



NATIONAL TROPICAL BOTANICAL GARDEN

Financial Statements and Schedules

December 31, 2010 and 2009

(With Independent Auditors' Report Thereon)



KPMG LLP
PO Box 4150
Honolulu, HI 96812-4150

Independent Auditors' Report

The Board of Trustees
National Tropical Botanical Garden:

We have audited the accompanying balance sheets of National Tropical Botanical Garden (the Garden) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Garden'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Garden's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Tropical Botanical Garden as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

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 in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

June 21, 2011

NATIONAL TROPICAL BOTANICAL GARDEN

Statement of Activities

Year ended December 31, 2010

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues, gains, and other support:				
Contributions and bequests (notes 2 and 8)	\$ 1,930,169	1,748,259	—	3,678,428
Tour and visitor center sales, net of costs of goods sold of \$202,729	1,607,802	—	—	1,607,802
Government contracts	1,081,237	—	—	1,081,237
Net realized and unrealized gain on investments (note 3)	47,704	1,237,564	90,275	1,375,543
Allerton fees and reimbursements (note 11)	616,418	—	—	616,418
Income from investments, net of management, custodial, and other fees of \$73,456 (note 3)	21,232	260,047	—	281,279
Other	319,111	—	—	319,111
Net assets released from restrictions (note 12):				
Satisfaction of program restrictions	2,902,495	(2,902,495)	—	—
Satisfaction of capital project restrictions	193,860	(193,860)	—	—
Total revenues, gains, and other support	<u>8,720,028</u>	<u>149,515</u>	<u>90,275</u>	<u>8,959,818</u>
Expenses:				
Program services:				
Gardens and preserves:				
McBryde	1,131,969	—	—	1,131,969
Kampong	878,137	—	—	878,137
Allerton	429,956	—	—	429,956
Kahanu	495,947	—	—	495,947
Limahuli	443,646	—	—	443,646
Research and education:				
Science and conservation	2,193,209	—	—	2,193,209
Visitor programs	821,110	—	—	821,110
Education	201,175	—	—	201,175
Total program services	<u>6,595,149</u>	<u>—</u>	<u>—</u>	<u>6,595,149</u>
Supporting services:				
Administration and finance	1,530,944	—	—	1,530,944
Development	543,634	—	—	543,634
Total supporting services	<u>2,074,578</u>	<u>—</u>	<u>—</u>	<u>2,074,578</u>
Total expenses	<u>8,669,727</u>	<u>—</u>	<u>—</u>	<u>8,669,727</u>
Change in net assets	50,301	149,515	90,275	290,091
Net assets at beginning of year	<u>32,927,435</u>	<u>6,316,857</u>	<u>25,966,061</u>	<u>65,210,353</u>
Net assets at end of year	<u>\$ 32,977,736</u>	<u>6,466,372</u>	<u>26,056,336</u>	<u>65,500,444</u>

See accompanying notes to financial statements.

NATIONAL TROPICAL BOTANICAL GARDEN

Statement of Activities

Year ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Contributions and bequests (notes 2 and 8)	\$ 3,769,584	3,139,141	—	6,908,725
Tour and visitor center sales, net of costs of goods sold of \$190,351	1,431,222	—	—	1,431,222
Government contracts	1,134,028	—	—	1,134,028
Net realized and unrealized gain on investments (note 3)	36,105	809,277	263,993	1,109,375
Allerton fees and reimbursements (note 11)	754,197	—	—	754,197
Income from investments, net of management, custodial, and other fees of \$71,902 (note 3)	15,023	150,416	—	165,439
Other	204,124	—	—	204,124
Net assets released from restrictions (note 12):				
Satisfaction of program restrictions	2,831,576	(2,831,576)	—	—
Satisfaction of capital project restrictions	463,908	(463,908)	—	—
Total revenues, gains, and other support	<u>10,639,767</u>	<u>803,350</u>	<u>263,993</u>	<u>11,707,110</u>
Expenses:				
Program services:				
Gardens and preserves:				
Kampong	997,232	—	—	997,232
McBryde	994,090	—	—	994,090
Allerton	542,865	—	—	542,865
Kahanu	453,978	—	—	453,978
Limahuli	420,173	—	—	420,173
Research and education:				
Science and conservation	2,692,620	—	—	2,692,620
Visitor programs	751,082	—	—	751,082
Education	302,947	—	—	302,947
Total program services	<u>7,154,987</u>	<u>—</u>	<u>—</u>	<u>7,154,987</u>
Supporting services:				
Administration and finance	1,647,646	—	—	1,647,646
Development	658,637	—	—	658,637
Total supporting services	<u>2,306,283</u>	<u>—</u>	<u>—</u>	<u>2,306,283</u>
Total expenses	<u>9,461,270</u>	<u>—</u>	<u>—</u>	<u>9,461,270</u>
Change in net assets	1,178,497	803,350	263,993	2,245,840
Net assets at beginning of year	<u>31,748,938</u>	<u>5,513,507</u>	<u>25,702,068</u>	<u>62,964,513</u>
Net assets at end of year	<u>\$ 32,927,435</u>	<u>6,316,857</u>	<u>25,966,061</u>	<u>65,210,353</u>

See accompanying notes to financial statements.

