

Hi'ilei Aloha LLC and Sub-Entities

(Nonprofit Organizations)

Consolidated Financial Statements

December 31, 2012 and 2011

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
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Independent Auditor's Report

To the Member and Managers
Hi'ilei Aloha LLC and Sub-Entities

I have audited the accompanying consolidated financial statements of Hi'ilei Aloha LLC and its sub-entities, which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hi'ilei Aloha LLC and its sub-entities as of December 31, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

My audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information on pages 12-13 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Handwritten signature of James P. Herzelman, CPA, LLC in black ink.

Honolulu, Hawai'i
November 1, 2013

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
Consolidated Statements of Financial Position
December 31, 2012 and 2011

Assets	2012	2011
Current Assets		
Cash	\$ 731,504	\$ 671,138
Accounts receivable, net of allowance for doubtful accounts of \$6,853 in 2012 and \$44,500 in 2011	134,246	48,698
Receivable - Ho'okipaipai LLC	160,765	56,584
Inventory	64,777	53,421
Prepaid expenses	42,655	47,974
Total current assets	1,133,947	877,815
Property and Equipment		
Buildings and improvements	1,870,640	1,510,453
Furniture, fixtures and equipment	477,849	458,099
Vehicles	101,828	92,360
	2,450,317	2,060,912
Less accumulated depreciation	659,787	494,377
	1,790,530	1,566,535
Land	13,003,821	13,003,821
	14,794,351	14,570,356
Other Assets		
Intangible assets	45,000	45,000
Less accumulated amortization	43,500	34,500
	1,500	10,500
Security deposit	-	973
Total assets	\$ 15,929,798	\$ 15,459,644
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 135,686	\$ 104,045
Accrued liabilities	297,076	174,254
Grants payable	20,000	500
Total current liabilities	452,762	278,799
Net Assets - Unrestricted	15,477,036	15,180,845
Total liabilities and net assets	\$ 15,929,798	\$ 15,459,644

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

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
Consolidated Statements of Activities
Years Ended December 31, 2012 and 2011

	2012	2011
Revenue and support		
Sales		
Gift and snack shop	\$ 1,352,842	\$ 955,651
Poi and taro sales	142,346	226,637
Cost of sales including gift and snack shop departmental expenses	(1,353,548)	(1,157,721)
Gross margin	141,640	24,567
Admissions and tours	2,703,834	2,127,915
Shuttle service	138,072	102,137
Special events and other	41,814	33,119
Total net sales	<u>3,025,360</u>	<u>2,287,738</u>
Parking, rental and other	117,873	114,400
Audio visual production	45,315	97,912
Grants and donations	45,013	62,661
Interest income	-	110
Other revenue and support	<u>208,201</u>	<u>275,083</u>
Total revenue and support	<u>3,233,561</u>	<u>2,562,821</u>
Expenses		
Program Services - Hi'ipaka LLC		
Cultural	533,679	586,098
Botanical	865,673	842,439
Preservation and stewardship	1,000,875	1,098,186
Program Services - Hi'ipoi LLC		
Cultural, primarily poi production	231,811	319,896
Program Services - Hi'ilei LLC		
Capacity building	338,938	35,806
	<u>2,970,976</u>	<u>2,882,425</u>
Management and general	1,106,626	1,222,103
Fundraising	15,213	17,707
Total expenses	<u>4,092,815</u>	<u>4,122,235</u>
Change in net assets before member and sub-entity grants and poi mill spinoff	(859,254)	(1,559,414)
Member and sub-entity grants		
Grants from member - Office of Hawaiian Affairs	1,250,240	2,074,740
Grants to Ho'okele Pono LLC and Ho'okipaipai LLC	(21,789)	(21,534)
	<u>369,197</u>	<u>493,792</u>
Change in net assets before poi mill spinoff	369,197	493,792
Poi mill spinoff	<u>(73,006)</u>	<u>-</u>
Change in net assets	296,191	493,792
Net assets		
Beginning of fiscal year	15,180,845	14,687,053
End of fiscal year	<u>\$ 15,477,036</u>	<u>\$ 15,180,845</u>

