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Mike White

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Don S. Guzman

Presiding Officer Pro Tempore
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Robert Carroll
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Riki Hokama



Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

October 22, 2015

Mr. Danilo Agsalog, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Walker:

**SUBJECT: LEASE AND LICENSE OF COUNTY-CONTROLLED
PARCELS TO FRIENDS OF MOKU`ULA INC.
(LAHAINA) (EAR-2)**

At its meeting of October 13, 2015, the Economic Development, Energy, Agriculture, and Recreation Committee continued its review of the Friends of Moku`ula, Inc. ("FOM") operation of the parking lot concession located on County property in Lahaina.

The concession is an incidental use allowed to FOM under identical first amendments to a lease and license executed by the County on January 2, 2002, in favor of FOM: (1) a lease for 35 years over a parcel of approximately 2 acres for rent of \$1 per year; and (2) a license for 20 years over a parcel of approximately 2.7 acres for rent of \$1 per year. Section 10 of the first amendments requires FOM to use the net proceeds of the parking concession solely to restore and preserve Moku`ula and the ponds of Mokuhinia.

Blossom Feiteira, Executive Director, FOM, informed the Committee the nonprofit operates the concession through its wholly-owned subsidiary, Ka Lua O Kiha, Inc. ("KLK"), which contracts for the actual operation with Diamond Parking Services, LLC ("Diamond"). Further, she stated Diamond receives the parking revenues subject only to rent payments to KLK. Thereafter, KLK's board determines quarterly an amount from the rental proceeds to contribute to FOM.

Pursuant to our meeting with the Deputy Director on October 21, 2015, may I ask that you provide a recommendation regarding the kind of audit that should be performed to produce a detailed tracking of the parking revenues?

May I also request that you: (1) review the documents produced by, or on behalf of, FOM, as well as any other documents you obtain directly from FOM as needed; and (2) provide an opinion as to whether the parking revenues have been expended solely for restoration and preservation purposes pursuant to the lease and license. Please advise as to an estimated date you will be able to provide the opinion.

Enclosed, please find the following documents provided to the Committee:

1. December 21, 2011, letter from the Director of Parks and Recreation with annual reports for FY 2010 and 2011;
2. January 9, 2012, letter from Shirley Ann Kahai, Executive Director, FOM with 2009-2010 and 2010-2011 annual grant reports and audit reports for years ending 2004, 2007 and 2010;
3. August 31, 2015, letter from the Director of Parks and Recreation with FOM's Annual Real Property Grant Report for FY2015;
4. September 14, 2015, email from Blossom Feiteira, Executive Director, FOM, with spreadsheet of income and expenses from parking lot concession;
5. September 15, 2015, a computer generated presentation from Blossom Feiteira, Executive Director, FOM;
6. October 12, 2015 email from Blossom Feiteira, Executive Director, FOM, with revised spreadsheet, Levin & Hu Audited Financial Statements for FY 2013 of FOM and KLK, and 2009-2014 income tax returns for KLK;
7. October 13, 2015, three quarterly reports from Diamond of parking concession revenues from from Blossom Feiteira, Executive Director, FOM;
8. October 13, 2015, Diamond service Agreement and quarterly report of revenue for January 1, 2014-March 31, 2014, from Blossom Feiteira, Executive Director, FOM; and

Mr. Danilo Agsalog
October 22, 2015
Page 3

9. October 13, 2015, email from Blossom Feiteira, Executive Director, FOM, with 2009 income tax return for FOM.

I would appreciate receiving a written response by **October 29, 2015**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Thank you for your assistance in this matter. Should you have any questions, please contact me or the Committee staff (Sharon Brooks at ext. 7137 or Pauline Martins at ext. 8039).

Sincerely,



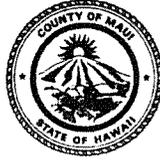
DON S. GUZMAN, Chair
Economic Development, Energy,
Agriculture, and Recreation Committee

ear:ltr:002afn01:sch

Enclosures

cc: Mayor Alan M. Arakawa
Deputy Director of Finance
Director of Parks and Recreation

ALAN M. ARAKAWA
Mayor



GLENN T. CORREA
Director

PATRICK T. MATSUI
Deputy Director

(808) 270-7230
Fax (808) 270-7934

RECEIVED

2011 DEC 22 AM 11:49

DEPARTMENT OF PARKS & RECREATION **OFFICE OF THE MAYOR**

700 Hali'a Nako'a Street Unit 2, Wailuku, Hawaii 96793

December 21, 2011

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Mike White, Chair
Economic Development, Agriculture, and Recreation Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

RECEIVED
11 DEC 30 AM 1:05
OFFICE OF THE
COUNTY COUNCIL

APPROVED FOR TRANSMITTAL

Alan Arakawa 12/20/11

Mayor Date

Dear Chair White:

**SUBJECT: LEASE AND LICENSE OF COUNTY-CONTROLLED PARCELS
TO FRIENDS OF MOKU'ULA, INC. (EDR-23)**

This letter is in response to your inquiry of December 16, 2011 regarding the subject matter.

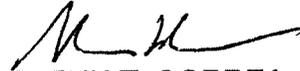
Chapter 13 of the Maui County Code gives the Director of Parks and Recreation the authority to approve parks permits for short term use. Longer term use approvals through lease and license agreements fall under the jurisdiction of the Departments of Finance and Housing and Human Concerns depending on whether the lessee or licensee pays the fair market rental value or has a grant awarded to them by the Grants Review Committee, Mayor and Maui County Council. Our department has previously assisted the Department of Housing and Human Concerns with proposed changes to Section 3.36.090 of the Maui County Code as it relates to real property grants. The proposed changes include transferring the authority given to the Grants Review Committee to the department who has the pertinent real property listed in their land inventory.

Although our department does not have any authority to administer the real property grants, in 2010, because of our concern over its administration, we decided to request annual reports from all real property grantees utilizing parks properties. Attached for your information are copies of the Friends of Moku'ula, Inc.'s annual reports for fiscal years 2010 and 2011.

Honorable Mike White – December 21, 2011
Chair, EDR Committee
Page 2

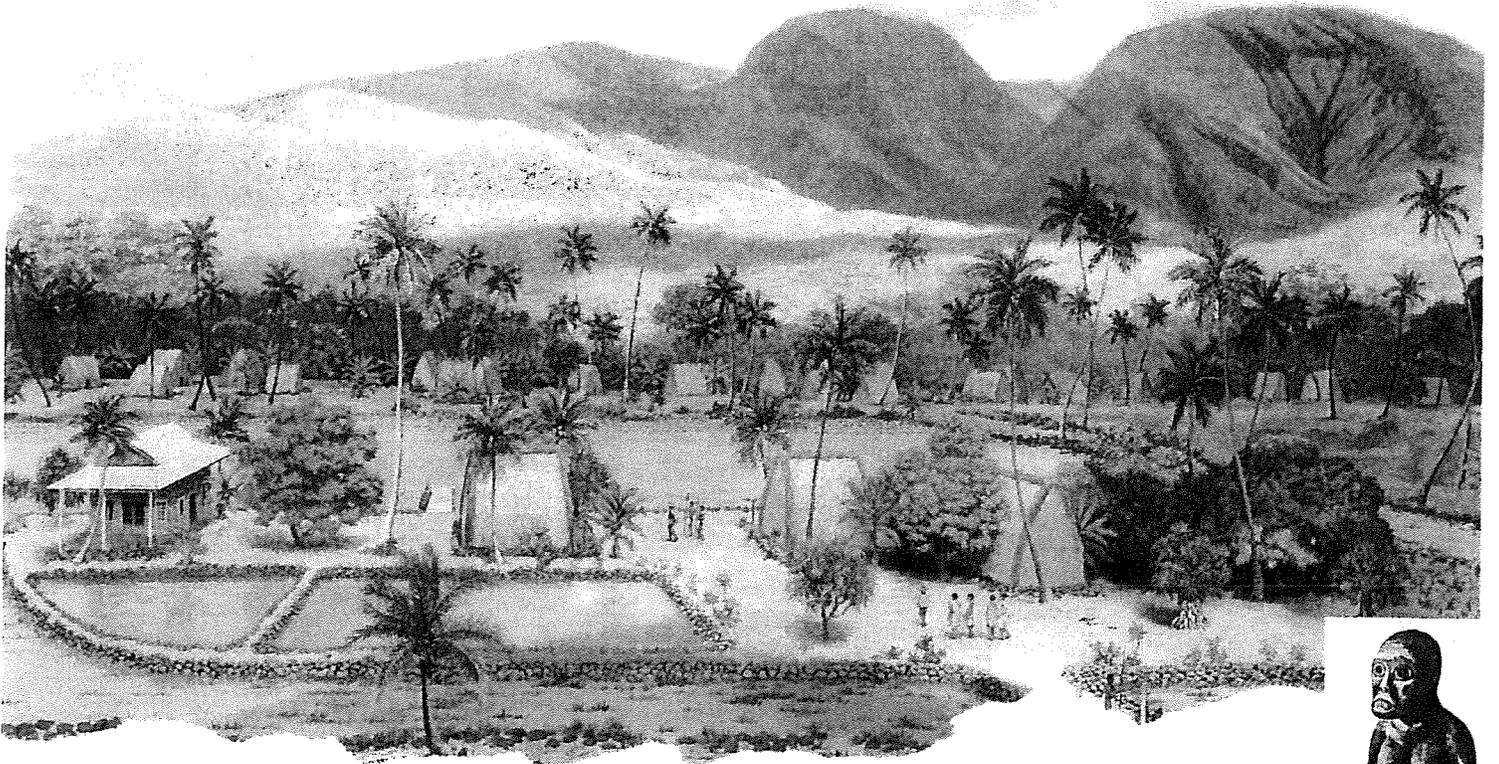
Should you have any further questions or require additional information, please contact me or our Special Events/Grants Coordinator, Roxanne Teshima, at Ext. 7949.

Sincerely,



GLENN T. CORREA
Director of Parks and Recreation

Attachments
GTC:rt



FRIENDS OF MOKU'ULA, INC.
Moku'ula Restoration Project
July 1, 2009 to June 30, 2010



**FRIENDS OF
MOKU'ULA, INC.**

I Ka Wā Mamua, Ka Wā Mahope
The Future Is In The Past

(808) 661-3659
Fax (808) 661-1676
505 Front Street, Suite 221
Lāhainā, Hawai'i 96761
E-mail: friends@mokuula.com
www.mokuula.com

July 21, 2010

Ms. Tamara Horcajo
Director of Parks & Recreation
700 Hali'a Nakoia Street, Unit 2
Wailuku, HI 96793

Aloha Tamara:

Attached is our Annual Report for the Friends of Moku'ula, Inc. containing the following information:

Founder & Director Emeritus
Akoni Akana

Officers

President
James Kimo Falconer

Vice President
Randal Bartlett

Secretary
Karee Carlucci

Treasurer
Matthew Erickson

Directors

William Albinger

Donna Curimao

Warren Freeland

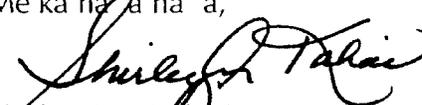
Amy Hampton

Valentina Stewart-Watson

- Program status summary
- Program data summary
- Summary of participant characteristics
- Financial Statement for year ending June 30, 2010
- Parks Real Property Grants Narrative Report
- Minutes of Board of Director's Meetings

If you need any additional information, please let us know.

Me ka ha'a ha'a,


Shirley Ann Kaha'i
Acting Executive Director

/sak

*Mahele to everyone
for all you do!!*



Friends of Moku'ula, Inc.
Grant Report for County of Maui
Department of Parks & Recreation
Moku'ula Restoration Project
Phase I

Grant Agreement No. G1304
Covering Period
July 1, 2009-June 30, 2010

PARKS REAL PROPERTY GRANTS NARRATIVE REPORT

Fiscal Year Ending 2010

ORGANIZATION: Friends of Moku'ula, Inc. GRANT NO. G 1304

Program Name: Moku'ula Restoration Project

INSTRUCTIONS

Provide a narrative response to each question below.
Respond to each question below in the order they appear.

I. Submit Minutes of the Board of Directors meetings for the fiscal report.

II. Program Status Summary

1. List each program goal/benchmark for this fiscal year at the leased/licensed site.
2. What objectives/action steps were completed this fiscal year for each goal?
3. What measurable outcomes were achieved this fiscal year?
4. Give actual number of clients served for activities, programs and events.
5. What objectives/actions steps will be accomplished during the next fiscal year, except if this is for the last fiscal year?

III. Narrative Report

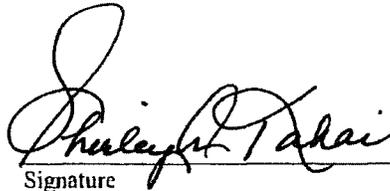
1. What program challenges occurred this fiscal year and how were they addressed and/or resolved?
2. What staffing changes occurred this fiscal year?
3. What staffing changes are pending?
4. List any improvements made to the building during this fiscal year.
5. Describe the building and/or park's current condition and concerns. If there are any improvements necessary to the building or park, please note what has been done by your organization thus far to correct the problem.
6. Grants/funds/projects anticipated for next fiscal year (i.e. improvements to building or park).

Narrative Report Prepared by:

Shirley Ann Kaha'i

Acting Executive Director

Print Name/Title


Signature

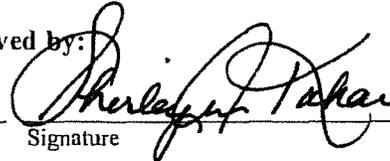
7/20/10
Date

Narrative Report Reviewed/approved by:

Shirley Ann Kaha'i

Acting Executive Director

Name/Title


Signature

7/20/10
Date

COUNTY OF MAUI GRANT REPORT

Project Name: Moku'ula Restoration Project

Grant Agreement #: G1304

Report Period: July 1, 2009 to June 30, 2010

Report Date: June 20, 2010

I. PROGRAM STATUS SUMMARY

1. **List each program goal/benchmark for this program year (2010).**
 - a) Enter into negotiations/arbitration with Kauahikaua & Chun, Architects for Phase I development to try to resolve design issues.
 - b) Complete Construction drawings and specifications, including landscaping plans.
 - c) Update County SMA construction start extension.
 - d) Submit extension for NPDES storm water discharge permit.
 - e) Meet with Army Corps of Engineers to continue with their "Feasibility Study & Ecosystem Restoration Report."
 - f) Commence Archeology field research in association with UH Maui College.
 - g) Clean, clear and grub property again with additional fill material to be placed on the site and leveled.

2. **What objectives/action steps were completed this quarter for each goal?**
 - a) Entered negotiations with arbitration judge and K & C architects in November of 2009.
 - b) Amount of additional and corrective work necessary to complete Construction Drawings work was discussed at length in arbitration.
 - c) SMA – Commencement of Work process pending extension.
 - d) NPDES extension granted.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

e) Army Corps issues in progress: GPS mapping of site incorporating all known maps, surveys, and archeology; hydrology study; Pond boundary and revetment design discussion; Wetland restoration; Identifying stake holders: neighborhood, community.

f) Two open forums with community on Archaeology process. Initial fieldwork commences.

g) Cleaning and grubbing of site complete in addition to small number of native species planted.

3. What measurable outcomes were achieved this quarter?

a) In February, 2010, the FOM Board approved resolution to terminate contract with Kauhiakaua and Chun. New design team or working on Phase I plan based on original plans.

b) Design development in progress.

c) SMA construction extension was joined with Field Archeology permit. Both have been approved.

d) Army Corps: Provided maps & survey; identified stake holders; discussed and updated site plan.

e) Ongoing field Archeology work with UH Maui College

f) Maintaining site through volunteer and staff efforts. Also incorporating landscaping on berm with kokua from Kamehameha School's Ho'olauna Program. Recently hired Daniel Enso of Aloha Arbor to trim the leaves and cut down the coconut from six coconut trees on berm of back lot as a safety precaution and beautification effort.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

4. Give actual number of clients served for activities, programs and events.

Maui Nei Native Hawaiian Expeditions, is the only tour company who is in partnership with a non-profit organization, The Friends of Moku'ula. Together they are dedicated to the restoration of Moku'ula at Lahaina, Maui. Through the combined efforts, a total of 1,276 cruise ship visitors, 439 FIT visitors, 671 students from a total of 10 educational institutions, and 82 volunteers generating 503 volunteer hours. The Friends of Moku'ula participated in conferences statewide with booth exhibits and gave presentations to various organizations and the total number of people they serviced exceeded 500.

In addition, the Ka 'I'imi 'Ike Archaeology field school, in partnership with the UH Maui College, is currently running through funding awarded by the Hawaii Tourism Authority (program period ended June 30, 2010). There were a total of nearly 75 students, volunteers and visitors to the site interested primarily in the field school and archaeology activities.

5. What objectives/action steps will be accomplished during the next quarter, except if this is for the last quarter?

- a) Review and approve design fee proposals.
- b) Finalize site plan. Start Working Drawings mid August.
- c) Continue UHMC Field Archeology program.
- d) Maintain new landscaping and manage existing parking lot facility.

II. NARRATIVE REPORT

1. What program challenges occurred this quarter and how were they addressed and/or resolved?

During arbitration with judge, it became clear that Kauhiakaua and Chun were unwilling to modify design without substantial additional fees. The Board agreed to terminate contract. New Maui based design team is moving forward on improving design while still incorporating original Plan design concepts.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

2. What staffing changes occurred this fiscal year?

Due to health complications, The Friends of Moku'ula lost its Founder and Executive Director, Akoni Akana in July 2009. Presently, Shirley Ann Kaha'i, has been appointed Acting Executive Director and is handling the day-to-day operations. She marks her 9th anniversary with the organization this year and was initially hired as the Project Assistant. In November, 2009, the part-time Program Assistant accepted a full-time position with Montessori Schools. Her position is open.

3. What staffing changes are pending?

An official appointment of an Executive Director is expected to be decided on by the end of this quarter. In the event Shirley Kaha'i is promoted to the Executive Director's position, FOM will have to fill the Project Assistant position. If she is not selected as the Executive Director, she will then revert back to her duties as the Project Assistant. FOM is also in search of a Program Consultant (contract basis at 20 hours/week).

4. List any improvements made to the building during this fiscal year.

No facility built; however, property is on a maintenance program for clean-up and landscaping through volunteer and staff endeavors.

5. Describe the building and/or park's current condition and concerns. If there are any improvements necessary to the building or park, please note what has been done by your organization thusfar to correct the problem.

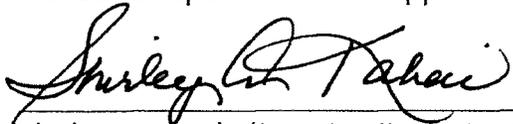
The continued challenge at Maluuluolele Park is the influx of homeless vagrants that "take up residency" and leave their belongings and trash on site. FOM and Steve Grant, Managing Director of 505 Front Street, have initiated dialog with the Salvation Army and the State to seek an alternative site. On a side note, a portion of Moku'ula island is located under the Salvation Army facility.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

6. Grants/funds/projects anticipated for next fiscal year (i.e. improvements to building or park.

FOM has acquired a volunteer through the VISTA Americorps program thanks to the generosity of Robin Danner, ED of the Council for Native Hawaiian Advancement. Shirley Kaha'i is a member of the board for CNHA. We hope to be aggressive with our grant writing once the volunteer is officially on board August 2, 2010. He will be writing grants for three non-profit organizations for the next 6 months.

Narrative Report Reviewed/Approved By:



Shirley Ann Kaha'i, Acting Executive Director

Date 7/20/10



Christine Riecke-Gonzales, CPA, LLC

To the Board of Directors
Friends of Moku'ula, Inc.
Lahaina, Maui, Hawaii

I have compiled the accompanying statement of financial position of Friends of Moku'ula, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Christi Riecke Gonzales, CPA, LLC

July 19, 2010

*Pending Board Approval at
August 18, 2010
Board of Director's Meeting*

FRIENDS OF MOKU'ULA, INC.

Statement of Financial Position
June 30, 2010

ASSETS

Current Assets:

Cash	
Petty Cash	\$ 300
Checking - American Savings	662
Checking - First Hawaiian Bank	13,534
ASB Savings Account	<u>46,838</u>
Total Cash	61,334
Accounts Receivable	1,491
Grants Receivable	22,977
Prepaid Insurance	<u>562</u>
Total Current Assets	<u>86,364</u>

Fixed Assets:

Furniture and Equipment	24,561
Less: Accumulated Depreciation	<u>(12,463)</u>
Net Fixed Assets	<u>12,098</u>

Other Assets

Investment in Ka Lua O Kiha, Inc.	100
Construction in Progress	<u>267,967</u>
Total Other Assets	<u>268,067</u>
TOTAL ASSETS	<u>\$ 366,529</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 158
Accrued Payroll Taxes	827
Accrued Vacation	<u>8,009</u>
Total Current Liabilities	<u>8,994</u>

Net Assets

Restricted	28,619
Unrestricted	<u>328,916</u>
Total Net Assets	357,535

TOTAL LIABILITIES AND NET ASSETS \$ 366,529

The accompanying notes and accountant's report are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Activities
For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Support:			
In-Kind Contributions	\$ 49,310	\$ -	\$ 49,310
Maui Nei Walking Tours	34,034	-	34,034
Contributions-Ka Lua O Kiha Inc.	30,000	-	30,000
County Grant	17,977	-	17,977
Other Contributions	17,060	-	17,060
HTA Grant	-	15,000	15,000
Old Lahaina Luau	8,918	-	8,918
Fred Baldwin Grant	-	7,500	7,500
Membership	722	-	722
Interest Income	54	-	54
Program Service Fees	50	-	50
Fundraising	30	-	30
Amounts Released From Restriction	29,270	(29,270)	-
Total Support	187,425	(6,770)	180,655
Expenses:			
Program Services			
Site Restoration	109,424	-	109,424
Maui Nei	38,085	-	38,085
Total Program Services	147,509	-	147,509
Supporting Services			
Management and General	62,070	-	62,070
Fundraising	1,164	-	1,164
Total Supporting Services	63,234	-	63,234
Total Expenses	210,743	-	210,743
Net Expenses Over Revenues	(23,318)	(6,770)	(30,088)
Net Assets at Beginning of Year	352,234	35,389	387,623
Net Assets at End of Year	\$ 328,916	\$ 28,619	\$ 357,535

The accompanying notes and accountant's report are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2010

	Program Services			Supporting Services			Total
	Site Restoration	Maui Nei	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Facilities Rental, Maintenance and Utilities	\$ 36,855	\$ 4,913	\$ 41,768	\$ 7,370	\$ -	\$ 7,370	\$ 49,138
Salaries and Wages	34,453	4,594	39,047	6,891	-	6,891	45,938
Professional Fees	133	18	151	41,778	553	42,331	42,482
Tour Expenses							
Operations & Office Manager	-	11,601	11,601	-	-	-	11,601
Guides	-	8,997	8,997	-	-	-	8,997
Tour Admissions	-	1,996	1,996	-	-	-	1,996
Food and Beverage	-	365	365	-	-	-	365
Payroll Taxes and Fringe Benefits	15,370	2,049	17,419	3,074	-	3,074	20,493
Cultural Advisor	9,000	-	9,000	-	-	-	9,000
Archeologist	5,500	-	5,500	-	-	-	5,500
Telephone and Communication	2,223	939	3,162	444	-	444	3,606
Insurance	963	1,628	2,591	193	-	193	2,784
Depreciation	1,743	232	1,975	349	-	349	2,324
Supplies	1,391	82	1,473	636	89	725	2,198
Advertising and Promotion	520	-	520	-	520	520	1,040
Travel and Related Expenses	805	-	805	-	-	-	805
Bank Service Charges and Merchant Fees	-	-	-	783	-	783	783
Subscriptions and Printing	-	655	655	95	-	95	750
Site Maintenance	244	-	244	-	-	-	244
Postage and Shipping	119	16	135	24	-	24	159
Membership Dues	-	-	-	156	-	156	156
Staff Development	-	-	-	140	-	140	140
Board Development and Meetings	-	-	-	134	-	134	134
Licenses, Permits, and Taxes	55	-	55	3	2	5	60
Volunteer Expenses	50	-	50	-	-	-	50
Total Expenses	\$ 109,424	\$ 38,085	\$ 147,509	\$ 62,070	\$ 1,164	\$ 63,234	\$ 210,743

The accompanying notes and accountant's report are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Cash Flows
For the Year Ended June 30, 2010

Cash Flows From Operating Activities:	
Cash received from grants, contributions, and memberships	\$ 65,282
Cash received from Maui Nei walking tours	34,034
Cash received from special events, merchandise sales, and program service fees	8,998
Interest income	54
Cash paid to suppliers and employees	<u>(157,047)</u>
Net cash used by operating activities	(48,679)
Cash Flows From Investing Activities:	
Construction expenditures	(23,726)
Purchase of office equipment	<u>(2,346)</u>
Net cash used by investing activities	<u>(26,072)</u>
Net Change in Cash	(74,751)
Cash Balance at Beginning of Year	<u>136,085</u>
Cash Balance at End of Year	<u>\$ 61,334</u>

Reconciliation of excess revenues over expenditures to
net cash provided by operating activities

Cash Flows From Operating Activities:	
Net expenses over support	\$ (30,088)
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:	
Depreciation	2,324
(Increase) decrease in assets:	
Grants and accounts receivable	(22,218)
Prepaid expenses	35
Increase (decrease) in liabilities:	
Accounts payable	(3,413)
Payroll and vacation accruals	<u>4,681</u>
Total adjustments	<u>(18,591)</u>
Net Cash Used by Operating Activities	<u>\$ (48,679)</u>

The accompanying notes and accountant's report are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.
Notes to the Financial Statements
June 30, 2010

1. Organization

Friends of Moku'ula, Inc. was incorporated in March 1997 to perpetuate native Hawaiian culture through promotion of public awareness and activities, including the support of a native Hawaiian cultural site restoration and learning center. The Organization's activities are carried out primarily on the west side of Maui County, State of Hawaii. The organization has two major programs as follows:

Site Restoration – The Organization is in the process of restoring, protecting, and preserving a historically significant pond at Lahaina known as Moku'ula and Mokuhina.

Maui Nei – The Organization provides a walking tour through Lahaina, visiting and explaining significant historical sites throughout the area.

The Friends of Moku'ula, Inc. depends significantly on parking concession fees and grants to carry out its program activities. In addition, a fee is charged for the Maui Nei walking tour to cover program costs.

The Organization is exempt from Federal income taxes pursuant to Internal Revenue Code Section 501(c)(3), and exempt from State income taxes under Section 237-23 the Hawaii Revised Statutes.

2. Summary of Significant Accounting Policies

Method of Accounting: The Organization uses the accrual method of accounting for financial statement reporting according to Generally Accepted Accounting Principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Property and Equipment: The Organization capitalizes all furniture and equipment with a useful life greater than one year. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which is five years for furniture and equipment.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRIENDS OF MOKU'ULA, INC.
Notes to the Financial Statements
June 30, 2010

2. Summary of Significant Accounting Policies (continued)

Net Assets: The Organization has conformed to Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Accordingly, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, such as fulfillment of donor-stipulated purpose and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted revenue. As of June 30, 2010, the Organization did not have permanently restricted net assets.

Cash and Cash Equivalents: Cash and cash equivalents are defined for the purposes of presenting the statement of cash flows as checking accounts, savings accounts, certificates of deposit, and money market accounts that are readily converted to cash within one year.

Functional Expenses: Friends of Moku'ula allocates expenses on a functional basis among three categories: direct program services, management and general, and fundraising. Most expenses are allocated directly to the program or support service benefited. Certain expenses are allocated using a percentage base. The percentage base is fifteen percent (15%) for the fiscal year ended June 30, 2010. The percentage is based on the ratio of administrative staff wages to total staff wages.

FRIENDS OF MOKU'ULA, INC.
Notes to the Financial Statements
June 30, 2010

3. In-Kind Contributions

The Organization is not required to pay rent or common area maintenance costs for its facilities. The minimum lease payments have been valued at approximately \$43,560 and, accordingly, have been recorded as in-kind revenue and expense. The current landlord has committed to provide the office space to the organization until the year 2011.

4. Operating Lease

The Organization leases a parcel of land from the County of Maui for \$1 per year through January 2037. Every five years, the County of Maui will review the usage of the lot and at its discretion can deny the continued operation of a parking concession.

Management has not determined a fair value of the lease and accordingly no in-kind revenue and expense is reflected in the financial statements.

The Friends of Moku'ula, Inc. has entered into an agreement with Ka Lua O Kiha, Inc. (a related organization), whereby Ka Lua O Kiha, Inc. is to provide site maintenance and management of the intended restoration site in exchange for parking concession fees. The site is currently being used as a parking facility and the net proceeds must be used for non-profit purposes.

5. Related Organizations and Parties

The Organization owns 100% of the stock of Ka Lua O Kiha, Inc., a for-profit feeder corporation. The Friends of Moku'ula, Inc. and Ka Lua O Kiha, Inc. share common board members, employees, and operating costs. During the fiscal year ending June 30, 2010, Friends of Moku'ula, Inc. received \$30,000 (17%) of its revenues from this related for-profit corporation.

6. County of Maui Grants

As of June 30, 2010, the Organization has been awarded \$500,000 in grants from County of Maui for the purpose of site restoration. As of June 30, 2010, the Organization had received approximately \$197,518. The grant expires on December 31, 2010.

FRIENDS OF MOKU'ULA, INC.
Notes to the Financial Statements
June 30, 2010

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>Donation Received</u>	<u>Amount Expended</u>	<u>Net</u>
Capital campaign	\$ 500	\$ -0-	\$ 500
Ethno Story Telling Grant	7,500	-0-	7,500
Archeologist	<u>35,000</u>	<u>14,381</u>	<u>20,619</u>
	<u>\$ 43,000</u>	<u>\$ 14,381</u>	<u>\$ 28,619</u>



FRIENDS OF MOKU'ULA, INC.
Board of Director's Meeting Minutes
July 7, 2009
Friends of Moku'ula, Inc.

Present: Bill Albinger, Randy Bartlett, Karee Carlucci, Matt Erickson, Kimo Falconer, Warren Freeland,
Staff: Shirley Ann Kaha'i
Excused: Valentina Stewart-Watson

I. Call to Order

The meeting was called to order at 5:05 p.m. by President Kimo Falconer.

II. Pule Wehe

Pule by Karee Carlucci.

III. Approval of Minutes

Bill Albinger requested that the following revision be made to the June 17, 2009 minutes under Section X. New Business, C. Cultural Advisory Council: The board chose to hold off on sanctioning the five preliminary council members until such time as the new head of FOM is in place.

Randy Bartlett moved to accept the June 17, 2009 Board meeting minutes with correction. It was seconded by Bill Albinger. The motion to accept the minutes was unanimously approved. Motion passed.

IV. Treasurer's Report

The Treasurer's Report was accepted.

V. Operation's Report

Shirley presented the Operations Report (Copy available).

VI. Unfinished Business

A. Committee Reports

1. Nominating Committee

Chair, Karee Carlucci, distributed a listing of potential board member recruits and the board reviewed the list and decided to request resumes from the following: Addie Rodrigues, Pua Mahoe, Wilmont Kahaiali'i, Dee Coyle, Terry Freitas-Gorman (Randy Bartlett to contact), Kawika Freitas and Donna Lee Curimao. Karee to contact these individuals and request a brief resume to be used as part of the selection process.

2. Project Committee

a) Cultural Advisory Committee

Chair of the Project Committee, Kimo Falconer reported that the Cultural Advisory Committee would be discontinued and members of the CAC would be notified by either Kimo or Charlie Maxwell on July 8, 2009. It was suggested that either Kimo or Shirley contact the CAC members personally and thank them for their help, etc. and to notify them of the decision to discontinue the CAC. CAC members are: Charlie Maxwell, Lyons Naone, Paul Fujishiro, Maile Shaw and William Waiohu.

B. DCCA Filing

Kimo reported that he called and left a message for Stan Manuia and received no return call regarding the DCCA Filing and the status. Kimo explained to the Board that he had one concern regarding the grant monies received from the COM grant. Suggested that Shirley contact Brian Moto, Maui County Corporate Counsel.

C. Employment Status of Akoni Akana, Executive Director

The Board requested that Akoni submit a letter stating his intentions for our records.

D. CRC and Burial Council Meetings

Shirley gave an update on the dates of the upcoming Burial Council (July 30th) and CRC (August 6th) meetings.

E. SMA Permit Extension Request

It was reported that we are seeking extension of our SMA Permit and to have it go through the Planning Department for approval.

F. COM Grant Extension Request

It was recommended that Shirley contact Brian Moto to discuss the COM Grant and the monies received.

VII. New Business (Staff Excused)

Succession Planning and Staffing Budget was discussed and staff was excused.

(Following the closed session, Kimo advised Shirley that Hokulani Holt would be hired on an independent contract as a Cultural Consultant.)

VII. Announcements

There were no announcements to report.

VIII. Adjournment

Meeting adjourned at 7:00 p.m.



FRIENDS OF MOKU'ULA, INC.
Board of Director's Meeting Minutes
August 19, 2009
Friends of Moku ' ula, Inc.

Present: Bill Albinger, Randy Bartlett, Karee Carlucci, Matt Erickson, Kimo Falconer
Staff: Shirley Ann Kaha'i
Excused: Valentina Stewart-Watson, Warren Freeland

I. Call to Order

The meeting was called to order at 5:04 p.m. by President Kimo Falconer.

II. Pule Wehe

Pule by Kimo Falconer.

III. Approval of Minutes

Matt Erickson moved to accept the July 7, 2009 meeting minutes. It was seconded by Randy Bartlett. The motion to accept the minutes was unanimously approved. Motion passed.

IV. Treasurer's Report

The Treasurer 's Report was accepted.

V. Operation's Report

Shirley presented the Operations Report (Copy available).

VI. Unfinished Business

A. Committee Reports

1. Nominating Committee

Karee asked if she could get help in contacting the potential board recruits and Kimo offered assistance. Background was given on the candidates referred by the board. Will attempt to conduct interviews with the candidates prior to the September 16th meeting.

a. Project Committee

- Kimo reported that Phil submitted proposals from RSK Architects and 3 consultants, Mechanical, Electrical and Structural for the redesign of Phase I. The proposed cost of their work is \$38,000; however, it does not include the cost of the future FOM building.

B. DCCA Filing

Kimo gave an update on the DCCA filing. Wants to call a meeting with the County. Shirley to schedule meeting with Parks & Recreation, Brian Moto of Corporate Counsel, Kimo and Shirley to discuss the COM grant and to give us some direction on how to proceed. Kimo advised that Stan received a letter from Calvin Young and we will be going through mediation. Will attempt to get Judge Kaulukukui for the mediation. The DCCA filing will expire on April 17, 2010.

C. Employment Status of Akoni Akana, Executive Director

Kimo read the letter received from Akoni addressed to Kimo and the Members of the Board dated July 21, 2009. Akoni requested that he continue to use the FOM cell phone if he would be contracted as a consultant. Shirley advised that we have 3 cell phones on a plan with T-Mobile. Matt moved that we allow Akoni to continue using the company cell phone as it is on a plan. No discussion was made on Akoni 's request to be contracted as a cultural consultant.

D. CRC and Burial Council Meetings

Shirley reported that FOM was advised by Hinano Rodrigues that we did not have to appear before the Burial Council (per Charlie Maxwell, Burial Council Chair).

VII. New Business

A. Hokulani Holt, Cultural Consultant – Contract

There was discussion on the contract for Hokulani Holt and her rate of pay and it was estimated to offer her 10-15 hours a month, at approximately \$3,000/month and \$36,000/year. Shirley to provide Kimo with an outline of the tasks that include cultural kuleana from Hoku.

VIII. Announcements

Kimo reported that he would be away from September 9-13, 2009.

Next meeting – September 16, 2009

IX. Adjournment

Meeting adjourned at 7:00 p.m.



FRIENDS OF MOKU'ULA, INC.
Board of Director's Meeting Minutes
September 16, 2009
Friends of Moku'ula, Inc.

Present: Bill Albinger, Randy Bartlett, Karee Carlucci, Matt Erickson, Kimo Falconer, Warren Freeland, Valentina Stewart-Watson
Staff: Shirley Ann Kaha'i

I. Call to Order

The meeting was called to order at 5:04 p.m. by President Kimo Falconer.

II. Pule Wehe

Pule by Matthew Erickson.

III. Approval of Minutes

Matt Erickson moved to accept the August 19, 2009 meeting minutes. It was seconded by Bill Albinger. The motion to accept the minutes was unanimously approved. Motion passed.

IV. Treasurer's Report

The Treasurer's Report was accepted.

V. Operation's Report

Shirley presented the Operations Report (Copy available).

VI. Unfinished Business

A. Committee Reports

1. Nominating Committee

Pua Mahoe, Wilmont Kahaiali'i, Amy Hampton and Donna Curimao were the final candidates selected by the board and Kimo offered to arrange to coordinate meeting with recruits and Nominating Committee. Final voting on new board members to be held at October meeting, following interviews.

2. Project Committee

Revised plans were forwarded to Project Committee for review.

B. DCCA Filing Update

Meeting is being scheduled with County of Maui/Parks & Recreation Department. Waiting to hear back from Parks on availability of Tamara Horcajo, Roxanne Teshima, Jeff Ueoka.

A pre-mediation meeting has been scheduled for October 20th on Oahu and a mediation meeting for November 10th. Per Stan, he is pushing for settlement. The filing expires on April 16, 2010 before we need to refile.

C. CRC and Burial Council Meetings

Shirley reported that she learned that Charlie Maxwell, Burial Council Chair, is again asking FOM to appear before the Council. No official word has yet been received.

D. Hokulani Holt, Cultural Consultant – Contract

Shirley to finalize draft of contract for Hōkūlani and send to Valentina for review by Friday, September 18th. Once completed, the contract will be mailed to Hōkū for review and signature. Meeting with Hōkū, Kimo and Shirley set for September 17th to discuss responsibilities.

VII. New Business

Although not on the agenda, Kimo brought up that we will need to start planning on putting together a high-quality annual report as part of our County report. Shirley to gather annual reports from other organizations for ideas. Suggestions were to honor Akoni in the Annual Report and mention the hiring of Hōkū as our Cultural Consultant.

VIII. Announcements

Kimo reported that he would be in Japan from October 11-17.

Next meeting – October 21, 2009

IX. Adjournment

Meeting adjourned at 6:30 p.m.



FRIENDS OF MOKU'ULA, INC.
Board of Director's Meeting Minutes
October 21, 2009
Friends of Moku'ula, Inc.

Present: Bill Albinger, Randy Bartlett, Matt Erickson, Kimo Falconer,
Valentina Stewart-Watson
Staff: Shirley Ann Kaha'i
Absent: Karee Carlucci, Warren Freeland,

I. Call to Order

The meeting was called to order at 5:00 p.m. by President Kimo Falconer.

II. Pule Wehe

Pule by Bill Albinger.

III. Approval of Minutes

Randy Bartlett moved to accept the September 16, 2009 meeting minutes. It was seconded by Bill Albinger. The motion to accept the minutes was unanimously approved. Motion passed.

IV. Treasurer's Report

The Treasurer's Report was accepted.

V. Operation's Report

Shirley presented the Operations Report (copy available). Reiterated meeting with COM, Parks & Recreation (Tamara Horcajo, Roxanne Teshima, Jeff Ueoka, Hal Halvorsen) and Kimo Falconer, Shirley Kahai, and Stan Manuia re: COM grant. It was explained to the COM that FOM has filed a complaint with the DCCA against Kauaihikaua & Chun. There is a balance left in the COM grants due to expire on 12/31/09 and it was recommended by Tamara Horcajo that FOM lapse the grant and reapply for a grant after 2010 as they have already set their budget for next year.

VI. Unfinished Business

A. Committee Reports

1. Nominating Committee

The Nominating Committee requested that FOM contact Donna Curimao, Amy Hampton and Pua Mahoe to schedule a meeting to interview these individuals.

2. Project Committee – Deferred review of proposals.

- B. **DCCA Filing Update**
Mediation hearing with Retired Judge Riki Amano set for November 10th at 10:30 a.m. and travel arrangements will be at her expense.

- C. **Burial Council Meeting Update**
Shirley reported that she attended the Burial Council meeting in October with Janet Six and Jessica at the Kula Community Center. They were at the meeting all day and at 3:30 p.m. they were asked by Hinano Rodrigues if they could defer FOM to the next meeting. Shirley preferred to be called upon because they had come from Lahaina and had been at the meeting all day. They were called on at 3:45 p.m. and approached the Council, but the Council (Chair Maxwell) asked if they could ask a question of an archaeologist on another agenda item which furthered the delay. FOM was given 5 minutes and Chair Maxwell had questions for Hōkū Holt and FOM has to return to the Burial Council for the November meeting.

- D. **Hōkūlani Holt, Cultural Consultant – Contract**
Shirley reported that Hōkū received the contract and reviewed it. Will return the signed contract to FOM.

VII. New Business

Kimo brought up that we will need to start planning on putting together a high-quality annual report as part of our County report. Shirley to gather annual reports from other organizations for ideas. Suggestions were to honor Akoni in the Annual Report and mention the hiring of Hōkū as our Cultural Consultant.

VIII. Announcements

None

Next meeting – November 18, 2009.

IX. Adjournment

Meeting adjourned at 6:30 p.m.



FRIENDS OF MOKU'ULA, INC.
Board of Director's Meeting Minutes
December 10, 2009
Friends of Moku'ula, Inc.

Present: Bill Albinger, Randy Bartlett, Matt Erickson, Kimo Falconer, Warren Freeland, Valentina Stewart-Watson
Staff: Shirley Ann Kaha'i
Absent: Karee Carlucci

The Board of Director's Meeting scheduled for December 9th was dispensed due to lack of quorum. Meeting was rescheduled to December 10, 2009 at 9:30 a.m.

I. Call to Order

The meeting was called to order at 10:00 a.m. by President Kimo Falconer.

II. Approval of Minutes

Matt Erickson moved to accept the October 21, 2009 meeting minutes. It was seconded by Randy Bartlett. The motion to accept the minutes was unanimously approved. Motion passed.

III. Treasurer's Report

The Treasurer's Report was accepted.

IV. Operation's Report

A copy of the Operation's Report was provided to the Board for their review.

V. Unfinished Business

A. Committee Reports

1. Nominating Committee

The Nominating Committee proposed to the Board that Amy Hampton, Donnalee Curimao and Pua Mahoe become new members of the FOM Board. Randy Bartlett moved that the three individuals be voted on the Board and Bill Albinger seconded. All were in favor, with Valentina abstaining from vote for Pua Mahoe, and motion carried.

2. Project Committee – Deferred.

B. DCCA Filing Update

Deferred as mediation hearing followed Board meeting

C. Burial Council Meeting Update – no update

VII. New Business

- A. Executive Director position - deferred

VIII. Announcements

None

Next meeting – January 13, 2010

IX. Adjournment

Meeting adjourned at 10:12 a.m.

**Minutes of Board Meeting
Friends of Moku'ula, Inc.
March 17, 2010**

In attendance: Kimo Falconer, Warren Freeland, Bill Albinger, Donnalee Curimao, Amy Hampton, Karee Carlucci, Hokulani Holt and Shirley Kaha'i, Executive Director

The meeting was called to order at 5:10 pm by President Kimo Falconer. Shirley Kaha'i offered the pule.