NATIONAL TROPICAL BOTANICAL GARDEN

Statements of Cash Flows

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 290,091	2,245,840
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(1,375,543)	(1,109,375)
Depreciation	1,048,713	1,383,649
(Increase) decrease in pledges receivable	(351,820)	976,052
Decrease (increase) in government contracts and grants receivable	183,524	(8,621)
Increase in merchandise inventories	(7,947)	(12,234)
(Increase) decrease in prepaid expenses and other	(125,195)	46,035
Increase (decrease) in accounts payable and accrued expenses	241,826	(29,017)
Change in charitable remainder annuity trust, net	(4,748)	(4,900)
Contribution of land	—	(980,000)
Contributions restricted for long-term investment	(81,333)	(446,979)
Contributions of marketable security investments	(1,122,484)	(504,522)
Net cash provided by (used in) operating activities	(1,304,916)	1,555,928
Cash flows from investing activities:		
Purchases of land, buildings, equipment, and library	(275,228)	(1,187,581)
Proceeds from note receivable	2,379	2,772
Proceeds from sale of investments	13,280,079	13,297,175
Purchases of investments	(10,872,327)	(12,874,523)
Net cash provided by (used in) investing activities	2,134,903	(762,157)
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Investment in land, buildings, equipment, and library	81,333	446,979
Principal payments on long-term debt	(1,003,125)	(1,270,000)
Net cash used in financing activities	(921,792)	(823,021)
Net decrease in cash and cash equivalents	(91,805)	(29,250)
Cash and cash equivalents at beginning of year	308,414	337,664
Cash and cash equivalents at end of year	\$ 216,609	308,414
Supplemental information:		
Interest paid, including amounts capitalized	\$ 52,883	130,779

See accompanying notes to financial statements.

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Notes to Financial Statements

December 31, 2010 and 2009

(1) Summary of Significant Accounting Policies

(a) *General*

National Tropical Botanical Garden (the Garden) was chartered by the 88th Congress on August 19, 1964 under Public Law 88-449. Its purpose is to establish and operate, for the benefit of the people of the United States, a tropical botanical garden, together with such related facilities as are appropriate and necessary for encouraging and conducting research in basic and applied tropical botany. The majority of the Garden's operations are conducted in the state of Hawaii. The Garden also operates a botanical garden in the state of Florida. The Garden has no power to issue shares of stock or to pay dividends.

(b) *Financial Statement Presentation*

Net assets and revenues, gains, and other support, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Garden and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations or law that may or will be met by either actions of the Garden and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Garden. The donors of these assets permit the Garden to use the income earned on related investments for general or specific purposes.

(c) *Cash Equivalents*

For purposes of the statements of cash flows, the Garden considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(d) *Merchandise Inventories*

Merchandise inventories consist of books and other botanical-related items and are recorded at the lower of cost (first-in, first-out) or market.

(e) *Investments – Marketable Securities*

Equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with unrealized gains and losses included in the statements of activities. Gains and losses on investments are reported in the accompanying statements of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

(f) *Land, Buildings, Equipment, and Library*

Land, buildings, equipment, and library are capitalized at cost, if purchased, or at fair market value at the date of the donation. Assets contributed for which the fair value is not determinable at the date of donation are recorded, as support, if and when such values are determined.

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December 31, 2010 and 2009

The Garden reports gifts of land, buildings, equipment, and library as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Garden reports expirations of donor restrictions when the acquired long-lived assets are placed in service.

Depreciation of long-lived assets is calculated on the straight-line basis over estimated useful lives as follows:

	<u>Years</u>
Buildings and improvements	20 – 50
Computer group	3
Furniture, fixtures, and equipment	8
Library	10

(g) Botanical Art Collection

Art objects are capitalized at cost, if purchased, or at fair value, if determinable, at the date of donation.

(h) Contributions

Contributions and unconditional promises to give are recorded in the period received. Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at estimated net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and bequests.

The Garden reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

(i) Charitable Remainder Trusts

The Garden reports charitable remainder trust arrangements, where a donor establishes and funds a trust with specified distributions to be made to designated beneficiaries over the trust's term, as contributions in the period in which the trust is established. The assets held in the trust are recorded at fair value and the obligations to beneficiaries are recorded as liabilities at the present value of the estimated future payments to be distributed.

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Notes to Financial Statements

December 31, 2010 and 2009

(j) *Perpetual Trusts*

The Garden is also the beneficiary of certain perpetual trusts held and administered by others. The present values of the estimated future cash receipts from the trusts are recognized as assets and contribution revenues at the dates the trusts are established. Distributions from the trusts are recorded as investment return and the carrying value of the assets is adjusted for changes in the estimates of future receipts.

(k) *Fair Value Measurements*

The Garden measures its financial assets, financial liabilities, and nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring and nonrecurring basis in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC Topic 820). ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (see note 3).

(l) *Long-Lived Assets*

In accordance with FASB ASC Subtopic 360-10, *Property, Plant, and Equipment – Overall*, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Garden first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

(m) *Use of Estimates*

The preparation of the financial statements, in accordance with U.S. generally accepted accounting principles, requires management of the Garden to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant items subject to such estimates and assumptions include the carrying amount of merchandise inventories; land, buildings, equipment, and library; land held for investment; receivables; and liability under charitable remainder annuity trust agreements. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions.

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Notes to Financial Statements

December 31, 2010 and 2009

(2) Pledges Receivable

Pledges receivable consisted of the following at December 31, 2010 and 2009:

	2010	2009
Contributions to be received within one year	\$ 319,485	723,240
Contributions to be received in one to five years	120,000	652,000
	439,485	1,375,240
Less discount to present value (at varying rates of 2.90% to 5.19%)	(9,053)	(34,723)
	\$ 430,432	1,340,517

As of December 31, 2010 and 2009, pledges receivable are classified as follows in the accompanying balance sheets:

	2010	2009
Pledges receivable	\$ 430,432	78,612
Long-term investments and other (see note 3)	—	1,261,905
Total pledges receivable, net	\$ 430,432	1,340,517

(3) Investments

(a) Summary of Investments and Other Assets

As of December 31, 2010 and 2009, investments are classified as long-term and permanently restricted.

