



COOKE FOUNDATION, LIMITED
ANNUAL REPORT 2012



Photo by Matteo Sandona

ANNA CHARLOTTE COOKE

(1853-1934)

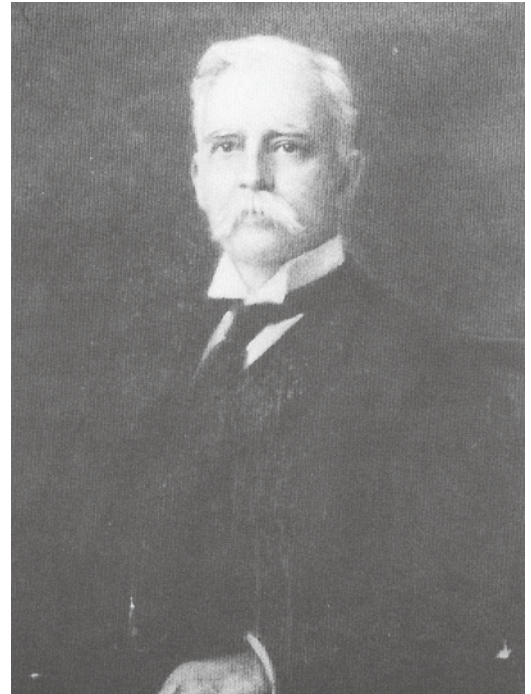


Photo by Jim Carter

CHARLES MONTAGUE COOKE

(1849-1909)

COOKE FOUNDATION, LIMITED MISSION STATEMENT

*The Cooke Foundation supports worthy endeavors
in the community that the family feels will make a significant difference
in the betterment and welfare of the people of Hawai‘i.*

HISTORY

On June 1, 1920, the forerunner of Cooke Foundation, Limited, the Charles M. and Anna C. Cooke Trust, was created by Anna C. Cooke. The purpose of the Trust was:

"to assure in some measure the continuance of, and also to extend and expand, all worthy endeavors for the betterment and welfare of this community and other communities by gifts and donations to the United States of America, any State, Territory, or any political subdivision thereof, and to corporations now or here after organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals ..."

The funding for the Trust was 300 shares of Charles M. Cooke, Limited.

Anna Charlotte Cooke was born in Honolulu on September 5, 1853, the fifth child of William H. and Mary H. Rice, who were missionaries to the Islands. She grew up on Kaua'i, and in April of 1874 married Charles Montague Cooke. Charles M. Cooke was born in Honolulu on May 16, 1849, the fifth child of the missionaries Amos S. and Juliette M. Cooke. He died on August 17, 1909.

Charles M. Cooke, Ltd. was formed, at Charles' suggestion, by incorporating his and Anna's holdings. He had obtained his considerable assets over the years by first working for

Castle and Cooke; by investing in sailing ships carrying sugar, molasses and rice; by becoming a partner in Lewers and Cooke, Ltd., a lumber company; by acquiring large holdings in Lihū'e Plantation, Hawaiian Agricultural Company, and C. Brewer Company; and through other investments, such as Hawaiian Electric Company, Mutual Telephone Company and Ewa Plantation Company. After his retirement in 1894, he and P.C. Jones started Bank of Hawai'i in 1897 and, later, Hawaiian Trust Company.

In 1898, as Charles was making his will, he wrote to Anna, in California at the time, suggesting that they merge their estates. He did not want his holdings to be made public when he died, as was customary in those times. Additionally, as stated in his will:

"... the object of forming said corporation (Charles M. Cooke, Ltd.) was to hold my wife's and my own estate intact for the benefit and enjoyment of our children ..."

Anna agreed to this plan, so Charles M. Cooke, Ltd. was formed with one-fifth shares belonging to Anna, and four-fifths to Charles M. Cooke. Clarence H. Cooke, speaking of his father:

"... I have often marveled at the clear foresight of father in forming this corporation as a means of holding the family as a unit, each of his children continuing to

*...organized and operated exclusively for religious,
charitable, scientific, or educational purposes, or for
the prevention of cruelty to children or animals...*

*...for the betterment and welfare
of this community and other communities...*

hold equal interest in ownership. That never could have resulted if a distribution of his holdings had been made at the time of his passing, thus keeping the family together, and continuing the form of investments along the lines that he personally originated ..."

Charles M. Cooke, Ltd. was dissolved at the end of 1942, and its assets distributed to its 58 stockholders. The first Trustees of the Charles M. and Anna C. Cooke Trust were Anna C. Cooke and her six children: C. Montague Cooke, Jr., Clarence H. Cooke, George P. Cooke, Richard A. Cooke, Alice C. Spalding, and Theodore A. Cooke. Meetings were held on Thanksgiving Day on Anna's lanai at her country home at Malaekahana.

In 1971, Theodore Cooke, who had served as president of the Trust since 1944 when he succeeded Clarence Cooke, resigned. Richard Cooke, Jr. was then elected president of the Trust that had now passed to the third generation of Cookes.

In June of 1971, Charles M. and Anna C. Cooke Trust, a private foundation, was incorporated in compliance with the Internal Revenue Code. Charles M. and Anna C. Cooke, Ltd. was formed. In 1972, the first annual report was published by the Trust. Four Trustee meetings per year were scheduled. Past meetings had been held once a year in December at Theodore Cooke's home. The assets of the Trust were transferred to Hawaiian Trust Company, Ltd. to act as financial agent, manage the endowment

portfolio, and act as grants administrator. Prior to this, Clarence Cooke and then Theodore Cooke had managed the portfolio and been grants administrators. The number of Trustees was later increased from five to six so that each family would be represented.

