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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
THE QUEEN'S MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 1301 PUNCHBOWL STREET
Suite

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
HONOLULU, HI 96813

D Employer identification number
99-0073524

E Telephone number
(808) 538-9011

G Gross receipts $ 914,529,420

F Name and address of principal officer
ARTHUR A USHIJIMA
3101 PUNCHBOWL STREET
HONOLULU, HI 96813

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW QUEENSMEDICALCENTER NET

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1859

M State of legal domicile HI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO FULFILL THE INTENT OF QUEEN EMMA AND KING KAMEHAMEHA IV TO PROVIDE QUALITY HEALTHCARE SERVICES TO IMPROVE THE WELL-BEING OF NATIVE HAWAIIANS AND ALL THE PEOPLE OF HAWAII

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	4,676
6	Total number of volunteers (estimate if necessary)	**6**	305
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	9,397,788
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	947,323

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	35,766,583	37,158,601
9	Program service revenue (Part VIII, line 2g)	715,307,816	766,065,179
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	77,910,258	19,569,135
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	27,586,656	28,350,608
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	856,571,313	851,143,523
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,003,912	1,390,007
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)	394,716,782	431,416,609
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶82,446		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	350,166,394	387,151,077
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	746,887,088	819,957,693
19	Revenue less expenses Subtract line 18 from line 12	109,684,225	31,185,830

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	1,188,717,644	1,384,439,823
21	Total liabilities (Part X, line 26)	689,785,894	794,604,677
22	Net assets or fund balances Subtract line 21 from line 20	498,931,750	589,835,146

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

****** 2015-05-05
Signature of officer Date

Robert Nobriga TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
DEBRA HEISKALA				P00649485

Firm's name ▶ ERNST & YOUNG US LLP — Firm's EIN ▶

Firm's address ▶ 4370 LA JOLLA VILLAGE DR SUITE 500
SAN DIEGO, CA 92122

Phone no (808) 538-9011

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission

THE MISSION OF QMC IS TO FULFILL THE INTENT OF QUEEN EMMA AND KING KAMEHAMEHA IV TO PROVIDE IN PERPETUITY QUALITY HEALTHCARE SERVICES TO IMPROVE THE WELL-BEING OF NATIVE HAWAIIANS AND ALL THE PEOPLE OF HAWAII

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 792,649,588 including grants of $ 1,390,007) (Revenue $ 786,997,283)

THE QUEEN'S MEDICAL CENTER IS THE LARGEST PRIVATE, NONPROFIT, ACUTE CARE MEDICAL FACILITY IN HAWAII ITS STAFF IS DEDICATED TO PROVIDING QUALITY HEALTH CARE TO THE PEOPLE OF HAWAII AND THE PACIFIC SEE SCHEDULE O FOR MORE INFORMATION

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** ▶ 792,649,588

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	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
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		No
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	Yes	
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		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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		No
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		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, 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		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
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	Yes	
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	Yes	
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		No
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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
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	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
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 and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
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 (see instructions)*	17		No
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	Yes	
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		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or 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**		No
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**	Yes	
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 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
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**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
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**		No
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**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
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**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
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**		No
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**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, 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*	**35b**	Yes	
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**		No
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**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	567		
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		Yes	
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	4,676		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
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			No
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			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
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 as charitable contributions? . . .	6a			No
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		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
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			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
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			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
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? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
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			No
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 lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

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**	21		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	16		
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**			No
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**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
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**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**		No
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**		
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**		
13	Did the organization have a written whistleblower policy?	**13**		No
14	Did the organization have a written document retention and destruction policy?	**14**		No
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**		No
b	Other officers or key employees of the organization	**15b**	Yes	
	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**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		No

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

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

▶CLINTON YEE 1301 PUNCHBOWL STREET
HONOLULU, HI 96813 (808) 538-9011

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

Check if Schedule O contains a response or note to any line 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, or 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								3,499,382	8,088,923	613,949

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 1,032

			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*	**3**		No
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*	**4**	Yes	
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*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
XEROX BUSINESS SERVICES LLC, PO BOX 201322 DALLAS TX 753201322	SYSTEM OUTSOURCE	12,191,691
HAWAII RESIDENCY PROGRAMS INC, 1356 LUSITANA STREET 510 HONOLULU HI 96813	MEDICAL SERVICES	8,898,069
UCERA, 677 ALA MOANA BLVD STE 1003 HONOLULU HI 96813	MEDICAL SERVICES	5,659,235
SODEXO INC AFFILIATES, 1301 PUNCHBOWL STREET HONOLULU HI 96813	MANAGEMENT SERVICES	5,938,143
PACIFIC ANESTHESIA INC, 321 N KUKUI STREET STE 306 HONOLULU HI 96817	MEDICAL SERVICES	3,991,454

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 133

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	404,530			
	d	Related organizations . . .	1d	27,589,120			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	9,164,951			
	g	Noncash contributions included in lines 1a-1f $		132,045			
	h	**Total.** Add lines 1a-1f . . . . . ▶		37,158,601			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	622110	756,948,021	756,948,021	0	0
	b	INTERCO PURCHASED	561000	9,117,158	6,399,287	2,717,871	0
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		766,065,179			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		4,947,296		625,765	4,321,531
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			

		(i) Real	(ii) Personal				
6a	Gross rents	1,350,694					
b	Less rental expenses						
c	Rental income or (loss)	1,350,694	0				
d	Net rental income or (loss) . . . . . ▶			1,350,694			1,350,694

		(i) Securities	(ii) Other				
7a	Gross amount from sales of assets other than inventory	77,913,038	17,136				
b	Less cost or other basis and sales expenses	63,203,050	105,285				
c	Gain or (loss)	14,709,988	-88,149				
d	Net gain or (loss) . . . . . ▶			14,621,839			14,621,839

Other Revenue	8a	Gross income from fundraising events (not including $ 404,530 of contributions reported on line 1c) See Part IV, line 18 . . a	91,220				
	b	Less direct expenses . . . b	77,562				
	c	Net income or (loss) from fundraising events . . ▶		13,658			13,658
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	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 . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	OTHER SERVICE	621500	9,109,387	4,010,915	5,098,472	0
	b	RESEARCH	621500	2,119,069	2,119,069	0	0
	c	OTHER OPERATING REVENUE	621500	15,757,800	14,802,120	955,680	0
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		26,986,256			
	12	**Total revenue.** See Instructions . . . . . ▶		851,143,523	784,279,412	9,397,788	20,307,722

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)

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☑

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 United States See Part IV, line 21	1,390,007	1,390,007		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	954,977	743,963	211,014	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	30,029	30,029	0	0
7 Other salaries and wages	337,304,818	328,024,188	9,280,630	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	29,393,715	28,504,555	889,160	0
9 Other employee benefits	40,749,093	39,324,514	1,424,579	0
10 Payroll taxes	22,983,977	22,315,242	668,735	0
11 Fees for services (non-employees)				
a Management	0	0	0	0
b Legal	2,613,571	1,671,394	942,177	0
c Accounting	454,159	0	454,159	0
d Lobbying	29,703	0	29,703	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	0	0	0	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	98,411,151	96,084,112	2,327,039	0
12 Advertising and promotion	892,032	835,423	56,609	0
13 Office expenses	2,955,663	2,895,965	59,698	0
14 Information technology	628,351	606,174	22,177	0
15 Royalties . .	0	0	0	0
16 Occupancy	20,475,133	20,238,992	236,141	0
17 Travel	1,859,679	1,810,154	49,525	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	1,176	1,176	0	0
20 Interest	6,860,654	6,771,864	88,790	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	33,127,894	32,615,457	512,437	0
23 Insurance	7,811,966	0	7,811,966	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	135,444,750	135,444,750	0	0
b INTERCOMPANY CHARGES	44,399,836	44,399,836	0	0
c TAXES	17,427,223	16,875,392	544,068	7,763
d EDUCATION	2,085,931	2,071,217	14,714	0
e All other expenses	11,672,205	9,995,184	1,602,338	74,683
25 **Total functional expenses.** Add lines 1 through 24e	819,957,693	792,649,588	27,225,659	82,446
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		30,023	1	45,973
	2	Savings and temporary cash investments		7,817,721	2	19,166,100
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		112,977,803	4	124,771,400
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other 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) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		9,983,534	8	11,577,268
	9	Prepaid expenses and deferred charges		12,928,112	9	11,957,611
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 825,605,872			
	b	Less accumulated depreciation	10b 469,321,129	285,996,035	10c	356,284,743
	11	Investments—publicly traded securities		248,728,391	11	298,896,639
	12	Investments—other securities See Part IV, line 11		364,199,187	12	416,417,407
	13	Investments—program-related See Part IV, line 11		6,397,864	13	4,329,628
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		139,658,974	15	140,993,054
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,188,717,644	16	1,384,439,823
Liabilities	17	Accounts payable and accrued expenses		258,561,108	17	308,730,859
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		248,895,000	20	235,520,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		17,500,000	23	67,500,000
	24	Unsecured notes and loans payable to unrelated third parties		121,863	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		164,707,923	25	182,853,818
	26	**Total liabilities.** Add lines 17 through 25		689,785,894	26	794,604,677
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		480,717,282	27	569,202,793
	28	Temporarily restricted net assets		12,263,654	28	14,681,539
	29	Permanently restricted net assets		5,950,814	29	5,950,814
		Organizations that do not follow SFAS 117 (ASC 958), 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		498,931,750	33	589,835,146
	34	Total liabilities and net assets/fund balances		1,188,717,644	34	1,384,439,823

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	851,143,523
2	Total expenses (must equal Part IX, column (A), line 25)	2	819,957,693
3	Revenue less expenses Subtract line 2 from line 1	3	31,185,830
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	498,931,750
5	Net unrealized gains (losses) on investments	5	82,603,899
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-22,886,333
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	589,835,146

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ 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		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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	Yes	
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	Yes	

Additional Data

Software ID:
Software Version:
EIN: 99-0073524
Name: THE QUEEN'S MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
Maenette Benham EDD Trustee	1 0 2 0	X								
Gary Caufield Trustee	1 0 1 0	X								
Diane Cecchettini RN Trustee	1 0 1 0	X								
Ernest Fukeda Jr Trustee	1 0 3 0	X								
Christine M Gayagas Trustee	1 0 1 0	X								
Peter K Hanashiro Trustee	1 0 2 0	X								
Neil J Hannahs Trustee - Part Year	1 0 3 0	X								
Lyle Harada Trustee	1 0 1 0	X								
Robert Hong MD Trustee/Chief of Staff	50 0 0 0	X						0	523,830	21,021
Stanley Kuriyama Trustee	1 0 2 0	X								
Sherry Menor-McNamara Trustee	1 0 1 0	X								
Robert R Momson Trustee	1 0 2 0	X								
Stephen Nishida MD Trustee	1 0 1 0	X								
Robert K Nobriga Trustee - Part Year	1 0 4 0	X								
William G Obana MD Vice Chair/Trustee - Part Year	10 0 1 0	X		X				112,925	0	0
Caroline Ward Oda Trustee	1 0 1 0	X								
Robb K Ohtani MD Trustee/On-call Physician	19 0 1 0	X						72,230		
James Kimo Steinwascher Trustee	1 0 1 0	X								
Arthur A Ushijima President/Trustee	25 0 40 0	X		X				0	5,075,790	172,084
Jenai Wall Trustee	1 0 1 0	X								
Barry M Weinman Trustee	1 0 3 0	X								
Leslie Wilcox Trustee	1 0 1 0	X								
Julia C Wo Trustee - Part Year	1 0 1 0	X								
C Scott Wo Trustee	1 0 1 0	X								
Eric K Yeaman Chair/Trustee	1 0 7 0	X		X						

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
Susan Haramoto Assistant Sec - Part Year	8.0 32.0			X				0	60,100	7,679
Noelani L Harris Assistant Sec	8.0 32.0			X						
Richard Keene Exec VP/Treasurer - Part Year	20.0 35.0			X				0	607,025	42,893
Hong Min Assistant Treasurer	55.0 0.0			X				98,261	0	2,992
Susan Murray Senior Vice President	54.0 1.0			X				0	353,986	28,775
Sharlene Tsuda Secretary	2.0 53.0			X				0	294,190	44,226
Mark Yamakawa Senior Vice President	41.0 14.0			X				0	680,811	78,474
Clinton Yee Assistant Treasurer	40.0 15.0			X				184,269	0	36,078
Paula Yoshioka Senior Vice President	54.0 1.0			X				0	493,191	37,174
Sung Bae Lee MD NEUROINTERVENTIONAL SURGEON	50.0 0.0					X		839,274	0	35,791
Christian Spies MD Cardiologist	50.0 0.0					X		559,632	0	34,618
Scott DM Moon MD Radiation Oncologist	50.0 0.0					X		555,549	0	35,043
Nicholas Dang MD Cardiothoracic Surgeon	50.0 0.0					X		562,344	0	20,499
Russell David Yang MD Gastroenterologist	50.0 0.0					X		514,898	0	16,602

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SCHEDULE A (Form 990 or 990EZ)

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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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? — **11g(i)**		
(ii) A family member of a person described in (i) above? — **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? — **11g(iii)**		

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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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 ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
THE QUEEN'S MEDICAL CENTER	99-0073524

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☑ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	0	0
b Total lobbying expenditures to influence a legislative body (direct lobbying)	29,703	116,026
c Total lobbying expenditures (add lines 1a and 1b)	29,703	116,026
d Other exempt purpose expenditures	792,649,588	874,689,950
e Total exempt purpose expenditures (add lines 1c and 1d)	792,679,291	874,805,976
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☑ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	46,088	55,188	113,796	116,026	331,098
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	0	0	0	0	0

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

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 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 XIII, 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 XIII, 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 XIII

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 XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	7,084,272	7,221,401	7,237,856	7,195,561	6,633,812
b	Contributions	1,000	500	1,125	40,500	852,775
c	Net investment earnings, gains, and losses	1,127,457	697,700	119,980	662,352	386,481
d	Grants or scholarships	13,000	19,000	5,543	48,405	32,281
e	Other expenditures for facilities and programs	138,469	816,329	132,017	612,152	645,226
f	Administrative expenses					
g	End of year balance	8,061,260	7,084,272	7,221,401	7,237,856	7,195,561

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 74 000 %
- c Temporarily restricted endowment ▶ 26 000 %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		37,522,676		37,522,676
b Buildings		502,900,900	281,313,663	221,587,237
c Leasehold improvements		14,796,358	9,082,501	5,713,857
d Equipment		258,552,582	178,924,965	79,627,627
e Other		11,833,346		11,833,346
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				356,284,743

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. 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) ALTERNATIVE INVESTMENTS	416,417,407	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	416,417,407	

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	126,186,062
(2) ASSETS LIMITED - BOND FUND	13,862,539
(3) OTHER ASSETS RESTRICTED FOR LT	944,453
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	140,993,054

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
DUE TO AFFILIATES	135,546,693
TAXABLE COMMERCIAL PAPER	18,378,645
DUE TO GOVERNMENT REIMBURSEMENT	17,431,468
DUE TO GOVERNMENT	11,497,012
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	182,853,818

2. Liability for uncertain tax positions In Part XIII, 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) Check here if the text of the footnote has been provided in Part XIII ☑

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
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			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII Supplemental Information

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, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
SCHEDULE D, PART V, LINE 4	INTENDED USE OF ENDOWMENT FUNDS THE QUEEN'S MEDICAL CENTER USES THE EARNINGS ON PERMANENTLY ENDOWED INVESTMENTS FOR THE PURPOSES INTENDED BY THE DONORS OF THESE FUNDS
SCHEDULE D, PART X, LINE 2	FIN 48 (ASC 740) FOOTNOTE QMC REGULARLY ASSESSES ITS TAX POSITION AND DID NOT HAVE MATERIAL UNCERTAIN TAX BENEFITS FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

▶ **Information about Schedule G (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

	(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ▶							

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 Benefit Dinner (event type)	(b) Event #2 (event type)	(c) Other events 0 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	495,750			495,750
	2 Less Contributions	404,530			404,530
	3 Gross income (line 1 minus line 2)	91,220			91,220
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	66,879			66,879
	8 Entertainment	6,359			6,359
	9 Other direct expenses	4,324			4,324
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(77,562)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				13,658

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes % ☐ No	☐ Yes % ☐ No	☐ Yes % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

11

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	%
b	An outside facility	13b	%

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

Name ▶ .....

Address ▶ .....

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

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

c If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493126012925

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
b	If "Yes," was it a written policy?	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☑ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?		No
6a	Did the organization prepare a community benefit report during the tax year?	Yes	
b	If "Yes," did the organization make it available to the public?	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			3,466,000		3,466,000	0 420 %
b Medicaid (from Worksheet 3, column a)			67,804,133	24,332,891	43,471,242	5 300 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			71,270,133	24,332,891	46,937,242	5 720 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			12,582,000		12,582,000	1 530 %
f Health professions education (from Worksheet 5)			13,968,000		13,968,000	1 700 %
g Subsidized health services (from Worksheet 6)			32,757,000	19,902,000	12,855,000	1 570 %
h Research (from Worksheet 7)			1,157,000		1,157,000	0 140 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,322,100		1,322,100	0 160 %
j **Total.** Other Benefits			61,786,100	19,902,000	41,884,100	5 100 %
k **Total.** Add lines 7d and 7j			133,056,233	44,234,891	88,821,342	10 820 %

Part II Community Building Activities Complete this if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			432,000		432,000	0 050 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**			432,000		432,000	0 050 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 26,529,000			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	210,002,132
6	Enter Medicare allowable costs of care relating to payments on line 5	6	228,216,945
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-18,214,813
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 2

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group THE QUEEN'S MEDICAL CENTER

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) SEE SCHEDULE H, PART V, SECTION C			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 250 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group THE QUEEN'S MEDICAL CENTER-WEST OAHU

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1		No
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ___			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website (list url) _____			
b	☐ Other website (list url) _____			
c	☐ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 250 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **15**

	Name and address	Type of Facility (describe)
1	See Additional Data Table	
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 6	COMMUNITY BENEFIT REPORT - RELATED ORGANIZATION COMMUNITY BENEFITS ARE REPORTED ANNUALLY AS PART OF THE FORM 990 THIS IS NOT SEPARATELY AVAILABLE TO THE PUBLIC A FORMAL REPORT ISSUED BY THE PARENT COMPANY, THE QUEEN'S HEALTH SYSTEMS, INCLUDES THE COMMUNITY BENEFITS OF THE QUEEN'S MEDICAL CENTER THIS REPORT IS PUBLISHED PERIODICALLY AND IS SEPARATELY AVAILABLE TO THE PUBLIC

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7G	THE QUEEN EMMA CLINICS PROVIDE COMPREHENSIVE PATIENT CARE TO INDIGENT PATIENTS AND SERVE A LARGE HOMELESS POPULATION THE NET COSTS ASSOCIATED WITH THESE CLINICS WAS $5,736,000

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7	THE COSTING METHODOLOGY CONSIDERS ALL PATIENT SEGMENTS AMOUNTS REPRESENT THE NET COSTS FOR THE VARIOUS PROGRAMS AND OPERATIONS, CONSIDERING ACTUAL AMOUNTS INCURRED AND CALCULATED BENEFITS BASED ON COST-TO-CHARGE RATIOS AND AVERAGE RATES (I E WAGE RATES)

Form and Line Reference	Explanation
SCHEDULE H, PART II, LINE 10	COMMUNITY BUILDING ACTIVITIES IN ORDER TO MAINTAIN NECESSARY LIFE SUPPORT, DIAGNOSTIC AND OPERATING SYSTEMS, IN THE EVENT OF AN EMERGENCY, QMC SIGNIFICANTLY UPGRADED ITS POWER PLANT BY ADDING TWO NEW GENERATORS THAT ARE CAPABLE OF PROVIDING ELECTRICAL POWER FOR THE MEDICAL CENTER QMC IS THE ONLY LEVEL II TRAUMA CENTER IN THE STATE OF HAWAII IN ORDER TO ACCESS TO ITS EMERGENCY DEPARTMENT AND HOSPITAL, QMC, IN CONJUNCTION WITH THE STATE DEPARTMENT OF TRANSPORTATION AND CITY DEPARTMENT OF TRANSPORTATION SERVICES, SUPPORTED THE CONSTRUCTION OF THE KINAU OFF-RAMP