A summary of investments and other assets at December 31, 2010 and 2009 is as follows:

	2010	2009
Marketable securities:		
Cash and cash equivalents	\$ 2,387,782	4,333,566
Mutual funds – fixed income	2,741,668	2,382,315
Mutual funds – equities	2,689,717	1,446,819
Common stocks	6,653,953	5,048,515
Marketable securities	14,473,120	13,211,215
Pledges receivable	—	1,261,905
	\$ 14,473,120	14,473,120

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Notes to Financial Statements

December 31, 2010 and 2009

At December 31, 2010 and 2009, operating cash of \$1,270,146 and \$1,700,000, respectively, was reclassified as long-term investments for purposes of financial statement presentation.

Investments with a carrying value of \$4,774,144 and \$4,084,673 at December 31, 2010 and 2009, respectively, are held as security on a letter-of-credit facility issued by a bank (see note 7).

(b) Fair Value Measurements

The Garden measures its financial assets, liabilities, and nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis in accordance with ASC Topic 820. The Garden grouped its financial assets measured at fair value in three levels outlined in ASC 820-10 as follows:

- Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

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Notes to Financial Statements

December 31, 2010 and 2009

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2010 and 2009:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
2010:				
Marketable securities:				
Cash and cash equivalents	\$ 2,387,782	—	—	2,387,782
Mutual funds – fixed income	2,741,668	—	—	2,741,668
Mutual funds – equities	2,689,717	—	—	2,689,717
Common stocks	6,653,953	—	—	6,653,953
Beneficial interest in perpetual trust	—	2,248,216	—	2,248,216
	<u>\$ 14,473,120</u>	<u>2,248,216</u>	<u>—</u>	<u>16,721,336</u>
2009:				
Marketable securities:				
Cash and cash equivalents	\$ 4,333,566	—	—	4,333,566
Mutual funds – fixed income	2,382,315	—	—	2,382,315
Mutual funds – equities	1,446,819	—	—	1,446,819
Common stocks	5,048,515	—	—	5,048,515
Beneficial interest in perpetual trust	—	2,157,941	—	2,157,941
	<u>\$ 13,211,215</u>	<u>2,157,941</u>	<u>—</u>	<u>15,369,156</u>

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

(4) Land, Buildings, Equipment, and Library

A summary of land, buildings, equipment, and library as of December 31, 2010 and 2009 is as follows:

	2010	2009
Kampong Garden:		
Land	\$ 5,754,427	5,754,427
Buildings	2,172,945	2,172,945
Furniture, fixtures, and equipment	253,275	259,520
Total Kampong Garden	8,180,647	8,186,892
Hawaii:		
Land and land improvements	20,370,893	20,310,667
Building and building improvements	18,809,309	18,789,309
Furniture, fixtures, and equipment	4,528,188	4,391,467
Library	343,774	293,859
Construction in progress	278,711	264,100
Total Hawaii	44,330,875	44,049,402
	52,511,522	52,236,294
Less accumulated depreciation	12,575,654	11,526,941
	\$ 39,935,868	40,709,353

(5) Note Receivable

At December 31, 2010, the Garden had a promissory note receivable from Double Green, LLC for \$73,785, which bears interest at 6.0% per annum with principal and interest payments of \$1,724 due quarterly and final payment due in 2028. Certain members of Double Green, LLC are also members of the Garden's board of trustees.

The following summarizes the maturities of the note receivable as of December 31, 2010:

Year ending December 31:	
2011	\$ 2,524
2012	2,679
2013	2,844
2014	3,018
2015	3,204
Thereafter	59,516
	\$ 73,785

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Notes to Financial Statements

December 31, 2010 and 2009

(6) Leases

In 2002, the Garden entered into a lease agreement as lessor for real property located in Maui, Hawaii with a member of the board of trustees, as tenant. The lease provides for no rent payments to be received from the tenant and terminates on the earlier of July 2, 2011, one year after the death of the tenant, or under an early termination provision as defined in the lease agreement.

(7) Long-Term Debt

Long-term debt at December 31, 2010 and 2009 consists of the following:

	2010	2009
Mortgage note payable to a member of the board of trustees, noninterest-bearing until termination of the lease agreement (see note 6), at which time interest accrues at 6.00% per annum, due in 2011, secured by real property in Maui, Hawaii and a letter-of-credit facility with a bank for \$1,800,000 (secured by certain investments) (see note 3)	\$ 1,700,000	1,700,000
Borrowings under a nonrevolving credit agreement with a bank, monthly payments of interest only at 7.50% per annum; remaining principal and interest due on May 31, 2012; secured by substantially all assets of the Garden. On March 30, 2010, the loan agreement was modified to adjust the interest rate to 0.50% over the bank's prime rate	400,000	1,250,000
Noninterest-bearing note payable to Kauai Island Utility Cooperative with monthly payments of principal of \$3,125, commencing on April 17, 2010. The note matures on March 17, 2018	271,875	300,000
Unsecured borrowings under a line of credit with a bank for working capital, with interest at 0.250% over the bank's prime lending rate per annum (4.375% at December 31, 2010); paid in full in 2010	—	125,000
Total long-term debt	\$ 2,371,875	3,375,000

The aggregate maturities of long-term debt are as follows:

Year ending December 31:	
2011	\$ 2,137,500
2012	37,500
2013	37,500
2014	37,500
2015	37,500
Thereafter	84,375
	\$ 2,371,875

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December 31, 2010 and 2009

In 2007, the Garden entered into a nonrevolving credit agreement with a bank, which permits the Garden to borrow up to \$6,497,000 with interest at 7.5% per annum. The agreement expires in May 2012. At December 31, 2010, the Garden had \$1,777,000 available under this facility. On March 30, 2010, the agreement was modified to adjust the interest rate to 0.5% over the bank's prime rate.