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

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	2012	2011
Reconciliation of change in net assets to net cash used in operating activities		
Change in net assets	\$ 296,191	\$ 493,792
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation of property and equipment	234,451	174,773
Amortization of intangibles	9,000	9,000
Grants from Office of Hawaiian Affairs	(1,250,240)	(2,074,740)
Grants to Ho'okele Pono LLC and Ho'okipaipai LLC	21,789	21,534
Spinoff of poi mill property and equipment	48,006	-
Change in:		
Accounts receivable	(85,548)	(4,713)
Inventory	(11,356)	14,959
Prepaid expenses and other assets	6,292	1,106
Accounts payable	31,641	(1,456)
Accrued liabilities	122,822	3,569
Grants payable	19,500	-
Net cash used in operating activities	<u>(557,452)</u>	<u>(1,362,176)</u>
Cash flows from investing activities		
Capital expenditures	(506,452)	(404,442)
Advances to Ho'okipaipai LLC	(104,181)	(56,584)
Grants to Ho'okele Pono LLC and Ho'okipaipai LLC	(21,789)	(21,534)
Net cash used in investing activities	<u>(632,422)</u>	<u>(482,560)</u>
Cash flows from financing activities		
Grants from Office of Hawaiian Affairs	<u>1,250,240</u>	<u>2,074,740</u>
Net cash provided by financing activities	<u>1,250,240</u>	<u>2,074,740</u>
Increase in cash	60,366	230,004
Cash and cash equivalents		
Beginning of year	<u>671,138</u>	<u>441,134</u>
End of year	<u>\$ 731,504</u>	<u>\$ 671,138</u>
Schedule of Noncash Investing and Financing Activities		
Spinoff of poi mill property and equipment	\$ 48,006	\$ -

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

Hi'ilei Aloha LLC and Sub-Entities (Nonprofit Organizations) Notes to Consolidated Financial Statements December 31, 2012 and 2011

1. Organization and Summary of Significant Accounting Policies

Hi'ilei Aloha LLC (Company) was established on October 1, 2007, for the study, protection, development, enhancement and promotion of Hawaiian culture, resources, values, customs and practices, and for related purposes. The Company is a limited liability company with the Office of Hawaiian Affairs (OHA) as its sole member.

In December 2007, the Company created Hi'ipaka LLC, a Hawai'i limited liability company, as a sub-entity whose mission is to preserve and perpetuate the human, cultural and natural resources of Waimea Valley, O'ahu for future generations through education and stewardship. In January 2008, the Company created Hi'ipoi LLC, a Hawai'i limited liability company, as a sub-entity whose primary purpose is to foster cultural, educational, and business opportunities related to taro farming and the production of poi and taro products, primarily in West Kauai. In May 2010, the Company created Hi'ikualono LLC, a Hawai'i limited liability company, as a sub-entity whose primary purpose is to preserve Hawaiian culture and natural resources through land stewardship activities; this entity has been inactive since formation.

Revenues are generated primarily from sales of admission to Waimea Valley and the activities and events (hikes, education programs, tours, etc.) held there. Revenues are also generated by retail sales of a gift and snack shop, as well as sales of poi and taro products. The Company receives and is dependent on financial support from OHA, while providing financial and administrative support and services to its sub-entities, enabling them to fulfill their missions. This in turn supports the mission of OHA.

Effective December 31, 2012, Hi'ipoi's poi mill was spun off to an unrelated third party tax-exempt organization. As part of the spinoff, Hi'ipoi retained its Makaweli Poi trade name. Future activities for Hi'ipoi are under consideration by management.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, Hi'ipaka LLC (Hi'ipaka), and Hi'ipoi LLC (Hi'ipoi)(collectively the Companies). All significant inter-company transactions and balances have been eliminated.

Basis of Accounting

The consolidated financial statements of the Companies have been prepared on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America. Net assets, public support and revenues and expenses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Companies and changes therein are classified and reported as follows:

Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in temporarily or permanently restricted net assets.