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 2	QMC PROVIDES FOR AN ALLOWANCE AGAINST ACCOUNTS RECEIVABLE THAT COULD BECOME UNCOLLECTIBLE BY ESTABLISHING AN ALLOWANCE TO REDUCE THE CARRYING VALUE OF SUCH RECEIVABLES TO THEIR ESTIMATED NET REALIZABLE VALUE QMC ESTIMATES THE ALLOWANCE BASED ON THE AGING OF THE ACCOUNTS RECEIVABLE, HISTORICAL COLLECTION EXPERIENCE BY PAYOR, AND OTHER RELEVANT FACTORS QMC PROVIDES MEDICAL SERVICES TO PATIENTS WHO DO NOT HAVE THE ABILITY TO PAY (PATIENTS ARE NOT BILLED - CHARITY CARE) AND PATIENTS WHO REFUSE TO PAY (BAD DEBTS) THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS UNDER QMC'S FINANCIAL ASSISTANCE POLICY IS CALCULATED BASED ON THE COST-TO-CHARGE RATIO

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 4	BAD DEBT EXPENSE FOOTNOTE QMC PROVIDES MEDICAL SERVICES TO PATIENTS WHO DO NOT HAVE THE ABILITY TO PAY (PATIENTS ARE NOT BILLED - CHARITY CARE) AND PATIENTS WHO REFUSE TO PAY (BAD DEBTS) THE AUDITED FINANCIAL STATEMENTS DO NOT DESCRIBE BAD DEBT EXPENSE THE AUDITED FINANCIAL STATEMENTS DO DESCRIBE THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS "QMC PROVIDES FOR AN ALLOWANCE AGAINST ACCOUNTS RECEIVABLE THAT COULD BECOME UNCOLLECTIBLE BY ESTABLISHING AN ALLOWANCE TO REDUCE THE CARRYING VALUE OF SUCH RECEIVABLES TO THEIR ESTIMATED NET REALIZABLE VALUE QMC ESTIMATES THE ALLOWANCE BASED ON THE AGING OF THE ACCOUNTS RECEIVABLE, HISTORICAL COLLECTION EXPERIENCE BY PAYOR, AND OTHER RELEVANT FACTORS "

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 8	MEDICARE COSTING METHODOLOGY THE MEDICARE AMOUNTS ABOVE ARE CALCULATED WITH DATA FROM JUNE 30, 2014 MEDICARE COST REPORT, USING THE STEP DOWN METHOD CONSISTENT WITH REPORTING REQUIREMENTS, THERE ARE AMOUNTS EXCLUDED FROM THE COSTS LISTED IN LINE 6 WHEN USING THE FULLY ALLOCATED COST CALCULATION, THE MEDICARE SHORTFALL WAS APPROXIMATELY $38,143,000

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 9B	EVERY ATTEMPT IS MADE BEFORE DISCHARGE TO SCREEN PATIENTS WHO HAVE NO DOCUMENTATION OF MEDICAL INSURANCE FOR POSSIBLE ELIGIBILITY FOR DISCOUNTED CARE NON-ER OUTPATIENTS WITH NO MEDICAL INSURANCE ARE REFERRED TO THE PATIENT'S PHYSICIAN FOR A DETERMINATION OF URGENT OR EMERGENCY CARE STATUS CHARITY CARE DISCOUNTS ARE BASED ON FINANCIAL NEED WHICH IS DETERMINED BY INCOME AND ASSET THRESHOLDS BASED ON FEDERAL POVERTY LEVELS AND IN COMPLIANCE WITH FEDERAL RULES AND REGULATIONS PATIENTS ARE REQUESTED TO COMPLETE A DISCOUNTED CARE APPLICATION AND MUST SUBMIT INCOME AND ASSET VERIFICATION DOCUMENTS PATIENTS MAY ALSO BE DEEMED ELIGIBLE FOR QMC DISCOUNTED CARE BASED ON PRIOR OR SUBSEQUENT MEDICAID ELIGIBILITY ONCE ELIGIBILITY FOR QMC DISCOUNTED CARE IS CONFIRMED, A PAYMENT PLAN IS DISCUSSED WITH THE PATIENT BILLING STATEMENTS ARE MAILED MONTHLY TO ALL PATIENTS WITH SELF PAY BALANCES, INCLUDING PATIENTS WITH BALANCES AFTER QMC DISCOUNTED CARE IS APPLIED BILLING STATEMENTS FOR PATIENTS WITH NO INSURANCE INCLUDE A STATEMENT ADVISING TO CALL THE NUMBER ON THE STATEMENT TO DISCUSS OPTIONS FOR FINANCIAL ASSISTANCE

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 2	NEEDS ASSESSMENT QMC'S MISSION IS TO FULFILL THE INTENT OF QUEEN EMMA AND KING KAMEHAMEHA IV TO PROVIDE IN PERPETUITY QUALITY HEALTH CARE SERVICES TO IMPROVE THE WELL-BEING OF NATIVE HAWAIIANS AND ALL OF THE PEOPLE OF HAWAII USING PUBLICLY AVAILABLE REPORTS AND DATA, AND THROUGH DISCUSSIONS WITH STAKEHOLDERS, QMC ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITY WE SERVE BY FOCUSING ON FIVE STRATEGIC DIMENSIONS INCLUDING SUPERIOR QUALITY AND PERFORMANCE, BEING THE PROVIDER OF CHOICE, EMPLOYER OF CHOICE, DISPLAYING RESPONSIBLE CITIZENSHIP AND FOCUSING ON FINANCIAL PERFORMANCE CORE STRATEGIES INVOLVING RESPONSIBLE CITIZENSHIP TO THE COMMUNITY INCLUDE HARDWIRING OUR NATIVE HAWAIIAN HEALTH STRATEGIC PLAN THROUGHOUT QUEEN'S ENTITIES, CREATING A SUSTAINABLE INFRASTRUCTURE THAT ALLOWS QUEEN'S TO QUANTIFY AND ARTICULATE COMMUNITY BENEFIT, AND STRENGTHENING GOVERNMENT AND COMMUNITY PARTNERSHIPS TO SUPPORT ACCESS AND AVAILABILITY OF PROGRAMS AND SERVICES THAT HELP ADDRESS UNMET COMMUNITY HEALTH NEEDS

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE MEDICAID AND MEDICARE ELIGIBILITY REQUIREMENTS ARE DISCUSSED WITH INPATIENTS AND/OR INPATIENT'S FAMILY MEMBERS QMC HAS A CONTRACTED VENDOR WHO PERFORMS MEDICAID ELIGIBILITY ASSESSMENTS AND WORKS WITH PATIENTS TO SUBMIT AN APPLICATION AND THE REQUIRED DOCUMENTS PATIENTS WHO MAY QUALIFY FOR MEDICARE ARE PROVIDED CONTACT INFORMATION FOR THE SOCIAL SECURITY OFFICE SIGNS ARE POSTED IN REGISTRATION AREAS THROUGHOUT THE HOSPITAL ADVISING THE QMC HAS A DISCOUNTED CARE POLICY

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 4	COMMUNITY INFORMATION QMC IS THE LEADING MEDICAL REFERRAL CENTER IN THE PACIFIC BASIN LOCATED IN DOWNTOWN HONOLULU, IT'S THE LARGEST PRIVATE HOSPITAL IN HAWAII ACCORDING TO RECENT DEMOGRAPHIC CENSUS DATA, THE STATE OF HAWAII IS VERY DIVERSE AND INCLUDES A POPULATION THAT IS APPROXIMATELY 10% NATIVE HAWAIIAN, OTHER PACIFIC ISLANDER, NATIVE ALASKAN AND AMERICAN INDIAN OTHER DEMOGRAPHIC INFORMATION REGARDING HAWAII IS AS FOLLOWS - MEDIAN AGE 38 5 YEARS OLD (1) - 38% ASIAN, 25% WHITE, 9% NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER, 24% TWO OR MORE RACES (1) - MEDIAN HOUSEHOLD INCOME $66,420 (2006-2010) (1) - 9 6% OF HAWAII'S POPULATION LIVES IN POVERTY (1) - OTHER THAN OAHU, THE ENTIRETY OF EACH ISLAND IS CONSIDERED UNDERSERVED (1) - NUMBER OF HOSPITALS (BY COUNTY) HAWAII COUNTY 6 MAUI COUNTY 4 C&C HONOLULU 9 KAUAI COUNTY 3 - 35% OF HOSPITAL INPATIENT DISCHARGES COVERED BY MEDICARE, 25% BY MEDICAID/QUEST (DATA FROM JAN - NOV 2012) (2) (1) HEALTHCARE ASSOCIATION OF HAWAII HAWAII STATE COMMUNITY HEALTH NEEDS ASSESSMENT (2) HAWAII HEALTH INFORMATION CORPORATION

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH THE AMOUNTS MENTIONED IN PART II OF SCHEDULE H REPRESENT COSTS INCURRED TO ENSURE CONTINUED OPERATIONS THAT BENEFIT THE COMMUNITY TO SUPPORT THE QUEEN'S MISSION AND TO FULFILL THE TAX-EXEMPT PURPOSE AS A CHARITABLE HOSPITAL, QUEEN'S PROVIDES A NUMBER OF COMMUNITY BENEFITS THIS INCLUDES UNCOMPENSATED CARE, WHERE QMC PROVIDES MEDICAL SERVICES TO PATIENTS WHO DO NOT HAVE THE ABILITY TO PAY (PATIENTS ARE NOT BILLED, CHARITY CARE) AND PATIENTS WHO REFUSE TO PAY (BAD DEBTS) IN BEHAVIORAL HEALTH, QUEEN'S PROVIDES INPATIENT AND OUTPATIENT BEHAVIORAL HEALTH SERVICES THAT ARE NECESSARY AND, IN CERTAIN INSTANCES, NOT GENERALLY AVAILABLE IN THE STATE OF HAWAII QUEEN'S ALSO IS HOME TO QUEEN EMMA CLINICS, WHERE QMC PROVIDES OUTPATIENT SERVICES TO INDIGENT PATIENTS OTHER EXAMPLES INCLUDE EMERGENCY PREPAREDNESS COSTS AND AMOUNTS EXPENDED TO EXPAND AND TEST BACK-UP POWER THAT CAN SERVICE PATIENTS IN TIMES OF EMERGENCY IN ADDITION, QMC PROVIDES MANY FREE INFORMATIONAL SEMINARS AND EDUCATIONAL OPPORTUNITIES TO THE PUBLIC TO PROMOTE THE HEALTH OF COMMUNITY THESE PROGRAMS ARE SPECIFICALLY DIRECTED TO ADDRESS HEALTH ISSUES WITHIN THE COMMUNITY INCLUDING DIABETES, CANCER AND WOMEN'S HEALTH ISSUES A MAJORITY OF QMC'S GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN QMC'S PRIMARY SERVICE AREA (OAHU) WHO ARE NEITHER EMPLOYEES NOR INDEPENDENT CONTRACTORS OF QMC QMC EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY FOR SOME OR ALL OF ITS DEPARTMENTS

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM IN ADDITION TO THE QUEEN'S MEDICAL CENTER, AFFILIATE ORGANIZATIONS OF THE QUEEN'S HEALTH SYSTEMS OPERATE THE ONLY HOSPITAL ON THE ISLAND OF MOLOKA'I, OPERATE THE NORTH HAWAII COMUNITY HOSPITAL ON THE BIG ISLAND, PROVIDE DIAGNOSTIC LABORATORY SERVICES, OPERATE PHARMACIES AND PROVIDE THE HOSPITALS WITH GENERAL AND PROFESSIONAL LIABILITY INSURANCE

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT N/A

Additional Data

Software ID:
Software Version:
EIN: 99-0073524
Name: THE QUEEN'S MEDICAL CENTER

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, LINE 3	INPUT FROM COMMUNITY REPRESENTATIVES FACILITY 1 - QUEEN'S MEDICAL CENTER 22 KEY INFORMANTS WERE INTERVIEWED FOR THEIR STATE WIDE KNOWLEDGE OF HEALTH NEEDS, WHEN CERTAIN TOPIC AREAS WERE LACKING AN INTERVIEW WITH A STATE WIDE PERSPECTIVE, RELEVANT FINDINGS FROM HONOLULU COUNTY INTERVIEWS WERE INCLUDED THE INTERVIEWS WERE WITH INDIVIDUALS FROM THE FOLLOWING ORGANIZATIONS DEPARTMENT OF EDUCATION, HAWAII DEPARTMENT OF HEALTH, DEPARTMENT OF HUMAN SERVICES, HAWAII STATE DEPARTMENT OF HEALTH, OFFICE OF THE GOVERNOR, STATE SENATOR & HAWAII INDEPENDENT PHYSICIANS ASSOCIATION, HAWAII PRIMARY CARE ASSOCIATION, HAWAII DEPARTMENT OF HEALTH, UNIVERSITY OF HAWAII, AMERICAN DIABETES ASSOCIATION HAWAII, KAMEHAMEHA SCHOOLS, HAWAII STATE DEPARTMENT OF EDUCATION, MOUNTAIN-PACIFIC QUALITY HEALTH, UNIVERSITY OF HAWAII, HAWAII MEDICAL SERVICE ASSOCIATION, UNIVERSITY OF HAWAII, DEPARTMENT OF HEALTH, HAWAII STATE DEPARTMENT OF HEALTH, HAWAII STATE DEPARTMENT OF HEALTH, CARERESOURCE HAWAII, PAPA OLA LOKAHI, AMERICAN HEART ASSOCIATION, AMERICAN CANCER SOCIETY HAWAII SITE, AND HOSPICE HAWAII THE INFORMATION OBTAINED FROM THESE INTERVIEWS WAS INCORPORATED INTO THE REPORT IN THREE WAYS A SUMMARY QUALITATIVE ANALYSIS TOOL CALLED A "WORD CLOUD" WAS PRODUCED USING TAGCROWD COM TO IDENTIFY THE MOST COMMON THEMES AND TOPICS WORDS OR PHRASES THAT WERE MENTIONED MOST OFTEN DISPLAY IN THE WORD CLOUD IN THE LARGEST AND DARKEST FONT NEXT, INPUT FROM THE KEY INFORMANTS WAS INCLUDED IN EACH RELEVANT TOPIC AREA IN SECTION 3 2 OF THE CHNA IF AVAILABLE, INFORMATION SPECIFIC TO THE HEALTH OF MOLOKAI RESIDENTS IS LISTED IN THE FIRST SECTION OF EACH INTERVIEW SUMMARY TABLE, INFORMATION GATHERED ON THE GENERAL POPULATION OF HAWAII FOR EACH TOPIC AREA IS ALSO PRESENTED IN THE TABLES ANY RECOMMENDED COMMUNITY PROGRAMS OR RESOURCES ARE INCLUDED IN THE LAST COLUMN TITLED "OPPORTUNITIES/STRENGTHS "

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, LINE 4	CHNA HOSPITAL FACILITIES FACILITY 1 - QUEEN'S MEDICAL CENTER TWENTY-SIX OF 28 HAWAII HOSPITALS, LOCATED ON ALL ISLANDS, PARTICIPATED IN THE CHNA PROJECT CASTLE MEDICAL CENTER HALE HO`OLA HAMAKUA HILO MEDICAL CENTER KAHI MOHALA BEHAVIORAL HEALTH KAHUKU MEDICAL CENTER KAISER PERMANENTE MEDICAL CENTER KAPI`OLANI MEDICAL CENTER FOR WOMEN & CHILDREN KA`U HOSPITAL KAUAI VETERANS MEMORIAL HOSPITAL KOHALA HOSPITAL KONA COMMUNITY HOSPITAL KUAKINI MEDICAL CENTER KULA HOSPITAL LANA`I COMMUNITY HOSPITAL LEAHI HOSPITAL MAUI MEMORIAL MEDICAL CENTER MOLOKAI GENERAL HOSPITAL NORTH HAWAII COMMUNITY HOSPITAL PALI MOMI MEDICAL CENTER REHABILITATION HOSPITAL OF THE PACIFIC SAMUEL MAHELONA MEMORIAL HOSPITAL SHRINERS HOSPITALS FOR CHILDREN, HONOLULU STRAUB CLINIC & HOSPITAL WAHIAWA GENERAL HOSPITAL WILCOX MEMORIAL HOSPITAL

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, LINE 5A	WEBSITE WHERE THE QUEENS MEDICAL CENTER FACILITY'S CHNA CAN BE ACCESSED HTTP //QUEENSMEDICALCENTER ORG/COMMUNITY-BENEFITS

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, LINE 7	NEEDS NOT ADDRESSED FACILITY 1 - QUEEN'S MEDICAL CENTER THE CHNA IDENTIFIED 20 AREAS OF COMMUNITY HEALTH NEEDS THE QUEEN'S MEDICAL CENTER (QMC) RECOGNIZES THE IMPORTANCE OF THESE NEEDS AND HAS SUPPORTED EFFORTS TO ADDRESS MANY OF THEM, IT IS ALSO RECOGNIZED THAT THERE ARE HEALTH NEEDS THAT QMC WILL NOT DIRECTLY BE ADDRESSING FOR VARIOUS REASONS AS PART OF THE PROCESS TO SELECT QMC'S PRIORITY AREA, EACH OF THE 20 IDENTIFIED AREAS OF NEED WERE MAPPED TO THREE CORE NEEDS TO BE ADDRESSED TO IMPROVE COMMUNITY HEALTH PRIMARY HEALTH CARE NEEDS, SECONDARY HEALTH CARE NEEDS AND SOCIETAL NEEDS THIS MAPPING ALLOWED QMC TO FOCUS ON ADDRESSING NEEDS WITHIN THE SCOPE OF ITS CORE COMPETENCIES AS AN ACUTE CARE TERTIARY/QUATERNARY HOSPITAL, QMC'S CORE COMPETENCIES ARE IN THE PRIMARY HEALTH CARE NEEDS CATEGORY COMMUNITY HEALTH NEEDS IN THE SECONDARY HEALTH CARE NEEDS AND SOCIETAL NEEDS CATEGORIES ARE BEING ADDRESSED THROUGH THE LEADERSHIP OF OTHER ORGANIZATIONS WHOSE MISSIONS, CORE COMPETENCIES AND EXPERTISE MEET THOSE NEEDS THOSE ARE - DISABILITIES - ECONOMY - EDUCATION - ENVIRONMENT - EXERCISE, NUTRITION AND WEIGHT - FAMILY PLANNING - INJURY PREVENTION AND SAFETY - ORAL HEALTH - SOCIAL ENVIRONMENT - SUBSTANCE ABUSE AND LIFESTYLE - TRANSPORTATION ALTHOUGH QMC WILL NOT DIRECTLY BE ADDRESSING THESE AREAS OF NEED, WE HAVE SUPPORTED AND PARTNERED WITH OTHERS TO ADDRESS SEVERAL OF THEM AND WILL CONTINUE TO SUPPORT OPPORTUNITIES TO ADDRESS COMMUNITY HEALTH NEEDS IN COLLABORATION WITH OTHERS OF THE AREAS MAPPED TO THE PRIMARY HEALTH CARE NEEDS CATEGORY, QMC SELECTED DIABETES AS ITS PRIORITY AREA FOR THE OTHER AREAS, QMC CURRENTLY PROVIDES MANY SERVICES AND PROGRAMS TO ADDRESS THESE NEEDS THESE SERVICES AND PROGRAMS ARE OFFERED IN/AT THE HOSPITAL, IN CONJUNCTION WITH PARTNERS, AND THROUGH OUTREACH TO THE COMMUNITY

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SCHEDULE H, PART V, LINE 20D	OTHER METHOD FOR DETERMINING MAXIMUM CHARGED AMOUNT CHARGES BILLED TO UNINSURED PATIENTS ARE THE SAME AMOUNTS AS CHARGES TO INSURED PATIENTS PER QMC'S DISCOUNTED CARE POLICY, UNINSURED PATIENTS ARE ELIGIBLE FOR A 30% DISCOUNT PROVIDED "PATIENT AGREES TO A PROMPT PAYMENT SCHEDULE ACCEPTABLE TO QMC "