At December 31, 2010 and 2009, the Garden had an unsecured \$600,000 line-of-credit facility with a bank for working capital. The agreement provides for interest at 0.25% over the bank's prime lending rate per annum and expires on September 1, 2011. As of December 31, 2010 and 2009, the Garden had \$0 and \$125,000, respectively, outstanding on this line of credit.

(8) Contributions

(a) *Waterhouse Trust*

During 2010 and 2009, the Garden, as an income beneficiary of the Waterhouse Trust, which was founded in 1985 by approximately \$5,300,000 of marketable securities and a partial interest in land from the Waterhouse estate, received distributions from the trust amounting to \$341,069 and \$359,680, respectively, which are recorded as unrestricted contributions in the accompanying statements of activities. Distributions from the trust continues until the death of the last of the grantor's nieces and nephews, at which time certain revisions will be made relating to distributions to income beneficiaries. As the financial impact of such revisions cannot be determined at this time, the present value of the estimated future cash receipts from the trust's assets has not been recorded in the financial statements.

(b) *Allerton Trusts*

The Garden has a beneficial interest in two perpetual trusts that were created by Mr. John Wyatt Gregg Allerton in 1969 and 1974. In 2010 and 2009, the Garden received distributions from the trusts amounting to \$114,637 and \$125,501, respectively, which are recorded as unrestricted contributions in the accompanying statements of activities. Distributions from the trusts, which continue in perpetuity, are to be used by the Garden for the promotion and advancement of botanical research and education on the island of Kauai.

(c) *The Kampong Fund*

In 1984, the Kampong Fund (Fund), a state of Washington Corporation, was organized to manage and financially support the Kampong estate during the lifetime of Mrs. Edward Sweeney. With the passing away of Mrs. Sweeney, the Fund was liquidated and dissolved. Assets with a fair value of \$3,174,234 were transferred to and became the property of the Garden to be used for the maintenance and upkeep of the Kampong estate. The provisions of the asset transfer require that should the Garden sell the Kampong estate, the proceeds from the sale and any remaining assets be held in perpetuity with investment income used to advance the study of botanical science in the mainland United States.

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December 31, 2010 and 2009

(d) *Loy McCandless Marks Botanical Library*

On August 1, 1998, the botanical library of the Loy McCandless Marks Revocable Living Trust was distributed to the Garden. The terms of the distribution require that, among other items, the Garden repair and maintain the library assets and that the library assets be housed in the Garden's library at its headquarters in Lawai, Kauai. Further, the terms of the distribution stipulate that the Garden's library be reconfigured for various upgrades to ensure preservation of the library assets and that sales or exchanges of the library assets are prohibited, except under unusual circumstances. The library assets were appraised by a third party at a collective value of approximately \$8,000,000 at the date of the contribution.

(e) *Eleanor Evans Crum Trust*

In March 2001, the Garden learned it was named as beneficiary of the Eleanor Evans Crum Trust. Another charitable organization and the two surviving nieces of Eleanor Evans Crum were also named as beneficiaries. The trust did not meet certain requirements for exemption from federal estate tax, and accordingly, a petition was filed in the respective court to divide the trust into four separate trusts, each with an equal share of the residual assets. In July 2002, the court entered a final order approving the division of the residual assets into four trusts, with each of the beneficiaries as being named beneficiary of one of the four separate trusts. Before and during the process of restructuring, the net income of the trust was payable in equal annual installments to the named beneficiaries. During 2010 and 2009, the Garden received distributions from the trust of \$90,976 and \$118,388, respectively, which are recorded as unrestricted contributions in the accompanying statements of activities. Distributions from the trusts continue until the death of the last of the two individual beneficiaries, at which time each trust will terminate and the balance of the remaining residual assets will be distributed to the Garden and the named charitable organization. As the financial information relating to the trust and the balance of the remaining residual assets cannot be determined at this time, the present value of the estimated future cash receipts from the trust assets has not been recorded in the accompanying financial statements.

(9) *Income Taxes*

The Garden is an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is generally not subject to federal income taxes. However, the Garden is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole.

The Garden determines whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely than-not threshold, the tax amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authority. The Garden previously recognized the effect of income tax provisions only if such positions were probable of being sustained.

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

(10) Pension Plan

The Garden has a defined contribution retirement plan that is contributory and available to all qualified employees. Benefits are funded through life insurance annuity contracts. Pension expense for the years ended December 31, 2010 and 2009 totaled \$7,561 and \$29,904, respectively.

(11) Allerton Gardens

In 1991, the Garden entered into a management agreement with the trustee of the Allerton Gardens Trust (Trust) that requires the Garden to operate and maintain Allerton Gardens in accordance with written plans established by the Garden and Allerton Gardens Trust's trustee (Trustee). The initial plan included the repair and restoration, installation of new plantings, and construction of improvements to Allerton Gardens.

