

## Malama Kai Foundation Summary

**Mission:** To raise funds for organizations working to conserve Hawaii's coastal and marine resources.

**Category:** Environmental preservation and education

**Contact:** Brad Stubbs, Executive Director

**Address:** P.O. Box 6882, Kamuela, HI 96743

**Grant History:** N/A

<b>2024 Request:</b>	<b>\$100,000 for <i>Hawaiian Chieftain</i> repairs and transport to Hawaii</b>
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### Notes:

- Fiscal sponsor for *Hawaiian Chieftain* – Dorcy's boat.
- Purchased circa 1988 and docked in Washington State ever since.
- Overhauled in 2021.
- Plans to return boat to Hawaii and provide conservation programming in collaboration with third parties – to be determined.
- **Called me this summer. High pressure conversation. I was strongly castigated for my lack of detailed knowledge about this boat and its importance to Dorcy. Told me foundation made grants towards its repair – no history of grants for this purpose. Insisted it was an estate beneficiary – no record of this.**
- Primarily funded through personal loans from Aubrey and Mathew Wilson and Walter Kaleo o'Kalani Nakoa.
- **-\$5,000 revenue; \$400,000 in expenses.**
- **Long term loans from shareholders \$3,075,000.**



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**Submitted To:**  
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## Letter of Funding Request

# Laurence H. Dorcy Hawaiian Foundation Grant Capital Campaign

**In Response to Notice of Funding Opportunity: Capital Campaign**

CAGE: 45KG4 | UEI: LA4DQE6FBD35 | TIN: 99-0285490

January 31, 2024

ORIGINAL





## 1. Background Information

Malama Kai Foundation is a 501(c)(3) tax-exempt, not-for-profit organization, dedicated to ocean stewardship through community service and public education in Hawaii. Founded in January 1991, we raise funds in the form of small and large donations and grants in order to implement or sponsor projects that will help conserve Hawaii's coastal and marine resources and educate the public about these resources. For over 25 years, Malama Kai Foundation has demonstrated its ability to raise funds and partner with government agencies, local business and conservation organizations to accomplish significant projects to protect Hawaii's nearshore waters and ecosystems. **We are honored to work with the Hawaiian Chieftain organization and, in this instance, serve as their fiscal sponsor.**

The vessel *Hawaiian Chieftain*, briefly known as the *Spirit of Larinda*, was commissioned by Laurence H. Dorcy, Jr. and built by Lahaina Welding Co. in 1988 in Lahaina, Maui. The 104' gaff-rigged topsail ketch is unique - with the rig of a 19th-century trading vessel and a modern triple keel, shallow draft hull and thus highly maneuverable in shallow waters. In fact, under Dorcy's vision, *Hawaiian Chieftain* was designed for shallow coastal access, cargo capacity, passenger capabilities, and extensive renewable wind derived power sourcing.

Her maiden voyage, in 1990, was to French Polynesia. She arrived in Papeete on April 20 of that year. She was based in Sausalito, CA for many years, providing experiential programs teaching elementary school children about West Coast exploration and trade in the late 1700s. Since 2021, *Hawaiian Chieftain* has undergone a complete overhaul and restoration journey in collaboration with the distinguished boat builders, spar makers, and rigging masters of Port Townsend, Washington. During this time, *Hawaiian Chieftain* has been supporting and collaborating with the Northwest School of Boat Building providing a work force platform for graduating students. As we are visitors to the North Pacific, we have prioritized collaboration with Salish Nation youth groups and other area tribal entities working to empower indigenous peoples.



Figure 1. *Hawaiian Chieftain*.





## 2. Need Being Addressed and How our Proposal Meets that Need

The ultimate objective of this requested funding is to facilitate the *Hawaiian Chieftain's* return to its home waters to provide day sails, sail training, and maritime and marine conservation educational programs throughout the Hawaiian Islands. After many years operating throughout California, Oregon, and Washington, *Hawaiian Chieftain* fell into a terrible state of disrepair. It

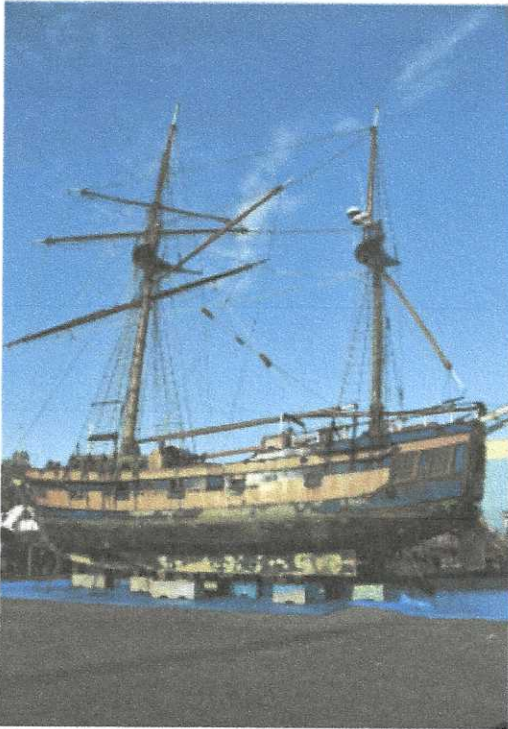


Figure 2. Chieftain's condition when purchased in 2021. Port Townsend, Washington.

was with admiration, respect, and privately funded stewardship that new owners Matt and Aubrey Wilson were determined to save the vessel from being decommissioned. Much restoration work has already occurred. Malama Kai Foundation, on behalf of the Hawaiian Chieftain organization, is seeking a Capital Campaign Grant for the purpose of finishing the multi-year restoration of *Hawaiian Chieftain* and for its return voyage from Washington State.

