

# Hualalai 'Ohana Foundation

## 2010 Annual Report

Me ke aloha, kokua aku kokua mai: Pela iho la ka nohona 'ohana.

With love, help others, be helped: Such is a family relationship.

#### How We Began

The inspiration for the Hualalai 'Ohana Foundation was formed in the Spring of 2001 during a lunch meeting attended by Kahu Billy Mitchell, Richard Albrecht, Nicola Opdycke, Tom and Debby Davidson and Joe Schell. These founders wanted to find a way to return the spirit of aloha that they all receive from the resort staff as soon as they drive in the entry gate to Hualalai.

They discussed the extraordinary financial hardship a resort employee endured (despite coverage by medical insurance) due to extended off-island treatment for a life-threatening disease. The founders felt our community could be more supportive through the organization of a foundation accepting tax-deductible donations. At the second meeting of this nucleus group, the founders elected to expand the mission to include educational scholarships for the employees, their spouses and their children.

With the assistance of Hualalai Development Company, the necessary steps were taken to create the founding documents and to obtain the public charitable organization or "501(c)(3) status" the foundation now enjoys.

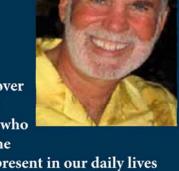
In late 2002, a Board of Directors was formed. Thanks to the collective generosity of our homeowner 'ohana and a lead gift from the Hualalai Development Company, the foundation received donations from 100 individuals and families (half the homeowners at that time), totaling \$423,000.

This was a spectacular result for a brand new foundation on its maiden voyage; beautifully and clearly demonstrating the aloha spirit which flows so freely at Hualalai.

And so it continues...

### A Word from our President

Over the past decade we have been able to significantly support over 1,000 members of this employee community who do so much to make the



feeling of Aloha ever present in our daily lives here at Hualalai.

We had a banner year in 2010, but we still have almost half of our homeowners who have not yet participated. All of us serving as trustees and staff stand prepared to share the foundation's compelling story and answer any and all questions you might have.

It is our goal to achieve 100% participation from our homeowners. Our mission is to support educational scholarships, emergency medical support and now, to support mentoring experiences for the young people in local public schools. This ambitious agenda invites all of us to commit to make these opportunities a reality.

All of our Board of Directors have stepped up, significantly, and now invites all of you to become engaged investors in this loving work. If you have already donated, THANK YOU!

If you have not yet done so this year, please do so as soon as possible. How wonderful it would be and what a demonstrative statement we as a collective group would make by having 100% of our homeowners be donors!

With much aloha,

andy

#### Our Values and Goals

#### **Philosophy**

Consistent with preserving the tradition of respect for the land and of the Hawaiian culture, we wish to acknowledge and support the exceptional individuals of the community who work to make Hualalai a paradise to the eye and to the heart.

#### **Purpose**

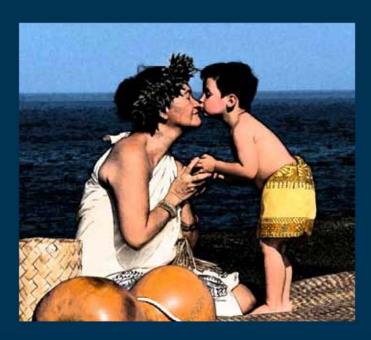
In response to the high costs of education and medical care for the people of Hawaii, the purpose of the foundation is to provide educational and medical care opportunities to families employed or self-employed in the Hualalai community.

#### Vision Statement

We are committed to achieving 100% participation by our homeowners to invest in our community by providing encouragement and financial assistance to the Hualalai employee families and through them, the people of Hawaii Island.

#### **Mission Statement**

The Hualalai 'Ohana Foundation strives to support the educational goals and exceptional medical needs of our employee families, while providing a vehicle to allow residents opportunities to contribute to the well-being and aloha spirit of our uniquely blessed community.



#### **Education Programs**



To qualify for a scholarship, an employee must work on property for at least one year. Each successful applicant must demonstrate financial need, merit and motivation in his or her application.

Since inception in 2002, the foundation has granted over \$1,800,000 in educational awards.

#### **Medical Programs**

Medical awards are granted to employees, their spouses and their children in cases of serious injury, life-threatening illness or a disabling condition requiring surgery. Medical awards cover expenses incurred beyond those covered by medical insurance. When off-island treatment is required, the foundation reimburses for eligible travel expenses for the patient and an accompanying family member.

