

HUGS for Hawaii's Seriously Ill Children and Their Families Summary

Mission: To support families caring for seriously ill children.

Category: Health & Wellness

Contact: Joan Naguwa, Executive Director

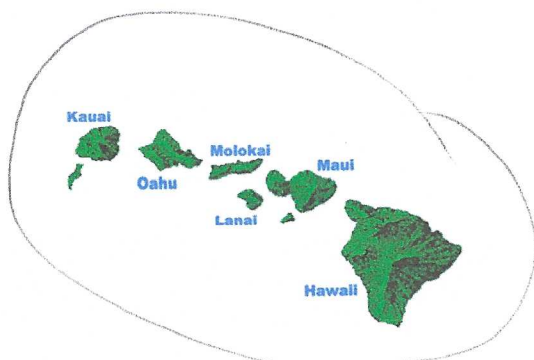
Address: 3536 Kilauea Avenue, Honolulu, HI 96816

Grant History: N/A

2022 Request:	\$20,000 for general operating support.
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Notes:

- HUGS created to support children facing life-threatening illnesses and their families by providing case management, financial assistance, respite services, support groups, hospital visits.
- Created in 1982.
- Serves entire State of Hawaii.
- Children served from birth to age 21. Many have complex serious illnesses.
- Provides support to entire family.
- Serves 400 families each year.
- All services provided to families free of charge.
- 7 trained professionals on staff.





For Hawaii's Seriously Ill Children and Their Families

REQUEST TO LAURENCE H. DORCY HAWAIIAN FOUNDATION

HUGS For Hawaii's Seriously Ill Children and Their Families (HUGS) requests \$20,000 in general operating support to assist Hawaii's seriously ill children and their families, emotionally and financially, during their long, challenging journey of life-threatening childhood illness.

HUGS' MISSION: To strengthen Hawaii's families by improving their quality of life as they face the emotional and financial hardships of caring for a seriously ill child

ORGANIZATIONAL HISTORY AND BACKGROUND: HUGS is a local, homegrown nonprofit organization, incorporated in 1982 by a small group of volunteers, that strives to strengthen Hawaii's families and improve their quality of life as they face the emotional and financial hardships of caring for their seriously ill child. For the past 40 years, HUGS has helped thousands of Hawaii's children, ages infants to 21 years old, who suffer from a wide variety of life-threatening illnesses, such as cancer (41%), cardiac malformations (20%) and other life-threatening illnesses (31%), such as liver and kidney conditions, cystic fibrosis or developmental disabilities, AND their family members.

HUGS is the only organization in Hawaii offering comprehensive, long term support services to children with life-threatening illnesses AND their family members. We are unique among other Hawaii nonprofit organizations serving similar clientele. HUGS:

- Serves ill children with a variety of life-threatening illness, not just a single illness (e.g. cancer)
- Serves all family members, including the ill child, Moms, Dads and siblings with individually designed programs.
- Is a local, homegrown nonprofit organization with no chapters outside of Hawaii.
- Is not affiliated with any national organization.
- All funds raised stay in Hawaii to benefit Hawaii's families.

We serve nearly 400 families (1,900 family members) from all islands in Hawaii each year and recognizes that each family member is impacted in different ways. HUGS programs are designed to meet the individual needs of each family member, to strengthen their coping skills and build family resiliency. They include:

- 1) *Peer Support activities*, such as monthly family gatherings and Moms and Dads-specific activities which provide a safe environment of mutual understanding and build supportive networks with others in similar situations;
- 2) Monthly and emergency respite services to help ill children and their siblings gain a sense of normalcy and independence while their parents receive needed relief from the stress of caregiving;
- 3) Weekly hospital visits and activities for hospitalized children from all islands;
- 4) Case management services to connect families with community resources to meet their needs (e.g. rental assistance, employment, etc.);
- 5) Financial assistance for food sustainability and emergency airfare from neighbor islands or to the mainland for specialized medical treatment;

6) Sibling Support activities to help siblings of ill children to build peer support and process their emotions and perceptions of their role in the family in a fun, nurturing environment.