The programming we will provide Hawaii residents and visitors will be heavily focused on historical maritime education and sail training, marine conservation, endangered and threatened species conservation, Hawaiian history and cultural education, sustainable business strategy and community development, social impact and environmental justice, as well as climate readiness and adaptation. We plan to accomplish these tangible and much needed goals through collaborative efforts and agreements with NGOs, local businesses, local

non-profits, philanthropic foundations, along with Federal, State, and County agencies.

## 3. Geography, Demographics, and Individuals Being Served

The Hawaiian Chieftain organization's mission statement is to "explore Hawaiian maritime history and inspire global conservation for the seventh generation through traditional sailing and seamanship aboard *Hawaiian Chieftain*". Being *ohana*-owned and operated, with sustainable business management at its core, the Hawaiian Chieftain organization plans to uplift the Hawaiian community and youth for generations to come. We will work with educational institutions and local schools for the purpose of educational field trips with emphasis on traditional sailing, Hawaiian culture, history, sustainability, and marine conservation. We plan to seek opportunities for *Hawaiian Chieftain* to work with NOAA's National Marine Sanctuaries and Marine Debris Programs, and the Hawaiian Chieftain organization is in the process of seeking





permitting and other authorizations to establish formal partnerships with NOAA, the U.S. Fish and Wildlife Service, The Nature Conservancy (Hawaii and Palmyra programs), and other organizations working within the Papahānaumokuākea and Pacific Remote Islands Marine National Monuments. We also intend to transport goods, supplies, equipment and people to remote field stations, marine national monuments, national marine sanctuaries, and heritage sites, including cultural practitioners, citizen scientists, research scientists, educators, and students to the nearby.

Above all, the Hawaiian Chieftain organization is prioritizing working with Hawaiian community driven programs and groups to elevate the opportunities to our underserved communities and facilitating career opportunities in the maritime industry, such as traditional sailing, engineering, maintenance, and training in Western and Polynesian navigation techniques.

#### 4. Amount Requested

Malama Kai Foundation is humbly seeking \$100,000 to support the Hawaiian Chieftain organization.

#### 5. How Dorcy Foundation Funds Will Make a Difference

Working diligently with the United States Coast Guard, *Hawaiian Chieftain* is set to achieve the appropriate Certificate of Inspection to maximize the scope of opportunity to achieve our mission. After the completion of sea trials throughout Puget Sound, we intend to travel down the Pacific West coast before our journey across the Pacific, potentially collaborating with NOAA's National Marine Sanctuaries Program and associated community groups on education and outreach activities. Once *Hawaiian Chieftain* returns to Hawaii it will be homeported in Kailua Kona, Hawaii Island. Due to the recent and heartbreaking decimation of Lahaina, our immediate intentions are to assist with appropriate, long term community relief efforts.



Figure 3. *Chieftain* (current) in drydock restoration in Port Townsend, WA.





While much time, effort, and funding has already been invested into restoring the vessel, Dorcy Foundation funding is needed for:

- 1) final restoration components, such as a) galley equipment and installation, b) interior finish woodwork, c) cargo hatch refurbishment and replacement, and d) running rigging installation, and
- 2) Preparing training, and supplying *Hawaiian Chieftain's* Pacific crossing home to Hawaii.

A contribution from Laurence H. Dorcy Hawaiian Foundation will also support Hawaiian Chieftain organization staff, particularly as they finalize a business plan during these final steps of the restoration and return. We believe that the *Hawaiian Chieftain* project is highly consistent with the mission, interest, history, and values of the Foundation. *Mahalo nui loa* for the opportunity to be considered for your support!

