

EXTENDED TO NOVEMBER 15, 2018

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

OMB No 1545-0052

2017

Open to Public Inspection

Form 990-PF

Department of the Treasury
Internal Revenue Service

For calendar year 2017 or tax year beginning

, and ending

Name of foundation

A Employer identification number

HILAND FOUNDATION

36-7702042

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

P O BOX 3170, DEPT 715

B Telephone number

808-694-4543

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

HONOLULU, HI 96802-3170

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Check all that apply:

☒

Initial return

☐

Initial return of a former public charity

☐

Final return

☐

Amended return

☐

Address change

☐

Name change

Check type of organization:

☒

Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust☐

Other taxable private foundation

Fair market value of all assets at end of year

J Accounting method:

☒

Cash

☐

Accrual

(from Part II, col. (c), line 16)

☐ Other (specify)

\$ 2,475,956. (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received	2,376,400.		N/A	
2	Check ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	244.	244.		STATEMENT 1
4	Dividends and interest from securities	40,277.	40,277.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	2,376,890.			
b	Gross sales price for all assets on line 6a	2,503,603.			
7	Capital gain net income (from Part IV, line 2)		2,376,890.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income				
12	Total Add lines 1 through 11	4,793,811.	2,417,411.		
13	Compensation of officers, directors, trustees, etc	18,021.	11,714.		6,307.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees STMT 3	5,525.	0.		5,525.
b	Accounting fees				
c	Other professional fees				
17	Interest				
18	Taxes STMT 4	903.	903.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences and meetings				
22	Printing and publications				
23	Other expenses STMT 5	4.	4.		0.
24	Total operating and administrative expenses Add lines 13 through 23	24,453.	12,621.		11,832.
25	Contributions, gifts, grants paid	129,800.			129,800.
26	Total expenses and disbursements Add lines 24 and 25	154,253.	12,621.		141,632.
27	Subtract line 26 from line 12.				
a	Excess of revenue over expenses and disbursements	4,639,558.			
b	Net investment income (if negative, enter -0-)		2,404,790.		
c	Adjusted net income (if negative, enter -0-)			N/A	

Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing		3,017.	3,017.	
	2 Savings and temporary cash investments		73,128.	73,128.	
	3 Accounts receivable ▶				
	Less: allowance for doubtful accounts ▶				
	4 Pledges receivable ▶				
	Less: allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable ▶				
	Less: allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations				
	b Investments - corporate stock				
	c Investments - corporate bonds				
	Liabilities	11 Investments - land, buildings and equipment basis ▶			
Less: accumulated depreciation ▶					
12 Investments - mortgage loans					
13 Investments - other STMT 6		0.	2,188,836.	2,399,811.	
14 Land, buildings, and equipment basis ▶					
Less: accumulated depreciation ▶					
15 Other assets (describe ▶)					
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		0.	2,264,981.	2,475,956.	
17 Accounts payable and accrued expenses					
18 Grants payable					
Net Assets or Fund Balances	19 Deferred revenue				
	20 Loans from officers, directors, trustees and other disqualified persons				
	21 Mortgages and other notes payable				
	22 Other liabilities (describe ▶)				
23 Total liabilities (add lines 17 through 22)	0.	0.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☒				
	27 Capital stock, trust principal, or current funds	0.	2,264,981.		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	0.	2,264,981.			
31 Total liabilities and net assets/fund balances	0.	2,264,981.			

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	0.
2 Enter amount from Part I, line 27a	2	4,639,558.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	4,639,558.
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED GAIN ON ASSETS CONTRIBUTED	5	2,374,577.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,264,981.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c CAPITAL GAINS DIVIDENDS			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a 131,319.		124,890.	6,429.
b 2,362,232.		1,823.	2,360,409.
c 10,052.			10,052.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			6,429.
b			2,360,409.
c			10,052.
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	2,376,890.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

N/A

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☐ No

If "Yes," the foundation doesn't qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2016			
2015			
2014			
2013			
2012			

2 Total of line 1, column (d)	2
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4
5 Multiply line 4 by line 3	5
6 Enter 1% of net investment income (1% of Part I, line 27b)	6
7 Add lines 5 and 6	7
8 Enter qualifying distributions from Part XII, line 4	8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter. _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	48,096.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations, enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		2	0.
3 Add lines 1 and 2		3	48,096.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		4	0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	48,096.
6 Credits/Payments.			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a	0.	
b Exempt foreign organizations - tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	50,000.	
d Backup withholding erroneously withheld	6d	0.	
7 Total credits and payments. Add lines 6a through 6d	7	50,000.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	1,215.	
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	689.	
11 Enter the amount of line 10 to be Credited to 2018 estimated tax ☐ Refunded ☒	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition. If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ 0. (2) On foundation managers ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions ☐ HI		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	X	
14 The books are in care of ► <u>BANK OF HAWAII</u> Telephone no ► <u>808-694-4543</u> Located at ► <u>130 MERCHANT STREET, HONOLULU, HI</u> ZIP+4 ► <u>96813</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here and enter the amount of tax-exempt interest received or accrued during the year ► <u>15</u> <u>N/A</u>		
16 At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes," enter the name of the foreign country ►		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year, did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No (6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions Organizations relying on a current notice regarding disaster assistance, check here ► ☐	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? If "Yes," list the years ► <u>N/A</u>	2b	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► <u>N/A</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2017 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2017.) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