All of our programs and services are provided to families free of charge. Eighty (80%) of HUGS families have low to moderate household incomes, often as a result of one parent losing employment to care for their ill child.

Almost 50 peer support and family activities are held each year, either in-person or virtually. Since the onset of the COVID-19 pandemic, most activities have been held virtually, with occasional in-person activities held when permitted.

These services will be coordinated and implemented by HUGS' dedicated staff of seven (7) trained professionals who have a combined total of 125 years of nonprofit experience in executive management, fiscal oversight, program delivery for children and families, and volunteer and community engagement and coordination. A total of 800 community volunteers are recruited and trained to assist with these services.

THE NEED: The journey of HUGS families is one of initial shock and upheaval upon diagnosis, followed by complex and prolonged medical treatment, financial hardship, unrelenting emotional distress and anxiety –lasting for several years or a lifetime until remission or bereavement - and affects each member of a family in unique ways. National research and HUGS family members have expressed that one of their most important needs is support from others who have experienced life-threatening childhood illnesses. This support is essential as it enables children and family members to normalize their fears and concerns, reduce anxiety and social isolation, form informal support networks among their unique peers and strengthen their ability to successfully cope and adapt to their child's serious illness which often impacts family health and health outcomes for the ill child.

The current coronavirus pandemic has created additional challenges for both the HUGS organization and families with seriously ill children. For HUGS families, they have experienced added stress and anxiety with issues of unemployment/extended furloughs, food insecurity, social isolation, and mounting medical bills while minimizing potential COVID exposure for their immuno-compromised child. The ill children themselves who normally lose a sense of normalcy during treatment have suffered greater social isolation and anxiety during the pandemic.

Since March 2020, HUGS has had to convert almost all of its in-person peer support, respite and family events to virtual format and manage the increased demand for its services. In doing so, HUGS was able to conduct 40 peer support activities during the year and maintain peer connections among the families. Our food distribution increased 100%, and airfare assistance continued for emergency medical treatment on the mainland. Our services continued to be delivered, just differently in implementation.

HUGS itself endured a 35% reduction in unrestricted funding due to our inability to conduct major fundraising events, such as our annual gala event which produced our largest source of unrestricted funds, as well as the loss of a \$125,000 government grant. At the end of 2020, we were facing a \$250,000 budget deficit. In 2021, we experimented with new online fundraising strategies and ramped up our efforts at increasing brand awareness.

Objective 2: To conduct weekly visits to 150 hospitalized children, as permitted.

Objective 3: To recruit and train 150 community volunteers to serve as one to one "buddies" for HUGS children and their siblings at respite activities.

Goal 3: To relieve the financial stress of HUGS families.

Objective 1: To provide monthly food baskets for 100 HUGS families.

Objective 2: To provide emergency airfare assistance to 75 family members whose child is receiving medical treatment on the mainland or away from their Neighbor Island home.

Objective 3: To provide case management services and connection to community resources to 70 HUGS families in need.

Outcome Measures:

- 90% of participating HUGS family members will report a reduction of stress, anxiety and social isolation as a result of participating in HUGS programs and services.
- 85% of participating HUGS family members will report an improvement in their mental well-being and ability to cope with the HUGS child's illness
- 80% of HUGS parents will report an increase in their child(dren)'s mental well-being and self-esteem.
- 90% of participating HUGS family members will report a sense of relief from financial stresses as a result of HUGS financial assistance programs

Funds from the Dorcy Hawaiian Foundation will have a significant impact on the lives of HUGS children and their families by supporting the "True Cost" of our programs and operations. It will support a portion of our direct program expenses, such as program supplies, as well as a portion of our operational expenses, such as information technology and software to produce virtual peer support programs for our clientele, accounting services, office supplies, insurances, postage, telephone/internet service and utilities. Staff salaries will be covered by other funding sources. The Dorcy Foundation funds will also enable HUGS to leverage funding from other foundations for other operational expenses. See attached proposed budget.