Since 2002, the foundation has been able to grant over \$345,000 in medical support to relieve the financial burden for affected families.

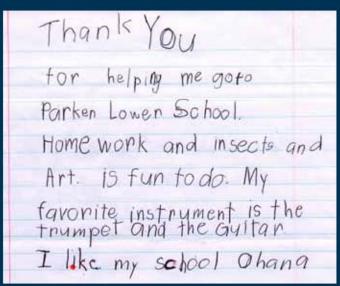


#### Educational Scholarship Awards

### K to 12th grade Private Scholarships and Higher Education Scholarships

For the 2009-2010 academic year, K-12 and Higher Education scholarships followed the same eligibility guidelines as our previous years. Scholarships were capped at the cost of tuition and books up to \$4,000 for families earning a combined income of \$75,000 or less. Families with a combined income of more than \$75,000, but not more than \$150,000, were awarded amounts between \$1,500 - 3,500.

In the K-12 Scholarship category, 59 children were awarded, assisting over 45 households.



(Thank you from Saja )

In the Higher Education scholarship category, 32 scholarships were awarded, 18 of whom were returning applicants while 3 students successfully completed their degrees.





#### **Coursework and Tutoring Awards**

In 2010, Summer Programs were absorbed into Coursework Awards. For Coursework and Tutoring programs, employees and their children were provided half the cost of tuition and books up to \$1,000 per year. Any employee registering for a certified ESL or literacy program was offered the full cost of tuition and books, up to \$1,000 per year. This category of awards helps individuals of many ages who wish to take strides toward their educational or career advancement, or enhance their cultural studies.



During the 12 months, the foundation is proud to have granted educational awards for the 2010 - 2011 academic year, totaling \$303,010 as follows:

59 K-12 Scholarships (\$161,663) 32 Higher Education Scholarships (\$101,000) 24 Coursework and Tutoring Awards (\$11,559) 213 LeapFrog Learning Tools (\$15,000) 122 Imagination Library children (\$2,662) 81 Honor Roll Awards (\$11,126)

#### Other Educational Awards

#### **LeapFrog Learning Tools**

The foundation was delighted to renew its partnership with LeapFrog Schoolhouse to offer the new LeapFrog Scribble & Write, Fridge Word Phonics and Leapster 2 with Sponge Bob to all Hualalai families with keiki ages 3-8. These amazing learning tools help children learn reading, math, history and other subjects while inspiring them with an excitement for learning. The foundation's investment in this exciting program was reduced to \$15,000, but we were still able to provide over 200 units.



#### **Imagination Library**

The annual LeapFrog giveaway is the best time to recruit new keiki for our Dolly Parton's Imagination Library program. Following our tremendous success at the 2009 event, more keiki were signed up in 2010, bringing our total number of children to over 120 with an annual budget of \$3,700. This



delightful program distributes a new book each month to our Hualalai children from birth until their 5th birthday. We are proud to be building early childhood literacy and fostering a love of reading, which we hope will last a lifetime.



#### **Honor Roll Awards**

In Summer of 2010, the foundation hosted its 3rd Annual Honor Roll Awards for children 6-12th grade. This very successful program rewarded students earning a 3.0 GPA or higher and simultaneously helped to achieve the foundation's goal of recognizing the efforts of public school students. In 2010, there were 81 Honor Roll students; 62 from public schools and 19 from private schools. Over 250 people attended this special award ceremony, which included a prize drawing for a brand new iMac computer, donated by Tad and Dianne Taube.



Hualalai Chaun Foundation,
Thronk you so much for
Your generous scholarship.
Your gift has magnified
my determination to excel
in school and prove that I
am a viorthy recipient of
your award.
Sincerely,
Beau

#### Organization and Management

The foundation is headed by a dedicated Board of Directors. Each volunteer serves a three-year term; which can be renewed once. Our 2010 board included the following directors in alphabetical order: Michael Bonahan, Donna Chipps, Marti deBenedetti, Joy Dreimann, Pattie Dunn-Jahnke (Secretary), Rich Erickson (Treasurer), Patrick Fitzgerald, Don Goo, David Keyes, Ray Lagger, (not pictured), Paul Locklin, Andy Mecca (President), Barbara Rosenberg, Joe Schell (Vice President), Robert Whitfield and Gail Yanney.