Kimo introduced our Hawaiian Cultural Consultant Hokulani Holt and welcomed new board members, Donna Curimao and Amy Hampton. Shirley welcomed everyone and said she was happy all were together here. Warren gave a background on Moku'ula and remarked that the ceremony last Saturday was a good example of the new beginning for Friends of Moku'ula. Donna explained her genealogy, which is linked to Moku'ula.

The board members then reviewed the meeting minutes from January 13, 2010. Bill moved to approve the minutes; Warren seconded the motion. All were in favor. It was noted that the Executive Session minutes would be separated from the regular board meeting minutes.

In Treasurer Matt's absence, Shirley reviewed the financial documents and pointed out that they were effective through December 31, 2009. Kimo then explained the format of the documents to the new board members and the significance of Kalua O Kiha (for profit arm) and Friends of Moku'ula (nonprofit).

Shirley gave her Operations Report (refer to document submitted to all board members). Recap of the report highlights:

Received a report in the mail from Army Corps of Engineers by Oceanit - the findings mean that FOM has to appear before the Burial Council again because they want to do more borings (to get core samples) on the site as high levels of arsenic were found in the soil. There is a cultural monitor from Oceanit, but Hoku will look at the report. Kimo said that the ACOE is moving right along but they march to their own drum.

Maui Nei has been receiving a lot of requests from schools and destination management companies to do the tour (not just cruise ships). Janet Six will lead a group of CEOs from the mainland.

Ka 'I'imi Ike held its first class on March 6 and everyone learned the chants. Amy said that it was great to have Shirley and Anabelle at each class. Hoku said she was very happy with the college students and they learned well. She offered to give each board member a CD with the chants on it.

Volunteers have done community service work recently - many more than usual have come forth since the ceremony and front page article in *The Maui News*. Akoni is coming home to Maui for Celebration of the Arts weekend at The Ritz-Carlton, Kapalua, and Shirley invited the board to go and see him there.

Shirley has been interviewing candidates for the Program/grantwriting position. Janet Six is interested in the part-time position. Amy, Janet Six, Jessica Thompson and Keoki Sousa all volunteered to be part of a hui to look for grants. It was noted that FOM needs to put together a board Fundraising Committee. Kimo suggested having another board meeting soon.

Shirley then reported that the office lease with Trinity will expire next year and asked the board to think about what we want to do. We need to start working on the next fiscal year's budget (2010-11).

Hokulani passed out reference material about "Ho'okupu" to explain what was going on during the ceremony last Saturday so the board can understand it more. She explained that *ho'okupu* is different from *makana*. She advised that the chants and stories from when the deity was still in existence generally tell us what the mo'o requires. Two things are always acceptable: your voice and fresh water (the water of Kanaloa - spring water coming into ocean water - can be used). Containers should be natural like a gourd, bamboo or coconut. When you speak, the format is to address the deity or place, introduce yourself - where you come from, why you're there and what you want. A question-and-answer session followed.

Kimo gave a Project update on the mediation. He explained what has been happening to the new board members and where we are now. The board reviewed the "Settlement Terms Matrix" document that was handed out. Attorney Stan Manuia was then contacted by phone conference to discuss the terms with the board.

Stan presented two items: 1) According to Calvin Young (att'y for Kauahikaua & Chun), K&C will do for free anything that is required by law (state or county) to correct the plans. 2) It is up to FOM to remove from the plans anything that we don't want, such as the gate, electrical pad, water valve and *hale*. Judge Amano suggested that FOM make a "sunset date" within which to look over the plans and advise K&C if any other changes are required. FOM needs to check with the agencies involved. FOM will then get a CD with the corrected plans in a CAD application (in lieu of printed plans) and they will not have an architect's seal. When it was discovered that FOM owed K&C some money, then the attorneys' fees and costs clause came into the settlement (each side pays their own).

Stan recommended that FOM enter into the settlement agreement and establish a long sunset date for final review and changes. All of the accounting numbers should be clear at the time of execution of settlement. Stan applauded the board for following his recommendation and authorizing him to settle the DCCA claim against K&C.

The board asked if FOM owes the judge any more money. Stan didn't know but would request a final accounting from the judge.

The next board meeting is scheduled for June 16, 2010. The meeting was adjourned at 6:50 pm.

Respectfully submitted,

Karee Carlucci, Secretary

**Minutes of Board Meeting
Friends of Moku'ula, Inc.
June 16, 2010**

Pending transcription of Minutes by Board Secretary, Karee Carlucci

Friends of Moku'ula

July 1, 2010 - June 30, 2011

COUNTY OF MAUI GRANT REPORT

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

I. MINUTES

Enclosed are copies of FOM Board Minutes.

II. PROGRAM STATUS SUMMARY

1. **List each program goal/benchmark for this program year (2011).**
 - a) Solicit Design Development proposals for redesign of Phase I Design.
 - b) Revise Phase I Construction drawings and specifications, including: site and civil plans, Hawaiian hale plans, site support building plans, landscaping plans.
 - c) Update FOM's Strategic Plan.
 - d) Help facilitate Army Corps request for approval from Burial Council for site soil sampling. Nearly one-year delay in process.
 - e) Meet with Army Corps of Engineers to continue with their "Feasibility Study & Ecosystem Restoration Report."
 - f) Continue Archaeology field research in partnership with UH Maui College for Ka 'I'imi 'Ike program following one-year delay while seeking approval from the Cultural Resource Commission and Burial Council.
 - g) Clean, clear and grub property.
 - h) Obtain Arborist report of conditions of trees in Phase I development area.
2. **What objectives/action steps were completed this quarter for each goal?**
 - a) Proposals for redesign of Phase I development were accepted. The following Maui-based design team was selected: Hans Riecke, HR Architects; Anthony Riecke-Gonzales, RSK Architects; Austin Tsutsumi & Associates; Kevin Tanaka, Landscape Architect. (Copies of proposals previously submitted.)
 - b) As of June 30th, revised Phase I plans were in final weeks of design development with design work at 80% completion.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

- c) In May of 2011, FOM's Board, staff and consultants meet for a 2-day workshop on providing a updated Strategic Plan. Subsequent workshops by the Board with staff, finalized Strategic Plan, and work in progress.
- d) Burial Council: After initial refusal to grant Army Corps request to perform site soil test boring and subsequent inability of Council to meet and take action on request, SHPD ruled that the Burial Council did not have jurisdiction in this matter.
- e) Army Corps planning progress: GPS mapping of site incorporating all known maps, surveys, and archeology; hydrology study; pond boundary and revetment design discussion; wetland restoration; meeting with stakeholders: neighborhood, community.
- f) UH Maui College Archaeology Program proceeded with initial fieldwork. Student Work is being monitored by FOM Cultural Practices Consultants.
- g) Cleaning and grubbing of site complete in addition to small number of native species planted.
- h) Arborist report of Shaw Street trees indicates one monkey pod tree is badly infested & diseased and another monkey pod tree with a split trunk needs to be removed. All trees are in need of pruning.

3. What measurable outcomes were achieved this quarter?

Significant improvement/simplification of Phase I plans were instituted. Initial cost analysis between original plan and present plan indicates significant construction cost savings with new plan.

- a) Redesign of Phase I include: Revised site plan with significant less hard-scape, better bus parking and traffic flow. Separation of parking lot from cultural area with stone privacy wall and gated entry. Incorporation of traditional Hawaiian Hale as main cultural pavilion with modern facility support building taking less visible position. Incorporation of a Hawaiian Pa for outdoor presentations and adding substantial use of indigenous planting.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

- a) New Strategic Plan provides for measurable, achievable benchmarks and action plans for the Board use.
- b) Soil sampling tests were performed in June of 2011.
- c) Army Corps completed hydrology and drainage study. Present plan development is on going.
- d) Field Archeology work with UH Maui College commenced with the semester schedule.
- e) Site clean-up occurred throughout the year.

4. Give actual number of clients served for activities, programs and events.

Maui Ne'i Native Hawaiian Expeditions, is the only tour company who is in partnership with a non-profit organization, The Friends of Moku'ula. Together they are dedicated to the restoration of Moku'ula at Lahaina, Maui. Through combined efforts, a total of over 1,200 cruise ship visitors, 750 FIT visitors, 500 students from a total of 24 educational institutions, including Kamehameha Schools' Ho'olauna and Ka Ipu Kukui Programs, and 200 volunteers generating almost 1,000 volunteer hours. The Friends of Moku'ula participated in 7 conferences and events statewide with booth exhibits and gave presentations to various organizations and the total number of people they serviced exceeded 5,000 people.

In addition, the Ka 'I'imi 'Ike Archaeology field school, in partnership with the UH Maui College, is currently running through funding awarded by the Hawaii Tourism Authority (program period ended June 30, 2010). There were a total of nearly 50 students, numerous volunteers and countless visitors to the site interested primarily in the field school and archaeology activities.

5. What objectives/action steps will be accomplished during the next quarter, except if this is for the last quarter?

- a) Review and approve design fee proposals.
- b) Finalize site plan. Start Working Drawings mid August.
- c) Continue UHMC Field Archeology program.
- d) Maintain new landscaping and manage existing parking lot facility.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

II. NARRATIVE REPORT

1. What program challenges occurred this quarter and how were they addressed and/or resolved?

At the January meeting with the Mayor, he graciously offered to extend original FOM County grants. Mayor's office will assist in work toward moving Salvation Army to new west side location. Mayor's office will help expedite County Building Permit review process for Phase I development. Need of updated Strategic Plan became apparent. Board and staff worked diligently to create new plan.

2. What staffing changes occurred this fiscal year?

The Friends of Moku'ula and Maui Ne'i lost its Founder and first Executive Director, Akoni Akana in March 2011. Shirley Ann Kaha'i, has been appointed Executive Director and is handling the day-to-day operations. She marks her 10th anniversary with the organization this year.

3. What staffing changes are pending?

A position of in house grant writer and administrative assistant is under review.

4. List any improvements made to the building during this fiscal year.

No facility built; however, property is on a maintenance program for clean-up and landscaping through volunteer and staff endeavors.

5. Describe the building and/or park's current condition and concerns. If there are any improvements necessary to the building or park, please note what has been done by your organization thus far to correct the problem.

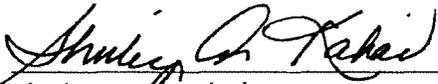
The continued challenge at Malu'uluolele Park is the influx of homeless vagrants that "take up residency" and leave their belongings and trash on site. FOM and Steve Grant, Managing Director of 505 Front Street, have initiated dialog with the Salvation Army and the State to seek an alternative site. On a side note, a portion of Moku'ula Island is located under the Salvation Army facility.

6. Grants/funds/projects anticipated for next fiscal year (i.e. improvements to building or park.)

Completion of Phase I working drawings and submission for building Permits is anticipated this calendar year. Major grant and fund raising effort are in process to fund anticipated construction cost of \$4.2 million for Phase I.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

Narrative Report Reviewed/Approved By:



Shirley Ann Kaha'i, Executive Director

Date 8-17-11

**Minutes of Board Meeting
Friends of Moku'ula, Inc.
August 18, 2010**

In attendance: Kimo Falconer, Randy Bartlett, Bill Albinger, Donnalee Curimao, Amy Hampton, Valentina Stewart-Watson, Karee Carlucci, Hokulani Holt, Cultural Advisor and Shirley Kaha'i, Executive Director

The meeting was called to order at 5:10 pm by President Kimo Falconer. Hokulani Holt led the group in offering chants, E Ho Mai and Na 'Aumakua.

The board members then reviewed the meeting minutes from June 16, 2010. Bill Albinger moved to approve the minutes; Randy Bartlett seconded the motion. All were in favor.

In Treasurer Matt's absence, Shirley reviewed the financial documents with the board and each board member received copies of the year-end statements through 6/30/2010.

Shirley delivered her Operations Report (refer to document submitted to all board members). She noted that the Army Corps of Engineers appeared before the Burial Council in June with modified plans to proceed with soil testing. All of the council members were in favor of FOM using an augur to obtain soil samples, except Charlie Maxwell (however, as of June 30 Charlie is no longer on the Burial Council). Taking 250 spoonfuls of soil was approved; using an augur to extract a small core sample was not. Shirley also gave the board an update on the status of Akoni Akana's health, a report on the Maui Nei program and Ka 'I'imi 'Ike Summer field school program.

Under unfinished business, Kimo reported that FOM still has not received a signed copy of the mediation contract and release from Kauahikaua & Chun (K&C).

FOM's financial audit will begin on August 31, conducted by Carbonaro DeMichele. Shirley also reported that she has met with James Koshiba in Honolulu and they are working together on updating the Business Plan for FOM.

Kimo reminded the board that we also need to have an updated Strategic Plan since the current one expires at the end of the year. A discussion ensued about working from the Business Plan into the Strategic Plan.

A date for the fundraiser at Old Lahaina Lu'au has still not been set. Amy would like us to look outside the board for help in coordinating it. There have been no board committee meetings yet for Fundraising/Development, Human Resources, Nominating or Policy & Bylaws (it was determined that there are no issues to review).

Kimo gave a report from the Project Committee, saying he has met with the new architects and they are going in a different direction from K&C. They've had very productive meetings, offering good ideas. He mentioned that there is an agreement in place with Hans Riecke and we need to do one with Francis Sinenci since we have a County grant for building a traditional hale. Francis is moving forward with gathering natural materials.

Architect Anthony Gonzales is very smart and very thorough - when we ask for something we get it. The parking lot rendering/plan has changed and some new things have come up that are being fleshed out. Project Manager Phil Johnson has been proactive, taking a situation to the next level - he's very prepared. Meetings will be convened with the Planning Dept. and other consultants. FOM has been receiving cost estimates and new renderings; Kimo commented that we don't have to ask all the questions, and it's very refreshing.

Kimo announced that the managing director of the 505 Front Street Shops complex contacted him and wants to have a discussion about moving forward with getting the Salvation Army into a new location. He has had discussions with state and national Salvation Army officials and is taking steps to get them relocated. Shirley announced that the young man from CNHA she had interviewed will be doing some grantwriting for FOM.

The board went into an Executive Session.

Nominations for officers of the board were opened. Karee stated that the Executive Committee had met last week and all current officers were willing to serve again with the exception of Vice President Randy, who had resigned his position. She then asked for nominations from all board members and discussion ensued. Valentina volunteered to be secretary.

Bill Albinger moved that **Kimo Falconer** remain **president** of the board. Randy Bartlett seconded the motion. All were in favor.

Valentina Stewart-Watson moved that **Karee Carlucci** become **vice president** of the board. Amy Hampton seconded the motion. All were in favor.

Donnalee Curimao moved that **Valentina Stewart-Watson** become **secretary** of the board. Amy Hampton seconded the motion. All were in favor.

Bill Albinger moved that **Matt Erickson** remain **treasurer** of the board. Valentina Stewart-Watson seconded the motion. All were in favor.

When the board meeting resumed, Kimo announced that the officers of the board had been elected and named them. He then advised that the board reached a decision on the open Executive Director situation, and he will meet with Shirley by the end of the week to discuss the plan and new direction.

The next board meeting was scheduled for Wednesday, October 20.

Hawaiian Cultural Advisor Hokulani Holt offered a question-and-answer session to the board about the chants the board is learning and protocol for using them.

The meeting was adjourned at 7:10 pm.
Respectfully submitted,
Karee Carlucci, Secretary

Board minutes have not been approved by Board. To be approved at October meeting. Minutes are solely for Auditor's review.

Minutes of Board of Directors Meeting
Friends of Moku'ula, Inc.
October 20, 2010

Attendance: Matthew Erickson, Donna Curimao, James Kimo Falconer, Valentina Stewart Watson, Amy Hampton, Randal T. Bartlett, Karee Carlucci, Rev. William J. Albinger, Jr., Shirley Ann Kaha'i.

- I. Call to Order: 5:00 p.m. by President James Kimo Falconer.
- II. Pule Wehe: E Ho Mai and Na 'Aumakua
- III. Approval of August 18, 2010 Minutes: Rev. William J. Albinger, Jr. moved that minutes be approved as written, Secretary Valentina Stewart Watson seconded, motion passed unanimously.
- IV. Treasurer's Report: Treasurer Matthew Erickson introduced and explained highlights of the following: FOM Balance Sheet as of September 30, 2010; FOM Profit & Loss Budget vs. Actual July through September 2010; FOM Profit & Loss Prev. Year Comparison July through September 2010; Ka Lua O Kiha, Inc. Balance Sheet as of September 30, 2010; Ka Lua O Kiha, Inc. Profit & Loss Budget vs. Actual July through September 2010; Ka Lua O Kiha, Inc. Profit & Loss Prev. Year Comparison July through September 2010; FOM & Ka Lua O Kiha, inc. Combined Statement of Cash Flows September 30, 2010.

Specifically, he pointed out that FOM met and exceeded budgeted amount for communications for the period July through September 2010 (cell phone \$78.64 over, telephone \$47.07 under, total \$31.52 over) and that FOM is attempting to remedy this. In addition, it was pointed out that travel expenses exceeded the budgeted amount for this time period, although by a small amount (\$114.00). It was also mentioned that Maui Nei (contracted services) was under budget for the period (-\$4,173.24) and all noticed that at the end of the period FOM had a net income of \$33,278.42.

Shirley Ann Kaha'i mentioned that the final HTA grant report was prepared in September.

After much discussion and among the Board, questions to and answers from the Treasurer, Amy Hampton moved and Randal T. Bartlett seconded that the Treasurer's report be approved as presented. Motion passed unanimously.

V. Operations Update: Shirley Ann Kaha'i presented the August - October 2010 Operations Update and pointed out certain highlights.

Regarding the project, the Army Corps of Engineers was on Maui in mid-October for soil testing; Cultural Adviser Hokulani Holt-Padilla opened the soil testing with traditional chant. The Army Corps of Engineers and FOM were to be present at the October 2010 Burial Council meeting, however Athline Clark was away so they decided to re-schedule for the January 2010 Burial Council meeting.

In programs, Maui Nei held a new kumu training in August and seven people attended. They are now shadowing the kumus on the tours. The new kumu are seven very strong women. Kalani English came out to the site in October. He has a picture of the site in his newsletter.

In development, The final report was due in September and mailed out to the Hawaii Tourism Authority for a \$30,000.00 grant for the Ka 'I'imi 'Ike program.

In donations, Donna Curimao obtained donations of tools and equipment worth \$1000.00; Joe Pluta Realty donated \$100.00, and others donated as well. Aloha Waste Management donated trash bins and paid the landfill fee. Shirley Ann Kaha'i and Annabelle Paet attended the CNHA meeting and conference and 10 delegates attended from Washington, D.C. Shirley found out that grants are still available.

In community service, on October 16, 2010 FOM supported the event at Waiola Church celebrating Princess Victoria Ka'iulani Kalaninui'ahilapalapa Kawekiu i Lunalilo Cleghorn's 135th Birthday and the Hawaiian Kingdom Bicentennial.

Shirley Ann Kaha'i announced that the Plantation Days event would take place the weekend of October 23rd and invited all to participate manning the FOM booth.

VI. Unfinished Business:

A. Staffing: Executive session held regarding E.D. position, 1 year review, possible structure change to E.D. and D.D., salary. Job description reviewed and approved: moved by Matthew Erickson, seconded by Rev. Bill Albinger, signed by Secretary Valentina Watson. Returned to board meeting, President Kimo Falconer offered ED. position to Shirley subject to job description review.

B. Burial Council: Discussion about changing archaeologists and having Hokulani be our spokesperson at Burial Council meetings. Discussed the cost of having another general spokesperson versus FOM's reputation. No decision reached.

C. Trinity Lease: The lease with Trinity (current landlord) expires September 2011. No further discussion.

D. Financial Audit: Board reviewed draft Audited Financial Statements for year ended June 30, 2010. Shirley reported that the auditor Chris Riecke-Gonzalez recommended combining the KOK & FOM reports. She expressed concern that there would be higher audit fees. After general discussion, Randy Bartlett moved and Rev. Bill Albinger seconded to accept the audit. Passed unanimously.

E. Business Plan Update: Shirley Ann Kaha'i reported that she is waiting for James Koshiba and hasn't heard from him. Karee Carlucci requested a draft business plan at the December 2010 meeting.

F. Strategic Plan Update: Kimo Falconer asked for the strategic plan. Shirley Ann Kaha'i mentioned that the current plan will expire in December and should be updated.

G. Old Lahaina Luau Fundraiser: Matt Erickson, Shirley Ann Kaha'i, Amy Hampton and more got approval for a June 4, 2011 event at OLL grounds. Everybody needs to pitch in and help Shirley Ann Kaha'i and Annabelle Paet. OLL donates space, staff, some alcohol and gets luau food donated. The theme will be a tribute to Akoni. Money will be raised by table sales, sponsorship, silent auction. Julie Yoneyama suggested "celebrity servers" idea to charge more for those tables. Rev. Bill Albinger will perform the blessing. We will set up committees.

H. Committee Reports:

1. Executive: Done.
2. Project: Managing Director of 505 Front Street building, Steve Grant, had a discussion with Kimo Falconer, Stan Manuia and Salvation Army management on Oahu regarding FOM acquiring the Salvation Army land and meeting with OHA to get grant or funding to relocate the facility. Kimo Falconer, Stan Manuia and the Salvation Army had a meeting on the subject and are working on a solution.
3. Fund Development: Done.
4. Human Resources: Shirley Ann Kaha'i talked to Stan Manuia and he is reviewing the HR handbook and will report back to Shirley in late October.

5. Policy & Bylaws: Discussion regarding how to handle FOM detractors. Decided to script a response. Randy Bartlett volunteered to set up FOM FAQ's on the FOM website.

Shirley Ann Kaha'i explained that the woman who describes herself as the "Princess of Moku'ula" attended the CNHA conference. People asked Shirley about her. Karee Carlucci suggested FOM put a positive statement on the "contact us" page on the website and write a Maui News editorial and a statement to post on the MN website. Amy Hampton agreed that we should put out a positive message to the community.

6. Nominating: Julie Yoneyama wished to return to the Board and Caroline Belsom (formerly Egli) wished to be considered for the Board. Amy Hampton moved to vote them both on the Board. Karee seconded the motion and it was passed unanimously.

VII. New Business:

Shirley Ann Kaha'i got a call from the County of Maui that FOM has not been paying electricity for the parking lot. She mentioned that FOM contacted them about this 8 years ago and they have said nothing for 8 years, and then wanted FOM to pay for 8 years of electricity. She asked for a letter from the County regarding what they want from FOM.

VIII. Announcements:

Kimo Falconer announced that the next Board meeting would take place on December 1, 2010.

IX. Adjournment:

Pule Ho'oku'u by all -- Ua Ka'a la Laki. The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Valentina Stewart Watson

Minutes of Board of Directors Meeting
Friends of Moku'ula, Inc.
December 1, 2010

Attendance: Matthew Erickson, Donna Curimao, James Kimo Falconer, Valentina Stewart Watson, Amy Hampton, Randal T. Bartlett, Rev. William J. Albinger, Jr., Warren Freeland, Caroline K. Peters Belsom, Shirley Ann Kaha'i.

I. Call to Order: 5:28 p.m. by President James Kimo Falconer. Start of meeting delayed due to Christmas party hosted by FOM.

II. Welcome New Member and Returning Member: Caroline K. Peters Belsom was a Board member from 1994 to 2000, and President from 1997 to 2000. Caroline lives in Puamana Nui and is now in private practice (law) at Waiola Church. Also, Julie Yoneyama who was with the Board from 2004 through 2009 will be back on the Board beginning January 2011 after a 1 year absence. It is great to have them back and the experience they bring!

III. Approval of October 20, 2010 Minutes: One change was that there was a typo and the year "2010" should be changed to "2011". Amy Hampton moved that minutes be approved as corrected, Randall T. Bartlett seconded, motion passed unanimously.

IV. Treasurer's Report: Treasurer Matthew Erickson could not be present so President Kimo Falconer did his best to present the Treasurer's Report. He explained that there are 2 sets of books (FOM and KOK) but they have a combined budget. Executive Director Shirley Ann Kaha'i asked the status of the plans; Kimo Falconer assured her that they are almost completed. He also raised the question of whether FOM actually needs the County grant, and after some discussion it was agreed that the grant is needed. He stated that FOM must prepare an annual report even though the County did not request it because the County is considering whether to give FOM the grant for 2011.

V. Operations Update: Shirley Ann Kaha'i presented the October - November 2010 Operations Update and pointed out certain highlights including letter of intent from Francis Sienechi for construction of hale; archeology program; Mary von Tempsky; interview of applicant for grant writing position; becoming part of the Hawaiian Way Fund; Fred Baldwin Foundation and persons becoming part of our resource library; Young Brothers' proposal request denied; .

VI. Unfinished Business:

A. Staffing: Stacy Rezendes applied for the grant writing position. She knows Stan Manuia. She stated she could write 4 grants but Executive Director Shirley Ann

Kaha'i stated that 2 have passed their deadlines. January 21, 2011 is the deadline for the Hawaii legislature and May is the deadline for the Park Service. Stacy asked for a flat fee of \$5,000.00 whether FOM gets the grant or not, rather than a salary. Initially, Stacy said that she would only get paid if FOM got the grant. President Kimo Falconer suggested an hourly wage instead of flat fee. Caroline Belsom suggested we see how Stacy performs on the first grant she writes and reserve an option to renegotiate the pay terms after that. That would give her incentive to perform well. After some discussion, the Board agreed with Caroline Belsom's suggestion.

B. Lease Termination: Lease with Trinity (current landlord) expired September 2011. FOM now pays CAM and electricity, approximately \$700.00 - \$800.00/month.

C. Business Plan and Strategic Plan Update: Executive Director Shirley Ann Kaha'i reported that James Koshiba is preparing both of them pro bono but is very busy with a new organization and not yet finished. President Kimo Falconer suggested we get him to complete quickly or hire someone else. Caroline Belsom asked why we needed to have the plans. President Kimo Falconer explained that the current plans are outdated and do not reflect the current status of the project; we promised we would do one in 2010. Caroline Belsom stated that the strategic plan is usually updated every 5 years. President Kimo Falconer expressed confidence in James Koshiba. No action was taken.

D. Old Lahaina Luau Fundraiser Update: Matt Erickson stated there was no update at this time, Amy Hampton stated that she had a silent auction list.

G. Committee Reports:

1. Executive: Executive Committee didn't meet. Shirley Ann Kaha'i made a few changes to the proposal that she become Executive Director, encompassing Hawaiian values. She accepted the position.

2. Project: President Kimo Falconer discussed Francis Sienechi's letter of intent breakdown of costs for the hale project as presented and that we need to get an update of the status of the plans from Phil Johnson.

3. Fund Development: Amy Hampton stated that for fund development we must first know our goal and then our budget, only then may we set up committees.

4. Human Resources: Karee Carlucci offered to chair the Human Resources committee. She advised that the committee needs to spend time with Executive Director Shirley Ann Kaha'i and set goals about what needs to get done in the next 3 months. Every Board member should come up with 3 ideas and send them to President Kimo Falconer. He leaves Hawaii in one week and will be gone for 1 month.

He stated that we need to get new Executive Director Shirley Ann Kaha'i set up for success by making suggestions which are time specific and measurable, not set her up to be unable to meet expectations. She also should make the same suggestions .

5. Policy & Bylaws: No discussion.

6. Nominating: No further discussion. Caroline Belsom and Julie Yoneyama have been voted back on the Board.

H. Parking Lot: Our contract with the parking lot will be reviewed in 2011. This issue will come before the County Council. Although we have a 35 year lease, because the lot is a concession it must come before the Council every 5 years. After significant discussion, it was decided that the Business Plan was of utmost importance and that Amy Hampton and Caroline Belsom will work on it.

Kimo Falconer stated that the next Board meeting would take place on February 2, 2011, and that the Board should spend time on the Business Plan at that meeting. Caroline Belsom volunteered to set up a committee to work on it with James Koshiba before the February meeting. Amy Hampton and Randall T. Bartlett volunteered to be on the committee.

VIII. Ka Imi 'Ike: Discussion was had regarding signs/banner (permanent sign, maybe 2-sided billboard; Janet Six expressed a desire that she not have to pay for supplies out of her personal money; still waiting for an archeological plan update from Janet Six; usually have contract with UH -- need to send courtesy letter and a draft of an agreement or memorandum of agreement. Someone needs to figure out the status of the County grant and whether to ask for another extension. There should be a strategic plan by the end of the first quarter of 2011. We need a current report from Phil Johnson on status.

IX: Announcement: President Kimo Falconer announced that the next Board meeting would be held on February 2, 2011.

IX. Adjournment:

The meeting was adjourned at 6:50 p.m.

Respectfully submitted,

Valentina Stewart Watson

Minutes of Board of Directors Meeting
Friends of Moku'ula, Inc.
February 2, 2011

Attendance: Hokulani Holt Padilla, Matthew Erickson, James Kimo Falconer, Valentina Stewart Watson, Amy Hampton, Rev. William J. Albinger, Jr., Warren Freeland, Caroline K. Peters Belsom, Shirley Ann Kaha'i, Karee Carlucci, Phil Johnson, Cindy Barger (Watershed Program Manager), Luna Lokeko (DLNR).

I. Call to Order: Approximately 5:15 p.m. by President James Kimo Falconer.

II. Welcome to Cindy Barger and her intern. The Board warmly welcomed Cindy Barger, Army Corps of Engineers Watershed Program Manager, and her intern Luna Lokeko who is with DLNR. Cindy explained her job and went over the 17 page handout she prepared for the meeting entitled "Mokuhinia/Moku'ula Ecosystem Restoration Project Update." She stated that the Army Corps is at the feasibility study point which involves the EIS, cost analysis, and positive finding to move forward. Important factors for EIS consideration are a habitat for water birds and the replacement of lost wetlands. Mokuhinia can continue to receive federal funding as a continuing authorities project. She went over all issues relating to the project in great detail, including relocating the tennis court and Salvation Army, safety fencing, soil testing, Burial Council issues, etc. A feasibility study is required because the County of Maui will have to maintain Mokuhinia once it is restored. The feasibility study is 100% federally funded. It was a very informative and educational presentation.

III. Treasurer's Report: Treasurer Matthew Erickson presented the combined balance sheets/profit and loss reports for Friends of Moku'ula and Ka Lua o Kiha as of December 31, 2010. There was no significant discussion on the Treasurer's Report.

IV. Operations Update: Shirley Ann Kaha'i presented the December 2010-January 2011 Operations Update and pointed out certain highlights. Stacy Rezentes was hired as a grant writer for FOM on a contract basis and will take compensation at a fixed amount of \$5,000.00 per grant request. We will need to raise \$3 million for the construction and \$500,000 for the 3 year master plan. Kimo Falconer met with Mayor Arakawa and the mayor requested a 3 year plan.

V. Unfinished Business:

A. No staffing issues were discussed.

B. Army Corps will present its update at the upcoming Burial Council meeting. Discussion was had regarding potential findings from soil testing, potential

consequences of those findings and the length of time needed to get test results

C. FOM's office lease will expire on September 20, 2011. Negotiations are underway between Shirley Ann Kaha'i and Trinity.

D. Strategic Plan/Business Plan update. Caroline K. Peters Belsom reported that the Strategic Plan committee had not made much progress and would need more time. There was a short discussion regarding what kind of information was needed for the revised plan, that a revised Business Plan was also required, that such a strategic plan and business plan would be required to put together grant requests. Kimo Falconer stated that the deadline for a new strategic plan should be mid-year, with a goal to have drafts completed by early April.

E. Matthew Erickson reported on the OLL Fundraiser scheduled for June 4. Keali'i Reichel agreed to do a cameo spot; however, a headline performer is still needed. There was discussion about layout, how many tables, how many tickets, price per ticket, silent auction. Amy Hampton offered to be in charge of the silent auction. There is as of yet no chair for the fundraiser.

F. [none]

G. Committee Reports:

1. Executive: Topics of discussion in executive session were compensation of Shirley Ann Kaha'i and Hokulani Holt Padilla and amending Hokulani's contract accordingly and the need for an executive assistant to Shirley. A decision was reached by the Executive Committee with respect to Hokulani's compensation.

2. Project: Phil Johnson presented a proposed Phase 1 Site Construction Estimated Budget as of January 2011 and the conceptual site plan for Phase 1. There was a lot of discussion about the site plan. Phil stated that the Mayor wanted a working plan and may be putting money in the budget for Moku'ula. Another issue to discuss with the mayor is getting an easement from the State so that the County could take over the parking lot property. That would have the additional benefit of removing the State from the permitting process.

3. Fund Development: Discussed above.

4. Human Resources: Karee Carlucci stated that the committee needed to set up a meeting with Shirley Ann Kaha'i so that she could do the hiring directly without Board involvement.

5. Policy & Bylaws: No discussion.

6. **Nominating:** Shirley Ann Kaha'i stated that Orpha Kaina was a potential recruit for the Board referred by Donalee Curimao. However, she did not respond when asked for her resume.

H. **Ka 'Iimi 'Ike Program:** Shirley Ann Kaha'i and Kimo Falconer met with Clyde Sakamoto (UH Maui) about building plans for FOM and a follow up conversation about Janet Six and they had a good discussion. UH Maui wants to keep a long-term partnership with FOM. They also spoke about Hokulani's joint class on cultural protocol with an archeology class conducted by Janet Six, which was a huge success. Amy Hampton suggested that the Board should participate in the next cultural protocol class.

VI. **New Business:** Valentina Stewart Watson resigned as Secretary; Donalee Curimao was voted in as the new secretary commencing April 20, 2011.

VII: **Adjournment:** President Kimo Falconer announced that the next Board meeting would be held on April 20, 2011. The meeting was adjourned at 7:12 p.m.

Respectfully submitted,

Valentina Stewart Watson

Minutes of Board of Director Meeting

Friends of Moku'ula, Inc.

April 20, 2011

Attendance: Kimo Falconer, Shirley Kaha'i, Donnalee Curimao, Caroline K. Peters Belsom, Karee Carlucci, Amy Hampton, Matthew Erickson, Re. William J. Albinger Jr., Julie Yoneyama, Leslie Mullins(Business Strategist)

I. Call to order: Approximately 5:07pm by President James Kimo Falconer.

II. Welcome to Leslie Mullens; Business Strategist Planner of Playbook Consulting group. The board welcomed Leslie who is here to help and organize our group on a strategic action plan. She is planning a (2) day retreat for all board members on Saturday May 21st from 9am to 3pm, and Sunday May 22nd from 10am-4pm. A place is needed to have this work shop and Julie Y. advised that perhaps having it at Hale Aloha would be okay with her. A Pre-Retreat is scheduled on Monday, May 9th at 5:30pm-7:30pm. She will be sending out length and instructions for all of us on Wednesday, May 11, 2011.

III. Approval to the February 02, 2011 minutes were reviewed and Reverend William Albinger motioned and 2nd by Matthew Erickson.

IV. **Treasure's Report:** by Matthew Erickson reported the combined balance Sheet/profit and loss reports for Friends of Moku'ula and Ka Lua O Kiha as of March 31, 2011. No other discussion on the Treasure's Report according to Matthew everything is fine straight across the board.

V. **Operations Update:** Shirley Kaha'i presented the February-April 2011 Operations Update and discussed and pointed out on their meeting with Zeke Kalua of the Mayor's office and Kevin Nagasaki of the Salvation Army. Moving the Salvation Army wish list might have a land donor, not too sure where?. Salvation Army is not proposed to the idea but working slowly. Questions on the cost. Construction Companies to the New Mayor is

the County funding. Caroline Belsom advised we need to get back with them.

VI. Army Corps of Engineers-: .Again as they pointed out ACoE is holding off on proceeding with the soil testing until they receive a letter from the Burial Council. According to Hinano Rodrigues; State Preservations he is still waiting for the Maui Office and it's been put on hold.

Programs: Shirley Kahai'i presented attached copies of Maui Nei revenue report for period of February-April 2011. We negotiated a \$1 increase in rates with The Princess Cruises, one of our largest vendor, from \$26-\$27. Ka I 'imi "ike Program

Kamehameha Day Parade on Saturday, June 18, 2011 FOM will be excepting the Ho'okupu after the event.

- Asked for MEO to participate
- Got a few membership and donations
- Lots of volunteers at KS
- April 16, 2011 Lehua coordinate the clean up
- Julie Yoneyama décor for the event on Saturday, April 23, 2011
- Valentina left the meeting not feeling to well @5.:49pm

Lease still working on.

OLL Fundraiser: Matthew and Julie Yoneyama, the program and Public Relations, Social Media, Press Release, Lahaina News, Selling tables in which there are (8) seats to a table going for \$100.00 a seat. Julie advise that BOD of FOM members should commit. There are total of (64) tables. OLL will be providing the food, and open bar. Entertainment will be Kuku Hula, group entertainers, DVD videos & former board members involved. Amy Hampton noted that she will no longer be involved in helping with OLL fundraising.

Human Resources: Kila Kila Employer Services, Kimo advised that it's too expensive but we will continue to reviewing for the cost purposes.

Aunty Ophra Kaina still interested and will give her the option, according to Donna and Carlee they seem to think that health wise she is really trying to commit but needs to take care of herself.

FRIENDS OF MOKU'ULA, INC.
BOARD MEETING
JULY 27, 2011
MINUTES

Members Present: Julie Yoneyama; Matt Erickson; Kimo Falconer; Karee Carlucci; Caroline Belsom; Shirley Kaha'i;

Members Absent: Valentina Stewart; Donnalee Curimao; Warren Freeland; Rev. Bill Albinger; Randy Bartlett

Staff and Guests: Shirley Kaha'i; Hokulani Holt (Anabelle Paet; Christine Riecke-Gonzales; Lehua Hough-Fatongia; Dr. Janet Six join during strategic planning)

- I. Call to Order – The meeting was called to order by President Kimo Falconer at 5:19 p.m.
- II. Pule Wehe – Matt led the board in E Ho Mai and Na 'Aumakua
- III. Strategic Planning update w/Leslie Mullens (moved to last item before adjournment)
 - Leslie handed out the Strategic Plan 2011-2013; we will be relying on these plans at every meeting, so bring them with you. She went through the plan; committee chairs reported on their progress during July-August using the Implementation Plan that begins on page 31.
 - Next steps are to go through each of our project plans and mark any changes in red and send to Anabelle to update.
- IV. Treasurer's Report

See attached financials. There were no significant issues raised. The new budget was approved by the executive committee.
- V. Executive Director's Report

See attached copy of the report.

 - Regarding the Project, Shirley expects the Army Corps soil testing results in early September.
 - UH-MC will have its class begin 8/26/2011; per Janet, there are 5 enrolled students and room for 8 students.
 - Re CNHA, it will administer the HTA grants this year.

- Reminder: Maui Native Hawaiian Chamber of Commerce Meeting on 9/2/2011 (6 am to 10 pm) at the Grand Wailea is open to anyone.

VI. Unfinished Business (combined with Strategic Planning; see above)

- Nominating committee reported that it received a number of resumes, but it is also seeing some overlap of skill sets. For that reason it will be creating an application form and will be putting together some criteria to use in selecting new board members (up to 15 possible); there will be some applicants that will be asked to be on an advisory board, and others to help with specific committees.
- Construction committee has met and is moving along; final drawings will be here soon; committee will meet with Zeke Kalua in anticipation of extending the SMA permit which is set to expire January 2012.
- The parking lot management agreement has not been signed. There is a need to get the parking lot arm installed; Shirley and Al Kaufmann are working on the permit.
- Janet reported that the Burial Council now has a quorum so FOM should be back before the Council soon; she will prepare an interim report to cover the current status and latest discoveries.

VII. New Business

There was no new business

VIII. Announcements

- Leslie announced that the Online Learning Center was up and running with 20-30 minute training sessions for non-profits; download or stream; access through Grants Central Station or Playbook websites.
- Next meeting is August 17, 2011. Board members are asked to come at 4 pm in order to be present when the OHA Board of Trustees appears at 4:15 for ½ hour. Hoku will do the presentation/protocol.

IX. Adjournment

Meeting was adjourned at 6:46 p.m. after the Pule Ho'oku'u.

Submitted by substituting recorder: Caroline Peters Belsom

FRIENDS OF MOKU'ULA

*I ka wa mamua, I ka wa mahope
The future is in the past*



The sacred island of Moku'ula, in the heart of present day Lahaina, was a sanctuary and residence for the chiefs of Maui and Hawaiian royalty during the 14th-19th centuries. It still exists today, lying under a shallow surface of landfill at the intersection of Front and Shaw Streets. Friends of Moku'ula is a nonprofit organization working to restore this significant Hawaiian cultural site to its former glory and for the benefit of Hawai'i's residents and visitors.

OUR VISION

Ke ho'i a'e la ka 'opua i Moku'ula
The rain clouds are returning to Moku'ula

OUR MISSION

To cultivate awareness of the Hawaiian culture through restoration, preservation, education and revitalization of Moku'ula island and Mokuhinia ponds.

OUR VALUES

PONO

What we do must be right for the community and the 'aina now and in the future.

HŌ'IHI

What we do must be respectful of the history of Hawai'i and of the culture of the Hawaiian people.

MĀLAMA 'ĀINA

What we do must be protective and supportive of the land over which we have been entrusted.

OUR PROJECTS

RESTORATION

Construct Hale Halawai, Hale Pohaku and new parking facility in Phase I Restoration.

PRESERVATION

Conduct archaeological digs on site with UH-MC to preserve and map physical remains; conduct ethnographic inventory survey to preserve the mo'olelo of Moku'ula.

EDUCATION

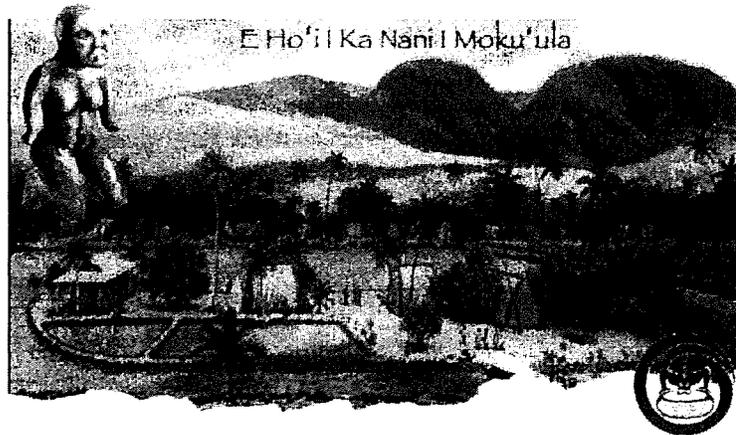
Present lectures, classes and workshops on a variety of topics related to Moku'ula island and Mokuhinia ponds; prepare accurate and complete written information about Moku'ula, the island and Moku'ula, the project.

REVITALIZATION

Implement programs to involve the community in the economic revitalization of the area in and around Moku'ula.