		Yes	No
5a During the year, did the foundation pay or incur any amount to:			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	N/A	5b	
Organizations relying on a current notice regarding disaster assistance, check here	☒		
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A		
If "Yes," attach the statement required by Regulations section 53.4945-5(d).	☐ Yes ☐ No		
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
If "Yes" to 6b, file Form 8870.			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, and foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
BANK OF HAWAII	TRUSTEE			
P.O. BOX 3170				
HONOLULU, HI 96802	1.00	18,021.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	2,371,556.
b	Average of monthly cash balances	1b	34,573.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,406,129.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	2,406,129.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	36,092.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,370,037.
6	Minimum investment return. Enter 5% of line 5	6	118,502.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations, check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	118,502.
2a	Tax on investment income for 2017 from Part VI, line 5	2a	48,096.
b	Income tax for 2017 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	48,096.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	70,406.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	70,406.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	70,406.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	141,632.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	141,632.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	141,632.

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				70,406.
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2017:				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2017 from Part XII, line 4: ► \$ 141,632.				
a Applied to 2016, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2017 distributable amount				70,406.
e Remaining amount distributed out of corpus	71,226.			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d) the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below	71,226.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	71,226.			
10 Analysis of line 9				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				
d Excess from 2016				
e Excess from 2017	71,226.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling

- b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(1)(3) or ☐ 4942(1)(5)

- 2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

b 85% of line 2a

c Qualifying distributions from Part XII,
line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities.

Subtract line 2d from line 2c

- 3** Complete 3a, b, or c for the alternative test relied upon.

- a "Assets" alternative test - enter
(1) Value of all assets

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)

- b** "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c "Support" alternative test - enter:

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income

Part XV **Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)**

1 Information Regarding Foundation Managers:

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number or email address of the person to whom applications should be addressed

- b** The form in which applications should be submitted and information and materials they should include

- c** Any submission deadlines.

- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
MAUI ARTS AND CULTURAL CENTER 1 CAMERON WAY KAHULUI, HI 96732		PC	NON-RESTRICTED PURPOSE	75,000.
AKAKU 333 DAIRY ROAD, SUITE 104 KAHULUI, HI 96732		PC	DAN O'BRIEN'S HAWAIIAN MUSIC SERIES	20,000.
AMERICAN NATIONAL RED CROSS 4155 DIAMOND HEAD RD HONOLULU, HI 96816		PC	HURRICANE HARVEY RELIEF EFFORTS	10,000.
HANA CULTURAL CENTER UAKEA RD HANA, HI 96713		PC	THE COILA EADE FUND	6,800.
OREGON WILDLIFE HERITAGE FOUNDATION 1122 NE 122ND AVE STE B114 PORTLAND, OR 97230		PC	WILLAMETTE HABITAT RESTORATION	8,000.
Total SEE CONTINUATION SHEET(S) 3a				129,800.
b Approved for future payment				
NONE				
Total 3b				0.

Part XVII Information Regarding Transfers to and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | Yes | No |
|----------|--|-------|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c)(3) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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

Signature of officer or trustee **Vice President**

OCT 18 2018

Date _____

VICE PRESIDENT

Title

May the IRS discuss this return with the preparer shown below? See instructions.

☐ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

3 Grants and Contributions Paid During the Year (Continuation)

723631
04-01-17

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

- ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2017

Name of the organization

Employer identification number

HILAND FOUNDATION

36-7702042

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000, or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

Name of organization

Employer identification number

HILAND FOUNDATION**36-7702042****Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	<u>PATRICIA STEELE</u> <u>1810 OLINDA ROAD</u> <u>MAKAWAO, HI 96768</u>	\$ <u>2,376,400.</u>	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
		\$ _____	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$ _____	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$ _____	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$ _____	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$ _____	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$ _____	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Employer identification number

36-7702042

Part II Noncash Property (see instructions) Use duplicate copies of Part II if additional space is needed

[illegible]

Name of organization

Employer identification number

HILAND FOUNDATION**36-7702042****Part III**

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info once) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
DREYFUS CASH MANAGEMENT - INST	244.	244.	
TOTAL TO PART I, LINE 3	244.	244.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BOH ACCT #115072803	50,329.	10,052.	40,277.	40,277.	
TO PART I, LINE 4	50,329.	10,052.	40,277.	40,277.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ATTORNEY FEE	4,455.	0.		4,455.
PREPARATION FEE FOR FORM 1023	1,070.	0.		1,070.
TO FM 990-PF, PG 1, LN 16A	5,525.	0.		5,525.