In 1980, the name of Charles M. and Anna C. Cooke, Ltd. was changed to Cooke Foundation, Limited,

"...recognizing the expanded interests of family members, and wishing to reflect this broadened perspective, we have become the Cooke Foundation, Limited as of July 1, 1980."

Samuel A. Cooke was made a Trustee in 1973, and when Richard Cooke moved to California in 1989, Samuel Cooke, a member of the fourth generation, was elected president. In 1988, the Hawai'i Community Foundation was made grants administrator.

At the 1987 April meeting, the Trustees adopted the policy that each Trustee appoint one or two alternates from their branch of the family to serve in their stead when they were unable to attend a meeting, or in the case of the Trustee's death, to be the successor to the Trustee, subject to the board's approval. The Alternate Trustees receive a copy of the minutes of meetings and attend the last board meeting of each year. In this way, the Trustees felt that more members of the family would become involved in Cooke Foundation, Limited.

(Quotations are from Charles Montague Cooke 1849-1909 by Clarence H. Cooke, 1942; and Cooke Foundation, Limited, 1980 Annual Report.)

TRUSTEES AND SUCCESSORS OF CHARLES M. COOKE, LIMITED

Charles M. and Anna C. Cooke Trust and the Cooke Foundation, Limited

ORIGINAL TRUSTEES	SUCCESSOR TRUSTEES		
Anna C. Cooke 1920 - D. 1934			
C. Montague Cooke Jr. 1920 - D. 1948	Carolene C. Wrenn T. 1948 - R. 1971	Samuel A. Cooke T. 1973 -	
Clarence H. Cooke 1920 - D. 1944	Richard A. Cooke Jr. T. 1944 - R. 1998	Lynne Johnson T. 1998 -	
George P. Cooke 1920 - D. 1960	Dora C. Derby A. 1951 - 1971 T. 1971 - R. 1989	Anna Derby Blackwell T. 1989 - R. 2008	Caroline Bond Davis T. 2008 -
Richard A. Cooke 1920 - D. 1941	Dorothea C. Paris T. 1941 - D. 1982	Betty P. Dunford T. 1982 - R. 2004	Lissa Dunford T. 2004 -
Alice C. Spalding 1920 - R. 1963	Philip E. Spalding T. 1963 - R. 1971	Charles C. Spalding T. 1971 - R. 1991	Charles C. Spalding Jr. T. 1991 -
Theodore A. Cooke 1920 - R. 1971	Catherine C. Summers T. 1971 - R. 1993	Dale S. Bachman T. 1993 -	



Front Row (left to right):

Rikki Cooke*

Michael Spalding*

Charles Spalding Jr.
Vice President & Trustee

Caroline Bond Davis
Vice President, Secretary & Trustee

Anna Derby Blackwell*

Lissa Dunford
Vice President, Treasurer & Trustee

Dale Bachman
Vice President & Trustee

Gregory Wrenn*

Lynne Johnson
Vice President & Trustee

Back Row (left to right):

Amber Strong Makaiau*

Catherine Cooke*

Samuel Cooke
President & Trustee

David Steadman*

Fred Cowell*

Not Pictured:

John Derby*

Thane Pratt*

Philip Spalding III*

Heaton Wrenn III*

**Alternate Trustee*

Bank of Hawaii is the financial agent for the Foundation. Hawaii Community Foundation provides staff and grants administration.

ACROSS THE MILES – THE RICE FAMILY ON KAUAI

Founded in the early 1850s, the Hawaiian Mission Children's Society was almost immediately named the "Cousins' Society." Parents of the mission children addressed one another as "Brother Rice" or "Sister Cooke" and so of course their children were "cousins." Their generation, however, called their seniors "Mother Cooke" or "Father Rice" – none of the present-day "Auntie" and "Uncle." The most important aspect of this pattern was the family feeling. It was intense in the latter two thirds of the 19th century, from 1840 on. Even when missionary families moved out of Honolulu to neighbor island communities, the feeling of kinship persisted. No matter where one went in the Hawaiian islands, one found family.



Anna Charlotte Rice and father, William Harrison Rice

The couple who established Cooke Foundation nearly a century ago, Charles Montague Cooke and his wife, Anna Charlotte (Rice) Cooke, were part of this 'ohana. She was four years younger than he; her family moved to Kauai from Punahou when she was barely two years old. But the families kept in touch, and when they married in 1873, "Charlie" Cooke became the Rice family's business agent in Honolulu. Father Rice died not long afterwards; Anna's husband took care of Mother Rice's affairs from then on.

When separated by inter-island channels or even by long overseas journeys, people kept in touch in those days by handwritten mail only. Letters were voluminous, full of the daily round of chores, visitors, trips to see other families, and the like. Kids sent to Oahu for schooling; letters back and forth between husbands and wives when one or the other was away; and descriptions of homes, their surroundings, the people being helped, contact with local friends, and growth of the children filled their letters to friends and family in the islands, and back to the East and beyond, where parents and siblings still lived. Letters to and from family further abroad took months to make the round trip.

