



COOKE FOUNDATION, LIMITED
ANNUAL REPORT 2011





Photo by Matteo Sandona

ANNA CHARLOTTE COOKE

(1853-1934)

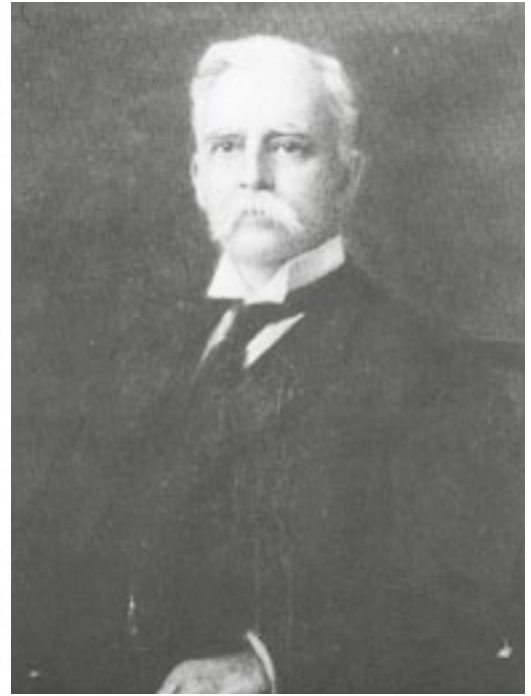


Photo by Jim Carter

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 Mālaekahana.

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):

Charles Spalding Jr.
Vice President & Trustee

Lynne Johnson
Vice President & Trustee

Samuel Cooke
President & Trustee

Lissa Dunford
Vice President, Treasurer & Trustee

Caroline Bond Davis
Vice President, Secretary & Trustee

Back Row (left to right):

Rikki Cooke*

Thane Pratt*

Philip Spalding III*

Catherine Cooke*

Dale Bachman
Vice President & Trustee

Amber Strong Makaiau*

Anna Derby Blackwell*

Not Pictured:

Fred Cowell*

John Derby*

Michael Spalding*

David Steadman*

Gregory Wrenn*

Heaton Wrenn III*

**Alternate Trustee*

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

CHARLES MONTAGUE COOKE

Amos Starr Cooke and Juliette Montague Cooke arrived in Hawaii in 1837 as part of the Eighth Company of missionaries. They taught school in Honolulu for the first two years. "At General Meeting in May 1839," the Missionary Album relates (p. 74), "the King and Chiefs presented a petition to have a family set apart to educate the young chiefs of the Hawaiian nation, and requested that the Cookes fill this position.

"For nearly a decade the Cookes were responsible for the important and delicate task of teaching the young chiefs those things which would be required of them to properly lead their people in the difficult transitional days to come." Father Cooke had taught geography, mathematics, and languages; Mother Cooke had schooled them in deportment, art, and – above all – music.



The Cookes' training of their royal charges to engage in "good works" resulted in Kapi'olani, Kalakaua's Queen, founding Kapi'olani Hospital for mothers and babies; it later merged with Kauhaleolani Children's Hospital, named for Kamehameha III. Queen Lili'uokalani established a charity for families; Queen Emma and her husband, Kamehameha IV, started the Queen's Hospital for all ages; and King William Charles Lunalilo established a home for the aged. Princess Bernice Pauahi Bishop, who inherited the Kamehameha lands through Princess Ruth, established a school so that Hawaiian children would become "good and industrious" women and men.

Charles Montague Cooke was born in 1849, the fifth of the Cookes' seven children. In that same year, his father became Assistant Superintendent of Secular Affairs for the Mission. "He was released from the A.B.C.F.M. in 1851 and entered the mercantile business with S.N. Castle, establishing the firm of Castle & Cooke." (p. 75). The Royal School (as it was known by then) had seen its student population diminish as the pupils grew up and took their places in the Kingdom. The Cooke family moved from the school to "Bingham

Place," erected in 1821 as the first frame building in these islands; it became the permanent family home.

In 1855, the ABCFM declared victory and withdrew its support from the mission to the Sandwich Islands: no more barrels of flour, or clothes, or dried apples – and no more money. The missionaries were to find their own way "home," if they wanted to. However a goodly number of them elected to stay. To support their large families of children (customary in an era when infant mortality was a dreadful possibility and birth control unheard of) they engaged in various forms of business.

