

Habilitat Summary

Mission: To provide residential treatment and support for those dealing with addiction.

Category: Health & Wellness

Contact: Jeff Nash, Executive Director

Address: P.O. Box 801, Kaneohe, HI 96744

Grant History: N/A

2024 Request:	\$50,000 for emergency structural repairs
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Notes:

- Largest capacity residential treatment center in State of Hawaii.
- 150 beds.
- 28-month recovery program.
- Workforce training and re-entry preparedness.
- Upon completion, all are employed and housed. 63% ongoing success rate.
- Significant structural damage discovered in administrative building.
- Using residential members to help with the repairs via in-house construction workforce development training program.



Jeff Nash
EXECUTIVE DIRECTOR



Vincent C. Marino
FOUNDER

January 30, 2024

VIA tammy@dorcyfdn.org

Laurence H. Dorcy Hawaiian Foundation
81 East 7 Street, Suite 125
St. Paul, MN 55101

Dear Tammy:

Thank you for the opportunity to apply to the Laurence H. Dorcy Hawaiian Foundation for funding support. Habilitat requests \$50,000 to repair urgent structural and electrical issues that were recently discovered in one of our buildings.

Background and Need

Since 1971, Habilitat has empowered individuals to make positive choices in their own lives and to live fully beyond their addictions. We are licensed by the state of Hawaii as the largest capacity residential treatment center with 150 beds. Our bed capacity is 48% of the state's treatment beds. In 2022, we provided treatment to 52% of the state's treatment population. Our 28-month program is one of only a few long-term residential treatment centers remaining in the U.S., and one of an even fewer providing intensive workforce training and reentry preparedness. Upon graduation, 100% of graduates are employed full-time, living in stable housing, maintained uninterrupted sobriety, and have no new justice involvement. Five years after graduating, 63% of graduates report continued success in all four criteria above-mentioned. Our success rate is 3 times the national average.

Executive Director, Jeff Nash, has over 25 years of experience in clinical and administrative operations of addiction treatment and behavioral health programs. Prior to becoming executive director in 2015, Mr. Nash served as area and clinical director for 16 years at Habilitat. He was closely trained by the founders and has a background in business, clinical treatment and education. His leadership team is comprised of three lines of authority (therapeutic, vocational and administrative) with 24 full-time staff members of which, 5 are clinical staff, and many of whom are themselves recovered addicts dedicated to helping others overcome addiction.

Demographic Population, Individuals and Geographic Regions Served

Habilitat admits adults from all 50 states. Most participants have struggled for years, if not decades, to break cycles of addiction, homelessness, and incarceration. The majority view Habilitat as the "last house on the block" and often cite the program as the "hardest yet most rewarding experience of their lives." We average 110 treatment residents at any given time, and treat the whole person through comprehensive individual and group therapy, intensive workforce development, and reentry preparedness. Our population fluctuates, but is generally representative of current residents: 65% were homeless prior to admission (48% chronically homeless for 10 or more years); 72% have been incarcerated (65% convicted felonies); two-thirds are court-mandated; 77% are male and 23% are female; 31% are parents of at least one young child; 37% were unemployed for at least one year prior to admission; and, the vast majority have had long-term addiction to methamphetamine (57%), and many are addicted to heroin (33%) and/or alcohol (10%).

The Dorcy Foundation's Impact

The grant money will be used to repair the structural integrity of and rectify ongoing electrical issues in one of our buildings. We recently discovered the following: damaged joists and upon looking further, found broken and compromised chord of multiple roof trusses, missing hardware throughout, unsealed nails in the roof membrane, an electrical system not up to current code and shorts/sparks, sagging and damaged gypsum board ceiling and existing windows not to code. The work will include removal of ceilings, rewiring by licensed electrician, replacement of damaged joist, installation of hurricane brackets and new decking, lighting, replacement of the drywall ceiling, install new windows to bring them to code, install new vinyl flooring, painting, and build a new phone operator station.

Founder, Vinny Marino, purchased the facility property with 1 usable building in 1971. Between 1979-1986, we built 10 more to accommodate workforce and educational training spaces, resident and staff quarters, administrative offices and an institutional kitchen. Historically, we maintain our facility when time and finances allow. However, this repair is beyond the scope of normal maintenance, although we are able to contribute in-kind labor with our construction department to save costs. The building we will repair houses (4) staff offices and (2) different departments including Sales and Marketing, and Administration as well as our facility's phone console. The building is essential for daily operations and fundraising activities that generate 15-20% annual revenues toward our operational budget. It is extremely important that we update the building as soon as possible for the safety of residents and staff.

