



Hualalai 'Ohana Foundation

ANNUAL REPORT

Fiscal Year
2007-2008

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 idea for the Hualalai Ohana Foundation was formulated 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 we all receive from the resort staff as soon as we 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 Foundation founders felt our community could be even more supportive through the organization of a foundation accepting tax-deductible donations. Employees in need would have a central place to go for assistance, and fellow employees and residents could provide financial assistance at one convenient time thereby helping all those who needed support during the course of a year. At the second meeting of this nucleus group, the founders elected to expand our mission to include educational scholarships for the employees, their spouses and their children.



With the willingness of Hualalai Development Company to pay all of the organizational expenses, lawyers were retained to draft by-laws, assist with the articulation of our mission statement and the appointment of officers, and file necessary documents with the IRS, all of which were necessary steps to obtain the "public charitable organization or 501(c)(3) status" the Foundation now enjoys. This administrative process took about 15 months before the Foundation could get started with its mission.

In late 2002, a Board of Directors was formed, and these directors set about fundraising and establishing procedures for granting medical awards and seeking applications and determining appropriate criteria for granting educational scholarships. While the directors had set up various committees to do the work of the Foundation, most of the ground work was contributed by three very special, passionately committed people: Kessie Hollister, Nicola Opdycke, and Joe Schell, who were tireless in their volunteer efforts to get the award process up and running in early 2003. All of us at the Foundation thank them for setting such a solid, sensitive base for all that the Foundation does today.

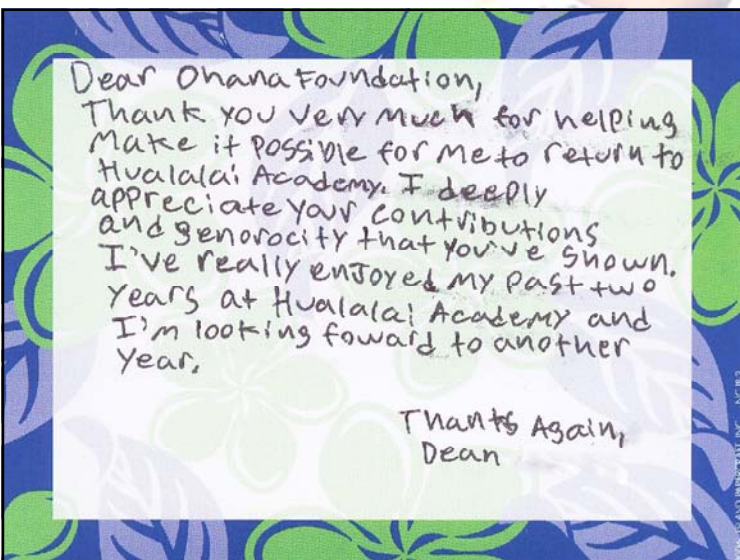
Joe Schell was instrumental in establishing our first Annual Fund in late 2002. The goal was to raise \$400,000 to fund educational and medical awards to be granted in 2003. Thanks to the collective generosity of our residential ohana and a lead gift from the Hualalai Development Company, the Foundation received donations from 100 individuals and families (50% participation from the residents 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.

Our Mission...Our Guidelines...

“Consistent with preserving the tradition of respect for the land and for 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. Our mission is simply to provide educational scholarships, educational opportunities and medical awards to the immediate families of the employees in the Hualalai community.”

Educational scholarships are granted to employees, their spouses and their children for:

1. Private Kindergarten -12th grade education
2. Higher Education through an accredited college
3. HPA and Kamehameha School Summer Programs
4. Career-enhancing Training and Coursework
5. Reading and Math Tutoring
6. English as a Second Language and other language/literacy programs



Education:

To qualify for a scholarship, an employee must work on property a minimum of 20 hours per week 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 \$1,000,000 in educational awards.

Medical:

Medical awards are granted to employees, their spouses and their children in cases of serious or life-threatening illness. 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 \$260,000 in medical support and relieve the financial burden for affected families.





Our Organization and Management...

The Foundation is headed by a Board of Directors. Each person serves a three-year term; the Board is responsible for all policy decisions. Our 2008 board includes the following directors (clockwise from right: Bertie Bialek, Benedict Coulter, Pattie Dunn-Jahnke, Rich Erickson, Patrick Fitzgerald, Becky Holman, K.C. Knudson (not pictured), Paul Locklin, Cathy Lynn, Ann Mather (not pictured), Andy Mecca, Kahu Billy Mitchell (not pictured), Hans Riddervold, Barbara Rosenberg, Martin Stein, Robert Whitfield, Norma Wredberg and Gail Yanney.