Temporarily Restricted - Net assets whose use by the Companies is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled by actions of the Companies pursuant to those stipulations. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net

Hi'ilei Aloha LLC and Sub-Entities

(Nonprofit Organizations)

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

assets released from restrictions. Contributions for which restrictions are met in the same reporting period are reported as unrestricted support.

Permanently Restricted - Net assets whose use is limited by donor-imposed restrictions that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Companies. The income from these assets is available for either general operations or specific programs as specified by the donor.

The Companies do not have any temporarily or permanently restricted net assets.

Use of Estimates in the Preparation of Financial Statements

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

The Companies maintain separate legal entity cash accounts with a financial institution in the State of Hawai'i. Balances are insured up to \$250,000 per account holder by the Federal Deposit Insurance Corporation (FDIC). Hi'ipaka's bank balance at December 31, 2012 and 2011, irrespective of outstanding checks and deposits in transit, was \$665,036 and \$334,293, respectively.

Cash and Cash Equivalents

The Companies consider all highly liquid debt investments with original maturities of three months or less when purchased to be cash equivalents.

Receivables

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The carrying amount of accounts receivable is reduced by an allowance for doubtful accounts that reflects management's best estimate of the amounts that will not be collected based upon prior experience, a review of delinquent accounts, and management's assessment of the credit worthiness of its customers. Management considers accounts past due when they are outstanding beyond 60 days with no payment. Interest is generally not charged on past due accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the allowance account and a credit to accounts receivable. The Companies' allowance for doubtful accounts was \$6,853 and \$43,000 at December 31, 2012 and 2011, respectively, and was established based on a review of specific delinquent accounts.

Inventories

Inventories consist of items held for sale in the Waimea Valley gift and snack shops. Inventories are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property is stated at cost if purchased. Property transferred to the Companies from OHA is stated at OHA's carrying basis. Property purchased with a cost in excess of \$1,000 and a useful life exceeding one year is capitalized. Depreciation is computed using the straight-line method over

Hi'ilei Aloha LLC and Sub-Entities

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the estimated useful lives of such assets (3 to 40 years), or lease term, if shorter. Expenditures for maintenance, repairs, and minor renewals are charged to expense; expenditures for betterments are capitalized. Property retired or otherwise disposed of is removed from the appropriate asset and related accumulated depreciation accounts.

Intangibles

Intangible assets are amortized over a five year period.

Impairment Review

Long-lived assets such as property, equipment and intangibles are reviewed for impairment when events or circumstances indicate that their carrying value may not be recoverable. Estimated undiscounted future cash flows are used to determine if an asset is impaired, in which case the asset's carrying value would be reduced to fair value. No impairment charges have been recorded.

Member and Sub-Entity Grants

The Company's member, OHA, provides grants to the Company and its sub-entities (Hi'ipaka and Hi'ipoi). OHA also provides grants to its sub-entity Ho'okele Pono LLC and Ho'okele Pono's sub-entity Ho'okipaipai LLC. Certain of these grants pass through the Company to the sub-entities as an administrative accommodation. Member and sub-entity grants are classified as equity transactions separate and apart from revenues and expenses, and are recognized when the grants are collected or paid.

Revenue Recognition

Hi'ipaka's revenues consist primarily of charges for admission to Waimea Valley by individuals and tour groups, and from gift and snack shop sales. Admission and tours revenues are recognized based on the date of admission to the Valley. Gift and snack shop sales are recognized at the time of sale as sales returns are inconsequential. Hi'ipoi's revenues consist of poi and taro sales and are recognized upon delivery of product to customers, less an allowance for product returns. Contributions are recognized as revenue in the period in which they are received.