Primary Funding Sources

A cornerstone of Habilitat's business model is that we operate on a diversified income stream including major, annual fundraisers and social enterprise. For over 50 years, this approach has enabled us to cover most of our operating budget and to never turn away anyone due to inability to pay for treatment. In fact, we admit over 90% of residents free of charge. We do not bill Medicaid, the state or the city. Substance use and co-occurring disorders are treatable problems that don't have to cost people their lives or taxpayers a fortune. Combined with intensive workforce development, comprehensive reentry preparedness and wide-ranging therapy in a therapeutic community environment, thousands of people have come through the program and gone on to live productively and fully as contributing members of their families, workplaces and communities. Finally, our self-sufficiency model with fundraisers and social enterprise covers operational matters, but we do rely on grants for the larger non-recurring items.

Contact Information

Habilitat's mailing address is P.O. Box 801, Kaneohe, Hawaii, 96744. I can be reached at (808) 221-8337 or jnash@habilitat.com. Thank you again for your consideration.

Please also accept an open invitation to tour our facility at your convenience.

All the best,



Jeff Nash, Executive Director

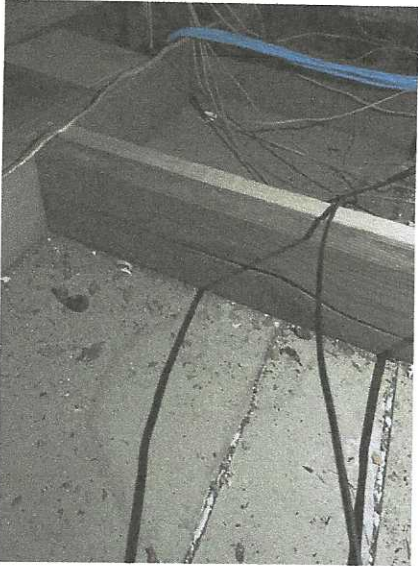
Encls: 501(c)(3) letter
Financial Statement
Project Budget
Project Photos



Estimate for Enterprise Building Repair
January 29, 2024

Electrical - contracted work	\$ 24,200.00
Structural repair	
Lumber/paint/hardware	7,000.00
Remove/replace drywall	6,300.00
Remove/replace flooring / baseboards	6,300.00
Remove/replace windows	5,200.00
Trash bin	1,000.00
Project Total	<u>50,000.00</u>