FORM 990-PF	TAXES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FORM 1023 USER FEE TO IRS	850.	850.		0.	
FOREIGN TAX WITHHELD	53.	53.		0.	
TO FORM 990-PF, PG 1, LN 18	903.	903.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT EXPENSE	4.	4.		0.	
TO FORM 990-PF, PG 1, LN 23	4.	4.		0.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	6
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
SEE STATEMENT-INV	COST	2,188,836.	2,399,811.	
TOTAL TO FORM 990-PF, PART II, LINE 13		2,188,836.	2,399,811.	

HILAND FOUNDATION
EIN #36-7702042
FORM 990-PF, PART II LINE 13
OTHER INVESTMENTS
FYE 12/31/2017

Description	Units	Tax Cost	Market Value
00206R102 AT&T INC	75 000	3,018.75	2,916 00
00817Y108 AETNA INC NEW	20 000	2,616 40	3,608 00
017175100 ALLEGHANY CORP	5 000	3,098 30	2,980 00
020002101 ALLSTATE CORP	30 000	2,424 60	3,141 00
02079K305 ALPHABET INC CL A	8 000	6,820 56	8,427 00
025816109 AMERICAN EXPRESS CO	35 000	2,676 80	3,476 00
032095101 AMPHENOL CORP CL A	60 000	4,210.20	5,268 00
037833100 APPLE INC	106 000	14,992 64	17,938 00
046353108 ASTRAZENECA PLC SP ADR	80 000	2,396 00	2,776 00
053807103 AVNET INC	55 000	2,404 05	2,179 00
066922204 ISHARES S&P 500 INDEX FUND	1,035 952	291,537 68	329,826.00
084670702 BERKSHIRE HATHAWAY INC CL B	26 000	4,352 92	5,154 00
09247X101 BLACKROCK INC	7 000	2,671 34	3,596 00
09253F879 ISHARES MSCI EAFE INTERNATIONAL INDEX FUND	9,173 886	114,398 36	130,086 00
099724106 BORGWARNER INC	75 000	2,882 25	3,832 00
126650100 CVS/CAREMARK CORP	40 000	3,103 20	2,900 00
151020104 CELGENE CORP	38 000	4,761 78	3,966 00
166764100 CHEVRON CORP	24 000	2,540 16	3,005 00
17275R102 CISCO SYSTEMS	75 000	2,514 00	2,873 00
172967424 CITIGROUP INC	55 000	3,224 65	4,093 00
192446102 COGNIZANT TECH SOLUTIONS CORP	80 000	4,670 40	5,682 00
22410J106 CRACKER BARREL OLD COUNTRY	26 000	4,143 10	4,131 00
256206103 DODGE & COX INTERNATIONAL STOCK FUND	831 688	34,295 28	38,524.00
256746108 DOLLAR TREE INC	60 000	4,662 60	6,439 00
278865100 ECOLAB INC	30 000	3,738 00	4,025 00
30231G102 EXXON MOBIL CORP	30 000	2,439 90	2,509 00
311900104 FASTENAL CO	85 000	4,429 35	4,649 00
31428Q101 FEDERATED TOTAL RETURN BOND FUND	16,871 696	183,057 90	183,901 00
337932107 FIRSTENERGY CORP	80 000	2,518 40	2,450 00
369604103 GENERAL ELECTRIC CO	130 000	3,851 90	2,269 00
375558103 GILEAD SCIENCES INC	50 000	3,354 00	3,582 00
38144N593 GOLDMAN SACHS INTERNATIONAL SMALL CAP INSIGHTS	4,581 305	52,501 75	58,412 00
40434L105 HP INC	205 000	3,642 85	4,307 00
411511306 HARBOR INTL FD	570 336	36,284 75	38,509 00
44267D107 THE HOWARD HUGHES CORP	24 000	2,784.72	3,150 00
46625H100 JP MORGAN CHASE & CO	65 000	5,754 45	6,951 00
47803W406 JOHN HANCOCK III DISC M/C-IS	4,086 666	90,846 58	95,260 00
478160104 JOHNSON & JOHNSON	20 000	2,465 40	2,794 00
500472303 KONINKLIJKE PHILIPS NV NY SHR	75 000	2,399.25	2,835.00
501044101 KROGER CO	80 000	2,400 80	2,196 00
559222401 MAGNA INTERNATIONAL INC CL A	65 000	2,585 05	3,684 00
57636Q104 MASTERCARD INC CLASS A	46 000	5,175 92	6,963 00
577130834 MATTHEWS PACIFIC TIGER FUND CL INS	968 032	25,091 39	30,619 00
577933104 MAXIMUS INC	75 000	4,677 00	5,369 00
58155Q103 MCKESSON CORP	18 000	2,502 36	2,807 00
58933Y105 MERCK & CO INC	40 000	2,496 00	2,251 00
594918104 MICROSOFT CORP	40 000	2,639 20	3,422 00