CONTACT INFORMATION

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ADDITIONAL INFORMATION – See Attachments

1. Proposed Budget
2. IRS Tax Exemption 501©(3) Determination Letter
3. 2020 Audited Financial Statement and Unaudited 2021 Financial Statement
4. Primary Funding Sources

HUGS FOR HAWAII'S SERIOUSLY ILL CHILDREN AND THEIR FAMILIES

Laurence H. Dorcy Foundation Application
Request for General Operating Funds
May 1, 2022 - April 30, 2023

	Laurence H. Dorcy Foundation	Other Sources	Total
Income:			
Laurence H. Dorcy Foundation	\$ 20,000		\$ 20,000
H.T. Hayashi Foundation (secured)		\$ 30,000	30,000
William A. Schampeau Charitable Trust (secured)		65,000	65,000
McInerney Foundation (pending)		35,000	35,000
Other Trusts & Foundations (pending)		200,000	200,000
Other (community groups, United Way, etc.)		29,700	29,700
Individual Contributions		165,000	165,000
Corporate Contributions		89,000	89,000
Special Events & Fundraising Activities		170,000	170,000
Total Income	\$ 20,000	\$ 783,700	\$ 803,700
Expenses:			
Employee Salaries, Wages, Taxes & Benefits		565,100	565,100
Accounting	3,000	19,700	23,000
Auto Expense		1,400	1,400
Audit & Tax Prep Fees	1,000	16,000	17,000
Bank Merchant Fees		3,000	3,000
Depreciation Expense		5,500	5,500
Equipment Lease/Maintenance	200	3,400	3,600
General Excise Tax		8,000	8,000
Insurance	3,000	7,300	10,300
Information Technology (software, equipment maintenance, etc.)	5,000	31,000	36,000
License/Dues/Fees	50	1,500	1,550
Investment Fees		3,200	3,200
Office supplies	200	1,800	2,000
Postage	100	3,900	4,000
Printing	100	3,900	4,000
Program Services			
Emergency Airfare Assistance	1,000	9,000	10,000
Program Activity Fees	500	6,050	6,550
Other services	500	8,500	9,000
Program Supplies	5,000	55,000	60,000
Program Transportation		700	700
Property Equipment & Supplies		1,500	1,500
Public Relations		3,000	3,000
Property Repairs & Maintenance		12,000	12,000
Staff Training & Travel		400	400
Telephone (office line, cell phone, internet)	200	6,600	6,800
Utilities	100	4,100	4,200
Volunteer Support	50	1,450	1,500
Miscellaneous Expenses		700	700
	20,000	783,700	803,700

H U G S FOR HAWAII'S SERIOUSLY ILL CHILDREN AND THEIR FAMILIES

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 744,720	\$ 579,193
Grants and contributions receivable	60,145	83,236
Prepaid expenses and other assets	<u>25,867</u>	<u>11,965</u>
Total current assets	830,732	674,394
INVESTMENTS – Noncurrent	357,244	327,760
INTEREST IN PERPETUAL TRUST	102,445	94,578
PROPERTY AND EQUIPMENT – Net	<u>77,052</u>	<u>82,256</u>
TOTAL ASSETS	<u>\$ 1,367,473</u>	<u>\$ 1,178,988</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,219	\$ 7,421
Accrued liabilities	31,515	28,059
SBA PPP loan – current	<u>74,500</u>	<u>-</u>
Total current liabilities	110,234	35,480
SBA PPP LOAN – Noncurrent	<u>21,400</u>	<u>-</u>
TOTAL LIABILITIES	<u>131,634</u>	<u>35,480</u>
NET ASSETS		
Net assets without donor restrictions	<u>643,279</u>	<u>570,983</u>
Net assets with donor restrictions		
Restricted for time and program purposes	290,115	277,947
Restricted for endowments	<u>302,445</u>	<u>294,578</u>
Total net assets with donor restrictions	<u>592,560</u>	<u>572,525</u>
Total net assets	<u>1,235,839</u>	<u>1,143,508</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,367,473</u>	<u>\$ 1,178,988</u>

See accompanying notes to the financial statements.