Why is Moku'ula significant...It is

- Ⓢ the former capital of the Hawaiian Kingdom
- Ⓢ Hawai'i's most significant archaeological find in recent history and we have already drawn interest worldwide through our Ka 'I'imi 'Ike Archaeology Program
- Ⓢ a natural wetland
- Ⓢ the royal residence for the Pi'ilani line of Maui chiefs
- Ⓢ the sacred den, Kalua O Kiha, of the mo'o akua, Kihawahine
- Ⓢ a recognized world monument and spiritual center
- Ⓢ on the Hawaii State Register of Historic Places (1994)
- Ⓢ on the National Register of Historic Places (1997)
- Ⓢ elevated to global status at par with Rapa Nui, Stonehenge and Machu Picchu
- Ⓢ recognized by National Geographic, United Nations Scientific and Cultural Organization (UNESCO), World Archaeological Congress, Sacred Sites of the World Council, and the Smithsonian Institute



The Friends of Moku'ula was awarded a lease and license by the County of Maui on January 2, 2002 with an amendment dated May 1, 2003 to authorize the Friends of Moku'ula to operate a parking concession on the premises. FOM contacted several parking management companies and a decision was made by the board of directors to contract Diamond Parking Inc. and the effective date of the initial agreement was dated May 12, 2003. Since then the Friends of Moku'ula has had four contracts with DPS. Copies of the contracts between the Friends of Moku'ula and Diamond Parking, Inc. are enclosed for your reference.

Also enclosed is a revenue report prepared by our CPA, Christine Reicke-Gonzales, that provides the total amount of parking lot revenue that has been received from May, 2003 to June, 2011¹ and classified by budget item codes, keeping in line with our mission to cultivate awareness of the Hawaiian culture through *restoration, preservation, education and revitalization* of Moku'ula island and Mokuhinia ponds.

In March, 2006, the board of FOM voted to form Ka Lua O Kiha, Inc. to serve two purposes. The for-profit activity was jeopardizing the Friends of Moku'ula's non-profit status because the parking lot is FOM's only source of income. The for-profit corporation will help to mitigate this problem. The for-profit corporation will also save the corporation money on its income taxes. Unfortunately, the tax savings will only be about 10% because of the tax limitations on corporate deductions. Currently, the savings would be about \$3,500.

All revenue checks received from Diamond Parking Services will be made payable to Ka Lua O Kiha effective with the issuance of the 2nd quarter, 2006 check in the amount of \$49,500 and an addendum to the contract between Ka Lua O Kiha, Inc. and Diamond Parking Services LLC was executed.

In March, 2011 lost its Founder and visionary, Akoni Akana, after a battle with diabetes and other health issues. Since FOM's infancy dating back to 1990 at Maui's famed Kā'anapali Beach Hotel and it's Po'okela program, Akoni worked tirelessly to bring Moku'ula and the Friends of Moku'ula to where it is today. He left behind a legacy to the Hawaiians to give them an opportunity to interpret their culture in an appropriate and spiritually-based manner and will provide future generations with a link to the past. Today, we are honored to be able to continue his vision for our people, the County of Maui and the State of Hawaii.

Following this devastating news, the Board of Director's focus and drive was to hold a strategic planning session using the high-powered expertise of business strategist, Leslie Mullens of PlayBook Consulting Group. A finalist in PBN's Businesswoman of the Year in 2011 and Maui County Mayor's Award for Small Business of the Year in 2010, Leslie

¹ Please note that FOM experienced over \$30,000 in flood damage from the overhead sprinklers and two computers were damaged, losing information from files, including accounting data.

worked with the Friends of Moku'ula and cohesively developed a 3-year Strategic Plan that comprised of a structured action plan focusing on five programmatic areas:

I. Archaeology

- a) Formalize an archaeology committee and advisory board
- b) Develop a phased archaeology plan
- c) Archaeology dig area has expanded beyond 15x20 area
- d) Data and artifact policy is in place

II. Community Outreach

- a) Convert "thought leaders" to FOM advocates
- b) Get FOM into media more frequently and positively
- c) Neutralize detractors
- d) Media coverage at least once a month

III. Construction

- a) Complete working drawings (Met with County department heads to initiate process of submitting plans (Target date to submit: 9/30/11))
- b) Submit for construction permits
- c) RFP for site work/parking lot and hale construction
- d) Select bidder(s)
- e) Commence Phase I Construction

IV. Educational Tours

- a) Increase overall revenue or profit
- b) Increase number of visitors (kama'aina and tourists) groups, schools
- c) Increase number of new contracts with cruise ships and DMCs
- d) Create a new twist on the walking tour
- e) Seek \$40,000 HCF implementation grant for marketing
- f) Update Maui Nei Business Plan
- g) Increase paid tours by 10%

V. Restoration and Preservation

- a) Meet with Army Corps of Engineers and update restoration plan
- b) Meet with County of Maui officials/department heads to outline desired long-term development plan for site (a presentation was given to the COM department heads at a meeting in early September, 2011).
- c) Create a running cost estimate and time line for implementation
- d) Outline specific public and private sources of funding (i.e. ACOE (Federal), State of Hawaii, OHA, County of Maui, sponsor), private donors, foundations
- e) Integrate archaeology plan into overall restoration
- f) Complete Hydrology Report (Approved in 7/2011)
- g) Complete Wetland Delineation Report (Approved in 8/2011)

Along with these five areas, there were three critical path areas identified and strategies defined for successful outcome:

I. Fiscal Stability and Sustainability

- a) Identify Phase I fiscal needs and timing
- b) Increase donor contributions by 10%+ and membership by 50%+
- c) Develop a grant plan and increase grants applied for and awarded
- d) Seek grant opportunities for native Hawaiians and/or native peoples; i.e. OHA, ANA, NHEA, Kamehameha Schools, QLCC
- e) Conduct a capital campaign
- f) Increase staff
- g) Create a signature event
- h) Develop strategic plan to work with OHA; initiated in August 2011 with site visit to Moku'ula by Trustees and aides
- i) Submit LOI to Archaeology Institute of America (submitted 8/31/11)
- j) Submit application for OHA Kaiaulu grant for hale construction certification program - \$100,000 (submitted 8/31/11)
- k) Submit application to Atherton Foundation for hale construction certification program - \$100,000 (deadline September 30, 2011)
- l) Submit application to HTA for Ka 'I'imi 'Ike Archaeology Program
- m) Developed connection with Ford Foundation – Irene Inouye, Kresge Foundation and Bill and Melinda Gates Foundation at 2011 Council for Native Hawaiian Advancement. Working on establishing a relationship and submit grant applications.
- n) Re-submit Grant in Aid applications to SOH; \$3,145,400 to underwrite costs of designing and constructing basic improvements for visitor comfort and education; \$500,000 for 3-year master plan

II. Quality Staff

- a) Fund and hire additional FTE (Hired Jenny Worth PTE @ 25/hours a week 8/14/11 as a grant writer)
- b) Formalize job descriptions for all roles (board, staff, key volunteer positions)
- c) Complete annual performance reviews for staff, contractors and kumu/chanters
- d) Build a professional development plan for each employee
- e) Track staff satisfaction
- f) Track individual employee milestones
- g) Develop a retention strategy

III. Maintain High-Functioning Diverse Board of Directors

- a) Board attendance is 75 to 100%
- b) Recruit board members with diverse expertise relevant to programmatic focus
- c) Assure that board members are happy, accountable and satisfied
- d) Progress made towards 80% of strategic goals annually

e) Committees report progress at monthly board meetings

This intensive strategic plan lays out the “footsteps” FOM is taking to demonstrate progress in the key phases of our restoration project and the staff and board are excited with the forward movement.

We thank the Mayor, County Council, and staff for your continued support in the restoration of Moku'ula as it will:

- Ⓢ Provide a habitat for endangered wildlife
- Ⓢ Restore the natural flood basin to control flooding
- Ⓢ Provide a world center (piko) for Hawaiian cultural learning, sharing and practice
- Ⓢ Provide the visitors and residents with an authentic, sacred and cultural site that can be explored – one that has not been buried under hotels, businesses or homes
- Ⓢ Increase satisfaction of visitors to Lahaina
- Ⓢ Provide Lahaina with an accurate interpretation of its history through the Maui Nei Native Hawaiian walking tours
- Ⓢ Provide for an open space corridor (from the rising of the sun to the setting of the sun)
- Ⓢ Provide for diverse economic opportunities for community

This rare gem lies in Lahaina, Maui! E ho'I ka nani I Moku'ula, Let us return the glory to Moku'ula. It is our kuleana! It will be our legacy!

FRIENDS OF MOKU'ULA, INC.

Statement of Financial Position
June 30, 2011

ASSETS

Current Assets

Cash	
Petty Cash	\$ 300
Checking - American Savings	25,375
Checking - First Hawaiian Bank	4,317
ASB Savings Account	58,931
Total Cash	<u>88,923</u>
Accounts Receivable	3,091
Grants Receivable	40,759
Prepaid Insurance	509
Total Current Assets	<u>133,282</u>

Fixed Assets:

Furniture and Equipment	24,708
Site Improvements	8,406
Construction In Progress	287,580
Total Fixed Assets	320,694
Less: Accumulated Depreciation	(15,612)
Net Fixed Assets	<u>305,082</u>

Other Asset - Investment in Ka Lua O Kiha, Inc.	100
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TOTAL ASSETS \$ 438,464

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 9,011
Accrued Vacation	5,022
Accrued Payroll Taxes	977
Total Current Liabilities	<u>15,010</u>

Net Assets:

Unrestricted Net Assets	389,859
Temporarily Restricted Net Assets	33,595
Total Net Assets	<u>423,454</u>

TOTAL LIABILITIES AND NET ASSETS \$ 438,464

FRIENDS OF MOKU'ULA, INC.

Statement of Activities
For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Support:			
In-Kind Contributions of Services	\$ 123,302	\$ -	\$ 123,302
Contributions - Ka Lua O Kiha, Inc.	100,000	-	100,000
In-Kind Contributions of Facilities	43,560	-	43,560
Old Lahaina Luau Fundraiser	26,930	7,427	34,357
Maui Nei Walking Tours	29,680	-	29,680
County of Maui	22,783	-	22,783
Other Contributions	15,625	-	15,625
Akoni Akana Scholarship Fund	-	5,225	5,225
Hawaii Tourism Authority	-	2,287	2,287
In-Kind Contributions of Materials	1,000	-	1,000
Membership	775	-	775
Program Service Fees	700	-	700
Fundraising	599	-	599
Interest Income	24	-	24
Amounts Released From Restriction	10,264	(10,264)	-
Total Support	375,242	4,675	379,917
<u>Expenses:</u>			
Program Services			
Site Restoration	212,928	-	212,928
Fundraising	34,621	-	34,621
	247,549	0	247,549
Supporting Services			
Management and General	49,099	-	49,099
Fundraising	9,974	-	9,974
Total Supporting Services	59,073	0	59,073
Total Expenses	306,622	0	306,622
Net Change in Net Assets	68,620	4,675	73,295
Net Assets At Beginning of Year	321,239	28,920	350,159
Net Assets At End of Year	\$ 389,859	\$ 33,595	\$ 423,454

FRIENDS OF MOKU'ULA, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2011

	Program Services			Supporting Services			Total
	Site Restoration	Maul Nei	Total Program Services	Management and General	Fundraising	Total Supporting Services	
In Kind Contributions of Services	\$ 103,171	\$ 65	\$ 103,236	\$ 16,000	\$ 1,331	\$ 17,331	\$ 120,567
Facilities Rental, Maintenance and Utilities	36,833	4,911	41,744	7,366	-	7,366	49,110
Salaries and Wages	28,627	3,817	32,444	5,725	-	5,725	38,169
Tour Expenses							
Operations & Office Manager	-	12,480	12,480	-	-	-	12,480
Guides	-	7,325	7,325	-	-	-	7,325
Tour Admissions	-	1,806	1,806	-	-	-	1,806
Food and Beverage	-	289	289	-	-	-	289
Professional Fees	176	-	176	13,555	5,000	18,555	18,731
Payroll Taxes and Fringe Benefits	12,432	1,658	14,090	2,486	-	2,486	16,576
Cultural Advisor	14,000	-	14,000	-	-	-	14,000
Anthropologist	5,060	-	5,060	-	-	-	5,060
Telephone and Communication	3,086	411	3,497	617	-	617	4,114
Depreciation	2,362	315	2,677	472	-	472	3,149
Travel and Related Expenses	2,505	-	2,505	6	315	321	2,826
Insurance	1,126	1,215	2,341	199	-	199	2,540
Supplies	973	93	1,066	810	485	1,295	2,361
Site Maintenance	1,529	-	1,529	-	-	-	1,529
Licenses, Permits, and Taxes	-	-	-	115	1,398	1,513	1,513
Contracted Services	650	-	650	-	731	731	1,381
Bank Service Charges and Merchant Fees	-	-	-	743	-	743	743
Advertising and Promotion	-	-	-	-	714	714	714
Subscriptions and Printing	163	205	368	199	-	199	567
Membership Dues	-	-	-	467	-	467	467
Postage and Shipping	235	31	266	47	-	47	313
Board Development and Meetings	-	-	-	292	-	292	292
Total Expenses	\$ 212,928	\$ 34,621	\$ 247,549	\$ 49,099	\$ 9,974	\$ 59,073	\$ 306,622

FRIENDS OF MOKU'ULA, INC.

Statement of Cash Flows
For the Year Ended June 30, 2011

Cash Flows From Operating Activities:

Cash received from grants contributions, and memberships	\$ 123,912
Cash received from Maui Nei walking tours	29,395
Cash received from special events, merchandise sales, and program service fees	35,656
Interest income	24
Cash paid to suppliers and employees	<u>(127,483)</u>
Net cash provided by operating activities	<u>61,504</u>

Cash Flows From Investing Activities:

Construction Expenditures	(25,363)
Site Improvements	(5,659)
Office Equipment	<u>(2,893)</u>
	<u>(33,915)</u>

Cash Flows From Financing Activities

	<u>0</u>
Net Change In Cash	27,589
Cash Balance at Beginning of Year	<u>61,334</u>
Cash Balance at End of Year	<u>\$ 88,923</u>

Contracted Services:

Accountant	5,500	3,500	2,000
Grant Writer	10,000	10,000	
Cultural Advisor	24,000	12,000	12,000

Credit Card/Bank Services Charges	1,000	1,000	
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Dues	500	500	
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Office Equipment	500	500	
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Subscriptions/Publications	300	150	150
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Fund Development:

Advertising/Website Maintenance	1,000	1,000	
Fundraising Events	2,500	2,500	

Insurance	3,800	2,500	1,300
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Site & Parking Lot

Interim Landscaping	500	250	250
Maintenance	1,500	750	750
Parking Lot Electricity	3,240	1,620	1,620
Water	300	150	150

Facilities

Electricity	2,100	1,050	1,050
Maintenance	200	100	100
Common Area Maintenance Fees	8,000	4,000	4,000

Mileage	100	50	50
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Miscellaneous/Contingency	91		91
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Postage/Shipping	500	250	250
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Printing	1,500	1,400	100
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Staff Development	500	500	
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Office Supplies	1,500	750	750
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axes:

FRIENDS OF MOKU'ULA, INC.
Operating Budget 7/1/11 - 6/30/12

	Total	FOM	KOK
Income:			
Membership	750	750	
Fundraising Events	25,000	25,000	
Maui Nei Program	30,000	30,000	
Parking	199,000		199,000
Contributions	10,000	10,000	
Contributions (KOK to FOM)	-	85,700	(85,700)
Grants	35,000	35,000	
TOTAL INCOME	299,750	186,450	113,300

Expenses-Personnel:

Executive Director	55,000	24,062	30,938
Administrative Assistant	28,000	16,893	11,107
Program Assistant	36,000	36,000	
	119,000	76,955	42,045
Fringe Benefits & Payroll Taxes	36,374	31,295	5,079
Fringe Benefits (SEP IRA - 10%)	4,205		4,205
Total Personnel	159,579	108,250	51,329

Expenses-Non-Personnel:

Maui Nei Program:

Operations Manager	12,500	12,500	
Tour Guides/Kumus/Chanters	8,000	8,000	
Food & Beverage	500	500	
Tour Admissions	2,000	2,000	
Kumu Training Program	1,000	1,000	

Program/Other:

Educational Materials	200	200	
Volunteer Program	250	250	

Board Meetings and Development	500	500	
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Communication	7,500	4,100	3,400
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G.E.T.	8,960	1,000	7,960
Income Taxes	26,000		26,000
Travel	2,000	2,000	
Total Expenses	298,120	184,820	113,300
Archeology/Construction	1,630	1,630	
Net Income	-	-	-

FRIENDS OF MOKU'ULA, INC.
Parking Lot Revenue

	May 2003 to June 2003	July 2003 to June 2004	July 2004 to June 2005	July 2005 to June 2006	July 2006 to June 2007	July 2007 to June 2008	July 2008 to June 2009	July 2009 to June 2010	July 2010 to June 2011	Total
Revenue	18,933	165,604	179,081	200,275	198,000	198,000	173,500	144,000	144,000	1,421,393
Expenses										
Archival Learning Center	877	642			25					1,544
Site Maintenance	194	328	7,179	612	282	4,326	811	488	677	14,897
Parking Lot Repairs & Maintenance				62	460	664	480		4	1,670
Parking Lot Electricity									2,096	2,096
General Excise Tax	757	6,624	7,163	8,011	7,920	7,920	6,940	5,760	5,760	56,855
Insurance	250	500	500	500	500	750	750	750	750	5,250
Cultural Program	250	1,112	91	30	25			21,000	32,710	55,218
Supplies								40	81	121
Archeology					123	3,758	5,000	5,906	225	15,012
Educational Walking Tours	2,902	25,611	23,816	16,205	16,621	15,902	9,825	11,055	9,131	131,068
Site Improvements							401	2,346	8,553	11,300
Architectural & Engineering Fees								17,977	25,363	43,340
Personnel Expenses	17,144	85,480	79,620	78,256	114,600	123,767	112,760	84,565	76,517	772,709
	<u>22,374</u>	<u>120,297</u>	<u>118,369</u>	<u>103,676</u>	<u>140,556</u>	<u>157,087</u>	<u>136,967</u>	<u>149,887</u>	<u>161,867</u>	<u>1,111,080</u>

Site Maintenance: Water, Landscaping, Clean Up
Insurance: Liability Insurance for Site & Parking Lot
Educational Walking Tours: Kumu, Tour Admissions
Personnel: 75% of Staff Wages, Benefits, Payroll Taxes
Parking Lot Repairs & Maintenance: Golf Cart Expenses
Site Improvements: Sign, Fence, Storage Shed
Cultural Program: Hokulani Holt, Educational Materials, Ethnic Story Telling



DIAMOND PARKING INC.

Office: 439 Kamani Street • Honolulu, HI 96813
 (808) 592-7275 • Fax (808) 593-2602
 Home Office: 3161 Elliott Avenue • (800) 340-7275 or (206) 284-3100
 Seattle, WA 98121 • Fax (206) 285-5598

Friends of Moku'ula Inc.
 Mr. Akoni Akana
 Executive Director
 505 Front Street, Suite 234
 Lahaina-Maui, HI 96761

CONFIDENTIAL, PLEASE
NOT FOR PUBLICATION

Parking No. _____
 Date _____

Re: T.M.K 2-4-6-07 parcels 01,02,35,36,38,41 and T.MK 2-4-6-02

1. This letter agreement sets forth in writing our understanding that Diamond Parking Inc., will operate a parking facility on the above referenced property 24 hours a day, 7 days a week as an independent contractor under the terms and conditions set forth below.
2. It is our understanding that the Undersigned is the Owner or authorized representative of the above referenced property, hereinafter referred to as "Owner", and that there are no zoning or other restrictions that would prohibit the use of the property as a public parking facility.
3. The effective date of this agreement is 5/12/, 2003.
4. ~~Diamond Parking will keep the parking facility in a neat and clean condition, and if available, will be allowed to enter 48 hours prior to the effective date for the purpose of installing signs and fixtures. Diamond Parking will have the right to make any operating improvements that are necessary or desirable to operate the parking facility. Operating improvements such as trade fixtures, signs, lights, bumpers, pay boxes and attendant's facilities may be constructed and installed, and will remain the property of Diamond Parking. (See exhibit "A")~~
5. Capital improvements such as paving, booth, ticket dispensers, gates or any other equipment deemed needed for the parking facility will remain the responsibility of the Owner. Funding for capital improvements is available through Violett Finance Company. Your Diamond Parking representative can assist you in contacting a representative of Violett and arranging for the financing of capital improvements to the parking facility.
6. As monthly rent, Diamond Parking will pay to the Undersigned or as directed ninety-eight (98%) percent of the total parking revenue generated by the parking facility, after deducting any taxes, fees and assessments on parking and all other costs of operation from gross revenues (see exhibit "B") In the event that the costs of operation exceed gross revenues, the balance will be carried over to the following months. These amounts, if any, will carry over for a maximum three-(3) months at which time we will supply invoice for payment. Percentage rent will be paid on or before the twenty-fifth (25th) day of the following month.
7. In addition to payment, Diamond Parking will keep complete and accurate records of all income and expenses relating to this parking facility. Upon payment of the percentage rent described in paragraph #6 herein, Diamond Parking shall submit to owner a written report that includes the income and expenses of the month for which the payment is made.

8. This agreement may be terminated at any time by either of the parties by giving thirty (30) days advance written notice to the other party.
9. Upon termination of this agreement, Diamond Parking will vacate the parking facility leaving it in good condition, less damage by fire, the elements, or ordinary wear and tear.
10. Diamond Parking agrees to defend and hold Owner harmless from all claims, actions or judgments (including expenses, costs and attorney's fees) for damages to property and bodily injury (including death) suffered or alleged to be suffered on the premises designated for parking, excluding public sidewalks adjacent to the premises, solely caused by any act, omission or negligence of Diamond Parking. Damages caused by concurrent negligence of Diamond Parking and Owner are not subject to indemnification, and each party bears its own expense for defense and indemnification regarding the same. Diamond Parking agrees to maintain public liability insurance for the protection of Owner and Diamond Parking of not less than \$1,000,000.00, subject to a reasonable deductible. A certificate of public liability insurance evidencing such insurance will be furnished to Owner.
11. Diamond Parking will attempt to resolve any claim from third parties involving loss of, or damage to, parked vehicles, with a \$750.00 deductible. However, if Diamond Parking is unable to resolve the claim in a reasonable amount of time, it shall timely submit the claim to its insurance carrier for processing. The cost of Diamond Parking resolving such claims will be borne by Diamond Parking.
12. Structural, mechanical, or other installations and any alterations required by law or regulations pertaining to air quality, environmental protection, provisions required by the Americans with Disabilities Act, or other similar governmental rules or regulations will remain the responsibility of the Owner.



DIAMOND PARKING INC.

Office: 439 Kamari Street • Honolulu, HI 96813
(808) 592-7275 • Fax (808) 593-2602

Home Office: 3161 Elliott Avenue • (800) 340-7275 or (206) 284-3100
Seattle, WA 98121 • Fax (206) 285-5598

Friends of Moku'ula

Exhibit " A "

Diamond Parking will, with landlord approval, install any improvements that are necessary to comply and operate the parking facility to maximize the parking operation with and not limited to the following operating improvements:

- Signs
- Lights
- Pay Box
- Striping
- Numbering
- Attendants Booth (if necessary)
- Automated Equipment (if necessary)

The signs, pay box would remain the property of Diamond Parking.

Convenient Downtown Parking

13. This proposal may be withdrawn by Diamond Parking if not executed by Owner within ninety (90) days.
14. Your signature on a copy of this cancelable letter agreement will constitute your acceptance of these terms and conditions. Thank you.
15. The applicable law to be used in the enforcement of the terms of this proposal shall be the law of the State of Hawaii.

It is AGREED this 12 day of MAY, 2003

FRIENDS OF MOKU'ULA INC.

Print: Jeany Kunitomo

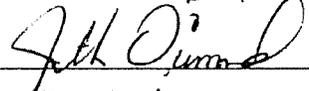
Sign: 

Title: PRESIDENT

Tax ID / Soc Sec #: 99-0330551

DIAMOND PARKING INC.

Print: Jonathan Diamond

Sign: 

Title: President



DIAMOND PARKING INC.

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 Home Office: 3181 Elliott Avenue • (800) 340-7275 or (206) 284-3100
 Seattle, WA 98121 • Fax (206) 285-5598

Friends of Moku'ula

Exhibit " B "

<u>Expenses</u>	<u>Monthly</u>
Attendants	\$480.00
Office	\$150.00
Supervision	\$250.00
Checking	\$480.00
Maintenance	\$150.00
T&B	\$362.00
Total Wages	\$1,872.00
Supplies	\$50.00
Permits	\$15.00
Paybox	\$575.00
Banking	\$246.00
Insurance	\$65.00
Accg. & DP	\$75.00
Maintenance	\$75.00
Repairs	\$50.00
Sweeping	\$50.00
Total other	\$1,201.00
Total Expenses	\$3,073.00

Convenient Downtown Parking



March 14, 2006

Friends of Moku'ula Inc.
Mr. Akoni Akana
505 Front Street Suite #234
Lahaina, Hawaii 96761

RE: New Payee

Aloha Akoni:

Thank you for your recent information in reference to the new "Payee" for the parking agreement at 505 Front Street. All terms and conditions of the contract dated 12/28/04 will remain the same with the exception of "The Payee", which, as of April 01, 2006 will change to the following. The new payee will be, Ka Lua O Kiha, Inc.

Thank you again for your business and we look forward to being of service to you in the future. Please call if we can be of further assistance at 592-7275. Please sign below your acceptance.

Friends of Moku'ula Inc.
By:

Diamond Parking Services LLC
By:

Mahalo Nui Loa,

Jeffrey W Sandborn
RVP DPS Hawaii Real Estate

Cc: Mr. Stephen Kozlowski, RVP DPS Hawaii

Convenient Downtown Parking



DIAMOND PARKING SERVICES LLC

Office: 4291 Kamehameha Street, Honolulu, HI 96814
Phone: (808) 992-7275
Fax: (808) 992-2602
E-mail: info@diamondparking.com
Website: www.diamondparking.com

**FRIENDS OF MOKU'ULA INC.
MR. AKONI AKANA
505 FRONT STREET, SUITE 234
LAHAINA, HAWAII
661-3659**

**CONFIDENTIAL, PLEASE
NOT FOR PUBLICATION**

Parking No. HM64
Date 12/28/04

Re: T.M.K- 2-4-6-07 PARKING AGREEMENT

1. The effective date of this agreement is February 01, 2005.
2. This letter agreement sets forth in writing our understanding that Diamond Parking Services LLC ("Diamond Parking") will operate a parking facility on the above referenced property 24 hours a day, 7 days a week as an independent contractor under the terms and conditions set forth below.
3. It is our understanding that the Undersigned is the Owner or authorized representative of the above referenced property, hereinafter referred to as "Owner", and that there are no zoning or other restrictions that would prohibit the use of the property as a public parking facility.
4. Diamond Parking LLC will keep the parking facility in a neat and clean condition, and if available, will be allowed to enter 48 hours prior to the effective date for the purpose of installing signs and fixtures. Diamond Parking LLC will have the right to make any operating improvements that are necessary to operate the parking facility. All improvements such as trade fixtures, signs, lights, bumpers; pay boxes and attendant's facilities will remain the property of Diamond Parking LLC.
5. Capital improvements to the parking facility will remain the responsibility of the Owner. Funding for capital improvements is available through Violet Finance Company. Your Diamond Parking LLC representative can assist you in contacting a representative of Violet and arranging for the financing of capital improvements to the parking facility.
6. As rent, Diamond Parking LLC will pay to the Undersigned or as directed Sixteen Thousand-five hundred (\$16,500.00) dollars per month, GET included. Diamond Parking LLC will pay you on a quarterly basis. Rent will be paid by the 5th of the first month of each quarter.
7. This agreement may be terminated at any time by either of the parties by giving thirty- (30) days advance written notice to the other party. Owner will not terminate this agreement if the parking facility is to be operated or used for parking by a third party without first offering Diamond Parking LLC an opportunity to match the terms and conditions proposed by a third party.
8. Upon termination of this agreement, Diamond Parking LLC will vacate the parking facility leaving it in good condition, less damage by fire, the elements, or ordinary wear and tear.

Convenient Downtown Parking

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

9. All personal property of Diamond Parking LLC or its effects of any kind or description whatsoever left on or about the Premises shall be at Diamond Parking LLC sole risk and Owner shall not be liable or responsible for any damage done to or loss of such personal property or effects. In addition, Owner shall not be liable or responsible for damage, loss or injury suffered by Diamond Parking LLC, its employees, agents, or guests arising from any manner whatsoever.

Diamond Parking LLC shall indemnify and hold Owner and its successors and assigns, and their respective officers, directors, employees, members, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising exclusively from or related to Diamond Parking LLC negligent acts or omissions in the performance of its duties and/or responsibilities under this Agreement.

Except for Diamond Parking LLC negligent acts or omissions as provided in the immediately preceding paragraph, Owner agrees to indemnify and hold Diamond Parking LLC and its respective successors and assigns and their respective officers, directors, shareholders, employees, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising from or related in any manner to the operation of the parking lot, including (but not limited to) Owner's negligent acts or omissions in the performance of their responsibilities under this Agreement.

Should any disputes arise with respect to the applicability and/or interpretation of the parties' respective rights to indemnification, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other remedy. The parties' rights regarding indemnification shall survive the expiration or earlier termination of this Lease.

Diamond Parking LLC shall purchase, and maintain at its sole cost and expense, comprehensive general liability and property damage insurance insuring the Premises and the parking operations, placed with a reputable and financially strong insurance carrier. The minimum limits of insurance shall be:

- (a) General Liability - \$1,000,000 combined single limit per occurrence and for those policies with aggregate limits, a \$2,000,000 aggregate limit;
- (b) Automobile Liability - \$1,000,000 combined single limit per accident for bodily injury and property damage;
- (c) Workers' Compensation: Statutory requirements of the state of residence or \$1,000,000 per occurrence, whichever is greater;

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

Such policies shall name Owner as additional insured with a severability of interest's endorsement and the carrier(s) shall be required to give Owner at least thirty- (30) days advance written notice of non-renewal or cancellation. Upon ten- (10) days of mutual execution of this Agreement, Diamond Parking LLC shall give Owner or its representative a Certificate(s) of Insurance, together with an additional insured endorsement, reflecting the required coverages.

Both parties hereby waive all rights of recovery against the other on account of loss or damage to each party or its property or the property of others under its control to the extent that such loss or damage is insured under any insurance policies which either party is required to carry pursuant to the terms of this Agreement.

10. Structural, mechanical, or other installations and any alterations required by law or regulations pertaining to air quality, environmental protection, provisions required by the Americans with Disabilities Act, or other similar governmental rules or regulations will remain the responsibility of the Owner.
11. At any time the United States becomes involved in an economic or environmental emergency, during the term of this agreement or any renewal thereof, or during the term of this agreement there is an environmental disaster, such as a hurricane, earthquake, tornado, or volcanic eruption, in the city, town or county where the parking facility is located, and Diamond Parking LLC is required to cease or is restricted in its operation of the parking facilities by governmental law, regulation or decree, or by a limitation on the availability of gasoline or the rationing of gasoline, or by restricted use of access streets, then in such event, the parties agree to make an equitable adjustment in the rental payable to the Owner. In the event the parties are unable to agree upon an equitable adjustment in the rent, either party may request that the rental be arrived at by arbitration by giving sixty- (60) days written notice to the other party. During the sixty (60) day period, the rent will be seventy-five (75%) percent of the net parking revenue. To arbitrate, each of the parties will appoint an arbitrator and the two arbitrators will select a third arbitrator. The decision of a majority of the arbitrators will be final and binding upon the parties. In the event the two parties are unable to agree on a third arbitrator, the third arbitrator will be appointed by any court authorized to do so. Each party will pay for the cost of the arbitrator it appoints and one-half of the cost of the third arbitrator.
12. This agreement may be withdrawn by Diamond Parking LLC if not executed by Owner within sixty- (60) days.
13. Owner agrees that during this agreement, and for a period of two years following its termination or expiration, not to hire or have in the employ of Owner in any capacity, nor retain as an independent contractor, any employee, former employee or any person working for Diamond Parking LLC, without its prior written consent.

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

14. Your signature on a copy of this cancelable letter agreement will constitute your acceptance of these terms and conditions. Thank you.

It is AGREED this _____ day of _____, 20__.

FRIENDS OF MOKU'ULA, INC

Print: _____

Sign: _____

Title: _____

Tax ID / Soc Sec #: _____

DIAMOND PARKING
SERVICES LLC

Print: Jonathan Diamond

Sign: *[Handwritten Signature]*

Title: President



DIAMOND PARKING SERVICES LLC

"Family Owned & Operated"

**KA LUA O KIHA, INC.
MR. AKONI AKANA
505 FRONT STREET, SUITE 234
LAHAINA, HAWAII
661-3659**

**CONFIDENTIAL, PLEASE
NOT FOR PUBLICATION**

Parking No. HM64
Date 7/30/08

Re: T.M.K- 2-4-6-07 PARKING AGREEMENT

1. The effective date of this agreement is July 01, 2008.
2. This letter agreement sets forth in writing our understanding that Diamond Parking Services LLC ("Diamond Parking") will operate a parking facility on the above referenced property 24 hours a day, 7 days a week as an independent contractor under the terms and conditions set forth below.
3. It is our understanding that the Undersigned is the Owner or authorized representative of the above referenced property, hereinafter referred to as "Owner", and that there are no zoning or other restrictions that would prohibit the use of the property as a public parking facility.
4. Diamond Parking LLC will keep the parking facility in a neat and clean condition, and if available, will be allowed to enter 48 hours prior to the effective date for the purpose of installing signs and fixtures. Diamond Parking LLC will have the right to make any operating improvements that are necessary to operate the parking facility. All improvements such as trade fixtures, signs, lights, bumpers, pay boxes and attendant's facilities will remain the property of Diamond Parking LLC.
5. Capital improvements to the parking facility will remain the responsibility of the Owner. Funding for capital improvements is available through Violet Finance Company. Your Diamond Parking LLC representative can assist you in contacting a representative of Violet and arranging for the financing of capital improvements to the parking facility.
6. As rent, Diamond Parking LLC will pay to the Undersigned or as directed Sixteen Thousand-Five hundred- (\$16,500.00) dollars per month, GET included, commencing ~~April~~ ^{July} 01, 2008 Diamond Parking LLC will pay you on a quarterly basis. Rent will be paid by the 10th of the first month of each quarter. JD
9/22/08
7. This agreement may be terminated at any time by either of the parties by giving thirty- (30) days advance written notice to the other party. Owner will not terminate this agreement if the parking facility is to be operated or used for parking by a third party without first offering Diamond Parking LLC an opportunity to match the terms and conditions proposed by a third party.

Office: 439 Kamani Street • Honolulu, Hawaii 96813
(808) 592-7275 • Fax: (808) 593-2602
honolulu@diamondparking.com

Home Office: 605 First Ave., Suite 600 • Seattle, Washington 98104-2224
(800) 340-PARK • Fax (206) 285-5598 • www.diamondparking.com

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

8. Upon termination of this agreement, Diamond Parking LLC will vacate the parking facility leaving it in good condition, less damage by fire, the elements, or ordinary wear and tear.
9. All personal property of Diamond Parking LLC or its effects of any kind or description whatsoever left on or about the Premises shall be at Diamond Parking LLC sole risk and Owner shall not be liable or responsible for any damage done to or loss of such personal property or effects. In addition, Owner shall not be liable or responsible for damage, loss or injury suffered by Diamond Parking LLC, its employees, agents, or guests arising from any manner whatsoever.

Diamond Parking LLC shall indemnify and hold Owner and its successors and assigns, and their respective officers, directors, employees, members, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising exclusively from or related to Diamond Parking LLC negligent acts or omissions in the performance of its duties and/or responsibilities under this Agreement.

Except for Diamond Parking LLC negligent acts or omissions as provided in the immediately preceding paragraph, Owner agrees to indemnify and hold Diamond Parking LLC and its respective successors and assigns and their respective officers, directors, shareholders, employees, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising from or related in any manner to the operation of the parking lot, including (but not limited to) Owner's negligent acts or omissions in the performance of their responsibilities under this Agreement.

Should any disputes arise with respect to the applicability and/or interpretation of the parties' respective rights to indemnification, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other remedy. The parties' rights regarding indemnification shall survive the expiration or earlier termination of this Lease.

Diamond Parking LLC shall purchase, and maintain at its sole cost and expense, comprehensive general liability and property damage insurance insuring the Premises and the parking operations, placed with a reputable and financially strong insurance carrier. The minimum limits of insurance shall be:

- (a) General Liability - \$1,000,000 combined single limit per occurrence and for those policies with aggregate limits, a \$2,000,000 aggregate limit;
- (b) Automobile Liability - \$1,000,000 combined single limit per accident for bodily injury and property damage;
- (c) Workers' Compensation: Statutory requirements of the state of residence or \$1,000,000 per occurrence, whichever is greater;

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

Such policies shall name Owner as additional insured with a severability of interests endorsement and the carrier(s) shall be required to give Owner at least thirty- (30) days advance written notice of non-renewal or cancellation. Upon ten- (10) days of mutual execution of this Agreement, Diamond Parking LLC shall give Owner or its representative a Certificate(s) of Insurance, together with an additional insured endorsement, reflecting the required coverages.

Both parties hereby waive all rights of recovery against the other on account of loss or damage to each party or its property or the property of others under its control to the extent that such loss or damage is insured under any insurance policies which either party is required to carry pursuant to the terms of this Agreement.

10. Structural, mechanical, or other installations and any alterations required by law or regulations pertaining to air quality, environmental protection, provisions required by the Americans with Disabilities Act, or other similar governmental rules or regulations will remain the responsibility of the Owner.
11. At any time the United States becomes involved in an economic or environmental emergency, during the term of this agreement or any renewal thereof, or during the term of this agreement there is an environmental disaster, such as a hurricane, earthquake, tornado, or volcanic eruption, in the city, town or county where the parking facility is located, and Diamond Parking LLC is required to cease or is restricted in its operation of the parking facilities by governmental law, regulation or decree, or by a limitation on the availability of gasoline or the rationing of gasoline, or by restricted use of access streets, then in such event, the parties agree to make an equitable adjustment in the rental payable to the Owner. In the event the parties are unable to agree upon an equitable adjustment in the rent, either party may request that the rental be arrived at by arbitration by giving sixty- (60) days written notice to the other party. During the sixty (60) day period, the rent will be seventy-five (75%) percent of the net parking revenue. To arbitrate, each of the parties will appoint an arbitrator and the two arbitrators will select a third arbitrator. The decision of a majority of the arbitrators will be final and binding upon the parties. In the event the two parties are unable to agree on a third arbitrator, the third arbitrator will be appointed by any court authorized to do so. Each party will pay for the cost of the arbitrator it appoints and one-half of the cost of the third arbitrator.
12. This agreement may be withdrawn by Diamond Parking LLC if not executed by Owner within sixty- (60) days.
13. Owner agrees that during this agreement, and for a period of two years following its termination or expiration, not to hire or have in the employ of Owner in any capacity, nor retain as an independent contractor, any employee, former employee or any person working for Diamond Parking LLC, without its prior written consent.

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

14. Your signature on a copy of this cancelable letter agreement will constitute your acceptance of these terms and conditions. Thank you.

It is AGREED this 12th day of August, 2008

KA LUA O KIHA, INC

Print: James K Falconer

Sign: [Signature]

Title: Board President

Fed Tax ID / Soc Sec #: 20-4656092

**DIAMOND PARKING
SERVICES LLC**

Print: Jonathan Diamond

Sign: [Signature]

Title: President

DIAMOND PARKING SERVICES LLC



"Family Owned & Operated"

KA LUA O KIHA, INC.
MR. AKONI AKANA
505 FRONT STREET, SUITE 234
LAHAINA, HAWAII
661-3659

CONFIDENTIAL, PLEASE
NOT FOR PUBLICATION

Parking No. HM64

Date 1/26/09

Re: T.M.K- 2-4-6-07 PARKING AGREEMENT

1. The effective date of this agreement is March 01, 2009.
2. This letter agreement sets forth in writing our understanding that Diamond Parking Services LLC ("Diamond Parking") will operate a parking facility on the above referenced property 24 hours a day, 7 days a week as an independent contractor under the terms and conditions set forth below.
3. It is our understanding that the Undersigned is the Owner or authorized representative of the above referenced property, hereinafter referred to as "Owner", and that there are no zoning or other restrictions that would prohibit the use of the property as a public parking facility.
4. Diamond Parking LLC will keep the parking facility in a neat and clean condition, and if available, will be allowed to enter 48 hours prior to the effective date for the purpose of installing signs and fixtures. Diamond Parking LLC will have the right to make any operating improvements that are necessary to operate the parking facility. All improvements such as trade fixtures, signs, lights, bumpers, pay boxes and attendant's facilities will remain the property of Diamond Parking LLC.
5. Capital improvements to the parking facility will remain the responsibility of the Owner. Funding for capital improvements is available through Violet Finance Company. Your Diamond Parking LLC representative can assist you in contacting a representative of Violet and arranging for the financing of capital improvements to the parking facility.
6. As rent, Diamond Parking LLC will pay to the Undersigned or as directed Twelve Thousand (\$12,000.00) dollars per month, GET included, commencing March 01, 2009 Diamond Parking LLC will pay you on a monthly basis. Rent will be paid by the 1st of each month.
7. This agreement may be terminated at any time by either of the parties by giving thirty- (30) days advance written notice to the other party. Owner will not terminate this agreement if the parking facility is to be operated or used for parking by a third party without first offering Diamond Parking LLC an opportunity to match the terms and conditions proposed by a third party.

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

8. Upon termination of this agreement, Diamond Parking LLC will vacate the parking facility leaving it in good condition, less damage by fire, the elements, or ordinary wear and tear.
9. All personal property of Diamond Parking LLC or its effects of any kind or description whatsoever left on or about the Premises shall be at Diamond Parking LLC sole risk and Owner shall not be liable or responsible for any damage done to or loss of such personal property or effects. In addition, Owner shall not be liable or responsible for damage, loss or injury suffered by Diamond Parking LLC, its employees, agents, or guests arising from any manner whatsoever.

Diamond Parking LLC shall indemnify and hold Owner and its successors and assigns, and their respective officers, directors, employees, members, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising exclusively from or related to Diamond Parking LLC negligent acts or omissions in the performance of its duties and/or responsibilities under this Agreement.

Except for Diamond Parking LLC negligent acts or omissions as provided in the immediately preceding paragraph, Owner agrees to indemnify and hold Diamond Parking LLC and its respective successors and assigns and their respective officers, directors, shareholders, employees, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising from or related in any manner to the operation of the parking lot, including (but not limited to) Owner's negligent acts or omissions in the performance of their responsibilities under this Agreement.

Should any disputes arise with respect to the applicability and/or interpretation of the parties' respective rights to indemnification, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other remedy. The parties' rights regarding indemnification shall survive the expiration or earlier termination of this Lease.

Diamond Parking LLC shall purchase, and maintain at its sole cost and expense, comprehensive general liability and property damage insurance insuring the Premises and the parking operations, placed with a reputable and financially strong insurance carrier. The minimum limits of insurance shall be:

- (a) General Liability - \$1,000,000 combined single limit per occurrence and for those policies with aggregate limits, a \$2,000,000 aggregate limit;
- (b) Automobile Liability - \$1,000,000 combined single limit per accident for bodily injury and property damage;
- (c) Workers' Compensation: Statutory requirements of the state of residence or \$1,000,000 per occurrence, whichever is greater;

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

Such policies shall name Owner as additional insured with a severability of interests endorsement and the carrier(s) shall be required to give Owner at least thirty- (30) days advance written notice of non-renewal or cancellation. Upon ten- (10) days of mutual execution of this Agreement, Diamond Parking LLC shall give Owner or its representative a Certificate(s) of Insurance, together with an additional insured endorsement, reflecting the required coverages.