HILAND FOUNDATION
EIN #36-7702042
FORM 990-PF, PART II LINE 13
OTHER INVESTMENTS
FYE 12/31/2017

Description	Units	Tax Cost	Market Value
596278101 MIDDLEBY CORPORATION	36 000	4,838 04	4,858 00
61166W101 MONSANTO CO	28 000	3,248 84	3,270 00
61945C103 THE MOSAIC COMPANY	90 000	2,441.70	2,309 00
637071101 NATIONAL OILWELL VARCO INC	90 000	3,352 50	3,242 00
654106103 NIKE INC CL B	45 000	2,476 35	2,815 00
655044105 NOBLE ENERGY INC	70 000	2,445 80	2,040 00
670100205 NOVO NORDISK A S ADR	105 000	3,822 00	5,635 00
693475105 PNC FINANCIAL SERVICES	26 000	3,133 52	3,752 00
713448108 PEPSICO INC	32 000	3,631.04	3,837 00
717081103 PFIZER INC	70 000	2,364 60	2,535 00
718546104 PHILLIPS 66	75 000	5,831 10	7,586 00
74144Q203 T ROWE PRICE INSTITUTIONAL EMERGING MARKETS EC	722 908	23,566 79	29,697 00
741503403 PRICELINE COM INC	4 000	7,074 48	6,951 00
742718109 PROCTER & GAMBLE CO	30 000	2,714 70	2,756 00
74316J458 CONGRESS MID CAP GROWTH-INS	5,638 304	96,189 46	106,226 00
747525103 QUALCOMM INC	45 000	2,375 10	2,881 00
755111507 RAYTHEON CO	18 000	2,735 10	3,381 00
780259206 ROYAL DUTCH SHELL PLC ADR A	50 000	2,622 00	3,336 00
806857108 SCHLUMBERGER LTD	40 000	3,111 20	2,696 00
824348106 SHERWIN-WILLIAMS CO	18 000	5,551 38	7,381 00
844741108 SOUTHWEST AIRLINES	45 000	2,461 05	2,945 00
855244109 STARBUCKS CORP	95 000	5,509 05	5,456 00
857477103 STATE STREET CORP COMMON	35 000	2,723 35	3,416.00
872540109 TJX COMPANIES INC	75 000	5,762 25	5,735 00
883556102 THERMO FISHER SCIENTIFIC INC	34 000	5,212 20	6,456 00
887317303 TIME WARNER INC	24 000	2,377 20	2,195 00
902973304 US BANCORP	70 000	3,644 90	3,751 00
907818108 UNION PACIFIC CORP	44 000	4,646 40	5,900 00
913017109 UNITED TECHNOLOGIES CORP	44 000	4,972 88	5,613 00
921909818 VANGUARD TOTAL INTL ST INDEX FUND-ADM	6,382 638	169,139 87	194,798 00
921937603 VANGUARD TOTAL BOND MARKET INDEX FUND ADM	33,896 953	362,358 42	364,392 00
922908728 VANGUARD TOTL STK MKT IND-AD	6,467 462	381,347 90	431,509 00
92826C839 VISA INC CL A SHARES	50 000	4,456 50	5,701 00
92857W308 VODAFONE GROUP PLC SP ADR	110 000	2,867 70	3,509 00
931142103 WAL-MART STORES INC	50 000	3,583 50	4,938 00
931427108 WALGREENS BOOTS ALLIANCE INC	40 000	3,305 20	2,905 00
949746101 WELLS FARGO COMPANY	145 000	8,096 80	8,797 00
94984B348 WELLS FARGO ADVANTAGE INTERNATIONAL EQUITY FU	3,297 973	38,652 25	43,830 00
962166104 WEYERHAEUSER CO	70 000	2,436 70	2,468 00
G0177J108 ALLERGAN PLC	26 000	6,200 22	4,253 00
G02602103 AMDOCS LTD	55 000	3,357 20	3,601 00
G16962105 BUNGE LIMITED	45.000	3,474 00	3,019.00
H1467J104 CHUBB LTD	30 000	4,130 70	4,384 00
H84989104 TE CONNECTIVITY LTD	35 000	2,540 65	3,326 00
Total Other Investments		2,188,835 53	2,399,811 00