Over 80 years ago, in 1931, when some of the principals were still alive, Ethel M. Damon, a local historian, was given access to letters from and to the family of William Harrison Rice and his wife Mary Sophia Hyde Rice, as well as their children and friends. In the two-volume work

Koamalu – named for the house where the Rices first lived on Kauai – Miss Damon gives us a vivid account of the Rice family in their Lihue milieu and away from it: as far as Germany on occasion. [Quite a bit of the text is copied verbatim from *Reminiscences of Mrs. Mary S. Rice* (1908); the copy available to the writer has lost its title page, but the preface is signed M.H.K. The name on the spine is Krout.] Travel – even inter-island – was also a challenge. Some of the letters were penned in haste when word came of a vessel in the harbor about to leave:

The journeys between the islands in that day [the 1800s] were regarded with dread, and with good reason. The schooners in use were small, crowded and seldom clean. The natives carried with them their supplies of poi, and they were always the immediate victims of the most acute form of sea-sickness, against which they made no resistance. The winds were variable, and there are traditions of voyages now [1908] made by steamer in twenty-four hours which then occupied from seven to eight days [and sometimes as many as ten] Food was not always supplied, and it was necessary to be prepared for any and all emergencies. There is a well authenticated statement that a thoughtful mother, setting out from Kauai to Honolulu during this period of painful navigation, took with her for the comfort of her two small children, not only ordinary food, but live fowls and a cow! (Reminiscences p. 36)

The voyage around Cape Horn from Boston to Honolulu took the Rices, in the "Gloucester" from mid-November 1840 to mid-May 1841 – 188 days – and was considered "protracted" even then. The Hawaiian mission, by then 20 years old, postponed their General Meeting for a month so that they could greet the new arrivals. Father Rice was the only non-ordained member of the Eighth Company, which included the Rev. Messrs Bond, Dole, and Paris and their wives.

The Rices intended to go on to Oregon, as did the Parises, but word came that the mission there was in difficulty. Shortly after they arrived in Hawaii further news arrived that a complete massacre had ended the Oregon mission. By that time the Rices were settled in Hana, where they remained for two years, assisting the Condes. Mr. Rice found himself "often away for days at a time, inspecting in the large native schools of East Maui and preparing students for the High School at Lahainaluna." [*Koamalu* I, p. 104] Their first child, Hannah Maria Rice, was born there.

By 1843, Father Rice's health had begun to deteriorate in cold, rainy Hana, so they sought a warmer climate in Lahaina. They'd traveled to Hana in a small schooner; the trip from Hana, however, with

"No schooner arriving ...[they] left ... on a double canoe, the raised platform of which in good weather afforded comfortable seats for passengers in good health bound on a pleasure trip. But in uncertain weather, with a small child and both father and mother in frail health [she was eight months pregnant], the prospect of the forty miles to Kahului was not alluring ... A storm of wind and rain setting in, the lashings of the double canoe were torn apart and a forced landing was made at the first possible inlet...A long walk stretched before them the

Worthy endeavors in the community that (the family feeds) will make a significant difference in the betterment and welfare of the people of Hawai'i

next day ...Mrs. Rice struggled on as best she could, 'climbing with the aid of two natives who pushed and dragged her by the hand up the steep sides of the gulch, while she clung to the vines and bushes.' And even in this extremity she found cause for rejoicing in the fact that there were no snakes in the tangle of undergrowth. Until eleven o'clock that night they walked, coming at last to the ...mission home at Wailuku." [ibid., pp 112-13] A few days later, they went by canoe — still on the windward coast — past Kahakuloa and Kaanapali to Lahaina. A month later, their second child, Emily Dole Rice, arrived.

General Meeting put the Rices at Punahou in 1844, where Father Rice became the manager, erecting new buildings and seeing to the farm and the cattle. A Hawaiian couple, Oponui and his wife Kaniho, followed the Rices from Hana to Punahou, and from there to Kauai. When school was out in 1846, Miss Marcia Smith and the Rices took ship for Hawaii island, as described in her letter to her sister, Mrs. Lyons in Waimea:

... Our school was dismissed one week short of the term, in order to embark on the Clarion ... Mr. Rice tried to prevail on the Capt. to tarry till after the Sabbath, but he said he could not. As that was the only probable opportunity for several weeks, we commenced our preparations. Later we were informed that the clipper ship would sail on Monday at 2 P.M. for Kawaihae, & Mr. Rice then engaged our passage on the clipper. Monday came, & every thing except our food was sent on board before dinner. We were under way, nearly down to the Mission, when word came that we should not sail till next morning. So we turned about & went back to Punahou in the rain to stay the first night. The children's beds & clothing, even to a nightdress, were on board, & they were compelled to sleep as they could.

Tues. morn we started again, but on the way we discovered the schooner going out of the harbor. As soon as might be we procured a boat and gave chase, thinking that she would put back for us. But she soon lay her course, -- and we turned ours to land.

In the harbor we discovered the Amelia under sailing orders for Hilo the next day. So we made the best of our way home to Punahou & and I made provision to bake a new lot of bread, &c. The oven nicely heating & bread in the tins, in came a messenger. "The vessel is ready, come as soon as you can." Again we were in motion and soon on board, -- but our trunks gone to Kawaihae. With a very light breeze we did not reach Lahaina until noon. Here the vessel had some business & we were detained till after the Sabbath. The sea was very high, whale boats were upset and several men drowned ... The Capt. said it would not be possible to land at Kawaihae, & Mahukona was out of the question. When daylight came Tuesday we were well nigh in sight of Hilo, and there we landed in the evening. It is now late Sat. P.M. & we are expecting to embark on the whale ship bound to Lahaina, at four o'clock Monday morning ...

In those days "the overland journey on Hawaii from Hilo to Waimea over only the roughest trails, not often used by grown men, was not to be thought of with a woman and a number of children." [ibid., pp122-23] And so the proposed visit to Miss Smith's sister in Waimea was abandoned.

After 10 years at Punahou, during which time their family rounded out to five "sprouts of Rice," — Hannah Maria, Emily Dole, William Hyde, Mary Sophia, and Anna Charlotte — Father Rice resigned from the mission and the family moved to Lihue, where he became the manager of Lihue Plantation. Their first home, Koamalu, had been pre-fabricated in China, and was surrounded by koa and kukui trees. It was across the gulch from Lihue proper and the mill.