Functional Allocation of Expenses

The costs of conducting programs and other services have been summarized on a functional basis in the statement of activities. Hi'ipaka's program service expenses consist of cultural, botanical and the preservation and stewardship of Waimea Valley. Cultural expenses include various programs and educational activities. Botanical expenses include all activities related to the flora and fauna of the Valley. Preservation and stewardship expenses include all activities pertaining to maintaining and improving the physical infrastructure and safety of the Valley. Hi'ipaka also incurs costs related to its gift and snack shops, including cost of goods sold, salaries and other expenses. Hi'ipoi's program service expenses include costs pertaining to cultural programs associated with taro farming and the production of poi and taro products. Hi'ilei's program service expenses include costs associated with community capacity building. Management and general expenses represent those costs associated with oversight, business management, general recordkeeping, budgeting and other related administrative activities. Fundraising represents Hi'ipaka's costs associated with obtaining grants and donations. Certain costs have been allocated between programs and supporting services based on various methodologies, including relative personnel costs or other estimates.

Hi'ilei Aloha LLC and Sub-Entities

(Nonprofit Organizations)

Notes to Consolidated Financial Statements

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Advertising Costs

The cost of advertising production is expensed the first time the advertising takes place. Total advertising expense amounted to \$118,638 and \$183,499 in 2012 and 2011, respectively.

General Excise Tax

General excise tax collected from customers is reflected in revenues. General excise taxes paid to the State of Hawai'i is reflected in cost of sales.

Income Taxes

The Company has received a determination letter from the Internal Revenue Service (IRS) that its stated purpose is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Company is exempt from federal income taxes, except on unrelated business income. Hi'ipoi is considered to be a "disregarded entity" for income tax reporting and is thus combined with the Company for purposes of filing Form 990 with the Internal Revenue Service. Hi'ipaka is tax exempt under section 501(c)(3), based on an IRS determination letter dated March 2012, and files its own Form 990.

The Companies adhere to generally accepted accounting principles (GAAP) pertaining to uncertain tax positions. Those principles call for uncertain tax positions to be recognized in the financial statements only if those positions are more likely than not to be sustained upon regulatory examination. Management is not aware of any uncertain tax positions taken on previously filed tax returns. Such tax returns are generally open for examination by the IRS until the statute of limitations (three years) expires.

Reclassifications

Certain reclassifications have been made to the fiscal 2011 financial statements to conform with the fiscal 2012 presentation. These reclassifications had no effect on the change in net assets as previously reported.

2. Intangible Assets

Intangible assets consist of rights, title, and interest in the Makaweli Poi trade name and logo, which were acquired as part of the March 2008 purchase of the net assets of Makaweli Poi Mill, Inc. Intangible assets are carried at cost of \$45,000, less accumulated amortization of \$43,500 and \$34,500 at December 31, 2012 and 2011, respectively. Amortization of intangibles was \$9,000 in 2012 and 2011, and will be \$1,500 in 2013.

3. Retirement Plan

The Companies maintain a 401(k) profit sharing plan. Employees become eligible upon six months of employment and may contribute to the plan to the extent allowed by law. Under the plan, the Companies match employees' contributions up to 4% of salary. Contribution expense amounted to \$51,265 and \$54,793 for the years ended December 31, 2012 and 2011.

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

4. Lease Commitments

The Company leases office space under a lease agreement that expires in February 2014. The lease contains an option to renew for twelve months. Base rent is \$40,884 per year, plus a proportionate share of building operating expenses and general excise tax. Additionally, Hi'ipoi previously leased a poi factory and an adjoining office in Kauai, under a lease that expires in February 2013. As part of the spinoff of the poi mill (see Note 8) this lease was assigned to the recipient tax-exempt organization effective December 31, 2012.

Minimum future rental payments as of December 31, 2012 are as follows:

Year Ending December 31,	Amount
2013	\$ 40,884
2014	6,814
	<hr/>
	\$ 47,698

Rental expense totaled \$65,825 and \$57,748 for the years ended December 31, 2012 and 2011, including \$400 paid to OHA in 2011 under a prior sub-lease agreement. In 2013, the Company exercised its twelve month renewal option.