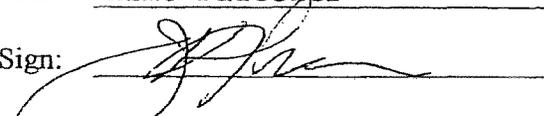
Both parties hereby waive all rights of recovery against the other on account of loss or damage to each party or its property or the property of others under its control to the extent that such loss or damage is insured under any insurance policies which either party is required to carry pursuant to the terms of this Agreement.

10. Structural, mechanical, or other installations and any alterations required by law or regulations pertaining to air quality, environmental protection, provisions required by the Americans with Disabilities Act, or other similar governmental rules or regulations will remain the responsibility of the Owner.
11. This agreement may be withdrawn by Diamond Parking LLC if not executed by Owner within sixty- (60) days.
12. Owner agrees that during this agreement, and for a period of two years following its termination or expiration, not to hire or have in the employ of Owner in any capacity, nor retain as an independent contractor, any employee, former employee or any person working for Diamond Parking LLC, without its prior written consent.
13. Your signature on a copy of this cancelable letter agreement will constitute your acceptance of these terms and conditions. Thank you.

It is AGREED this 8 day of February, 2009.

KA LUA O KIHA, INC

Print: Kimo Falconer

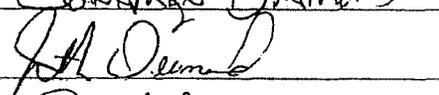
Sign: 

Title: President

Tax ID / Soc Sec #: 20-4656092

**DIAMOND PARKING
SERVICES LLC**

Print: Jonathan Diamond

Sign: 

Title: President

FRIENDS OF MOKU'ULA, INC.

AUDITED FINANCIAL STATEMENTS
(With Independent Auditors' Report)

FOR THE YEAR ENDED JUNE 30, 2010

(WITH SUMMARIZED COMPILED TOTALS FOR THE YEAR ENDED JUNE 30, 2009)



Certified Public Accountants
Members: AICPA
HISCPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Moku'ula, Inc.
Lahaina, HI 96761

We have audited the accompanying statement of financial position of the Friends of Moku'ula, Inc. (a Hawai'i nonprofit corporation) as of June 30, 2010, and the related statements of activity and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with accounting 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 5 to the financial statements, the Organization does not consolidate Ka Lua O Kiha, Inc., a wholly owned subsidiary. In our opinion, accounting principles generally accepted in the United States of America require that all wholly owned subsidiaries be accounted for as consolidated with the parent company.

In our opinion, except for the effects of not consolidating the financial statement of Ka Lua O Kiha, Inc. as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Friends of Moku'ula, Inc. as of June 30, 2010, and the related statement of activity and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2009 financial statements were compiled by Christine Riecke-Gonzalez, CPA, and on her report thereon, dated August 3, 2009, stated she did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them.

Carbonaro DeMichele CPAs

Wailuku, Hawai'i
September 9, 2010

FRIENDS OF MOKU'ULA, INC.
Statement of Financial Position
As of June 30, 2010
(With summarized compiled totals as of June 30, 2009)

	ASSETS	
	2010	2009
CURRENT ASSETS		
Cash and Cash Equivalents:		
Checking - American Savings Bank	\$ 662	\$ 76,600
Savings - American Savings Bank	46,838	46,784
Checking - First Hawaiian Bank -Maui Nei	13,534	12,401
Petty Cash	300	300
Total Cash	61,334	136,085
Accounts Receivable	20,405	2,250
Prepaid Expense	562	599
Total Current Assets	82,301	138,934
FIXED ASSETS		
Furniture and Equipment	16,900	14,554
Building Improvements	7,661	7,661
	24,561	22,215
Less Accumulated Depreciation	(12,463)	(10,139)
Net Fixed Assets	12,098	12,076
OTHER ASSET		
Investment in Ka Lua O Kila , Inc. (Note 5)	100	100
Construction in Progress	267,967	244,240
	268,067	244,340
TOTAL ASSETS	\$ 362,466	\$ 395,350
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,810	\$ 3,572
Payroll Taxes Payable	780	1,557
Accrued Vacation	3,970	2,598
Total Current Liabilities	6,560	7,727
NET ASSETS (Note 2)		
Unrestricted Net Assets	326,986	352,234
Temporarily Restricted Net Assets (Note 8)	28,920	35,389
Total Net Assets	355,906	387,623
TOTAL LIABILITIES AND NET ASSETS	\$ 362,466	\$ 395,350

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKU'ULA, INC.
Statement of Activity and Changes in Net Assets
For the Year the Ended June 30, 2010
(With summarized compiled totals for the year ended June 30, 2009)

	Temporarily Permanently			2010	2009
	Unrestricted	Restricted	Restricted		
PUBLIC SUPPORT AND REVENUE					
In-Kind Revenue (Note 3)	\$ 49,310	\$ -	\$ -	\$ 49,310	\$ 43,681
Maui Nei Walking Tours	34,649	-	-	34,649	34,374
Ka Lua O Kiha Contributions (Note 3)	30,000	-	-	30,000	40,000
County of Maui Grants	17,977	-	-	17,977	1,673
HITA Grant	9,699	301	-	10,000	15,000
Other Grants	-	7,500	-	7,500	9,000
Donations	26,008	-	-	26,008	38,044
Membership Dues	722	-	-	722	950
Other Income	52	-	-	52	506
Interest Income	54	-	-	54	81
Net Assets Released From Restrictions	14,270	(14,270)	-	-	-
Total Public Support and Revenue	182,741	(6,469)	-	176,272	183,312
EXPENSES					
Program Services	145,288	-	-	145,288	154,003
Management and General	61,221	-	-	61,221	27,494
Fundraising	1,480	-	-	1,480	4,241
Total Expenses	207,989	-	-	207,989	185,738
CHANGE IN NET ASSETS	(25,248)	(6,469)	-	(31,717)	(2,426)
Beginning of Year Net Assets	352,234	35,389	-	387,623	390,049
End of Year Net Assets	\$ 326,986	\$ 28,920	\$ -	\$ 355,906	\$ 387,623

The accompanying notes and Auditors' report are an integral part of these financial statements.
Page 3

FRIENDS OF MOKU'ULA, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2010

(With summarized compiled totals for the year ended June 30, 2009)

	2010							2009
	Program Services			Supporting Services				
	Site Restoration	Maui Nei	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	
In-kind Facilities Rental (Note 3)	32,670	4,356	37,026	6,534	-	6,534	43,560	43,560
Salaries and Wages	\$ 28,703	\$ 4,594	\$ 33,297	\$ 6,891	\$ -	\$ 6,891	\$ 40,188	\$ 56,836
Maintenance & Utilities	4,184	558	4,742	836	-	836	5,578	6,411
Tour Expenses								
Guides	-	8,997	8,997	-	-	-	8,997	8,085
Operations & Office Manager	-	11,601	11,601	-	-	-	11,601	11,305
Tour Admissions	-	1,996	1,996	-	-	-	1,996	1,740
Food and Beverage	-	365	365	-	-	-	365	323
Professional Fees	133	18	151	41,778	553	42,331	42,482	3,442
Payroll Taxes and Fringe Benefits	12,306	1,641	13,947	2,461	-	2,461	16,408	19,900
Cultural Adviser	10,500	-	10,500	-	-	-	10,500	11,811
In-kind Site Maintenance (Note 3)	5,750	-	5,750	-	-	-	5,750	-
Archaeologist	5,500	-	5,500	-	-	-	5,500	5,000
Telephone and Communication	2,223	939	3,162	444	-	444	3,606	4,036
Insurance	963	1,628	2,591	193	-	193	2,784	2,929
Supplies	1,111	84	1,195	376	405	781	1,976	1,625
Advertising and Promotion	520	-	520	-	520	520	1,040	1,258
Travel and Related Expenses	805	-	805	-	-	-	805	832
Bank Service Charges	-	-	-	783	-	783	783	685
Printing and Reproduction	-	655	655	95	-	95	750	1,613
Site Maintenance	323	-	323	-	-	-	323	483
Dues, Taxes & Licenses	55	-	55	159	2	161	216	1,033
Postage and Shipping	119	16	135	24	-	24	159	271
Board Development & Meetings	-	-	-	158	-	158	158	519
Staff Development	-	-	-	140	-	140	140	-
Total Expenses Before Depreciation	105,865	37,448	143,313	60,872	1,480	62,352	205,665	183,697
Depreciation	1,743	232	1,975	349	-	349	2,324	2,041
Total Expenses	\$ 107,608	\$ 37,680	\$ 145,288	\$ 61,221	\$ 1,480	\$ 62,701	\$ 207,989	\$ 185,738

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Cash Flows
For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Grants, Contributions and Memberships	\$ 92,207
Cash Received from Maui Nei Walking Tours	34,649
Other Income	52
Interest Income	54
Cash Paid to Employees and Vendors	<u>(175,640)</u>
Net Cash Used by Operating Activities (Note 6)	(48,678)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(2,346)
Construction in Progress Expenditures	<u>(23,727)</u>
Net Cash Used by Investing Activities	(26,073)
CASH FLOWS FROM FINANCING ACTIVITIES	
	-
Net Decrease in Cash for the Year	<u>(74,751)</u>
CASH AT BEGINNING OF YEAR	<u>136,085</u>
CASH AT END OF YEAR	<u>\$ 61,334</u>

The accompanying notes and Auditors' report are an integral part of these financial statements.
Page 5

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2010

Note 1. ORGANIZATION

Friends of Moku'ula, Inc. was incorporated in March 1997 to perpetuate native Hawaiian culture through promotion of public awareness and activities, including the support of a native Hawaiian cultural site restoration and learning center. The Organization's activities are carried out primarily on the West side of Maui County, State of Hawai'i. The organization has two major programs as follows:

Site Restoration – The Organization is in the process of restoring, protecting, and preserving a historically significant pond at Lahaina known as Moku'ula and Mokuhina.

Maui Nei – The Organization provides a walking tour through Lahaina, visiting and explaining significant historical sites throughout the area.

The Friends of Moku'ula, Inc. depends significantly on parking concession fees and grants to carry out its program activities. In addition, a fee is charged for the Maui Nei walking tour to cover program costs.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid. For contributions and donations, revenue is recognized when the gift is received. For grants and contracts, revenue is recognized as the applicable grant requirements are fulfilled. Deferred revenue represents funds received from grantors and not yet expended for the grant's purposes.

Basis of Presentation: Net assets of the Friends of Moku'ula, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of June 30, 2010, there was a total of \$28,920 in temporarily restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted funds as of June 30, 2010.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2010

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets: Property and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 30 years. Donated property and equipment are recorded as revenue at their estimated fair value. Such donations are reported as unrestricted revenue unless the donor has restricted the donated asset to a specific purpose. Substantially all assets would revert back to the State of Hawai'i upon discontinuance of their intended use.

Income Taxes: The Friends of Moku'ula, Inc. is exempt from federal income taxes under section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Note 3. DONATED SERVICES

Under FASB ASC 958-605-25-16 "Not-for-Profit Entities, Contributed Services", contributions of donated services that create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the year, project management services for the site restoration project were donated at an estimated cost of \$5,750.

Additionally, the Organization is not required to pay rent or common area maintenance costs for its facilities. The minimum lease payments have been valued at approximately \$43,560 and, accordingly, have been recorded as in-kind revenue and expense.

Note 4. OPERATING LEASE

The Organization leases a parcel of land from the County of Maui for \$1 per year through January 2037. Every five years, the County of Maui will review the usage of the lot and at its discretion can deny the continued operation of a parking concession.

Management has not determined the fair value of the lease and accordingly no In-Kind revenue or expense is reflected in the financial statements for it.

Note 5. RELATED ORGANIZATIONS

The Organization owns 100% of the stock of Ka Lua O Kiha, Inc., a for-profit feeder corporation. The Friends of Moku'ula, Inc. and Ka Lua O Kiha, Inc. share common board members, employees and operating costs. During the fiscal year ending June 30, 2010, Friends of Moku'ula received approximately \$30,000 (17%) of its revenues from this related for-profit corporation. The Organization records revenue as it is received from Ka Lua O Kiha, Inc. which prepares its own financial statements and prepares its own tax returns.

The Friends of Moku'ula, Inc. has entered into an agreement with Ka Lua O Kiha, Inc. (a related organization), whereby Ka Lua O Kiha, Inc., is to provide site maintenance and management of the intended restoration site in exchange for parking concession fees. The site is currently being used as a parking facility and the net proceeds must be used for non-profit purposes.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2010

Note 6. RECONCILIATION OF CHANGE IN NET ASSETS WITH NET CASH USED BY OPERATING ACTIVITIES

Change in Net Assets	\$ (31,717)
Add Depreciation	2,324
Adjustments to reconcile:	
Change in Grants & Accounts Receivable	(18,155)
Change in Prepaid Expenses	37
Change in Accruals	595
Change in Payables	<u>(1,762)</u>
Net Cash Used by Operating Activities	<u>\$ (48,678)</u>

Note 7. COUNTY OF MAUI GRANTS

As of June 30, 2010, the Organization has been awarded \$500,000 in grants from County of Maui for the purpose of site restoration. As of June 30, 2010, the Organization received approximately \$36,000 since it began in 2001. The grant has been extended and expires on December 31, 2010.

Note 8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2010 were comprised of:

	<u>Received</u>	<u>Expended</u>	<u>Net</u>
Capital campaign	\$ 500	\$ 0	\$ 500
Fred Baldwin	7,500	0	7,500
HTA	10,000	9,699	301
Archeologist	<u>35,000</u>	<u>14,381</u>	<u>20,619</u>
	\$ 53,000	\$24,080	\$ 28,920

Note 9. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 9, 2010, the date the financial statements were available to be issued.



FRIENDS OF
MOKU'ULA, INC.

I Ka Wā Mamua, Ka Wā Mahope
The Future Is In The Past

(808) 661-3659
Fax (808) 661-1676
505 Front Street, Suite 221
Lāhainā, Hawai'i 96761
E-mail: friends@mokuula.com
www.mokuula.com

January 9, 2012

Mr. Mike White, Chair
Economic Development, Agriculture and
Recreation Committee
County of Maui
200 S. High Street
Wailuku, HI 96793

**SUBJECT: Lease and License of County-Controlled Parcels to Friends of
Moku'ula, Inc. (EDR-23)**

Dear Chairman White:

Thank you for your letter of December 16th with reference to the Lease and License of County-Controlled Parcels to Friends of Moku'ula, Inc. (EDR-23).

Thank you for granting us an extension on submitting our reports to accommodate my vacation. At your request, we are enclosing copies of our annual reports covering the periods of July 1, 2009 to June 30, 2010 and July 1, 2010 to June 30, 2011. These reports were completed upon the request of the County of Maui Parks & Recreation Department.

I am also enclosing copies of the audits that FOM has done every 3rd year by a local auditor for the following periods:

1. Russell Yamane & Associates CPAs, Inc.
For Year Ended June 30, 2004
2. Carbonaro DeMichele CPAs
For Year Ended June 30, 2007
3. Carbonaro DeMichele CPAs
For Year Ended June 30, 2010

OFFICE OF THE
COUNTY COUNCIL

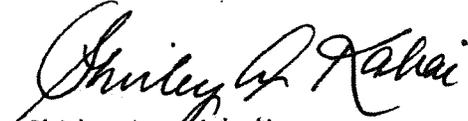
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RECEIVED

Mr. Mike White, Chair
Page Two
January 9, 2012

These audits were requested at my initial presentation to the Maui Council Council Economic Development, Agriculture and Recreation Committee on December 1, 2011.

Me ka ha'a ha'a,

A handwritten signature in black ink, appearing to read "Shirley Ann Kaha'i". The signature is fluid and cursive, with the first name "Shirley" being the most prominent.

Shirley Ann Kaha'i
Executive Director

/sak

Enclosures

D. ~~Reporting~~ Reports. The GRANTEE shall submit to the COUNTY a Quarterly Allotment Report (QAR) not later than the thirtieth (30th) day of the month which represents the start of each quarter, as follows:

<u>Quarterly Allotment Report</u>	<u>Due to the County NO LATER THAN</u>
First Quarter (Jul-Sept 2001)	October 30, 2001
Second Quarter (Oct-Dec 2001)	January 30, 2002
Third Quarter (Jan-Mar 2002)	April 30, 2002
Fourth Quarter (Apr-Jun 2002)	July 30, 2002

Each Quarterly Allotment Report shall be submitted in a timely manner and authenticated as to its accuracy by the GRANTEE, verified by a designated COUNTY official and shall include a certification by the GRANTEE that the work for which payment was received was performed in accordance with the terms of this Agreement.

E. Program Monitoring. The GRANTEE shall permit the COUNTY or its duly authorized agent free access to any and all GRANTEE programs, facilities, events or activities without advance or formal notification or appointment when such access is for the express purpose of monitoring, investigating, researching or formulating programs, services, or related policies and procedures or when the COUNTY is otherwise in the pursuit of any official business relative to any aspect of this Agreement.

F. Documents and Files

1. Any information, data, report, record, summary, table, map or study given to or prepared or assembled by the GRANTEE under this Agreement that the COUNTY requests to be kept confidential shall not be made available to any individual or organization other than any subcontractor to which the material may relate, without prior written approval of the COUNTY.
2. The COUNTY shall have complete ownership of all material, both finished and unfinished that is developed, prepared, assembled, or conceived by the GRANTEE pursuant to this Agreement, and all such materials shall be considered "works made for hire." All such material



Friends of Moku'ula, Inc.
Grant Report for County of Maui
Department of Parks & Recreation
Moku'ula Restoration Project
Phase I

Grant Agreement No. G1304
Covering Period
July 1, 2009-June 30, 2010

PARKS REAL PROPERTY GRANTS NARRATIVE REPORT

Fiscal Year Ending 2010

ORGANIZATION: Friends of Moku'ula, Inc. GRANT NO. G 1304

Program Name: Moku'ula Restoration Project

INSTRUCTIONS

Provide a narrative response to each question below.
Respond to each question below in the order they appear.

- I. **Submit Minutes** of the Board of Directors meetings for the fiscal report.

- II. **Program Status Summary**
 - 1. List each program goal/benchmark for this fiscal year at the leased/licensed site.
 - 2. What objectives/action steps were completed this fiscal year for each goal?
 - 3. What measurable outcomes were achieved this fiscal year?
 - 4. Give actual number of clients served for activities, programs and events.
 - 5. What objectives/actions steps will be accomplished during the next fiscal year, except if this is for the last fiscal year?

- III. **Narrative Report**
 - 1. What program challenges occurred this fiscal year and how were they addressed and/or resolved?
 - 2. What staffing changes occurred this fiscal year?
 - 3. What staffing changes are pending?
 - 4. List any improvements made to the building during this fiscal year.
 - 5. Describe the building and/or park's current condition and concerns. If there are any improvements necessary to the building or park, please note what has been done by your organization thus far to correct the problem.
 - 6. Grants/funds/projects anticipated for next fiscal year (i.e. improvements to building or park).

Narrative Report Prepared by:
Shirley Ann Kaha'i
Acting Executive Director
Print Name/Title

Shirley Ann Kaha'i 7/20/10
Signature Date

Narrative Report Reviewed/approved by:
Shirley Ann Kaha'i
Acting Executive Director
Name/Title

Shirley Ann Kaha'i 7/20/10
Signature Date

COUNTY OF MAUI GRANT REPORT

Project Name: Moku'ula Restoration Project

Grant Agreement #: G1304

Report Period: July 1, 2009 to June 30, 2010

Report Date: June 20, 2010

I. PROGRAM STATUS SUMMARY

1. **List each program goal/benchmark for this program year (2010).**
 - a) Enter into negotiations/arbitration with Kauahikaua & Chun, Architects for Phase I development to try to resolve design issues.
 - b) Complete Construction drawings and specifications, including landscaping plans.
 - c) Update County SMA construction start extension.
 - d) Submit extension for NPDES storm water discharge permit.
 - e) Meet with Army Corps of Engineers to continue with their "Feasibility Study & Ecosystem Restoration Report."
 - f) Commence Archeology field research in association with UH Maui College.
 - g) Clean, clear and grub property again with additional fill material to be placed on the site and leveled.

2. **What objectives/action steps were completed this quarter for each goal?**
 - a) Entered negotiations with arbitration judge and K & C architects in November of 2009.
 - b) Amount of additional and corrective work necessary to complete Construction Drawings work was discussed at length in arbitration.
 - c) SMA – Commencement of Work process pending extension.
 - d) NPDES extension granted.



Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

e) Army Corps issues in progress: GPS mapping of site incorporating all known maps, surveys, and archeology; hydrology study; Pond boundary and revetment design discussion; Wetland restoration; Identifying stake holders: neighborhood, community.

f) Two open forums with community on Archaeology process. Initial fieldwork commences.

g) Cleaning and grubbing of site complete in addition to small number of native species planted.

3. **What measurable outcomes were achieved this quarter?**

a) In February, 2010, the FOM Board approved resolution to terminate contract with Kauhiakaua and Chun. New design team or working on Phase I plan based on original plans.

b) Design development in progress.

c) SMA construction extension was joined with Field Archeology permit. Both have been approved.

d) Army Corps: Provided maps & survey; identified stake holders; discussed and updated site plan.

e) Ongoing field Archeology work with UH Maui College

f) Maintaining site through volunteer and staff efforts. Also incorporating landscaping on berm with kokua from Kamehameha School's Ho'olauna Program. Recently hired Daniel Enso of Aloha Arbor to trim the leaves and cut down the coconut from six coconut trees on berm of back lot as a safety precaution and beautification effort.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

4. Give actual number of clients served for activities, programs and events.

Maui Nei Native Hawaiian Expeditions, is the only tour company who is in partnership with a non-profit organization, The Friends of Moku'ula. Together they are dedicated to the restoration of Moku'ula at Lahaina, Maui. Through the combined efforts, a total of 1,276 cruise ship visitors, 439 FIT visitors, 671 students from a total of 10 educational institutions, and 82 volunteers generating 503 volunteer hours. The Friends of Moku'ula participated in conferences statewide with booth exhibits and gave presentations to various organizations and the total number of people they serviced exceeded 500.

In addition, the Ka 'I'imi 'Ike Archaeology field school, in partnership with the UH Maui College, is currently running through funding awarded by the Hawaii Tourism Authority (program period ended June 30, 2010). There were a total of nearly 75 students, volunteers and visitors to the site interested primarily in the field school and archaeology activities.

5. What objectives/action steps will be accomplished during the next quarter, except if this is for the last quarter?

- a) Review and approve design fee proposals.
- b) Finalize site plan. Start Working Drawings mid August.
- c) Continue UHMC Field Archeology program.
- d) Maintain new landscaping and manage existing parking lot facility.

II. NARRATIVE REPORT

1. What program challenges occurred this quarter and how were they addressed and/or resolved?

During arbitration with judge, it became clear that Kauhiakaua and Chun were unwilling to modify design without substantial additional fees. The Board agreed to terminate contract. New Maui based design team is moving forward on improving design while still incorporating original Plan design concepts.



Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

2. What staffing changes occurred this fiscal year?

Due to health complications, The Friends of Moku'ula lost its Founder and Executive Director, Akoni Akana in July 2009. Presently, Shirley Ann Kaha'i, has been appointed Acting Executive Director and is handling the day-to-day operations. She marks her 9th anniversary with the organization this year and was initially hired as the Project Assistant. In November, 2009, the part-time Program Assistant accepted a full-time position with Montessori Schools. Her position is open.

3. What staffing changes are pending?

An official appointment of an Executive Director is expected to be decided on by the end of this quarter. In the event Shirley Kaha'i is promoted to the Executive Director's position, FOM will have to fill the Project Assistant position. If she is not selected as the Executive Director, she will then revert back to her duties as the Project Assistant. FOM is also in search of a Program Consultant (contract basis at 20 hours/week).

4. List any improvements made to the building during this fiscal year.

No facility built; however, property is on a maintenance program for clean-up and landscaping through volunteer and staff endeavors.

5. Describe the building and/or park's current condition and concerns. If there are any improvements necessary to the building or park, please note what has been done by your organization thusfar to correct the problem.

The continued challenge at Maluuluolele Park is the influx of homeless vagrants that "take up residency" and leave their belongings and trash on site. FOM and Steve Grant, Managing Director of 505 Front Street, have initiated dialog with the Salvation Army and the State to seek an alternative site. On a side note, a portion of Moku'ula island is located under the Salvation Army facility.



Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2009 to June 30, 2010
Report Date: June 20, 2010

6. **Grants/funds/projects anticipated for next fiscal year (i.e. improvements to building or park.**

FOM has acquired a volunteer through the VISTA Americorps program thanks to the generosity of Robin Danner, ED of the Council for Native Hawaiian Advancement. Shirley Kaha'i is a member of the board for CNHA. We hope to be aggressive with our grant writing once the volunteer is officially on board August 2, 2010. He will be writing grants for three non-profit organizations for the next 6 months.

Narrative Report Reviewed/Approved By:



Shirley Ann Kaha'i, Acting Executive Director

Date 7/20/10

COUNTY OF MAUI GRANT REPORT

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

I. MINUTES

Enclosed are copies of FOM Board Minutes.

II. PROGRAM STATUS SUMMARY

1. List each program goal/benchmark for this program year (2011).

- a) Solicit Design Development proposals for redesign of Phase I Design.
- b) Revise Phase I Construction drawings and specifications, including: site and civil plans, Hawaiian hale plans, site support building plans, landscaping plans.
- c) Update FOM's Strategic Plan.
- d) Help facilitate Army Corps request for approval from Burial Council for site soil sampling. Nearly one-year delay in process.
- e) Meet with Army Corps of Engineers to continue with their "Feasibility Study & Ecosystem Restoration Report."
- f) Continue Archaeology field research in partnership with UH Maui College for Ka 'I'imi 'Ike program following one-year delay while seeking approval from the Cultural Resource Commission and Burial Council.
- g) Clean, clear and grub property.
- h) Obtain Arborist report of conditions of trees in Phase I development area.

2. What objectives/action steps were completed this quarter for each goal?

- a) Proposals for redesign of Phase I development were accepted. The following Maui-based design team was selected: Hans Riecke, HR Architects; Anthony Riecke-Gonzales, RSK Architects; Austin Tsutsumi & Associates; Kevin Tanaka, Landscape Architect. (Copies of proposals previously submitted.)
- b) As of June 30th, revised Phase I plans were in final weeks of design development with design work at 80% completion.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

- c) In May of 2011, FOM's Board, staff and consultants meet for a 2-day workshop on providing a updated Strategic Plan. Subsequent workshops by the Board with staff, finalized Strategic Plan, and work in progress.
- d) Burial Council: After initial refusal to grant Army Corps request to perform site soil test boring and subsequent inability of Council to meet and take action on request, SHPD ruled that the Burial Council did not have jurisdiction in this matter.
- e) Army Corps planning progress: GPS mapping of site incorporating all known maps, surveys, and archeology; hydrology study; pond boundary and revetment design discussion; wetland restoration; meeting with stakeholders: neighborhood, community.
- f) UH Maui College Archaeology Program proceeded with initial fieldwork. Student Work is being monitored by FOM Cultural Practices Consultants.
- g) Cleaning and grubbing of site complete in addition to small number of native species planted.
- h) Arborist report of Shaw Street trees indicates one monkey pod tree is badly infested & diseased and another monkey pod tree with a split trunk needs to be removed. All trees are in need of pruning.

3. What measurable outcomes were achieved this quarter?

Significant improvement/simplification of Phase I plans were instituted. Initial cost analysis between original plan and present plan indicates significant construction cost savings with new plan.

- a) Redesign of Phase I include: Revised site plan with significant less hard-scape, better bus parking and traffic flow. Separation of parking lot from cultural area with stone privacy wall and gated entry. Incorporation of traditional Hawaiian Hale as main cultural pavilion with modern facility support building taking less visible position. Incorporation of a Hawaiian Pa for outdoor presentations and adding substantial use of indigenous planting.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

- a) New Strategic Plan provides for measurable, achievable benchmarks and action plans for the Board use.
- b) Soil sampling tests were performed in June of 2011.
- c) Army Corps completed hydrology and drainage study. Present plan development is on going.
- d) Field Archeology work with UH Maui College commenced with the semester schedule.
- e) Site clean-up occurred throughout the year.

4. Give actual number of clients served for activities, programs and events.

Maui Ne'i Native Hawaiian Expeditions, is the only tour company who is in partnership with a non-profit organization, The Friends of Moku'ula. Together they are dedicated to the restoration of Moku'ula at Lahaina, Maui. Through combined efforts, a total of over 1,200 cruise ship visitors, 750 FIT visitors, 500 students from a total of 24 educational institutions, including Kamehameha Schools' Ho'olauna and Ka Ipu Kukui Programs, and 200 volunteers generating almost 1,000 volunteer hours. The Friends of Moku'ula participated in 7 conferences and events statewide with booth exhibits and gave presentations to various organizations and the total number of people they serviced exceeded 5,000 people.

In addition, the Ka 'I'imi 'Ike Archaeology field school, in partnership with the UH Maui College, is currently running through funding awarded by the Hawaii Tourism Authority (program period ended June 30, 2010). There were a total of nearly 50 students, numerous volunteers and countless visitors to the site interested primarily in the field school and archaeology activities.

5. What objectives/action steps will be accomplished during the next quarter, except if this is for the last quarter?

- a) Review and approve design fee proposals.
- b) Finalize site plan. Start Working Drawings mid August.
- c) Continue UHMC Field Archeology program.
- d) Maintain new landscaping and manage existing parking lot facility.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

II. NARRATIVE REPORT

1. What program challenges occurred this quarter and how were they addressed and/or resolved?

At the January meeting with the Mayor, he graciously offered to extend original FOM County grants. Mayor's office will assist in work toward moving Salvation Army to new west side location. Mayor's office will help expedite County Building Permit review process for Phase I development. Need of updated Strategic Plan became apparent. Board and staff worked diligently to create new plan.

2. What staffing changes occurred this fiscal year?

The Friends of Moku'ula and Maui Ne'i lost its Founder and first Executive Director, Akoni Akana in March 2011. Shirley Ann Kaha'i, has been appointed Executive Director and is handling the day-to-day operations. She marks her 10th anniversary with the organization this year.

3. What staffing changes are pending?

A position of in house grant writer and administrative assistant is under review.

4. List any improvements made to the building during this fiscal year.

No facility built; however, property is on a maintenance program for clean-up and landscaping through volunteer and staff endeavors.

5. Describe the building and/or park's current condition and concerns. If there are any improvements necessary to the building or park, please note what has been done by your organization thus far to correct the problem.

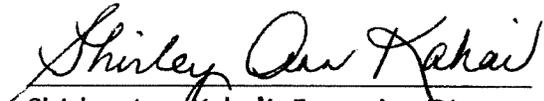
The continued challenge at Malu'uluolele Park is the influx of homeless vagrants that "take up residency" and leave their belongings and trash on site. FOM and Steve Grant, Managing Director of 505 Front Street, have initiated dialog with the Salvation Army and the State to seek an alternative site. On a side note, a portion of Moku'ula Island is located under the Salvation Army facility.

6. Grants/funds/projects anticipated for next fiscal year (i.e. improvements to building or park.)

Completion of Phase I working drawings and submission for building Permits is anticipated this calendar year. Major grant and fund raising effort are in process to fund anticipated construction cost of \$4.2 million for Phase I.

Project Name: Moku'ula Restoration Project
Grant Agreement #: G1304
Report Period: July 1, 2010 to June 30, 2011

Narrative Report Reviewed/Approved By:


Shirley Ann Kaha'i, Executive Director

Date 7/21/11



FRIENDS OF
MOKU'ULA, INC.

I Ka Wā Mamua, Ka Wā Mehohe
The Future Is In The Past

(808) 661-3659
Fax (808) 661-1676
505 Front Street, Suite 221
Lāhainā, Hawai'i 96761
E-mail: friends@mokuula.com
www.mokuula.com

July 21, 2010

Ms. Tamara Horcajo
Director of Parks & Recreation
700 Hali'a Nakoā Street, Unit 2
Wailuku, HI 96793

Aloha Tamara:

Attached is our Annual Report for the Friends of Moku'ula, Inc. containing the following information:

- Program status summary
- Program data summary
- Summary of participant characteristics
- Financial Statement for year ending June 30, 2010
- Parks Real Property Grants Narrative Report
- Minutes of Board of Director's Meetings

If you need any additional information, please let us know.

Me ka ha'a ha'a,

Shirley Ann Kaha'i
Acting Executive Director

/sak

Founder & Director Emeritus

Akoni Akana

Officers

President

James Kama'i Caloone

Vice President

Kalani Bartlett

Secretary

James Caloone

Treasurer

Matthew Erickson

Directors

Aileen Abinger

Donna Cumbao

Walter Erickson

Yvonne Ogawa

Vanessa Stewart-Watson

*Thanks to everyone
for all you do!!*

FRIENDS OF MOKU'ULA

**FOR THE YEAR ENDED
JUNE 30, 2010**

FRIENDS OF MOKU'ULA, INC.

**AUDITED FINANCIAL STATEMENTS
(With Independent Auditors' Report)**

FOR THE YEAR ENDED JUNE 30, 2010

(WITH SUMMARIZED COMPILED TOTALS FOR THE YEAR ENDED JUNE 30, 2009)



Certified Public Accountants
Member: AICPA
HSCPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Moku'ula, Inc.
Lahaina, HI 96761

We have audited the accompanying statement of financial position of the Friends of Moku'ula, Inc. (a Hawai'i nonprofit corporation) as of June 30, 2010, and the related statements of activity and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with accounting 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 5 to the financial statements, the Organization does not consolidate Ka Lua O Kiha, Inc., a wholly owned subsidiary. In our opinion, accounting principles generally accepted in the United States of America require that all wholly owned subsidiaries be accounted for as consolidated with the parent company.

In our opinion, except for the effects of not consolidating the financial statement of Ka Lua O Kiha, Inc. as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Friends of Moku'ula, Inc. as of June 30, 2010, and the related statement of activity and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2009 financial statements were compiled by Christine Riecke-Gonzalez, CPA, and on her report thereon, dated August 3, 2009, stated she did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them.

Carbonaro DeMichele CPAs

Wailuku, Hawai'i
September 9, 2010

FRIENDS OF MOKU'ULA, INC.
Statement of Financial Position
As of June 30, 2010
(With summarized compiled totals as of June 30, 2009)

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents:		
Checking - American Savings Bank	\$ 662	\$ 76,600
Savings - American Savings Bank	46,838	46,784
Checking - First Hawaiian Bank -Maui Nei	13,534	12,401
Petty Cash	300	300
Total Cash	61,334	136,085
Accounts Receivable	20,405	2,250
Prepaid Expense	562	599
Total Current Assets	82,301	138,934
FIXED ASSETS		
Furniture and Equipment	16,900	14,554
Building Improvements	7,661	7,661
	24,561	22,215
Less Accumulated Depreciation	(12,463)	(10,139)
Net Fixed Assets	12,098	12,076
OTHER ASSET		
Investment in Ka Lua O Kiha , Inc. (Note 5)	100	100
Construction in Progress	267,967	244,240
	268,067	244,340
TOTAL ASSETS	\$ 362,466	\$ 395,350
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,810	\$ 3,572
Payroll Taxes Payable	780	1,557
Accrued Vacation	3,970	2,598
Total Current Liabilities	6,560	7,727
NET ASSETS (Note 2)		
Unrestricted Net Assets	326,986	352,234
Temporarily Restricted Net Assets (Note 8)	28,920	35,389
Total Net Assets	355,906	387,623
TOTAL LIABILITIES AND NET ASSETS	\$ 362,466	\$ 395,350

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKUPULA, INC.
Statement of Activity and Changes in Net Assets
For the Year the Ended June 30, 2010
(With summarized compiled totals for the year ended June 30, 2009)

	Temporarily Permanently			2010	2009
	Unrestricted	Restricted	Restricted		
PUBLIC SUPPORT AND REVENUE					
In-Kind Revenue (Note 3)	\$ 49,310	\$ -	\$ -	\$ 49,310	\$ 43,681
Maui Nei Walking Tours	34,649	-	-	34,649	34,374
Ka I.ua O Kiha Contributions (Note 5)	30,000	-	-	30,000	40,000
County of Maui Grants	17,977	-	-	17,977	1,673
HITA Grant	9,699	301	-	10,000	15,000
Other Grants	-	7,500	-	7,500	9,000
Donations	26,008	-	-	26,008	38,044
Membership Dues	722	-	-	722	950
Other Income	52	-	-	52	506
Interest Income	54	-	-	54	84
Net Assets Released From Restrictions	14,270	(14,270)	-	-	-
Total Public Support and Revenue	182,741	(6,469)	-	176,272	183,312
EXPENSES					
Program Services	145,288	-	-	145,288	154,003
Management and General	61,221	-	-	61,221	27,494
Fundraising	1,480	-	-	1,480	4,241
Total Expenses	207,989	-	-	207,989	185,738
CHANGE IN NET ASSETS	(25,248)	(6,469)	-	(31,717)	(2,426)
Beginning of Year Net Assets	352,234	35,389	-	387,623	390,049
End of Year Net Assets	<u>\$ 326,986</u>	<u>\$ 28,920</u>	<u>\$ -</u>	<u>\$ 355,906</u>	<u>\$ 387,623</u>

The accompanying notes and Auditors' report are an integral part of these financial statements.
Page 3

FRIENDS OF MOKU'ULA, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2010

(With summarized compiled totals for the year ended June 30, 2009)

	2010						2009	
	Program Services			Supporting Services			Total	Total
	Site Restoration	Maui Nei	Total Program Services	Management and General	Fundraising	Total Supporting Services		
In-kind Facilities Rental (Note 3)	32,670	4,356	37,026	6,534	-	6,534	43,560	43,560
Salaries and Wages	\$ 28,703	\$ 4,594	\$ 33,297	\$ 6,891	\$ -	\$ 6,891	\$ 40,188	\$ 56,836
Maintenance & Utilities	4,184	558	4,742	836	-	836	5,578	6,411
Tour Expenses								
Guides	-	8,997	8,997	-	-	-	8,997	8,085
Operations & Office Manager	-	11,601	11,601	-	-	-	11,601	11,305
Tour Admissions	-	1,996	1,996	-	-	-	1,996	1,740
Food and Beverage	-	365	365	-	-	-	365	323
Professional Fees	133	18	151	41,778	553	42,331	42,482	3,442
Payroll Taxes and Fringe Benefits	12,306	1,641	13,947	2,461	-	2,461	16,408	19,900
Cultural Adviser	10,500	-	10,500	-	-	-	10,500	11,811
In-kind Site Maintenance (Note 3)	5,750	-	5,750	-	-	-	5,750	
Archeologist	5,500	-	5,500	-	-	-	5,500	5,000
Telephone and Communication	2,223	939	3,162	444	-	444	3,606	4,036
Insurance	963	1,628	2,591	193	-	193	2,784	2,929
Supplies	1,111	81	1,195	376	405	781	1,976	1,625
Advertising and Promotion	520	-	520	-	520	520	1,040	1,258
Travel and Related Expenses	805	-	805	-	-	-	805	832
Bank Service Charges	-	-	-	783	-	783	783	685
Printing and Reproduction	-	655	655	95	-	95	750	1,613
Site Maintenance	323	-	323	-	-	-	323	483
Dues, Taxes & Licenses	55	-	55	159	2	161	216	1,033
Postage and Shipping	119	16	135	24	-	24	159	271
Board Development & Meetings	-	-	-	158	-	158	158	519
Staff Development	-	-	-	140	-	140	140	
Total Expenses Before Depreciation	105,865	37,448	143,313	60,872	1,480	62,352	205,665	183,697
Depreciation	1,743	232	1,975	349	-	349	2,324	2,041
Total Expenses	\$ 107,608	\$ 37,680	\$ 145,288	\$ 61,221	\$ 1,480	\$ 62,701	\$ 207,989	\$ 185,738

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Cash Flows
For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Grants, Contributions and Memberships	\$	92,207
Cash Received from Maui Nei Walking Tours		34,649
Other Income		52
Interest Income		54
Cash Paid to Employees and Vendors		<u>(175,640)</u>
Net Cash Used by Operating Activities (Note 6)		(48,678)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets		(2,346)
Construction in Progress Expenditures		<u>(23,727)</u>
Net Cash Used by Investing Activities		(26,073)

CASH FLOWS FROM FINANCING ACTIVITIES

Net Decrease in Cash for the Year		<u>(74,751)</u>
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CASH AT BEGINNING OF YEAR 136,085

CASH AT END OF YEAR \$ 61,334

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2010

Note 1. ORGANIZATION

Friends of Moku'ula, Inc. was incorporated in March 1997 to perpetuate native Hawaiian culture through promotion of public awareness and activities, including the support of a native Hawaiian cultural site restoration and learning center. The Organization's activities are carried out primarily on the West side of Maui County, State of Hawai'i. The organization has two major programs as follows:

Site Restoration – The Organization is in the process of restoring, protecting, and preserving a historically significant pond at Lahaina known as Moku'ula and Mokuhina.

Maui Nei – The Organization provides a walking tour through Lahaina, visiting and explaining significant historical sites throughout the area.

The Friends of Moku'ula, Inc. depends significantly on parking concession fees and grants to carry out its program activities. In addition, a fee is charged for the Maui Nei walking tour to cover program costs.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid. For contributions and donations, revenue is recognized when the gift is received. For grants and contracts, revenue is recognized as the applicable grant requirements are fulfilled. Deferred revenue represents funds received from grantors and not yet expended for the grant's purposes.

Basis of Presentation: Net assets of the Friends of Moku'ula, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of June 30, 2010, there was a total of \$28,920 in temporarily restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted funds as of June 30, 2010.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2010

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets: Property and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 30 years. Donated property and equipment are recorded as revenue at their estimated fair value. Such donations are reported as unrestricted revenue unless the donor has restricted the donated asset to a specific purpose. Substantially all assets would revert back to the State of Hawai'i upon discontinuance of their intended use.

Income Taxes: The Friends of Moku'ula, Inc. is exempt from federal income taxes under section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Note 3. DONATED SERVICES

Under FASB ASC 958-605-25-16 "Not-for-Profit Entities, Contributed Services", contributions of donated services that create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the year, project management services for the site restoration project were donated at an estimated cost of \$5,750.

Additionally, the Organization is not required to pay rent or common area maintenance costs for its facilities. The minimum lease payments have been valued at approximately \$43,560 and, accordingly, have been recorded as in-kind revenue and expense.

Note 4. OPERATING LEASE

The Organization leases a parcel of land from the County of Maui for \$1 per year through January 2037. Every five years, the County of Maui will review the usage of the lot and at its discretion can deny the continued operation of a parking concession.

Management has not determined the fair value of the lease and accordingly no In-Kind revenue or expense is reflected in the financial statements for it.