In true "plantation" style, their home also functioned as an ad hoc hotel, with visitors (and sometimes their families) turning up (often without warning) for a night or a week. The family itself visited as far afield as Waimea to the west and Hanalei to the east; the book is full of accounts of trips, visits, and parties back and forth.

When the family, or members of it, visited Honolulu on business or for school, the volume of letters swelled. During their time with the mission and at Punahou, the Rices had become firm friends with families living in "town": Doles, Cookes, Thurstons, Dimonds, and so on. Father Rice and his daughter Hannah Maria visited Honolulu and even lived in California for a time as he sought to regain health and shake the scourge of "consumption": probably tuberculosis.

Hannah Maria married Paul Isenberg, who had come from Germany to try his hand at agriculture. He became manager at Lihue later, thanks to the Hackfeld (later American Factors) connection with the plantation. Their daughter became the beloved "Aunt Dora"; they also had a son, Paul Rice Isenberg, known in the family as "Rice," who began a horse ranch at Wai'alae on Oahu when he came of age.

After Hannah Maria died of "consumption" in turn, Paul Isenberg returned to Germany (cutting months off the voyage by traveling overland via the Isthmus of Panama) and brought back a bride, Beta; but he had become so much of a son to Mother Rice that Beta was welcomed as another daughter. Paul's brother Carl Isenberg, a Lutheran pastor, began a church in Lihue; for a time, he was the only "haole" Protestant clergyman on Kauai. And Dora married her uncle, Pastor Hans Isenberg, later on; they tried living in the Harz Mountains in Germany, but when their baby died and her own health deteriorated, they moved back to Kauai. Letters tell of numerous trips to Germany to visit the families there.

Family ties were also strengthened when Anna married Charles M. Cooke. They lived with Mother Cooke in what is now the "First Frame House" of the mission on King Street before moving out to their house on Beretania Street across the street from Thomas Square. Although she served for a time as a matron at Mills Seminary in Benecia, California, Mother Rice pretty much ended her days in the room that was "Grandmother's" in the "Britannia Street" house. There she frequently dipped into her "black bag" which was the source of many munificencea, large and small.

YEAR IN REVIEW

The Trustees of the Cooke Foundation are proud to support the efforts of Hawai'i nonprofit organizations that provide meaningful programs and services and develop innovative ways to maximize their resources. Through grant awards to charitable organizations, the Cooke Foundation invests in and contributes to vibrant communities throughout our state. We are pleased to share stories about three grants which exemplify the variety and impact of the projects funded by the Foundation this year.

AWAIAULU

'Ike Kū'oko'a - Hawaiian Newspaper Initiative

The Hawaiian-language newspapers, printed from 1834 to 1948, became an intentional repository of knowledge and documentation as Hawai'i and its people moved through kingdom, constitutional monarchy, republic and territory. These newspapers are the largest native-language cache of published material in the western world and a huge block of Hawai'i's own history, yet only 2% of that archive is integrated into the



Man reading Ka Hoku

English-speaking world today. In 2001, Ho'olaupa'i was created to foster access, but after a decade of minimal funding and little public awareness, radical change was necessary. Awaiaulu, sponsor of Ho'olaupa'i, created *'Ike Kū'oko'a*, a dynamic move to increase public awareness about the resource and build general access. From November 2011 through July 2012, *'Ike Kū'oko'a* enlisted an army of volunteers to turn newspaper pages into searchable typescripts. Over 6,000 volunteers on all islands and in 12 countries signed up to help, typing up pages to make them searchable. Of the 125,000 pages originally published, only 75,000 are known to exist, and by the end of 2012 that entire repository will be accessible online to everyone in Hawai'i and the world. There is still much to be done to reconnect this archive of knowledge, but with support from the Cooke Foundation and others, *'Ike Kū'oko'a* has made an auspicious start.

LYON ARBORETUM ASSOCIATION

Harold L. Lyon Arboretum Micropropagation Laboratory

The Lyon Arboretum's rare plant program is key to preserving and restoring the most rare and endangered of Hawai'i's native plants. The Arboretum uses tissue culture to store and to propagate plants, thereby increasing the numbers of plants available for restoration. Because it is the only such facility in



Botanist working in lab

Hawai'i, it has become overcrowded and unable to respond to the increasing conservation needs of the state. Funds are allowing for construction of a new lab with nearly twice the capacity to store rare plants in tissue culture. Upon completion in 2013, visitors will be able to see the lab, its research activities, and other aspects of the facility via viewing windows and interpretive materials without entering the building. This provides a wonderful opportunity to engage visitors (including school groups) in the conservation efforts and needs of Hawai'i.

MA KA HANA KA 'IKE

Building for Sustainability

Ma Ka Hana Ka 'Ike ("In Working, One Learns") is a hands-on construction skills training program for at-risk youth in Hāna, Maui, an isolated community on the island's east coast with over two-thirds its population of Native Hawaiian ancestry. By applying academics such as math and science to real-life situations, the program substitutes textbooks and classroom work with tools and life experience, where the students' education immediately serves the needs of the local community. Funding from the Cooke Foundation in 2012 supported Ma Ka Hana Ka 'Ike's Building for Sustainability program, in which youth built several structures including a solar hot water

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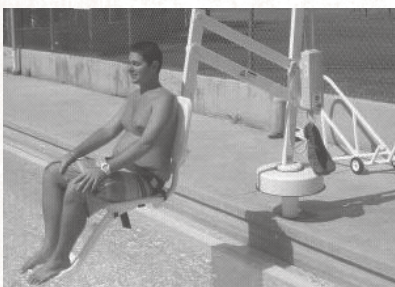
Students installing solar hot water system

system and corresponding bathhouse for a *kama'āina* family in need. By giving youth hands-on training that emphasizes sustainable techniques, the program is instilling the value of responsible and innovative resource use. And by ensuring the project meets real community needs, it teaches the greatest lesson of all: how to *malama* Hawai'i's people and create vibrant, self-sustaining communities.