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
_____

Name and address	Type of Facility (describe)
QUEEN'S HEART 550 S Beretania Street Ste 601 HONOLULU, HI 96813	Cardiac Care Center
QUEEN'S ENDOSCOPY 550 S Beretania Street Ste 701 Honolulu, HI 96813	Cardiac Care Center
QMC - PAIN AND SPINE 550 S BERETANIA STREET STE 703 HONOLULU, HI 96813	Cardiac Care Center
QMC RADIOLOGY 550 S Beretania Street Ste B-1 Honolulu, HI 96813	Cardiac Care Center
QMC Radiology 1329 Lusitana Street Ste B-1 Honolulu, HI 96813	Cardiac Care Center
QUEEN'S TRANSPLANT CENTER 550 S Beretania Street Ste 404 Honolulu, HI 96813	Cardiac Care Center
QUEEN'S IMAGING 91-2139 Fort Weaver Road Ste 108 Ewa Beach, HI 96706	Cardiac Care Center
THE QUEEN'S LIVER CENTER 550 S Beretania Street Ste 405 Honolulu, HI 96813	Cardiac Care Center
QUEEN'S REHABILITATION SERVICES 550 S Beretania Street Ste 300 Honolulu, HI 96813	Cardiac Care Center
PHYSICIAN CENTER 91-2135 Fort Weaver Road Ste 150 Ewa Beach, HI 96706	Cardiac Care Center
QUEEN'S HEART PHYSICIAN PRACTICE 98-1247 KAAHUMANU STREET STE 206 AIEA, HI 96701	Cardiac Care Center
QMC GASTROENTEROLOGY 550 S Beretania Street Ste 510 Honolulu, HI 96813	Cardiac Care Center
QMC - ACUTE CARE SURGICAL CENTER 550 S BERETANIA STREET STE 509 HONOLULU, HI 96813	Cardiac Care Center
DIABETES COMMUNITY EDUCATION 91-2135 Fort Weaver Road Ste 180 Ewa Beach, HI 96706	Cardiac Care Center
COMPREHENSIVE GENETICS CENTER 1329 Lusitana Street Ste B-8 Honolulu, HI 96813	Cardiac Care Center

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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**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

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? . . . ☑ 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. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 33

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 1

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.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
SCHEDULE I, PART I, LINE 2	DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS THE QUEEN'S MEDICAL CENTER MAKES DONATIONS TO VARIOUS TAX-EXEMPT ORGANIZATIONS WITH THE PURPOSE OF PROVIDING OPPORTUNITIES FOR BETTER HEALTH AND WELLNESS TO ALL THE PEOPLE OF HAWAII THERE ARE GENERALLY NO RESTRICTIONS PLACED ON THE USE OF THOSE DONATIONS AND THE RECEIVING ORGANIZATIONS MAY USE THE DONATIONS AT THEIR DISCRETION IN ORDER TO FURTHER THEIR EXEMPT PURPOSE WHERE RESTRICTIONS ARE PLACED ON THE USE OF THOSE DONATIONS, QMC REQUESTS FINANCIAL REPORTS IN ORDER TO MONITOR SUCH USE

Additional Data

Software ID:
Software Version:
EIN: 99-0073524
Name: THE QUEEN'S MEDICAL CENTER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Aloha Council Boy Scouts of America 42 Puiwa Road Honolulu,HI 96817	22-1576300	501(c)(3)	7,500				Sponsorship Dist Citizen Dinner

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Aloha Medical Mission 810 North Vineyard Blvd Honolulu,HI 96817	99-0234811	501(c)(3)	20,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Aloha United Way Inc 200 North Vineyard Blvd Suite 700 Honolulu,HI 96817	99-0073494	501(c)(3)	17,000				Philippines Recovery/SPPT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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American Cancer Society 2370 Nuuanu Avenue Honolulu,HI 96817	99-0073489	501(c)(3)	9,100				Sponsorship 2nd Annual Hope Gala Honolulu 'Midnight in Tokyo' and Donation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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American Diabetes Association 875 Waimanu Street Suite 600 Honolulu,HI 96813	13-1623888	501(c)(3)	62,500				2ND ANNUAL HOPE GALA

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
American Heart Association 677 Ala Moana Blvd Honolulu,HI 968135485	13-5613797	501(c)(3)	20,000				SPONS HEART BALL & HEART WALK

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
American Red Cross 4155 Diamond Head Rd Suite 1109 Honolulu,HI 96816	53-0196605	501(c)(3)	15,000				Sponsorship "2014 Red Cross Corporate Partner"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Arthritis Foundation 615 Piikoi Street Honolulu, HI 96814	95-1885447	501(c)(3)	30,000				Sponsorship "2014 State of Hawai'i Arthritis Walk" and "Commitment to a Cure"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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Bishop Museum 1525 Bernice Street Suite 901 Honolulu,HI 968172704	99-0161980	501(c)(3)	10,000				Sponsorship "16th Annual Bernice Pauahi Bishop Museum Dinner - Celebrating 125 Years"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Boys & Girls Club of Hawaii 1523 Kalakaua Avenue Suite 2E1 Box 3 Honolulu,HI 96826	99-6005407	501(c)(3)	5,200				Sponsorship "18th Annual Walk in the Country" and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Chaminade University of Honolulu 3140 Waialae Avenue UA4 Rm 4 Honolulu,HI 96816	99-0272261	501(c)(3)	11,000				Contribution "6th Annual Intercollegiate Athletics Gala Event" and Sponsorships

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Child & Family Service 91-1841 Fort Weaver Rd UA4 Rm 4 Ewa Beach, HI 96706	99-0073483	501(c)(3)	5,200	236	FMV	SUPPLIES	Sponsorship "Kings & Queens of Rock 'n' Roll" and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Girl Scouts of Hawaii 410 Atkinson Drive Honolulu, HI 96814	99-0073488	501(c)(3)	25,000				Sponsorship "2013 Woman of Distinction Dinner"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaii Academy of Science 1776 University Avenue Honolulu,HI 96822	99-6006863	501(c)(3)	25,000				Sponsorship "Annual Capital Campaign Fundraiser"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaii Children's Cancer Foundation 1814 Liliha Street Suite 504 Honolulu,HI 96817	99-0299937	501(c)(3)	6,000				Sponsorship "Catch a Wave" and Donation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaii Institute for Public Affairs 1003 Bishop Street Honolulu, HI 96813	22-3859306	501(c)(3)	12,500				Sponsorship "Hawai'i 2013 Healthcare Summit" and "2014 Ho'oulu Leadership Awards"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaii Maoli PO Box 1135 Suite 214 Honolulu,HI 96807	94-3274865	501(c)(3)	12,000				Sponsorship "Queen Emma Hawaiian Civic Club 50th Anniversary Celebration" and Other Events

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaii Meals on Wheels Inc PO Box 61194 Suite 810 Honolulu,HI 968391194	99-0198132	501(c)(3)	6,000				Contribution "Meals from the Heart Roaring '20s" and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaiian Civic Club of Honolulu PO Box 1513 Bachman Hall 105 Honolulu,HI 96806	99-6014851	501(c)(3)	10,000				Sponsorship "Holoku Ball"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Historic Hawaii Foundation PO Box 1658 Suite 504 Honolulu,HI 96806	23-7441972	501(c)(3)	8,500				Sponsorship "2013 Kama'aina of the Year" and "2014 Kama'aina of the Year"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hospice Hawaii Inc 860 Iwilei Road Honolulu,HI 96817	99-0203930	501(c)(3)	7,500				Sponsorship "Na Hoa Malama - A Journey to Japan" and Other Contribution

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Juvenile Diabetes Research Foundation Int'l 1019 Waimanu Street Suite 405-2 Honolulu,HI 96814	23-1907729	501(c)(3)	10,000				2013 - 2014 Corporate Sponsorship

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Lunalilo Home 501 Kekauluohi Street Honolulu,HI 96825	99-0075244	501(c)(3)	6,500				Contribution "23rd Annual Lunalilo Home Golf Tournament" and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
March of Dimes 1451 South King Street Honolulu,HI 96814	13-1846366	501(c)(3)	28,100				Sponsorship "2013 Governors' Ball" and Other Events

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
National Kidney Foundation of Hawaii 1314 South King Street Honolulu,HI 96814	99-0266733	501(c)(3)	5,100				Contribution "2nd Annual Willie K Barbeque Blues Festival" and Donation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Polynesian Voyaging Society 10 Sand Island Parkway Honolulu,HI 96819	23-7302232	501(c)(3)	50,000				Contribution "Malama Honua Worldwide Voyage"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Public Schools of Hawaii Foundation PO Box 4148 Honolulu,HI 96812	88-0243449	501(c)(3)	10,000				Sponsorship "23rd Annual Kulia Ka Nu'u Awards Banquet"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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St Andrew's Priory School 224 Queen Emma Square Suite 2700 Honolulu,HI 96813	99-0073525	501(c)(3)	7,500				Sponsorship "8th Annual Queen Emma Ball"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
St Francis Hospice PO Box 29700 Honolulu,HI 96820	99-0325194	501(c)(3)	6,000				Contribution "St Francis Golf Healthy Challenge 2014" and "Light Up a Memory"

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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The Filipino Community Center Inc 94-428 Mokuola St Waipahu, HI 967973396	99-0305884	501(c)(3)	10,200				Sponsorship "Sharing Memorable Moments" and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
University of Hawaii Foundation 2444 Dole Street Honolulu,HI 96822	99-0085260	501(c)(3)	130,750				Funding for the UH Translational Health Science Simulation Center (THSSC) and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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Waikiki Community Center 310 Paoakalani Avenue Honolulu,HI 96815	99-0179392	501(c)(3)	11,500				Sponsorship "Na Mea Makamae O Waikiki 2013 - Honoring the Treasures of Waikiki" and Donations

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code 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
Hawaii Cancer Consortium 55 Merchant Street Honolulu, HI 96813	45-2280259	501(c)(3)	500,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

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Philippine Medical Association of Hawaii PO Box 1294 Pearl City, HI 96782	99-0206653	501(c)(6)	10,000				Sponsorship "38th Annual O'o Awards"

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Return Reference	Explanation
SCHEDULE J, PART I, LINE 3	COMPENSATION COMMITTEE THE ORGANIZATION RELIED ON THE QUEEN'S HEALTH SYSTEM (QHS) TO DETERMINE COMPENSATION OF THE TOP MANAGEMENT OFFICIAL QHS USED A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY OR STUDY, FORM 990 OF OTHER ORGANIZATIONS, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
SCHEDULE J, PART I, LINE 4B	THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) PROVIDES FOR AN UMBRELLA BENEFIT EQUAL TO A LIFE ANNUITY OF 60% OF FINAL AVERAGE SALARY AT NORMAL RETIREMENT AGE (WHICH BENEFIT IS OFFSET HOWEVER BY THE BENEFIT PROVIDED TO THE CEO UNDER THE QHS PENSION PLAN, THE QHS 401(K) PLAN FOR MATCHING CONTRIBUTIONS ONLY, THE QHS PENSION RESTORATION PLAN, AND 50% OF ESTIMATED SOCIAL SECURITY RETIREMENT BENEFITS) NORMAL RETIREMENT AGE IS DEFINED AS AGE 65 AND THE BENEFIT VESTS AND IS PAID OUT AS A LUMP SUM AT THAT POINT REGARDLESS IF EMPLOYMENT IS CONTINUED PAST AGE 65 THE FOLLOWING PAYMENTS WERE MADE DURING 2013 ARTHUR A USHIJIMA - $2,965,859 OTHER REPORTABLE COMPENSATION REFLECTS VESTED PAYMENTS IN TWO NONQUALIFIED RETIREMENT PLANS THE FIRST PLAN IS A DEFINED BENEFIT SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) THAT PROVIDED AN INCOME REPLACEMENT EQUAL TO 60% OF MR USHIJIMA'S FINAL THREE-YEAR AVERAGE BASE SALARY AT AGE 65, OFFSET BY ALL OTHER FORMS OF EMPLOYER-PROVIDED RETIREMENT (INCLUDING 50% OF SOCIAL SECURITY) MR USHIJIMA'S SERP WAS A GRANDFATHERED RETIREMENT PLAN THAT PROVIDED RETIREMENT BENEFITS IN LINE WITH INDUSTRY NORMS FOR OTHER HEALTH SYSTEM CEOS UNLIKE SOME OTHER SERP DESIGNS THAT PROVIDE PARTIAL VESTING WITH CASH PAYMENTS EVERY FEW YEARS, 100% OF MR USHIJIMA'S SERP VESTED UPON ATTAINMENT OF AGE 65, WHICH OCCURRED IN 2013 THE $2,965,859 SERP PAYMENT REFLECTS HIS 24 YEARS OF SERVICE AS OF 2013 AND IS SUBJECT TO ALL APPLICABLE STATE AND FEDERAL TAXES THE SERP CEASED UPON VESTING, AND NO FURTHER PAYMENTS WILL BE MADE UNDER THIS PLAN THE SECOND NONQUALIFIED RETIREMENT PLAN IS A PENSION RESTORATION BENEFIT, WHICH IS PROVIDED TO ALL ELIGIBLE EMPLOYEES, INCLUDING MR USHIJIMA, AND WHICH APPLIES THE SAME BENEFIT FORMULA AS THE ALL-EMPLOYEE QUALIFIED CASH BALANCE PENSION PLAN TO THE PORTION OF SALARY THAT EXCEEDS LEGISLATIVE CAPS ON PAY FOR QUALIFIED PLANS THE PENSION RESTORATION PLAN IS ALSO 100% VESTED AT AGE 65, AND THE BALANCE OF THIS ACCOUNT, WHICH WAS $664,907 FOR MR USHIJIMA, WAS PAID TO HIM IN 2013, SUBJECT TO ALL APPLICABLE STATE AND FEDERAL TAXES
SCHEDULE J, PART I, LINE 7	RECOGNITION AWARDS WERE PAID TO ALL EMPLOYEES BASED ON ACCOMPLISHMENTS OF PREDETERMINED GOALS AND OBJECTIVES SET FORTH IN THE INCENTIVE AND STRATEGIC PLANS AND DEFINED ELIGIBILITY OF THE EMPLOYEE RECOGNITION AWARDS ARE DISCRETIONARY AND CONSIDER QUALITY THRESHOLDS WHICH INCLUDE ANNUAL ACCREDITATION AND MINIMUM OPERATING INCOME LEVEL CRITERIA IN ADDITION, EXECUTIVE AWARDS ARE WEIGHTED BASED ON INDIVIDUAL GOALS ESTABLISHED FOR EACH EXECUTIVE ALSO, CERTAIN PHYSICIANS RECEIVE INCENTIVE COMPENSATION BASED ON PROFESSIONAL SERVICES COLLECTIONS BY QMC A MAXIMUM ON SUCH INCENTIVE COMPENSATION IS CAPPED ACCORDING TO QMC POLICY
SCHEDULE J, PART II & FORM 990, PART VII	COMPENSATION FOR SERVICES ARTHUR A USHIJIMA MR USHIJIMA SERVES AS A TRUSTEE FOR THE QUEEN'S MEDICAL CENTER, THE QUEEN'S HEALTH SYSTEMS AND SEVERAL OTHER QUEENS' RELATED AFFILIATES (2 HOURS PER WEEK) HE IS A VOLUNTEER TRUSTEE AND IS NOT COMPENSATED FOR THESE SERVICES MR USHIJIMA ALSO SERVES AS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE QUEEN'S HEALTH SYSTEMS (PARENT COMPANY) AND AS PRESIDENT OF QMC THE COMPENSATION LISTED IS HIS TOTAL COMPENSATION FOR HIS VARIOUS SERVICES MARK YAMAKAWA MR YAMAKAWA SERVES AS EVP AND COO OF THE QUEEN'S HEALTH SYSTEM (PARENT COMPANY), EVP AND COO OF QMC AND PRESIDENT OF QDC HE IS NOT SEPARATELY COMPENSATED FOR THESE VARIOUS SERVICES THE COMPENSATION LISTED IS HIS TOTAL COMPENSATION FOR ALL SERVICES RICHARD C KEENE MR KEENE SERVED AS QMC TREASURER, SVP/CFO AND TREASURER FOR THE QUEEN'S HEALTH SYSTEMS (PARENT COMPANY), TREASURER OF QEL AND TREASURER OF MGH HE WAS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HIS TOTAL COMPENSATION FOR ALL SERVICES SHARLENE TSUDA MS TSUDA SERVES AS SECRETARY FOR QMC AND VP/SECRETARY FOR THE QUEEN'S HEALTH SYSTEMS (PARENT COMPANY) SHE IS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HER TOTAL COMPENSATION FOR ALL SERVICES PAULA YOSHIOKA MS YOSHIOKA SERVES AS SVP/CAO OF QMC AND A DIRECTOR OF QIE SHE IS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HER TOTAL COMPENSATION FOR ALL SERVICES CLINTON YEE MR YEE SERVES AS ASSISTANT TREASURER AND CORPORATE CONTROLLER OF QMC AND ASSISTANT TREASURER OF QMC, QHS AND QDC HE IS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HIS TOTAL COMPENSATION FOR ALL SERVICES SUSAN HARAMOTO MS HARAMOTO SERVED AS ASSISTANT SECRETARY OF QMC, QHS AND QDC AND COORDINATOR OF COMMUNITY DEVELOPMENT OF QHS SHE WAS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HER TOTAL COMPENSATION FOR ALL SERVICES SUSAN MURRAY MS MURRAY SERVES AS COO AND SENIOR VP OF QMC WEST OAHU SHE IS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HER TOTAL COMPENSATION FOR ALL SERVICES HONG MIN MR MIN SERVES AS ASSISTANT TREASURER OF QMC WEST OAHU HE IS NOT SEPARATELY COMPENSATED FOR THESE SERVICES THE COMPENSATION LISTED IS HIS TOTAL COMPENSATION FOR ALL SERVICES WILLIAM G OBANA MD DR OBANA SERVED AS A TRUSTEE FOR THE QUEEN'S MEDICAL CENTER (1 HOUR PER WEEK) HE WAS A VOLUNTEER TRUSTEE AND WAS NOT COMPENSATED FOR THESE SERVICES DR OBANA'S COMPENSATION IS FOR HIS ON-CALL SPECIALTY SERVICES AT THE QUEEN'S MEDICAL CENTER ROBB K OHTANI MD DR OHTANI SERVES AS A TRUSTEE FOR THE QUEEN'S MEDICAL CENTER (1 HOUR PER WEEK) HE IS A VOLUNTEER TRUSTEE AND IS NOT COMPENSATED FOR THESE SERVICES DR OHTANI'S COMPENSATION IS FOR HIS ON-CALL SPECIALTY SERVICES AT THE QUEEN'S MEDICAL CENTER ROBERT HONG MD DR HONG SERVES AS A TRUSTEE FOR THE QUEEN'S MEDICAL CENTER (1 HOUR PER WEEK) HE IS A VOLUNTEER TRUSTEE AND IS NOT COMPENSATED FOR THESE SERVICES DR HONG'S COMPENSATION IS FOR HIS ON-CALL SPECIALTY SERVICES AS WELL AS HIS SERVICES AS CHIEF OF STAFF AT THE QUEEN'S MEDICAL CENTER

Additional Data

Software ID:
Software Version:
EIN: 99-0073524
Name: THE QUEEN'S MEDICAL CENTER

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Robert Hong MD Trustee/Chief of Staff	(I) (II)	0 463,825	0 57,683	0 2,322	0 20,130	0 891	0 544,851	0 0
Richard Keene Exec VP/Treasurer - Part Year	(I) (II)	0 462,096	0 126,401	0 18,528	0 30,073	0 12,820	0 649,918	0 0
Susan Murray Senior Vice President	(I) (II)	0 300,460	0 47,239	0 6,287	0 12,870	0 15,905	0 382,761	0 0
Sharlene Tsuda Secretary	(I) (II)	0 219,380	0 56,166	0 18,644	0 31,792	0 12,434	0 338,416	0 0
Arthur A Ushijima President/Trustee	(I) (II)	0 1,004,241	0 1,033,483	0 3,038,066	0 159,429	0 12,655	0 5,247,874	0 3,630,766
Mark Yamakawa Senior Vice President	(I) (II)	0 484,023	0 153,816	0 42,972	0 64,379	0 14,095	0 759,285	0 0
Clinton Yee Assistant Treasurer	(I) (II)	165,444 0	14,700 0	4,125 0	14,464 0	21,614 0	220,347 0	0 0
Paula Yoshioka Senior Vice President	(I) (II)	0 370,761	0 105,659	0 16,771	0 27,996	0 9,178	0 530,365	0 0
Sung Bae Lee MD NEUROINTERVENTIONAL SURGEON	(I) (II)	740,971 0	75,932 0	22,371 0	17,127 0	18,664 0	875,065 0	0 0
Christian Spies MD Cardiologist	(I) (II)	509,120 0	49,500 0	1,012 0	17,004 0	17,614 0	594,250 0	0 0
Scott DM Moon MD Radiation Oncologist	(I) (II)	485,002 0	68,927 0	1,620 0	17,675 0	17,368 0	590,592 0	0 0
Nicholas Dang MD Cardiothoracic Surgeon	(I) (II)	519,743 0	22,500 0	20,101 0	17,212 0	3,287 0	582,843 0	0 0
Russell David Yang MD Gastroenterologist	(I) (II)	443,237 0	67,898 0	3,763 0	0 0	16,602 0	531,500 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	DEPARTMENT OF BUDGET & FINANCE STATE OF HAWAII	99-0266961	419800FB8	12-11-2003	114,300,000	SEE PART VI		X		X		X
B	DEPARTMENT OF BUDGET & FINANCE STATE OF HAWAII	99-0266961	419800HT7	05-06-2009	78,670,000	SEE PART VI		X		X		X
C	DEPARTMENT OF BUDGET & FINANCE STATE OF HAWAII	99-0266961	419800FR3	03-16-2006	114,875,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	8,825,000	6,440,000	25,750,000	
2	Amount of bonds legally defeased	0	0	0	
3	Total proceeds of issue	114,300,000	78,670,000	149,237,584	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	0	0	1,300,000	
6	Proceeds in refunding escrows	0	0	0	
7	Issuance costs from proceeds	1,683,785	1,332,516	1,307,753	
8	Credit enhancement from proceeds	3,276,390	236,880	2,193,032	
9	Working capital expenditures from proceeds	292,217	0	5,170,428	
10	Capital expenditures from proceeds	0	0	81,019,035	
11	Other spent proceeds	0	0	0	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2003	2009	2012	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X			
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?						X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?						X		