Michael Bonahan



Donna Chips



Marti deBenedetti



Joy Dreimann



Patti Dunn-Jahnke



Rich Erickson



Patrick Fitzgerald



Don Goo



Dave Keyes



Paul Locklin



Barbara Rosenberg



Gail Yanney



Robert Whitfield

Joe Schell

Kate and Andy Mecca

The Board meets approximately five times per year and most of the strategic work is done by the five committees of the Board, each of which consists of board members, interested homeowners and other volunteers. We appreciate all of their time and effort on the following committees: Development, Education, Finance, Governance and Medical. We welcome additional members of our Hualalai community who wish to participate on the Development, Education or Medical committees.

The foundation's day-to-day work is done by our Executive Director, Kei-Lin Cerf and Foundation Administrator, Shelley Hoist working from office space on property provided by Hualalai Investors, LLC. We continue to be blessed with the volunteer efforts of several of the resort employees, most notably: Club Concierge, the Dreimann Family, JoAnn Furusho, Pat Nagy, Cindy Tavares, Vivian Tobias, and the incomparable Hualalai Resort and Four Seasons Human Resources teams.



#### Our Fundraising Efforts

The foundation receives income from two critical areas. First, our Annual Appeal, which provides funding for 65% of our annual expenditures to support our mission. Second, the foundation hosts a variety of events that enhance the sense of Hualalai community, while raising money to support our programs.

Early in the year, the foundation was fortunate to be the beneficiary of the 2010 Mitsubishi ProAm fees. This annual gift from Hualalai Investors, LLC donated an amazing \$94,500 to be utilized by our 'ohana.



In April of 2010, the foundation was thrilled to host its 6th Annual Golf Event and Auction at Ke'olu, where almost 100 guests participated in the event. Auctioneers Michael Bonahan and Jim Schumacher led the spirited live auction and helped to raise over \$95,000 for Hualalai families.

Last fall, the foundation sponsored the first 'Ohana Hana Hou Sale, where residents and employees donated their new and nearly new items for the employees to purchase. Staff were delighted to receive quality items at minimal cost which allowed them to contribute over \$2,000 to their foundation. Due to its popularity, the foundation will continue the program in October 2011 and is accepting donations from homeowners throughout the year.





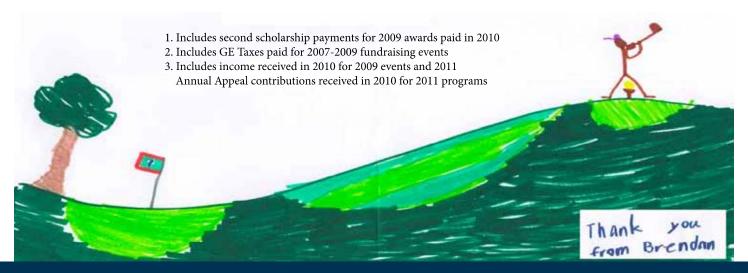


#### Our Foundation's Financial Picture

The foundation remains in very good shape financially, thanks to the reserve created in our early years when contributions often exceeded expenses. The financials below reflect the 2010 accounting year. Complete audited financials will be available upon request after May 2011. At the end of 2010, the foundation was fortunate to have an operating reserve, which allowed the organization to create an endowment fund in 2011. For complete details, see the Development section on the following page.

### 2010 Operating Statement (Cash Basis)

	Actual Jan - Dec 2010		Budget Jan - Dec 2011	
Income				
<b>Annual Appeal Contributions</b>	\$	464,756	\$	475,000
<b>Special Event Revenue</b>				
Mitsubishi ProAm	\$	127,500	\$	85,000
<b>HOF Golf/Auction Event</b>	\$	95,261	\$	80,000
Other Event Revenue	\$	31,332		
<b>Total Contributions Received</b>	\$	718,849	\$	640,000
Interest Income	\$	13,455	\$	3,000
Total Income	\$	732,304	\$	643,000
Expense				
Awards				
<b>Medical Awards</b>	\$	43,213	\$	60,000
Education Awards <sup>1</sup>	\$	302,2343	\$	374,700
<b>Total Awards</b>	\$	345,446	\$	434,700
Award program expenses	\$	51,783	\$	61,525
Fundraising expenses <sup>2</sup>	\$	60,937	\$	52,263
Administrative expenses	\$	49,172	\$	46,913
Perpetual Fund allocation	-		\$	47,500
Total Expenses	\$	507,338	\$	642,900
Total Profit (Loss) <sup>3</sup>	\$	224,966	\$	100



We closed our 2010 fundraising year on Nov 14, 2010 and are pleased to report a very successful campaign, raising \$464,756 in the Annual Appeal and \$222,760 in golf events. These totals exceeded our budgets for both revenue sources, set new annual records for the foundation and allowed us to close the 2010 year with a surplus. Naturally, we believe we can do better in 2011 so our goals will be slightly higher than the 2010 totals.