PALAMA SETTLEMENT

Increasing Recreational Access

For over a century, the Palama Settlement has provided a safe and nurturing environment where more than 900 children, adults and families a year engage in educational, athletic, recreational, and cultural programs and activities to enhance their well-being. The Palama Settlement swimming pool plays a vital role as the only free public pool offering swimming classes and other aquatic activities in this urban, low-income area. The 25-yard pool ranges from 4-8 feet in depth, has five lanes, and is well utilized.



New portable pool lift

Years ago the well-known swim coach Harry Mamizuka taught many of the neighborhood children how to swim, and many of them earned college scholarships for their swimming skills. Palama Settlement

faced the possibility of having to close the pool to the public this year because it did not have a pool lift required to comply with the Americans with Disabilities Act. Thanks to a Cooke Foundation grant which funded the purchase and installation of an approved portable pool lift, the pool remains open, busy and in compliance with the law.

These projects, and many others listed in this report, enrich our community. With deep appreciation, we salute the tireless work of the leadership, staff and volunteers of Hawai'i's nonprofit organizations.

I would like to thank Anna Derby Blackwell who contributed the essay in this report about the Rice Family of Kauai. Our great-grandmother Anna Rice Cooke showed tremendous vision and generosity of spirit when she created the forerunner of the Cooke Foundation in 1920, "for the betterment and welfare of this community and other communities..." For over 90 years, successive generations in our family have kept faith with our founder's intentions, through the active participation of trustees and alternate trustees who represent the six lines of the family of Charles M. and Anna Cooke. From time to time, trustees retire from the board, and new family members are appointed as trustees to lend their passion and perspectives to the Foundation's deliberations. In my nearly 40 years of board service, I have seen this practice sustain the Foundation's legacy and engage additional descendants whose knowledge and judgment guide its philanthropy with care. I trust this will continue for many years to come.

It has been my privilege to serve as the Foundation's president since 1989. As I step down from this role and as a trustee this year, I am struck by the Cooke Foundation's many contributions to the soul of our islands, and I am humbled to have played a small part in its good works.

A handwritten signature in dark ink, reading "Samuel A. Cooke". The signature is fluid and cursive, with a long, sweeping underline.

SAMUEL A. COOKE

President and Trustee

INDEPENDENT AUDITOR'S REPORT

The Trustees
Cooke Foundation, Limited

We have audited the accompanying statements of assets and net assets of Cooke Foundation, Limited as of June 30, 2012 and 2011, and the related statements of revenues and expenses and changes in net assets for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of Cooke Foundation, Limited as of June 30, 2012 and 2011, and the revenues, expenses and changes in net assets for the years then ended, on the basis of accounting described in Note 2.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the 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.

OHATA CHUN YUEN LLP
Honolulu, Hawai'i
October 16, 2012

STATEMENT OF ASSETS AND NET ASSETS

June 30, 2012 and 2011

ASSETS	2012	2011
Cash and Cash Equivalents	\$ 396,011	\$ 435,840
Investment Securities, at fair value		
Corporate stocks	6,927,752	7,007,950
Mutual funds	7,436,212	9,137,626
Government securities	3,771,011	2,642,768
Corporate bonds	3,025,520	2,991,293
	\$ 21,160,495	\$ 21,779,637
	\$21,556,506	\$22,215,477
NET ASSETS		
Unrestricted	\$21,556,506	\$22,215,477

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

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Years Ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Dividends	\$ 410,436	\$ 194,128
Interest	262,383	342,208
Net realized gains on investments	150,125	2,746,800
Return of prior year grants	36,281	531
Litigation settlement proceeds	648	14,370
Net unrealized gains on investments	—	315,132
Total revenues	859,873	3,613,169
EXPENSES		
Grant and contribution distributions	803,034	978,085
Net unrealized losses on investments	334,020	—
Agent's fees	169,186	153,377
Grants administration fees	81,200	81,200
Federal excise tax	70,744	(578)
Investment consultant fees	32,426	18,232
Professional fees	10,202	10,097
Meetings and conferences	9,521	11,582
Stationery and printing	5,578	5,314
Professional organization memberships	2,470	2,750
Miscellaneous	463	230
Total expenses	1,518,844	1,260,289
Change in Net Assets	(658,971)	2,352,880
Net Assets, Beginning of Year	22,215,477	19,862,597
Net Assets, End of Year	\$21,556,506	\$22,215,477

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

(1) ORGANIZATION

The Cooke Foundation, Limited (Foundation) was incorporated in Hawai'i on June 18, 1971 as a nonprofit corporation and the successor to the Charles M. and Anna C. Cooke Trust (Trust). The assets, undistributed income, and principal of the Trust were transferred to the Foundation at the Trust's basis, and the Trust was subsequently liquidated.

The purpose of the Foundation is to provide funds to assure in some measure, the continuance of and to extend and expand all worthy endeavors for the betterment and welfare of the community, and other communities in the state of Hawai'i by gifts and donations.

All assets of the Foundation are unrestricted and can be expended in accordance with the provisions of the Foundation's charter and at the discretion of the trustees of the Foundation.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation's financial statements are prepared on a modified cash basis; consequently certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred, except for investments which are recorded at fair value. Such basis of accounting is considered to be a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Cash Equivalents

Cash equivalents include investment securities with original maturities of three months or less.