Mahalo nui loa to the directors who have served the Foundation in the past: Richard Albrecht, Marc Cabi, Roxanne Cason, Debby Davidson, Tom Davidson, Dick Fischer, Kathleen Horrigan, Hank Hummelt, Patty Kellett, Barbara Kildow, Cathy Kruttschnitt, Dave Lazares, Dave Mowat, Nicola Opdycke, John Saffro, Joe Schell, Chris Shilakes and Don Wood.

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

The Foundation's day-to-day work is done by our Executive Director, working from office space on property provided by Hualalai Investors, LLC. She is assisted by our new part-time Foundation Administrator, who acts as the Medical Shepherd and co-reviews education applications. In addition, we continue to be blessed with the volunteer efforts of several of the resort employees, most notably Kaulu Amaral, Sean Bartlett, JoAnn Furusho, Pat Nagy, Vivian Tobias, and the incomparable Hualalai and Four Seasons Human Resources teams.





Our Fundraising Efforts...

- In addition to our annual donations, the Foundation is delighted to host a variety of events that enhance the sense of Hualalai community, while raising money to support our programs. Perhaps no example of this is more celebrated and memorable as our **Annual Golf Event and Auction** at Ke'olu. In April 2008, an unprecedented 100 participants played in the golf tournament, which was followed by a light-hearted dinner and auction, all of which raised over \$98,000 for Hualalai families.
- The Foundation was also fortunate to be the beneficiary of the **2008 MasterCard ProAm** fees. Due to the generosity of Hualalai Investors, LLC this event donated an amazing \$100,000 towards our annual goal.
- A family favorite is the **Keiki Cart Wash**, a special fundraiser put on by the children of our Hualalai residents during the busy holiday season. In December 2007, these generous keiki washed enough carts to raise \$1,250, which was matched by residents to achieve almost \$18,000!



Educational Awards...

The Foundation administers the review of K-12 and Higher Education scholarships from January through May. Summer Program applications can be submitted until August.

Coursework, Tutoring and English as a Second Language (ESL) awards are available year-round.



For the 2007-2008 academic year, K-12, Higher Education and Summer Program 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 \$3,500 in scholarships. These income-based award amounts were chosen by the Board of Directors to offer the maximum benefit to each student while maintaining available funds and longer-term financial goals of the Foundation.

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.

For the 2007-2008 academic year, the Foundation is proud to have granted educational awards totaling \$249,420 as follows:

- 46 scholarships for K-12 (\$165,668)
- 22 scholarships for Higher Education (\$53,608)
- 3 scholarships for Summer Programs (\$9,243)
- 37 Coursework and Tutoring awards (\$20,901)



Other Educational Awards...



LeapFrog Learning Tools

The Foundation was delighted to renew its partnership with LeapFrog Schools to offer the new Leapster learning systems to all Hualalai families with keiki ages 3-10. 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 \$18,913.



(Photograph by Douglas Walch)

Imagination Library

New in 2007 is our partnership with Dolly Parton's Imagination Library. This generous 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 2008, the Foundation announced its new Honor Roll Awards for children 6-12th Grade. This very successful program rewarded students earning a 3.0 GPA or higher and helped to achieve the Foundation's goal of recognizing the efforts of public school students. Over 40 proud families attended a special award ceremony, which included a congratulatory video message from actor, Dwayne Johnson.



Our Foundation's Financial Picture...

The Foundation remains in strong shape financially, thanks to the breadth and depth of support from our residential ohana during the last few years, but we continue to need income to support existing and expanded programs. Below is our Budget vs. Actual for FY2008:

| | Jul '07 - Jun 08 | Budget |
|--|-------------------------|---------------|
| Income | | |
| 07-08 Annual Contributions | 263,575.00 | 400,000.00 |
| Special Event - 2008 MC ProAm | 100,000.00 | 0.00 |
| Special Event - 2007 Cart Wash | 17,596.00 | 20,000.00 |
| Special Event - 2008 Golf Event | 98,538.00 | 40,000.00 |
| Interest Income | 48,343.07 | 45,000.00 |
| Total Income | 528,052.07 | 505,000.00 |
| Expense | | |
| Awards - Medical | 56,916.39 | 75,000.00 |
| Awards - Education Scholarship | 221,275.05 | 250,000.00 |
| Awards - Education CW-Tutoring | 20,901.14 | 20,000.00 |
| Awards - Educational Other | 29,791.65 | 55,000.00 |
| Total Awards | 328,884.23 | 400,000.00 |
| Administrative expenses* | 39,250.34 | 28,820.00 |
| Fundraising expenses | 18,926.24 | 16,500.00 |
| Payroll | 68,179.63 | 72,180.00 |
| Total Expense | 455,240.44 | 501,000.00 |

In the annual fundraising there were 155 donor families, which represent 54% of our homeowners and reflect an average gift of \$3,182. *In FY 2008, the Foundation utilized the expertise of a non-profit consultant and saw an increase in our auditor fees.