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?						X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?					X			
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?					X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		0 %		0 %		
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?						X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?						X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?						X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?					X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		
b	Exception to rebate?		X		X		X		
c	No rebate due?	X		X		X			
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X		X			
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X		X			
b	Name of provider	BANK OF AMERICA ML		BANK OF AMERICA ML		BANK OF AMERICA ML			
c	Term of hedge		25 6		22 2		18 2		
d	Was the hedge superintegrated?		X		X		X		
e	Was the hedge terminated?		X		X		X		

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider	0		0		0			
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X			

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K, PART I, COLUMN (F)	BOND A) ON DECEMBER 11, 2003, QMC ISSUED SPECIAL PURPOSE REVENUE BONDS (THE QUEEN'S HEALTH SYSTEM) 2003 SERIES A, 2003 SERIES B AND 2003 SERIES C ("THE 2003 ISSUE") THE PURPOSE OF THE 2003 ISSUE WAS TO ADVANCE REFUND A PORTION OF THE 1996 BOND SERIES ISSUED ON JULY 18, 1996 BOND B) ON MAY 6, 2009, QMC ISSUED SPECIAL PURPOSE REVENUE BONDS (THE QUEEN'S HEALTH SYSTEM) 2009 SERIES A AND 2009 SERIES B ("THE 2009 ISSUE") THE PURPOSE OF THE 2009 ISSUE WAS TO REFUND THE 2003C AND 2006C BOND SERIES ISSUED DECEMBER 11, 2003 AND MARCH 16, 2006, RESPECTIVELY, ON A CURRENT BASIS THE CUSIP NUMBER FOR 2009 SERIES A IS 419800HT7 AND THE CUSIP NUMBER FOR 2009 SERIES B IS 419800HV2 BOND C) ON MARCH 16, 2006, QMC ISSUED SPECIAL PURPOSE REVENUE BONDS (THE QUEEN'S HEALTH SYSTEM) 2006 SERIES A, 2006 SERIES B AND 2006 SERIES C ("THE 2006 ISSUE") THE PURPOSE OF THE 2006 ISSUE WAS TO REFUND A PORTION OF THE 1998 BOND SERIES ISSUED ON JULY 1, 1998 ON A CURRENT BASIS AND TO FINANCE APPROVED CAPITAL PROJECTS

Return Reference	Explanation
SCHEDULE K, PART II, LINE 3	BOND B) THE DIFFERENCE BETWEEN THE ISSUE PRICE AND THE TOTAL PROCEEDS IS BECAUSE OF EARNED INTEREST INCOME FOR PURPOSES OF PART II, QMC ASSUMES THAT AMOUNTS SPENT TO RETIRE PRIOR DEBT ARE NEITHER WORKING CAPITAL NOR CAPITAL EXPENDITURES, AND ARE NOT REPORTED HEREIN

Return Reference	Explanation
SCHEDULE K, PART IV ARBITRAGE	Date Rebate Computation was performed 2003 - 12/11/2008 2009 - 07/01/2013 2006 - 12/31/2013

Return Reference	Explanation
SCHEDULE K, PART IV, LINE 3	THERE IS MORE THAN ONE HEDGING CONTRACT RELATED TO THE 2009 ISSUE THE TERM OF THE 2003 HEDGE IS 25 6 YEARS WHILE THE TERM OF THE 2006C HEDGE IS 22 2 YEARS

Return Reference	Explanation
SCHEDULE K ADDITIONAL INFORMATION	QMC BELIEVES, AND HAS PREPARED FORM 990, SCHEDULE K IN A MANNER CONSISTENT WITH SUCH BELIEF, THAT THE PART III EXCLUSION PROVIDED IN THE INSTRUCTIONS FOR BONDS THAT REFUND A PRE-2003 BOND ISSUE APPLIES TO THE 2003 SERIES A BONDS, 2003 SERIES B BONDS, 2006 SERIES A BONDS, 2009 SERIES A BONDS AND 2009 SERIES B BONDS, THOUGH NO ALLOCATIONS UNDER REGULATIONS SECTION1 141-13(D) HAVE YET BEEN ELECTED, THIS SUBMISSION DOES NOT CONSTITUTE AN ALLOCATION ELECTION UNDER REGULATIONS SECTION 1 141-13(D)

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total ▶ $												

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CS WO SONS LTD	C SCOTT WO, TRUSTEE-QMC	483,125	SEE PART V		No
(2) HAWAIIAN TELECOM	ERIC YEAMAN, TRUSTEE-QMC	504,306	SEE PART V		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
SCHEDULE L, PART IV	TRANSACTIONS WITH INTERESTED PERSON ERIC YEAMAN IS AN OFFICER OF HAWAIIAN TELCOM, A TELECOMMUNICATIONS COMPANY, THAT PROVIDES SERVICES TO THE ORGANIZATION DURING THE YEAR, THE ORGANIZATION PAID SERVICE FEES IN THE AMOUNT OF $504,306
SCHEDULE L, PART IV	TRANSACTIONS WITH INTERESTED PERSON C SCOTT WO IS THE OWNER OF C S WO & SONS LTD, WHICH PROVIDES RENTAL SPACE TO THE ORGANIZATION DURING THE YEAR, THE ORGANIZATION PAID RENT IN THE AMOUNT OF $483,125

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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.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

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	X	3	132,045	FMV
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 ▶ (_____)				
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 through 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		No
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		No
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		No
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			

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
Description	THE AMOUNT OF PART I, COLUMN (B) IS DETERMINED BY NUMBER OF CONTRIBUTIONS

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization	Employer identification number
THE QUEEN'S MEDICAL CENTER	99-0073524

Return Reference	Explanation	
	FORM 990, PART III, LINE 4A	PROGRAM SERVICE ACCOMPLISHMENTS ESTABLISHED IN 1859 BY KING KAMEHAMEHA IV AND QUEEN EMMA, QMC IS THE FIRST HOSPITAL IN THE UNITED STATES FOUNDED BY ROYALTY TODAY, IT IS THE LARGES T PRIVATE HOSPITAL IN HAWAII AND THE PACIFIC BASIN THE QUEEN'S MEDICAL CENTER HAS 505 ACU TE CARE BEDS AND 28 SUB-ACUTE CARE BEDS WITH OVER 3,000 EMPLOYEES AND OVER 1,200 PHYSICIA NS ON STAFF, IT IS ALSO ONE OF THE STATE OF HAWAII'S LARGEST EMPLOYERS AS THE LEADING MED ICAL REFERRAL CENTER IN HAWAII AND THE PACIFIC BASIN, QMC IS WIDELY KNOWN FOR ITS PROGRAMS IN CANCER, CARDIOVASCULAR DISEASE, NEUROSCIENCE, ORTHOPEDICS, SURGERY, TRAUMA, BEHAVIORAL MEDICINE, AND WOMEN'S HEALTH QMC OFFERS A COMPREHENSIVE RANGE OF SPECIALTIES, INCLUDING CARDIAC DIAGNOSTICS, GASTRONETEROLOGY, GENETICS, GERIATRICS, GYNECOLOGY, NEONATOLOGY, OBST ETRICS, AND PULMONOLOGY QMC SERVES AS THE MAIN TRAUMA CENTER IN THE PACIFIC BASIN, (''TRAU MA'' IS DEFINED AS A LIFE-THREATENING INJURY OR SHOCK) AND HAS BEEN VERIFIED AS A LEVEL II TRAUMA CENTER BY THE VERIFICATION REVIEW COMMITTEE (VRC), AN AD HOC COMMITTEE OF THE COMMI TTEE ON TRAUMA (COT) OF THE AMERICAN COLLEGE OF SURGEONS QMC IS HOME TO A NUMBER OF RESID ENCY PROGRAMS OFFERED IN CONJUNCTION WITH THE JOHN A BURNS SCHOOL OF MEDICINE QMC IS ACC REDITED BY THE JOINT COMMISSION (TJC) QMC IS ALSO APPROVED TO PARTICIPATE IN RESIDENCY TR AINING BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION (ACGME), AND IS A MEMBE R OF VHA, A NATIONAL COOPERATIVE OF OVER 1,400 HOSPITALS QMC SUPPORTS NATIVE HAWAIIAN HEA LTH INITIATIVES THROUGH MANY OF ITS PROGRAMS AND SERVICES, PARTICULARLY ITS NATIVE HAWAIIA N HEALTH PROGRAM (NHHP) THE FOCUS AREAS OF NHHP INCLUDE IMPROVEMENTS IN CLINICAL OUTCOMES , HEALTHCARE TRAINING, RESEARCH, AND ACCESS AND OUTREACH NHHP CONDUCTS ONGOING ASSESSMENT AND DEVELOPMENT OF QMC PROGRAMS AND SERVICES FOCUSED ON NATIVE HAWAIIANS, INCLUDING SPECI FIC CLINICAL PROGRAMS IN AREAS SUCH AS CARDIOLOGY, ONCOLOGY, COMPREHENSIVE WEIGHT MANAGEME NT, MEDICINE, NEUROSCIENCE, AND DIABETES QMC COLLABORATES AND PARTNERS TO PROVIDE HEALTHC ARE TRAINING AND EDUCATION OPPORTUNITIES TO NATIVE HAWAIIAN STUDENTS AND THOSE COMMITTED T O SERVING NATIVE HAWAIIAN COMMUNITIES FROM ADOLESCENCE TO GRADUATE STUDIES, SUCH AS, THE U LU KUKUI PROJECT, WHICH IS A PRE-COLLEGE SCIENCE EDUCATION PROGRAM AT STEVENSON MIDDLE SCH OOL TO PROMOTE EXCELLENCE IN SCIENCE EDUCATION AND THE PURSUIT OF BIOMEDICAL CAREERS BY NA TIVE HAWAIIANS AND PACIFIC ISLANDERS IN ADDITION, NHHP PROGRAMS FOCUS ON QUALITY IMPROVEM ENT AND INCREASED ACCESS FOR NATIVE HAWAIIANS TO QMC AND COLLABORATE WITH THE NATIVE HAWAI IAN COMMUNITY IN EDUCATION, RESEARCH, AND COMMUNITY OUTREACH THROUGH EACH OF THESE AREAS OF FOCUS, NHHP WORKS TO PROVIDE A FRAMEWORK FOR THE DEVELOPMENT, IMPLEMENTATION AND EVALUA TION OF CLINICAL INITIATIVES THAT AIM TO ENHANCE THE OLA PONO (WELL BEING) OF NATIVE HAWAI IANS IN ADDITION TO NHHP, MANY OF QMC'S PROGRAM SERVICES DESCRIBED BELOW PROVIDE BENEFITS TO NATIVE HAWAIIANS, INCLUDING COMPONENTS OF CHARITY CARE AND UNCOMPENSATED CARE PROVIDED TO OUR PATIENTS THE QUEEN'S MEDICAL CENTER (''QMC'') PROVIDED APPROXIMATELY $134 MILLION O F COMMUNITY BENEFITS, IN SUPPORT OF ITS MISSION AS A TAX-EXEMPT CHARITABLE HOSPITAL 1 UN COMPENSATED CARE - QMC PROVIDES MEDICAL SERVICES TO PATIENTS WHO DO NOT HAVE THE ABILITY T O PAY (CHARITY CARE) AND PATIENTS WHO REFUSE TO PAY (BAD DEBTS) FOR THE YEAR ENDED JUNE 3 0, 2014, THE ESTIMATED COST OF PROVIDING CHARITY CARE AND FOR SERVICES THAT WERE BAD DEBTS WAS $3,466,000 AND $26,529,000 RESPECTIVELY 2 QUEEN'S TRANSPLANT CENTER - IN JANUARY 20 13, QMC OPENED THE ONLY ORGAN TRANSPLANT CENTER IN HAWAII AND THE PACIFIC BASIN THIS NEW CENTER IS HOME TO PHYSICIANS AND STAFF WITH OVER 20 YEARS OF EXPERIENCE IN TRANSPLANTATION FOR THE YEAR ENDED JUNE 30, 2014, THE ESTIMATED COST OF OPERATIONS OF THE QUEEN'S TRANSP LANT CENTER WAS $4,954,000 3 BEHAVIORAL HEALTH - QMC PROVIDES INPATIENT AND OUTPATIENT B EHAVIORAL HEALTH SERVICES THAT ARE NECESSARY AND IN CERTAIN INSTANCES, NOT GENERALLY AVAIL ABLE IN THE STATE OF HAWAII THE ESTIMATED COST OF OPERATIONS RESULTING FROM BEHAVIORAL HE ALTH SERVICES WAS $1,495,000 FOR THE YEAR ENDED JUNE 30, 2014 4 QUEEN EMMA CLINICS - QMC PROVIDES OUTPATIENT SERVICES TO INDIGENT PATIENTS AND OTHERS THROUGH THE QUEEN EMMA CLINI CS THE ESTIMATED COST OF OPERATION OF THE QUEEN EMMA CLINICS WAS APPROXIMATELY $5,736,000 FOR THE YEAR ENDED JUNE 30, 2014 5 ON CALL PHYSICIAN COMPENSATION - QMC MAINTAINS THE O NLY LEVEL II TRAUMA CENTER IN THE STATE OF HAWAII IN ORDER TO PROVIDE LEVEL II TRAUMA COV ERAGE, THE MEDICAL CENTER INCURRED APPROXIMATELY $9,421,000 IN ON CALL PHYSICIAN COVERAGE DURING THE YEAR ENDED JUNE 30, 2014 6 FELLOWSHIP, RESIDENT AND INTERN COSTS - QMC INCURR ED COSTS IN EXCESS OF REIMBURSEMENT OF APPROXIMATELY $13,162,000 DURING THE YEAR ENDED JUN E 30, 2014 RELATED TO ITS CARDIAC FELLOWSHIP, RESIDENT AND INTERN PROGRAMS AS A TEACHING FACILITY, THE MEDICAL CENTER PARTICIPATES IN AND S

Return Reference	Explanation	
	FORM 990, PART III, LINE 4A	HARES THE COSTS OF THE HAWAII RESIDENCY PROGRAM 7 HAWAII MEDICAL LIBRARY - QMC MAINTAINS A MEDICAL LIBRARY THAT BENEFITS HEALTHCARE PROFESSIONALS IN THE STATE OF HAWAII THE ESTI MATED COST OF OPERATING THE HAWAII MEDICAL LIBRARY FOR THE YEAR ENDED JUNE 30, 2014 WAS $7 96,000 8 TRANSFER HOTLINE - QMC MAINTAINS A CARDIAC TRANSFER HOTLINE AND A REFERRAL HOTL INE TO ASSIST PATIENTS AND OTHER HEALTHCARE PROVIDERS WITH THE TRANSFER AND/OR REFERRAL OF PATIENTS TO APPROPRIATE HEALTHCARE SERVICES THE ESTIMATED COST OF PROVIDING THESE SERVIC ES FOR THE YEAR ENDED JUNE 30, 2014 WAS $1,526,000 9 TRANSPORTATION SERVICES - QMC PROVI DES TRANSPORTATION TO AND FROM THE MEDICAL CENTER TO PATIENTS WHO REQUIRE ASSISTANCE THE COST OF PROVIDING THESE SERVICES WAS $95,000 FOR THE YEAR ENDED JUNE 30, 2014 10 HEALTH AND WELLNESS EDUCATION - QMC PROVIDES HEALTH AND WELLNESS EDUCATION TO THE COMMUNITY IN AN EFFORT TO PROMOTE HEALTHY LIFESTYLES FOR THE YEAR ENDED JUNE 30, 2014, THE COST OF PROVI DING HEALTH AND WELLNESS EDUCATION WAS $564,000 11 RESEARCH LOSSES - QMC EMPLOYS STAFF A ND INCURS UNFUNDED COSTS FOR MEDICAL RESEARCH FOR THE YEAR ENDED JUNE 30, 2014, RESEARCH COSTS WERE $1,157,000 12 CHARITABLE CONTRIBUTIONS - QMC MAKES CONTRIBUTIONS TO OUTSIDE C HARITABLE ORGANIZATIONS FOR THE YEAR ENDED JUNE 30, 2014, CONTRIBUTIONS TO OUTSIDE CHARIT ABLE ORGANIZATIONS WERE $993,000 OF THIS AMOUNT, $100,000 WAS FOR FUNDING TO THE DEPARTME NT OF NATIVE HAWAIIAN HEALTH UNDER THE JOHN A BURNS SCHOOL OF MEDICINE OF THE UNIVERSITY OF HAWAII AND $500,000 WAS DONATED TO THE UNIVERSITY OF HAWAII CANCER CONSORTIUM 14 ELEC TRICAL GENERATOR PROJECT - IN ORDER TO MAINTAIN NECESSARY LIFE SUPPORT, DIAGNOSTIC AND OPE RATING SYSTEMS, IN THE EVENT OF AN EMERGENCY, QMC SIGNIFICANTLY UPGRADED ITS POWER PLANT B Y ADDING TWO NEW GENERATORS THAT ARE CAPABLE OF PROVIDING ELECTRICAL POWER FOR THE MEDICAL CENTER FOR THE YEAR ENDED JUNE 30, 2014, COSTS INCURRED FOR THE ELECTRICAL GENERATOR PRO JECT WERE $43,000 TOTAL PROJECT COSTS INCURRED AS OF JUNE 30, 2013 WERE APPROXIMATELY $34 ,217,000 15 MEDICAID SHORTFALL IN PAY MENTS - QMC PROVIDES INPATIENT AND OUTPATIENT SERVI CES TO MEDICAID PATIENTS IN THE STATE OF HAWAII QMC INCURRED COSTS IN EXCESS OF REIMBURSE MENT OF APPROXIMATELY $43,471,000 DURING THE YEAR ENDED JUNE 30, 2014 16 MEDICARE SHORTF ALL IN PAY MENTS - QMC PROVIDES INPATIENT AND OUTPATIENT SERVICES TO MEDICARE PATIENTS IN T HE STATE OF HAWAII QMC INCURRED COSTS IN EXCESS OF REIMBURSEMENT BASED ON MEDICARE COST R EPORTS OF APPROXIMATELY $18,215,000 DURING THE YEAR ENDED JUNE 30, 2014 CONSISTENT WITH C OST REPORT REQUIREMENTS, THERE ARE AMOUNTS THAT ARE EXCLUDED FROM THE COSTS ABOVE 17 LEA SE PRICING BELOW FAIR MARKET VALUE - QMC EXTENDED LEASE RATES TO THE UNIVERSITY OF HAWAII THAT ARE BELOW FAIR MARKET VALUE FOR THE YEAR ENDED JUNE 30, 2014, REVENUES FOREGONE FROM LEASE RATES THAT WERE BELOW FAIR MARKET VALUE WERE $85,000 18 PROGRAMS THAT IMPROVE ACC ESS TO HEALTHCARE - QMC IMPROVES THE COMMUNITY'S ACCESS TO HEALTHCARE BY HELPING PATIENTS QUALIFY FOR MEDICAID AND OTHER TYPES OF INSURANCE FOR THE YEAR ENDED JUNE 30, 2014, THESE PROGRAM COSTS TOTALED $976,000 19 KINAU STREET OFF-RAMP IMPROVEMENT PROJECT - IN ORDER TO IMPROVE ACCESS TO ITS EMERGENCY DEPARTMENT AND HOSPITAL, QMC, IN CONJUNCTION WITH THE S TATE DEPARTMENT OF TRANSPORTATION AND CITY DEPARTMENT OF TRANSPORTATION SERVICES, SUPPORTE D CONSTRUCTION OF THE KINAU STREET OFF-RAMP FOR THE YEAR ENDED JUNE 30, 2014, COSTS INCUR RED FOR THE IMPROVEMENT PROJECT WERE $389,000 20 DENTAL CLINIC - QMC PROVIDES DENTAL SER VICES TO INDIGENT PATIENTS AND OTHERS THROUGH ITS DENTAL CLINIC THE COST OF OPERATIONS FR OM THE DENTAL CLINIC WAS APPROXIMATELY $670,000 FOR THE YEAR ENDED JUNE 30, 2014 21 DONA TED USE OF CONFERENCE ROOMS - QMC ALLOWS PHYSICIANS AND TEACHERS FROM THE JOHN A BURNS SC HOOL OF MEDICINE OF THE UNIVERSITY OF HAWAII, VARIOUS GOVERNMENTAL ENTITIES INCLUDING THE HAWAII DEPARTMENT OF HEALTH AND OTHER NO