Having "done well," they and their children turned to doing good with the proceeds. Some of the oldest charitable foundations in the nation were established in Hawai'i around the turn of the 20th century with "missionary" money.

Charles Montague Cooke grew up riding horseback, taking care of the family herd of cows, and having outdoor adventures with his best friend William Castle, who lived across the street. According to Uncle Clarence's biography of him [Charles Montague Cooke 1849-1909, privately printed, 1941] from which much of the following is derived, "The Cooke family was very fond of games. Chess, checkers, backgammon and Authors were mentioned and the playing of charades and evenings of song brought out the talent in many of its members."

When he was 12 he was admitted to Punahou. At 14 he began to work summers at Castle & Cooke to save money for college. He graduated from Punahou in 1866, aged 17, and became a regular employee of Castle & Cooke. When he was 20, he set forth from Honolulu intending to go to Cornell University, but wound up at Amherst Agricultural College (now the University of Massachusetts) instead.

Two years later, having studied chemistry, physiology, geometry, and algebra, he was back in Honolulu as assistant bookkeeper for Castle & Cooke, later becoming head bookkeeper and cashier. And two years after that, in 1872, he and Anna Charlotte Rice announced their engagement. They married April 29, 1874.

"The young couple settled in the Waikiki wing of the family home," Uncle Clarence relates, "paying one-half of the family expenses ... until June, 1876, when they moved with their two young sons, Montague and the writer, to a cottage on the Waikiki side of the Atherton home, now known as Fernhurst, where they lived until February, 1882, when the new home on Beretania Street opposite Thomas Square was completed." The old "Fernhurst" was on King Street just Waikiki of Alapai Street. The family spent the hot seasons at Luakaha, high in Nu'uau Valley.

In 1884, Princess Bernice Pauahi Bishop, who had been a favorite pupil of Mother Cooke, passed. "The trustees appointed to execute [her] will," Uncle Clarence

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

notes, were Hon. Charles R. Bishop, Hon. Samuel M. Damon, Rev. Charles M. Hyde, Hon. Charles M. Cooke and Hon. William O. Smith, all of whom were her warm and trusted friends.

"Father took a keen interest in this trusteeship and was a very active and useful member of the building committee, spending a great deal of time studying the layout of the boys' school, [on the site of the present Bishop Museum] the plans of the various buildings, personally visiting the site to see how the work was progressing. He was also interested in the selection of the staff of instructor to take charge of the departments as they were organized."

In 1888, Charles's brother Frank had suffered the loss of several vessels from his fleet of schooners and his company, known as the Pacific Navigation, had to go into voluntary bankruptcy. To take his mind off his losses, Charles arranged a trip to Europe to which they went as Hawaii's delegates to the YMCA convention, held in Stockholm. They went first to Ireland and Scotland, traveling from London to Scandinavia. "Father was called on to speak as delegate from Hawaii," Uncle Clarence reports, "so he made his introductory remarks in Hawaiian." They toured Germany, Switzerland and Paris before starting home.

After he'd started Ewa Plantation in 1890, the family took another trip, this time including Grandmother Rice, to Colorado Springs. Charles Montague took his two oldest sons and the De La Vergne lad to Europe again. "While in Europe," Uncle Clarence says, "father wrote mother that he was disgusted with the Hawaiian Government and felt more than ever like selling out some of his interests there and investing the funds in the United States." There was talk of buying a house, entering the two older boys in the Colorado College Preparatory Department and the two younger ones in public school; but they returned to Hawaii in October of 1890.

Early in 1893, the Provisional Government took over from Queen Liliuokalani. Charles Montague Cooke was appointed a Special Commissioner to facilitate the annexation of Hawaii to the United States. He got as far as San Francisco; the administration changed and President Cleveland withdrew the treaty of annexation from consideration by Congress. He went back to the mainland in July with Montague, Albert and James Judd, and Alexander Atherton, all bound for college by way of the Chicago World's Fair.

Uncle Clarence devotes an entire chapter to his father's business holdings at the time of his retirement in 1894 – some sixteen of them. "Father made frequent visits however to Honolulu" and acquired 13 more enterprises (some of them the same), as well as five sailing vessels. Four mainland purchases didn't do as well.