Our budget for FY 2009 allocates \$345,000 for educational awards; \$75,000 for medical awards; \$44,500 for fundraising and events; and \$101,750 for staff and administrative expenses.

We believe that by aggressively pursuing creative ways of encouraging education among children and adults, we will increase our recipients. Successful fundraising in 2009 will enable us to fulfill our mission with a strong financial base. We hope that our residential ohana will support our initiatives with the same enthusiasm and generosity of the last six years.

Our audited financial statements for fiscal years 2003 through 2008 are available by contacting our Treasurer, Rich Erickson, or Kei-Lin Cerf, our Executive Director.



Looking Ahead into 2009...

Education

- In reviewing the differing higher education programs, especially those for adults pursuing online degrees, the Education Committee made a decision to allow Higher Education scholarship applications to be accepted year-round. We hope to see a greater involvement in this program, including more adults pursuing post-graduate studies.
- In January, the Foundation will release the 2008-2009 Scholarship applications for children K-12th grades. Our revised deadline will be April 17th, allowing parents to finish their tax returns before submitting them.
- After the success of our first Honor Roll Awards, we are looking forward to another season of excellent report cards and an award ceremony full of proud families. The Honor Roll Award amounts will remain the same:

\$75.00 for students 6th - 8th grade and \$125 for students 9th - 12th grade

Medical

- Early in the new fiscal year, the Foundation responded to a recurring request for support following “necessary, but non-emergency” surgeries. Although not life-threatening, these injuries or illnesses required surgery that placed a significant financial burden on the families, especially if it entailed a long recovery time. In answer, the Medical Committee created the Surgical Assistance Award, consisting of \$1,000 to use towards medical bills, prescriptions or eligible medical travel.

Events

- For the first time in our fundraising events, a special private dinner with renowned medical advisor, Dr. Dean Ornish will be hosted at the home of Gail and Mike Yanney. Sponsored through the generosity of the Gross, Rosenberg and Yanney families, this event on December 27th will be completely tax-deductible. Your donation of \$350 per person includes a special presentation, dinner and an autographed book. Due to its intimate setting, space is limited - please respond to your invitation as soon as possible.
- Don't miss our party of the year! Our Fifth Annual Golf Tournament and Auction will be held in April 2009 at Ke'olu. Participation in this outstanding event is a great opportunity to support the Foundation efforts while enjoying a fun time with the Hualalai resident community. Watch for your annual invitation and registration forms to arrive in the mail, February 2009.
- While still in the planning stages, the Foundation hopes to host a Summer Tennis & Spa event that will allow our tennis lovers and resident keiki to participate in a fun-filled “field day” of athletic events and casual dining.



(Photographs by Douglas Walch)

Our Contributors...

To whom we are deeply grateful for their generosity and aloha that allows us to continue our programs for the families of Hualalai. On behalf of our recipients, we give our heartfelt appreciation to you.

Abrams, Myron and Tracy
Aiken, Doug and Pat
Akerly, Stephen and Tricia McCarthy
Alexander, Guy and Sherry
Ammen, David and Eleanor
Anderson, Chris and Anita
Andresen, Drew and Dana Krueger
Aviles, Hugo and Irene
Bailey, Wesley and Delone
Bakar, Gerson and Barbara
Barkin, Roger and Suzanne
Bernstein, Eve and Alex Gersznovicz
Bialek, Bertie
Blackburn, Tom and Kate Bell
Bochnowski, Jim and Jan
Bonahan, Michael and Ricci Racela
Bradley, Dick and Monene
Bundy, Gregory and Nicola
Cabi, Marc and Lisa
Caelius, Heather and Roy
Callinan, Tom and Marj
Carlson, Timothy and Tracy
Cason, Mardy and Roxanne
Chapple, John and Vivian Dixon
Chipps, Bradley and Donna
Choy, Keenan and Bree
Clumeck, Jack and Gloria
Coit, Ken and Donna
Cook, Phyllis and David
Cooper, John and Mary
Coulter, Benedict and Ulli
Crawford-Labe, Caroline
David Robinson Foundation
Davidson, Tom and Debby
deBenedetti, Marti
Dominick, Frank and Michelle
Dreimann, Leon and Joy
Earls, Alexander
Edwards, Mark and Gail
Erickson, Rich and Julianne
Evans, Andrew and Ann
Felson, Elliott and Suzanne
Felson, Sherry and Joseph
Fenton, Noel and Sally