Note 5. RELATED ORGANIZATIONS

The Organization owns 100% of the stock of Ka Lua O Kiha, Inc., a for-profit feeder corporation. The Friends of Moku'ula, Inc. and Ka Lua O Kiha, Inc. share common board members, employees and operating costs. During the fiscal year ending June 30, 2010, Friends of Moku'ula received approximately \$30,000 (17%) of its revenues from this related for-profit corporation. The Organization records revenue as it is received from Ka Lua O Kiha, Inc. which prepares its own financial statements and prepares its own tax returns.

The Friends of Moku'ula, Inc., has entered into an agreement with Ka Lua O Kiha, Inc. (a related organization), whereby Ka Lua O Kiha, Inc., is to provide site maintenance and management of the intended restoration site in exchange for parking concession fees. The site is currently being used as a parking facility and the net proceeds must be used for non-profit purposes.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2010

Note 6. RECONCILIATION OF CHANGE IN NET ASSETS WITH NET CASH USED BY OPERATING ACTIVITIES

Change in Net Assets	\$ (31,717)
Add Depreciation	2,324
Adjustments to reconcile:	
Change in Grants & Accounts Receivable	(18,155)
Change in Prepaid Expenses	37
Change in Accruals	595
Change in Payables	<u>(1,762)</u>
Net Cash Used by Operating Activities	<u>\$ (48,678)</u>

Note 7. COUNTY OF MAUI GRANTS

As of June 30, 2010, the Organization has been awarded \$500,000 in grants from County of Maui for the purpose of site restoration. As of June 30, 2010, the Organization received approximately \$36,000 since it began in 2001. The grant has been extended and expires on December 31, 2010.

Note 8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2010 were comprised of:

	<u>Received</u>	<u>Expended</u>	<u>Net</u>
Capital campaign	\$ 500	\$ 0	\$ 500
Fred Baldwin	7,500	0	7,500
HTA	10,000	9,699	301
Archeologist	<u>35,000</u>	<u>14,381</u>	<u>20,619</u>
	<u>\$ 53,000</u>	<u>\$24,080</u>	<u>\$ 28,920</u>

Note 9. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 9, 2010, the date the financial statements were available to be issued.

FRIENDS OF MOKU'ULA, INC

FOR THE YEAR ENDED JUNE 30, 2007

FRIENDS OF MOKU'ULA, INC.

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007



Certified Public Accountants
Member: AICPA
HSCPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Moku'ula, Inc.,
Lahaina, HI 96761

We have audited the accompanying statement of financial position of the Friends of Moku'ula, Inc., (a Hawai'i nonprofit corporation) as of June 30, 2007, and the related statement of activity and changes in net assets, statement of functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with accounting 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Friends of Moku'ula, Inc., as of June 30, 2007, and the related statement of activity and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Carbonaro DeMichele, CPAs

Wailuku, Hawai'i
June 25, 2008

FRIENDS OF MOKU'ULA, INC.
Statement of Financial Position
June 30, 2007

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents:

Checking - American Savings Bank	\$ 26,618
Savings - American Savings Bank	8,789
Checking - First Hawaiian Bank -Maui Nei	6,387
Petty Cash	300

Total Cash 42,094

Accounts Receivable 88,229

Inventory 180

Prepaid Expense 513

Total Current Assets 131,016

FIXED ASSETS

Furniture and Equipment 9,109

Building Improvements 7,661

16,770

Less Accumulated Depreciation (6,423)

Net Fixed Assets 10,347

OTHER ASSET

Investment in Ka Lua O Kiha , Inc. (Note 5) 100

Construction in Progress 237,722

237,822

TOTAL ASSETS \$ 379,185

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable 30,775

Payroll Taxes Payable 1,143

Accrued Vacation 1,402

Deferred Revenue (Note 2) 367

Total Current Liabilities 33,687

NET ASSETS (Note 2)

Unrestricted Net Assets 325,121

Temporarily Restricted Net Assets (Note 9) 20,377

Permanently Restricted Net Assets -

Total Net Assets 345,498

TOTAL LIABILITIES AND NET ASSETS \$ 379,185

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKU'ULA, INC.
Statement of Activity and Changes in Net Assets
For the Year the Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
In-Kind Revenue (Note 3)	\$ 59,560	\$ -	\$ -	59,560
Maui Nei Walking Tours	43,074			43,074
Ka Lua O Kiha Contributions	32,600	-	-	32,600
County of Maui Grants	10,000	-	-	10,000
OHA Grant	4,633	5,000	-	9,633
Other Income	9,831	-	-	9,831
Fundraising	8,814	-	-	8,814
Membership Dues	375	-	-	375
Interest Income	106			106
Net Assets Released From Restrictions	123	(123)		-
Total Public Support and Revenue	169,116	4,877	-	173,993
EXPENSES				
Program Services	173,516	-	-	173,516
Management and General	23,563	-	-	23,563
Fundraising	1,725	-	-	1,725
Total Expenses	198,804	-	-	198,804
EXCESS SUPPORT AND REVENUE OVER EXPENSES	(29,688)	4,877	-	(24,811)
Net Assets, June 30, 2006	354,809	15,500	-	370,309
Net Assets, June 30, 2007	\$ 325,121	\$ 20,377	\$ -	345,498

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKU'ULA, INC.

**Statement of Functional Expenses
For the Year Ended June 30, 2007**

	Program Services			Supporting Services			Total
	Site Restoration	Maui Nei	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and Wages	\$ 43,685	\$ 5,825	\$ 49,510	\$ 8,737	\$ -	\$ 8,737	\$ 58,247
Maintenance & Utilities	4,619	930	5,549	-	-	-	5,549
In-kind Facilities Rental (Note 3)	32,213	3,981	36,194	7,366	-	7,366	43,560
Tour Expenses							
Guides	-	13,761	13,761	-	-	-	13,761
Operations & Office Manager	-	11,900	11,900	-	-	-	11,900
Tour Admissions	-	2,860	2,860	-	-	-	2,860
Food and Beverage	-	426	426	-	-	-	426
Payroll Taxes and Fringe Benefits	9,114	1,216	10,330	1,823	-	1,823	12,153
Telephone and Communication	3,124	417	3,541	625	-	625	4,166
Legal Expenses	9,633	-	9,633	-	-	-	9,633
General Excise Taxes	-	-	-	-	9	9	9
Accounting	428	286	714	2,141	-	2,141	2,855
Insurance	1,577	771	2,348	278	-	278	2,626
Moving Expenses	1,673	223	1,896	335	-	335	2,231
Board Development	-	-	-	908	-	908	908
Travel and Related Expenses	592	4	596	7	-	7	603
Dues, Subscriptions, Taxes & Licenses	571	76	647	154	-	154	801
Website Development	625	-	625	-	625	625	1,250
Advertising and Promotion	856	-	856	114	-	114	970
Supplies	590	75	665	113	40	153	818
Printing and Reproduction	388	217	605	68	-	68	673
Site Maintenance	141	-	141	-	-	-	141
In-kind Site Maintenance (Note 3)	16,000	-	16,000	-	-	-	16,000
Merchant Fees	-	-	-	-	621	621	621
Postage and Shipping	354	29	383	64	-	64	447
Fundraising Expenses							
Archeologist	123	-	123	-	-	-	123
Flooding Expenses	1,295	173	1,468	259	-	259	1,727
Staff Development	300	40	340	60	-	60	400
Volunteer Expenses	4	-	4	-	-	-	4
Bank Service Charges	-	-	-	88	-	88	88
Total Expenses Before Depreciation	127,905	43,210	171,115	23,140	1,295	24,435	195,550
Income Taxes	-	-	-	-	430	430	430
Depreciation	992	133	1,125	198	-	198	1,323
Loss on Asset Abandonment	1,126	150	1,276	225	-	225	1,501
	\$ 130,023	\$ 43,493	\$ 173,516	\$ 23,563	\$ 1,725	\$ 25,288	\$198,804

The accompanying notes and Auditors' report are an integral part of these financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Cash Flows
For the Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from grants, contributions and memberships	\$	47,621
Cash Received from Maui Nei walking tours		43,074
Fundraising		8,600
Other Income		843
Interest Income		106
Cash Paid to Employees and Vendors		<u>(121,664)</u>
Net Cash Used by Operating Activities (Note 7)		(21,420)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Carpet		(1,066)
Construction in Progress Expenditures		<u>(10,353)</u>
Net Cash Used by Investing Activities		(11,419)

CASH FLOWS FROM FINANCING ACTIVITIES

Net Decrease in Cash for the Year		<u>(32,839)</u>
CASH AT BEGINNING OF YEAR		<u>74,933</u>
CASH AT END OF YEAR	\$	<u><u>42,094</u></u>

Note: Non-cash investing activities during the year included \$2,465 of disposed fixed assets.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2007

Note 1. ORGANIZATION

Friends of Moku'ula, Inc. was incorporated in March 1997 to perpetuate native Hawaiian culture through promotion of public awareness and activities, including the support of a native Hawaiian cultural site restoration and learning center. The Organization's activities are carried out primarily on the West side of Maui County, State of Hawai'i. The organization has two major programs as follows:

Site Restoration – The Organization is in the process of restoring, protecting, and preserving a historically significant pond at Lahaina known as Moku'ula and Mokuhina.

Maui Nei – The Organization provides a walking tour through Lahaina, visiting and explaining significant historical sites throughout the area.

The Friends of Moku'ula, Inc. depends significantly on parking concession fees and grants to carry out its program activities. In addition, a fee is charged for the Maui Nei walking tour to cover program costs.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid. For contributions and donations, revenue is recognized when the gift is received. For grants and contracts, revenue is recognized as the applicable grant requirements are fulfilled. Deferred revenue represents funds received from grantors and not yet expended for the grant's purposes.

Basis of Presentation: Net assets of the Friends of Moku'ula, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of June 30, 2007, there was a total of \$ 20,377 in temporarily restricted net assets.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted funds as of June 30, 2007.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2007

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets: Property and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 30 years. Donated property and equipment are recorded as revenue at their estimated fair value. Such donations are reported as unrestricted revenue unless the donor has restricted the donated asset to a specific purpose. Substantially all assets would revert back to the State of Hawai'i upon discontinuance of their intended use.

Income Taxes: The Friends of Moku'ula, Inc. is exempt from federal income taxes under section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Note 3. DONATED SERVICES

Under SFAS No. 116, contributions of donated services that create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the year, trees needed to be removed from the construction site. A contractor donated the services to remove the trees at an estimated cost of \$16,000. Additionally, the Organization is not required to pay rent or common area maintenance costs for its facilities. The minimum lease payments have been valued at approximately \$43,560 and, accordingly, have been recorded as In-Kind revenue and expense.

Note 4. OPERATING LEASE

The Organization leases a parcel of land from the County of Maui for \$1 per year through January 2037. Every five years, the County of Maui will review the usage of the lot and its discretion can deny the continued operation of a parking concession.

Management has not determined the fair value of the lease and accordingly no In-Kind revenue or expense is reflected in the financial statements for it.

The Friends of Moku'ula, Inc., has entered into an agreement with Ka Lua O Kiha, Inc. (a related organization), whereby Ka Lua O Kiha, Inc., is to provide site maintenance and management of the intended restoration site in exchange for parking concession fees. The site is currently being used as a parking facility and the net proceeds must be used for non-profit purposes.

Note 5. RELATED ORGANIZATIONS

The Organization owns 100% of the stock of Ka Lua O Kiha, Inc., a for-profit feeder corporation. The Friends of Moku'ula, Inc. and Ka Lua O Kiha, Inc. share common board members, employees and operating costs. During the fiscal year ending June 30, 2007, Friends of Moku'ula received approximately \$32,600 (25%) of its revenues from this related for-profit corporation.

FRIENDS OF MOKU'ULA, INC.

Notes to the Financial Statements
June 30, 2007

Note 6. RELATED PARTY TRANSACTION

The Organization received a grant from the Office of Hawaiian Affairs to assist a Member of the Native Hawaiian community with a land dispute. An attorney, who is a member of the Board of Directors, was paid \$9,633 for her services.

Note 7. RECONCILIATION OF EXCESS EXPENSES OVER SUPPORT AND REVENUE WITH NET CASH USED BY OPERATING ACTIVITIES

Excess Expenses over Support and Revenue	\$ (24,811)
Add Depreciation	1,323
Loss on Asset Disposal	1,501
Adjustments to reconcile:	
Change in Grants & Accounts Receivable	(14,616)
Change in Prepaid Expenses	378
Change in Inventory	60
Change in Accruals	(2,906)
Change in Payables	17,284
Change in Deferred Revenue	<u>367</u>
Net Cash Used by Operating Activities	<u>\$ (21,420)</u>

Note 8. COUNTY OF MAUI GRANTS

As of June 30, 2007, the Organization has been awarded \$500,000 in grants from County of Maui for the purpose of site restoration. As of June 30, 2007, the Organization received approximately \$106,000 since it began in 2001. The grant has been extended and expires on December 31, 2009.

Note 9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2007 were comprised of:

	<u>Received</u>	<u>Expended</u>	<u>Net</u>
Capital campaign	\$ 500	\$ 0	\$ 500
OHA Grant	5,000	0	5,000
Archeologist	<u>15,000</u>	<u>123</u>	<u>14,877</u>
	<u>\$ 20,500</u>	<u>\$ 123</u>	<u>\$ 20,377</u>

FRIENDS OF MOKU'ULA, INC.
(A Hawaii Non-Profit Corporation)

Financial Statements
For the Year Ended June 30, 2004

Russell Yamane & Associates CPAs, Inc.

FRIENDS OF MOKU'ULA, INC.

Statement of Financial Position June 30, 2004

ASSETS

Current Assets:	
Cash	\$ 51,530
Accounts receivable	18,430
Inventory	555
Other current assets	952
Total current assets	<u>71,467</u>
Property And Equipment, Net (Note 3)	<u>152,134</u>
TOTAL ASSETS	<u><u>\$ 223,601</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 32,825
Accrued income taxes (Note 6)	30,000
Other current liabilities	24,748
Total current liabilities	<u>87,573</u>
Net Assets - Unrestricted	<u>136,028</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 223,601</u></u>

The accompanying notes are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.
(A Hawaii Non-Profit Corporation)

Financial Statements
For the Year Ended June 30, 2004

FRIENDS OF MOKU'ULA, INC.

Statement of Activities For the year ended June 30, 2004

Revenue:	
Parking concession	\$ 165,604
Program service charges	67,278
Government Grants	56,942
In-kind contribution (Note 4)	56,009
Fundraising and special events	14,572
Contributions	6,583
Membership income	1,125
Interest income	27
Total revenue	<u>368,140</u>
Expenses:	
Program Services:	
Site restoration	137,686
Maui Nei	59,652
Total program services	<u>197,338</u>
Supporting Services:	
Management and general	20,326
Fundraising and parking concession	96,271
Total supporting services	<u>116,597</u>
Total expenses	<u>313,935</u>
Excess revenue over expenses	<u>\$ 54,205</u>

The accompanying notes are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Functional Expenses
For the year ended June 30, 2004

	Program Services			Supporting Services			Total
	Site Restoration	Maui Nei	Total Program Services	Management and General	Fundraising and Parking	Total Supporting Services	
Salaries and wages	\$ 52,991	\$ -	\$ 52,991	\$ 9,221	\$ 30,666	\$ 39,887	\$ 92,878
Facilities rental, maintenance, and Utilities	54,045	1,840	55,885	6,209	3,043	9,252	65,137
Maui Nei Program:							
Guides	-	22,017	22,017	-	-	-	22,017
Sales and marketing	-	19,747	19,747	-	-	-	19,747
Tour admissions	-	3,594	3,594	-	-	-	3,594
Food and beverage	-	1,511	1,511	-	-	-	1,511
Other	-	3,391	3,391	-	-	-	3,391
Site restoration program expenses:							
Cultural program	1,112	-	1,112	-	-	-	1,112
Archival learning center and education program	642	-	642	-	-	-	642
Site maintenance	328	-	328	-	-	-	328
Fundraising expenses:							
Parking lot	-	-	-	-	729	729	729
Luau	-	-	-	-	11,166	11,166	11,166
T-shirts and posters	-	-	-	-	229	229	229
Payroll taxes and fringe benefits	12,717	-	12,717	1,413	6,965	8,378	21,095
Telephone and communication	3,786	1,562	5,348	421	2,105	2,526	7,874
General excise taxes	-	-	-	-	7,447	7,447	7,447
Consultants	2,898	676	3,574	303	686	989	4,563
Advertising and promotion	504	3,034	3,538	-	-	-	3,538
Supplies	532	1,925	2,457	59	624	683	3,140
Insurance	1,099	-	1,099	122	1,221	1,343	2,442
Board development	-	-	-	1,989	-	1,989	1,989
Office equipment	1,621	-	1,621	-	-	-	1,621
Travel and related expenses	1,413	177	1,590	-	-	-	1,590
Staff development	1,232	-	1,232	137	-	137	1,369
Dues and subscriptions	1,116	130	1,246	-	-	-	1,246
Merchant fees	-	-	-	-	992	992	992
Postage and shipping	547	-	547	61	-	61	608
Other	47	48	95	274	-	274	369
Expenses before depreciation and income taxes	136,630	59,652	196,282	20,209	65,873	86,082	282,364
Income taxes	-	-	-	-	30,398	30,398	30,398
Depreciation	1,056	-	1,056	117	-	117	1,173
	<u>\$ 137,686</u>	<u>\$ 59,652</u>	<u>\$ 197,338</u>	<u>\$ 20,326</u>	<u>\$ 96,271</u>	<u>\$ 116,597</u>	<u>\$ 313,935</u>

FRIENDS OF MOKU'ULA, INC.

**Statement of Changes in Net Assets
For the Year Ended June 30, 2004**

	Unrestricted
Net Assets June 30, 2003	\$ 81,823
Excess Revenue over Expenses	<u>54,205</u>
Net Assets June 30, 2004	<u>\$ 136,028</u>

The accompanying notes are an integral part of the financial statements.

FRIENDS OF MOKU'ULA, INC.

Statement of Cash Flows For the Year Ended June 30, 2004

Cash Flow From Operating Activities:	
Cash received from parking concession	\$ 165,031
Cash received from program fees	67,373
Cash received from grants	92,803
Cash received from contributions and other	22,307
Cash paid to suppliers and employees	(276,160)
Net cash provided by operating activities	<u>71,354</u>
Cash Flow From Investing Activities:	
Construction in progress expenditures	(52,112)
Net cash used in investing activities	<u>(52,112)</u>
Net Change In Cash	19,242
Cash Balance At Beginning Of Year	<u>32,288</u>
Cash Balance At End Of Year	<u>\$ 51,530</u>

Reconciliation of excess revenue over expenditures to net cash provided by operating activities

Cash Flow From Operating Activities:	
Excess revenue over expenses	<u>\$ 54,205</u>
Adjustments to reconcile excess revenue over expenses to net cash provided by (used in) operating activities:	
Depreciation	1,173
(Increase) decrease in assets:	
Accounts receivable	35,383
Inventory	374
Other current assets	(513)
Increase (decrease) in liabilities:	
Accounts payable	(11,788)
Accrued income taxes	30,000
Other current liabilities	(37,480)
Total adjustments	<u>17,149</u>
Net cash provided by operating activities	<u>\$ 71,354</u>

The accompanying notes are an integral part of the financial statements.

Friends of Moku'ula, Inc.
Notes to the financial statements
June 30, 2004

1. Organization

Friends of Moku'ula, Inc. was incorporated in March 1997 to perpetuate native Hawaiian culture through promotion of public awareness and activities, including the support of a native Hawaiian cultural site restoration and learning center. The Organization's activities are carried out primarily on the West side of Maui County, State of Hawaii. The Organization has two major programs as follows:

Site Restoration - The Organization is currently in the process of restoring, protecting, and preserving a historically significant pond at Lahaina known as Moku'ula and Mokuhina.

Maui Nei - The Organization provides a walking tour through Lahaina visiting and explaining significant historical sites throughout the area.

The Organization depends significantly on grants from government agencies to carry out its program activities. In addition, a fee is charged for the Maui Nei walking tour to cover program costs.

Friends of Moku'ula, Inc. is exempt from Federal income taxes pursuant to Internal Revenue Code Section 501(c)(3), and exempt from State income taxes under Section 416-19 and 416-20 of the Hawaii Revised Statutes. However the Organization operates a parking facility adjacent to the project site for which it collects parking fees. The net profit from this operation is subject to Federal and State of Hawaii income taxes, as well as the State of Hawaii general excise tax.

2. Summary of Significant Accounting Policies

Method of Accounting: The Organization uses the accrual method of accounting for financial statement reporting according to Generally Accepted Accounting Principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid. Deferred revenue on the balance sheet represents cash received for future periods.

Property and Equipment: The Organization capitalizes all furniture and equipment with a useful life greater than one year. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives.

Friends of Moku'ula, Inc.
Notes to the financial statements
June 30, 2004

Revenue and Expenses Recognition: The Organization uses the accrual method of accounting as defined by Generally Accepted Accounting Principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid. Accounts Receivable represents fees due and not yet received. For certain grants revenue is recorded only when an allowable expense has been incurred.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets: The Organization has conformed to Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Accordingly, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, such as fulfillment of donor-stipulated purpose and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted revenue. At June 30, 2004, the organization did not have temporarily or permanently restricted net assets.

Cash and Cash Equivalents: Cash and cash equivalents are defined for the purposes of presenting the statement of cash flows as checking accounts, savings accounts, certificates of deposit, and money market accounts that are readily converted to cash within one year.

Friends of Moku'ula, Inc.
Notes to the financial statements
June 30, 2004

3. Property and Equipment

At June 30, 2004, property and equipment was comprised of the following:

Building and Improvements	\$ 7,661
Furniture and Equipment	<u>11,176</u>
	18,837
Less Accumulated Depreciation	<u>(9,612)</u>
	9,225
Construction in Progress - Site Restoration	<u>142,909</u>
Total	<u><u>\$ 152,134</u></u>

Leasehold improvements are depreciated over their estimated useful life of 30 years. Furniture and equipment are depreciated over their estimated useful life of 3 to 5 years.

4. In-Kind Contributions

The landlord does not require minimum lease payments from the Organization for its office facilities. The Organization pays common area costs and any repairs and maintenance that may be necessary. The minimum lease payments have been valued at approximately \$56,000 and accordingly have been recorded as in-kind revenue and expense.

5. Operating Lease

The Organization leases a parcel of land from the County of Maui for \$1 per year through January 2037. The lot is currently being used as a parking facility of which the net proceeds must be used for the non-profit purpose. Every 5 years the County of Maui will review the usage of the lot and at its discretion can deny the continued operation of a parking concession.

Management has not determined a fair value of the lease and accordingly no in-kind revenue and expense is reflected in the financial statements.

6. Income Taxes

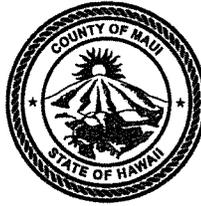
Because the operation of the parking facility does not fall under the mission and purpose of the Organization, the net profit is subject to taxation at the corporate rates for both Federal and State of Hawaii purposes. The income tax liability for Federal and State of Hawaii was approximately \$24,500 and \$5,500, respectively.

Friends of Moku'ula, Inc.
Notes to the financial statements
June 30, 2004

7. County of Maui Grants

As of June 30, 2004 the Organization has been awarded \$500,000 in grants from the County of Maui for the purpose of site restoration. As of June 30, 2004, the Organization has received approximately \$106,000. The grants expire on December 31, 2005.

ALAN M. ARAKAWA
Mayor



RECEIVED

KA'ALA BUENCONSEJO
Director

BRIANNE L. SAVAGE
Deputy Director

2015 SEP -3 PM 2:45

(808) 270-7230
Fax (808) 270-7934

DEPARTMENT OF PARKS AND RECREATION
700 Hali'a Nakoia Street Unit 2, Wailuku, Hawaii 96793

OFFICE OF THE
COUNTY COUNCIL

August 31, 2015

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Don Guzman, Chair
Economic Development, Energy, Agriculture,
and Recreation Committee
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

[Signature] 9/1/15

Mayor Date

Dear Chair Guzman:

**SUBJECT: LEASE AND LICENSE OF COUNTY-CONTROLLED PARCELS
TO FRIENDS OF MOKU'ULA, INC. (LAHAINA) (EAR-2)**

Transmitted herewith is the Annual Real Property Grant Report for period Fiscal Year July 1, 2014 to June 30, 2015. The report dated August 19, 2015 was submitted to the Parks Department by Blossom Feiteira, Executive Director, Friends of Moku'ula.

Should you have any questions, please feel free to contact me at ext. 7385.

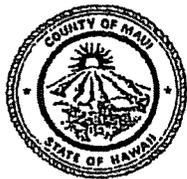
Sincerely,

[Signature]

KA'ALA BUENCONSEJO
Director of Parks and Recreation

Attachment

RECEIVED
AUG 31 PM 2:50
OFFICE OF THE MAYOR



DEPARTMENT OF PARKS AND RECREATION

700 Hali'a Nakoa Street, Unit 2, Wailuku, Hawaii 96793

ANNUAL REAL PROPERTY GRANT REPORT

Report Period: Fiscal Year July 1, 2014 - June 30, 2015

ORGANIZATION: BLOSSOM FEITEIRA

Tax Map Key Number(s): (2) 4-6-007: por 002 and 036 AND (2) 4-6-007: 001

Department of Parks and Recreation's Mission: The purpose of the Department of Parks and Recreation is to provide safe, satisfying and cost-effective recreational opportunities for the residents of and visitors to Maui County.

INSTRUCTION

Provide a **narrative** response to each question below for **each quarter and fiscal year**.

I. Program Data/Status Summary

- a. List each program goal/benchmark for the leased/licensed site and how it contributes towards the Parks Department's mission (noted above).
- b. What objectives/action steps were completed this fiscal year for each goal?
- c. What measurable outcomes were achieved this fiscal year?
- d. Were your organization's programs/activities open to the public? If so, how were they promoted to residents and visitors?
- e. Give actual number of people attended at activities, programs and events on property for each quarter of the fiscal year.
- f. What objectives/actions steps will be accomplished during the next fiscal year?

II. Narrative Report

- a. What program challenges occurred this fiscal year and how were they addressed and/or resolved?
- b. Describe any staff changes in your organization.
- c. Were there any fundraising activities on leased/licensed property? If so, please indicate how many, type of activity, primary beneficiary of the fundraising, and how your organization participated and benefited from the activity.
- d. Describe improvements on the property, its condition, and your risk evaluation program. How often are site inspections done and by who?
- e. Disclosure of any organizational conflict of interest and criminal violations.
- f. Were audits done this fiscal year? When is the next audit planned for your organization?

Please submit the following information with this report:

- ~~a.~~ Board of Directors' Minutes.
- ~~b.~~ Updated list of Board of Directors
- ~~c.~~ Financial status report including but not limited to the total revenue generated on the property leased/licensed.
- ~~d.~~ Update Tenant Contact Information Form.
- e. Current Liability Insurance Certificate naming the County of Maui as additional insured.

Report Prepared by: BLOSSOM FEITEIRA

Print Name/Title

[Signature] 08/19/2015

Signature

Date

**PROGRAM DATA/STATUS
SUMMARY**

Department of Parks and Recreation
Annual Real Property Grant Report
Fiscal Year July 1, 2014 – June 30 2015

I. **Program Data/Status Summary**

a. List each program goal/benchmark for the leased/licensed site and how it contributes towards the Parks Department's mission.

1. Conduct a major clean up of the leased and licensed area by third quarter of FY 2015.

In March, 2014, Friends of Moku`ula initiated an action to start the clean up of the licensed area that had been overgrown and neglected. Activities included the removal of invasive trees, brush and human trash (clothes, excrement, bedding, etc.). The Friends paid \$10,300.00 for this effort.

In January of 2015, in partnership with the County of Maui, a clean up of the larger parcel still under the jurisdiction of the County took place that included the removal of overgrown ground cover, invasive brush, cutting and removing fan palm trees and the trimming of the larger fan palms. Further assistance was given in the consolidation of other detritus found under the cover of brush and trees including clothing, bedding, furniture (bed frames, mattresses, refrigerator, couches, suitcases) for removal by the Friends. Friends of Moku`ula provided refreshments for the work crew over the course of three days of clean-up and paid, \$3000.00 to remove the human trash found on the property.

2. Increase Participation in Maui Nei through social media, travel agencies and interaction with the tourist industry.

During the grant period several things occurred within the industry that resulted in a decrease in revenue generated that impacted our program costs.

Maui Nei Tours serves as our program arm of the Friends of Mokuula, and, though the program it is able to generate revenue that is re-invested in the program. One of our major client bases, the cruise ships, decreased the number of stops in Lahaina which resulted in a lower revenue stream. The Friends immediately re-visited our strategy and laid out a new plan to generate income by concentrating our efforts in the FIT population of our visitor industry. Re-establishing relationships with travel agencies, hotels, and the Maui Visitors Bureau provided us with the ability to reach out to a larger

audience and participants, while still providing for our community participation through the schools, and community groups.

3. Increase in Board members by two.

As part of the overall strategy for board recruitment, the Board increased it's numbers by two; one with over 25 years of construction management and one with marketing and tourism background. In December of 2014, one board member resigned his position as he was leaving the state. In March 2015, the board increased their number by an additional two seats; a person with finance background, and in a unique response, the board moved to provide a seat to another organization whose members are cultural experts in protocol and traditional practices.

In total, the board increased their numbers by a total of 3 seats.

4. Develop plans for a museum for artifacts from Mokuula.

In discussions with community and experts in the field, it was necessary to determine what would the Friends do with any artifacts we may acquire during the excavation. Currently, artifacts recovered from previous archaeological activities are currently held in storage at the Bishop Museum, some of which are considered significant. If the Friends and the community wished to keep these treasures here in Lahaina, there would need to be a facility in which to house and display them.

The Friends initiated a conversation with the current landlord to negotiate for a space at 505 that would allow us to process, catalog and display artifacts uncovered at the leased and licensed area. Negotiations are ongoing.

5. Develop strategy for fundraising.

In FY 2015, the board and staff revisited the project plan to re-visit its original plan for restoration and development of the licensed area. At an estimated cost of \$67 million dollars in 2007 dollars, the cost of both project restoration and development of a parking lot and buildings were well outside the reach of the organization, if the goal was to achieve completion in a timely manner.

In order to develop a fundraising strategy, there were several key issues and challenges to consider.

- a. Given the history of the organization, it would be a difficult endeavor to generate that level of funding without some key accomplishments under our belt.
- b. That a large part of the required funding would be applied to areas that may not be interesting enough for funders to contribute; i.e. parking lot and relocation of the Salvation Army and the Sewage Booster Station.
- c. Costs associated with the actual restoration activities had to be at a level that would prevent the “start and stop” actions that have taken place in other archaeological areas.

Keeping this issues at the forefront of our discussions led us to revise the restoration plan that would encourage “smaller bites” and incorporating more mission based activities that would be in keeping with the goal of restoration.

In consultation with both the lineal descendants, larger community and Dr. Kleiger, along with other experts in the field of excavation, the revisions included the removal of the proposed parking lot and it's \$3.2 million dollar price tag, the removal of the two proposed hale and landscaping and it's \$1.7 million dollar price tag; consultation and negotiations with Kamehameha Schools land asset division for lands to relocate the Salvation Army, and a revisit and breakdown of the larger restoration of the island itself.

In addition, the AIS work underway with the County revealed several significant areas and potential areas that would have an impact on our general plans for restoration.

As such, the board returned to the table and incorporated the findings of the AIS made a determination to “start small” in our restoration efforts, beginning with the key findings of the AIS. In other words, we would fundraise to initiate a smaller restoration project that would allow us to begin work using a smaller area. We would excavate and restore and preserve these particular areas in a way that would also allow us to continue on to the bigger responsibilities as we move forward.

With this new strategy in place, we have developed a fundraising strategy that will allow us to focus in on the individual smaller projects, one at a time, in consecutive order so that we may be better able to undertake larger portions of the project area as we move forward.

6. Increase community participation by two events.

In FY 2014, time spent in community clearly showed a need to provide the community with a place at the table in the future plans for Moku`ula. Part of that realization was the formation of a committee of families who are lineal descendants of Pi`ilani. As they move forward with some long range planning activities, they also believed that there needed to be some kind of activity that would allow for kupuna to share their stories and memories of Lahaina and Moku`ula. The Friends initiated the "Moku`ula By Moonlight" series and launched this endeavor on July 1, 2015. Careful marketing using all forms of communication, including social media, website and community word of mouth, the launch was highly successful in many ways. An informal head count of people attending showed 70 people in attendance. Partnering with Hui Wa`a O Kaulua and Na Aikane, Mokuula By Moonlight provided opportunities for both practitioners and kupuna to share the evening telling stories and sharing music.

This program series will be held every other month at the full moon.

Another community event effort continues underway with the restoration of the "Mea Kanu" of Moku`ula. In the removal of the parking lot plan, Kupuna began to share stories of the area that incorporated an ulu grove, coconut trees, taro patches and sweet potato patches. Using this information, and incorporating 21st century methods, the Friends have begun to lay out a plan for restoring the Mea Kanu, using it as a teaching tool for keiki to come to learn about traditional agricultural methods and practices. Partnerships with youth organizations are ongoing, and community donors for materials for raised garden beds have been identified. We hope to launch the Mea Kanu by the end of the third quarter of FY 2016.

7. Establishing a Fundraising strategy by end of FY 2015.

As this goal is related to item number 5, this strategy has been developed with the long term goals in mind, particularly, the support for the maintenance and management of the island and pond.

With a growing number of grantors moving to reduce grant funds and purposes, it is inherent upon us to realize that relying on grant funds alone can create some critical issues with regard to the long term management of the area. There will need to be significant work done to ensure that there will be a reliable and sustainable stream of revenue in order to ensure the continuation of Moku`ula and Loko O Mokuhinia.

Keeping this long term vision in mind, efforts have begun to identify activities that will result in a reliable stream of revenue. In addition,

exploration of other fundraising opportunities are being done to determine the short and long term funding sources for the future.

The Friends continue to work on this strategy and hope to complete it by end of the second quarter of FY 2016.

b. What objectives/action steps were completed this fiscal year for each goal?

As outlined in section (a) above, the following objectives and action steps were completed this fiscal year.

1. Conduct major clean up of the leased and licensed area by third quarter of FY 2015. – Completed in January 2015.
2. Increase participation in Maui Nei through social media, travel agencies and interaction with tourist industry. – Unanticipated impact resulted in the 22% decrease in participation, program outreach component revised and refocused. This objective will be part of FY 2016 efforts.
3. Increase in board membership by two. – Completed October 2014, increased by two additional seats in April 2015.
4. Develop plans for museum for artifacts from Moku`ula. – Completed March 2015.
5. Develop strategy for project fundraising. – Final approval of Board of Directors necessary for completion of this objective. Anticipate final board approval end of 1st quarter of FY 2016
6. Increase community participation by two events. – 50% complete. This objective will be complete by end of 2nd quarter of FY 2016 and will be part of FY 2016.
7. Establish fundraising strategy by end of FY 2015. Final approval of Board of Directors necessary for completion of this objective. Anticipate final approval end of 1st quarter of FY 2016.

c. What measurable outcomes were achieved this fiscal year?

Of the seven identified objectives, the Friends completed four by end of FY 2015, is set to complete 2 by end of 1st quarter of FY 2016 and is 50% complete of 1.

d. Were your organization's programs/activities open to the public? If so, how were they promoted to residents and visitors?

All of the current programs and activities of the Friends are open to the public. We continue to outreach into both the residential and visitor community through our websites, email blasts and our social media sites at facebook and twitter.

- e. Give actual number of people attended at activities, programs and events on property for each quarter of the fiscal year?

1st quarter: July to September: 45 adults 42 children under the age of 13
2nd quarter: October to December: 30 adults, 20 children under the age of 13
3rd quarter: January to March: 23 adults, 0 children under the age of 13
4th quarter: April to June: 56 adults, 35 children under the age of 13

- f. What objectives/action steps will be accomplished during the next fiscal year?

In FY 2016, the Friends intend:

1. Work with the County of Maui to complete the fencing of the park area;
2. Initiate and complete the excavation and restoration of two significant areas in Loko O Mokuhinia and Moku`ula;
3. Begin the development of the excavation and restoration of one significant area at Moku`ula;
4. Complete the initiation of Mea Kanu;
5. Develop plan for one major fundraising event;

NARRATIVE REPORT

II. Narrative Report.

- a. What program challenges occurred this fiscal year and how were they addressed and/or resolved?

Of primary importance was the impact of decreased revenue from Maui Nei Tours. Because of our reliance on the Cruise ship, we were not prepared for their decision to shorten their calendar on the water.

The result of their unexpected decision is that Maui Nei's ability to sustain itself was severely hampered, and resulted in the loss of 22% in income by the end of FY 2015.

While hurtful, the Friends decided to continue to program using a different approach to promote the tour. The Friends initiated a regular schedule of visits to the hotels promoting the tours through the concierge desks, and began catering to the independent traveler and groups. Continued exposure to historic sites and presentations of Moku`ula and our plans for restoration has been slowly making an impact and we are seeing a slight increase in participation. Continued marketing and outreach to schools and community groups also are showing results in bookings for the tour.

- b. Describe any staff changes in your organization.

Since 2013, the Friends have worked with two individuals, both who, while enthusiastic about the project, unfortunately did not have the skills that was necessary to meet the needs of the organization and the project. The part-time caretaker also left temporarily, which resulted in the hiring of a landscaping contractor to fulfill the maintenance needs of the area.

The release of these employees clearly provided the Friends with a better understanding of it's staffing needs in order to move the plans forward.

A recruitment process took place once again with a clearer understanding of what skill set was needed for both the office and the project area. New hires in July of 2015 were initiated for both positions and they are now filled.

- c. Were there any fundraising activities on leased/licensed property? If so, please indicate how many, type of activity, primary beneficiary of the fundraising, and how your organization benefited from the activity.

During FY 2015, the Friends expanded our parking lot activity to include the licensed area for Halloween overflow parking. The friends realized a total of \$263.00 in revenue from that one night of parking. Other Funding sources outside of the grant area were provided by private donors.

- d. Describe improvements on the property, its condition, and your risk evaluation program.

In fiscal year 2015, the friends did not conduct any other improvements on the properties. However, because there is no fencing that can be used for security, access by the community in general takes place on a daily basis, up to and including short cuts, two and four wheel access and homeless camping. Although these activities are not condoned by the Friends, our risk for liability is increased. Therefore, the Friends have made certain the area carries appropriate liability coverage, and maintain continued monitoring of the area to reduce our risk.

- e. Disclosure of any organizational conflict of interest and criminal violations.

There are no conflict of interest actions or criminal violations.

- f. Were audits done this fiscal year? When is the next audit planned for your organization?

There was not audit in FY 2015. Our next audit is scheduled for the 2nd quarter of FY 2016.

**BOARD OF DIRECTORS
MINUTES**

Minutes of Board of Directors Meeting
Friends of Moku'ula, Inc.
July 14, 2014

Attendance: Directors Present: Caroline K. Peters Belsom, William J. Albinger, Jr., Kauai Kahaialli'i (by phone) , Warren Freeland (by phone , and Chris Kaiokamaile (by phone)
Excused: Kimo Falconer, Valentina Stewart Watson, and Julie Yoneyama
Also present was Blossom Feitera.

1. Call to Order: The meeting was called to order at 5:16PM. by Kauai Kahaiakilli'i who noted that a quorum was present.

2. Minutes of June 9, 2014 Meeting: The minutes were reviewed and following a motion duly made (Peters Belsom) and seconded (Kaiokamaile) were approved.

3. Treasurer's Report. The Board reviewed the financial reports. It was noted that this report is in the new format discussed at the last Board meeting. It was noted that we had a negative net income for the month of \$11,088.47 due to a timing delay in transferring money from Ka Lua o Kiha into FOM's account. It still looks good for a positive year-end report.

It was noted that a new computer will be acquired for use by the accountant. It was further noted that parking revenue increased by \$30,000. Ms. Feitera noted that in discussions with the County about their need to do trenching in the parking lot it had been agreed that the work would be scheduled so that only two parking spaces would be lost at any one time.

4. Maui Nei Report: Ms. Carlucci noted that a video of Moku'ula that had been shot and is used for marketing and is now up on Yelp.

She noted that the new website has been developed and that it can be updated directly by staff. It is very visually oriented and can easily be updated This would result in more on-line sales of tours of Moku'ula. It was done within the approved budgeted cost not to exceed \$4,000.

5. Budget. The Board noted that at the last meeting it had reviewed the draft budget for the coming fiscal year.. Upon motion duly made (Albinger) and seconded (Yonayama), the Board accepted the revised form of the draft budget and instructed Ms. Feitera to send out the final budget as so revised to the Board for them to vote by email. They asked that the final vote be entered in FOM's records.

6. Executive Director's Report Ms. Feitera reported that a complaint was being prepared for abuse of office by an elected official and was being reviewed by counsel. She told the Board that it will be held until she gets further approval of counsel and the Board.

To get help in maintaining and improving the site, FOM has been approved as a community service organization by the courts – one of only two in Lahaina. She also will be establishing a community work day each month from 8-11.

Ms. Feitera also discussed the need for fundraising to pay for anticipated expenses like county permits. And rebuilding the parking lot. She will talk with Old Lahaina Lu'au about restarting their main fundraising event late November or early December

She discussed the need for a museum/storage for artifacts once excavation starts. She estimates needing about 10,000 sq. ft. of space. She estimated the cost of building this out to be about \$300,000.

She told the Board Paul Klieger will be here August 4-12. UH-Maui College will have him speak with classes. She hopes Ka'anapali Beach Hotel will host him. She will arrange a lunch for directors and former Board members at our next Board Meeting.

7. Board Committees

Executive. Upon motion duly made and seconded, the Board ratified the FY 2014-15 Budget format presented at the last meeting. The Board was asked to help clarify what absences get applied to paid time off. This will be discussed at the next meeting. Our office assistant, Noe Akima, will be signed up with Kaiser for health insurance. Estimated cost about \$500/month which needs to be factored into the budget.

Restoration. The County has delivered 5 truckloads of dirt which needs to be moved to the back and mixed with mulch to provide good soil for planting. We need to prepare a list for an irrigation system so that we can ask potential suppliers to donate the needed supplies as well as a needed container for storage (Matson?) and a riding mower (Home Depot?)

Maui Nei. We need to terminate the separate EIN that Maui Nei has since it is a cultural program of FOM. We also need to close out its bank account and transfer any balances into FOM's account.

Nominations. Interest in joining the Board has been expressed by several community members of standing and applications will be sent out.

8. Unfinished Business

Scholarship Fund. The Akoni Akana Memorial Scholarship Fund has assets of \$14,000 and requests are being made for scholarships. Mr. Falconer will form a committee of the Board to come up with rules and procedures to govern the award of scholarships from the Fund. She proposed several ideas for contests: drawings about Moku'ula for the younger kids and essays for the older kids. Two scholarships for each age group – one for boys and one for girls.

Celebration of a King Event. The Celebration of a King Day has been postponed until next year to provide for adequate planning.

By-Laws. It was suggested that the By-Laws be distributed to Board Members and that we review them as we did the Personnel Policy Manual by sending our comments into the Executive Director.