5. Transactions with Member and Sub-Entities

The Company's member, OHA, provides grants to the Company and its sub-entities (Hi'ipaka and Hi'ipoi). OHA also provides grants to its sub-entity Ho'okele Pono LLC and Ho'okele Pono's sub-entity Ho'okipaipai LLC. Certain of these grants pass through the Company to the sub-entities as an administrative accommodation. Total grants from OHA for the years ended December 31, 2012 and 2011 amounted to \$1,250,240 and \$2,074,740, respectively. Grants paid through the Company to Ho'okele Pono and Ho'okipaipai amounted to \$21,789 and \$21,534 in 2012 and 2011, respectively. The Company also provided working capital advances to Ho'okipaipai totaling \$160,765 and \$56,584 in 2012 and 2011, respectively. As repayment of these advances is expected, a receivable for these amounts has been established as of December 31, 2012 and 2011.

6. Limited Liability Companies

Since the Companies are limited liability companies, no member, manager, agent, or employee of the Companies shall be personally liable for debts, obligations, or liabilities of the Companies whether arising in contract, tort, or otherwise for the acts or omissions of any other member, director, manager, agent, or employee of the Companies, unless the individual has signed a specific personal guarantee. The duration of the Companies is perpetual.

Hi‘ilei Aloha LLC and Sub-Entities
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Notes to Consolidated Financial Statements
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7. Litigation, Claims and Assessments

Hi‘ipaka LLC is party to various claims arising in the normal course of managing Waimea Valley. Based on consultation with legal counsel and review of insurance policies, management is of the opinion that the final resolution of these claims will not have a material adverse effect on Hi‘ipaka’s financial condition.

8. Poi Mill Spinoff

Effective December 31, 2012, Hi‘ipoi’s poi mill was spun off to an unrelated third party tax-exempt organization. Terms of the agreement include a transfer of Hi‘ipoi’s property and equipment, property lease, operating permits and operating cash reserves (after collection of outstanding receivables and payment of outstanding payables).

Hi‘ipoi’s net revenues in 2012 and 2011 were \$142,246 and \$226,637, respectively. Revenues less operating expenses were \$(202,347) and \$(222,052) in 2012 and 2011, respectively. The net book value of the assets transferred or committed to be transferred to the recipient organization is as follows:

Property and equipment	\$	48,006
Cash		25,000
	\$	<u>73,006</u>

9. Subsequent Events

Management has reviewed and considered whether events occurring after year end should be reflected or disclosed in these financial statements. The date through which this review was conducted was November 1, 2013, the date the financial statements were available to be issued.

Supplementary Information

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
Consolidating Statement of Financial Position
December 31, 2012

Schedule I

Assets	Hi'ilei	Hi'ipaka	Hi'ipoi	Eliminating Entries	Total
Current Assets					
Cash	\$ 48,547	\$ 642,166	\$ 40,791	\$ -	\$ 731,504
Accounts receivable, net of allowance for doubtful accounts of \$6,853	6,631	113,276	14,339	-	134,246
Receivable - Ho'okipaipai LLC	160,765	-	-	-	160,765
Inventory	-	64,777	-	-	64,777
Prepaid expenses	5,959	34,071	2,625	-	42,655
Total current assets	<u>221,902</u>	<u>854,290</u>	<u>57,755</u>	<u>-</u>	<u>1,133,947</u>
Property and Equipment					
Buildings and improvements	-	1,870,640	-	-	1,870,640
Furniture, fixtures and equipment	75,632	402,217	-	-	477,849
Vehicles	53,200	48,628	-	-	101,828
	<u>128,832</u>	<u>2,321,485</u>	<u>-</u>	<u>-</u>	<u>2,450,317</u>
Less accumulated depreciation	52,544	607,243	-	-	659,787
	<u>76,288</u>	<u>1,714,242</u>	<u>-</u>	<u>-</u>	<u>1,790,530</u>
Land	-	13,003,821	-	-	13,003,821
	<u>76,288</u>	<u>14,718,063</u>	<u>-</u>	<u>-</u>	<u>14,794,351</u>
Other Assets					
Intangible assets, less accumulated amortization of \$43,500	-	-	1,500	-	1,500
	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total assets	<u>\$ 298,190</u>	<u>\$ 15,572,353</u>	<u>\$ 59,255</u>	<u>\$ -</u>	<u>\$ 15,929,798</u>
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	\$ 32,347	\$ 86,229	\$ 17,110	\$ -	\$ 135,686
Accrued liabilities	50,465	239,980	6,631	-	297,076
Grants payable	-	-	20,000	-	20,000
Total current liabilities	<u>82,812</u>	<u>326,209</u>	<u>43,741</u>	<u>-</u>	<u>452,762</u>
Net assets - unrestricted	<u>215,378</u>	<u>15,246,144</u>	<u>15,514</u>	<u>-</u>	<u>15,477,036</u>
Total liabilities and net assets	<u>\$ 298,190</u>	<u>\$ 15,572,353</u>	<u>\$ 59,255</u>	<u>\$ -</u>	<u>\$ 15,929,798</u>