These achievements are a direct result of a very supportive community of generous residents. More than 180 Hualalai families (60% of the total) participated in the Annual Appeal or one of our fundraising events during the year. Most residents support both the Annual Appeal and one or more of our sponsored events. This level of involvement is extraordinary, but we expect to work harder, communicate better, and set new records each year. Our participation goal for 2011 is 70% (210 families). This goal will require us to attract 30 new families as financial supporters and retain all those who have supported our cause in prior years. We are very thankful to have such a large group of committed homeowners, especially the significant number who mail in their donations as soon as our new fund year begins on November 15. Mahalo!

Joe Schell will continue to chair the Development Committee with strong support from Pattie Dunn-Jahnke, Barbara Rosenberg, Susan Frampton, Michael Bonahan, Tom Callinan, Michael Kozlak, John Ryan and our newest committee member, Rick Holley. In early February 2011, the foundation invested \$546,000 in passive investments (ETFs) with the expectation of earning "market returns" of 6.0 -7.5% per annum over the long term. These funds were accumulated as reserve funds over the last eight years and had been invested in CDs which have returns of less than 2.0% in recent years.

Each year, the Board will draw from the annual earnings of this board designated endowment only those funds necessary to balance our budget for

that year, with a maximum draw of 5%. In addition, 10% of each year's annual appeal will be directed to build the endowment. Over time, we fully expect the endowment to grow and provide a stable source of income and a solid asset base for the foundation.



The Investment Committee, responsible for monitoring and managing the endowment, is co-chaired by Pattie Dunn-Jahnke and Joe Schell with Lilian Shackleford Murray, Richard Rosenberg and Paul Blavin as committee members.



If you have any questions about the endowment, please ask any

of the above named people for more information.



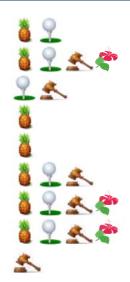
#### **Our Contributors**

We are fortunate to reside in a community of exceptional individuals willing to give freely of their time and contributions to support our mission. Mahalo for helping our foundation offer a helping hand to our Hualalai 'ohana in times of need. We encourage everyone to participate in our various events as well as to support our annual appeal. Both sources of income have been and will continue to be vital to our success.

The following 59 families have contributed \$5,000 or more between November 15, 2009 through November 14, 2010 through the categories of: annual appeal, golf events, auctions and other events or gifts.



John and Anne Ryan Joe and Debbie Schell Jim and Maura Schumacher Barry and Frankie Sholem Sy and Laurie Sternberg Bob and Kathy Styer Ken and Susan Thomas Lex and Hannie Van Hessen Joe Walter and Kathy Mares





The foundation also wishes to acknowledge the 12 donor families that have generously given to support our programs and wish to remain anonymous.





Annual Appeal contribution



Entry fees for Mitsubishi or Foundation golf events



Participation in auctions or art events



Nother fundraising events or in-kind donations



#### **Our Contributors**

The following 136 families have contributed varying amounts up to \$5,000 between November 15, 2009 through November 14, 2010 through the categories of: annual appeal, golf events, auctions and other events or gifts.