9 . New Business.

Annual Election of Executive Officers. The Board was reminded that that the next meeting we will elect for the new year individuals as President, Vice-President, Secretary and Treasurer.

10. Next Meeting

The next meeting of the Board will be held at FOM's offices on August 11, 2014 at 5PM. There will be a dinner and Paul Klieger will be our honored guest

Respectfully submitted,

William J. Albinger, Jr
Secretary

DRAFT
Minutes of Board of Directors Meeting
Friends of Moku'ula, Inc.
August 11, 2014

Attendance: Directors Present: Caroline K. Peters Belsom, William J. Albinger, Jr., Valentina Stewart Watson Warren Freeland, and Chris Kaiakamaile

Excused: Kimo Falconer, Kauai Kahaiali'i, and Julie Yoneyama
Also present was Blossom Feiteira. Karee Carlucci (by phone)

1. Call to Order: The meeting was called to order at 5:02 PM. by Caroline K. Peters Belsom who noted that a quorum was present.
2. Minutes of July 14, 2014 Meeting: The minutes were reviewed and following a motion duly made (Peters Belsom) and seconded (Kaiakamaile) were approved.
3. Treasurers Report. It was noted for the year ended June 30, 2014 income totaled \$342,556 and expenses were \$285,124. On the balance sheet for the year-end current assets in cash totaled \$156,446. In addition, FOM still has assets in restricted grant accounts that will soon be able to be released. The Atherton Grant will be released to pay the bill for the new website when it comes in.
Upon a motion duly made (Peters Belsom) and seconded (Kaiakamaile), the Board unanimously agreed to designate \$106,446 as a designated reserve fund and the remaining \$50,000 to be held as general operating funds.
Ms. Feiteira reported that the audit of the recently concluded fiscal year had just been completed and that the audit for the new current fiscal year is being negotiated. She also said that work would begin on an Annual Report for the year just ended and the new year.
4. Maui Nei Report: The Board reviewed the report and noted that the new website will go up by the end of August. They noted also the effort to increase individual and group private tours of the site. This is important given the decline in the number of ships visiting Lahaina.
5. Executive Director's Report Ms. Feiteira reported that a preliminary hearing will held on Wednesday by the County Board of Ethics concerning

a complaint filed by FOM concerning abuse of office by an elected official. She and counsel will attend.

To get help in maintaining and improving the site, FOM has been approved as a community service organization by the courts – one of only two in Lahaina. The first such worker is on board for 36 hours and has served 16 hours so far. She also will be establishing a community work day every third Saturday of each month from 8-11 am starting in September.

Ms. Feiteira also noted that Council member Guzman will reschedule a meeting at the site later in August. He wants to become more familiar with the FOM project. Also Kamehameha Schools on Maui will make Moku'ula part of their curriculum.

The Board was informed that that DNLR has promised that FOM's requests will be on their agenda by the end of September.

She reminded the Board that the strategic plan needs to be updated and the Board agreed that this should happen after the annual election of directors and officers. A four hour session was suggested to accomplish this.

The Board will make the election of new directors and officers a priority. There is interest by three members of the community to join the Board.

The Board discussed the need to get the agreement of the Salvation Army to move to a new site for their operations on land that we would be able to make available. Discussions are underway with Kamehameha Schools and Ka'anapali Land Management in this matter.

8. Unfinished Business

Scholarship Fund. The Akoni Akana Memorial Scholarship Fund has assets of \$14,000 and requests are being made for scholarships. Mr. Falconer will form a committee of the Board to come up with rules and procedures to govern the award of scholarships from the Fund. Kimo Falconer will put together a committee to come up with operating procedures and application standards.

By-Laws. It was suggested that the By-Laws be distributed to Board Members and that we review them as we did the Personnel Policy Manual by sending our comments into the Executive Director. An extra hour should be scheduled for an upcoming Board meeting to get this done.

9 . New Business.

Annual Election of Executive Officers. The Board was reminded that we need to elect for the new year individuals as President, Vice-President, Secretary and Treasurer. Pending that, upon motion duly made (Stewart Watson) and seconded (Peters Belsom) the board unanimously agreed to continue the current officers in office until the election of a new slate.

10. Next Meeting

The next meeting of the Board will be held at FOM's offices on September 8, 2014 at 5PM.

11. Adjournment.

The meeting was adjourned at 6:28PM

William J. Albinger, Jr
Secretary

DRAFT
Minutes of Board of Directors Meeting
Friends of Moku'ula, Inc.
November 10, 2014

Attendance: Directors Present: James Kimo Falconer, Warren Freeland, Kauai Kahaiali'i, Valentina Stewart-Watson, Chris Kaiaokamaile (by phone), Caroline Peters Belsom

Absent were Julie Yoneyama and William J. Albinger, Jr.

Also present was Blossom Feiteira; Karee Carlucci joined to report on Maui Nei.¹

1. Call to Order: The meeting was called to order at 5:05PM. by President Kimo Falconer who noted that a quorum was present.
2. Minutes of the October 13, 2014 Meeting: The minutes were not available for review. Approval was deferred until the next meeting.
3. Treasurer's Report: The financials for FOM as of September 30, 2014 were presented by Blossom and reviewed by the Board. There was discussion on the P&L expense line item for the website development; the expenses are to be covered by the Atherton Grant, but the grant money does not appear in the P&L. Blossom will take the matter up with the accountant.

The financials for Ka Lua O Kiha were part of the Board packet, but they were not discussed.

4. Maui Nei Report: Karee Carlucci presented a written report and orally noted that the key accomplishment was the branding together of Maui Nei and FOM materials in an effort to show that they are related entities and that Maui Nei is a program of FOM. She showed the Board copies of the signs now up in the parking lot as an example of the new branding. There was consensus on the Board that the idea was a good one.
5. Executive Director's Report: Blossom Feiteira presented her written report and orally noted the following:
 - FOM and the County of Maui have agreed to enter into a lease for the entire park except for the tennis court area. This is a 35-year lease, the maximum term that the County can award. Moreover there is further agreement to combine the lease and the license to use the parking lot. Note: since the \$75K grant to build a traditional hale will not be used based on timing, and cannot be used for another project at the back tennis courts, the County instead will clear the park for FOM.
 - The proposed project for the back tennis courts is "Mea Kanu" which involves propagating native plants in raised beds and having them tended by Kamehameha III students who can then sell their harvest at an open market. The plants will also be put in kits for families to take home to grow.

¹ Prospective Board member Kehaulani Flimoe'atu was scheduled to attend this meeting but did not show.

- The website is live on-line and received its first payment through Paypal.
- Blossom will meet with our legislative representatives and with newly elected governor Ige to explain our application for a GIA grant from the State. The application is due on the first working day of January. The grant is for brick and mortar projects and our application will focus on the use of the proceeds to build out the space for the FOM museum at 505.
- Blossom is negotiating the lease for the 505 space for the new museum which will house our artifacts held at the Bishop Museum and much more. The cost to build out the space to properly house and display the artifacts is \$350K.
- Other grants that Blossom will work on include a) the OHA grant with proceeds to be used for programs; the focus of the application (due 12/17/2014) is the Mea Kanu Project (see above); and b) inclusion in the County of Maui budget for the next fiscal year (proceeds may be used for either building or programming or both).
- Blossom worked with the Lineal Descendants group to put together the first draft of a Code of Conduct that will apply to anyone entering the Moku'ula and Mokuhinia sites. A copy of the draft was attached to the agenda for this meeting. The Board was asked to review it and to provide comments to Blossom. It was noted that, as written, the code would require that protocol be followed for nearly everything done on the site at any time. Blossom will work with Hokulani Holt-Padilla to clarify the need and appropriateness of certain protocol.

6. Board Committee Reports:

- Restoration: The next Malama Kahua – Malama Mokuula Day will take place on 11/22/2014; the date was changed due to Hula O Na Keiki taking place on 11/15.
- Programs: See earlier report from Karee on the Maui Nei Cultural Education and joint branding with FOM.
- Nominations: There have not been any other nominations received by the Board.

7. Unfinished Business:

- Celebration of a King: Date chosen is Saturday, August 15, 2015. Paul Klieger is looking for a publisher for his book on Kauikeaouli. Blossom also noted the discovery of a picture of the Kingdom Flag that was created by Kamehameha III. She hopes to have a flag made of this design so it can be raised at the site. There was discussion about the use of the flag, but no opposition to having it made (and copyrighted??)
- Scholarships: Kimo and Chris K. will meet to discuss the process for receiving applications and selecting recipients.
- Election of Executive Officers: This task will be put on the February 2015 agenda to be done after adding new board members; we will also assign members to committees at the same meeting.

8. New Business:

- Development of Museum space: See Executive Directors Report above.
- Mea Kanu Program: See Executive Directors Report above.

- Strategic Plan Retreat: Blossom needs ½ day on a Saturday from Board members; the Board will look at a retreat in March or April 2015 after new board members start, new officers are elected, and committee assignments are made.
9. Executive Session (6:05 pm): Blossom left the meeting as the board went into executive session to discuss personnel matters and the FOM Complaint pending with the BOE.

The Board came out of Executive Session at 6:15 pm.

10. Next Meeting Date: Blossom returned to the room and the next meeting date was set at December 8, 2014 at 5PM at FOM's offices

11. Adjournment: Upon motion duly made and seconded, the meeting was adjourned at 6:20 pm.

Respectfully submitted,

Caroline Peters Belsom for
William J. Albinger, Jr.
Secretary

Friends of Moku'ula, Inc.
Board of Directors Meeting
February 2, 2015
505 Front Street, Suite 222
Lahaina, Maui, Hawaii

Meeting was called to order by President James K. Falconer at 5:15 p.m. He noted that a quorum was present.

Attending: President Falconer, VP, Waylen Kaha'iali'i, Treasurer G. Warren Freeland, (by phone), Directors Caroline Peters Belsom, R. Kehaulani Filimoe'atu (by phone), Chris Kaiokamalie. Excused were Valentina Stewart Watson, Julie Yoneyama and Kauahea Rep, Makalapua Kanuha. Absent: Archie Kalepa.

Staff Attending: Blossom Feiteira, Executive Director

It was moved and seconded to approve the minutes of the meeting for October 13, 2014, motion passed.

Treasurer Report accepted.

Maui Nei Report accepted.

Executive Director Report accepted.

Under Board Committee Reports: Referred to Executive Director's report and Maui Nei Program Report.

Under Unfinished Business:

By-laws amendments were deferred.

Celebration of a King deferred.

Akoni Akana Scholarship Award Program. Chris Kaiokamalie provided draft application documents for board members to review and comment.

Annual Election of Executive Officers. It was moved and seconded to open the floor for nominations to the officer positions. At the end of the discussion the following nominations votes followed:

President: Nomination of James Kimo Falconer to remain as President: Caroline Peters Belsom, seconded by Chris Kaiokamalie. Vote unanimous.

Vice President: Nomination of Waylen Kaha'iali'i to remain as Vice President: Chris Kaiokamalie, seconded by James Kimo Falconer. Vote unanimous.

Secretary: Nomination of Caroline Peters Belsom: James Kimo Falconer, seconded by Waylen Kaha'iali'i. Vote unanimous.

Treasurer: Nomination of Renee May Kehaulani Filimoe'atu: James Kimo Falconer, seconded by Waylen Kaha'iali'i. Vote Unanimous.

Board of Directors Meeting
February 2, 2015
page 2

The board also assigned chairpersons for board committees:

Executive Committee: Chaired by President James Kimo Falconer

Budget and Finance: Chaired by Treasurer Renee May Kehaulani Filimoe`atu

Bylaws and Policy: Chaired by Secretary Caroline Peters Belsom

Nominations: Chaired by Julie Yoneyama

Personnel/Human Resources: Chaired by Julie Yoneyama

Programs, Project Development: Co-chaired by Chris Kaiaokamalie and Waylen Kaha`iali`i.

The Strategic Planning Retreat was deferred to the next meeting.

Under new business, after a long discussion, the board decided to defer the flag raising event on March 7 and instead concentrate efforts on outreach and education prior to the event. The planned activities by Na Ai Kane will proceed as planned.

Introduction of Kauahea - Cultural Practitioners. Since Makalapua was unable to attend this meeting, this item was deferred to next meeting.

The next meeting for the Board of Directors is scheduled for March 9, 2015 at 5:00 p.m.

Respectfully submitted.

UPDATED LIST OF BOARD OF DIRECTORS

Friends of Moku`ula
Board of Directors
July 1, 2014 – June 30, 2015

James Alan Kimo Falconer
President
164 Awaiku Street
Lahaina, HI 96761
Owner/Operator
Maui Grown Coffee

Chris Kai`aokamalie
Director
3262 Waileaia Place
Kihei, HI 96753
Marketing Director, MVCB

Waylen "Kauai" Kaha`i`ali`i
Vice President
67 Kuu One Hanau Way
Wailuku, HI 96793
Independent Consultant

Archie Kalepa
1690 Wahinoho Way
Lahaina, HI 96761
Retired Ocean Safety Officer
Consultant, Olukai

Caroline Peters Belsom
Secretary
547 Wainee Street
Lahaina, HI, 96761
Attorney-at-Law

Valentina Stewart Watson
134 Halelo Street
Lahaina, HI 96761
Attorney-at-Law

Renee May Kehaulani Filimoe`atu
Treasurer
11 Waikala Street
Kahului, HI 96732
MPD Senior RTO Supervisor

Julie Yoneyama
21 Nia Place
Lahaina, HI 96761
HR Manager, Na Hoaloaha

G. Warren Freeland
Director
12 Kolokea Way
Kula, HI 96790
Independent Consultant

Kauahea
Hokulani Holt Padilla
659 Pohala Street
Wailuku, HI 96793
Cultural Director, MACC

FINANCIAL STATUS REPORT

5:18 PM
07/10/15
Accrual Basis

Friends of Moku'ula, Inc.
Balance Sheet
As of June 30, 2015

DRAFT

	<u>Jun 30, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
Petty Cash	100.00
ASB Savings Account	59,984.33
American Savings Checking	4,823.50
First Hawaiian Bank-Maui Nei	791.88
Total Checking/Savings	<u>65,699.71</u>
Accounts Receivable	
Accounts Receivable	7,046.92
Total Accounts Receivable	<u>7,046.92</u>
Other Current Assets	
Inventory	3,622.60
Accounts Receivable - Other	3,317.00
Prepaid Expenses	1,539.50
Advances	1,250.00
Total Other Current Assets	<u>9,729.10</u>
Total Current Assets	82,475.73
Fixed Assets	
Storage Shed	1,100.48
Sign	5,352.91
Fence	1,952.78
Accumulated Depreciation	-23,036.20
Furniture and Equipment	14,213.33
Building Improvements	7,661.22
Office Equipment	3,978.10
Total Fixed Assets	<u>11,222.62</u>
Other Assets	
Investment in Ka Lua O Kiha Inc	100.00
Construction In Progress	337,905.39
Total Other Assets	<u>338,005.39</u>
TOTAL ASSETS	<u><u>431,703.74</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
*Accounts Payable	8,103.17
Total Accounts Payable	<u>8,103.17</u>

5:18 PM
07/10/15
Accrual Basis

Friends of Moku'ula, Inc.
Balance Sheet
As of June 30, 2015

DRAFT

	<u>Jun 30, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
Petty Cash	100.00
ASB Savings Account	59,984.33
American Savings Checking	4,823.50
First Hawaiian Bank-Maui Nei	791.88
Total Checking/Savings	<u>65,699.71</u>
Accounts Receivable	
Accounts Receivable	7,046.92
Total Accounts Receivable	<u>7,046.92</u>
Other Current Assets	
Inventory	3,622.60
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TOTAL ASSETS	<u><u>431,703.74</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
*Accounts Payable	8,103.17
Total Accounts Payable	<u>8,103.17</u>

5:18 PM
07/10/15
Accrual Basis

Friends of Moku'ula, Inc.
Balance Sheet
As of June 30, 2015

DRAFT

	<u>Jun 30, 15</u>
Other Current Liabilities	
Payroll Liabilities	2,039.91
Total Other Current Liabilities	<u>2,039.91</u>
Total Current Liabilities	<u>10,143.08</u>
Total Liabilities	10,143.08
Equity	
Restricted Net Assets	
Restricted Assets-Scholarship	14,652.30
Restricted Assets-Capital Campa	500.00
Restricted Assets-Archeology	12,217.79
Total Restricted Net Assets	<u>27,370.09</u>
Unrestricted Net Assets	410,489.40
Net Income	<u>-16,298.83</u>
Total Equity	<u>421,560.66</u>
TOTAL LIABILITIES & EQUITY	<u><u>431,703.74</u></u>

DRAFT

5:18 PM
07/10/15
Accrual Basis

Friends of Moku'ula, Inc.
Profit & Loss
July 2014 through June 2015

	<u>Jul '14 - Jun 15</u>
Ordinary Income/Expense	
Income	
In-Kind Contribution of Service	57,000.00
In-Kind Contributions-Facility	44,483.76
Contributions-Ka Lua O Kiha Inc	140,000.00
Program Service Fees	300.00
Fundraising	
Parking Income	289.90
Total Fundraising	<u>289.90</u>
Contributions	2,310.00
Maui Nei Walking Tours	<u>33,602.00</u>
Total Income	<u>277,985.66</u>
Gross Profit	277,985.66
Expense	
Copier Lease	4,019.71
Volunteer Expense	249.38
Bank Service Charge	71.20
Meetings and Conferences	1,197.35
In-Kind Contribution of Facilit	44,483.76
Depreciation	3,217.69
Program Expenses	
Educational Materials	-80.00
Total Program Expenses	<u>-80.00</u>
Maui Nei Program	
In-Kind Cont of Advertising	57,000.00
Telephone, Internet	694.57
Collateral Materials	496.39
Advertising	3,895.56
Internet Booking Fees	540.00
Tour Supplies	1,500.00
Sales/Marketing	4,680.61
Tours-Food and Beverage	472.93
Kumu	12,440.00
Operations/Marketing Manager	<u>15,200.00</u>
Total Maui Nei Program	96,920.06
Printing	3,356.53
Maintenance	
Office	93.75
Site	
Water	249.27
Site - Other	<u>10,676.28</u>
Total Site	<u>10,925.55</u>
Total Maintenance	11,019.30
Membership Dues	550.00
Program Promotion	1,453.52
Board Meeting Expenses	171.36

5:18 PM
07/10/15
Accrual Basis

Friends of Moku'ula, Inc.
Profit & Loss
July 2014 through June 2015

DRS

	<u>Jul '14 - Jun 15</u>
Fund Development	
Website	4,210.00
Total Fund Development	4,210.00
Credit Card Merchant Fees	1,017.06
Facilities	
Utilities	937.75
Common Area Maintenance Fees	4,682.70
Total Facilities	5,620.45
Personnel	
Staff Incentives	100.00
Vacation	-1,012.50
TDI	306.11
Health Insurance	5,478.75
Workers Compensation	740.25
Payroll Taxes	5,037.61
Salaries and Wages	60,459.39
Personnel - Other	15.88
Total Personnel	71,125.49
Staff Development	100.00
Parking Lot	
Electricity	1,412.93
Total Parking Lot	1,412.93
Dues	486.00
Supplies	
Computer	343.58
Office	960.47
Supplies - Other	28.11
Total Supplies	1,332.16
Communications	
Internet Access	841.58
Telephone	1,728.53
Total Communications	2,570.11
Equipment Rental	963.96
Insurance	
Directors and Officers	808.00
Liability Insurance	2,598.78
Total Insurance	3,406.78
Licenses and Permits	3.50
Postage and Delivery	419.93

5:18 PM
07/10/15
Accrual Basis

Friends of Moku'ula, Inc.
Profit & Loss
July 2014 through June 2015



	<u>Jul '14 - Jun 15</u>
Contracted Services	
Executive Director	9,450.00
Program Director	8,800.00
Archeologist	1,000.00
Accounting	3,473.60
Other	5,125.31
Total Contracted Services	<u>27,848.91</u>
Rent	156.25
Taxes	
State-Excise	11.60
Total Taxes	<u>11.60</u>
Travel	
Air Transportation	5,003.22
Ground Transportation	457.00
Lodging	1,454.70
Meals	470.00
Travel - Other	40.00
Total Travel	<u>7,424.92</u>
Total Expense	<u>294,739.91</u>
Net Ordinary Income	-16,754.25
Other Income/Expense	
Other Income	
Health Insurance Credit	558.20
Interest Income	9.02
Total Other Income	<u>567.22</u>
Other Expense	
Loss on Asset Abandonment	111.80
Total Other Expense	<u>111.80</u>
Net Other Income	<u>455.42</u>
Net Income	<u><u>-16,298.83</u></u>

5:28 PM
07/10/15
Accrual Basis

Ka Lua O Kiha, Inc.
Balance Sheet
As of June 30, 2015

	<u>Jun 30, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
American Savings Checking	59,844.33
American Savings Savings	25,251.23
Total Checking/Savings	<u>85,095.56</u>
Other Current Assets	
Due from Friends of Moku'ula	-10.72
Prepaid Expenses	332.69
Total Other Current Assets	<u>321.97</u>
Total Current Assets	<u>85,417.53</u>
TOTAL ASSETS	<u><u>85,417.53</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	8,465.84
Total Accounts Payable	<u>8,465.84</u>
Other Current Liabilities	
Payroll Liabilities	359.34
Total Other Current Liabilities	<u>359.34</u>
Total Current Liabilities	<u>8,825.18</u>
Total Liabilities	8,825.18
Equity	
Capital Stock	100.00
Retained Earnings	69,494.99
Net Income	6,997.36
Total Equity	<u>76,592.35</u>
TOTAL LIABILITIES & EQUITY	<u><u>85,417.53</u></u>

5:28 PM
07/10/15
Accrual Basis

Ka Lua O Kiha, Inc.
Profit & Loss
July 2014 through June 2015

07/10/15

	<u>Jul '14 - Jun 15</u>
Ordinary Income/Expense	
Income	
Parking Revenue	241,404.12
Total Income	<u>241,404.12</u>
Expense	
Communications	
Internet/Website	841.53
Telephone	1,728.46
Total Communications	2,569.99
Computer Supplies	343.58
Contracted Services	
Executive Director	1,050.00
Total Contracted Services	1,050.00
Contributions	140,000.00
Copier Lease	4,019.70
Facilities	
Common Area Maintenance Fees	4,682.60
Gas and Electric	937.67
Total Facilities	5,620.27
General Excise Taxes	9,869.28
Insurance	
Disability Insurance	109.37
Liability Insurance	1,249.00
Total Insurance	1,358.37
Maintenance	
Office	93.75
Site	
Electricity	1,413.00
Water	249.26
Site - Other	6,581.53
Total Site	8,243.79
Maintenance - Other	0.00
Total Maintenance	8,337.54
Office Supplies	945.98
Penalty	116.79
Personnel	
Payroll Taxes	1,083.11
Salaries and Wages	9,790.45
Personnel - Other	15.88
Total Personnel	10,889.44
Postage and Delivery	125.93
Printing and Reproduction	80.07
Professional Fees	
Accounting	842.40
Total Professional Fees	842.40
Total Expense	<u>186,169.34</u>
Net Ordinary Income	55,234.78
Other Income/Expense	
Other Income	
Interest Income	20.20
Total Other Income	<u>20.20</u>

5:28 PM
07/10/15
Accrual Basis

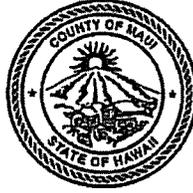
Ka Lua O Kiha, Inc.
Profit & Loss
July 2014 through June 2015



	<u>Jul '14 - Jun 15</u>
Other Expense	
Income Taxes	
Federal Taxes	39,680.00
State Taxes	8,577.62
	<u>48,257.62</u>
Total Income Taxes	48,257.62
Total Other Expense	<u>48,257.62</u>
Net Other Income	<u>-48,237.42</u>
Net Income	<u><u>6,997.36</u></u>

UPDATED TENANT CONTACT INFORMATION FORM

ALAN M. ARAKAWA
Mayor



KA'ALA BUENCONSEJO
Director

BRIANNE L. SAVAGE
Deputy Director

(808) 270-7230
Fax (808) 270-7934

DEPARTMENT OF PARKS AND RECREATION

700 Hali'a Nakoa Street Unit 2, Wailuku, Hawaii 96793

REAL PROPERTY LEASES/LICENSES

TENANT CONTACT INFORMATION

NAME OF TENANT: FRIENDS OF MOKU'ULA, INC.

PARK NAME/DESCRIPTION/OFFICE/SPACE NO: MAU-ULU-O-LELE

BUSINESS PHONE: 808-661-3659

FAX NUMBER: 808-661-1376

EMAIL ADDRESS: blossom@mokula.com/friends@mokula.com

MAILING ADDRESS: 505 FRONT STREET, SUITE 221, LAHAINA, HI 96761

BILLING ADDRESS: SAA

REGULAR BUSINESS DAY/HOURS: M-F 9-5 also, by appointment after hours.

PERSON(S) TO CONTACT IN CASE OF AFTER HOURS EMERGENCIES (FIRE, DAMAGES, ETC.):

NAME: BLOSSOM FEITEIRA

PHONE NUMBER: 808-661-3659

CELL NO: 808-446-5572

THE RECEIPT OF THIS FORM BY COUNTY OF MAUI IN NO WAY INDICATES OUR RESPONSIBILITY TO EITHER PREVENT EMERGENCIES OR CONTACT EMERGENCY RESPONSE AGENCIES.

PLEASE PRINT THIS FORM TO OR FAX IT TO:

DEPARTMENT OF PARKS & RECREATION
COUNTY OF MAUI
700 HALIA NAKOA, UNIT 2
WAILUKU, HI 96793
ATTN: ROXANNE TESHIMA
PH: 270-7949
FAX: 270-5567

LIABILITY INSURANCE CERTIFICATE



CERTIFICATE OF LIABILITY INSURANCE

FRIEN-8 OP ID: CD

DATE (MM/DD/YYYY)

08/19/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

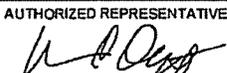
PRODUCER WCD Inc dba John H Connors Ins 140 Hooahana Street, Ste. 309 Kahului, HI 96732-2467 William D. Jenkins	Phone: 808-871-8805 Fax: 808-871-8191	CONTACT NAME: Terry Adelstein PHONE (A/C, No, Ext): 808-442-7532 FAX (A/C, No): 808-871-8191 E-MAIL ADDRESS: tadelstein@connorshawaii.com																				
	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A:</td> <td>First Insurance Co. of HI Ltd</td> <td>41742</td> </tr> <tr> <td>INSURER B:</td> <td></td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	First Insurance Co. of HI Ltd	41742	INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:	
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INSURER D:																						
INSURER E:																						
INSURER F:																						
INSURED Friends of Moku'ula, Maui Nei 505 Front Street, Ste. 221 Lahaina, HI 96761																						

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY						EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	X		CPX7026377 10	08/20/2015	08/20/2016	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 5,000
	GENL AGGREGATE LIMIT APPLIES PER:							PERSONAL & ADV INJURY
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COM/OP AGG	\$ 2,000,000
								\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB						EACH OCCURRENCE	\$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR					AGGREGATE	\$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION S	<input type="checkbox"/> CLAIMS-MADE						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS	OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N		N/A			E.L. EACH ACCIDENT	\$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Grant Purposes for TMK: (2)4-6-007:001. County of Maui, its officers, employees and agents are Named Additional Insured as their interest may appear as required by written contract. The policy shall cover the entire premises, including all building, improvements and grounds. No Erosion of Limit by payment of Defense Cost.

CERTIFICATE HOLDER COUNTY OF MAUI 200 SOUTH HIGH STREET WAILUKU, HI 96793	CANCELLATION COM200H SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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EAR Committee

From: Blossom Feiteira <blossom96708@yahoo.com>
Sent: Monday, September 14, 2015 3:02 PM
To: EAR Committee
Subject: FOM Revenue and Expenses
Attachments: FOM Rev and Exp.xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

Aloha;

Per the request of Council Services Shannon Brooks, am submitting a spreadsheet reflecting all income and allocation of expenses based on revenue from parking lot concession located at the corner of Shaw and Front Street, at 505 Front Street.

Should you have any questions, please contact me at this address.

Mahalo,

Blossom Feiteira
Executive Director
Friends of Moku`ula

FOM Revenue and Expenses

	FY02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Income													
Carry Over from Previous year	18933	165,604		144000	99000	199	3477	3438	11433	3062	4283	8490	14975
Parking Lot	206217	174,168		152120	99943	75000	136000	132000	132000	144031	144000	209721	242000
Other Income						155527	127855	131225	118723	134471	64320	64344	62540
Total Income	225150	339772	0	296120	198943	230726	267332	266663	262156	281564	212603	282555	319515
Expenses:													
Site Restoration	188930	137,686		118,355	130023	128904	146900	131799	163222	185902	97530	138990	189500
Other Program Services		59651		54033	43493	57010	49672	64011	45782	52733	54239	55600	59400
Other Support Services	36220	142435		123732	25228	41335	67322	59420	50090	38646	52344	72990	48762
Total Expenses:	225,150	339,772	0	296,120	198,744	227,249	263,894	255,230	259,094	277,281	204,113	267,580	297,662
Income over Expenses:	0	0	0	0	199	3,477	3,438	11,433	3,062	4,283	8,490	14,975	21,853

Records for FY 2004-2005 were not available at this time.

Note:

EAR-2

Moku`ula

Presentation to the Education, Environmental And Recreation
Committee
Maui County Council

September 15, 2015

RECEIVED AT EAR MEETING ON 9/15/15
Blossom Feiteira

Moku`ula

- Background and History
 - 1993 – Archaeological Survey conducted confirms the existence of Moku`ula Island and Loko O Mokuhinia
 - 1995 – Reconnaissance Survey identifies the perimeter wall, wooden pier and possible Mausoleum footprint on island
 - 1995 – Friends of Moku`ula, Inc. is formed

Moku`ula

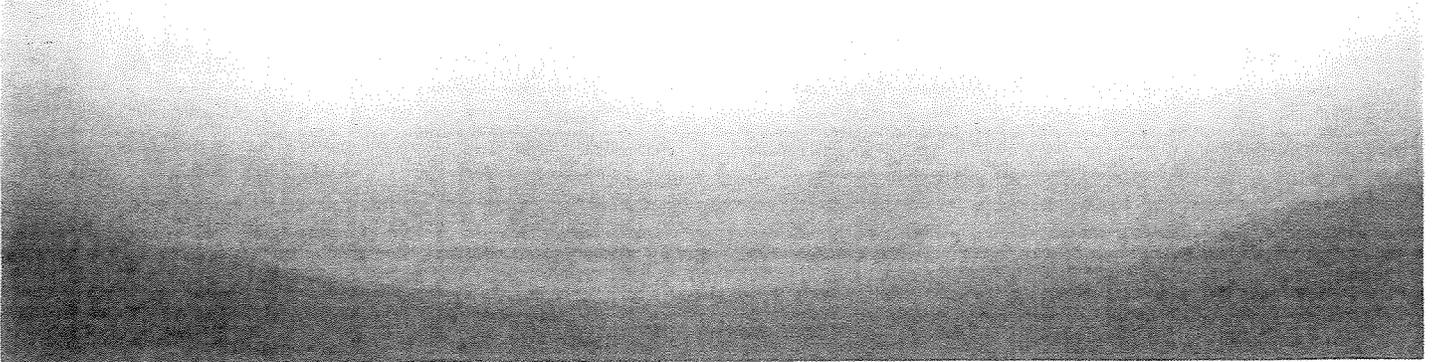
- Background and History
 - 1997- Friends of Moku`ula becomes a 501(c)(3)
 - Moku`ula Complex is placed on National List of Historic Sites. Complex includes Loko O Mokuhinia, Moku`ula and Hale Piula at Pakala
 - 1998- Moku`ula Complex is placed on State of Hawaii List of Historic Sites.

Moku`ula

- Background and History
 - 2002 – County of Maui grants a lease to Friends of Moku`ula to establish a parking lot on parcel located on Shaw Street. (Back lot).
 - 2002 – County of Maui also grants a license to Friends of Moku`ula for existing parking lot on corner of Front Street and Shaw to generate revenue for the project.
 - 2003 – County Council amends both lease and license to provide for a review of project every five years.

Moku`ula

- Plans for Restoration
 - Excavation and removal of fill;
 - Restore/reconstruct buildings and fishpond
 - Develop Long term management plan



Moku`ula

- Cost of Project
 - Cost of entire project in real dollars:
 - **\$74,000,000**

Relocate Salvation Army

Relocate Booster Station

Construct new Parking facility

Construct administration and community facilities

Excavation and Restoration of island and Pond

Labor and Contracts

Moku`ula

- How have we spent our revenue so far.
 - Research and consultation
 - Design plans and permits
 - Outreach and Presentations
 - Fund Development
 - Administration and Operations
 - Program Development and Implementation

Moku`ula

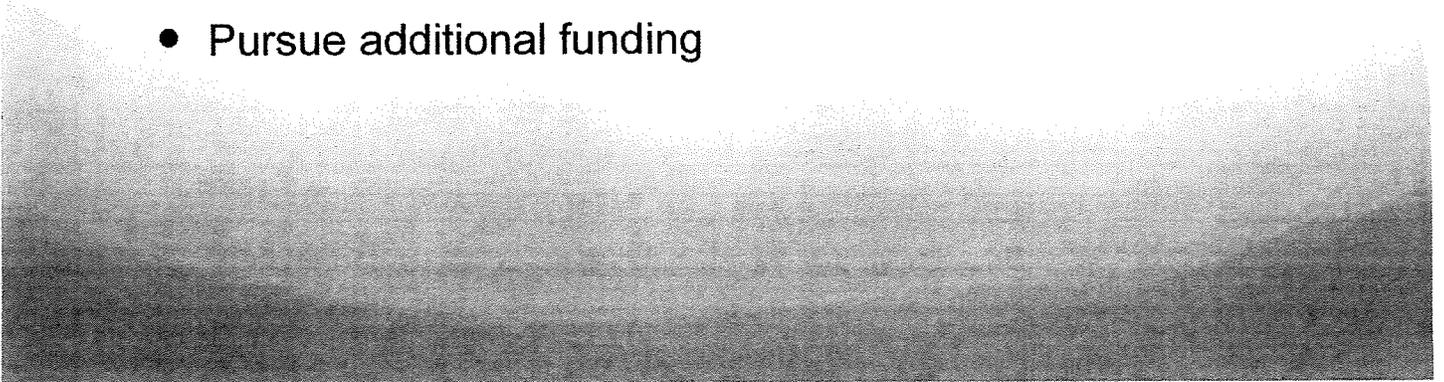
- How do we plan on spending future dollars
 - Pre-Excavation activities
 - Chapter 343 – Environmental Review
 - NHPA Section 106 – Community Consultation
 - Consultants
 - Acquisition of other permits:
 - SMA
 - Excavation

Moku`ula

- Estimated Timeline to Start
 - End of third quarter, FY 2016
 - Secure sufficient funds (\$1,000,000)
 - Secure site; install protective measures
 - Acquire storage facility, materials and equipment

Moku`ula

- Project Plan – 24 months
 - One piece at a time
 - Use results of previous AIS to guide project
 - Incorporate community, business and other government agencies
 - Continue to build support
 - Pursue additional funding



Moku`ula

- Timeline Goal:
 - In 24 months:
 - Excavate, repair and restore five specific areas:
 - Bathing Area
 - Fishpond
 - Moku`ula Pier
 - Waine`e Pier
 - Second Causeway

Moku`ula

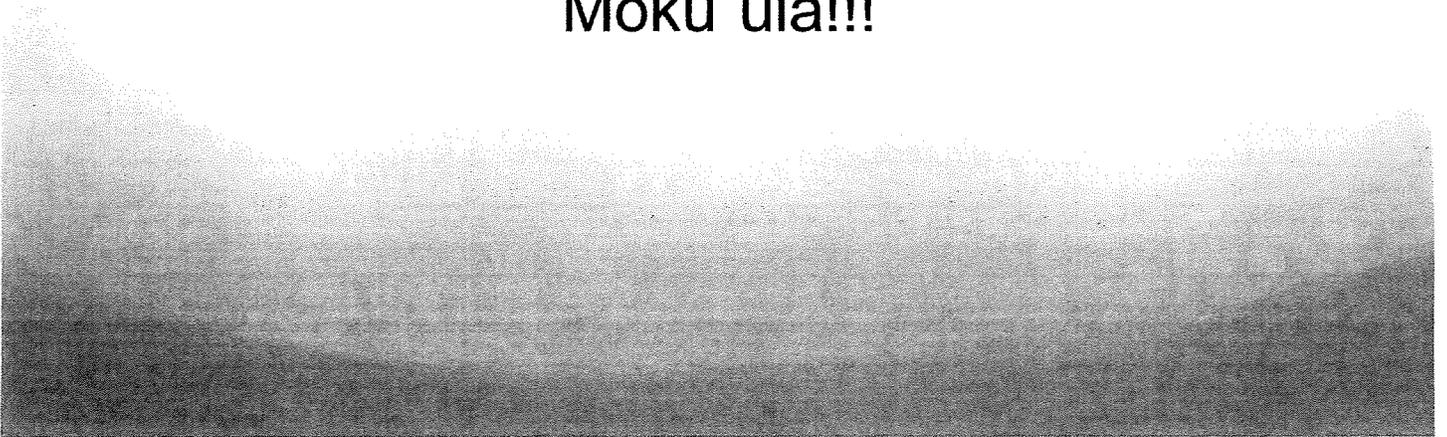


Moku`ula

- Timeline Goal:
 - In 24 months:
 - Complete negotiation for Salvation Army Relocation
 - Identify area to relocate Booster Station
 - Confirm funding sources for both
 - Plan and initiate Interpretive Center for artifacts
 - Identify revenue base for long term management

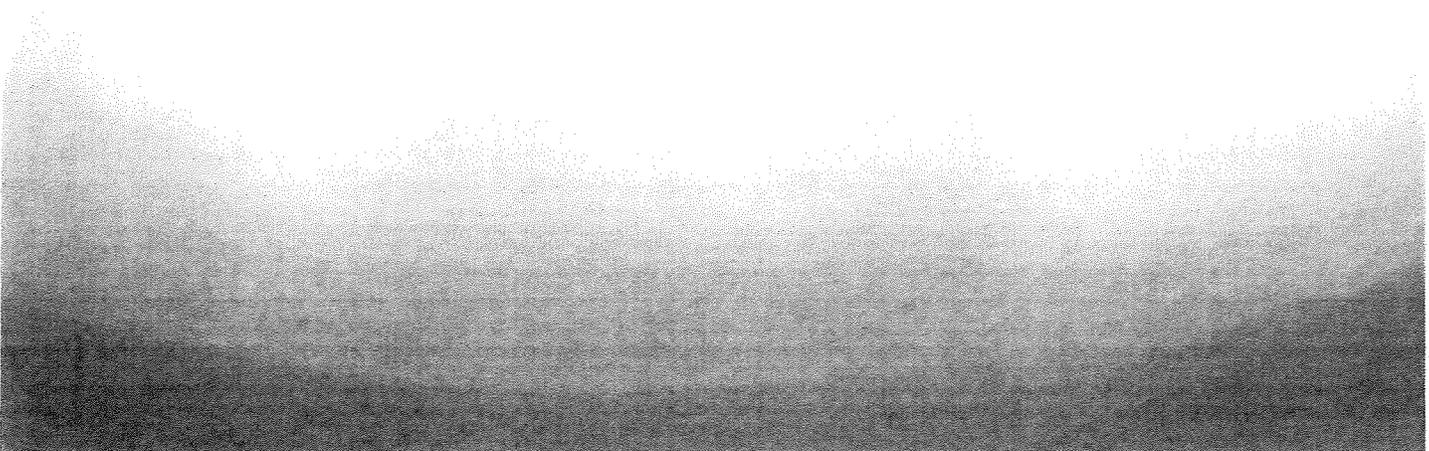
Moku`ula

Mahalo to the County of Maui for their
continued support in this vision for
Moku`ula!!!



Moku`ula

Questions?



EAR-2

EAR Committee

From: Blossom Feiteira <blossom@mokuula.com>
Sent: Monday, October 12, 2015 2:34 PM
To: EAR Committee
Subject: Final email for tomorrow's committee meeting
Attachments: Letter to Don Guzman.docx; ATT00001.htm

Blossom Feiteira
Executive Director
Friends of Moku`ula, Inc.
505 Front Street, Suite 221
Lahaina, Maui, Hawaii 96761
phone: (808) 661-3659
email: blossom@mokuula.com
website: www.mokuula.com

October 7, 2015

Mr. Don S. Guzman, Chair
Economic Development, Energy, Agriculture and Recreation Committee
Maui County Council
200 S. High Street
8th Floor
Wailuku, Maui, Hawaii 96793

Delivered via email to Sharon Brooks, Council Services

Aloha Chairperson Guzman;

Enclosed are the following reports you requested via correspondences dated September 22, 2015.

In correspondence addressed to myself dated September 22, 2015:

1. A copy of our current contract with Kalua O Kiha and Diamond Parking regarding the operation, maintenance, or other services connected with the parking concession. This contract was executed in December 2013, and is currently in place.
3. An itemized spread sheet indicating all revenue collected from the parking lot concession to date;
5. Federal tax returns for Kalua O Kiha from 2006 to 2015
6. A detailed explanation responding to sub-items a through d is attached as item A.

In correspondence addressed to Kimo Falconer, Board President and myself dated September 22, 2015:

1. Please see detailed explanation for this item as item B.
2. The Friends of Moku`ula has consolidated it for-profit subsidiary, Kalua O Kiha as recommended by an audit conducted by Carbonaro DeMichele, CPA. While the copy of the recommendation was not attached, we are also including our most recent audit by Levin and Hu, CPA for 2013 for your review.

4. The Friends of Moku`ula share no benefits with Kalua O Kiha. The Friends provide administrative functions to assist Kalua O Kiha at a rate of 10% of costs to the Friends. In addition, the Friends manage their maintenance personnel for the site.

5. To my knowledge, the Friends have been submitting annual reports as required since 2003. I can only confirm reports submitted since 2013. Annual Grant Reports are submitted to the Grants Division of the County of Maui Department of Parks and Recreation.

6. We are currently in the process of establishing an arm's length approach in our relationship with Kalua O Kiha.

7. The Friends of Moku`ula is in the process of negotiating a contract with an CPA firm to conduct annual audits beginning this fiscal year. We anticipate that this audit will begin in mid December and will conclude in the first quarter of 2016.

I apologize for the delay in submitting these documents to your office, as the Friends of Moku`ula were off island attending a conference in Honolulu, and did not receive your letter until our return on September 28th.

I am submitting what I have prepared within this time frame so that you have some of the information to file within your deadline to post your agenda.

The remaining documents and information contained in both your correspondence will be delivered by end of day tomorrow.

I again apologize for these delays. The Friends of Moku`ula are wholly supportive of your efforts to ensure that the Committee has the information necessary for their decisionmaking efforts.

Sincerely,

Blossom Feiteira
Executive Director.