Effective January 2005, the original management agreement was amended wherein the Garden is obligated to pay \$1,500 monthly to the Trustee with an annual management fee to be paid to the Garden of \$215,000. Further, the Trust reimburses the Garden for all reasonable costs and expenses to operate Allerton Gardens. These costs include payments to contractors and suppliers; charges for utility services; premiums for insurance policies; maintenance; repair and operating costs; costs of improvements; costs of materials; equipment, supplies, and tools; costs of plantings; travel expenses; professional expenses approved by the Trustee; and the salaries and fringe benefits of Garden employees assigned full time to carry out the responsibilities under the management agreement. The amended agreement expires on December 31, 2028.

(12) Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2010 and 2009 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Gardens and preserves:		
Kampong Garden	\$ 3,853,718	3,847,179
Conservation, science, and education	1,282,644	1,258,617
Capital projects	1,084,299	965,791
Limahuli	214,228	143,404
McBryde	5,092	5,092
Kahanu	7,897	5,000
Other	18,494	91,774
	<u>\$ 6,466,372</u>	<u>6,316,857</u>

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

Net assets in the amount of \$3,096,355 and \$3,295,484 in 2010 and 2009, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2010</u>	<u>2009</u>
Garden and preserves:		
Conservation, science, and education	\$ 1,180,651	1,197,870
Kampong Garden	329,255	523,857
McBryde	940,091	497,200
Kahanu	49,465	289,055
Other	377,249	270,334
Limahuli	<u>25,784</u>	<u>53,260</u>
	2,902,495	2,831,576
Capital projects	<u>193,860</u>	<u>463,908</u>
	<u>\$ 3,096,355</u>	<u>3,295,484</u>

(13) Permanently Restricted Net Assets

(a) Endowment Funds

At December 31, 2010 and 2009, the endowment net asset composition by type of fund consists of the following:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2010:				
Donor-designated endowment funds	\$ (1,330,269)	60,122	26,056,336	24,786,189
2009:				
Donor-designated endowment funds	\$ (3,057,101)	95,196	25,966,061	23,004,156

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

Permanently restricted net assets at December 31, 2010 and 2009 are restricted for investment in perpetuity and the income from which is expendable to support:

		<u>2010</u>	<u>2009</u>
Loy McCandless Marks Botanical Library (see note 8)	\$	8,000,000	8,000,000
Any activities of the Garden		3,171,824	3,081,549
Land – Limahuli Garden		1,335,000	1,335,000
Restricted for:			
McBryde operations		3,570,263	3,570,263
Research personnel		2,903,359	2,903,359
Education and memorials		2,544,775	2,544,775
Kampong operations (see note 8)		2,500,000	2,500,000
Conservation		1,000,000	1,000,000
Limahuli garden operations		600,000	600,000
Landscaping personnel		403,615	403,615
Botanical research center		20,000	20,000
Kampong director		7,500	7,500
	\$	<u>26,056,336</u>	<u>25,966,061</u>

For the years ended December 31, 2010 and 2009, the changes in endowment net assets are as follows:

	<u>Unrestricted</u>	<u>Temporarily</u>	<u>Permanently</u>	<u>Total</u>
2010:				
Endowment net assets, beginning of year	\$ (3,057,101)	95,196	25,966,061	23,004,156
Investment return:				
Investment income	21,232	260,047	—	281,279
Net appreciation (realized and unrealized)	47,704	1,237,564	90,275	1,375,543
Total investment return	68,936	1,497,611	90,275	1,656,822
Contributions	—	13,464	—	13,464
Appropriation of endowment assets for expenditure and other changes	1,657,896	(1,546,149)	—	111,747
Endowment net assets, end of year	\$ (1,330,269)	60,122	26,056,336	24,786,189

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

	<u>Unrestricted</u>	<u>Temporarily</u>	<u>Permanently</u>	<u>Total</u>
2009:				
Endowment net assets, beginning of year	\$ (3,189,157)	—	25,702,068	22,512,911
Investment return:				
Investment income	15,023	150,416	—	165,439
Net appreciation (realized and unrealized)	36,105	809,277	263,993	1,109,375
Total investment return	51,128	959,693	263,993	1,274,814
Contributions	—	49,985	—	49,985
Appropriation of endowment assets for expenditure and other changes	80,928	(914,482)	—	(833,554)
Endowment net assets, end of year	\$ (3,057,101)	95,196	25,966,061	23,004,156

(b) Interpretation of Relevant Law

The board of trustees of the Garden has interpreted Hawaii's enacted version of the Uniform Prudent Management of Institutional Funds Act (HUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Garden classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by HUPMIFA. In accordance with HUPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

- (6) Other resources of the organization
- (7) The investment policies of the organization

(c) *Description of Amounts Classified as Permanently Restricted Net Assets*

(i) Fund with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or HUPMIFA requires the Garden to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$1,330,269 and \$3,057,101 as of December 31, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations in fund investments.

(ii) Return Objectives and Risk Parameters

The Garden has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Garden must hold in perpetuity.

(iii) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Garden relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Garden targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(iv) Spending Policy and How the Investment Objectives Relate to Spending Policy

Under the terms of the endowment fund, the Garden has a policy of appropriating, for financial aid use, amounts not to exceed 5.5% of the investment portfolio (calculated on the basis of a three-year rolling average as of January 1). The policy further states that no distributions from any separate endowment fund may be made if the effect of such distribution would reduce the balance of that fund to below 50.0% of the historic dollar value. In establishing this policy, the Garden considered the long-term expected return on its endowment. Accordingly, over the long term, the Garden expects the current spending policy to allow its endowment to grow at a rate that exceeds the spending rate. This is consistent with the Garden's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NATIONAL TROPICAL BOTANICAL GARDEN

Notes to Financial Statements

December 31, 2010 and 2009

(14) Commitments

In 2008, the Garden entered into a Power Sale Agreement with Double Green, LLC to purchase 100% of the electricity generated from the photo-voltaic roof on its Botanical Research Center at a kilowatt hour rate equal to 90% of the average rate from the Kauai Island Utility Cooperative. Payments are due quarterly for a term of 20 years. Certain members of Double Green, LLC are also members of the Garden's board of trustees.