In 1895 the family settled in Oakland, to be nearer the boys in school and college on the mainland. George hated it so that when he bought a house on Makiki Heights two decades later, he cut down all the pepper trees that surrounded it because they reminded him of California.

Uncle Clarence omits one legend that has delighted all in the family who've heard it:

"One of the enterprises he was involved in – Ewa Plantation, perhaps – needed an infusion of cash in a hurry, so Charles M. Cooke wrote a check to cover it. Bishop Bank (now First Hawaiian) refused to honor the check, so the sturdy Charles M. Cooke, at least four of his sturdy sons, and a Hawaiian with a wheelbarrow descended on the Bank. The story goes that he withdrew all the money in his account in cash, piled it into the wheelbarrow, and led the little procession from the corner of King and Bishop Streets to Fort Street, where P. C. Jones awaited him. And thus, in 1897, the Bank of Hawaii was born."

The family re-settled in the Beretania Street house and life went on. One of the enterprises Uncle Clarence doesn't mention – perhaps because it came later – was Molokai Ranch, which the family acquired in 1908.

Charles Montague Cooke was appalled that the details of peoples' wills were published on the front pages of the local newspapers. He and his wife Anna put all of their assets into a business entity, Charles M. Cooke, Ltd. When he died, the corporation (consisting of his widow and their six surviving children) owned the lot. And in 1920 what is now Cooke Foundation, Ltd., was established as the eleemosynary arm of the family corporation.



THE COOKS AT THEIR BERETANIA ST. HOME FROM LEFT TO RIGHT: Toddler Richard, Father Charles Cooke, Charles Montague Jr., Mother Anne Cooke, and George

According to one local historian: "When Charles Cooke died in 1909, he was president of C. Brewer and Company and of the Bank of Hawaii. His entire salary from C. Brewer went to the employee pension fund, and he gave half his salary at Bank of Hawaii to their pension fund. He had more than he needed, and once he had gained his wealth he shared generously. He donated a fortune to libraries, hospitals,

churches, and a variety of other causes. On their silver wedding anniversary [April 29, 1899] Charles and Anna gave a total of \$100,000 to a long list of charities. He established an aquarium at Waikiki, and after his death Anna endowed the Honolulu Academy of Arts. The fibers of his character can hardly be dissected, but they seem to blend the best of missionary resolve with the admirable generosity of the Hawaiians."¹

¹ Joesting, Edward. *Hawaii: an Uncommon History*. New York: W.W. Norton & Company, Inc. 1972 p. 277.

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.

MOLOKAI LAND TRUST

Acquisition and Management of West Molokai Sites



Molokai Middle School students help restore Mokio Preserve dunes

In 2006, Molokai Land Trust (MLT) received a four-year grant to support its acquisition and management of approximately 1,700+ acres of lands on West Molokai. This support has allowed for MLT to hire key staff and build its capacity to accept lands from Molokai Properties Ltd., arrange for and complete Mokio Preserve land transactions according to state and federal laws, establish a system for subsistence fishing and hunting access on donated lands, install necessary fencing and gate access throughout the parcels, reallocate water meters and change water lines, and undertake strategic planning for land stewardship and resource management.

The grant also helped MLT establish key relationships with The Nature Conservancy, U.S. Fish & Wildlife Service, State of Hawai'i DLNR, County of Maui, and other important

partners. Successful early restoration activities on the Mokio Preserve have led to additional federal grants and contracts to further restore the dune system near Ilio Point and hardpan restoration on the interior of the preserve. Plans are underway to begin restoration of the largest seasonal wetland on West Molokai, home of the endangered Ihihilaakea fern. Staff and volunteers have also been clearing roads and numerous archaeological sites including Pu'u Kaeo Adz Quarry Complex. MLT also worked with over 120 Molokai students last year on service learning projects on the Mokio Preserve to remove invasive species, plant native plants, and collect seeds. MLT is looking to expand learning opportunities for all Molokai students who are the island's future caretakers.