Note: the accounts of sub-entity Hi'ikualono LLC have not been presented as this entity is inactive.

Hi'ilei Aloha LLC and Sub-Entities
(Nonprofit Organizations)
Consolidating Statement of Activities
Year Ended December 31, 2012

Schedule II

	Hi'ilei	Hi'ipaka	Hi'ipoi	Eliminating Entries	Total
Revenue and support					
Sales					
Gift and snack shop	\$ -	\$ 1,352,842	\$ -	\$ -	\$ 1,352,842
Poi and taro sales	-	-	142,346	-	142,346
Cost of sales and shop expenses	-	(1,308,757)	(44,791)	-	(1,353,548)
Gross margin (loss)	-	44,085	97,555	-	141,640
Admissions and tours	-	2,703,834	-	-	2,703,834
Shuttle service	-	138,072	-	-	138,072
Special events and other	-	41,814	-	-	41,814
Total net sales	-	2,927,805	97,555	-	3,025,360
Parking, rental and other	29,681	88,192	-	-	117,873
Audio visual production	-	45,315	-	-	45,315
Grants and donations	-	45,013	-	-	45,013
	29,681	178,520	-	-	208,201
Total revenue and support	29,681	3,106,325	97,555	-	3,233,561
Expenses					
Program Services - Hi'ipaka LLC					
Cultural	-	533,679	-	-	533,679
Botanical	-	865,673	-	-	865,673
Preservation and stewardship	-	1,000,875	-	-	1,000,875
Program Services - Hi'ipoi LLC					
Cultural	-	-	231,811	-	231,811
Program Services Hi'ilei LLC					
Capacity building	338,938	-	-	-	338,938
	338,938	2,400,227	231,811	-	2,970,976
Management and general	430,099	608,436	68,091	-	1,106,626
Fundraising	-	15,213	-	-	15,213
Total expenses	769,037	3,023,876	299,902	-	4,092,815
Change in net assets before member and sub-entity grants and poi mill spinoff	(739,356)	82,449	(202,347)	-	(859,254)
Member and sub-entity grants					
Grants from OHA	1,250,240	525,866	145,809	(671,675)	1,250,240
Grants to Hi'ipaka LLC	(525,866)	-	-	525,866	-
Grants to Hi'ipoi LLC	(145,809)	-	-	145,809	-
Grants to Ho'okele Pono LLC and Ho'okipaipai LLC	(21,789)	-	-	-	(21,789)
Change in net assets before poi mill spinoff	(182,580)	608,315	(56,538)	-	369,197
Poi mill spinoff	-	-	(73,006)	-	(73,006)
Change in net assets	(182,580)	608,315	(129,544)	-	296,191
Net assets					
Beginning of fiscal year	397,958	14,637,829	145,058	-	15,180,845
End of fiscal year	\$ 215,378	\$ 15,246,144	\$ 15,514	\$ -	\$ 15,477,036

Note: the accounts of sub-entity Hi'ikualono LLC have not been presented as this entity is inactive.