ITEM A:

Correspondence dated September 22, 2015 to Blossom Feiteira Executive Director Item number 6.

a. Income and expenses allocated between Friends of Moku`ula and Kalua O Kiha

1. Income derived from the parking lot concession is received by Kalua O Kiha each quarter. At the end of each quarter, Kalua O Kiha Board convenes to approve expenses and allocates an approved amount to Friends of Moku`ula ("FOM"). An amount identified by the board is set aside in reserve for unanticipated maintenance expenses.

2. Expenses of Kalua O Kiha ("KOK") based on a pro-rated amount of 10% for administrative and some personnel expenses. In addition, KOK maintains a part-time maintenance person who FOM oversees and monitors.

b. Staff, officers, and resources are shared.

Currently, FOM provides oversight of site, personnel and other administrative functions, (review of monthly utility costs, overall condition of site and use of area for practitioners, Maui Nei and other program activities, and attendance at KOK board meetings, including all logistics) through the Executive Director of FOM. Contract fiscal support is provided and is paid directly by KOK at a rate equal to the pro-rated costs.

c. Benefits are provided by KOK to FOM.

Currently, there are no benefits provided to either entity.

d. Accounts are segregated.

KOK and FOM maintain separate bank accounts and recordkeeping.

ITEM B:

Correspondence dated September 22, 2015 to Kimo Falconer, Board President and Blossom Feiteira, Executive Director.

1. Does FOM operate the parking concession? If so, describe the duties performed by FOM in that regard. If not, please explain how the parking concession is operated.

FOM does not operate the parking concession. Kalua O Kiha ("KOK") was established based on a recommendation from our legal advisor and CPA in 2006 in response to the downturn in the economy and concerns raised by the IRS. KOK was created to take on the duties of operating the parking lot and maintenance of the site.

KOK negotiates with a management company and oversees contract compliance. KOK, including the removal of derelict cars found on property, monitor stalls, and general maintenance and cleaning of the parking area, including the removal and prevention of non-compliant activities in the parking lot and site area (drunk and disorderly, criminal littering, etc.)

Functions mentioned are provided by the Executive Director of FOM and site maintenance on an as needed basis.

#3

FRIENDS OF MOKU'ULA, INC.
Parking Lot Revenue

	May 2003 to June 2003	July 2003 to June 2004	July 2004 to June 2005	July 2005 to June 2006	July 2006 to June 2007	July 2007 to June 2008	July 2008 to June 2009	July 2009 to June 2010	July 2010 to June 2011	Total
Revenue	10,933	165,604	179,081	200,275	198,000	198,000	173,500	144,000	144,000	1,421,393
Expenses										
Archival Learning Center	877	642			25					1,544
Site Maintenance	194	328	7,179	612	282	4,326	811	488	677	14,897
Parking Lot Repairs & Maintenance				62	460	664	480		4	1,670
Parking Lot Electricity									2,096	2,096
General Excise Tax	757	6,624	7,163	8,011	7,920	7,920	6,940	5,760	5,760	56,855
Insurance	250	500	500	500	500	750	750	750	750	5,250
Cultural Program	250	1,112	91	30	25			21,000	32,710	55,218
Supplies								40	81	121
Archeology					123	3,758	5,000	5,906	225	15,012
Educational Walking Tours	2,902	25,611	23,816	16,205	16,621	15,902	9,825	11,055	9,131	131,068
Site Improvements							401	2,346	8,553	11,300
Architectural & Engineering Fees								17,977	25,363	43,340
Personnel Expenses	17,144	85,480	79,620	78,256	114,600	123,767	112,760	84,565	76,517	772,709
	<u>22,374</u>	<u>120,297</u>	<u>118,369</u>	<u>103,676</u>	<u>140,556</u>	<u>157,087</u>	<u>136,967</u>	<u>149,887</u>	<u>161,867</u>	<u>1,111,080</u>

Site Maintenance: Water, Landscaping, Clean Up
 Insurance: Liability Insurance for Site & Parking Lot
 Educational Walking Tours: Kumu, Tour Admissions
 Personnel: 75% of Staff Waqes, Benefits, Payroll Taxes
 Parking Lot Repairs & Maintenance: Golf Cart Expenses
 Site Improvements: Sign, Fence, Storage Shed
 Cultural Program: Hokulani Holt, Educational Materials, Ethnic Story Telling

FRIENDS OF MOKU'ULA, INC.
Parking Lot Revenue

	July 2011 <u>June 2012</u>	July 2012 to <u>June 2013</u>	<u>Total</u>
Revenue	144,000	144,000	288,000
<u>Expenses</u>			
Site Maintenance	848	791	1,639
Facilities Maintenance and Utilities	9,158	9,183	18,341
Parking Lot Electricity	3,274	2,730	6,004
General Excise Tax	5,760	5,760	11,520
Insurance	1,880	1,878	3,758
Telephone and Internet	3,696	3,909	7,605
Archeology	29		29
Cultural Program	22,000	12,075	34,075
Architectural and Engineering Expenses		5,487	
Personnel Expenses	<u>97,356</u>	<u>69,086</u>	<u>166,442</u>
	<u>144,000</u>	<u>110,899</u>	<u>249,412</u>

Site Maintenance: Water, Landscaping, Clean Up
Insurance: Liability Insurance for Site & Parking Lot
Cultural Program: Hokulani Holt, Educational Materials
Personnel: 75% of Staff Wages, Benefits, Payroll Taxes

Any revenues received in excess of expenditures have been put in reserves to fund the upcoming project expenses.

**FRIENDS OF MOKU'ULA, INC.
AND SUBSIDIARY**

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

LEVIN & HU, LLP

CERTIFIED PUBLIC ACCOUNTANTS
77 Ho'okele Street, Third Floor, Kahului, Hawaii, 96732
(808)270-1077 Fax (808)270-1072

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Detailed Consolidated Statement of Activities



Levin & Hu, LLP
Certified Public Accountants
77 Hookele Street, Suite 302
Kahului, Maui, Hawaii 96732-3516
808-270-1077 main line
808-270-1072 fax
www.levinhu.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Friends of Moku'ula, Inc. and Subsidiary
Lahaina, Hawaii

We have audited the accompanying consolidated financial statements of Friends of Moku'ula, Inc. (a nonprofit organization) and subsidiary, which comprise the consolidated statement of financial position as of June 30, 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 auditor's 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 Friends of Moku'ula, Inc. and subsidiary as of June 30, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed consolidated statement of financial position and detailed consolidated statement of activities are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Levin & Hu, LLP
Kahului, Hawaii
May 28, 2014

Levin & Hu, LLP

**FRIENDS OF MOKU'ULA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013**

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 146,555
Grants Receivable	7,054
Prepaid Insurance	<u>1,456</u>
Total Current Assets	155,065
Property and Equipment	
Furniture and Equipment	21,525
Site Improvements	8,406
Building Improvements	<u>7,661</u>
	37,592
Less: Accumulated Depreciation	<u>(22,786)</u>
Property and Equipment - Net	14,806
Other Assets	
Construction in Progress	<u>332,655</u>
Total Other Assets	<u>332,655</u>
TOTAL ASSETS	<u>\$ 502,526</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 2,626
Accrued Payroll and Payroll Taxes	981
Accrued Income Taxes	<u>2,783</u>
Total Current Liabilities	6,390
Total Liabilities	6,390
Net Assets	
Unrestricted Net Assets	446,791
Temporarily Restricted Net Assets	<u>49,345</u>
Total Net Assets	<u>496,136</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 502,526</u>

See accompanying notes and independent auditors' report.

**FRIENDS OF MOKU'ULA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Parking Lease Revenue	\$ 144,000	\$ -	\$ 144,000
Program Fees	53,030	-	53,030
Donated Facilities, Materials, and Services	125,322	-	125,322
Grant Income	15,690	15,000	30,690
Contributions	4,599	1,800	6,399
Other Income	2,196	-	2,196
Interest	48	-	48
Net Assets Released from Restrictions	<u>4,575</u>	<u>(4,575)</u>	<u>-</u>
 TOTAL REVENUE AND OTHER SUPPORT	 349,460	 12,225	 361,685
 EXPENSES			
Program Services	123,727	-	123,727
Management and General	159,458	-	159,458
Fundraising	<u>25,211</u>	<u>-</u>	<u>25,211</u>
 TOTAL EXPENSES	 308,397	 -	 308,397
 INCOME TAXES			
Federal	11,527	-	11,527
State	<u>3,320</u>	<u>-</u>	<u>3,320</u>
 TOTAL INCOME TAXES	 <u>14,847</u>	 <u>-</u>	 <u>14,847</u>
 CHANGES IN NET ASSETS	 26,216	 12,225	 38,441
 NET ASSETS - BEGINNING OF YEAR	 <u>420,575</u>	 <u>37,120</u>	 <u>457,695</u>
 NET ASSETS - END OF YEAR	 <u>\$ 446,791</u>	 <u>\$ 49,345</u>	 <u>\$ 496,136</u>

See accompanying notes and independent auditors' report.

**FRIENDS OF MOKU'ULA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Employee Related Expenses				
Salaries and Wages	\$ 12,946	\$ 43,383	\$ 8,791	\$ 65,120
Employee Benefits	3,544	7,823	1,857	13,225
Payroll Taxes	1,526	4,831	800	7,157
Tour Expenses				
Advertising and Marketing	36,901	-	-	36,901
Operations and Office Manager	10,959	-	-	10,959
Guides	10,429	-	-	10,429
Tour Admissions	3,122	-	-	3,122
Miscellaneous	1,151	-	-	1,151
Professional Fees	4,924	51,065	-	55,989
Occupancy	20,042	26,316	10,503	56,861
Cultural Advisor	6,000	6,000	-	12,000
Telephone and Communications	1,364	4,037	715	6,115
Site Maintenance and Utilities	2,957	1,773	1,365	6,095
Insurance	1,851	2,105	250	4,206
Travel	753	1,810	-	2,563
Website Development	1,500	-	-	1,500
Scholarships	1,000	-	-	1,000
Office and Administrative	1,353	3,110	194	4,657
Depreciation	1,405	1,416	737	3,558
General Excise Taxes	-	5,789	-	5,789
Total Expenses	<u>\$ 123,727</u>	<u>\$ 159,458</u>	<u>\$ 25,211</u>	<u>\$ 308,397</u>

See accompanying notes and independent auditors' report.

**FRIENDS OF MOKU'ULA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 38,441
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	3,558
(Increase) decrease in operating assets:	
Grants Receivable	(5,690)
Prepaid Expenses	604
Increase (decrease) in operating liabilities:	
Accounts Payable	(5,332)
Accrued Payroll and Payroll Taxes	(4,109)
Accrued Pension	(1,263)
Accrued Vacation	(10,808)
Accrued Income Taxes	<u>2,783</u>
Net cash provided by operating activities	18,184
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(230)
Construction in progress	<u>(5,487)</u>
Net cash used by investing activities	(5,717)
NET INCREASE IN CASH	12,467
CASH AT BEGINNING OF YEAR	<u>134,088</u>
CASH AT END OF YEAR	<u>\$ 146,555</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Income taxes paid	<u>\$ 10,850</u>

See accompanying notes and independent auditors' report.

**FRIENDS OF MOKU'ULA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - NATURE OF ORGANIZATION

Friends of Moku'ula, Inc. (FOM) was incorporated under the laws of the State of Hawaii as a nonprofit corporation in 1997. The Organization's mission is to perpetuate native Hawaiian culture through promotion of public awareness and activities, which includes the following:

Pond Restoration – The Organization is in the process of restoring, protecting, and preserving a historically significant pond at Lahaina, Maui known as Moku'ula and Mokuhina.

Maui Nei Historical Tour – The Organization provides a walking tour through Lahaina, visiting and explaining significant historical sites throughout the area.

Ka Lua O Kiha, Inc. (the Subsidiary) was incorporated in March 2006 to provide site maintenance and management for the Mokuhina pond, which is being restored by FOM. While the restoration is in progress, the site is temporarily used for public parking (See Note 4 for additional discussion). The corporation operates out of Lahaina, Maui, Hawaii.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Consolidation

The accompanying financial statements include the accounts of FOM and Subsidiary (together referred to as the Organization). FOM owns 100% of the issued common stock of Subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid. For contributions and donations, revenue is recognized when the gift is received.

c. Basis of Presentation

The Organization has conformed to FASB ASC 958-210-45-9 *Not-for-Profit Entities, Classifications of Net Assets*. Accordingly, the Organization is required to report information regarding its financial position and activities according to three classes of net assets.

**FRIENDS OF MOKU'ULA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation (Continued)

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets: Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e. Contributions

Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted net assets, depended on the existence and/or nature of any donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional. Contributions of assets other than cash are recorded at their estimated fair value.

f. Fixed Assets

Property, furniture, fixtures and equipment are recorded at cost or, if donated, at the approximate fair market value at date of contribution. The Organization capitalizes and depreciates assets with an estimated useful life greater than one year. Expenditures for major additions and improvements are capitalized, and for minor replacements, maintenance and repairs are charged to expense as incurred.

**FRIENDS OF MOKU'ULA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Fixed Assets (Continued)

Depreciation of all such items is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and Equipment	5 years
Building and Site Improvements	5 - 30 years

Depreciation expense for the year ended June 30, 2013 amounted to \$3,588.

g. Income Taxes

FOM is exempt from federal and state income taxes pursuant to Internal Revenue Code Section 501(c) (3) and Hawaii State Revised Statutes Section 416-19 and 416-20. Therefore, no provision for Federal or State income taxes is required for the financial statements. The Organization is also classified as a public charity under section 509(a) (2) of the Internal Revenue Code.

The Subsidiary is a for profit corporation which is subject to both Federal and State income taxes. The Subsidiary accounts for income taxes in accordance with FASB ASC 740-10-25, *Income Taxes*, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to the charitable contributions carryover.

At June 30, 2013, the Subsidiary established a 100% valuation allowance against the net deferred tax assets of \$6,184, recognized for disallowed charitable contributions amounting to \$30,918 that may be available to offset future taxable income. The Subsidiary has determined that realization of the net deferred tax assets is unlikely as the charitable contributions made to FOM each year are likely to exceed the allowable deduction.

h. Cash and Cash Equivalents

Cash and cash equivalents are defined for the purposes of presenting the statement of cash flows as checking accounts, savings accounts, certificates of deposits, and money market accounts that are readily converted to cash within one year.

**FRIENDS OF MOKU'ULA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Expense Allocation

The Organization allocates expenses on a functional basis among three categories: direct program services, management and general, and fundraising. Most expenses are allocated directly to the program or support service benefited. Certain expenses are allocated using a percentage base. For the year ended June 30, 2013, the percentage base is 39.8% for management and general expenses and 20.7% for fundraising expenses. These percentages are based on the ratio of administrative and fundraising staff wages to total staff wages.

NOTE 3 - DONATED FACILITIES, MATERIALS, AND SERVICES

The Organization is not required to pay rent or some of its common area maintenance fees for its facilities. The minimum lease payments have been valued at approximately \$44,484, which has been recorded as in-kind revenue.

In addition, the Organization has received the following donated materials and services, all of which has been recorded as in-kind revenue.

Legal Services	\$41,625
Advertising Services	36,625
Materials	2,588

NOTE 4 - OPERATING LEASE

FOM leases a parcel of land from the County of Maui for \$1 per year through January 2037. Management has not determined a fair value of the lease and accordingly, no in-kind revenue is reflected in the financial statements.

The parcel, which is the intended restoration site, is currently being used as a parking facility, which is operated by Diamond Parking Services LLC. The parking lease agreement can be terminated by either party with ninety days written notice. The Subsidiary is providing site maintenance and management in exchange for the parking lease fees, which amounted to \$144,000 for the fiscal year ended June 30, 2013

NOTE 5 - COUNTY OF MAUI GRANT

As of June 30, 2013, FOM has been awarded \$500,000 in grants from the County of Maui for the purposes of the site restoration and has received approximately \$260,817. The grant has been extended and expires on December 31, 2015.

**FRIENDS OF MOKU'ULA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - NET ASSETS

As of June 30, 2013, temporarily restricted net assets are available for the following purposes:

Capital Campaign	\$ 500
Akoni Akana Scholarship Fund	14,652
Malama Moku'ula	10,000
Meetings with Stakeholders	5,000
Archeologist	19,193
	<u>\$ 49,345</u>

NOTE 7 - RETIREMENT PLAN

The Subsidiary sponsors a defined contribution plan that covers full time employees who have completed one year of service and have attained age 21. Contributions are made at a rate of 0 to 25% of employees' annual salary at the discretion of the Board of Directors. Contributions to the plan were \$3,519 for the fiscal year ended June 30, 2013.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Subsidiary receives 100% of its revenues from the parking facility. The County of Maui, as the legal owner of the site, reviews the usage of the parking lot every five years and at its discretion, can deny the continued operation of the parking facility.

NOTE 9 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization has evaluated subsequent events through May 28, 2014, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

FRIENDS OF MOKU'ULA, INC. AND SUBSIDIARY
DETAILED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SUPPLEMENTARY INFORMATION
JUNE 30, 2013

	<u>Total</u>	<u>Intercompany Elimiation</u>	<u>Friends of Moku'ula, Inc.</u>	<u>Ka Lua O Kiha, Inc.</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 146,555		\$ 95,126	\$ 51,429
Accounts Receivable	-	(3,687)	3,687	-
Grants Receivable	7,054		7,054	-
Prepaid Insurance	1,456		1,123	333
Total Current Assets	155,065		106,990	51,762
Property and Equipment				
Furniture and Equipment	21,525		21,525	-
Site Improvements	8,406		8,406	-
Building Improvements	7,661		7,661	-
	37,592		37,592	-
Less: Accumulated Depreciation	(22,786)		(22,786)	-
Property and Equipment - Net	14,806		14,806	-
Other Assets				
Investment in Ka Lua O Kiha	-	(100)	100	-
Construction in Progress	332,655		332,655	-
Total Other Assets	332,655		332,755	-
TOTAL ASSETS	\$ 502,526		\$ 454,551	\$ 51,762
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 2,626	(3,687)	\$ 2,590	\$ 3,723
Accrued Payroll and Payroll Taxes	981		834	147
Accrued Income Taxes	2,783		-	2,783
Total Current Liabilities	6,390		3,424	6,653
Total Liabilities	6,390		3,424	6,653
Net Assets				
Common Stock	-	(100)	-	100
Unrestricted Net Assets/Retained Earnings	446,791		401,782	45,009
Temporarily Restricted Net Assets	49,345		49,345	-
Total Net Assets	496,136		451,127	45,109
TOTAL LIABILITIES AND NET ASSETS	\$ 502,526		\$ 454,551	\$ 51,762

See accompanying notes and independent auditors' report.



Diamond Parking Services LLC. Home Office • 605 1st Ave., Suite 600 • Seattle, WA 98104-2224
 (206) 284-3100 • (800) 340-PARK • Fax (206) 285-5598

"Family Owned & Operated"

PROP OWNER : KA LUA O KIHA INC LOCATION: HM64
 LOCATION : 505 FRONT STREET VENDOR: 221341

QUARTERLY REPORT OF REVENUE FOR:
 APRIL 1, 2015 THROUGH JUNE 30, 2015

	APRIL	MAY	JUNE	QUARTERLY TOTAL
DAILY PARKING	20,965.82	19,971.71	22,009.30	62,946.83
MONTHLY PARKING	1,355.37	1,326.57	1,284.52	3,966.46
TOTAL REVENUE	<u>22,321.19</u>	<u>21,298.28</u>	<u>23,293.82</u>	<u>66,913.29</u>

OVER-RIDE RENT DUE @ 70%	\$46,839.30
RENT PREVIOUSLY PAID	<u>\$46,200.00</u>
RENT DUE	\$639.30
BALANCE ENCLOSED	<u><u>\$639.30</u></u>

FOR INFORMATION PLEASE CALL CITY MANAGER GREG SCHMIDT (808)662-0391
 OR CONTACT GREG MATOUS, CONTROLLER AT (206) 284-3100

QUESTIONS? PLEASE CALL (800) 340-PARK, ASK FOR THE APPROPRIATE DEPARTMENT OR ASK FOR JON OR JOEL DIAMOND

0-115 IDMS/11

COPY

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2009 or tax year beginning 7/1/2009, ending 6/30/2010

2009

See separate instructions.

A Check if:		Name		B Employer identification number	
1a Consolidated return (attach Form 851)	<input type="checkbox"/>	Use IRS label. Otherwise, print or type.	KA LUA O KIHA, INC.		20-4656092
b Life/nonlife consolidated return.	<input type="checkbox"/>		Number, street, and room or suite no. If a P.O. box, see instructions.		C Date incorporated
2 Personal holding co. (attach Sch. PH).	<input type="checkbox"/>	505 FRONT STREET, SUITE 221		3/24/2006	
3 Personal service corp. (see instructions).	<input type="checkbox"/>	City or town	State	ZIP code	D Total assets (see instructions)
4 Schedule M-3 attached	<input type="checkbox"/>	LAHAINA	HI	96761	\$ 109,525
E Check if:		(1) <input type="checkbox"/> Initial return	(2) <input type="checkbox"/> Final return	(3) <input type="checkbox"/> Name change	(4) <input type="checkbox"/> Address change

Income	1a	Gross receipts or sales	144,000	b Less returns and allowances		c Bal	1c	144,000
	2	Cost of goods sold (Schedule A, line 8)					2	
	3	Gross profit. Subtract line 2 from line 1c					3	144,000
	4	Dividends (Schedule C, line 19)					4	
	5	Interest					5	38
	6	Gross rents					6	
	7	Gross royalties					7	
	8	Capital gain net income (attach Schedule D (Form 1120))					8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10	Other income (see instructions—attach schedule)					10	
	11	Total income. Add lines 3 through 10					11	144,038
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)					12	
	13	Salaries and wages (less employment credits)					13	39,131
	14	Repairs and maintenance					14	334
	15	Bad debts					15	
	16	Rents					16	
	17	Taxes and licenses					17	12,267
	18	Interest					18	
	19	Charitable contributions					19	6,468
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	
	21	Depletion					21	
	22	Advertising					22	
	23	Pension, profit-sharing, etc., plans					23	3,913
	24	Employee benefit programs					24	
	25	Domestic production activities deduction (attach Form 8903)					25	
	26	Other deductions (attach schedule)					26	23,712
	27	Total deductions. Add lines 12 through 26					27	85,825
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	58,213
	29	Less: a Net operating loss deduction (see instructions)	29a				29c	
b Special deductions (Schedule C, line 20)		29b				29c		
Tax, Refundable Credits, and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions)					30	58,213
	31	Total tax (Schedule J, line 10)					31	9,553
	32a	2008 overpayment credited to 2009	32a	6,255				
		b 2009 estimated tax payments	32b	11,500				
	32c	2009 refund applied for on Form 4466	32c					
	d Bal	32d		17,755				
	e	Tax deposited with Form 7004	32e					
	f	Credits: (1) Form 2439 (2) Form 4136	32f					
	g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g				32h	17,755
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	8,202	
36	Enter amount from line 35 you want: Credited to 2010 estimated tax		3,000	Refunded		36	5,202	

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

Sign Here	Signature of officer	Date	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<i>Christine Riecke Gonzales</i>	11/22/2010		

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN
	<i>Christine Riecke Gonzales</i>	11/22/2010	<input checked="" type="checkbox"/>	575-72-2863
	Firm's name (or yours if self-employed), address, and ZIP code	CHRISTINE RIECKE-GONZALES, CPA, LLC 77 APALAPANI LANE HAIKU HI		EIN Phone no. (808) 575-2181 ZIP code 96708

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

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e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	see instruct.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 ▶		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶		

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1						
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	9,553
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	9,553
5a	Foreign tax credit (attach Form 1118)		5a	
5b	Credit from Form 8834		5b	
5c	General business credit (attach Form 3800)		5c	
5d	Credit for prior year minimum tax (attach Form 8827)		5d	
5e	Bond credits from Form 8912		5e	
6	Total credits. Add lines 5a through 5e		6	
7	Subtract line 6 from line 4		7	9,553
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9	Other taxes. Check if from:	<input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10	9,553

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 531310		
b	Business activity ▶ MGT & SUPPORT SERVICES		
c	Product or service ▶ SITE AND FACILITIES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:	Yes	No
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

Schedule K *Continued*

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
 If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?
 For rules of attribution, see section 318. If "Yes," enter:
 (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____
 (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
 If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____ ¹

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here.
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?
 If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		72,749		96,722
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)		8,490		12,803
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach schedule)				
15	Total assets		81,239		109,525
Liabilities and Shareholders' Equity					
16	Accounts payable		1,271		5,916
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)		6,170		6,124
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock	100	100	100	100
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated		73,698		97,385
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		81,239		109,525

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return				
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions				
1	Net income (loss) per books	23,687	7	Income recorded on books this year not included on this return (itemize):
2	Federal income tax per books	9,553		Tax-exempt interest \$
3	Excess of capital losses over capital gains			-----
4	Income subject to tax not recorded on books this year (itemize):			-----
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):
a	Depreciation \$		a	Depreciation \$
b	Charitable contributions \$ 23,532		b	Charitable contributions \$
c	Travel and entertainment \$			-----
	ACCRUED VACATION 1,441			-----
		24,973		-----
6	Add lines 1 through 5	58,213	9	Add lines 7 and 8
			10	Income (page 1, line 28)—line 6 less line 9
				58,213

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)				
1	Balance at beginning of year	73,698	5	Distributions: a Cash
2	Net income (loss) per books	23,687		b Stock
3	Other increases (itemize):			c Property
	-----		6	Other decreases (itemize):
	-----			-----
	-----		7	Add lines 5 and 6
4	Add lines 1, 2, and 3	97,385	8	Balance at end of year (line 4 less line 7)
				97,385

U.S. Corporation Income Tax Return
 For calendar year 2010 or tax year beginning 7/1/2010 ending 6/30/2011
 ▶ See separate instructions.

COPY

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	Print or type	Name KA LUA O KIHA, INC. Number, street, and room or suite no. If a P.O. box, see instructions. 505 FRONT STREET, SUITE 221 City or town State ZIP code LAHAINA HI 96761	B Employer identification number 20-4656092 C Date incorporated 3/24/2006 D Total assets (see instructions) \$ 59,454
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

	1a Gross receipts or sales	144,000	b Less returns and allowances			1c	144,000
Income	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	144,000
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	91
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (see instructions—attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	144,091
	Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)					12
13 Salaries and wages (less employment credits)						13	37,749
14 Repairs and maintenance						14	239
15 Bad debts						15	
16 Rents						16	
17 Taxes and licenses						17	12,418
18 Interest						18	
19 Charitable contributions						19	6,345
20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)						20	
21 Depletion						21	
22 Advertising						22	
23 Pension, profit-sharing, etc., plans						23	3,775
24 Employee benefit programs						24	
25 Domestic production activities deduction (attach Form 8903)						25	
26 Other deductions (attach schedule)						26	26,464
27 Total deductions. Add lines 12 through 26						27	86,990
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11						28	57,101
29 Less:	a Net operating loss deduction (see instructions)		29a				
	b Special deductions (Schedule C, line 20)		29b			29c	0
30 Taxable income. Subtract line 29c from line 28 (see instructions)					30	57,101	
31 Total tax (Schedule J, line 10)					31	9,275	
Tax, Refundable Credits, and Payments	32a 2009 overpayment credited to 2010	32a	3,000				
	b 2010 estimated tax payments	32b	7,900				
	c 2010 refund applied for on Form 4466	32c	()				
	d Bal ▶	32d		10,900			
	e Tax deposited with Form 7004	32e					
	f Credits: (1) Form 2439 (2) Form 4136	32f		0			
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g				32h	10,900
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33		
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	0	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	1,625	
36 Enter amount from line 35 you want: Credited to 2011 estimated tax ▶ 1,625 Refunded ▶					36	0	

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

Sign Here

Signature of officer _____ Date _____ 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 CHRISTINE RIECKE-GO	Preparer's signature <i>Christine Riecke-Gonzales</i>	Date 12/12/2011	Check <input type="checkbox"/> if self-employed	PTIN P01337993
	Firm's name ▶ CHRISTINE RIECKE-GONZALES, CPA, LLC	Firm's EIN 27-2409011			
	Firm's address ▶ 77 APALAPANI LANE	Phone no. (808) 575-2181			
	City HAIKU State HI	ZIP code 96708			

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	0
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	0

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	see instruct.	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	0
8	Dividends from wholly owned foreign subsidiaries	100	0
9	Total. Add lines 1 through 8. See instructions for limitation		0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	0
11	Dividends from affiliated group members	100	0
12	Dividends from certain FSCs	100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0	
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		0

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1			%	%	%	0
			%	%	%	0
			%	%	%	0
			%	%	%	0
			%	%	%	0
2	Total compensation of officers					0
3	Compensation of officers claimed on Schedule A and elsewhere on return					0
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					0

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	9,275
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	9,275
5a	Foreign tax credit (attach Form 1118)		5a	
5b	Credit from Form 8834, line 29		5b	
5c	General business credit (attach Form 3800)		5c	
5d	Credit for prior year minimum tax (attach Form 8827)		5d	
5e	Bond credits from Form 8912		5e	
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	9,275
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)		9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10	9,275

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 531310		
b	Business activity ▶ MGT & SUPPORT SERVICES		
c	Product or service ▶ SITE AND FACILITIES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

Schedule K *Continued*

Yes	No
	X

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.	X
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____ (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____	X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/>	
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____	
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ <u>1</u>	
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.	
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____	
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____	X
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If "Yes," complete and attach Schedule UTP.	X

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		96,722		56,122
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	0	()	0
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)		12,803		3,332
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()	0	()	0
11a	Depletable assets				
b	Less accumulated depletion	()	0	()	0
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	0	()	0
14	Other assets (attach schedule)				
15	Total assets		109,525		59,454
Liabilities and Shareholders' Equity					
16	Accounts payable		5,916		1,508
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)		6,124		7,438
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock:				
a	Preferred stock				
b	Common stock	100	100	100	100
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated		97,385		50,408
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		109,525		59,454

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books	-46,977	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	9,291		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				0
		0	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation \$	
a	Depreciation \$		b	Charitable contributions \$	
b	Charitable contributions \$	93,655			
c	Travel and entertainment \$				0
	Accrued Vacation	1,132			
		94,787	9	Add lines 7 and 8	0
6	Add lines 1 through 5	57,101	10	Income (page 1, line 28)—line 6 less line 9	57,101

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	97,385	5	Distributions:	
2	Net income (loss) per books	-46,977	a	Cash	
3	Other increases (itemize):		b	Stock	
			c	Property	
		0	6	Other decreases (itemize):	
4	Add lines 1, 2, and 3	50,408	7	Add lines 5 and 6	0
			8	Balance at end of year (line 4 less line 7)	50,408

Line 26 (1120) - Other Deductions

1	High Speed Internet	1	506
2	Telephone	2	2,856
3	Office and Computer Supplies	3	735
4	Dues and Subscriptions	4	104
5	Common Area Maintenance Fees	5	3,634
6	Utilities	6	2,222
7	Insurance	7	1,936
8	Professional Fees	8	14,364
9	Postage	9	101
10	Mileage Reimbursement	10	6
11	Total other deductions	11	26,464
12	Total deductions less expenses for offsetting credits	12	26,464

Line 6, Sch L (1120) - Other Current Assets

		Beginning	End
1	PREPAID INSURANCE	347	336
2	PREPAID INCOME TAXES	10,956	2,996
3	DUE FROM FRIENDS OF MOKU'ULA, INC.	1,500	
4	Total other current assets	12,803	3,332

Line 18, Sch L (1120) - Other Current Liabilities

		Beginning	End
1	ACCRUED PAYROLL TAXES	1,145	1,315
2	ACCRUED VACATION	4,039	5,171
3	ACCRUED PENSION	940	952
4	Total other current liabilities	6,124	7,438

Line 19 (1120) - Charitable Contributions

	(A) Amount	(B) Adjustment under Section 170(d)(2)(B)	(C) Deduction Allowed in Current Year	(D) Contribution Carryover
1 Contribution for current year:				
a Direct contribution 100,000				
b From partnerships 0 1	100,000	0	6,345	93,655
2 Carryover from:				
a 5th preceding period 2a	136		0	136
b 4th preceding period 2b	23,737		0	23,737
c 3rd preceding period 2c	67,016		0	67,016
d 2nd preceding period 2d	32,646		0	32,646
e 1st preceding period 2e	23,532		0	23,532
3 Totals 3	247,067	0	6,345	240,722
4 Carryover to expire next year due to 5 year limitation 4				136
5 Total contribution carryover to next year 5				240,586

Computation of Section 179 Deduction for Estimated Charitable Contribution

6 Taxable Income computed without contribution deduction or Section 179 6	63,446
7 Section 179 deduction for purposes of contribution limitation 7	0
8 Taxable income less Section 179 deduction. Subtract line 7 from line 6 8	63,446
9 Maximum contribution limitation. Enter 10% of line 8 9	6,345
10 Contribution deduction considering Section 179 limitation. Smaller of line 3, col A minus lines 2a through 2e, col B or line 9 10	6,345

Computation of Actual Charitable Contribution

11 Actual Section 179 deduction 11	0
12 Taxable income less actual Section 179 deduction. Subtract line 11 from line 6 12	63,446
13 Net operating loss deductions limited by line 12 13	0
14 Taxable income for purposes of contribution deduction. Subtract line 13 from line 12 14	63,446
15 Maximum contribution limitation. Enter 10% of line 14 15	6,345
16 Actual contribution deduction. Smaller of line 3, col A minus lines 2a through 2e, col B or line 15 16	6,345

Computation of Qualified Conservation Property Contributions by Farmers and Ranchers

17 Carryover of 100% contribution from 2009 17	0
18 Enter the amount of qualified conservation property contributions <i>Do not include any amount entered in line 1(A) above</i>	
Direct contribution	
From partnerships 0	0
19 Net 100% contribution available for current year 19	0
20 Taxable income for purposes of 100% contribution deduction. Subtract line 16 from line 14 20	0
21 100% contribution deduction for current year. Enter the smaller of line 19 or line 20 21	0
22 Carryover of 100% contribution to 2011. Subtract line 20 from line 19 22	0

Part I - Contribution carryover, NOL carryover, and Taxable income without contribution deduction

1 2010 taxable income without contributions deduction 1	63,446
2 Contribution deduction available in 2010 2	247,067
3 Prior year NOL carryover to 2010 3	0

Part II - Determination of 2010 contributions converted to NOL under Section 170(d)(2)(B)

1 Taxable Income computed without contribution deduction 1	63,446
2 Net operating loss deductions. (NOL cannot exceed Part II, line 1) 2	0
3 Taxable income for purposes of contribution deduction. Subtract line 2 from line 1 3	63,446
4 Maximum contribution (10% of line 1 when NOL is not applied to taxable income computed without contribution deductions) 4	0
5 Actual contribution deduction allowed. Enter line 16 above 5	6,345
6 Current year's Section 170(d)(2)(B) contribution deduction converted to NOL. Subtract line 5 from line 4 but do not enter more than the current year contribution less the actual contribution deduction 6	0

Part III - Determination of 2010 contribution carryover to next year under Section 170(d)(2)(B)

1 Contribution deduction available in 2010. Enter Part I, line 2 above 1	247,067
2 Contribution deducted for the tax year ending 2010. Enter line 16 above 2	6,345
3 Current year's Section 170(d)(2)(B) contribution deduction converted to NOL. Enter Part II, line 6 above 3	0
4 Carryover to expire next year due to 5 year limitation. Enter Column D, line 4 above 4	136
5 Total contribution carryover to next year. Subtract lines 2, 3, and 4 from line 1 5	240,586

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

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

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name KA LUA O KIHA, INC.	Identifying number 20-4656092
	Number, street, and room or suite no. (If P.O. box, see instructions.) 505 FRONT STREET, SUITE 221	
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). LAHAINA HI 96761	

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1045-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
 - 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
- If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . .

5a The application is for calendar year 20 ____ , or tax year beginning ____/____/____, 20 ____ , and ending ____/____/____, 20 ____ .

b **Short tax year.** If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	9,275
7 Total payments and credits (see instructions)	7	10,900
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0

COPY

2011

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	TYPE OR PRINT	Name KA LUA O KIHA, INC. Number, street, and room or suite no. If a P.O. box, see instructions. 505 FRONT STREET, SUITE 221 City or town State ZIP code LAHAINA HI 96761	B Employer identification number 20-4656092 C Date incorporated 3/24/2006 D Total assets (see instructions) \$ 27,180
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

Income	1a Merchant card and third-party payments. For 2011, enter -0-	1a	0	
	b Gross receipts or sales not reported on line 1a (see instructions)	1b	144,000	
	c Total. Add lines 1a and 1b	1c	144,000	
	d Returns and allowances plus any other adjustments (see instructions)	1d		
	e Subtract line 1d from line 1c	1e	144,000	
	2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1e	3	144,000	
	4 Dividends (Schedule C, line 19)	4		
	5 Interest	5	31	
	6 Gross rents	6		
	7 Gross royalties	7		
8 Capital gain net income (attach Schedule D (Form 1120))	8			
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9			
10 Other income (see instructions—attach schedule)	10			
11 Total income. Add lines 3 through 10	11	144,031		
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E)	12		
	13 Salaries and wages (less employment credits)	13	41,437	
	14 Repairs and maintenance	14	788	
	15 Bad debts	15		
	16 Rents	16		
	17 Taxes and licenses	17	12,586	
	18 Interest	18		
	19 Charitable contributions	19	6,035	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20		
	21 Depletion	21		
	22 Advertising	22		
	23 Pension, profit-sharing, etc., plans	23	3,971	
	24 Employee benefit programs	24		
	25 Domestic production activities deduction (attach Form 8903)	25		
26 Other deductions (attach schedule)	26	24,901		
27 Total deductions. Add lines 12 through 26	27	89,718		
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	54,313		
29a Net operating loss deduction (see instructions)	29a			
b Special deductions (Schedule C, line 20)	29b			
c Add lines 29a and 29b	29c	0		
Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)	30	54,313	
	31 Total tax (Schedule J, Part I, line 11)	31	8,578	
	32 Total payments and refundable credits (Schedule J, Part II, line 21)	32	9,625	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33		
	34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	0	
	35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	1,047	
	36 Enter amount from line 35 you want: Credited to 2012 estimated tax <u>1,047</u> Refunded <input type="checkbox"/>	36	0	

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

Sign Here	Signature of officer _____	Date _____	Title _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Paid Preparer Use Only	Print/Type preparer's name CHRISTINE RIECKE-GO	Preparer's signature <i>Christine Riecke-Gonzales</i>	Date 3/4/2013	Check <input checked="" type="checkbox"/> if self-employed	PTIN P01337993
	Firm's name ▶ CHRISTINE RIECKE-GONZALES, CPA, LLC			Firm's EIN ▶ 27-2409011	
	Firm's address ▶ 77 APALAPANI LANE			Phone no. (808) 575-2181	
	City HAIKU		State HI	ZIP code 96708	

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	0
3	Dividends on debt-financed stock of domestic and foreign corporations		see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	0
8	Dividends from wholly owned foreign subsidiaries		100	0
9	Total. Add lines 1 through 8. See instructions for limitation			0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	0
11	Dividends from affiliated group members		100	0
12	Dividends from certain FSCs		100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I—Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))			
2	Income tax. Check if a qualified personal service corporation (see instructions)		2	8,578
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	8,578
5a	Foreign tax credit (attach Form 1118)	5a		
b	Credit from Form 8834, line 30 (attach Form 8834)	5b		
c	General business credit (attach Form 3800)	5c		
d	Credit for prior year minimum tax (attach Form 8827)	5d		
e	Bond credits from Form 8912	5e		
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	8,578
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9a	Recapture of investment credit (attach Form 4255)	9a		
b	Recapture of low-income housing credit (attach Form 8611)	9b		
c	Interest due under the look-back method—completed long-term contracts (attach Form 8697)	9c		
d	Interest due under the look-back method—income forecast method (attach Form 8866)	9d		
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e		
f	Other (see instructions—attach schedule)	9f		
10	Total. Add lines 9a through 9f		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	8,578

Part II—Payments and Refundable Credits

12	2010 overpayment credited to 2011		12	1,625
13	2011 estimated tax payments		13	8,000
14	2011 refund applied for on Form 4466		14	()
15	Combine lines 12, 13, and 14		15	9,625
16	Tax deposited with Form 7004		16	
17	Withholding (see instructions)		17	
18	Total payments. Add lines 15, 16, and 17		18	9,625
19	Refundable credits from:			
a	Form 2439	19a		
b	Form 4136	19b		
c	Form 3800, line 17c and Form 8827, line 8c	19c		
d	Other (attach schedule—see instructions)	19d		
20	Total credits. Add lines 19a through 19d		20	0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32		21	9,625

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 531310		
b	Business activity ▶ MGT & SUPPORT SERVICES		
c	Product or service ▶ SITE AND FACILITIES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information *continued* (see instructions)

5 At the end of the tax year, did the corporation:

- a** Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions.
If "Yes," complete (i) through (iv) below.

Yes	No
	X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions.
If "Yes," complete (i) through (iv) below.

Yes	No
	X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

Yes	No
	X

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:

Yes	No
	X

(l) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ ¹ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____ 0

Yes	No
X	

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?
If "Yes," complete and attach Schedule UTP.

Yes	No
	X

15a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?

Yes	No
X	

b If "Yes," did or will the corporation file all required Forms 1099?

Yes	No
X	

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		56,122		25,630
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	0	()	0
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)		3,332		1,550
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()	0	()	0
11a	Depletable assets				
b	Less accumulated depletion	()	0	()	0
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	0	()	0
14	Other assets (attach schedule)				
15	Total assets		59,454		27,180
Liabilities and Shareholders' Equity					
16	Accounts payable		1,508		1,794
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)		7,438		8,860
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock:				
a	Preferred stock				
b	Common stock	100	100	100	100
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated		50,408		16,426
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		59,454		27,180

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books	-33,982	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	8,578		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				0
		0			
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$ 79,965		b	Charitable contributions \$	
c	Travel and entertainment \$			Accrued Vacation 248	
		79,965			248
6	Add lines 1 through 5	54,561	9	Add lines 7 and 8	248
			10	Income (page 1, line 28)—line 6 less line 9	54,313

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	50,408	5	Distributions:	
2	Net income (loss) per books	-33,982	a	Cash	
3	Other increases (itemize):		b	Stock	
			c	Property	
			6	Other decreases (itemize):	
		0			
4	Add lines 1, 2, and 3	16,426	7	Add lines 5 and 6	0
			8	Balance at end of year (line 4 less line 7)	16,426

Line 26 (1120) - Other Deductions

1	High Speed Internet	1	506
2	Telephone, Facsimile, and Cellular Phone	2	2,617
3	Office and Computer Supplies	3	1,012
4	Dues and Subscriptions	4	121
5	Common Area Maintenance Fees	5	4,474
6	Utilities	6	2,908
7	Insurance	7	1,988
8	Professional Fees	8	11,109
9	Postage	9	166
10	Total other deductions	10	24,901
11	Total deductions less expenses for offsetting credits	11	24,901

Line 6, Sch L (1120) - Other Current Assets

		Beginning	End
1	Prepaid Insurance	336	336
2	Prepaid Income Taxes	2,996	1,214
3	Total other current assets	3,332	1,550

Line 18, Sch L (1120) - Other Current Liabilities

		Beginning	End
1	Accrued Payroll Taxes	1,315	2,674
2	Accrued Vacation	5,171	4,923
3	Accrued Pension	952	1,263
4	Total other current liabilities	7,438	8,860

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

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

Print or Type

Name: **KA LUA O KIHA, INC.** Identifying number: **20-4656092**

Number, street, and room or suite no. (If P.O. box, see instructions.):
505 FRONT STREET, SUITE 221

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).
LAHAINA HI 96761

Note. File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic 5-Month Extension

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 , or tax year beginning , 20 , and ending , 20 .