Beecher and Robin Abeles Joy Escobal-Luea Myron and Tracy Abrams Patrick and Marilyn Fitzgerald Steve Akerley and Tricia McCarthy Jack and Janet Foley Lance Ambrose Dr. Mark and Mary Lou Frankel Mr. & Mrs. David L. Ammen Russell And Karen Fritz Chris and Anita Anderson Tara Fukunaga Mark and Deborah Attanasio Greg and Frances Gomes **Delone Bailey** Mike and Judy Greenfield Eve Bernstein and Alex Gersznowicz Jenard and Gail Gross Mem Bernstein JC and Susan Henry Tom Blackburn and Kate Bell Herringer Family Foundation Ron and Linda Borgman Robert Herwick **Bradley Family Foundation** Peter and Julie Hill Glenn and Barbara Britt Rebecca Hill Steve and Christine Burd George and Sandy Holstead Cullen Burgess Hank and Judy Hummelt Marc and Lisa Cabi Bob and Judy Huret Roy and Heather Caelius Hirokazu Imaoka David and Helen Cashman Bruce and Roz Jacobs The Castellano Family John and Jacque Jarve Kei-Lin Cerf Susan Johns Ted Chervin John and Teresita Jubinsky Dr. Randall Cislo Keala Kadooka Melo Clarke Jay and Ronnie Kaiser Arthur and Merlyn Collmeyer Jay and Patricia Kellet Peter and Susie Comisar Ken and Barbara Massrey Allen B. Cooper Margaret Kent and Rich Meschke Benedict and Uli Coulter Mark and Mari Kiesel Tom and Debbie Davidson Rob and Barbara Kildow Frank and Michelle Dominick Rick and Kathy Kimball Suzanne Dryan David Kolon and Karen Morris Mark and Gail Edwards Dan and Corrine Kozlak Alan Enderle Guy and Lizika Lam

Arun and Rummi Sarin Chris and Debbie Lammers **Buzz Schulte** Tom and Sara Lewis Kosti and Marian Shirvanian Foundation John and Nancy Lindahl Peter Linden and Pepe and Rita Sigal Faith Golding Linden Jason and Jennifer Sills David and Chris Lucchetti **Jordan Sills** Cathy Lynn Joan Davis, Sills Foundation Curtis Macnguyen and Sandy Le John and Donna Skeen John and Pat Maney Stuart and Karen Sloan Jim and Joanne Markiewicz Wynne and Lindy Smallwood Richard and Marlene Mastenbrook Tony and Jennifer Smorgon Ann Mather and Tim Gonzales Barry and Edie Snowbarger Ken and Dottie McGowan Martin and Marlene Stein Connie McHugh Bob and Sheila Swanson Steve and Beth McParland Roy and Roseann Tanaka Joe and Virginia Mello Tad and Dianne Taube Roger and Mimi Menard Jeff and Bobbie Terai Susan Mendelson and Jack Lutsky Judi Thomas Bill and Rosa Mow James Treliving Terry and Sharon Mullin Russ and Nancy Trull Lilian and D.B. Murray Jim and Robin Ullakko Mr. & Mrs. Ed O'Neill Dell Van Gilder Bill and Rhonda Olafson Robert and Lisa Wahbe Al and Carole Polito Roger and Jenai Wall Lloyd and Sharon Powell Tom and Hilary Watson Mitchell and Nina Quaranta Von, Bill and Jordan Wavish Kevin and Lynn Reedy Tom Waymire Donald and Christine Reimann Deborah Webster and Stephen Blanchard Peter Rice Paul and Karin Wick Michael Ridout Willy Wilton Michael and Ellen Rosenberg Peter and Lisa Rosenberg Diana Witzel Mike and Stella Rosendin Conrad and Norma Wredberg Vern Yamanaka Mike Sack and John Saul Michael and Gail Yanney John and Arlene Saffro Jack and Gail Sampson

Fun Yen San

#### **Looking Ahead**

#### **Education - Preschool and Youth Mentoring**

In 2011, the foundation will include preschool as part of its scholarship programs. We are excited to support early childhood development, which we hope will continue to thrive throughout our keiki's academic lives.

In support of our public school children, which comprises the majority of employee keiki, the foundation will invest in youth mentoring for teens to help them prepare for college and avoid the pitfalls of adolescence. In partnership with Five Mountains Hawaii, the Lifeplan Institute Hawaii Island (LIHI) will assist with youth mentoring tools for every 9th grader entering Kealakehe High School in the Fall of 2011.

#### <u> Medical - Expansion</u>

The Medical Committee continues to provide important treatment support for those facing life-threatening illnesses or injuries. In 2011, the foundation will consider expanding its surgical assistance award, which pays up to \$1,000 in medical co-payments and necessary medical travel. Last year, this program made it possible for nine employees to afford surgeries to avoid disability and speed them on to recovery.

#### **Current Events**

Don't miss our party of the year! The *7th Annual Golf Tournament and Auction* will be held on Saturday, April 23, 2011 at Ke'olu. Participation in this outstanding event is a great opportunity to support the foundation efforts while sharing a day of fun with the Hualalai homeowner community. Invitations will go out by email and registration is available online at www.hualalaiohanafoundation.org.