Fernandez, Jim and Mary
Fischer, Virginia
Fitzgerald, Patrick and Marilyn
Fluegel, Rick and Donna
Frampton, Harry and Susan
Frankel, Mark and Mary Lou
Fukamachi, Ryutaro and Akiko
Gillings, Dennis and Joan
Goldman, Andrew
Green, Richard and Barbara
Greenfeld, Mike and Judy
Gross, Jenard and Gail
Guiltinan, John and Helen
Hamlet, Ken and Carolyn
Heller, Michael and Evelyn
Henry, JC and Susan
Herringer, Frank and Maryellen
Holley, Rick and Kandace
Holman, Bob and Becky
Holstead, George and Sandy
Horrigan, Kathleen
Hummelt, Hank and Judy
Jahnke, Bill and Pattie Dunn
Jain, Sanjay and Heather
Jarve, John and Jacque
Johns, Susan
Johnston, James and Mary Bee
Kaminsky, Robert and Kim
Kellett, Jay and Patty
Kelly, Gregory and Shannon
Kennedy, Don and Diana
Kent, Margaret
Keyes, David and Doreen
Khoury-Morgan, Yvonne
Kiesel, Mark and Marilouise
Kildow, Rob and Barbara
Knudson, J.D. and Jessica Landes
Knudson, K.C. and Toni
Krause, Bill and Gay
Kruttschnitt, Cathy
Lagger, Ray
Lally, Jim and Lynn
Lindahl, John and Nancy
Linden, Peter and Faith Golding
Locklin, Paul and Yen Yee

Loratta, Tom and Amy
Lucchetti, Dave and Chris
Luther, Adelyn
Lynn, Cathy
MacDonnell, Robert and Jan
Mair, Jim and Gretchen
Markiewicz, Jim and Joanne
Mastenbrook, Richard and Marlene
McGowan, Kenneth and Dorothy
McIntosh, J.B. and Susan
Mecca, Andy and Kate
Menard, Roger and Mimi
Mendelson, Susan and Jack Lutsky
Montag, Tom and Janet
Mow, Bill and Rosa
Mullin, Terry and Sharon
Murray, D.B. and Lilian
Nagle, Patricia
Nickoll, John and Patricia
Opdycke, Wally and Nicola
Osborne, David and Phyrne
Parrish, James and Lisa
Pinn, Alan and Toni
Pinn, David and Diane
Powell, Lloyd and Sharon
Quaranta, Mitchell and Nina
Reimann, Don and Chris
Riddervold, Hans and Elaine
Robinson, Richard and Marjorie Swartz
Rosenberg, Peter and Lisa
Rosenberg, Richard and Barbara
Rosendin, Michael and Stella
Roskens, Bill
Rudinica, Michael and Liz
Ryan Associates Contractors
Ryan, John and Anne Barash
Sack, Mike and John Saul
Saffro, John and Arlene
Sampson, Jack and Gail
Samuel, Bob and Terry
Schell, Joe and Debbie
Schumacher, Jim and Maura
Shirvanian, Kostis and Marian
Sholem, Barry and Frankie
Sills, Jason and Jennifer
Skeen, John and Donna
Sloan, Stuart and Karen

Smallwood, Wynne and Lindy
Smoczynski, Frank and Beverly
Snowbarger, Barry and Edie
Stein, Marty and Marlene
Taube, Tad and Dianne
Thomas, Ken and Susan
Trull, Russell and Nancy
Ullakko, James and Robin
Van Gilder, Dell and Alyce
Wahbe, Robert and Lisa Brown-Wahbe
Waimea White House
Watts, Gary and Becky
Wilsey, Bobbie and Mike
Wilsey, Dr. Kathy Behrens
Wong, Dennis and Shannon
Wredberg, Conrad and Norma
Yamanaka Enterprises, Inc.
Yanney, Michael and Gail
Zierk, David and Dawn

The Foundation also wishes to thank these residents and wine merchants for their significant in-kind contributions to our Golf Event:

Michael Bonahan & Ricci Racela
Chambers & Chambers
Leon and Joy Dreimann
Richard Robinson and Marjorie Swartz
Southern Wine & Spirits



(Photographs by Douglas Walch)

A special “mahalo” goes out to this year’s corporate sponsors and company donors:

Hualalai
at Historic Ka‘ūpūlehu

FOUR SEASONS RESORT
Hualalai at Historic Ka‘ūpūlehu



Kona Village
RESORT

cade s - schutte



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www.hawaiiivideo.com

The Foundation wishes to recognize and thank all of the participating employees plus these special individuals and “keiki stars” who helped to make our new DVD presentation a success:

Kaulu Amaral

JoAnn Furusho

Earl Regidor

Pat Nagy

Kuulei Young

Pelena & Chris Keeling

Micah Lindsey

Halia & Umikoa Kealoha

Mahie, Makana & Ola

Sherry, Sam & Danielle

Mike Yukon & Kona

Douglas Walch Photography

Manasas

Roberts-Tuscher

Country Club



(Photograph by Douglas Walch)

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