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	8,578
7 Total payments and credits (see instructions)	7	9,625
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	0



Diamond Parking Services LLC. Home Office • 605 1st Ave., Suite 600 - Seattle, WA 98101-3221
(206) 284-3100 • (800) 340-PARK • Fax (206) 285-5598

"Family Owned & Operated"

PROP OWNER : KA LUA O KIHA INC LOCATION: HM64
LOCATION : 505 FRONT STREET VENDOR: 221341

QUARTERLY REPORT OF REVENUE FOR:
JANUARY 1, 2014 THROUGH MARCH 31, 2014

	JANUARY	FEBRUARY	MARCH	QUARTERLY TOTAL
DAILY PARKING	24,449.28	23,986.56	28,161.60	76,597.44
MONTHLY PARKING	1,097.63	1,511.01	2,282.92	4,891.56
TOTAL REVENUE	25,546.91	25,497.57	30,444.52	81,489.00

OVER-RIDE RENT DUE @ 70%	\$57,042.30
RENT PREVIOUSLY PAID	\$46,200.00
RENT DUE	\$10,842.30
BALANCE ENCLOSED	\$10,842.30

FOR INFORMATION PLEASE CALL CITY MANAGER GREG SCHMIDT (808)662-0391
OR CONTACT GREG MATOUS, CONTROLLER AT (206) 284-3100

QUESTIONS? PLEASE CALL (800) 340-PARK, ASK FOR THE APPROPRIATE DEPARTMENT

COPY

Form 1120
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2012 or tax year beginning 7/1/2012, ending 6/30/2013

OMB No. 1545-0123

2012

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

Header section containing: A Check if: 1a Consolidated return, 1b Life/nonlife consolidated return, 2 Personal holding co., 3 Personal service corp., 4 Schedule M-3 attached; B Employer identification number: 20-4656092; C Date incorporated: 3/24/2006; D Total assets: \$ 51,764; E Check if: (1) Initial return, (2) Final return, (3) Name change, (4) Address change.

TYPE OR PRINT

Name: KA LUA O KIHA, INC.
Number, street, and room or suite no. if a P.O. box, see instructions: 505 FRONT STREET, SUITE 221
City or town: LAHAINA State: HI ZIP code: 96761

Income section table with columns for line number, description, and amount. Includes lines 1a-11.

Deductions section table with columns for line number, description, and amount. Includes lines 12-29c.

Tax, Refundable Credits, and Payments section table with columns for line number, description, and amount. Includes lines 30-36.

Sign Here: Signature of officer, Date, Title. May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer Use Only section containing: Print/Type preparer's name: CHRISTINE RIECKE-GONZALES, CPA, LLC; Preparer's signature; Date: 3/8/2014; Check self-employed; PTIN: P01337993; Firm's name: CHRISTINE RIECKE-GONZALES, CPA, LLC; Firm's EIN: 27-2409011; Firm's address: 77 APALAPANI LANE; City: HAIKU; State: HI; ZIP code: 96708.

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	0
3	Dividends on debt-financed stock of domestic and foreign corporations		see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	0
8	Dividends from wholly owned foreign subsidiaries		100	0
9	Total. Add lines 1 through 8. See instructions for limitation			0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	0
11	Dividends from affiliated group members		100	0
12	Dividends from certain FSCs		100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I—Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))			
2	Income tax. Check if a qualified personal service corporation (see instructions)		2	11,527
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	11,527
5a	Foreign tax credit (attach Form 1118)	5a		
b	Credit from Form 8834, line 30 (attach Form 8834)	5b		
c	General business credit (attach Form 3800)	5c		
d	Credit for prior year minimum tax (attach Form 8827)	5d		
e	Bond credits from Form 8912	5e		
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	11,527
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9a	Recapture of investment credit (attach Form 4255)	9a		
b	Recapture of low-income housing credit (attach Form 8611)	9b		
c	Interest due under the look-back method—completed long-term contracts (attach Form 8697)	9c		
d	Interest due under the look-back method—income forecast method (attach Form 8866)	9d		
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e		
f	Other (see instructions—attach statement)	9f		
10	Total. Add lines 9a through 9f		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	11,527

Part II—Payments and Refundable Credits

12	2011 overpayment credited to 2012		12	1,047
13	2012 estimated tax payments		13	8,000
14	2012 refund applied for on Form 4466		14	()
15	Combine lines 12, 13, and 14		15	9,047
16	Tax deposited with Form 7004		16	
17	Withholding (see instructions)		17	
18	Total payments. Add lines 15, 16, and 17		18	9,047
19	Refundable credits from:			
a	Form 2439	19a		
b	Form 4136	19b		
c	Form 8827, line 8c	19c		
d	Other (attach statement—see instructions)	19d		
20	Total credits. Add lines 19a through 19d		20	0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32		21	9,047

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 531310		
b	Business activity ▶ MGT & SUPPORT SERVICES		
c	Product or service ▶ SITE AND FACILITIES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information *continued* (see instructions)

5 At the end of the tax year, did the corporation:

- a** Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions.
If "Yes," complete (i) through (iv) below.

Yes	No
	X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions.
If "Yes," complete (i) through (iv) below.

Yes	No
	X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

Yes	No
	X

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:

Yes	No
	X

(i) Percentage owned ▶ and (ii) Owner's country ▶
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount.
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$

13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?

Yes	No
X	

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ 0

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?
If "Yes," complete and attach Schedule UTP.

Yes	No
	X

15a Did the corporation make any payments in 2012 that would require it to file Form(s) 1099?

Yes	No
X	

b If "Yes," did or will the corporation file required Forms 1099?

Yes	No
X	

16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

Yes	No
	X

17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?

Yes	No
	X

18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?

Yes	No
	X

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		25,630		51,431
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	0	()	0
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)		1,550		333
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()	0	()	0
11a	Depletable assets				
b	Less accumulated depletion	()	0	()	0
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	0	()	0
14	Other assets (attach statement)				
15	Total assets		27,180		51,764
Liabilities and Shareholders' Equity					
16	Accounts payable		1,794		3,723
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)		8,860		2,930
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock: a Preferred stock				
	b Common stock	100	100	100	100
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach statement)				
25	Retained earnings—Unappropriated		16,426		45,011
26	Adjustments to shareholders' equity (attach statement)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		27,180		51,764

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return					
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions					
1	Net income (loss) per books	28,585	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	11,527		Tax-exempt interest \$	
3	Excess of capital losses over capital gains			Accrued Vacation	4,923
4	Income subject to tax not recorded on books this year (itemize):	0			4,923
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$	30,918	b	Charitable contributions \$	
c	Travel and entertainment \$				0
		30,918	9	Add lines 7 and 8	4,923
6	Add lines 1 through 5	71,030	10	Income (page 1, line 28)—line 6 less line 9	66,107

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)					
1	Balance at beginning of year	16,426	5	Distributions: a Cash	
2	Net income (loss) per books	28,585		b Stock	
3	Other increases (itemize):			c Property	
		0	6	Other decreases (itemize):	
		0	7	Add lines 5 and 6	0
4	Add lines 1, 2, and 3	45,011	8	Balance at end of year (line 4 less line 7)	45,011

Line 26 (1120) - Other Deductions

1	Travel, Meals and Entertainment		
	a Travel	1a	436
2	High Speed Internet	2	451
3	Telephone, Facsimile, and Cellular Phone	3	2,212
4	Office and Computer Supplies	4	815
5	Dues and Subscriptions	5	126
6	Common Area Maintenance Fees	6	5,214
7	Utilities	7	2,442
8	Insurance	8	1,984
9	Professional Fees	9	7,004
10	Postage	10	124
11	Total other deductions	11	20,808
12	Total deductions less expenses for offsetting credits	12	20,808

Line 6, Sch L (1120) - Other Current Assets

		Beginning	End
1	Prepaid Insurance	336	333
2	Prepaid Income Taxes	1,214	
3	Total other current assets	1,550	333

Line 18, Sch L (1120) - Other Current Liabilities

		Beginning	End
1	Accrued Payroll Taxes	2,674	147
2	Accrued Vacation	4,923	
3	Accrued Pension	1,263	
4	Accrued Income Taxes		2,783
5	Total other current liabilities	8,860	2,930

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**
► **Information about Form 7004 and its separate instructions is at www.irs.gov/form7004.**

Print or Type	Name	Identifying number
	KA LUA O KIHA, INC.	20-4656092
	Number, street, and room or suite no. (If P.O. box, see instructions.)	
	505 FRONT STREET, SUITE 221	
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).	
	LAHAINA HI 96761	

Note. File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic 5-Month Extension

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension

b Enter the form code for the return that this application is for (see below) 12

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1041	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here. ►
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here. ►
If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here. ►

5a The application is for calendar year 20 , or tax year beginning 7/1 , 20 12 , and ending 6/30 , 20 13 .

b Short tax year. If this tax year is less than 12 months, check the reason: Initial return Final return
 Change in accounting period Consolidated return to be filed Other (see instructions-attach explanation)

6 Tentative total tax	6	9,000
7 Total payments and credits (see instructions)	7	9,000
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	0

COPY

Form 1120
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return
For calendar year 2013 or tax year beginning 7/1/2013, ending 6/30/2014
Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

OMB No. 1545-0123
2013

Header section containing: A Check if: 1a Consolidated return, 1b Life/nonlife consolidated return, 2 Personal holding co., 3 Personal service corp., 4 Schedule M-3 attached; B Employer identification number 20-4656092; C Date incorporated 3/24/2006; D Total assets \$ 80,477; E Check if: (1) Initial return, (2) Final return, (3) Name change, (4) Address change.

Income section table with columns: Description, 1a, 1b, 1c, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11. Includes rows for Gross receipts or sales (178,642), Returns and allowance, Balance, Cost of goods sold, Gross profit (178,642), Dividends, Interest (20), Gross rents, Gross royalties, Capital gain net income, Net gain or (loss) from Form 4797, Other income, Total income (178,662).

Deductions section table with columns: Description, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29a, 29b, 29c. Includes rows for Compensation of officers, Salaries and wages, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Charitable contributions, Depreciation, Depletion, Advertising, Pension, profit-sharing, etc., plans, Employee benefit programs, Domestic production activities deduction, Other deductions (26,952), Total deductions (55,347), Taxable income before net operating loss deduction and special deductions (123,315), Net operating loss deduction, Special deductions, Add lines 29a and 29b (0).

Tax, Refundable Credits, and Payments section table with columns: Description, 30, 31, 32, 33, 34, 35, 36. Includes rows for Taxable income (123,315), Total tax (31,343), Total payments and refundable credits (34,000), Estimated tax penalty (7), Amount owed (0), Overpayment (2,650), Enter amount from line 35 you want: Credited to 2014 estimated tax (2,650), Refunded (0).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Signature of officer, Date, Title.
May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer Use Only section containing: Print/Type preparer's name CHRISTINE RIECKE-GON, Preparer's signature, Date 9/8/2014, Check [X] if self-employed, PTIN P01337993, Firm's name CHRISTINE RIECKE-GONZALES, CPA, LLC, Firm's EIN 27-2409011, Firm's address 77 APALAPANI LANE, City HAIKU, State HI, Phone no. (808) 575-2181, ZIP code 96708.

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	0
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	0
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	0
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	0
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	0
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	0
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	0
8 Dividends from wholly owned foreign subsidiaries		100	0
9 Total. Add lines 1 through 8. See instructions for limitation			0
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	0
11 Dividends from affiliated group members		100	0
12 Dividends from certain FSCs		100	0
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I—Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	31,343
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	31,343
5a	Foreign tax credit (attach Form 1118)		5a	
b	Credit from Form 8834 (see instructions)		5b	
c	General business credit (attach Form 3800)		5c	
d	Credit for prior year minimum tax (attach Form 8827)		5d	
e	Bond credits from Form 8912		5e	
6	Total credits. Add lines 5a through 5e		6	0
7	Subtract line 6 from line 4		7	31,343
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9a	Recapture of investment credit (attach Form 4255)		9a	
b	Recapture of low-income housing credit (attach Form 8611)		9b	
c	Interest due under the look-back method—completed long-term contracts (attach Form 8697)		9c	
d	Interest due under the look-back method—income forecast method (attach Form 8866)		9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)		9e	
f	Other (see instructions—attach statement)		9f	
10	Total. Add lines 9a through 9f		10	0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	31,343

Part II—Payments and Refundable Credits

12	2012 overpayment credited to 2013		12	
13	2013 estimated tax payments		13	34,000
14	2013 refund applied for on Form 4466		14	()
15	Combine lines 12, 13, and 14		15	34,000
16	Tax deposited with Form 7004		16	
17	Withholding (see instructions)		17	
18	Total payments. Add lines 15, 16, and 17		18	34,000
19	Refundable credits from:			
a	Form 2439		19a	
b	Form 4136		19b	
c	Form 8827, line 8c		19c	
d	Other (attach statement—see instructions)		19d	
20	Total credits. Add lines 19a through 19d		20	0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32		21	34,000

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 531310		
b	Business activity ▶ MGT & SUPPORT SERVICES		
c	Product or service ▶ SITE AND FACILITIES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information *continued* (see instructions)

		Yes	No
5 At the end of the tax year, did the corporation:			
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions			X
If "Yes," complete (i) through (iv) below.			
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions			X
If "Yes," complete (i) through (iv) below.			
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)			X
If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.			
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.			
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?			X
For rules of attribution, see section 318. If "Yes," enter:			
(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____			
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____			
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount		<input type="checkbox"/>	
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.			
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____			
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____			1
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here		<input type="checkbox"/>	
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.			
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____			
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X	
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____			
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?			X
If "Yes," complete and attach Schedule UTP.			
15a Did the corporation make any payments in 2013 that would require it to file Form(s) 1099?		X	
b If "Yes," did or will the corporation file required Forms 1099?		X	
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?			X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?			X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?			X

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		51,431		76,636
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	0	()	0
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)		333		3,841
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()	0	()	0
11a	Depletable assets				
b	Less accumulated depletion	()	0	()	0
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	0	()	0
14	Other assets (attach statement)				
15	Total assets		51,764		80,477
Liabilities and Shareholders' Equity					
16	Accounts payable		3,723		10,616
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)		2,930		
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock: a Preferred stock				
	b Common stock	100	100	100	100
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach statement)				
25	Retained earnings—Unappropriated		45,011		69,761
26	Adjustments to shareholders' equity (attach statement)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		51,764		80,477

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books	24,750	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	31,267		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				0
4	Income subject to tax not recorded on books this year (itemize):	0	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation \$	
a	Depreciation \$		b	Charitable contributions \$	
b	Charitable contributions \$ 67,298				0
c	Travel and entertainment \$		9	Add lines 7 and 8	0
		67,298	10	Income (page 1, line 28)—line 6 less line 9	123,315
6	Add lines 1 through 5	123,315			

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	45,011	5	Distributions: a Cash	
2	Net income (loss) per books	24,750		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
		0			0
4	Add lines 1, 2, and 3	69,761	7	Add lines 5 and 6	0
			8	Balance at end of year (line 4 less line 7)	69,761

Line 26 (1120) - Other Deductions

1	Internet Service	1	187
2	Telephone, Facsimile, and Cellular Phone	2	1,817
3	Office and Computer Supplies	3	911
4	Common Area Maintenance Fees	4	4,461
5	Utilities	5	2,508
6	Insurance	6	1,244
7	Professional Fees	7	12,592
8	Postage	8	90
9	Equipment Lease Payments	9	3,142
10	Total other deductions	10	26,952
11	Total deductions less expenses for offsetting credits	11	26,952

Line 6, Sch L (1120) - Other Current Assets

		Beginning	End
1	Prepaid Insurance	333	333
2	Prepaid Income Taxes		3,508
3	Total other current assets	333	3,841

Line 18, Sch L (1120) - Other Current Liabilities

		Beginning	End
1	Accrued Payroll Taxes	147	
2	Accrued Income Taxes	2,783	
3	Total other current liabilities	2,930	0

Form **7004**

(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

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

▶ Information about Form 7004 and its separate instructions is at www.irs.gov/form7004.

OMB No. 1545-0233

Print
or
Type

Name	Identifying number
KALUA O KIHA, INC.	20-4656092
Number, street, and room or suite no. (If P.O. box, see instructions.)	
505 FRONT STREET, SUITE 221	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).	
LAHAINA, HI 96761	

Note. File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic 5-Month Extension

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8803	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIG	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 , or tax year beginning , 20 , and ending , 20 .

b Short tax year. If this tax year is less than 12 months, check the reason: Initial return Final return
 Change in accounting period Consolidated return to be filed Other (see instructions-attach explanation)

6 Tentative total tax	6	31,343
7 Total payments and credits (see instructions)	7	34,000
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	0

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

Form **7004** (Rev. 12-2012)

COPY

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2014 or tax year beginning 7/1/2014 ending 6/30/2015

2014

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	TYPE OR PRINT	Name KALUA O KIHA, INC. Number, street, and room or suite no. If a P.O. box, see instructions. 505 FRONT STREET, SUITE 221 City or town State ZIP code LAHAINA HI 96761 Foreign country name Foreign province/state/county Foreign postal code	B Employer identification number 20-4656092 C Date incorporated 3/24/2006 D Total assets (see instructions) \$ 86,068
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

Income	1a	Gross receipts or sales	242,043	
	1b	Returns and allowance		
	1c	Balance. Subtract line 1b from line 1a		242,043
	2	Cost of goods sold (attach Form 1125-A)		
	3	Gross profit. Subtract line 2 from line 1c		242,043
	4	Dividends (Schedule C, line 19)		
	5	Interest		20
	6	Gross rents		
	7	Gross royalties		
	8	Capital gain net income (attach Schedule D (Form 1120))		
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		
10	Other income (see instructions—attach statement)			
11	Total income. Add lines 3 through 10		242,063	
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (see instructions—attach Form 1125-E)		
	13	Salaries and wages (less employment credits)		9,790
	14	Repairs and maintenance		6,675
	15	Bad debts		
	16	Rents		
	17	Taxes and licenses		20,224
	18	Interest		
	19	Charitable contributions		18,674
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		
	21	Depletion		
	22	Advertising		
	23	Pension, profit-sharing, etc., plans		
	24	Employee benefit programs		
	25	Domestic production activities deduction (attach Form 8903)		
	26	Other deductions (attach statement)		18,635
	27	Total deductions. Add lines 12 through 26		73,998
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		168,065
Net operating loss deduction	29a	Net operating loss deduction (see instructions)		
	29b	Special deductions (Schedule C, line 20)		
	29c	Add lines 29a and 29b		0
Tax, Refundable Credits, and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions)		168,065
	31	Total tax (Schedule J, Part I, line 11)		48,795
	32	Total payments and refundable credits (Schedule J, Part II, line 21)		39,680
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		
	34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed		9,115
	35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid		0
	36	Enter amount from line 35 you want: Credited to 2015 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		0

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

Sign Here

Signature of officer _____ Date _____ 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 CHRISTINE RIECKE-GONZALEZ	Preparer's signature <i>Christine M. Gonzalez</i>	Date 9/7/2015	Check <input checked="" type="checkbox"/> if self-employed	PTIN P01337993
	Firm's name CHRISTINE RIECKE-GONZALES, CPA, LLC	Firm's EIN 27-2409011			
	Firm's address 77 APALAPANI LANE	Phone no. (808) 575-2181			
	City HAIKU State HI ZIP code 96708				

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	0
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	0
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	0
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	0
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	0
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	0
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	0
8 Dividends from wholly owned foreign subsidiaries		100	0
9 Total. Add lines 1 through 8. See instructions for limitation			0
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	0
11 Dividends from affiliated group members		100	0
12 Dividends from certain FSCs		100	0
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			0

Schedule J Tax Computation and Payment (see instructions)

Part I—Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)		48,795
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		48,795
5a	Foreign tax credit (attach Form 1118)		
5b	Credit from Form 8834 (see instructions)		
5c	General business credit (attach Form 3800)		
5d	Credit for prior year minimum tax (attach Form 8827)		
5e	Bond credits from Form 8912		
6	Total credits. Add lines 5a through 5e		0
7	Subtract line 6 from line 4		48,795
8	Personal holding company tax (attach Schedule PH (Form 1120))		
9a	Recapture of investment credit (attach Form 4255)		
9b	Recapture of low-income housing credit (attach Form 8611)		
9c	Interest due under the look-back method—completed long-term contracts (attach Form 8697)		
9d	Interest due under the look-back method—income forecast method (attach Form 8866)		
9e	Alternative tax on qualifying shipping activities (attach Form 8902)		
9f	Other (see instructions—attach statement)		
10	Total. Add lines 9a through 9f		0
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		48,795

Part II—Payments and Refundable Credits

12	2013 overpayment credited to 2014		2,650
13	2014 estimated tax payments		37,030
14	2014 refund applied for on Form 4466		
15	Combine lines 12, 13, and 14		39,680
16	Tax deposited with Form 7004		
17	Withholding (see instructions)		
18	Total payments. Add lines 15, 16, and 17		39,680
19	Refundable credits from:		
19a	Form 2439		
19b	Form 4136		
19c	Form 8827, line 8c		
19d	Other (attach statement—see instructions)		
20	Total credits. Add lines 19a through 19d		0
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32		39,680

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 531310		
b	Business activity ▶ MANAGEMENT & SUPPORT SERVICES		
c	Product or service ▶ SITE AND FACILITIES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K **Other Information** *continued* (see instructions)

5 At the end of the tax year, did the corporation:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions

If "Yes," complete (i) through (iv) below.

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions

If "Yes," complete (i) through (iv) below.

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____

(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____ 0

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?

If "Yes," complete and attach Schedule UTP.

15a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099?

b If "Yes," did or will the corporation file required Forms 1099?

16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?

18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		76,636		85,735
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	0	()	0
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)		3,841		333
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()	0	()	0
11a	Depletable assets				
b	Less accumulated depletion	()	0	()	0
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	0	()	0
14	Other assets (attach statement)				
15	Total assets		80,477		86,068
Liabilities and Shareholders' Equity					
16	Accounts payable		10,616		8,479
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)				10,069
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock: a Preferred stock				
	b Common stock	100	100	100	100
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach statement)				
25	Retained earnings—Unappropriated		69,761		67,420
26	Adjustments to shareholders' equity (attach statement)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		80,477		86,068

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return					
Note: The corporation may be required to file Schedule M-3 (see instructions).					
1	Net income (loss) per books	-2,341	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	48,795		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				0
		0	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):			a Depreciation \$	
a	Depreciation \$			b Charitable contributions \$	
b	Charitable contributions \$	121,326			
c	Travel and entertainment \$				0
	Penalties	285			
		121,611	9	Add lines 7 and 8	0
6	Add lines 1 through 5	168,065	10	Income (page 1, line 28)—line 6 less line 9	168,065

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)					
1	Balance at beginning of year	69,761	5	Distributions: a Cash	
2	Net income (loss) per books	-2,341		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
		0	7	Add lines 5 and 6	0
4	Add lines 1, 2, and 3	67,420	8	Balance at end of year (line 4 less line 7)	67,420

Line 26 (1120) - Other Deductions

1	Internet Service	1	842
2	Telephone, Facsimile, and Cellular Phone	2	1,728
3	Office and Computer Supplies	3	1,290
4	Printing and Reproduction	4	96
5	Common Area Maintenance Fees	5	4,683
6	Utilities	6	2,600
7	Insurance	7	1,249
8	Professional Fees	8	1,892
9	Postage	9	126
10	Equipment Rental and Maintenance	10	4,020
11	Employee Benefits	11	109
12	Total other deductions	12	18,635
13	Total deductions less expenses for offsetting credits	13	18,635

Line 6, Sch L (1120) - Other Current Assets

		Beginning	End
1	Prepaid Insurance	333	333
2	Prepaid Income Taxes	3,508	
3	Total other current assets	3,841	333

Line 18, Sch L (1120) - Other Current Liabilities

		Beginning	End
1	Accrued Payroll Taxes		288
2	Accrued Income Taxes		9,781
3	Total other current liabilities	0	10,069

EAR-2



Diamond Parking Services LLC. Home Office • 605 1st Ave., Suite 600 • Seattle, WA 98104-2224
(206) 284-3100 • (800) 340-PARK • Fax (206) 285-5598

"Family Owned & Operated"

PROP OWNER : KA LUA O KIHA INC LOCATION: HM64
LOCATION : 505 FRONT STREET VENDOR: 221341

QUARTERLY REPORT OF REVENUE FOR:
JANUARY 1, 2014 THROUGH MARCH 31, 2014

	JANUARY	FEBRUARY	MARCH	QUARTERLY TOTAL
DAILY PARKING	24,449.28	23,986.56	28,161.60	76,597.44
MONTHLY PARKING	1,097.63	1,511.01	2,282.92	4,891.56
TOTAL REVENUE	25,546.91	25,497.57	30,444.52	81,489.00

OVER-RIDE RENT DUE @ 70%	\$57,042.30
RENT PREVIOUSLY PAID	\$46,200.00
RENT DUE	\$10,842.30
BALANCE ENCLOSED	\$10,842.30

FOR INFORMATION PLEASE CALL CITY MANAGER GREG SCHMIDT (808)662-0391
OR CONTACT GREG MATOUS, CONTROLLER AT (206) 284-3100

QUESTIONS? PLEASE CALL (800) 340-PARK. ASK FOR THE APPROPRIATE DEPARTMENT

RECEIVED AT EAR MEETING ON 10/13/15
Blossom Feiteira

12-113 (08M 5/11)



Diamond Parking Services LLC. Home Office • 605 1st Ave., Suite 600 • Seattle, WA 98104-2224
 (206) 284-3100 • (800) 340-PARK • Fax (206) 285-5598

"Family Owned & Operated"

PROP OWNER : KA LUA O KIHA INC
 LOCATION : 505 FRONT STREET

LOCATION: HM64
 VENDOR: 221341

QUARTERLY REPORT OF REVENUE FOR:
 APRIL 1, 2015 THROUGH JUNE 30, 2015

	APRIL	MAY	JUNE	QUARTERLY TOTAL
DAILY PARKING	20,965.82	19,971.71	22,009.30	62,946.83
MONTHLY PARKING	1,355.37	1,326.57	1,284.52	3,966.46
TOTAL REVENUE	22,321.19	21,298.28	23,293.82	66,913.29

OVER-RIDE RENT DUE @ 70%	\$46,839.30
RENT PREVIOUSLY PAID	\$46,200.00
RENT DUE	\$639.30
BALANCE ENCLOSED	\$639.30

FOR INFORMATION PLEASE CALL CITY MANAGER GREG SCHMIDT (808)662-0391
 OR CONTACT GREG MATOUS, CONTROLLER AT (206) 284-3100

0-115 URM 8/11

QUESTIONS? PLEASE CALL (800) 340-PARK. ASK FOR THE APPROPRIATE DEPARTMENT OR ASK FOR JOHN OR JOE BULLOCK



Diamond Parking Services LLC. Home Office • 605 1st Ave., Suite 600 • Seattle, WA 98104-2224

(206) 284-3100 • (800) 340-PARK • Fax (206) 285-5598

SINCE 1922

"Family Owned & Operated"

PROP OWNER : KA LUA O KIHA INC
 LOCATION : 505 FRONT STREET

LOCATION: HM64
 VENDOR: 221341

QUARTERLY REPORT OF REVENUE FOR:
 APRIL 1, 2014 THROUGH JUNE 30, 2014

	APRIL	MAY	JUNE	QUARTERLY TOTAL
DAILY PARKING	22,345.44	20,124.48	19,017.60	61,487.52
MONTHLY PARKING	1,445.68	1,682.69	1,783.44	4,911.81
TOTAL REVENUE	23,791.12	21,807.17	20,801.04	66,399.33

OVER-RIDE RENT DUE @ 70%	\$46,479.53
RENT PREVIOUSLY PAID	\$46,200.00
RENT DUE	\$279.53
BALANCE ENCLOSED	\$279.53

FOR INFORMATION PLEASE CALL CITY MANAGER GREG SCHMIDT (808)662-0391
 OR CONTACT GREG MATOUS, CONTROLLER AT (206) 284-3100



"Family Owned & Operated"

DIAMOND PARKING SERVICES LLC
439 KAMANI STREET • HONOLULU, HAWAII 96813
Tel: (808) 592.7275 • Fax: (808) 593.2602

Stephen.Kozlowski@Diamondparking.com RVP-Hawaii
Jeff.Sandborn@Diamondparking.com RVP, Real Estate

FRIENDS OF MOKU'ULA
MR. JAMES "KIMO" FALCONER,
BOARD PRESIDENT
505 FRONT STREET Ste. #221
LAHAINA, MAUI, HAWAII 96761

CONFIDENTIAL, PLEASE
NOT FOR PUBLICATION

Location No. HM64
Date 10/29/13

Re: Friend os Moku'ula Parking Agreement

The effective date of this agreement is December 1st, 2013.

This letter agreement sets forth in writing our understanding that Diamond Parking Services LLC ("Diamond Parking") will operate a parking facility on the above referenced property 24 hours a day, 7 days a week as an independent contractor under the terms and conditions set forth below.

It is our understanding that the Undersigned is the Owner or authorized representative of the above referenced property, hereinafter referred to as "Owner", and that there are no zoning or other restrictions that would prohibit the use of the property as a public parking facility.

Diamond Parking will keep the parking facility in a neat and clean condition, and if available, will be allowed to enter 48 hours prior to the effective date for the purpose of installing signs and fixtures. Diamond Parking will have the right to make any operating improvements that are necessary to operate the parking facility. All improvements such as trade fixtures, signs, lights, bumpers, pay boxes and attendant's facilities will remain the property of Diamond Parking.

Capital improvements to the parking facility will remain the responsibility of the Owner. Funding for capital improvements is available to the Owner through Violett Finance Company.

As rent, Diamond Parking will pay to the Undersigned or as directed Fifteen thousand-four hundred (\$15,400.00) dollars per month, paid on a quarterly basis or Seventy (70%) percent of gross, the greater thereof per month.

This agreement may be terminated at any time by either of the parties by giving ninety (90) days advance written notice to the other party. Owner will not terminate this agreement if the parking facility is to be operated or used for parking by a third party without first offering Diamond Parking an opportunity to match the terms and conditions proposed by a third party.

Upon termination of this agreement, Diamond Parking will vacate the parking facility leaving it in good condition, less damage by fire, the elements, or ordinary wear and tear.

**Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent**

If the Owner decides to sell the above referenced property during the term of this agreement, Diamond Parking will have the right to purchase the premises under the same terms and conditions of a bona fide offer.

All personal property of Diamond Parking or its effects of any kind or description whatsoever left on or about the Premises shall be at Diamond Parking's sole risk and Owner shall not be liable or responsible for any damage done to or loss of such personal property or effects. In addition, Owner shall not be liable or responsible for damage, loss or injury suffered by Diamond Parking, its employees, agents, or guests arising from any manner whatsoever.

Diamond Parking shall indemnify and hold Owner and its successors and assigns, and their respective officers, directors, employees, members, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising exclusively from or related to Diamond Parking's negligent acts or omissions in the performance of its duties and/or responsibilities under this Agreement.

Except for Diamond Parking's negligent acts or omissions as provided in the immediately preceding paragraph, Owner agrees to indemnify and hold Diamond Parking and its respective successors and assigns and their respective officers, directors, shareholders, employees, and agents harmless from and against any claim, demand, action, proceeding, loss, damage, suit, cost or expense, including but not limited to reasonable attorneys' fees and costs, arising from or related in any manner to the operation of the parking lot, including (but not limited to) Owner's negligent acts or omissions in the performance of their responsibilities under this Agreement.

Should any disputes arise with respect to the applicability and/or interpretation of the parties' respective rights to indemnification, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other remedy. The parties' rights regarding indemnification shall survive the expiration or earlier termination of this Lease.

Diamond Parking shall purchase, and maintain comprehensive general liability and property damage insurance insuring the Premises and the parking operations, placed with a reputable and financially strong insurance carrier. The minimum limits of insurance shall be:

- (a) General Liability - \$1,000,000 combined single limit per occurrence and for those policies with aggregate limits, a \$2,000,000 aggregate limit;
- (b) Automobile Liability - \$1,000,000 combined single limit per accident for bodily injury and property damage;
- (c) Workers' Compensation - Statutory requirements of the state of residence and Employer's Liability or Stop Gap Coverage - \$1,000,000 per accident, employee or in the aggregate;

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

Upon ten (10) days of mutual execution of this Agreement, Diamond Parking shall give Owner or its representative a Certificate of Insurance reflecting the required coverages.

Both parties hereby waive all rights of recovery against the other on account of loss or damage to each party or its property or the property of others under its control to the extent that such loss or damage is insured under any insurance policies which either party carries unless such agreement would void coverage under the policy.

Structural, mechanical, or other installations and any alterations required by law or regulations pertaining to air quality, environmental protection, provisions required by the Americans with Disabilities Act, or other similar governmental rules or regulations will remain the responsibility of the Owner.

If, at any time during the term of this agreement, or any renewal thereof, the United States experiences: (i) an economic or environmental disaster, such as a hurricane, earthquake, tornado, or volcanic eruption, in the city, town or county where the parking facility is located; (ii) a limitation on the availability of gasoline, the rationing of gasoline, the restricted use of access streets or the extended disruption of normal traffic flow; (iii) general civil or labor unrest, a domestic terrorist incident or (iv) any other force majeure by which Diamond Parking is required to restrict or cease its operation of the parking facility by governmental law, regulation or decree, the parties agree to make an equitable adjustment in the rent payable to the Owner.

In the event the parties are unable to agree upon an equitable adjustment in the rent otherwise payable under this Agreement, the dispute shall be resolved by binding arbitration after written demand from one party to the other. If the parties cannot agree on a single arbitrator within sixty (60) days after written demand for arbitration, the arbitrator shall be selected pursuant to the rules and regulations of the American Arbitration Association governing commercial transactions. If reasonable, as determined by the arbitrator, it shall be conducted on a single day with each party being allowed an equal amount of time to present its case. Owner shall pay one-half of the costs of any arbitrator, and Diamond shall pay one-half of such costs. The prevailing party will be entitled to recover its reasonable attorneys' fees and related costs. Any arbitration decision or award shall be final and not subject to appeal to any court of law, except in the case of a manifest error in the application of law. Owner and Diamond specifically covenant to one another that they shall not commence litigation against one another with respect to any dispute subject to arbitration hereunder for any reason except as may be necessary to enforce this provision or an arbitrator's decision or award. In the event litigation shall be required to enforce this section or the arbitrator's decision or award, the prevailing party shall be paid its reasonable attorneys' fees and costs. Pending an arbitrator's decision, rent otherwise payable under this Agreement shall be adjusted to seventy-five (75%) percent of the net parking revenue from the date demand for arbitration is made by either party.

This agreement may be withdrawn by Diamond Parking if not executed by Owner within sixty (60) days.

Diamond Parking Services LLC
Parking Facility Lease Agreement
Fixed Rent

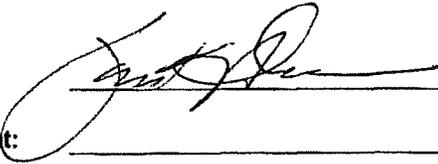
Owner agrees that during this agreement, and for a period of two years following its termination or expiration, not to hire or have in the employ of Owner in any capacity, nor retain as an independent contractor, any employee, former employee or any person working for Diamond Parking, without its prior written consent.

Your signature on a copy of this cancelable letter agreement will constitute your acceptance of these terms and conditions. Thank you.

It is AGREED this _____ day of _____, 20_____

FRIENDS OF MOKU'ULA

**DIAMOND PARKING
SERVICES LLC**

By: 

By: _____

Print: _____

Print: JONATHON DIAMOND

Title: _____

Title: MANAGER

Tax ID: _____

Tax ID: 91-2025989

Email: JKIMOFCMSL.COM

Email: Jon.Diamond@DiamondParking.com

EAR-2

EAR Committee

From: mainei@mokuula.com on behalf of mainei@ <mokuula.com mainei@mokuula.com>
Sent: Tuesday, October 13, 2015 11:51 AM
To: blossom@mokuula.com
Cc: EAR Committee
Subject: FOM Tax returns
Attachments: mainei@mokuula.com_20151013_115115.pdf

Reply to: mainei@mokuula.com <mainei@mokuula.com> Device Name: Not Set Device Model: MX-5140N
Location: Not Set

File Format: PDF (Medium)
Resolution: 300dpi x 300dpi

Attached file is scanned image in PDF format.

Use Acrobat(R)Reader(R) or Adobe(R)Reader(R) of Adobe Systems Incorporated to view the document.

Adobe(R)Reader(R) can be downloaded from the following URL:

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<http://www.adobe.com/>

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

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

OMB No. 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning <u>7/1/2009</u> , and ending <u>6/30/2010</u>	
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <u>FRIENDS OF MOKU'ULA, INC.</u> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>505 FRONT STREET</u> <u>221</u> City or town, state or country, and ZIP + 4 <u>LAHAINA HI 96761</u>
	D Employer identification number <u>99-0330551</u>
	E Telephone number <u>(808) 661-3659</u>
F Name and address of principal officer: <u>JAMES KIMO FALCONER 164 AWAIKU STREET, LAHAINA, HI 96761</u>	
G Gross receipts \$ <u>126,960</u>	
H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (<u>3</u>) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
J Website: ▶ <u>www.mokuula.com</u>	
H(c) Group exemption number ▶	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
L Year of formation: <u>1997</u>	
M State of legal domicile:	

Part I Summary			Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>TO PERPETUATE NATIVE HAWAIIAN CULTURE THROUGH PROMOTION OF PUBLIC AWARENESS AND ACTIVITIES, INCLUDING BUT NOT LIMITED TO SUPPORT OF NATIVE HAWAIIAN CULTURAL SITE RESTORATION OF PRE 1778 AND HISTORICAL SIGNIFICANCE, AND TO INITIATE AND MAINTAIN ACTIVITIES TO ENABLE ARCHEOLOGICAL STUDIES OF SIGNIFICANT SITES.</u>			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3 Number of voting members of the governing body (Part VI, line 1a)	<u>3</u>	<u>11</u>	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	<u>4</u>	<u>11</u>	
	5 Total number of employees (Part V, line 2a)	<u>5</u>	<u>4</u>	
	6 Total number of volunteers (estimate if necessary)	<u>6</u>	<u>64</u>	
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	<u>7a</u>		
b Net unrelated business taxable income from Form 990-T, line 34	<u>7b</u>			
Revenue	8 Contributions and grants (Part VIII, line 1h)	<u>104,508</u>	<u>92,177</u>	
	9 Program service revenue (Part VIII, line 2g)	<u>34,880</u>	<u>34,699</u>	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>84</u>	<u>54</u>	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>159</u>	<u>30</u>	
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>139,631</u>	<u>126,960</u>	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)			
	14 Benefits paid to or for members (Part IX, column (A), line 4)			
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<u>76,736</u>	<u>61,259</u>	
	16a Professional fundraising fees (Part IX, column (A), line 11e)			
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>1,482</u>			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	<u>65,322</u>	<u>103,172</u>		
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<u>142,058</u>	<u>164,431</u>		
19 Revenue less expenses. Subtract line 18 from line 12	<u>-2,427</u>	<u>-37,471</u>		
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	<u>395,349</u>	<u>356,716</u>	
	21 Total liabilities (Part X, line 26)	<u>7,726</u>	<u>6,560</u>	
	22 Net assets or fund balances. Subtract line 21 from line 20	<u>387,623</u>	<u>350,156</u>	

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	Signature of officer		Date	
	Type or print name and title			
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN	Phone no.	

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

TO PERPETUATE NATIVE HAWAIIAN CULTURE THROUGH PROMOTION OF PUBLIC AWARENESS AND ACTIVITIES, AND TO INITIATE AND MAINTAIN ACTIVITIES TO ENABLE ARCHAEOLOGICAL STUDIES OF SIGNIFICANT SITES WITH EMPHASIS ON THOSE SITES ARISING OUT OF THE PERIOD TO AND INCLUDING THE REIGN OF KAMEHAMEHA III. TO ENCOURAGE AND, IF POSSIBLE, INITIATE RESTORATION OF THOSE SITES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 72,452 including grants of \$) (Revenue \$)

MOKU'ULA ARCHAEOLOGICAL SITE RESTORATION: THE ARCHITECTURAL DRAWINGS ARE BEING REVISED. AN ARCHEOLOGIST HAS BEEN ENGAGED TO DO THE EXCAVATION WORK, AND A FIELD SCHOOL FROM MAUI COMMUNITY COLLEGE HAS BEEN WORKING ON THE SITE. A TRADITIONAL HALE HAS BEEN DESIGNED AND FUNDING FOR THE HALE IS BEING SOUGHT. THE U.S. ARMY CORP. OF ENGINEERS IS CONTINUING TO RESEARCH THE BEST WAY TO PERFORM THE EXCAVATION. THE ORGANIZATION'S MANAGEMENT HAS MET WITH VARIOUS COMMUNITY MEMBERS A GROUPS TO DISCUSS THE PROJECT.

4b (Code:) (Expenses \$ 33,324 including grants of \$) (Revenue \$ 34,649)

MAUI NEI WALKING TOUR: APPROXIMATELY 1,300 PEOPLE PARTICIPATED IN ECO-FRIENDLY WALKING TOURS OF CULTURALLY SIGNIFICANT HISTORICAL SITES DURING THE FISCAL YEAR.

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 ▶ 105,776

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	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
	• 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.		
	• 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.		
	• 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.		
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
	• 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? If "Yes," complete Schedule D, Part X.		
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1a	12		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1b			
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2a	4		
2b	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 this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
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)?		X
4a			
4b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
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?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	X	
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	X	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

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

Section A. Governing Body and Management

Table with columns for question number, Yes, and No. Rows include: 1a (11), 1b (11), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9a (X).

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

Table with columns for question number, Yes, and No. Rows include: 10a (X), 10b, 11 (X), 11A, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b, 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed HI
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: SHIRLEY ANN KAHA'I (808) 661-3659 505 FRONT STREET, SUITE 221, LAHAINA HI, LAHAINA, HI 96761

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

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. Use Schedule J-2 if additional space is needed.

- 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. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
WARREN FREELAND DIRECTOR	1.	X								
RANDY BARTLETT DIRECTOR	1.	X								
VALENTINA STEWART-WATSON DIRECTOR	1.	X								
REV WILLIAM ALBINGER DIRECTOR	1.	X								
CAROLINE PETERS BELSOM DIRECTOR	1.	X								
AMY HAMPTON DIRECTOR	1.	X								
JULIE YONEYAMA DIRECTOR	1.	X								
JAMES KIMO FALCONER PRESIDENT	5.			X						
KAREE CARLUCCI VICE PRESIDENT	2.			X						
MATTHEW ERICKSON TREASURER	1.			X						
DONNALEE CURIMAO SECRETARY	1.			X						