As of December 31, 2010, the Garden has outstanding commitments of approximately \$75,000 under contract for architectural services for the retrofit of its administrative complex.

(15) Subsequent Events

The Garden has evaluated subsequent events from the balance sheet date through June 21, 2011, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

NATIONAL TROPICAL BOTANICAL GARDEN

Expenditures

Year ended December 31, 2010

	Gardens and Preserves					
	Total	McBryde	Kampong	Allerton	Kahanu	Limahuli
Salaries and related employee costs	\$ 4,786,298	676,727	458,508	349,054	247,824	312,408
Depreciation	1,048,713	175,795	131,119	3,910	54,784	35,645
Professional fees	443,125	3,252	3,510	22,080	438	10,750
Telephone and utilities	319,971	128,660	27,676	21,037	9,426	9,439
Insurance	212,879	—	37,589	—	—	—
Bank fees	121,780	50	498	—	215	5,354
Events and conferences	134,282	250	93,385	—	128	1,623
Meetings and travel	235,785	68	9,549	—	2,745	3,129
Repair maintenance – property and equipment	165,923	61,027	26,791	8,259	10,850	18,623
Contract labor	185,072	1,875	21,747	16,063	60	9,075
Gas and oil	82,271	24,801	2,171	4,690	8,695	4,862
Awards and honoraria	118,622	—	3,791	—	71,991	450
Printing and reproduction	79,416	60	4,631	—	1,154	—
Horticultural supplies	36,009	3,439	5,383	1,453	2,191	3,253
Office supplies	32,447	1,660	4,430	—	1,041	1,024
Real property taxes	33,356	—	24,875	225	7,069	225
Other maintenance and supplies	71,732	4,133	2,709	1,128	45,808	4,484
Rent/lease property and equipment	46,125	23,249	2,535	1,799	358	286
Dues and subscriptions	25,483	—	518	—	188	—
Postage and delivery	31,403	92	2,051	—	643	213
Programs and events	81,684	—	205	—	22,028	—
Interns sundry course expenditures	3,914	—	103	—	—	—
Helicopter rental	54,925	—	—	—	—	—
Minor equipment	18,224	4,561	1,388	—	1,306	3,032
Irrigation supplies	17,258	8,066	—	136	87	5,606
Computer software maintenance	23,366	—	1,249	—	24	213
Licenses and permits	33,055	2,869	1,959	107	684	245
Advertising and promotions	21,274	—	200	—	—	6,550
Restoration supplies and equipment	21,227	—	—	—	—	—
Curation and herbarium supplies	9,152	—	—	—	—	—
Maintenance supplies	9,505	2,123	264	15	7	2,930
Use tax	389	—	—	—	—	—
Land and building improvements	3,894	—	—	—	585	3,107
Shop supplies	8,665	—	—	—	4,546	—
Collecting supplies	4,574	—	—	—	—	—
Furniture and fixtures	650	—	—	—	—	—
Equipment	3,517	450	—	—	—	—
Volunteer program	1,915	—	213	—	—	120
Laboratory supplies	11,832	—	—	—	—	—
Publications/books	3,179	—	70	—	—	—
Research supplies	4,249	—	—	—	—	—
Mapping supplies and equipment	802	—	—	—	—	—
Visitor's program interpretation	250	—	—	—	250	—
Donations and community relations	99,521	8,762	9,020	—	822	1,000
Photo and processing supplies	14	—	—	—	—	—
Bad debt expense	22,000	—	—	—	—	—
	\$ 8,669,727	1,131,969	878,137	429,956	495,947	443,646