PEARL HARBOR MEMORIAL MUSEUM & VISITOR CENTER

World War II Valor in the Pacific National Monument

The new Pearl Harbor Memorial Museum & Visitor Center dedicated on December 7, 2010 allows for enhanced educational and interpretive programming and improved visitor amenities. New and more historically comprehensive galleries and exhibits, additional open-air exhibits and other interpretive displays, and an Education & Research Center with video-teleconferencing capabilities for distance learning serve to enlighten and educate millions of visitors and thousands of school children from Hawai'i and the nation that visit each year. The Visitor Center includes an additional six acres of adjacent land, bringing the total land area to approximately 17 acres. The Museum & Visitor Center facility is now more than double the size of the previous exhibition space.



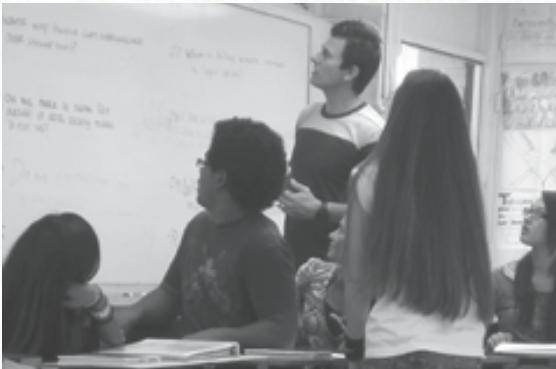
Anchor of the USS Arizona

*...proud to support the efforts of Hawai'i nonprofit organizations
that provide meaningful programs and services
and develop innovative ways to maximize their resources*

The facility also serves as the central entrance and ticketing location for visitors to the four Pearl Harbor historic sites: WWII Valor in the Pacific National Monument, USS Bowfin Submarine Museum, USS Missouri Memorial, and the Pacific Aviation Museum. Visitors may now witness the physical remains of December 7, 1941, learn about the events which launched the United States into World War II, and deepen their understanding and appreciation of the courage and sacrifices of America's "greatest generation."

UNIVERSITY OF HAWAII FOUNDATION
Philosophy for Children Hawaii (p4c Hawaii)

Philosophy for Children Hawaii (p4c Hawai'i) is an internationally recognized approach to teaching that creates intellectually responsible communities. p4c Hawai'i's work in public schools on all islands has been widely received. To further promote success at Kailua High School with



*Philosopher in Residence Chad Miller in action with his students
at Kailua High School*

support from the Cooke Foundation, the p4c Hawai'i Center at UH Manoa became the nation's first institution to employ a National Board Certified teacher as a high school Philosopher in Residence. The result is a collaborative, mentoring relationship that assists teachers in transforming their classrooms into intellectually stimulating communities of inquiry. Teachers and their students pursue inquiries that arise

out of the interests of the students. For example, students have taken the traditional content of their English and social studies courses to initiate and pursue questions such as: "Is death final or just part of the process?" "Is it wrong for your values to change? Is it wrong to question them?" and "What is true joy or happiness? What does it feel like?" These questions are not the exception, but have become the norm in classes where p4c Hawai'i is used as the approach to teaching.

These projects, and the many other important programs and projects listed in this report, highlight the variety of grants made in support of Hawai'i's people through creative and resourceful nonprofit organizations. With deep appreciation, we salute the tireless work of the leadership, staff and volunteers of Hawai'i's nonprofit organizations in making a difference in our community.

From time to time, the Trustees review the Foundation's giving guidelines and in the past year made several changes. These include emphasizing the Foundation's primary grantmaking focus in four areas of interest: Arts, Culture and Humanities, Education, Environment and Human Services, and requiring that applying organizations be in existence for at least five years. For more information, please visit www.cookefdn.org.

Finally, I would like to thank Anna Derby Blackwell for contributing this report's essay on our Foundation's accomplished co-founder, Charles M. Cooke.

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, 2011 and 2010, 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, 2011 and 2010, 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 made for the purpose of forming an opinion on the basic financial statements taken 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, on the basis of accounting described in Note 2, in all material respects in relation to the basic financial statements taken as a whole.

