "Yes," do not complete lines 25, 26, and 27 below | | X |
| 25 | Enter the section 481(a) adjustment Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ $ -1,493,116 Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant | | |

| Part IV Section 481(a) Adjustment (continued) | | Yes | No |
|---|---|---|---|
| 26 | If the section 481(a) adjustment is an increase to income of less than $25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? | X | |
| 27 | Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? | | X |
| | If "Yes," attach an explanation | | |

**Schedule A—Change in Overall Method of Accounting** (If Schedule A applies, Part I below must be completed )

**Part I Change in Overall Method** (see instructions)

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None " Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

| | | Amount |
|---|---|---|
| a | Income accrued but not received (such as accounts receivable) | $ |
| b | Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method SEE STATEMENT 2 | 1,481,269 |
| c | Expenses accrued but not paid (such as accounts payable) | 11,847 |
| d | Prepaid expenses previously deducted | |
| e | Supplies on hand previously deducted and/or not previously reported | |
| f | Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II | |
| g | Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ► | |
| h | **Net section 481(a) adjustment** (Combine lines 1a–1g ) Indicate whether the adjustment is an increase (+) or decrease (-) in income Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25 | $ -1,493,116 |

2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? ☐ Yes ☒ No

3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences. SEE STATEMENT 3

**Part II Change to the Cash Method For Advance Consent Request** (see instructions) N/A

Applicants requesting a change to the cash method must attach the following information.

1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business

2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations

**Schedule B—Change to the Deferral Method for Advance Payments** (see instructions) N/A

1 If the applicant is requesting to change to the Deferral Method for advance payments described in section 5 02 of Rev. Proc 2004-34, 2004-1 C.B. 991, attach the following information:

- a A statement explaining how the advance payments meet the definition in section 4 01 of Rev. Proc. 2004-34.
- b If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)-(c) of Rev. Proc. 2004-34
- c If the applicant is filing under the advance consent provisions of Rev Proc. 97-27, the information required by section 8.03(2)(a)-(f) of Rev. Proc 2004-34.

2 If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.

- a A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1)
- b A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
- c A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports See Regulations section 1 451-5(b)(1)(ii)
- d A statement explaining whether the inventoriable goods exception of Regulations section 1 451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

## Schedule C—Changes Within the LIFO Inventory Method (see instructions) N/A

### Part I General LIFO Information

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970**, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method

1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
- a Valuing inventory (e g., unit method or dollar-value method).
- b Pooling (e.g , by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
- c Pricing dollar-value pools (e g., double-extension, index, link-chain, link-chain index, IPIC method, etc )
- d Determining the current-year cost of goods in the ending inventory (i.e , most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method)

2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation

3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.

4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.

5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method

6 If changing to the IPIC method, attach a completed Form 970.

### Part II Change in Pooling Inventories

1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.

2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1 472-8(b)(1) and (2):
- a A description of the types of products produced by the applicant. If possible, attach a brochure
- b A description of the types of processes and raw materials used to produce the products in each proposed pool
- c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces
- d A description of the natural business divisions adopted by the taxpayer State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
- e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool
- f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
- g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing

3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1 472-8(b)(3)

4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business See Regulations section 1.472-8(c).

**Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets** (see instructions) N/A

**Part I Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8 )

1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No

2 a If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No
b If line 2b is "No," attach an explanation.
c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.

3 a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods

4 To determine a contract's completion factor using the percentage-of-completion method:
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No

5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

**Part II Change in Valuing Inventories Including Cost Allocation Changes** (Also complete Part III on pages 7 and 8.)

1 Attach a description of the inventory goods being changed.
2 Attach a description of the inventory goods (if any) NOT being changed
3 a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? If "No," attach a detailed explanation ☐ Yes ☐ No

4 a Check the appropriate boxes below.

| | Inventory Being Changed | | Inventory Not Being Changed |
|---|---|---|---|
| | Present method | Proposed method | Present method |
| Identification methods: | | | |
| Specific identification | | | |
| FIFO | | | |
| LIFO | | | |
| Other (attach explanation) | | | |
| Valuation methods: | | | |
| Cost | | | |
| Cost or market, whichever is lower | | | |
| Retail cost | | | |
| Retail, lower of cost or market | | | |
| Other (attach explanation) | | | |

b Enter the value at the end of the tax year preceding the year of change

5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
a Copies of Form(s) 970 filed to adopt or expand the use of the method
b **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
c **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev Proc 2008-52 (or its successor)

**Part III** **Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions))

**Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method)

2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).