Return Reference	Explanation
FORM 990, PART VI, LINE 6	MEMBERS OR STOCKHOLDERS QMC HAS A SOLE MEMBER, WHICH IS THE QUEEN'S HEALTH SYSTEMS, A HAWAII NONPROFIT CORPORATION (''QHS'')

Return Reference	Explanation
FORM 990, PART VI, LINE 7A	POWER TO ELECT OR APPOINT MEMBERS QHS ELECTS ALL OF THE BOARD MEMBERS OF THE QMC BOARD OF TRUSTEES

Return Reference	Explanation
FORM 990, PART VI, LINE 7B	DECISIONS RESERVED TO MEMBERS OR STOCKHOLDERS CERTAIN MAJOR DECISIONS APPROVED BY THE QMC BOARD OF TRUSTEES MUST ALSO BE APPROVED BY QHS SUCH DECISIONS INCLUDE 1 A CHANGE TO THE PURPOSE OF THE COMPANY, 2 A FINANCING TRANSACTION IN EXCESS OF $500,000, 3 A LEASE TRANSACTION THAT HAS A TERM THAT IS LONGER THAN 3 YEARS OR HAS A RENT OBLIGATION IN EXCESS OF $1,000,000 OVER THE LEASE TERM, 4 A TRANSACTION INVOLVING THE SALE, LEASE, DISPOSITION OR HYPOTHECATION OF REAL PROPERTY, 5 ANNUAL OPERATIONAL AND CAPITAL BUDGETS, 6 STRATEGIC PLANS, 7 MERGER OR MAJOR ACQUISITIONS, 8 CREATION OF A NEW ENTITY OF JOINT VENTURE, 9 SALE OR DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF ITS ASSETS, 10 DISSOLUTION, 11 AMENDMENT OF BYLAWS, 12 ADOPTION, AMENDMENT OR RESCISSION OF A BOARD POLICY, 13 CAPITAL EXPENDITURES IN EXCESS OF $2,000,000 FOR QMC

Return Reference	Explanation
FORM 990, PART VI, LINE 11B	PROCESS USED TO REVIEW THE FORM 990 THE FORM 990 FOR THE QUEEN'S HEALTH SYSTEM ("QHS") AND THE SEPARATE FORMS FOR EACH OF THE NOT-FOR-PROFIT SUBSIDIARIES OF QHS WERE REVIEWED BY THE GOVERNING BODY OF QHS PRIOR TO THE FILING OF THE RETURNS THE QHS FINANCE COMMITTEE, WHICH IS COMPRISED OF MEMBERS OF THE QHS BOARD OF TRUSTEES, WAS DELEGATED THE RESPONSIBILITY TO REVIEW THE RETURNS PRIOR TO THEIR FILING THE RETURNS WERE PRESENTED TO THE COMMITTEE BY MANAGEMENT AND BY THE INDEPENDENT PUBLIC ACCOUNTING FIRM THAT PREPARED THE RETURNS IN ADDITION, COMPENSATION RELATED DISCLOSURES IN THE RETURNS WERE REVIEWED BY THE CHAIRPERSON OF THE QHS COMPENSATION COMMITTEE PRIOR TO FILING THE RETURNS ALSO, A COPY OF THE QMC RETURN WAS MADE AVAILABLE TO EACH OF THE MEMBERS OF THE QMC BOARD OF TRUSTEES PRIOR TO THE RETURNS BEING FILED WITH THE INTERNAL REVENUE SERVICE

Return Reference	Explanation
FORM 990, PART VI, LINES 12, 13 & 14	APPPROVED POLICIES THE CONFLICT OF INTEREST, WHISTLEBLOWER AND DOCUMENT RETENTION POLICIES HAVE BEEN APPPROVED BY QHS ON BEHALF OF THE QMC BOARD BUT HAVE NOT BEEN SEPARATELY APPPROVED BY THE QMC BOARD AS SUCH, LINES 12, 13 AND 14 HAVE BEEN CHECKED 'NO'

Return Reference	Explanation
FORM 990, PART VI, LINE 12C	DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST ALL QHS COMPANIES ARE SUBJECT TO A WRITTEN CONFLICT OF INTEREST POLICY ALL TRUSTEES, OFFICERS, DESIGNATED EMPLOYEES AND CONTRACTORS ARE REQUIRED TO COMPLETE AN ANNUAL DISCLOSURE FORM THE DESIGNATED EMPLOYEES ARE THOSE SELECTED BY EXECUTIVES IN THE ORGANIZATION WHO IDENTIFY THOSE EMPLOYEES (TYPICALLY MANAGER LEVEL AND ABOVE) WHO MAY BE IN A POSITION TO SELECT OR INFLUENCE THE SELECTION OF A VENDOR DISCLOSURES ARE SUMMARIZED AND MAINTAINED BY EACH COMPANY'S CORPORATE SECRETARY THE CONTRACTS MANAGEMENT DEPARTMENT AND LEGAL DEPARTMENT HAVE THE CONFLICT SUMMARIES AND CHECK FOR CONFLICTS OF INTEREST AT THE BEGINNING OF THE CONTRACT PROCESS ANY CONFLICT OF INTEREST INVOLVING A TRUSTEE IS PRESENTED TO THE BOARD OF TRUSTEES ANY TRANSACTION INVOLVING A DISQUALIFIED PERSON IS SUBJECT TO THE PROCESS OF ESTABLISHING A REBUTTABLE PRESUMPTION OF REASONABLENESS ANY TRUSTEE WITH A CONFLICT OF INTEREST IS EXCUSED FOR THE PORTION OF THE MEETING WHERE THE SUBJECT MATTER IS DISCUSSED AND VOTED ON

Return Reference	Explanation
FORM 990, PART VI, LINE 15	PROCESS FOR DETERMINING COMPENSATION ALTHOUGH NOT COMPENSATED BY THE QUEEN'S MEDICAL CENTER, A RELATED ORGANIZATION, THE QUEEN'S HEALTH SYSTEMS, GOES THROUGH THE FOLLOWING PROCESS FOR DETERMINING THE CEO'S COMPENSATION A COMMITTEE OF THE BOARD OF TRUSTEES CALLED THE COMPENSATION COMMITTEE MEETS REGULARLY TO REVIEW COMPENSATION OF ALL EXECUTIVES OF ALL COMPANIES WITHIN QHS QMC'S EXECUTIVE COMPENSATION IS REVIEWED ANNUALLY FOR ITS EXECUTIVE VP/COO, VP MEDICAL AFFAIRS, VP CLINICAL INTEGRATION, VP NURSING AND VP PATIENT CARE ALL DECISIONS REGARDING EXECUTIVE COMPENSATION ARE MADE IN CONFORMITY WITH THE PROCEDURES REQUIRED TO ESTABLISH A REBUTTABLE PRESUMPTION OF REASONABLENESS ANY ADJUSTMENT TO COMPENSATION IS SUBJECT TO THE PROCESS OF PERFORMANCE REVIEWS AND COMPARISON TO COMPARABLE COMPENSATION DATA PREPARED BY A NATIONALLY RECOGNIZED INDEPENDENT COMPENSATION CONSULTANT OUTSIDE COUNSEL ASSISTS WITH THE REVIEW PROCESS AND DOCUMENTS THE DECISIONS OF THE COMMITTEE.

Return Reference	Explanation
FORM 990, PART VI, LINE 19	AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC QMC'S GOVERNING DOCUMENTS ARE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST AND THE AUDITED FINANCIAL STATEMENTS ARE ATTACHED TO THIS RETURN, AS REQUIRED QMC DOES NOT MAKE ITS CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	OTHER FEES FOR SERVICES PROGRAM SERVICE EXPENSE PURCHASED SERVICES $66,676,286 MEDICAL SERVICES $26,197,974 CONSULTING SERVICES $ 877,305 OTHER SERVICES $ 2,332,547 ---------- TOTAL $96,084,112 MANAGEMENT & GENERAL PURCHASED SERVICES $1,322,734 CONSULTING SERVICES $ 665,676 OTHER SERVICES $ 338,629 ---------- TOTAL $2,327,039

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES TO NET ASSETS PENSION FAS 87 ADJUSTMENTS $ (24,741,034) GAIN ON INTEREST RATE SWAP $ 1,869,885 CHANGE IN INTEREST IN SUBSIDIARY $ (349,141) UNREALIZED GAIN ON HEDGING TRANSACTION $ 339,940 TRANSFER RECLASSED $ (5,985) ROUNDING $ 2 ---------- TOTAL $ (22,886,333)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
THE QUEEN'S MEDICAL CENTER

Employer identification number
99-0073524

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE QUEEN'S HEALTH SYSTEMS 1301 PUNCHBOWL STREET HONOLULU, HI 96813 99-0238120	ADMIN SERVICE	HI	501(c)(3)	11b	NA		No
(2) QUEEN EMMA LAND COMPANY 1301 PUNCHBOWL STREET HONOLULU, HI 96813 99-0183769	SUPPORT SVCS	HI	501(c)(3)	11b	QHS	Yes	
(3) MOLOKAI GENERAL HOSPITAL PO BOX 408 KAUNAKAKAI, HI 96748 99-0251372	HEALTH CARE	HI	501(c)(3)	3	QHS	Yes	
(4) NORTH HAWAII COMMUNITY HOSPITAL 67-1125 MAMALAHOA HIGHWAY KAMUELA, HI 967438496 99-0260423	HEALTH CARE	HI	501(c)(3)	3	QHS	Yes	

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) HAMAMATSUQUEEN'S PET IMAGING CENTER LL 1301 PUNCHBOWL STREET HONOLULU, HI 96813 99-3266916	PET IMAGING	HI	QMC	Related	768,393	3,698,665		No			No	70 000 %

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) THE QUEEN'S DEVELOPMENT CORPORATION 1301 PUNCHBOWL STREET HONOLULU, HI 96813 99-0240109	DEVELOPMENT	HI	NA	C Corp				Yes	
(2) QUEEN'S INSURANCE EXCHANGE INC 1301 PUNCHBOWL STREET HONOLULU, HI 96813 91-1913839	INSURANCE	HI	NA	C Corp				Yes	
(3) DIAGNOSTIC LABORATORY SERVICES INC 99-859 IWAIWA STREET AIEA, HI 96701 99-0240499	MEDICAL LAB SVCS	HI	NA	C Corp				Yes	

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
SCHEDULE R, PART III	HAMAMATSU/QUEEN'S PET IMAGING CENTER, LLC EIN 94-3266916 ADDRESS 1301 PUNCHBOWL STREET HONOLULU, HI 96813

Additional Data

Software ID:
Software Version:
EIN: 99-0073524
Name: THE QUEEN'S MEDICAL CENTER

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
QUEEN EMMA LAND COMPANY	c	27,589,120	FMV
DIAGNOSTIC LABORATORY SERVICES	p	15,162,983	FMV
THE QUEEN'S DEVELOPMENT CORPORATION	k	3,916,871	FMV
THE QUEEN'S DEVELOPMENT CORPORATION	q	2,221,534	FMV
THE QUEEN'S DEVELOPMENT CORPORATION	j	2,139,585	FMV
DIAGNOSTIC LABORATORY SERVICES	j	683,403	FMV
QUEEN EMMA LAND COMPANY	k	428,359	FMV
MOLOKAI GENERAL HOSPITAL	l	228,389	FMV

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TY 2013 AffiliatedGroupAttachment

Name: THE QUEEN'S MEDICAL CENTER

EIN: 99-0073524

Explanation: NAME: QUEEN EMMA LAND COMPANY ADDRESS: 1301 PUNCHBOWL STREET HONOLULU, HI 96813 EIN: 99-0183769 EXPENSES: $27,589,120 501(H) ELECTION: YES SHARE OF EXCESS LOBBYING EXPENDITURES: $0 NAME: THE QUEEN'S HEALTH SYSTEMS ADDRESS: 1301 PUNCHBOWL STREET HONOLULU, HI 96813 EIN: 99-0238120 EXPENSES: $26,784,452 501(H) ELECTION YES SHARE OF EXCESS LOBBYING EXPENDITURES: $0 NAME: THE QUEEN'S MEDICAL CENTER ADDRESS: 1301 PUNCHBOWL STREET HONOLULU, HI 96813 EIN: 99-0073524 EXPENSES: $792,649,588 501(H) ELECTION: YES SHARE OF EXCESS LOBBYING EXPENDITURES: $0 NAME: MOLOKAI GENERAL HOSPITAL ADDRESS: P.O. BOX 408 KAUNAKAKAI, HI 96748 EIN: 99-0251372 EXPENSES: $9,213,819 501(H) ELECTION: YES SHARE OF EXCESS LOBBYING EXPENDITURES: $0 NAME: NORTH HAWAII COMMUNITY HOSPITAL ADDRESS: 67-1125 MAMALAHOA HIGHWAY EIN: 99-0260423 EXPENSES: $18,452,971 501(H) ELECTION: YES SHARE OF EXCESS LOBBYING EXPENDITURES: $0

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidated Financial Statements
and Supplemental Consolidating Schedules

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

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KPMG LLP
Suite 2100
1003 Bishop Street
Honolulu, HI 96813-6400

Independent Auditors' Report

The Board of Trustees
The Queen's Health Systems and Subsidiaries:

We have audited the accompanying consolidated financial statements of The Queen's Health Systems and its subsidiaries, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of The Queen's Health Systems and its subsidiaries as of June 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Honolulu, Hawaii
October 8, 2014

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2014 and 2013

(In thousands)

Assets		2014	2013
Current assets			
Cash and cash equivalents	$	71,910	69,576
Receivables – less allowances for uncollectible accounts of $63,286 in 2014 and $55,222 in 2013		145,723	128,481
Inventories		15,248	11,976
Investments – current		995,263	797,558
Assets whose use is limited or restricted – current		13,863	13,393
Deferred income tax asset – current		2,157	2,292
Prepaid expenses and other assets		9,575	8,669
Total current assets		1,253,739	1,031,945
Investments – less current portion		65,380	72,209
Assets whose use is limited or restricted – less current portion		21,635	19,206
Land, buildings, and equipment, net		609,482	503,906
Assets held for sale		—	48,311
Goodwill		7,619	7,619
Deferred financing fees, net		3,956	4,281
Deferred income tax asset – less current portion		6,945	5,600
Straight-line rents receivable		36,914	28,536
Beneficial interests		112,379	—
Other assets		29,568	9,192
Total	$	2,147,617	1,730,805
Liabilities and Net Assets			
Current liabilities			
Accounts payable and other accrued liabilities	$	83,701	60,969
Accrued salaries and benefits		52,804	48,492
Other current liabilities		16,100	15,207
Due to government reimbursement programs – current		12,065	10,889
Short-term and long-term debt – current		87,903	23,576
Total current liabilities		252,573	159,133
Long-term debt – less current portion		297,877	318,150
Pension and postretirement liabilities		162,006	129,141
Due to government reimbursement programs – less current portion		17,431	18,562
Other long-term liabilities		56,695	60,068
Total liabilities		786,582	685,054
Net assets			
Unrestricted		1,227,343	1,033,810
Temporarily restricted		17,165	5,990
Permanently restricted		116,527	5,951
Total net assets		1,361,035	1,045,751
Total	$	2,147,617	1,730,805

See accompanying notes to consolidated financial statements

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years ended June 30, 2014 and 2013

(In thousands)

	2014	2013
Unrestricted operating revenues:		
Net patient service revenues	$ 877,130	794,044
Rental revenues	94,801	103,406
Other	43,527	39,284
Total unrestricted operating revenues	1,015,458	936,734
Net assets released from restrictions	5,535	5,666
Total operating revenues and other support	1,020,993	942,400
Unrestricted operating expenses:		
Salaries, wages, and employee benefits	523,058	467,568
Supplies	166,318	142,968
Purchased services	89,834	86,779
Depreciation and amortization	49,431	49,301
Professional fees	46,726	39,670
Sustainability fees and taxes – other than income taxes	34,690	35,319
Rent and utilities	31,258	29,660
Interest	7,265	8,662
Other	45,105	33,416
Total unrestricted operating expenses	993,685	893,343
Operating income	27,308	49,057
Nonoperating income (expense):		
Investment income, net	132,277	94,705
Contribution from North Hawaii Community Hospital affiliation	39,074	—
Income tax expense	(4,309)	(4,319)
Gain on interest rate swap	1,870	12,152
Other expense	(2,787)	(4,392)
Total nonoperating income, net	166,125	98,146
Excess of revenues over expenses, carried forward	193,433	147,203

(Continued)

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years ended June 30, 2014 and 2013

(In thousands)

		2014	2013
Excess of revenues over expenses, brought forward	$	193,433	147,203
Other changes:			
Net assets released from restrictions used for capital expenditures		9,534	1,529
Net unrealized gain (loss) on investments		17,520	(24,211)
Pension related changes other than net periodic pension cost		(26,954)	41,170
Total other changes		100	18,488
Increase in unrestricted net assets		193,533	165,691
Temporarily restricted net assets:			
Gifts and grants		12,432	4,971
Contribution from North Hawaii Community Hospital affiliation		10,714	—
Investment gains, net		1,826	866
Net assets released from restrictions used for capital expenditures		(9,534)	(1,529)
Net assets released from restrictions used for operating expenses		(4,380)	(5,666)
Other changes, net		117	88
Increase (decrease) in temporarily restricted net assets		11,175	(1,270)
Permanently restricted net assets:			
Contribution from North Hawaii Community Hospital affiliation		112,536	—
Net assets released from restrictions		(1,155)	—
Other changes, net		(805)	—
Increase in permanently restricted net assets		110,576	—
Increase in net assets		315,284	164,421
Net assets – beginning of year		1,045,751	881,330
Net assets – end of year	$	1,361,035	1,045,751

See accompanying notes to consolidated financial statements.