OHATA CHUN YUEN LLP
Honolulu, Hawai'i
October 14, 2011

STATEMENT OF ASSETS AND NET ASSETS

June 30, 2011 And 2010

ASSETS	2011	2010
Cash And Cash Equivalents	\$ 435,840	\$ 849,818
Investment Securities, at fair value		
Corporate stocks	7,00,950	4,101,748
Mutual funds	9,137,626	7,564,503
Government securities	2,642,768	4,169,541
Corporate bonds	2,991,293	3,176,987
	<u>\$ 19,012,779</u>	<u>\$ 19,012,779</u>
	 \$ 22,215,477	 \$ 19,862,597
NET ASSETS		
Unrestricted	<u>\$ 22,215,477</u>	<u>\$ 19,862,597</u>

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, 2011 And 2010

	2011	2010
REVENUES		
Net realized gains on investments	\$ 2,746,800	\$ 64,594
Interest	342,208	292,243
Net unrealized gains on investments	315,132	1,693,695
Dividends	194,128	157,316
Litigation settlement proceeds	14,370	7,771
Return of prior year grants	531	—
Total revenues	3,613,169	2,215,619
EXPENSES		
Grant and contribution distributions	978,085	1,052,982
Agent's fees	153,377	104,633
Grants administration fees	81,200	81,200
Investment consultant fees	18,232	—
Meetings and conferences	11,582	4,123
Professional fees	10,097	9,992
Stationery and printing	5,314	5,272
Professional organization memberships	2,750	2,990
Miscellaneous	230	241
Federal excise tax	(578)	666
Total expenses	1,260,289	1,262,099
Change In Net Assets	2,352,880	953,520
Net Assets, Beginning Of Year	19,862,597	18,909,077
Net Assets, End Of Year	\$22,215,477	\$19,862,597

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

(1) ORGANIZATION

The Cooke Foundation, Limited (Foundation) was incorporated in Hawaii 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 Hawaii 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 14, 2011, the date the financial statements were available to be issued.

(3) INVESTMENTS IN SECURITIES

At June 30, 2011 and 2010, investments in securities were as follows:

	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>

	2010	
	Cost	Fair value
Corporate stocks	\$ 3,981,706	\$ 4,101,748
Mutual funds	6,974,134	7,564,503
Government securities	3,973,921	4,169,541
Corporate bonds	2,992,551	3,176,987
	<u>\$17,922,312</u>	<u>\$19,012,779</u>

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on June 30, 2011 and 2010.

	2011			
	Fair Value	Level 1	Level 2	Level 3
Investment Securities:				
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>\$21,779,637</u>	<u>\$7,007,950</u>	<u>\$14,771,687</u>	<u>\$ -</u>

	2010			
	Fair Value	Level 1	Level 2	Level 3
Corporate stocks	\$4,101,748	\$4,101,748	\$ -	\$ -
Mutual funds	7,564,503	-	7,564,503	-
Government securities	4,169,541	-	4,169,541	-
Corporate bonds	3,176,987	-	3,176,987	-
	<u>\$19,012,779</u>	<u>\$4,101,748</u>	<u>\$14,911,031</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, 2010 and 2009 amounted to \$104,633 and \$95,363, 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, 2010, the board of trustees has approved contributions and grants payable through June 30, 2014. Commitments outstanding as of June 30, 2010, 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:

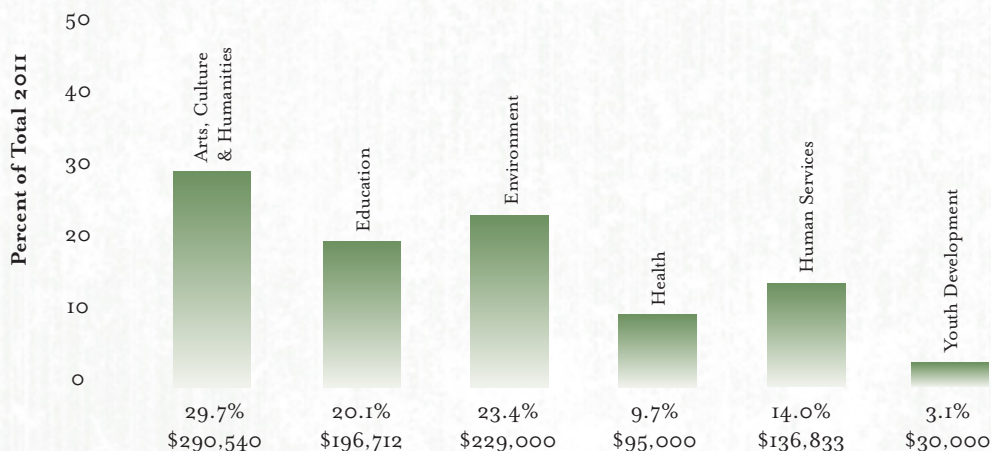
Year ending June 30:	
2012	413,334
2013	170,000
2014	50,000
	<u>\$ 633,334</u>