HUGS FOR HAWAII'S SERIOUSLY ILL CHILDREN AND THEIR FAMILIES

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2020 and 2019

	2020			2019			
	With Donor Restrictions			With Donor Restrictions			
	Without Donor Restrictions	Time and Program Purposes	Endowments	Without Donor Restrictions	Time and Program Purposes	Endowments	Total
REVENUE, GAINS, AND OTHER SUPPORT							
Contributions	\$ 532,660	\$ 47,744	\$ -	\$ 385,019	\$ 101,602	\$ 100,000	\$ 586,621
Revenue and support from special event	-	-	-	241,170	-	-	241,170
Special event expenses	-	-	-	(51,011)	-	-	(51,011)
Net revenue from special event	-	-	-	190,159	-	-	190,159
Contributed materials	176,010	-	-	152,242	-	-	152,242
Government contracts	117,945	-	-	142,449	-	-	142,449
Investment income – net	21,572	11,665	7,867	10,009	16,429	11,335	37,773
Contributed facilities	36,000	-	-	36,000	-	-	36,000
Other income	16,648	-	-	-	-	-	-
United Way allocation	12,100	-	-	18,502	-	-	18,502
Loss on disposal of equipment	-	-	-	(18)	-	-	(18)
Net assets released from donor restrictions	47,241	(47,241)	-	152,803	(152,803)	-	-
Total revenue, gains, and other support	<u>960,176</u>	<u>12,168</u>	<u>7,867</u>	<u>1,087,165</u>	<u>(34,772)</u>	<u>111,335</u>	<u>1,163,728</u>
EXPENSES							
Program services	544,443	-	-	677,661	-	-	677,661
Fundraising	183,091	-	-	167,866	-	-	167,866
Management and general	160,346	-	-	158,815	-	-	158,815
Total expenses	<u>887,880</u>	<u>-</u>	<u>-</u>	<u>1,004,342</u>	<u>-</u>	<u>-</u>	<u>1,004,342</u>
CHANGE IN NET ASSETS	72,296	12,168	7,867	82,823	(34,772)	111,335	159,386
NET ASSETS – Beginning of year	570,983	277,947	294,578	488,160	312,719	183,243	984,122
NET ASSETS – End of year	<u>\$ 643,279</u>	<u>\$ 290,115</u>	<u>\$ 302,445</u>	<u>\$ 570,983</u>	<u>\$ 277,947</u>	<u>\$ 294,578</u>	<u>\$ 1,143,508</u>

See accompanying notes to the financial statements.

H U G S FOR HAWAII'S SERIOUSLY ILL CHILDREN AND THEIR FAMILIES

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2020 and 2019

	2020				2019				
	Program Services	Management and General		Total	Program Services	Fund- Raising		Management and General	Total
		Fund- Raising	General			Fund- Raising	General		
Salaries and related expenses									
Salaries	\$259,549	\$ 84,809	\$ 67,978	\$412,336	\$252,728	\$ 92,566	\$ 56,573	\$ 401,867	
Employee benefits	50,061	11,158	9,903	71,122	44,407	12,768	7,801	64,976	
Payroll taxes	24,668	8,124	6,700	39,492	23,629	8,685	5,464	37,778	
Total salaries and related expenses	334,278	104,091	84,581	522,950	320,764	114,019	69,838	504,621	
Professional services	17,568	60,170	56,934	134,672	15,886	25,472	58,925	100,283	
Supplies	80,927	2,998	245	84,170	104,888	41,984	7,079	153,951	
Family and outreach services	53,335	-	-	53,335	162,672	-	-	162,672	
Contributed facilities	22,662	5,933	7,405	36,000	22,640	8,291	5,069	36,000	
Office	14,805	2,498	2,925	20,228	17,467	11,101	11,609	40,177	
Utilities	6,909	1,784	1,210	9,903	6,746	1,882	1,010	9,638	
Insurance	6,811	1,678	1,225	9,714	6,859	1,789	1,060	9,708	
Depreciation	3,652	901	651	5,204	3,868	1,010	597	5,475	
Repairs and maintenance	2,744	722	460	3,926	12,950	944	562	14,456	
Miscellaneous	-	1,111	1,913	3,024	-	1,482	792	2,274	
Bank fees	58	1,000	1,782	2,840	-	492	2,180	2,672	
Staff travel and training	678	70	1,015	1,763	2,368	933	94	3,395	
General excise tax	-	135	-	135	-	9,321	-	9,321	
Volunteer services	16	-	-	16	553	157	-	710	
Total expenses	544,443	183,091	160,346	887,880	677,661	218,877	158,815	1,055,353	
Less: special event expenses reported on the statements of activities	-	-	-	-	-	(51,011)	-	(51,011)	
Total expenses on the statements of activities	<u>\$544,443</u>	<u>\$183,091</u>	<u>\$160,346</u>	<u>\$887,880</u>	<u>\$677,661</u>	<u>\$167,866</u>	<u>\$158,815</u>	<u>\$1,004,342</u>	