NATIONAL TROPICAL BOTANICAL GARDEN

Expenditures

Year ended December 31, 2010

	Research and education				
	Science and conservation	Visitor programs	Education	Administration and finance	Development
Salaries and related employee costs	\$ 1,166,826	458,510	64,631	697,152	354,658
Depreciation	428,299	103,771	31,294	84,096	—
Professional fees	113,577	—	—	248,373	41,145
Telephone and utilities	84,762	19,668	1,127	16,373	1,803
Insurance	20,969	2,990	—	149,272	2,059
Bank fees	246	26,199	85	88,993	140
Events and conferences	7,457	386	190	12,674	18,189
Meetings and travel	82,464	904	33,459	70,449	33,018
Repair maintenance – property and equipment	18,916	16,572	2,897	1,988	—
Contract labor	65,495	62,271	7,236	1,250	—
Gas and oil	10,818	21,034	1,613	3,111	476
Awards and honoraria	2,293	—	40,097	—	—
Printing and reproduction	13,271	10,468	65	3,786	45,981
Horticultural supplies	19,422	110	758	—	—
Office supplies	5,874	2,264	2,671	11,021	2,462
Real property taxes	204	—	—	758	—
Other maintenance and supplies	7,470	247	2,280	3,246	227
Rent/lease property and equipment	679	6,438	—	10,781	—
Dues and subscriptions	8,017	—	—	12,672	4,088
Postage and delivery	5,339	4,983	720	8,891	8,471
Programs and events	148	34,050	521	1,124	23,608
Interns sundry course expenditures	—	—	3,170	641	—
Helicopter rental	54,925	—	—	—	—
Minor equipment	4,862	1,080	1,030	413	552
Irrigation supplies	580	2,740	43	—	—
Computer software maintenance	1,389	—	55	14,114	6,322
Licenses and permits	1,016	21,085	—	4,905	185
Advertising and promotions	250	13,649	—	375	250
Restoration supplies and equipment	21,227	—	—	—	—
Curation and herbarium supplies	9,152	—	—	—	—
Maintenance supplies	1,466	1,666	299	735	—
Use tax	—	—	389	—	—
Land and building improvements	—	—	—	202	—
Shop supplies	—	2,763	1,356	—	—
Collecting supplies	4,574	—	—	—	—
Furniture and fixtures	358	—	292	—	—
Equipment	—	—	—	3,067	—
Volunteer program	—	—	—	1,582	—
Laboratory supplies	11,832	—	—	—	—
Publications/books	2,965	—	—	144	—
Research supplies	4,152	—	97	—	—
Mapping supplies and equipment	802	—	—	—	—
Visitor's program interpretation	—	—	—	—	—
Donations & Community Relations	11,099	7,262	4,800	56,756	—
Photo and processing supplies	14	—	—	—	—
Bad debt expense	—	—	—	22,000	—
	<u>\$ 2,193,209</u>	<u>821,110</u>	<u>201,175</u>	<u>1,530,944</u>	<u>543,634</u>

See accompanying independent auditors' report.

NATIONAL TROPICAL BOTANICAL GARDEN

Changes in Temporarily Restricted Net Assets

Year ended December 31, 2010

	Balance at December 31, 2009	Contributions	Income from investments and net appreciation	Subtotal	Net assets released from restrictions	Balance at December 31, 2010
Kampong Garden:						
Kampong Estate	\$ 3,778,986	—	—	3,778,986	—	3,778,986
Kampong Database Project/Plant Labeling	29,998	—	—	29,998	2,213	27,785
Kampong Education Programs	—	13,500	—	13,500	1,556	11,944
Kampong Bali Hai	4,250	67,950	—	72,200	67,950	4,250
Kampong Sweeney Endowment	—	—	140,335	140,335	140,335	—
Kampong Sweeney Anonymous/Library/ Oak Foundation	11,568	—	—	11,568	—	11,568
Kampong Operations	—	104,743	—	104,743	104,743	—
Kampong Grotto	9,942	—	—	9,942	—	9,942
Larry and Colleen Schokman Scholarship	9,243	—	—	9,243	—	9,243
Kampong Plant Labeling Project	3,192	—	—	3,192	3,192	—
Kampong David Fairchild Medal	—	1,500	6,116	7,616	7,616	—
Kampong Capital & Dir Salary Endt	—	—	1,650	1,650	1,650	—
Total Kampong Garden	<u>3,847,179</u>	<u>187,693</u>	<u>148,101</u>	<u>4,182,973</u>	<u>329,255</u>	<u>3,853,718</u>
Capital Projects:						
BRC/BRC Additional/BRC Furniture & Fixtures	311,161	81,333	1,409	393,903	58,914	334,989
Intern Housing	16,015	—	—	16,015	1,038	14,977
Kahanu Fuel Cell System	64,892	—	—	64,892	—	64,892
Plant Site	39,876	—	—	39,876	—	39,876
Lawai Valley Water Resource	11,207	—	—	11,207	—	11,207
Scarborough house	5,344	—	—	5,344	—	5,344
Land Acquisition	513,409	—	—	513,409	—	513,409
KIUC Power Lines Lawai Valley Litigation	3,887	—	—	3,887	3,887	—
Canoe Garden Renovation	—	85,723	—	85,723	85,723	—
Canoe Garden Interpretation-Wilcox	—	3,000	—	3,000	3,000	—
McBryde Garden Renewal Project	—	136,308	—	136,308	36,703	99,605
Capital Fund	—	—	4,595	4,595	4,595	—
Total Capital Projects	<u>965,791</u>	<u>306,364</u>	<u>6,004</u>	<u>1,278,159</u>	<u>193,860</u>	<u>1,084,299</u>
Conservation, Science, and Education:						
Internship Program	47,963	330	102,928	151,221	151,221	—
McBryde Chair (HTCO #3)	41,865	—	95,482	137,347	83,198	54,149