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2014 and 2013

(In thousands)

		2014	2013
Operating activities			
Increase in net assets	$	315,284	164,421
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Net realized and unrealized gains on investments		(142,709)	(55,525)
Gain on interest rate swap		(1,870)	(12,152)
Depreciation and amortization		49,431	49,301
Provision for bad debts		29,723	23,050
Contribution from NHCH affiliation		(162,324)	—
Loss on disposition of land, buildings, and equipment		7,982	269
(Gain) loss on investment in subsidiary		3	(7)
Pension related changes other than net periodic pension cost		26,954	(41,170)
Deferred income taxes		(421)	1,729
Changes in operating assets and liabilities			
Receivables		(39,929)	(48,925)
Due to government reimbursement programs		45	3,182
Accounts payable and accrued salaries, benefits, and other liabilities		3,335	13,199
Other assets and liabilities		(1,690)	3,215
Net cash provided by operating activities		83,814	100,587
Investing activities			
Purchases of investments and assets whose use is limited or restricted		(327,027)	(844,483)
Proceeds from sales of investments and assets whose use is limited or restricted		277,949	821,942
Purchases of land, buildings, and equipment		(91,481)	(65,248)
Cash from NHCH affiliation		1,340	—
Proceeds from sales of land, buildings, and equipment		24,523	1,298
Other		(151)	2,850
Net cash used in investing activities		(114,847)	(83,641)
Financing activities			
Proceeds from issuance of debt		66,000	—
Repayment of debt		(31,283)	(21,054)
Dividend distribution to minority interest holder		(1,350)	(600)
Net cash provided by (used in) financing activities		33,367	(21,654)
Increase (decrease) in cash and cash equivalents		2,334	(4,708)
Cash and cash equivalents – beginning of year		69,576	74,284
Cash and cash equivalents – end of year	$	71,910	69,576
Supplemental cash flow information			
Interest paid – net of amounts capitalized	$	7,511	8,971
Income taxes paid		481	162
Supplemental disclosures of noncash investing and financing activities			
Purchase of buildings and equipment included in accounts payable and other accrued liabilities at year-end	$	26,336	9,989
Debt assumed in exchange for buildings and land		—	22,500

See accompanying notes to consolidated financial statements

(1) Organization and Summary of Significant Accounting Policies

Organization and Mission

The mission of The Queen's Health Systems (the Parent Company) is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all the people of Hawaii. The Parent Company is a tax-exempt support organization as described in Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The Parent Company is the sole member of The Queen's Medical Center (QMC), Queen Emma Land Company (QEL), Molokai General Hospital (MGH), and North Hawaii Community Hospital (NHCH). The Parent Company is also the parent of Queen's Development Corporation (QDC) and Queen's Insurance Exchange, Inc. (QIE).

QMC operates a 505-bed acute care and 28-bed subacute care hospital located on the island of Oahu. MGH operates a 15-bed hospital on the island of Molokai. QMC and MGH provide services to patients, substantially all of whom are Hawaii residents, under unsecured credit terms. QDC owns and manages income-producing, health care-related real estate and is engaged in other health-related business activities. QEL owns land and buildings, most of which produce rental income. QIE is a Hawaii-domiciled, pure captive insurance company.

In December 2012, QMC purchased land and buildings associated with a nonoperating hospital located in Ewa Beach, Hawaii. A facility renovation included an expansion and modernization of emergency, surgical, and imaging services. The facility opened in May 2014 as an 80-bed community hospital with 24 hour emergency services.

Organizational Change – QHS entered into an affiliation agreement with NHCH in January 2014 to enhance their mutual ability to serve the North Hawaii community. NHCH is an acute-care hospital with 33 licensed beds and 24 hour emergency services operating out of Kamuela, on Hawaii Island. In conjunction with the affiliation, QHS became NHCH's sole corporate member.

This transaction was accounted for as an acquisition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-805, *Not-for-Profit Entities – Business Combinations*. No consideration was paid by QHS to acquire the assets of NHCH. The affiliation resulted in an excess of assets over liabilities assumed, reported as a contribution from NHCH to QHS of approximately $162,324. The unrestricted portion of the contribution of $39,074 is included in excess of revenues over expenses in the accompanying consolidated statements of operations and changes of net assets. The remaining $123,250 of the contribution is temporarily or permanently restricted and is recorded in these respective sections in the consolidated statements of operations and changes of net assets.

(Dollars in thousands)

The following are financial results of NHCH for the six months ended June 30, 2014 and are included in QHS's consolidated statement of operations and changes of net assets:

Total operating revenues and other support	$	29,850
Operating income		3,359
Excess of revenues over expenses (excluding the $39,074 unrestricted contribution)		3,384

The following table summarized the fair value estimates of NHCH assets acquired and liabilities assumed in fiscal 2014:

Cash and cash equivalents	$	1,340
Receivables, net		7,036
Other current assets		1,534
Land, buildings, and equipment, net		44,587
Beneficial interests		114,435
Other assets		8,960
Accounts payable and accrued expenses		(5,350)
Short-term debt and long-term debt		(9,581)
Other liabilities		(637)
Total identifiable net assets assumed/contribution	$	162,324

QMC, the Parent Company, and QDC are members of The Queen's Health Systems Obligated Group (the Obligated Group). Diagnostic Laboratory Services, Inc. (DLS), a 90% owned QDC subsidiary, is also a member of the Obligated Group. Each member of the Obligated Group is jointly and severally liable for long-term debt issued by the Obligated Group.

Significant Accounting Policies

(a) Principles of Consolidation

These consolidated financial statements include the accounts of all entities for which the Parent Company is the sole member or controlling stockholder (collectively, QHS). Intercompany balances and transactions have been eliminated in the consolidated financial statements.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions based on available information that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash equivalents include money market funds and short-term, highly liquid investments with maturities of three months or less at date of purchase, and are stated at cost, which approximates fair value. Excluded are amounts whose use is limited or restricted by board designations or other arrangements under trust agreements.

(d) Allowance for Uncollectible Accounts

QHS provides for accounts receivable that could become uncollectible by establishing an allowance to reduce the carrying value of such receivables to their estimated net realizable value. QHS estimates the allowance based on the aging of the accounts receivable, historical collection experience by payor, and other relevant factors.

(e) Inventories

Inventories, consisting principally of medical drugs and supplies, are valued at the lower of cost (average cost method) or market.

(f) Investments

Investments, including assets limited or restricted as to use, include money market funds, debt and equity securities, mutual funds, common trust funds, and interests in limited partnerships including private equities. Investments in money market funds, debt and equity securities, and mutual funds with readily determinable market values are measured at fair value based on quoted market prices or observed transactions. Investments also include alternative investments, such as common trust funds and interests in limited liability entities (hedge funds, equity funds, real estate investments, and private equities), accounted for under the equity method of accounting. Management determines the appropriate classification of all investments at the date of purchase and evaluates such designations at each balance sheet date. QHS classifies its investments in debt and equity securities that are managed in "separate accounts" by fund managers as trading securities. Investments classified as other-than-trading securities are recorded at fair value, with changes in value recorded as other changes in unrestricted net assets. Investments that are available for current operations are classified as current assets. Investments that cannot be sold within a year due to restrictions contained in the agreements are classified as noncurrent assets.

Investment income, which is presented within the performance indicator, includes all dividends and interest, unrestricted realized gains and losses, other-than-temporary impairment (OTTI), unrealized gains and losses on trading securities, and equity in earnings and losses of limited liability entities. Investment management fees are netted against investment income.

QHS assesses whether OTTI has occurred based upon a case-by-case evaluation of the underlying reasons for the decline in estimated fair value of its investments. All securities with a gross unrealized loss at each reporting period are subjected to a process for identifying OTTI. QHS considers a wide range of factors, as described below, about the security issuer and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and in

assessing the prospects for near-term recovery. Inherent in the evaluation of each security are assumptions and estimates about the operations of the issuer and its future earnings potential.

Considerations used by QHS in the impairment evaluation process include, but are not limited to, the following:

- Duration and extent that the estimated fair value has been below net carrying amount
- Ability and intent to hold the investment for a period of time to allow for a recovery of value
- Fundamental analysis of the liquidity and financial condition of the specific issuers
- Industry factors or conditions related to a geographic area that are negatively affecting the security
- Underlying valuation of assets specifically pledged to support the credit
- Past due interest or principal payments or other violations of covenants
- Deterioration of the overall financial condition of the specific issuer
- Downgrades by a rating agency

The cost basis of securities that are deemed to be other-than-temporarily impaired is written down to estimated fair value in the period the other-than-temporary impairment is recognized.

(g) Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets restricted by the donors and assets held by trustees for the repayment of bonds and purchase of capital assets. Amounts required to meet current liabilities of QHS have been reflected as current assets in the consolidated balance sheets as of June 30, 2014 and 2013.

(h) Land, Buildings, and Equipment

Land, buildings, and equipment are recorded on the basis of cost or fair market value at the date of acquisition or donation, respectively. Buildings and equipment, including amounts recorded under capital lease obligations, are depreciated by the straight-line method over their estimated useful lives ranging from 3 to 40 years. Leasehold improvements are amortized using the straight-line method over the lesser of their estimated useful lives or the remaining term of the related leases. Development and interest costs are capitalized during the construction period of major capital projects.

(i) Assets Held for Sale

Assets held for sale includes the net carrying value of certain buildings and equipment identified for redevelopment or repositioning whose transactions met criteria for held for sale classification as of June 30, 2013. Transactions for these assets were completed in fiscal 2014. As a result, QHS

recorded a net loss on disposal of assets of $7,811 (included in other operating expenses in the consolidated statements of operations and changes in net assets).

(j) Goodwill

Goodwill is not amortized. It is tested for impairment on an annual basis and when a triggering event occurs between annual impairment tests.

(k) Long-Lived Assets

Long-lived assets held and used by QHS are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When such events or changes occur, an estimate of the future cash flows expected to result from the use of the assets and their eventual disposition is made. If the sum of such expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the assets, an impairment loss is recognized in an amount by which the assets' net book values exceed fair values.

(l) Beneficial Interests

NHCH holds beneficial interests in certain trusts. QHS measures these interests using Level 3 inputs (see note 2 for further discussion of the fair value hierarchy).

(m) Insurance Claims and Related Insurance Recoveries

QHS estimates its insurance reserves without consideration of insurance recoveries and therefore records estimated recoveries separately from its reserves.

(n) Derivative Financial Instruments

QHS periodically uses derivative financial instruments, such as interest rate hedging products to mitigate risk. The use of derivative instruments is limited to reducing its risk exposure by utilizing interest rate swap agreements. The swaps are not designated as hedges for accounting purposes. Accordingly, QHS records the value of its swaps as other assets or long-term liabilities in its consolidated balance sheets and records the change in the fair value of the swaps as nonoperating income or expense.

(o) Income Taxes

QDC and its subsidiary, DLS, file consolidated income tax returns. QIE files separate income tax returns. Deferred tax assets and liabilities are recorded for differences between the financial statement and income tax bases for assets and liabilities. Deferred tax assets are reduced by a valuation allowance, if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. A valuation allowance has been recorded to reduce certain future net deferred tax assets to the amount that will more likely than not be realized.

All other consolidated affiliates are not-for-profit organizations that are exempt from federal and state income taxes pursuant to Section 501(a) of the Internal Revenue Code and related Hawaii Revised Statutes. QHS, QEL, QMC, NHCH, and MGH are subject to federal and state income taxes

(Dollars in thousands)

solely on their unrelated business taxable income. Unrelated business taxable income is not material to the consolidated financial statements. QHS evaluates its uncertain tax positions and has no material unrecognized tax benefits as of June 30, 2014. QHS does not believe it is subject to audit by taxing jurisdictions for periods prior to 2011.

(p) Temporarily and Permanently Restricted Net Assets

Restricted net assets consist of donations and other funds where restrictions have been imposed by donors as to the use of the funds. Temporarily restricted net assets consist of those net assets whose use by QHS has been limited by donors to a specific purpose or time period. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Permanently restricted net assets consist of the principal of net assets whose use by QHS has been restricted in perpetuity by the donors. Earnings on restricted net assets are considered unrestricted, unless otherwise restricted by the donor.

(q) Net Patient Service Revenue

Net patient service revenue is recognized and patient accounts receivable is recorded as services are provided and are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Significant concentrations of patient accounts receivable at June 30, 2014 and 2013 included the following:

	2014	2013
Medicare	33%	32%
Medicaid	16	16
Hawaii Medical Service Association	13	14

Accounts receivable are reduced by allowances for contractually obligated deductions and for doubtful accounts. Allowances are calculated based on recent negotiated reimbursement amounts, actual payments received, and historical trends for every payor-source category. Management reviews and updates these calculations monthly. The difference between the standard rates and the amounts actually collected on patient accounts is charged off against these contractual allowances and allowances for doubtful accounts.

The QHS allowance for doubtful accounts was $63,286 and $55,222 as of June 30, 2014 and 2013, respectively. The provision for bad debts included in net patient service revenues was $29,723 and $23,050 for the years ended June 30, 2014 and 2013, respectively.

(r) Government Reimbursement Programs

QHS renders services to patients under contractual agreements with the Medicare and Medicaid programs. The percentage of patient service revenue attributable to the Medicare and Medicaid programs, respectively, approximated 40% and 21% in 2014 and 41% and 18% in 2013. Medicare acute inpatient services are reimbursed based on clinical, diagnostic, and other factors; and for Medicaid, a per diem rate for routine services and a per discharge rate for ancillary services. Outpatient services related to Medicare and Medicaid beneficiaries are paid based upon a prospective payment system, fee schedules, percentage of charges, or a cost reimbursement method. Prospectively determined reimbursements are paid to QHS based on claims submitted; however, certain items, such as medical education costs, capital costs, bad debts, and disproportionate share hospital (DSH) payment adjustments are reimbursed based upon estimated interim rates with final settlement determined after annual cost reports submitted by QHS are audited by the fiscal intermediary. Estimation differences between final settlements and amounts accrued in previous years due to audit adjustments recorded by the fiscal intermediary are reported as current year increases to revenues and excess of revenues over expenses and amounted to $1,236 and $7,749 for the years ended June 30, 2014 and 2013, respectively.

QHS participates in the State of Hawaii Hospital Sustainability Program. Under this program, private hospitals receive supplemental payments from the State of Hawaii Department of Health. These payments are funded by sustainability fees paid by participating hospitals and matching federal funds. Sustainability payments recognized by QHS were $28,525 and $30,766 and are reported in net patient service revenues for the years ended June 30, 2014 and 2013, respectively. Sustainability fees paid by QHS were $16,320 and $17,237 and are reported in sustainability fees and taxes – other than income taxes for the years ended June 30, 2014 and 2013, respectively. Amounts under this program are subject to annual determination by the State of Hawaii. A similar program has been established for fiscal 2015.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a reasonable probability that recorded estimates will change by a material amount in the near term. QHS believes that it is in compliance with applicable laws and regulations and actively resolves issues as identified. Compliance with such laws and regulations can be subject to future government review and interpretation, and noncompliance could result in significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

(s) Charity Care and Community Benefits

As part of its mission, QHS provides health care services to improve the well-being of the community. QHS provides care to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than its established rates. Because collection of amounts determined to qualify as charity care is not pursued, they are not reported as net patient service revenues.

The estimated cost of these charity care services is determined using a ratio of cost to gross charges and applying that ratio to the gross charges forgone associated with providing care to charity patients for the period. Gross charges associated with providing care to charity patients includes only the related charges for those patients who are financially unable to pay and qualify under the QHS charity care policy and that do not otherwise qualify for reimbursement from a governmental program. The estimated costs and expenses incurred to provide charity care were $3,523 and $3,242 for the years ended June 30, 2014 and 2013, respectively.

Community Benefits programs serve the broader community by providing health screenings, training health care professionals, educating the community with various seminars and classes, performing medical research, providing clinic and community services as well as providing for costs in excess of third-party reimbursement. QHS participates in several residency programs and provides a clinical setting in nursing, pharmacy, cardiac fellowship training, and educating. Community education classes of health-related topics include women's health, diabetes, child safety, dealing with cancer, cardiac, support groups, glaucoma, weight loss, wellness, and pregnancy topics. QHS operates the Queen Emma Clinic, Dental Clinic, and Behavioral Health programs at a loss for the benefit of the community. The Queen's Transplant Center was established to provide access to life saving organ transplantation to the community of Hawaii. The efforts to improve health care in the community are also demonstrated through Native Hawaiian Health program clinical outcomes, health care training, research, access, and outreach. QHS continually assesses and develops programs and services focused on the Native Hawaiian community through collaborations with the community. The affiliation with NHCH and opening of the newly renovated Ewa Beach facility both improve access to quality health services and enhance population health.

(t) Contributions

Unconditional promises by donors of cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

(u) Rental Revenues

QHS recognizes revenues when delivery has occurred, persuasive evidence of an agreement exists, the fee is fixed or determinable, and collectibility is reasonably assured. QHS (as lessor) has lease agreements that provide for scheduled rent increases over the terms of certain leases. For such leases, rental income is recognized on a straight-line basis over the terms of the leases. The difference between the straight-line amount and the rent received each period is recorded as straight-line rents receivable. Also included in rental revenues are certain percentage rents determined in accordance with the terms of the leases. Rental revenues arising from tenant rents that are contingent upon the tenant sales exceeding a defined threshold are recognized only after the contingency has been resolved (e.g., sales thresholds have been achieved).

(Dollars in thousands)

(v) Expenses by Functional Classification

Expenses incurred during the years ended June 30, 2014 and 2013 were for the following programs and support services:

		2014	2013
Patient services	$	714,474	633,696
Administrative and general		146,854	125,545
Other healthcare-related activities		77,188	73,752
Real property investment and management		55,169	60,350
Total	$	993,685	893,343

(w) Performance Indicator

The QHS performance indicator is the excess of revenues over expenses. The indicator excludes net unrealized gains (losses) on other-than-trading securities, net assets released from restrictions used for capital expenditures, and pension related changes other than net periodic pension cost.

(x) Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. This guidance will enhance the comparability of revenue recognition practices and will be applied to all contracts with customers. Expanded disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized are requirements under the amended guidance. This guidance will be effective for the QHS's fiscal year ending June 30, 2018 and may be applied retrospectively. QHS is currently evaluating the potential impact of adopting this guidance on the consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U S Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)* (ASU 2011-04). The new standards do not extend the use of fair value but, rather, provide guidance about how fair value should be applied where it already is required or permitted under IFRS or GAAP. For GAAP, most of the changes are clarifications of existing guidance or wording changes to align with IFRS. QHS adopted ASU 2011-04 in the year ended June 30, 2013, which did not have a significant impact on the consolidated financial statements.

(Continued)

(Dollars in thousands)

(2) Investments and Assets Whose Use is Limited or Restricted and Fair Value Measurements

Investments including assets whose use is limited or restricted at June 30, 2014 and 2013 were as follows:

		2014	2013
Investments at fair value:			
Mutual funds	$	347,386	249,419
Equity securities		62,293	47,839
Money market funds		23,484	25,504
Debt securities		6,521	6,205
Total investments at fair value		439,684	328,967
Investments using equity method:			
Common trust funds		508,297	420,464
Private equities and other limited partnerships		148,160	135,519
Total investments using equity method		656,457	555,983
Receivable from sale of investment		—	17,416
Total investments and assets whose use is limited or restricted	$	1,096,141	902,366

Common trust funds and private equities and other limited partnerships include, but are not limited to, investments in undervalued debt, real estate-related equity securities, hedge funds, and investments in energy, technology, financial, retail, and health care industries. Ownership percentages range from less than 1% to 11%.

At June 30, 2014, QHS was committed to invest approximately $713 of additional capital in various private equity investments.

The classification of investments in the consolidated balance sheets as of June 30, 2014 and 2013 was as follows:

		2014	2013
Total investments	$	1,096,141	902,366
Less assets whose use is limited or restricted		(35,498)	(32,599)
Total unrestricted investments		1,060,643	869,767
Less current portion		(995,263)	(797,558)
Noncurrent portion	$	65,380	72,209

QHS maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The hierarchy places the highest priority on unadjusted quoted market prices in

active markets for identical assets or liabilities (Level 1 measurements) and assigns the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the hierarchy are defined as follows:

Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other-than-quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

Level 3 – Unobservable inputs that cannot be corroborated by observable market data

Fair values of other-than-trading and trading securities are based on quoted market prices, where available. The Bank of New York Mellon, as custodian for QHS, obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses Level 1 or Level 2 inputs for the determination of fair value. The pricing service normally derives the security prices from recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. In the absence of a vendor, system trade/cost, or broker price for debt instruments, the pricing staff will price the security using the investment manager's price or last known price. As QHS is responsible for the determination of fair value, it performs periodic analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. As a result of the reviews, QHS has not historically adjusted the prices obtained from the pricing service.

In the instances in which the inputs used to measure the fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset.

QHS targets investments in cash and cash equivalents, fixed income securities, equity securities, real assets, tactical assets, hedge funds, and private equities. The QHS investment strategy is to generate a return that is sufficient to meet its current and expected future financial requirements, with an acceptable level of risk. QHS has engaged a number of investment managers to implement various investment strategies to achieve the desired asset class mix, liquidity, and risk diversification objectives.