3 The method of capitalizing additional section 263A costs (i e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S ratio, or other reasonable allocation method).

**Section B—Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460 Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

| | | Present method | Proposed method |
|---|---|---|---|
| 1 | Direct material | | |
| 2 | Direct labor | | |
| 3 | Indirect labor | | |
| 4 | Officers' compensation (not including selling activities) | | |
| 5 | Pension and other related costs | | |
| 6 | Employee benefits | | |
| 7 | Indirect materials and supplies | | |
| 8 | Purchasing costs | | |
| 9 | Handling, processing, assembly, and repackaging costs | | |
| 10 | Offsite storage and warehousing costs | | |
| 11 | Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle | | |
| 12 | Depletion | | |
| 13 | Rent | | |
| 14 | Taxes other than state, local, and foreign income taxes | | |
| 15 | Insurance | | |
| 16 | Utilities | | |
| 17 | Maintenance and repairs that relate to a production, resale, or long-term contract activity | | |
| 18 | Engineering and design costs (not including section 174 research and experimental expenses) | | |
| 19 | Rework labor, scrap, and spoilage | | |
| 20 | Tools and equipment | | |
| 21 | Quality control and inspection | | |
| 22 | Bidding expenses incurred in the solicitation of contracts awarded to the applicant | | |
| 23 | Licensing and franchise costs | | |
| 24 | Capitalizable service costs (including mixed service costs) | | |
| 25 | Administrative costs (not including any costs of selling or any return on capital) | | |
| 26 | Research and experimental expenses attributable to long-term contracts | | |
| 27 | Interest | | |
| 28 | Other costs (Attach a list of these costs.) | | |

**Part III Method of Cost Allocation** (see instructions) (continued)

**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

| | | Present method | Proposed method |
|---|---|---|---|
| 1 | Marketing, selling, advertising, and distribution expenses | | |
| 2 | Research and experimental expenses not included in Section B, line 26 | | |
| 3 | Bidding expenses not included in Section B, line 22 | | |
| 4 | General and administrative costs not included in Section B | | |
| 5 | Income taxes | | |
| 6 | Cost of strikes | | |
| 7 | Warranty and product liability costs | | |
| 8 | Section 179 costs | | |
| 9 | On-site storage | | |
| 10 | Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 | | |
| 11 | Other costs (Attach a list of these costs.) | | |

**Schedule E—Change in Depreciation or Amortization** (see instructions) N/A

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section Applicants ***must*** provide this information for each item or class of property for which a change is requested.

**Note.** *See the* ***List of Automatic Accounting Method Changes*** *in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168.* ***Do not*** *file Form 3115 with respect to certain late elections and election revocations (see instructions).*

1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If "Yes," the only changes permitted are under Regulations section 1 167(a)-11(c)(1)(iii)

2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g , section 263A)? ☐ Yes ☐ No
If "Yes," enter the applicable section ▶ _____

3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? ☐ Yes ☐ No
If "Yes," state the election made ▶ _____

4 a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.

b If the property is residential rental property, did the applicant live in the property before renting it? ☐ Yes ☐ No

c Is the property public utility property? ☐ Yes ☐ No

5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).

6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.

7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods

a The Code section under which the property is or will be depreciated or amortized (e.g , section 168(g)).

b The applicable asset class from Rev. Proc. 87-56, 1987-2 C B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.

c The facts to support the asset class for the proposed method.

d The depreciation or amortization method of the property, including the applicable Code section (e.g , 200% declining balance method under section 168(b)(1)).

e The useful life, recovery period, or amortization period of the property

f The applicable convention of the property

g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property If not, also provide an explanation as to why no special depreciation allowance was or will be claimed

PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE
EIN: 99-0312283
FORM 3115, PART II, LINE 13
DECEMBER 31, 2010