SUMMARY OF GRANT AND CONTRIBUTION DISTRIBUTIONS

Years Ended June 30, 2011 And 2010
Schedule I

	2011		2010		2009		2008		2007	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
Arts, Culture & Humanities	\$290,540	29.7%	\$410,149	39.0%	\$415,000	36.8%	\$498,250	42.7%	\$478,500	36.1%
Community Development			\$43,000	4.1%					\$15,000	1.1%
Education	\$196,712	20.1%	\$194,000	18.4%	\$272,500	24.2%	\$238,600	20.5%	\$322,500	24.3%
Environment	\$229,000	23.4%	\$95,000	9.0%	\$119,819	10.6%	\$105,000	9.0%	\$150,600	11.3%
Health	\$95,000	9.7%	\$52,500	5.0%	\$43,000	3.8%	\$45,000	3.9%	\$110,000	8.3%
Human Services	\$136,833	14.0%	\$128,333	12.2%	\$187,000	16.6%	\$151,000	12.9%	\$160,500	12.1%
Religion/ Spiritual Development			\$35,000	3.3%	\$45,000	4.0%	\$90,000	7.7%	\$80,000	6.0%
Youth Development	\$30,000	3.1%	\$95,000	9.0%	\$45,000	4.0%	\$38,000	3.3%	\$10,000	0.8%
Other										
Total grant and contribution distributions	\$978,085	100%	\$1,052,982	100%	\$1,127,319	100%	\$1,165,850	100%	\$1,327,100	100%

See accompanying independent auditors' report.



GRANTS

July 1, 2010 – June 30, 2011

ARTS, CULTURE AND HUMANITIES

CAPITAL

Arizona Memorial Museum Association Pearl Harbor Memorial Fund	\$25,000
<i>Pearl Harbor Memorial Museum & Visitor Center</i>	
Hawaii Theatre Center	\$20,000
<i>Sustain the Hawaii</i>	
Kona Historical Society	\$25,000
<i>Purchase of Property for Organization's Expansion and Developments</i>	
Volcano Art Center	\$10,000
<i>Capital Infrastructure</i>	
Waioli Corporation	\$20,000
<i>Completion of Lihue Rail Line Installation Project</i>	

PROGRAM

Bamboo Ridge Press	\$10,000
<i>The Nanjing Massacre Poetry Project</i>	
Hawaii Museums Association	\$5,000
<i>Western Museums Association 2011 Annual Meeting</i>	
Hawaii Opera Theatre	\$20,000
<i>Orchestra – Grand Opera Season 2011</i>	
Hawaiian Quilt Research Project	\$15,540
<i>Background Research – HQRP</i>	
Historic Hawaii Foundation	\$25,000
<i>Hawaii Preservation Fund</i>	
Honolulu Academy of Arts	\$100,000
<i>Annual grant</i>	
Lahaina Arts Association	\$15,000
<i>Art Outreach Program</i>	

TOTAL FOR ARTS, CULTURE
AND HUMANITIES

\$290,540

EDUCATION

CAPITAL

Haleakala Waldorf School	\$15,000
<i>HWS Classroom Roof Replacement</i>	
Hawaii Preparatory Academy	\$25,000
<i>Stanford W. Shutes Track Renovation</i>	
Le Jardin Academy	\$25,000
<i>Le Jardin Academy Capital Campaign</i>	
Mililani Community Church	\$25,000
<i>Phase I Early Education Building</i>	
Montessori School of Maui, Inc.	\$13,712
<i>Multipurpose Building Audio/Visual/Lighting Project</i>	
Punahou School	\$25,000
<i>Omidyar K-1 Neighborhood Project</i>	