Investments

Investments in debt and equity securities are stated at fair value, and realized and unrealized gains and losses are reflected in the statement of revenues and expenses and changes in net assets. Gains or losses on sale of investments are based on the specific identification method.

Fair Value of Financial Instruments

The Foundation records certain assets at fair value in accordance with Accounting Standards Codification (ASC) 820 (formerly Statement of Financial Accounting Standards No. 157), Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. Government and agency mortgage-backed debt securities, corporate-debt securities, and certain alternative investments.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

Risks and Uncertainties

The Foundation may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of assets and net assets.

Subsequent Events

Management has evaluated subsequent events that may require disclosure in these financial statements through October 16, 2012, the date the financial statements were available to be issued.

(3) INVESTMENTS IN SECURITIES

At June 30, 2012 and 2011, investments in securities were as follows:

	2012	
	Cost	Fair value
Corporate stocks	\$ 6,144,502	\$ 6,927,752
Mutual funds	7,612,594	7,436,212
Government securities	3,493,207	3,771,011
Corporate bonds	2,838,613	3,025,520
	<u>\$20,088,916</u>	<u>\$21,160,495</u>

	2011	
	Cost	Fair value
Corporate stocks	\$ 6,519,992	\$ 7,007,950
Mutual funds	8,479,738	9,137,626
Government securities	2,508,554	2,642,768
Corporate bonds	2,865,754	2,991,293
	<u>\$20,374,038</u>	<u>\$21,779,637</u>

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on June 30, 2012 and 2011.

	2012			
	Fair Value	Level 1	Level 2	Level 3
Investment Securities:				
Corporate stocks	\$6,927,752	\$6,927,752	\$ -	\$ -
Mutual funds	7,436,212	-	7,436,212	-
Government securities	3,771,011	-	3,771,011	-
Corporate bonds	3,025,520	-	3,025,520	-
	<u>\$21,160,495</u>	<u>\$6,927,752</u>	<u>\$14,232,743</u>	<u>\$ -</u>

	2011			
	Fair Value	Level 1	Level 2	Level 3
Corporate stocks	\$7,007,950	\$7,007,950	\$ -	\$ -
Mutual funds	9,137,626	-	9,137,626	-
Government securities	2,642,768	-	2,642,768	-
Corporate bonds	2,991,293	-	2,991,293	-
	<u>\$19,012,779</u>	<u>\$7,007,950</u>	<u>\$14,771,687</u>	<u>\$ -</u>

(4) AGENT'S FEE

The Foundation's financial affairs are managed by Bank of Hawaii Investment Services Group (Fiscal Agent). For this service, the Fiscal Agent charges a monthly fee to the Foundation based on percentage rates applied to different levels of asset values. Fiscal agent fees for the years ended June 30, 2012 and 2011 amounted to \$169,186 and \$153,377, respectively.

(5) TAX STATUS

The Foundation is classified as a private nonprofit corporation, as defined in the Internal Revenue Code (Code), and is exempt from federal income tax under Section 501 (c)(3) of the Code. However, the Foundation is liable for a 1% or 2% private foundation excise tax on net investment income and net gains realized from investment transactions under Section 4940(a) of the Code.

(6) COMMITMENTS

As of June 30, 2012, the board of trustees has approved contributions and grants payable through June 30, 2017. Commitments outstanding as of June 30, 2012, exclusive of certain contributions and grants subject to satisfaction of stipulated conditions by the intended recipients before payment can be made, are scheduled for payment as follows:

Year ending June 30:

2013	350,000
2014	170,000
2015	100,000
2016	100,000
2017	50,000
	<u>\$ 770,000</u>

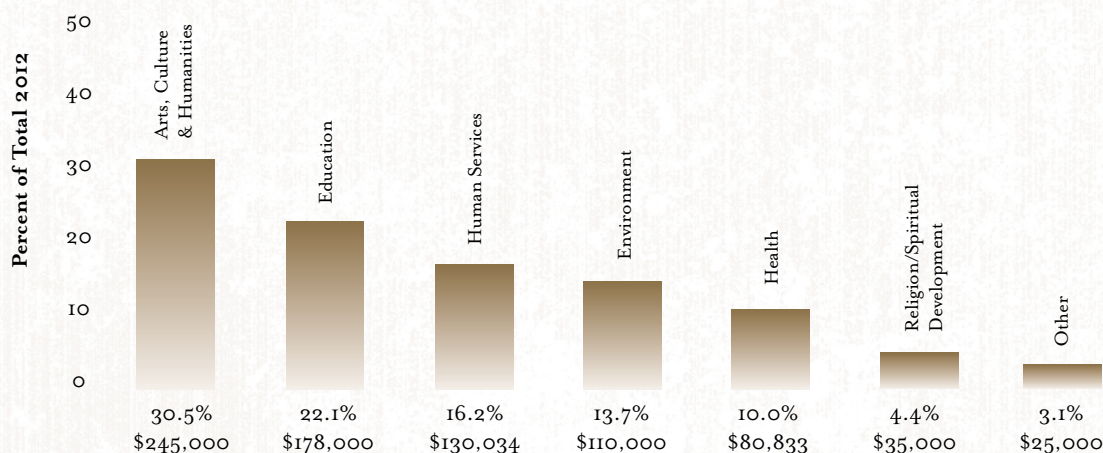
SUMMARY OF GRANT AND CONTRIBUTION DISTRIBUTIONS