NATIONAL TROPICAL BOTANICAL GARDEN

Changes in Temporarily Restricted Net Assets

Year ended December 31, 2010

	Balance at December 31, 2009	Contributions	Income from investments and net appreciation	Subtotal	Net assets released from restrictions	Balance at December 31, 2010
B. Evans Chair HTCO #1	\$ —	—	84,022	84,022	84,022	—
Kahanu Breadfruit Collection/Breadfruit Institute	237	209,324	—	209,561	209,476	85
Breadfruit Nutritional Analysis	9,870	—	—	9,870	9,747	123
Plant a Breadfruit Hunger Initiative	685	380	—	1,065	576	489
Makauwahi Cave Composting Toilet	—	1,020	—	1,020	1,020	—
UH Archeological Field Study	315	17,250	—	17,565	17,565	—
Breadfruit in Hawaii Video Pjt	—	5,000	—	5,000	2,095	2,905
Cultivars-Royalties Breadfruit Tree Sales	—	250	—	250	250	—
UH Ethnobiology Field School 2010	11,584	20,000	—	31,584	31,584	—
Journalism Course	—	10,000	—	10,000	—	10,000
Public Lectures	—	—	1,470	1,470	1,470	—
Research Botanist HTCO #2	—	—	26,840	26,840	26,840	—
Student Awards	—	—	1,660	1,660	1,660	—
Chandler Education Program	—	—	676	676	676	—
Flora of the Marquesas Project	21,996	—	—	21,996	(37)	22,033
Nat'l Geo Soc Rodriquez Islands	—	4,777	—	4,777	4,777	—
Publications	15,444	—	—	15,444	11,788	3,656
HCF Youth Matters Network	—	5,200	—	5,200	5,200	—
Wilcox Foundation Keiki O Ka Aina Camp	—	9,752	—	9,752	7,987	1,765
Horticulture Training Program	—	—	576	576	576	—
SW Wilcox GAC & JRT	—	13,500	—	13,500	—	13,500
NTBG Website	15,465	2,876	—	18,341	5,876	12,465
Volunteer Facility at VC Garden	850	—	—	850	—	850
Na Lima Kokua	807	—	—	807	—	807
HCF Kokua Aina Youth Initiative	—	40,000	—	40,000	40,000	—
Kokua Aina Youth Initiative-Wilcox	8,000	—	—	8,000	8,000	—
Kokua Aina Youth Initiative-Fenwick	—	5,000	—	5,000	5,000	—
Kokua Aina Youth Initiative-Vera Long	—	100,000	—	100,000	—	100,000
Seed Atlas	2,549	—	—	2,549	—	2,549
Needs List-Fellows & Trustee Gifts	—	2,714	—	2,714	2,714	—
Mellon Digitization Grant	—	15,000	—	15,000	5,346	9,654
Physicians Course	—	13,020	—	13,020	12,579	441
Science General Ops	—	2,540	—	2,540	2,540	—

NATIONAL TROPICAL BOTANICAL GARDEN

Changes in Temporarily Restricted Net Assets

Year ended December 31, 2010

	Balance at December 31, 2009	Contributions	Income from investments and net appreciation	Subtotal	Net assets released from restrictions	Balance at December 31, 2010
Conservation General Operations	\$ 66,667	352,800	—	419,467	386,134	33,333
Education General operations/Loy marks	4,320	10,934	5,163	20,417	16,097	4,320
Conservation Endowment/TRF	—	—	44,194	44,194	44,194	—
Conservation Easement	980,000	—	—	980,000	—	980,000
Castle Fdn Preservation Lawai	30,000	—	—	30,000	480	29,520
Total Conservation, Science, and Education	1,258,617	841,667	363,011	2,463,295	1,180,651	1,282,644
Kahanu Garden:						
Kahanu Visitor Center	5,000	—	—	5,000	—	5,000
Kahanu Menu of Needs/Baldwin Grant	—	7,400	—	7,400	7,080	320
Eclipse Fdn Mahele Farm Fruit Orchard	—	3,000	—	3,000	423	2,577
Kahanu Operations	—	41,962	—	41,962	41,962	—
Total Kahanu Garden	5,000	52,362	—	57,362	49,465	7,897
Limahuli Operations	113,341	42,020	—	155,361	(17,585)	172,946
Limahuli Land Acquisition Fund	19,975	—	—	19,975	—	19,975
Limahuli Capital Improvements	4,980	—	—	4,980	4,980	—
Limahuli Irrigation Piping (SFP)	—	3,000	—	3,000	—	3,000
Limahuli Entrance-Limahuli Fellows Appeal	2,000	—	—	2,000	68	1,932
Limahuli Interpretative Signage & Name Plates	—	15,000	—	15,000	80	14,920
Signage-Limahuli Fellows Appeal 2009	1,794	—	—	1,794	1,471	323
Limahuli Operations-Limahuli Endt	—	—	36,588	36,588	36,588	—
Limahuli Ahupuaa Program	1,314	—	—	1,314	182	1,132
Total Limahuli Garden and Preserve	143,404	60,020	36,588	240,012	25,784	214,228
McBryde Garden:						
Gardeners HTCO #2	—	—	26,840	26,840	26,840	—
Dillingham Memorial	—	—	21,861	21,861	21,861	—
McBryde Operations HTCO #4	—	700	890,690	891,390	891,390	—
Garden Master Planning	5,092	—	—	5,092	—	5,092
Total McBryde Garden	5,092	700	939,391	945,183	940,091	5,092

NATIONAL TROPICAL BOTANICAL GARDEN

Changes in Temporarily Restricted Net Assets

Year ended December 31, 2010

	Balance at December 31, 2009	Contributions	Income from investments and net appreciation	Subtotal	Net assets released from restrictions	Balance at December 31, 2010
Other:						
Sundry TRF Contributions	\$ 55,000	5,000	—	60,000	55,000	5,000
KnoppTrail Malott Garden Improvements	1,048	—	4,516	5,564	5,561	3
Moonlight & Music Fundraiser	—	72,309	—	72,309	72,309	—
Interpretive Signage in McBryde Garden	51	—	—	51	54	(3)
Yoshinaga Fdn Publication Jewels of Hawaii	20,500	—	—	20,500	7,006	13,494
Investing in Human Capital	175	—	—	175	175	—
Furlough Days Recovery 2010	15,000	222,144	—	237,144	237,144	—
Total other	91,774	299,453	4,516	395,743	377,249	18,494
	<u>\$ 6,316,857</u>	<u>1,748,259</u>	<u>1,497,611</u>	<u>9,562,727</u>	<u>3,096,355</u>	<u>6,466,372</u>

See accompanying independent auditors' report.