(Dollars in thousands)

There were no reclassifications between Level 1 and Level 2 investments in 2014 and 2013. The following tables present information about the fair value of the QHS financial instruments as of June 30, 2014 and 2013, according to the valuation techniques QHS used to determine their fair values:

	Fair value measurements at June 30, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents – money market funds	$ —	16,646	—	16,646
Investments and assets whose use is limited or restricted				
Trading securities				
Money market funds	$ —	7,293	—	7,293
Foreign currency	—	179	—	179
Debt obligations	888	5,633	—	6,521
Equity securities				
Domestic mid-cap	62,293	—	—	62,293
Total trading securities	63,181	13,105	—	76,286
Other-than-trading securities				
Money market funds	75	15,937	—	16,012
Mutual funds				
Fixed income	195,008	—	—	195,008
Mid-cap equities	67,904	—	—	67,904
Real assets	66,073	—	—	66,073
International equities	18,401	—	—	18,401
Total other-than-trading securities	347,461	15,937	—	363,398
Total investments and assets whose use is limited or restricted	$ 410,642	29,042	—	439,684
Liabilities				
Other long-term liabilities – interest rate swap liabilities	$ —	24,136	—	24,136

(Continued)

(Dollars in thousands)

	Fair value measurements at June 30, 2013			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents – money market funds	$ —	7,910	—	7,910
Investments and assets whose use is limited or restricted				
Trading securities				
Money market funds	$ —	10,386	—	10,386
Foreign currency	—	615	—	615
U S government obligations	283	3,036	—	3,319
Corporate debt securities	—	2,886	—	2,886
Equity securities				
Domestic mid-cap	47,839	—	—	47,839
Total trading securities	48,122	16,923	—	65,045
Other-than-trading securities				
Money market funds	75	14,428	—	14,503
Mutual funds				
Fixed income	152,044	—	—	152,044
Mid-cap equities	53,483	—	—	53,483
Real assets	28,744	—	—	28,744
International equities	15,148	—	—	15,148
Total other-than-trading securities	249,494	14,428	—	263,922
Total investments and assets whose use is limited or restricted	$ 297,616	31,351	—	328,967
Liabilities				
Other long-term liabilities – interest rate swap liabilities	$ —	26,006	—	26,006

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Money Market Funds – Fair value estimates for money market funds are based on observed transactions.

Debt Securities – This category includes investments in U.S. government, corporate, and other bond securities, U.S. dollar-and non-U.S. dollar-denominated securities, and money market instruments. The

(Dollars in thousands)

estimated fair values of U.S. government obligations, corporate and other debt securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing prices. Due to the nature of pricing fixed income securities, management has classified the debt securities as Level 2.

Equity Securities – This category includes investments in both domestic equity securities of large-cap and mid-cap companies as well as domestic and foreign equities in developed and developing countries. Fair value estimates for publicly traded securities are based on quoted market prices.

Mutual Funds – This category includes investments in domestic, international equities and bonds, and commodities. The estimated fair value of mutual funds is based on quoted market prices.

Interest Rate Swap Liabilities – The fair values of interest rate swaps are estimated using the terms of the swaps and publicly available market yield curves. Because the swaps are unique and are not actively traded, the fair values are classified as Level 2 estimates.

Investments and assets whose use is limited or restricted classified as other-than-trading securities at June 30, 2014 and 2013 consisted of the following:

		Cost	Gross unrealized gains	Gross unrealized losses	Fair value
2014:					
Money market funds	$	16,012	—	—	16,012
Mutual funds		317,491	29,895	—	347,386
Total investments	$	333,503	29,895	—	363,398
2013:					
Money market funds	$	14,503	—	—	14,503
Mutual funds		237,386	14,500	(2,467)	249,419
Total investments	$	251,889	14,500	(2,467)	263,922

(Continued)

(Dollars in thousands)

The total return on the investment portfolios for the years ended June 30, 2014 and 2013 was comprised of the following:

		2014	2013
Total investment income, net:			
Interest and dividend income	$	8,561	14,222
Realized gain – net of expenses		6,965	72,746
Unrealized gain (loss) on trading securities		11,815	(4,863)
Equity in earnings of limited liability entities		104,936	12,600
Total unrestricted investment income, net	$	132,277	94,705
Other changes in unrestricted net assets – net unrealized loss on unrestricted investments	$	(24,211)	(12,208)
Other changes in temporarily restricted net assets:			
Investment gain	$	1,613	257
Net unrealized loss on investments		(747)	(75)
Total temporarily restricted investment gain, net	$	866	182

For the year ended June 30, 2014, gross proceeds from sales of other-than-trading investments were $15,000 resulting in gross realized gains of $182. For the year ended June 30, 2013, gross proceeds from the sales of other-than-trading investments were $402,586, resulting in gross gains of $50,535. QHS uses the average cost method to determine the cost basis for securities sold.

Assets whose use is limited or restricted at June 30, 2014 and 2013 consisted of the following:

		2014	2013
Cash and cash equivalents	$	15,937	14,428
Investments		19,561	18,171
Total assets whose use is limited or restricted		35,498	32,599
Less current portion		(13,863)	(13,393)
Noncurrent portion	$	21,635	19,206

(Continued)

(Dollars in thousands)

(3) Land, Buildings, and Equipment

Land, buildings, and equipment at June 30, 2014 and 2013 consisted of the following:

		2014	2013
Land and land improvements	$	112,806	97,871
Buildings and leasehold improvements		533,800	462,256
Equipment and furnishings		562,784	481,118
Equipment under capital leases		1,442	6,362
Construction in progress		15,433	31,331
Total		1,226,265	1,078,938
Less accumulated depreciation and amortization		(616,783)	(575,032)
Land, buildings, and equipment, net	$	609,482	503,906

Depreciation expense was $48,965 and $48,800 for the years ended June 30, 2014 and 2013, respectively.

(Continued)

(Dollars in thousands)

(4) Debt

Debt at June 30, 2014 and 2013 consisted of the following:

	2014	2013
Special Purpose Revenue Refunding Bonds 2009 Series A, variable interest rates (average interest rate of 0.2%), with final maturity in July 2029	$ 32,910	34,535
Special Purpose Revenue Refunding Bonds 2009 Series B, variable interest rates (average interest rate of 0.2%), with final maturity in July 2029	32,910	34,535
Special Purpose Revenue Refunding Bonds 2006 Series A, variable interest rates (average interest rate of 0.3%), with final maturity in July 2025	43,175	45,600
Special Purpose Revenue Refunding Bonds 2006 Series B, variable interest rates (average interest rate of 0.3%), with final maturity in July 2024	61,850	66,425
Special Purpose Revenue Refunding Bonds 2003 Series A, variable interest rates (average interest rate of 0.4%), with final maturity in July 2029	32,700	34,275
Special Purpose Revenue Refunding Bonds 2003 Series B, variable interest rates (average interest rate of 0.4%), with final maturity in July 2029	31,975	33,525
Commercial paper	75,130	75,130
Loan agreement with bank, variable interest rate (average interest rate of 0.7%), with final maturity in March 2015	66,000	—
Noninterest bearing secured promissory note with final maturity in December 2014	7,500	17,500
Capital lease and other obligations	1,630	201
Total	385,780	341,726
Less current portion	(87,903)	(23,576)
Total noncurrent portion	$ 297,877	318,150

The Series 2009A and 2009B Bonds are variable rate demand obligations issued by the Obligated Group. Principal is due in annual installments ranging from $1,840 to $5,130. The Series 2009A and 2009B Bonds are supported by a letter of credit agreement that provides financing in the event that remarketing efforts fail for bonds tendered. The letter of credit agreement expires in 2016, thus, the Series 2009A and 2009B Bonds are classified as noncurrent as of June 30, 2014.

The Series 2006A and 2006B Bonds are auction rate securities which bear a variable rate of interest. Principal on the Series 2006A and 2006B Bonds is due in annual installments ranging from $7,250 to $10,425. The Obligated Group entered into interest rate swap agreements to pay a fixed interest rate of 3.453% on the Series 2006B Bonds and a fixed interest rate of 3.58% on the previously extinguished

(Continued)

Series 2006C Bonds. The interest rate differential paid or received is recognized during the term of the agreements. The interest rate swap agreements for the Series 2006B Bonds expire in 2024 and for the previously extinguished Series 2006C Bonds expire in 2028 or earlier if the Obligated Group exercises early termination provisions. The notional swap amount of $97,975 at June 30, 2014 decreases annually based on the originally scheduled principal payments of the Series 2006B and previously extinguished 2006C Bonds.

The Series 2003A and 2003B Bonds are auction rate securities, which bear a variable rate of interest. Principal on the Series 2003A and 2003B Bonds is due in annual installments ranging from $3,225 to $5,050. The Obligated Group entered into an interest rate swap agreement to pay a fixed interest rate of 3.521% on all of its Series 2003A, 2003B, and previously extinguished 2003C Bonds. The interest rate differential paid or received is recognized during the term of the agreements. The interest rate swap agreement expires in 2029 or earlier if the Obligated Group exercises early termination provisions. The notional swap amount of $93,175 at June 30, 2014 decreases annually based on the originally scheduled principal payments of the Series 2003A, 2003B, and previously extinguished 2003C Bonds.

The 2003 and 2006 swaps are separate contracts between QHS and the swap counterparties. They were not terminated as part of the Series 2003C and 2006C bond refunding that occurred in prior years due to unfavorable market conditions. As such, QHS is still required to fulfill its contractual obligations under these agreements by paying the pre-established fixed interest rates to the respective swap counterparties.

During the years ended June 30, 2014 and 2013, the change in the fair value of the liabilities associated with the swap agreements discussed above, resulted in gains of $1,870 and $12,152, respectively, which were recognized in total nonoperating income. The fair value of liabilities associated with the swaps as of June 30, 2014 and 2013 was $24,136 and $26,006, respectively, and was included in other long-term liabilities.

During fiscal years 2014 and 2013, QHS experienced failed auctions related to its auction rate securities. In the event of failed auctions, QHS is required to pay interest at a preestablished rate that is a multiple of London InterBank Offered Rate (LIBOR). At June 30, 2014, the rate being paid on these securities was 175% of LIBOR, which was 0.155% at June 30, 2014.

The Obligated Group has commercial paper outstanding of $75,130 at June 30, 2014, under its $90,000 loan agreement. The loan agreement expires on January 22, 2015, however, it allows for the refinancing of the commercial paper outstanding to a term loan with a maturity period of up to one year after 2015 at the option of the Obligated Group. Accordingly, amounts outstanding have been classified as noncurrent liabilities as of June 30, 2014.

A short-term credit agreement, with a maximum borrowing capacity of $150,000, between the Obligated Group members and a bank, was obtained in 2014. The agreement expires in March 2015, or earlier if alternate financing is secured, and may be extended at the discretion of the bank. At June 30, 2014, $66,000 was outstanding.

The noninterest bearing secured promissory note was used to finance the purchase of the nonoperating hospital located in Ewa Beach, Hawaii by QMC in December 2012. The note is secured by a mortgage and

(Dollars in thousands)

lien on the acquired hospital's real property and medical facilities. The hospital facility was renovated and opened in May 2014.

The terms of the Series 2003A, 2003B, 2006A, 2006B, 2009A, and 2009B Bonds Master Trust Indenture (MTI) require the Obligated Group to make payments solely from amounts held in funds and accounts established pursuant to the indenture, which are pledged to secure payment of the principal and interest on the Series 2003A, 2003B, 2006A, 2006B, 2009A and 2009B Bonds. The commercial paper and short-term bank loan are also secured under the MTI. The MTI limits the ability of the Obligated Group to incur additional indebtedness, make certain other commitments, or dispose of certain assets. The Obligated Group is subject to various financial ratio covenants.

QHS has equipment leases that are accounted for as capital leases. The cost of such equipment was $2,736 and $6,362 and accumulated depreciation was $1,463 and $3,286, at June 30, 2014 and 2013, respectively.

QHS incurred total interest costs of $8,465 and $8,947 during 2014 and 2013, respectively, of which $1,200 and $285 was capitalized in construction in progress in 2014 and 2013, respectively.

At June 30, 2014, debt matures as follows:

	Revenue bonds, commercial paper, bank loan, and promissory note	Capital leases and other obligations	Less capital lease interest	Total
Year ending June 30:				
2015	$ 87,325	632	(54)	87,903
2016	148,450	645	(26)	149,069
2017	11,225	428	(6)	11,647
2018	11,625	12	(1)	11,636
2019	12,025	—	—	12,025
Thereafter	113,500	—	—	113,500
Total	$ 384,150	1,717	(87)	385,780

QHS calculated the above maturities of debt as if the Series 2009A and 2009B variable rate demand obligations were put by the holders and not successfully remarketed or refinanced and were required to be repaid under an accelerated schedule in accordance with the terms of the related bank letter of credit agreement. If the bonds are put by the investors, the bonds are immediately redeemed by the bank for the benefit of the investors, and if the remarketing agent is unable to remarket the bonds, or if the Obligated Group is unable to refinance the bonds, then the Obligated Group is required to repay the bank under the terms of the letter of credit agreement.

The carrying values of the bonds, commercial paper, bank loan, promissory note, and capital leases approximated their fair values at June 30, 2014 and 2013. The fair value of these debt instruments is deemed a Level 2 measurement.

At June 30, 2014, QHS had a line of credit of $7,500, of which $1,000 supports a standby letter of credit related to QHS's self-insured workers' compensation program. The line of credit expires on January 22, 2015 and there were no outstanding borrowings under this agreement as of June 30, 2014.

(5) Self-Insurance Programs

(a) General and Professional Liability Reserve

QHS maintains a funded self-insurance program for its general and professional liability exposure. This self-insured program is funded through QIE. Premiums are determined based on the QHS loss experience, as well as insurance industry data.

QHS recorded a reserve for losses and loss adjustment expenses for the estimated reported and unreported losses incurred through June 30, 2014 and 2013. The reserve for unpaid losses and loss adjustment expenses was determined by QHS using estimates from independent consulting actuaries, based on industry and hospital-specific data. The general and professional liability reserve was $16,844 and $17,834 at June 30, 2014 and 2013, respectively, and was recorded in other long-term liabilities at June 30, 2014 and 2013.

QHS has excess general and professional insurance coverage through reinsurance agreements with unrelated insurers for amounts exceeding $2,000 per occurrence. The reinsurance agreements do not relieve QHS from its obligations should the third-party reinsurers not be able to meet the obligations assumed under the reinsurance agreements.

(b) Workers' Compensation Reserve

QHS is self-insured for workers' compensation losses up to $400 per occurrence. Losses above this amount are insured with an independent excess carrier. QHS had workers' compensation reserves of $4,739 and $4,200 at June 30, 2014 and 2013, respectively. The workers' compensation reserves were recorded in other current liabilities at June 30, 2014 and 2013.

(c) Medical Reserve

QHS has a self-funded medical benefits plan covering substantially all of its employees. The medical reserve was $5,447 and $1,613 at June 30, 2014 and 2013, respectively, and was included in other current liabilities at June 30, 2014 and 2013.

(Continued)

(Dollars in thousands)

(6) Restricted Net Assets

Temporarily restricted net assets at June 30, 2014 and 2013 were available only for the following purposes:

		2014	2013
Education and research	$	4,018	3,404
Indigent care and other		11,702	2,396
Facility replacement and expansion		1,445	190
Total	$	17,165	5,990

Permanently restricted net assets at June 30, 2014 and 2013 were restricted to investment in perpetuity, the income from which is expendable to support the following purposes:

		2014	2013
Indigent care	$	3,787	3,787
Education and research		1,334	1,334
Restricted for NHCH hospital operations		110,576	—
Other		830	830
Total	$	116,527	5,951

The net assets restricted for NHCH hospital operations relate to a beneficial interest in a trust. QHS expects to receive periodic distributions from the trust to support NHCH's operations. According to the terms of the trust agreement, annual distributions shall not exceed 5% of the principal balance allocable to each beneficiary.

In accordance with the Uniform Prudent Management Institutional Funds Act (UPMIFA), QHS considers only permanently restricted net assets as donor-restricted endowment funds. In accordance with UPMIFA and when applicable, QHS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: a) the duration and preservation of the fund, b) the purposes of QHS and the endowment fund, c) general economic conditions, d) the possible effect of inflation and deflation, e) the expected total return from income and the appreciation of investments, f) other resources of QHS, and g) the investment policies of QHS. Amounts relating to investment income, net appreciation/depreciation and amounts appropriated for expenditure were not material during 2014 and 2013.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires QHS to retain as a fund of perpetual duration. Deficiencies of this nature are reported as adjustments in unrestricted net assets. Unfavorable market fluctuations were not material as of June 30, 2014.

(Continued)

(Dollars in thousands)

(7) Employee Benefit Plans

Eligible employees of QHS are covered by The Queen's Health Systems Pension Plan (the Plan), which is a noncontributory defined benefit pension plan. Pension benefits are provided to participants under several types of retirement options based upon years of continuous service, age, and compensation. Retirement benefits are paid to pensioners or beneficiaries in various forms of joint and survivor annuities, including a lump-sum payment option. The funding policy is to contribute amounts as deemed necessary on an actuarial basis to provide assets sufficient to meet the benefits to be paid to Plan members.

QHS has three unfunded, postretirement welfare plans, covering substantially all of its employees, that provide medical benefits (until age 65), drug and vision benefits, and life insurance benefits. The postretirement medical and drug and vision plans are contributory and also contain other cost-sharing features, such as deductibles and coinsurance.

The changes in benefit obligations, changes in plan assets, and funded status of the pension and postretirement plans with the amounts recognized in the consolidated balance sheets as of June 30, 2014 and 2013 were as follows:

	Pension benefits		Other postretirement benefits	
	2014	2013	2014	2013
Change in benefit obligations				
Benefit obligations – beginning of year	$ 341,497	344,609	29,112	32,774
Service cost	14,988	15,728	1,095	930
Interest cost	17,545	15,809	1,513	1,538
Actuarial (gain) loss	46,247	(23,341)	4,491	(5,186)
Benefits paid	(11,124)	(11,391)	(1,085)	(944)
Plan amendments	—	83	—	—
Benefit obligation – end of year	409,153	341,497	35,126	29,112
Change in plan assets				
Fair value of plan assets – beginning of year	244,374	216,741	—	—
Actual return on plan assets	35,337	21,595	—	—
Employer contributions	16,455	17,429	1,085	943
Benefits paid	(11,124)	(11,391)	(1,085)	(943)
Fair value of plan assets – end of year	285,042	244,374	—	—
Funded status	$ (124,111)	(97,123)	(35,126)	(29,112)

(Continued)

(Dollars in thousands)

	Pension benefits		Other postretirement benefits	
	2014	2013	2014	2013
Amounts recognized in the consolidated balance sheets consisted of				
Other current liabilities	$ —	—	(1,048)	(963)
Pension and other postretirement benefits	(124,111)	(97,123)	(34,078)	(28,149)
Net amounts recognized	$ (124,111)	(97,123)	(35,126)	(29,112)

Amounts recognized in unrestricted net assets at June 30, 2014 and 2013 were as follows:

	Pension benefits		Other postretirement benefits	
	2014	2013	2014	2013
Net transition asset	$ —	—	—	11
Prior service cost	161	192	1,020	1,407
Net loss	120,103	96,669	5,178	687
Total	$ 120,264	96,861	6,198	2,105

Amounts recognized in unrestricted net assets at June 30, 2014, that are expected to be recognized as components of benefit cost in the year ending June 30, 2015, were as follows:

	Pension benefits	Other postretirement benefits
Prior service cost	$ 31	387
Net loss	7,607	130
Total	$ 7,638	517

(Continued)

(Dollars in thousands)

Components of net periodic pension cost and amounts recognized in other changes in unrestricted net assets, but not yet included in net periodic benefit costs were as follows:

	Pension benefits		Other postretirement benefits	
	2014	2013	2014	2013
Net periodic pension costs				
Service cost	$ 14,988	15,728	1,095	930
Interest cost	17,545	15,809	1,513	1,538
Expected return on plan assets	(18,501)	(18,314)	—	—
Amortization of obligation	—	—	11	22
Amortization of prior service cost	31	(64)	387	484
Recognized net actuarial loss	5,977	9,341	—	243
Net periodic pension costs	$ 20,040	22,500	3,006	3,217
Other changes in plan assets and benefit obligations recognized in other changes in unrestricted net assets				
Net actuarial (gain) loss	$ 29,411	(26,622)	4,491	(5,186)
Prior service cost (credit)	(31)	146	(387)	(484)
Recognized gain	(5,977)	(9,341)	—	(243)
Recognized obligation	—	—	(11)	(22)
Total recognized in other changes in unrestricted net assets	$ 23,403	(35,817)	4,093	(5,935)

(Continued)

(Dollars in thousands)

Weighted average assumptions used to determine benefit obligations and net periodic benefit cost at June 30, 2014 and 2013 were as follows:

	Pension benefits		Other postretirement benefits	
	2014	2013	2014	2013
Benefit obligation				
Discount rate	4 66%	5 25%	4 60%	5 25%
Rate of compensation increase	4 00	4 00	—	—
Net periodic benefit cost				
Discount rate	5 25	4 68	5 25	4 68
Expected return on plan assets	7 50	8 25	—	—
Rate of compensation increase	4 00	4 00	—	—

The accumulated benefit obligation for the Plan was $349,024 and $294,055 at June 30, 2014 and 2013, respectively.