See accompanying notes to the financial statements.

H U G S FOR HAWAII'S SERIOUSLY ILL CHILDREN AND THEIR FAMILIES
2021 UNAUDITED FINANCIAL STATEMENT
 January - December 2021

	Total
Income	
4000 Contributions	
4005 Trusts & Foundations	348,201.34
4010 Individual	162,693.00
4015 Corporate	89,045.58
4020 Service Groups	9,512.43
4030 Other	10,655.81
4035 Aloha United Way	6,691.39
4045 Combined Federal Campaign	3,897.60
Total 4000 Contributions	\$ 630,697.15
4100 Government	
4110 City Grant-in-Aid	93,998.61
4115 4115 SBA PPP Forgiven Loan	194,707.00
Total 4100 Government	\$ 288,705.61
4200 Fundraising Income	
4325 Direct Benefit Cost to Donors	-6,047.12
4350 Other FR Events	41,770.21
4400 Fundraising/Development Expense	-5,192.49
Total 4200 Fundraising Income	\$ 30,530.60
4500 In Kind Donations	2,750.00
4700 Interest/Dividend Income	315.23
4710 Investment Income	7,606.73
4800 Unrealized G/L on Investments	31,388.55
4810 Realized G/L on Investments	17.01
Total Income	\$ 992,010.88
Gross Profit	\$ 992,010.88
Expenses	
5000 Payroll and Related Expenses	
5100 Salaries and Wages	393,985.60
5200 Payroll Taxes & Employee Benefits	108,177.84
6100 Accounting	21,624.13
6150 Audit/Tax Preparation	16,177.40
6200 Auto/Van Expense	1,313.83
6300 Bank Merchant Fees	2,646.05
6400 Board Expense	84.19
6600 Depreciation Expense	5,204.50
6650 Equipment Lease/Maintenance	3,608.50
6800 General Excise Tax	1,874.27
6850 Information Technology	31,150.21
6900 Insurance	9,802.66
7100 Licenses/Dues & Subscriptions	1,298.24
7150 Investment Fees	2,592.22
7300 Office	1,155.57
7400 Payroll Service Fees	11,447.66
7600 Postage & Shipping	2,265.35
7800 Professional Services	135.00
7900 Program Services	
7901 Emergency Airfare	6,895.34
7910 Other	5,100.00
7915 Program Event Fees	1,298.79
Total 7900 Program Services	\$ 13,294.13
7950 Program Supplies	15,233.41
8100 Program Transportation	154.21
8150 Property Equipment/Supplies	1,526.21
8200 Public Relations	208.61
8400 Repairs & Maintenance	5,134.98
8600 Staff Travel	107.45
8700 Telephone	6,432.03
8800 Utilities	3,915.06
Total Expenses	\$ 660,465.31
Net Operating Income	\$ 331,545.57
Net Income	\$ 331,545.57

H U G S FOR HAWAII'S SERIOUSLY ILL CHILDREN AND THEIR FAMILIES

2021 INCOME SOURCES

January - December 2021

	Total
Income	
4000 Contributions	
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4010 Individual	162,693.00
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