Years Ended June 30, 2012 and 2011

Schedule I

	2012		2011		2010		2009		2008	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
Arts, Culture & Humanities	\$245,000	30.5%	\$290,540	29.7%	\$410,149	39.0%	\$415,000	36.8%	\$498,250	42.7%
Community Development					\$43,000	4.1%				
Education	\$178,000	22.1%	\$196,712	20.1%	\$194,000	18.4%	\$272,500	24.2%	\$238,600	20.5%
Human Services	\$130,034	16.2%	\$136,833	14.0%	\$128,333	12.2%	\$187,000	16.6%	\$151,000	12.9%
Environment	\$110,000	13.7%	\$229,000	23.4%	\$95,000	9.0%	\$119,819	10.6%	\$105,000	9.0%
Health	\$80,000	10.0%	\$95,000	9.7%	\$52,500	5.0%	\$43,000	3.8%	\$45,000	3.9%
Religion/Spiritual Development	\$35,000	4.4%			\$35,000	3.3%	\$45,000	4.0%	\$90,000	7.7%
Youth Development			\$30,000	3.1%	\$95,000	9.0%	\$45,000	4.0%	\$38,000	3.3%
Other	\$25,000	3.1%								
Total grant and contribution distributions	\$803,034	100%	\$978,085	100%	\$1,052,982	100%	\$1,127,319	100%	\$1,165,850	100%

See accompanying independent auditors' report.



GRANTS

July 1, 2011 – June 30, 2012

ARTS, CULTURE AND HUMANITIES

CAPITAL

Hawaii Public Television Foundation dba PBS Hawaii <i>Capital Campaign and Arts Leadership</i>	\$25,000
Hawaii Theatre Center <i>Sustain the Hawaii</i>	\$20,000
Hui No'eau Visual Arts Center <i>Kaluanui Preservation and Stewardship Program</i>	\$20,000

PROGRAM

Awaiaulu <i>'Ike Ku'oko'a - Hawaiian Newspaper Initiative</i>	\$10,000
Hawaii Alliance for Arts Education <i>Performing Arts Learning Centers</i>	\$5,000
Hawaii Opera Theatre <i>Orchestra - Grand Opera Season 2011</i>	\$20,000
Hawaiian Mission Children's Society <i>Engraved at Lahainaluna</i>	\$15,000
Honolulu Academy of Arts <i>Improving the Quality of the Visitor's Experience</i>	\$20,000
Honolulu Academy of Arts <i>Annual grant</i>	\$100,000
Lana'i Arts & Culture Center <i>Lana'i Community Arts Program</i>	\$10,000

TOTAL FOR ARTS, CULTURE
AND HUMANITIES

\$245,000

EDUCATION

CAPITAL

Kai Loa Inc. <i>Na Pualei Early Learning Center</i>	\$20,000
Le Jardin Academy <i>Le Jardin Academy Capital Campaign</i>	\$25,000
Punahou School <i>Omidyar K-1 Neighborhood Project</i>	\$25,000
Seabury Hall <i>Creative Arts Center</i>	\$25,000

PROGRAM

Common Cause Education Fund <i>Volunteer and Internship Program</i>	\$5,000
Friends of the Future <i>Hawaii Island Early Childhood Professional Development</i>	\$33,000
Haiku Elementary School <i>2011 Beautification Award</i>	\$5,000
Hawaii Youth Opera Chorus <i>E Mele Kakou Elementary School Outreach</i>	\$15,000
Kawananakoa Middle School <i>2011 Beautification Award</i>	\$5,000
Lahainaluna High School <i>2011 Beautification Award</i>	\$5,000
Ma Ka Hana Ka 'Ike Building Program <i>Building for Sustainability</i>	\$15,000

TOTAL FOR EDUCATION

\$178,000

GRANTS (continued) July 1, 2011 – June 30, 2012

ENVIRONMENT

CAPITAL

Camp Mokuleia Inc.	\$25,000
<i>A Sustainable Transformation at Camp Mokuleia</i>	
Lyon Arboretum Association	\$20,000
<i>Lyon Arboretum Micropropagation Laboratory</i>	

PROGRAM

Garden Island Resource Conservation and Development, Inc.	\$10,000
<i>Special Ecological Areas of Koke'e, Kaua'i</i>	
Hawaii Conservation Alliance Foundation	\$10,000
<i>Conservation Connections: Uniting Our Island Communities with Environmental Stewardship Opportunities</i>	
Kanu Hawaii	\$25,000
<i>Replicable energy cost reduction programs for disadvantaged communities</i>	
The Nature Conservancy of Hawaii	\$25,000
<i>Mauka to Makai Campaign</i>	
Purdue University	\$15,000
<i>Acacia Koa Conservation & Koa Forest Restoration on the Hawaiian Islands</i>	

TOTAL FOR ENVIRONMENT **\$110,000**

HEALTH

CAPITAL

Hospice of Hilo	\$25,000
<i>In-Patient Hospice Facility</i>	
Rehabilitation Hospital of the Pacific Foundation	\$20,000
<i>Capital Renovations to Improve Capacity to Provide Acute Rehabilitation to Hawaii Residents</i>	
Shriners Hospital for Children	\$25,000
<i>New Hospital Building Project</i>	

PROGRAM

Waikiki Health Center	\$10,000
<i>Healthcare Expansion Initiative to Serve Pregnant and Parenting Women with Addictions</i>	

TOTAL FOR HEALTH **\$80,000**

HUMAN SERVICES

CAPITAL

Kauai Habitat for Humanity	\$25,000
<i>'Ele'ele Iluna Subdivision – Detention Basin</i>	
Palama Settlement	\$8,700
<i>Increasing Recreational Access</i>	
The Arc of Hilo	\$25,000
<i>Arc of Hilo Training & Community Center</i>	