Save the Date - The *4th Annual Honor Roll Award Ceremony* will be held on Saturday, July 30, 2011 at 4:30pm in the Four Seasons Grand Ballroom. Enjoy the celebration as proud families cheer for their honor roll students.

Reduce, reuse and recycle by saving your gently used items for the *2nd Annual 'Ohana Hana Hou Sale*. The foundation will accept homeowner donations from now until the event in October, 2011.

#### Welcome New Board Members

Each year, the foundation is thrilled to add to our Board of Directors the talents of new trustees. Joining the Board as directors in 2011 are: Paul Blavin, Nancy Boschwitz, Ann Marie Mahoney and Hillary Mow. We look forward to their vast experience, ideas and energy as we journey in pursuit of our mission and new ways to serve our community. Thank you to all our board members for giving your time, talent and support to enhance the Hualalai 'Ohana Foundation.



Paul Blavin



Ann Marie Mahoney



Nancy Boschwitz



Hillary Mow



(Artist - Jacob)

#### Frequently Asked Questions (FAQs)

## Why does the foundation spend money on private school education when public schools need so much help?

It is a challenge to support public school children while still measuring the effectiveness of funding given to the schools. Instead, the foundation looks to support programs that assist the students directly and we are delighted to support the new Lifeplan youth mentoring pilot at Kealakehe High School. The foundation's private school scholarships help families either transfer their child from public school to private school or keep their child in private school.

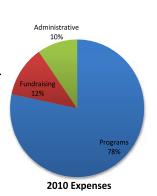
### Why did the foundation decide to add preschool to its scholarship program?

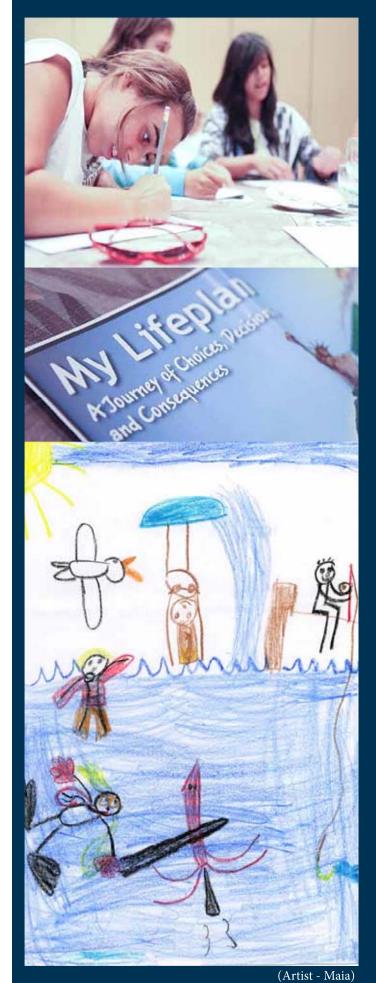
Studies have shown that early childhood education, such as preschool, is beneficial to the entire academic history for a child. However, preschool is not part of the public school system and tuition must be paid by the parents, often at a cost more than the parents can afford. By providing scholarships, the foundation assists parents to provide additional years of education for their children. Scholarships are awarded only for tuition fees and are not applicable towards daycare programs. The foundation supports Kamehameha, Montessori and Mauna Lani Seagull Preschools because they are accredited schools shown to be teaching academic curriculum.

### Where does the foundation spend its non-award dollars?

In order to keep costs to a minimum, the foundation office performs all program award administration, fundraising and operating duties in-house and does not utilize the services of third parties (except for an independent auditor). Non-program expenses include, but are not limited to; the annual Golf and Auction event, state-mandated

General Excise Tax, online donation processing fees, accounting fees for our annual audit and staffing. For items that are allocated by percentage the distribution is: Programs (50%), Fundraising (25%) and Administration (25%).





A special "mahalo nui loa" goes out to our corporate sponsors and company donors:

Hualalai

at Historic Kaʻūpūlehu











Dear Hualalai Ohana Foundation,

Thank You for helping my Parents so they can Send my brother and me to HPA.

I'll do my best! From, soroh



To find out more about the Hualalai 'Ohana Foundation, please contact:

Kei-Lin K.H. Cerf, Executive Director P.O. Box 5227

> Kailua-Kona, HI 96745 Phone: (808)325-4701 Fax: (808)325-8228

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