PROGRAM

Chamber Music Hawaii	\$10,000
<i>Music Education Residencies for Lanai and Molokai Schools 2010-2011</i>	
Mokulele Elementary School	\$5,000
<i>2010 Beautification Award</i>	
North Hawaii Women and Children's Services	\$8,000
<i>Summer Academic Enrichment Camp</i>	
Roosevelt High School	\$5,000
<i>2010 Beautification Award</i>	
St. Andrew's Priory School	\$5,000
<i>Curriculum Mapping</i>	
Teach For America	\$10,000
<i>Teach For American – Hawaii Continued Big Island Corps Expansion</i>	
University of Hawaii Foundation	\$20,000
<i>p4c Hawaii: Philosopher in Residence Project</i>	
Washington Middle School	\$5,000
<i>2010 Beautification Award</i>	

TOTAL FOR EDUCATION

\$196,712

GRANTS (continued) July 1, 2010 – June 30, 2011

ENVIRONMENT

CAPITAL

Camp Mokuleia Inc. <i>A Sustainable Transformation at Camp Mokuleia</i>	\$25,000
Hawaii Nature Center <i>Makiki Office Repairs and Construction of a New Rain Shelter Facility</i>	\$25,000
Hawaii Wildlife Center <i>Hawaii Wildlife Center Phase II</i>	\$20,000
Historic Waimea Theater & Cultural Arts Center <i>WKBP: Waimea Russian Fort Elisabeth Visual Prominence Restoration</i>	\$10,000
Molokai Land Trust <i>Molokai Land Trust</i>	\$25,000
The Friends of the D.T. Fleming Arboretum <i>Workshop and Parking Expansion Project</i>	\$10,000

PROGRAM

American Bird Conservancy <i>Endangered Hawai'i</i>	\$10,000
Hawaii Forest Institute <i>Hui Laau Kamaaina: Restoration and Education at Lai Opua</i>	\$12,000
Molokai Land Trust <i>Mokio Stewardship and Dune Restoration</i>	\$20,000
Purdue University <i>Acacia Koa Conservation and Koa Forest Restoration on the Hawaiian Islands</i>	\$15,000
Re-Use Hawaii <i>Deconstruction Project Development</i>	\$12,000
The Nature Conservancy of Hawaii <i>Mauka to Makai Campaign</i>	\$25,000
Trust for Public Land <i>Hawaiian Islands Program Native Lands Program Coordinator Position</i>	\$20,000

TOTAL FOR ENVIRONMENT \$229,000

HEALTH

CAPITAL

Hospice of Hilo <i>In-Patient Hospice Facility</i>	\$25,000
Kapiolani Health Foundation <i>Phase 1 Renovation of Kapiolani Medical Center for Women & Children</i>	\$25,000
Rehabilitation Hospital of the Pacific Foundation <i>Capital Renovations to Improve Capacity to Provide Acute Rehabilitation to Hawaii Residents</i>	\$20,000
Shriners Hospital for Children <i>New Hospital Building Project</i>	\$25,000

TOTAL FOR HEALTH \$95,000

HUMAN SERVICES

CAPITAL

The Arc of Hilo <i>Arc of Hilo Training & Community Center</i>	\$25,000
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PROGRAM

Family Promise of Hawaii <i>Double Clients Served and Assist Homeless Families to Secure Homes</i>	\$15,000
Good Beginnings Alliance <i>Promoting Positive Attachment</i>	\$19,500
Hawaii Community Foundation <i>Community Stabilization Initiative</i>	\$33,333
Hawaii Meth Project Inc. <i>Hawaii Meth Project</i>	\$15,000
HUGS-Help, Understanding Group Support <i>Supporting Sibling Relationships Through the Arts</i>	\$5,000
Kauai Food Bank Inc. <i>Eastside Kauai Backpack Program</i>	\$9,000
Kokua Kalihi Valley Comprehensive Family Services. <i>Family Strengthening Program</i>	\$15,000

TOTAL FOR HUMAN SERVICES \$136,833

GRANTS *(continued)* July 1, 2010 – June 30, 2011

YOUTH DEVELOPMENT

CAPITAL

Boys & Girls Club of Hawaii	\$25,000
<i>Windward Clubhouse Capital Campaign</i>	

Paia Youth Council, Inc.	\$5,000
<i>Hekili Multimedia Lab Equipment</i>	

TOTAL FOR YOUTH DEVELOPMENT	\$30,000
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TOTAL GRANTS AND CONTRIBUTIONS	\$978,085
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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 Hawaii.

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