

Hui O Laka Treasurer's Report -- November 30, 2013
Respectfully Submitted, Robin Mazor, Treasurer

Aloha Friends,

Let us begin with the end in mind: wonderful educational and cultural experiences for our museum and program guests. One of the requirements for us to deliver this is a clear understanding of our financial standing. The report below summarizes our financial activities, noting opportunities and areas of concern. We are committed to strengthening Hui O Laka through improvements in fundraising and spending.

Opportunities

Hui O Laka serves approximately 120,000 people each year through our museum exhibits, visitor center services and programs. Programs include our year round stewardship program, Kokua Kokee; two festivals (Banana Polka and Eo e Emalani i Alaka'i); school tours; and the historic 1935 Civilian Conservation Corps camp facility, which is increasingly used for group and individual overnight stays. Each of these areas of operation is relevant to our mission and present opportunities to generate income through multiple sources, including donations, fees (camp rental, tour, workshops), membership contributions, sales (store, events), and grants.

Hui O Laka has two investment funds, which recently were infused with \$6500 from generous donor contributions, bringing them now to a combined value of \$24,747.

Hui O Laka has a wealth of human resources, including a dedicated staff of seven, an active Board of Directors, more than 500 members, generous and loyal donors, and approximately 2000 volunteers during the last year.

Areas of Concern

Our income has been in decline over the past several years and the last two years have resulted in substantial losses [\$28,458 for the FY ending May 31, 2012 and \$34,611 for the FY ending May 31, 2013]. Our inventory on October 31, 2013 was valued at \$20,581, down from \$52,634 at FY ending May 31, 2011. It became increasingly apparent that our financial well-being and the ability to deliver services and pay staff were not in good health. The Board of Directors communicated with our accountant and CPA and took fundamental steps toward better understanding our financial standing and practices.

We discovered that Hui O Laka operated our programs partially grant funded but lacking in funds necessary to carry out the program as envisioned. Hui O Laka failed to raise the matching funds required, but no significant changes were made in cutting program expenditures. Income counted on through other sources such as donations and matching grants have not made up the difference. Every program can potentially be partially supported by the proceeds of the store, as well as general operations and management; the store, however, is not generating the level of income as it has in the past to keep Hui O Laka from operating at a shortfall.

We saw that grant funds for specific programs were deposited in our general fund and spent to cover other areas of operation. Our current Kokua Kokee program, required by our grant agreement to perform through mid-February, has no remaining grant funds. As of October 31 our net income was negative \$19,168, our cash in the bank was negative \$6520 and our maximizer savings account held \$1,192. Our accounts payable was \$17,544.

Moving Forward

This summer we instituted an accounting system that for the first time shows us the total costs of each program by including our staffing costs. This allows us to take a much closer look at our

sources of income and income strategies and especially how we expend our funds. We are analyzing the true costs of all programs, allocating staff time and assessing expenditures.

We have as of Friday Nov. 22, on-line banking access. Our next step is to acquire our own Quickbooks accounting system so we will be able to clearly assess and communicate our income and expenditures at any time and in a timely way.

Grant/ Program	For Dates/Period	Amt received or [expected]	Amount remaining	Amount spent beyond funding YTD	
Kokua Koke'e	Mar 13 – February 14	\$40,000	\$0	\$1,041.31	Required to perform through February
Operations/ Annie Sinclair (Knudsen)		\$ 8,500	\$0	n/a	
Emalani (HTA/ CPEP)		[\$18,000]			
Banana Polka (HTA/ CPEP)		[\$10,000]			
Grant in IAid (State Legislature) Renovations		[\$50,000]	\$50,000	\$0	
Grant in AidIA (State Legislature) Operations		[\$10,000]	\$10,000	\$0	

▲ Using proven strategies in both spending and fundraising, we are working to build back our cash reserves, increase our inventory, and improve our accounting, communications and retail systems. As a non-profit museum we have a special status to operate a store mostly tax-free. We plan to significantly improve our sales and are seeking assistance from professionals on Kauai and beyond. ▲

▲ We are taking action steps in fundraising on many fronts, including our recent silent and on-line auctions and donor campaigns, grant requests and store assessment. A new collections box is being built to attract increased visitor donations. We are in the process of creating new exhibits with partnering agencies, meeting now with groups including the Nature Conservancy, Kauai Invasive Species Committee and NTB. ▲

▲ Many thanks to Hui O Laka's Finance Committee, staff and accountants for the team effort in achieving clarity and forward direction. All of us working together will increase our strength in meeting our challenges and make it possible for Hui O Laka to continue providing enjoyable and memorable experiences for our visitors and stewardship of Kokee.

▲