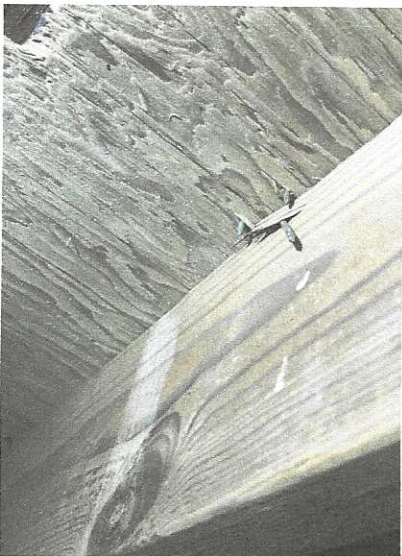
Structural



Compromised roof trusses

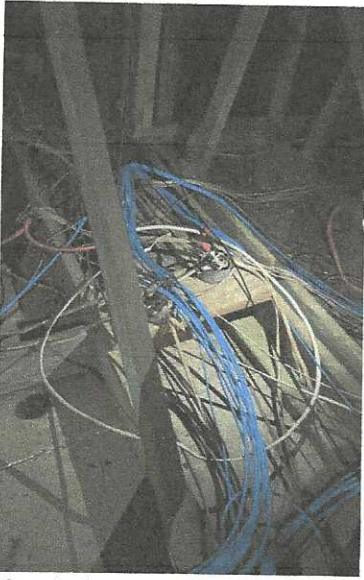


Missing structural hardware

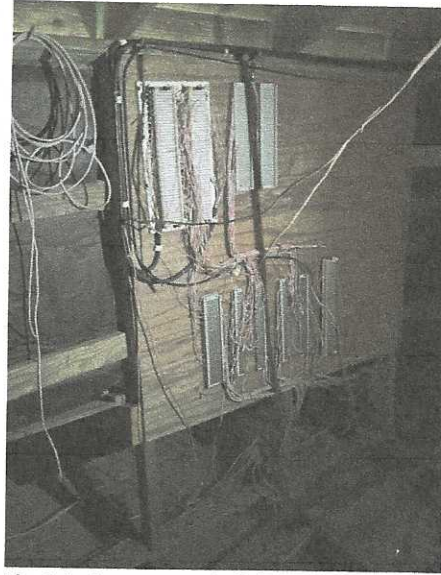


Unsealed nail in roof membrane

Electrical



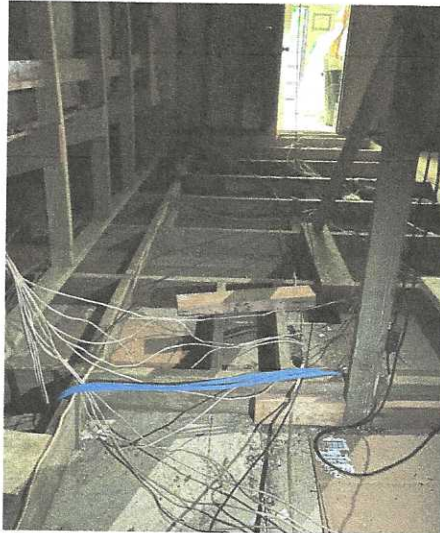
Electrical-not to code (1)



Electrical-not to code (2)



Electrical-not to code (3)



Electrical-not to code (4)



Electrical-not to code (5)

HABILITAT, INC.

Statements of Financial Position

June 30, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 398,371	\$ 287,429
Investments	4,540,147	4,109,227
Accounts receivable, net	257,102	191,889
Prepaid expenses and other	51,255	43,955
Total current assets	<u>5,246,875</u>	<u>4,632,500</u>
Property and equipment, net	3,489,793	3,416,344
Other assets, net	176,604	189,686
Total assets	<u><u>\$ 8,913,272</u></u>	<u><u>\$ 8,238,530</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 205,368	\$ 109,071
Accrued expenses	300,188	260,362
Deferred income	46,028	6,055
Support funds held for residents	42,163	51,857
Total current liabilities	<u>593,747</u>	<u>427,345</u>
Net assets:		
Without donor restrictions:		
Undesignated	8,249,894	7,518,021
Board-designated for capital improvements	37,000	265,000
	<u>8,286,894</u>	<u>7,783,021</u>
With donor restrictions	32,631	28,164
Total net assets	<u>8,319,525</u>	<u>7,811,185</u>
Total liabilities and net assets	<u><u>\$ 8,913,272</u></u>	<u><u>\$ 8,238,530</u></u>

See accompanying notes to financial statements.

HABILITAT, INC.

Statement of Activities

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and gains:			
Vocational rehabilitation program	\$ 2,275,962	\$ -	\$ 2,275,962
Resident fees	1,079,686	-	1,079,686
Special fundraising events, net of direct expenses of \$978,244	548,816	-	548,816
Net investment return	427,604	-	427,604
Grants and contributions of cash and other financial assets	160,274	122,199	282,473
Contributions of nonfinancial assets	167,341	-	167,341
Other income, net	111,408	-	111,408
Net assets released from restrictions	117,732	(117,732)	-
Total revenue and gains	<u>4,888,823</u>	<u>4,467</u>	<u>4,893,290</u>
Expenses:			
Program services:			
Treatment	1,694,134	-	1,694,134
Vocational rehabilitation	1,518,850	-	1,518,850
Total program services	<u>3,212,984</u>	<u>-</u>	<u>3,212,984</u>
Supporting activities:			
Administration	920,929	-	920,929
Fundraising	251,037	-	251,037
Total supporting activities	<u>1,171,966</u>	<u>-</u>	<u>1,171,966</u>
Total expenses	<u>4,384,950</u>	<u>-</u>	<u>4,384,950</u>
Change in net assets	503,873	4,467	508,340
Net assets, beginning of year	<u>7,783,021</u>	<u>28,164</u>	<u>7,811,185</u>
Net assets, end of year	<u>\$ 8,286,894</u>	<u>\$ 32,631</u>	<u>\$ 8,319,525</u>

See accompanying notes to financial statements.

HABILITAT, INC.

Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and gains:			
Vocational rehabilitation program	\$ 1,792,465	\$ -	\$ 1,792,465
Resident fees	1,137,627	-	1,137,627
Grants and contributions of cash and other financial assets	366,556	303,131	669,687
Special fundraising events, net of direct expenses of \$744,528	551,397	-	551,397
Contributions of nonfinancial assets	211,082	-	211,082
Net investment loss	(698,895)	-	(698,895)
Other income, net	196,454	-	196,454
Net assets released from restrictions	321,992	(321,992)	-
Total revenue and gains	3,878,678	(18,861)	3,859,817
Expenses:			
Program services:			
Treatment	1,641,341	-	1,641,341
Vocational rehabilitation	1,175,244	-	1,175,244
Total program services	2,816,585	-	2,816,585
Supporting activities:			
Administration	818,911	-	818,911
Fundraising	220,620	-	220,620
Total supporting activities	1,039,531	-	1,039,531
Total expenses	3,856,116	-	3,856,116
Change in net assets	22,562	(18,861)	3,701
Net assets, beginning of year	7,760,459	47,025	7,807,484
Net assets, end of year	\$ 7,783,021	\$ 28,164	\$ 7,811,185

See accompanying notes to financial statements.

HABILITAT, INC.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services		Supporting Activities			Total Program and Supporting Activities
	Treatment	Vocational Rehabilitation	Total	Administration	Fundraising	
Personnel	\$ 451,871	\$ 353,824	\$ 805,695	\$ 766,337	\$ 174,873	\$ 941,210
Supplies	-	895,566	895,566	-	-	-
Resident care	726,379	-	726,379	-	-	-
Utilities	171,069	30,075	201,144	18,428	19,609	38,037
Depreciation	149,954	55,770	205,724	4,632	2,709	7,341
Insurance	79,834	24,050	103,884	(211)	12,029	11,818
General excise tax	-	102,418	102,418	2,747	-	2,747
Auto	36,037	39,142	75,179	558	16,042	16,600
Professional fees	6,941	-	6,941	62,978	335	63,313
Office	5,754	3,451	9,205	29,260	4,010	33,270
Repairs and maintenance	38,401	-	38,401	-	-	-
Rent	4,856	5,724	10,580	-	12,857	12,857
Telephone	11,794	88	11,882	6,612	4,616	11,228
Refuse and real property tax	9,998	8,738	18,736	1,444	2,098	3,542
Travel	65	-	65	7,270	-	7,270
Postage and shipping	1,181	4	1,185	3,126	554	3,680
Advertising and promotion	-	-	-	1,837	1,305	3,142
Miscellaneous	-	-	-	15,911	-	15,911
Total expenses	\$ 1,694,134	\$ 1,518,850	\$ 3,212,984	\$ 920,929	\$ 251,037	\$ 1,171,966
						\$ 4,384,950

See accompanying notes to financial statements.

HABILITAT, INC.

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services			Supporting Activities			Total Program and Supporting Activities
	Treatment	Rehabilitation	Total	Administration	Fundraising	Total	
Personnel	\$ 406,201	\$ 354,757	\$ 760,958	\$ 648,486	\$ 159,011	\$ 807,497	\$ 1,568,455
Resident care	811,238	1,661	812,899	-	-	-	812,899
Supplies	-	579,013	579,013	-	-	-	579,013
Utilities	162,945	28,697	191,642	18,081	17,899	35,980	227,622
Depreciation	74,614	36,246	110,860	7,235	948	8,183	119,043
Auto	28,631	51,132	79,763	356	13,735	14,091	93,854
General excise tax	-	80,520	80,520	5,209	-	5,209	85,729
Professional fees	5,519	2,644	8,163	66,948	50	66,998	75,161
Insurance	51,483	14,114	65,597	2,270	7,064	9,334	74,931
Office	13,522	11,892	25,414	39,367	1,258	40,625	66,039
Repairs and maintenance	46,519	928	47,447	644	18	662	48,109
Rent	8,702	6,806	15,508	40	13,613	13,653	29,161
Refuse and real property tax	10,198	4,896	15,094	2,406	3,188	5,594	20,688
Telephone	11,065	1,896	12,961	4,553	1,152	5,705	18,666
Advertising and promotion	-	42	42	4,389	1,819	6,208	6,250
Postage and shipping	1,146	-	1,146	2,946	841	3,787	4,933
Travel	62	-	62	1,697	-	1,697	1,759
Miscellaneous	9,496	-	9,496	14,284	24	14,308	23,804
Total expenses	\$ 1,641,341	\$ 1,175,244	\$ 2,816,585	\$ 818,911	\$ 220,620	\$ 1,039,531	\$ 3,856,116

See accompanying notes to financial statements.