PRINCIPAL BUSINESS ACTIVITY CODE: 541700

PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE (PHREI) IS DEDICATED TO IMPROVING HEALTH AND HEALTHCARE FOR VETERANS AND ALL PEOPLE IN HAWAII AND AROUND THE WORLD. DRIVEN BY THE VALUES OF EXCELLENCE AND INNOVATION, PHREI SCIENTISTS FOCUS ON A RANGE OF HEALTH ISSUES, INCLUDING PTSD, NEURODEGENERATIVE DISEASES, CANCER, DIABETES, AGING, OBESITY, CARDIOVASCULAR DISEASE, WOMEN'S HEALTH, TELEHEALTH, AND HEALTHCARE DELIVERY. HAWAII'S DIVERSE ETHNIC POPULATION, ISLAND SETTING, AND COLLABORATIVE SPIRIT PROVIDE A RICH ENVIRONMENT FOR EPIDEMIOLOGICAL RESEARH THAT ADDRESSES HEALTH CONCERNS ON A LOCAL, NATIONAL, AND INTERNATIONAL SCALE.

PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE
EIN: 99-0312283
FORM 3115, SCHEDULE A, PART I, LINE 1b
DECEMBER 31, 2010

THE TOTAL AMOUNT OF DEFERRED REVENUE RECORDED ON THE BOOKS OF PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE (PHREI) IS BASED ON GRANT AWARDS RECEIVED FROM THE GOVERNMENT FOR PHREI TO CONDUCT RESEARCH AND PROFESSIONAL EDUCATION RELATED ACTIVITIES. PHREI RECORDS THE GRANT AWARD AS DEFERRED REVENUE UNTIL THE RELATED SERVICES ARE PERFORMED. THE GRANT AWARDS ARE PAID BASED ON THE GOVERNMENT'S PAYMENT SCHEDULE.

PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE
EIN. 99-0312283
FORM 3115, SCHEDULE A, PART I, LINE 3
12/31/2010

THE CASH METHOD WAS USED FOR THE PREPARATION OF THE BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2009

| FORM 990, PART X - DECEMBER 31, 2009 | CASH METHOD | ACCRUAL METHOD | DIFFERENCE |
|---|---|---|---|
| ACCOUNTS PAYABLE | 0 | 11,847 | 11,847 |
| DEFERRED REVENUE | 0 | 1,481,269 | 1,481,269 |
| TOTAL | 0 | 1,493,116 | 1,493,116 |

THE DIFFERENCE IS RELATED TO THE OVERALL CHANGE FROM THE CASH METHOD TO THE ACCRUAL METHOD

COPY

# VA RESEARCH & EDUCATION CORPORATION OF THE PACIFIC
## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
## YEAR ENDED DECEMBER 31, 2009
## (With Comparative Totals for 2008)

| | 2009 | | | 2008 |
|---|---|---|---|---|
| | Unrestricted | Temporarily Restricted | Total | Total |
| Cash receipts | | | | |
| Contributions and grants | $ 6,526 | 1,382,729 | 1,389,255 | 738,079 |
| Interest | 84 | 4,049 | 4,133 | 21,966 |
| | 6,610 | 1,386,778 | 1,393,388 | 760,045 |
| Net cash released from restrictions | 865,310 | (865,310) | - | - |
| | 871,920 | 521,468 | 1,393,388 | 760,045 |
| Cash disbursements | | | | |
| Program activities | | | | |
| Research | 668,917 | - | 668,917 | 275,702 |
| Management and general | 201,783 | - | 201,783 | 117,005 |
| | 870,700 | - | 870,700 | 392,707 |
| Increase in cash | 1,220 | 521,468 | 522,688 | 367,338 |
| Cash | | | | |
| At beginning of year | 16,101 | 912,357 | 928,458 | 561,120 |
| At end of year | $ 17,321 | 1,433,825 | 1,451,146 | 928,458 |

See accompanying notes to statement of cash receipts and disbursements.

Form **2848**
(Rev June 2008)
Department of the Treasury
Internal Revenue Service

# Power of Attorney and Declaration of Representative

▶ Type or print. ▶ See the separate instructions.