PROGRAM

Compassion & Choices	\$10,000
<i>End of Life Choice in Hawai'i – Education Campaign</i>	
Hawai'i Community Foundation	\$33,334
<i>Community Stabilization Initiative</i>	
Kauai Food Bank Inc.	\$8,000
<i>Ni'ihau Youth Backpack and Nutrition Program</i>	
Kokua Kalihi Valley Comprehensive Family Services	\$20,000
<i>Women's Sewing Project</i>	

TOTAL FOR HUMAN SERVICES **\$130,034**

OTHER

PROGRAM

East-West Center	\$25,000
<i>APEC 2011 Hawaii</i>	

TOTAL FOR OTHER **\$25,000**

GRANTS *(continued)* July 1, 2011 – June 30, 2012

RELIGION/SPIRITUAL DEVELOPMENT

CAPITAL

Manoa Valley Church	\$25,000
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<i>Building for the Future: Caring for our Keiki and Kupuna</i>	
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St. Peters Episcopal Church	\$10,000
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<i>St. Peter's Organ</i>	
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TOTAL FOR RELIGION/SPIRITUAL DEVELOPMENT	\$35,000
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TOTAL GRANTS AND CONTRIBUTIONS	\$803,034
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COOKE FOUNDATION GRANT APPLICATION GUIDELINES

MISSION

The Cooke Foundation supports worthy endeavors in the community that the family feels will make a significant difference in the betterment and welfare of the people of Hawai'i.

ELIGIBILITY AND RESTRICTIONS

The Foundation's priority interests are arts, culture, humanities; education; environment; and human services.

- Applicants must be classified under section 501(c)(3) of the Internal Revenue Code. The Foundation does not make grants to supporting organizations classified under section 509(c)(3) of the Internal Revenue Code or other organizations requiring expenditure responsibility.
- Applicants must be in existence for five years and be in stable financial condition.
- The Foundation does not generally fund loans; endowments; funds for re-granting; conferences, festivals and similar one-time events; religious programs; operating support; activities that have already occurred; scholarships and grants to individuals or for the benefit of identified individuals.
- Applications from a unit of the University of Hawaii must be submitted through the University of Hawaii Foundation.
- A grantee may not receive more than one grant in any fiscal year (July through June), except that a grantee serving as the fiscal sponsor for another organization may receive a second grant for its own project.
- The term of the grant is usually one year. Grantees may reapply for funding in subsequent years, but must submit a final report before reapplying. In general, organizations may receive a maximum of three consecutive years of grant support.
- The Foundation may choose to fund over a number of years. In the case of a multi-year pledge, payments are released in 12-month

intervals, and each payment is contingent on receipt of a satisfactory progress report.

- Requests for more than \$20,000 must be sponsored by a Trustee.
- Requests for more than \$5,000 should demonstrate that the Cooke Foundation portion of the budget does not exceed 30 percent of the total project budget.
- The Foundation does not accept incomplete applications or applications from organizations with overdue reports.
- Recent grants are listed at www.cookefdn.org.

APPLICATION PROCEDURES

- Download the grant application cover sheet posted at www.cookefdn.org.
- Complete the cover sheet. Attach the proposal narrative and all other required documents listed below.
- Use single-sided white 8-1/2 x 11 inch paper.
- No cover letters, business cards, videos, CDs.
- No binding or staples. Clips are acceptable.
- No additional copies are required.
- Application materials will not be returned.
- Mail or deliver application to:
Cooke Foundation, 827 Fort Street Mall
Honolulu, HI 96813-4317

PROPOSAL NARRATIVE

- Maximum five single-spaced pages. Minimum 12-point font and 1-inch margins. Use these headings:

Organization: Describe the organization, including mission and history, year established, geographic reach, staff size, and staff capabilities to conduct the proposed work.

Problem or opportunity: Describe the problem or opportunity to be addressed by the project.

Describe the population that will benefit from the project, including an estimate of size or numbers.

Activities: Describe the activities to be performed, and the services or products to be delivered, including quantities and a timeline. If the project is a partnership, describe each partner's role.

Explain why you chose this approach to the problem or opportunity.

Expected results: Explain how participants or the community will benefit. (Provide specific, measurable expected results.) Describe the plan to determine the effectiveness of the project.

Funding plan: Explain the project budget, including adjustments to be made if not all anticipated funding is received. Describe the plan, if any, to continue funding the project after the grant period ends.

ADDITIONAL REQUIRED DOCUMENTS

- Executive summary
 - Maximum one single-spaced page. Minimum 12-point font and 1-inch margins.
 - Include organization name and project title at the top of the page.
 - Please summarize the proposal narrative as concisely as possible, using the same headings: Organization, Problem or opportunity, Activities, Expected results, and Funding plan.
- Project budget showing:
 - Anticipated income (source, amount, restrictions, and whether secured or pending)
 - Anticipated expenses (overall expenses, and expenses for which Cooke Foundation grant will be used)

- Board of directors list
- IRS 501(c)(3) determination letter (not required if applying through a fiscal sponsor)
- Organization's annual operating budget for the current year
- Organization's balance sheet for the most recently completed fiscal year
- Organization's income statement (or profit/loss statement) for the most recently completed fiscal year

Organizations must demonstrate financial stability.

Audited financial statements are preferred but not required.

Local units of national organizations must submit local unit financial information.

FISCAL SPONSORS

If a fiscal sponsor is involved, the please see additional requirements listed on grant application cover sheet.

DEADLINES

Applications postmarked or delivered by the first day in:	...will be considered at the Trustees' meeting in:	...and applicants will receive decision letters in:
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March	May	early June
September	November	early December

Please visit www.cookefdn.org for the most current information about recent grants and application guidelines.



COOKE FOUNDATION, LIMITED

827 Fort Street Mall

Honolulu, HI 96813-4317

Telephone (808) 537-6333

Facsimile (808) 521-5286

www.cookefdn.org