The long-term rate of return of the Plan is management's estimate of the return on the plan assets over a long-time horizon. Based upon the current policy allocations and historical returns, the expected long-term rate of return for fiscal year 2014 was 7.5%.

The annual rate of increase in the per capita cost of medical benefits (i.e., health care cost trend rate) was assumed to be 8.0% in 2014, declining by 0.25% to 0.5% per year through 2022, and then remaining at 5% thereafter. A one-percentage point increase or decrease in this rate would increase or decrease the Plan's accumulated postretirement benefit obligation by $447 and $397, respectively, as of June 30, 2014, and the Plan's service cost and interest cost component of net periodic postretirement benefit cost for the year ended June 30, 2014, by $49 and $42, respectively. QHS anticipates making contributions of $28,000 to the pension plan and $1,072 to the postretirement benefit plan during fiscal year 2015. The future estimated benefit payments for each plan are as follows:

	Pension benefits	Other postretirement benefits
Year ending June 30:		
2015	$ 15,990	1,072
2016	16,501	1,344
2017	17,691	1,484
2018	19,928	1,624
2019	20,724	1,733
2020 – 2024	122,155	10,296

(Continued)

(Dollars in thousands)

The primary objective of the Plan investments is to prudently fund the liabilities for benefits under the Plan. The Plan's investment strategy is to structure an investment program that most efficiently matches investment risks and return characteristics with the Plan's objectives. Volatility and uncertainty of investment results are managed through asset allocation and diversification. The Plan expects its investment fund managers to outperform their assigned benchmark indices and rank in the top one-third of all investment managers using a similar style over a three-year period. The Plan's investment policy permits investments in cash and cash equivalents, fixed income securities, equity securities, real return assets, tactical assets, hedge funds, and private equities. The Plan's asset allocation at June 30, 2014 and 2013, and the target allocations were as follows:

	Target range	2014 actual	2013 actual
Cash and cash equivalents	—%	3.4%	0.2%
Fixed income securities (a)	26 – 36	30.0	24.0
Domestic equities (b)	15 – 33	27.1	21.1
Global equities (c)	—	—	20.0
Real return investments (d)	3 – 12	9.5	15.1
Hedge fund investments (e)	6 – 14	8.8	9.8
Private equity investments (f)	3 – 11	1.2	2.0
Tactical investments (g)	—	—	7.8
International equities (h)	16 – 24	20.0	—
Total		100.0%	100.0%

(a) This category includes investments in U.S. government and corporate bond securities, mortgage and other asset-backed securities, U.S. dollar-and non-U.S. dollar-denominated securities, and money market instruments.

(b) This category includes investments primarily in domestic equity securities of large-cap and mid-cap companies.

(c) This category includes investments in domestic and foreign equities in developed and developing countries.

(d) This category includes investments in real estate, inflation protected bonds, global equities, and commodities.

(e) This category includes investments in direct hedge funds or hedge funds of funds that employ various strategies, consisting of, but not limited to, long/short equity, opportunistic/macro, distressed securities, merger arbitrage/event driven, short selling, credit investing, real estate, restructuring, and value strategies.

(f) This category includes, but is not limited to, equity securities and equity-related investments, purchase or provision of subordinated debt securities/loans, and mezzanine investments.

(Continued)

(Dollars in thousands)

(g) This category includes investments in cash, fixed income, and global equity securities.

(h) This category includes investments in non-U.S. companies.

The following tables present information about the fair value of the QHS pension plan assets as of June 30, 2014 and 2013, according to the valuation techniques QHS used to determine their fair values:

	Fair value measurements at June 30, 2014			
Asset category	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents, primarily money market funds	$ —	9,884	—	9,884
Mutual funds:				
Fixed income	61,680	—	—	61,680
Domestic equities	10,222	—	—	10,222
Real return	11,453	—	—	11,453
Domestic equity securities	10,196	—	—	10,196
Real return, hedge funds, and private equity investments	—	—	181,607	181,607
Total	$ 93,551	9,884	181,607	285,042

	Fair value measurements at June 30, 2013			
Asset category	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents, primarily money market funds	$ —	1,789	—	1,789
Mutual funds:				
Fixed income	58,750	—	—	58,750
Domestic equities	12,805	—	—	12,805
Global equities	48,939	—	—	48,939
Real return	17,185	—	—	17,185
Tactical	19,109	—	—	19,109
Domestic equity securities	37,435	—	—	37,435
Real return, hedge funds, and private equity investments	—	6,066	42,296	48,362
Total	$ 194,223	7,855	42,296	244,374

There were no reclassifications between Level 1 and Level 2 investments in 2014 and 2013.

See note 2 for the definition of the three levels within the fair value hierarchy and the methods and assumptions used to estimate the fair value of cash and cash equivalents, money market funds, mutual funds, and equity securities. Real return, hedge funds, and private equity investments are valued at estimated fair values using certain factors, including their proportionate share of the respective entities' fair value as recorded in the respective entities' financial statements.

(Continued)

(Dollars in thousands)

The table below presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the years ended June 30, 2014 and 2013, respectively:

Ending balance – June 30, 2012	$	40,098
Realized gains		686
Unrealized gains		2,939
Purchases		207
Sales		(1,634)
Ending balance – June 30, 2013		42,296
Realized gains		559
Unrealized gains		3,518
Purchases		138,120
Sales		(2,886)
Ending balance – June 30, 2014	$	181,607

Certain executives participate in a nonqualified, unfunded pension plan. At June 30, 2014 and 2013, the benefit liability related to this plan was $871 and $733, respectively. Benefit expense related to this plan was $196 and $303 for the years ended June 30, 2014 and 2013, respectively.

Certain key executives are covered by a nonqualified, unfunded supplemental executive retirement plan. At June 30, 2014 and 2013, the benefit liability related to this plan was $3,848 and $3,777, respectively. Benefit expense related to this plan was $221 and $1,081 for the years ended June 30, 2014 and 2013, respectively.

QHS has defined contribution retirement plans (the Retirement Plans) that cover substantially all employees and provide participants the ability to make pretax deduction contributions for deposit into retirement savings accounts. The participants' contributions are matched at a percentage of their total contributions and up to annual dollar limits per participant as defined by the Retirement Plans. The QHS expense relating to the above Retirement Plans was approximately $11,164 and $10,223 for the years ended June 30, 2014 and 2013, respectively.

(8) Income Taxes

QIE, QDC, and DLS are subject to federal and state income taxes. At June 30, 2014, these companies had operating loss carryforwards for income tax purposes of approximately $14,453 that expire through 2027. At June 30, 2014, QHS had net operating loss carryforwards of $1,692 related to its unrelated business income. The net operating loss carryforwards expire through 2034.

(Continued)

(Dollars in thousands)

The components of income tax expense for the years ended June 30, 2014 and 2013 were as follows:

		2014	2013
Current income tax expense	$	4,730	2,590
Deferred income tax (benefit) expense		(421)	1,729
Total	$	4,309	4,319

For the years ended June 30, 2014 and 2013, the effective tax rate differed from the statutory rate primarily due to tax credits and changes in the valuation allowance in deferred tax assets for QIE and a valuation allowance established for net operating losses and foreign tax credits of QDC.

At June 30, 2014 and 2013, deferred income tax assets and liabilities resulted principally from operating loss carryforwards and from temporary differences for fixed assets, intangible assets, allowance for uncollectible accounts, pension costs, and accrued vacation. Deferred income tax assets and liabilities as of June 30, 2014 and 2013 were as follows:

		2014	2013
Deferred income tax assets	$	17,103	16,246
Deferred income tax liabilities		(626)	(635)
		16,477	15,611
Less valuation allowance		(7,375)	(7,719)
		9,102	7,892
Less current		(2,157)	(2,292)
Noncurrent	$	6,945	5,600

In assessing the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the benefits of these deductible differences will be realized, net of the existing valuation allowances at June 30, 2014. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

(Continued)

(Dollars in thousands)

(9) Operating Leases

(a) As Lessor

Rental revenues are received from operating leases. The lease terms range from monthly tenancy to 75 remaining years and provide for periodic rent escalation and renegotiation, reimbursement of certain operating costs, and contingent rents based on the lessee's sales or production. Contingent rental revenues of $8,282 and $5,340 were recognized in 2014 and 2013, respectively.

Office space in buildings owned by QHS is leased to physicians and other tenants under operating leases. Lease rent under most of these leases includes the basic rent with periodic rent escalation and reimbursement of certain building operating costs. Approximately 8% of the leases in physicians' office buildings are nontransferable and generally have terms for the duration of the physicians' practice. The lease terms provide for a fixed rent, plus reimbursement of certain operating costs. The remaining leases in the physicians' office buildings are for a four-year period renewable at the physicians' option for two additional periods of four years each. QHS also maintains operating leases for land and leasehold interests. At June 30, 2014 and 2013, the basis for land, leasehold interests, and buildings under operating leases was approximately $210,289 and $234,059, respectively, and the related accumulated depreciation was approximately $70,711 and $75,751, respectively.

In August 2013, QHS leased approximately six acres of Waikiki real estate to a developer. The 75-year lease covers the site of the former International Market Place, Waikiki Town Center, and Miramar at Waikiki Hotel, which the developer plans to redevelop into a multi-level retail center. The retail center and parking structure are scheduled to open in 2016.

Future minimum rental income under noncancelable operating leases at June 30, 2014 is as follows:

Year ending June 30:		
2015	$	37,672
2016		34,959
2017		35,856
2018		36,643
2019		38,201
Thereafter		1,177,202
Total	$	1,360,533

(Continued)

(Dollars in thousands)

(b) As Lessee

QHS leases office space, land, and equipment under operating leases expiring through 2042. Future minimum lease payments under noncancelable operating leases at June 30, 2014 are as follows:

Year ending June 30:		
2015	$	2,525
2016		2,303
2017		1,722
2018		1,516
2019		981
Thereafter		6,470
Total	$	15,517

QHS also pays additional amounts for common area maintenance charges, real property taxes, and certain building operating costs. Rent expense during 2014 and 2013 under these leases was approximately $2,669 and $3,083, respectively.

(10) Computer Operations Outsourcing

QHS has a contract with Xerox Business Services (Xerox) to outsource a substantial portion of its computer operations, which includes providing services to certain affiliates, as well as providing QHS with implementation services, hardware, software, and application support. Under this agreement, Xerox provides services as specified in the contract and the payments to Xerox are expensed in purchased services. The agreement between QHS and Xerox is set to expire on December 31, 2015. Total expenses under the contract in 2014 and 2013 were $10,422 and $10,269, respectively. The contract provides for termination of the entire contract or portions of the contract under certain circumstances. Should QHS terminate the agreement, QHS may be liable for early termination charges as calculated in the contract.

Future minimum payments at June 30, 2014 under the contract are as follows:

Year ending June 30:		
2015	$	8,995
2016		4,498
Total	$	13,493

(11) Commitments and Contingencies

At June 30, 2014, there were several legal actions pending against QHS that arose in the normal course of business. The ultimate resolution of such actions cannot presently be determined. In the opinion of management, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the consolidated financial statements. There were also certain actions alleging malpractice. These actions are covered under the QHS self-insurance program for general and professional liability exposure (note 5).

(Continued)

In April 2009, QMC entered into a settlement agreement with various governmental agencies. As part of the settlement agreement, QMC and the Office of the Inspector General (OIG) of the U.S. Department of Health and Human Services entered into a Corporate Integrity Agreement (CIA) to promote compliance with the statutes, regulations, and written directives of Medicare, Medicaid, and all other federal health care programs. The CIA imposes a number of obligations on QMC, including additional compliance training, auditing, and periodic reporting to the OIG. The term of the CIA is five years. As of June 30, 2014, QMC has not received notification of release from the CIA.

QHS is currently performing an internal review of a co-management compensation arrangement which may impact government reimbursements received related to such services and compliance with the CIA. QHS is presently unable to determine the likelihood of an unfavorable outcome or the range of potential loss for this matter.

At June 30, 2014, QHS had commitments for facilities construction and equipment purchases for approximately $26,725.

QMC has collective bargaining agreements with the Hawaii Nurses Association and the Teamsters Union. The Hawaii Nurses Association agreement expires in November 2014 and the Teamsters Union agreement expires in June 2016.

(12) Subsequent Events

QHS has evaluated subsequent events from the balance sheet date through October 8, 2014, the date at which the consolidated financial statements were issued, and determined that there are no items to disclose.

Schedule 1

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30 2014

(In thousands)

Assets	Parent Company	The Queen's Medical Center and Subsidiary	Queen's Development Corporation and Subsidiaries	Queen Emma Land Company	Molokai General Hospital	North Hawaii Community Hospital	Queen's Insurance Exchange	Eliminations	Consolidated
Current assets									
Cash and cash equivalents	$ 9 908	23 093	18 351	6 988	4 450	1 608	7 512	—	71 910
Receivables net	339	124 938	7 067	2 369	1 717	7 333	923	1 037	145 723
Due from affiliates	31 069	310	2 904	177	—	—	13 046	(47 506)	—
Inventories	—	11 577	2 218	—	103	1 350	—	—	15 248
Investments – current	60 306	652 864	—	278 396	3 697	—	—	—	995 263
Assets whose use is limited or restricted – current	—	13 863	—	—	—	—	—	—	13 863
Deferred income tax asset – current	—	—	2 078	—	—	—	79	—	2 157
Prepaid expenses and other assets	143	8 062	1 057	846	68	1 840	1 353	(3 794)	9 575
Total current assets	101 765	834 707	33 675	288 776	10 035	12 131	22 913	(50 263)	1 253 739
Investments – less current portion	3 962	42 889	—	18 291	238	—	—	—	65 380
Assets whose use is limited or restricted – less current portion	—	20 505	—	—	—	1 130	—	—	21 635
Land buildings and equipment net	3 228	357 326	57 294	135 915	11 503	44 215	1	—	609 482
Goodwill	—	—	7 619	—	—	—	—	—	7 619
Deferred financing fees net	—	3 910	—	—	—	46	—	—	3 956
Deferred income tax asset – less current portion	—	—	6 945	—	—	—	—	—	6 945
Straight-line rents receivable	—	—	—	36 914	—	—	—	—	36 914
Due from affiliates – noncurrent	7 210	19 679	—	—	—	—	—	(26 889)	—
Beneficial interests	—	—	—	—	—	112 379	—	—	112 379
Other assets	2 025	1 438	782	17 818	—	7 505	—	—	29 568
Total	$ 118 190	1 280 454	106 315	497 714	21 776	177 406	22 914	(77 152)	2 147 617

(Continued)

Schedule 1

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30 2014

(In thousands)

Liabilities and Net Assets	Parent Company	The Queen's Medical Center and Subsidiary	Queen's Development Corporation and Subsidiaries	Queen Emma Land Company	Molokai General Hospital	North Hawaii Community Hospital	Queen's Insurance Exchange	Eliminations	Consolidated
Current liabilities									
Accounts payable and other accrued liabilities	$ 265	76 231	3 888	453	793	2 094	19	(42)	83 701
Accrued salaries and benefits	3 978	41 191	4 519	561	522	2 033	—	—	52 804
Other current liabilities	10 372	—	—	3 714	—	368	3 794	(2 148)	16 100
Due to government reimbursement programs – current	—	11 497	—	—	568	—	—	—	12 065
Short-term and long-term debt – current	6 000	81 325	—	—	—	578	—	—	87 903
Due to affiliates	9 977	30 172	2 013	2 053	319	7 684	—	(52 218)	—
Total current liabilities	30 592	240 416	10 420	6 781	2 202	12 757	3 813	(54 408)	252 573
Long-term debt – less current portion (1)	2 941	240 074	53 810	—	—	1 052	—	—	297 877
Pension and postretirement liabilities	7 057	142 510	12 459	646	980	—	—	(1 646)	162 006
Due to government reimbursement programs – less current portion	—	17 431	—	—	—	—	—	—	17 431
Due to affiliates – noncurrent	—	—	—	1 428	—	—	—	(1 428)	—
Other long-term liabilities	2 030	50 189	5 437	1 873	—	—	16 844	(19 678)	56 695
Total liabilities	42 620	690 620	82 126	10 728	3 182	13 809	20 657	(77 160)	786 582
Net assets									
Unrestricted (2)	75 570	569 202	24 189	486 986	18 594	43 676	2 257	6 869	1 227 343
Temporarily restricted	—	14 681	—	—	—	9 345	—	(6 861)	17 165
Permanently restricted	—	5 951	—	—	—	110 576	—	—	116 527
Total net assets	75 570	589 834	24 189	486 986	18 594	163 597	2 257	8	1 361 035
Total	$ 118 190	1 280 454	106 315	497 714	21 776	177 406	22 914	(77 152)	2 147 617

(1) The Obligated Group debt and commercial paper obligations (classified as long-term debt – less current portion) are joint and several obligations for each of the Obligated Group members however the balance sheets of the individual entities only include their allocated portions

(2) Investments in subsidiaries are carried at cost

See accompanying independent auditors report

Schedule 2

THE QUEEN'S HEALTH SYSTEMS AND SUBSIDIARIES

Consolidating Statement of Operations Information

Year ended June 30 2014

(In thousands)

	Parent Company	The Queen's Medical Center and Subsidiary	Queen's Development Corporation and Subsidiaries	Queen Emma Land Company	Molokai General Hospital	North Hawaii Community Hospital	Queen's Insurance Exchange	Eliminations	Consolidated
Unrestricted operating revenues									
Net patient service revenues	$ —	756 948	82 208	—	11 075	26 899	—	—	877 130
Rental revenues	—	—	12 793	81 837	171	—	—	—	94 801
Other	32 863	33 286	32 248	1 285	2 352	1 581	4 590	(64 678)	43 527
Total unrestricted operating revenues	32 863	790 234	127 249	83 122	13 598	28 480	4 590	(64 678)	1 015 458
Net assets released from restrictions	—	11 634	—	83	—	1 370	—	(7 552)	5 535
Total operating revenues and other support	32 863	801 868	127 249	83 205	13 598	29 850	4 590	(72 230)	1 020 993
Unrestricted operating expenses									
Salaries wages and employee benefits	21 100	431 583	47 851	1 797	6 061	14 666	—	—	523 058
Supplies	208	138 401	23 128	63	928	3 590	—	—	166 318
Purchased services	2 489	109 353	19 052	13 570	2 017	3 377	334	(60 358)	89 834
Depreciation and amortization	804	33 740	6 624	5 584	1 306	1 372	1	—	49 431
Professional fees	5 683	34 176	2 202	1 751	1 545	993	376	—	46 726
Sustainability fees and taxes – other than income taxes	68	16 883	6 373	11 087	76	185	18	—	34 690
Rent and utilities	21	20 475	5 885	3 206	460	1 211	—	—	31 258
Interest	10	6 861	161	—	—	233	—	—	7 265
Other	3 145	25 755	5 368	8 450	615	864	5 349	(4 441)	45 105
Total unrestricted operating expenses	33 528	817 227	116 644	45 508	13 008	26 491	6 078	(64 799)	993 685
Operating income (loss)	(665)	(15 359)	10 605	37 697	590	3 359	(1 488)	(7 431)	27 308
Nonoperating income (expense)									
Investment income net	8 163	87 952	—	34 623	490	9	8	1 032	132 277
Contribution from NHCH affiliation	—	—	—	—	—	39 074	—	—	39 074
Income tax (expense) benefit	—	—	(4 339)	—	—	—	30	—	(4 309)
Gain on interest rate swap	—	1 870	—	—	—	—	—	—	1 870
Other (expense) income (1)	(4)	(1 855)	76	(942)	4	16	—	(82)	(2 787)
Total nonoperating income (expense)	8 159	87 967	(4 263)	33 681	494	39 099	38	950	166 125
Excess (deficiency) of revenues over expenses	$ 7 494	72 608	6 342	71 378	1 084	42 458	(1 450)	(6 481)	193 433

(1) Investments in subsidiaries are carried at cost

See accompanying independent auditors report