OMB No 1545-0150

For IRS Use Only
Received by
Name
Telephone
Function
Date / /

## Part I Power of Attorney

**Caution:** *Form 2848 will not be honored for any purpose other than representation before the IRS*

**1 Taxpayer information.** Taxpayer(s) must sign and date this form on page 2, line 9

| Taxpayer name(s) and address | Social security number(s) | Employer identification number |
|---|---|---|
| PACIFIC HEALTH RESEARCH & EDUCATION INSTITUTE<br>3375 KOAPAKA STREET, I-540<br>HONOLULU, HI 96819 | | 99-0312283 |
| | Daytime telephone number<br>(808) 524-4411 | Plan number (if applicable) |

hereby appoint(s) the following representative(s) as attorney(s)-in-fact

**2 Representative(s)** must sign and date this form on page 2, Part II

| Name and address | CAF No / Telephone No / Fax No / Check if new Address / Telephone No / Fax No |
|---|---|
| DENEEN NAKASHIMA<br>1132 BISHOP STREET, SUITE 2500<br>HONOLULU, HI 96813 | CAF No 9005-77812R<br>Telephone No (808) 536-0066<br>Fax No (808) 523-8590<br>Check if new Address ☐ Telephone No ☐ Fax No ☐ |
| AMY SUGIHARA<br>1132 BISHOP STREET, SUITE 2500<br>HONOLULU, HI 96813 | CAF No. 0306-57102R<br>Telephone No (808) 536-0066<br>Fax No (808) 523-8590<br>Check if new Address ☐ Telephone No ☐ Fax No ☐ |
| Name and address | CAF No<br>Telephone No<br>Fax No<br>Check if new Address ☐ Telephone No ☐ Fax No ☐ |

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters

**3 Tax matters**

| Type of Tax (Income, Employment, Excise, etc ) or Civil Penalty (see the instructions for line 3) | Tax Form Number (1040, 941, 720, etc ) | Year(s) or Period(s) (see the instructions for line 3) |
|---|---|---|
| INCOME | 990 | 2009-2010 |
| INCOME | 3115 | 2009-2010 |
| | | |

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box See the instructions for **Line 4. Specific Uses Not Recorded on CAF** ▶ ☐

**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party See the line 5 instructions for more information

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations See **Unenrolled Return Preparer** on page 1 of the instructions An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No 230 (Circular 230) An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10 3(e) of Circular 230 See the line 5 instructions for restrictions on tax matters partners In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner)

List any specific additions or deletions to the acts otherwise authorized in this power of attorney

**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below

Name of representative to receive refund check(s) ▶

7 **Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2

a If you also want the second representative listed to receive a copy of notices and communications, check this box . ▶ ☐

b If you do not want any notices or communications sent to your representative(s), check this box . ▶ ☐

8 **Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document If you **do not** want to revoke a prior power of attorney, check here ▶ ☐

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

9 **Signature of taxpayer(s).** If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer

▶ **IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

| Signature | Date | Title (if applicable) |
|---|---|---|
| × George Webster Ross | × 6/6/11 | × BOD Secretary |

| Print Name | PIN Number | Print name of taxpayer from line 1 if other than individual |
|---|---|---|
| × George Webster Ross | | |

| Signature | Date | Title (if applicable) |
|---|---|---|
| | | |

| Print Name | PIN Number |
|---|---|
| | |

## Part II Declaration of Representative

**Caution:** *Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II*

Under penalties of perjury, I declare that

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service,
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others,
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there, and
- I am one of the following

a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below
b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below
c Enrolled Agent—enrolled as an agent under the requirements of Circular 230
d Officer—a bona fide officer of the taxpayer's organization
e Full-Time Employee—a full-time employee of the taxpayer
f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, brother, or sister)
g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U S C 1242 (the authority to practice before the Internal Revenue Service is limited by section 10 3(d) of Circular 230)
h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(c)(1)(viii) You must have prepared the return in question and the return must be under examination by the IRS See **Unenrolled Return Preparer** on page 1 of the instructions
k Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10 7(d) of Circular 230
l Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10 7(d) of Circular 230
r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10 3(e))

▶ **IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.** See the Part II instructions

| Designation—Insert above letter (a–r) | Jurisdiction (state) or identification | Signature | Date |
|---|---|---|---|
| B | HI | Vanessa Nakashima | 6/3/2011 |
| B | HI | Amy Sugihara | 6/3/2011 |
| | | | |