#### 6. Listing of Included, Requested Documentation:

- **Appendix 1:** Malama Kai Foundation 501(c)(3) IRS tax exemption determination letter
- **Appendix 2:** Malama Kai Foundation Internal Revenue Service form 990
- **Appendix 3:** Hawaiian Chieftain's most recent financial statements
  - **Hawaiian Chieftain Balance Sheet**
    - Please note: the split-out of materials vs. labor only began in the last few months, which is why there is \$1.7m towards repairs, and only \$194k towards materials.
  - **Hawaiian Chieftain Profit & Loss 2023**
    - **Please note:** The profit and loss are included for the whole year. We only began to take guests on tours at the end of 2023 for a nominal fee. We will begin taking passengers in earnest in 2024.
- **Appendix 4:** Primary Funding Sources
  - MKF's primary funding sources are: 1) private donations; 2) NOAA B-WET grant funds; 3) State of Hawaii contracts; and other small grants (e.g Atherton Foundation)
  - Hawaiian Chieftain, LLC is privately funded in the form of long-term member loans to the LLC. The members of the LLC are:
    - Aubrey Wilson
    - Mathew Wilson
    - Walter Kaleo o' Kalani Nakoa



# Hawaiian Chieftain, LLC

## Balance Sheet

As of December 31, 2023

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1000 Biz Plus Checking (1905) - 1	342,775.63
Reimbursement To Pay	
Chip Reimbursement To Pay	0.00
Cole Reimbursements To Pay	-119.90
Elijah Reimbursements To Pay	-110.19
Jack Reimbursement To Pay	-258.11
Sage Reimbursements To Pay	-74.95
Trevor Reimbursement To Pay	-394.38
<b>Total Reimbursement To Pay</b>	<b>-957.53</b>
<b>Total Bank Accounts</b>	<b>\$341,818.10</b>
Accounts Receivable	
1100 Accounts Receivable (A/R)	0.00
<b>Total Accounts Receivable</b>	<b>\$0.00</b>
Other Current Assets	
Loans to shareholders	0.00
Payments to deposit	484.10
Payroll Corrections	0.00
<b>Total Other Current Assets</b>	<b>\$484.10</b>
<b>Total Current Assets</b>	<b>\$342,302.20</b>
Fixed Assets	
1530 The Ship, Hawaiian Chieftain	325,753.64
1531 Ship Repairs	1,712,070.99
1532 Repair Materials	13,929.92
1533 Electrical Materials	26,341.69
1534 Propulsion Materials	154,438.21
<b>Total 1532 Repair Materials</b>	<b>194,769.82</b>
1535 Work Authorization Deposit	80,514.10
<b>Total 1530 The Ship, Hawaiian Chieftain</b>	<b>2,313,048.55</b>
Long-term office equipment	1,360.65
Startup-Costs	217.50
Tools, machinery, and equipment	896.25
<b>Total Fixed Assets</b>	<b>\$2,315,522.95</b>
Other Assets	
Startup & organizational costs	40,424.38
<b>Total Other Assets</b>	<b>\$40,424.38</b>
<b>TOTAL ASSETS</b>	<b>\$2,698,249.53</b>

# Hawaiian Chieftain, LLC

## Balance Sheet

As of December 31, 2023

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	3,059.24
<b>Total Accounts Payable</b>	<b>\$3,059.24</b>
Credit Cards	
2000 Chase Account	
2001 A. WILSON (5983) - 3	5,737.20
2002 M. WILSON (5975) - 3	170.44
2003 K. NAKOA (...0878)	9,697.12
<b>Total 2000 Chase Account</b>	<b>15,604.76</b>
Business Platinum Card (1002) - 2	0.00
<b>Total Credit Cards</b>	<b>\$15,604.76</b>
Other Current Liabilities	
2500 Payroll wages and tax to pay	
2530 Wages to pay	-1,512.04
Cole Reimburse	0.00
Sage Reimburse	0.00
Trevor Reimburse	0.00
<b>Total 2500 Payroll wages and tax to pay</b>	<b>-1,512.04</b>
2540 Deferred Revenue	245.00
Direct Deposit Payable	0.00
Payroll Liabilities	
Federal Taxes (941/943/944)	1,493.41
Federal Unemployment (940)	224.43
Guideline Roth 401(k)	490.08
Guideline Traditional 401(k)	1,857.55
HI Income Tax	577.65
HI Quarterly Taxes	453.44
WA Cares Fund	288.47
WA Paid Family and Medical Leave Tax	289.44
WA SUI Employer	99.52
WA Workers Compensation	3,124.40
<b>Total Payroll Liabilities</b>	<b>8,898.39</b>
Short-term loans from shareholders	0.00
Square Sales Tax Payable	42.54
<b>Total Other Current Liabilities</b>	<b>\$7,673.89</b>
<b>Total Current Liabilities</b>	<b>\$26,337.89</b>



# Hawaiian Chieftain, LLC

## Balance Sheet

As of December 31, 2023

	TOTAL
Long-Term Liabilities	
2620 Long-term loans from shareholders	3,075,000.00
<b>Total Long-Term Liabilities</b>	<b>\$3,075,000.00</b>
<b>Total Liabilities</b>	<b>\$3,101,337.89</b>
Equity	
3010 Partnership Capital	
3011 Matt Wilson	70.20
3012 Aubrey Wilson	90.00
3013 Kalani Nakoa	39.80
<b>Total 3010 Partnership Capital</b>	<b>200.00</b>
3020 Retained Earnings	-5,200.00
Net Income	-398,088.36
<b>Total Equity</b>	<b>\$ -403,088.36</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,698,249.53</b>

# Hawaiian Chieftain, LLC

## Profit and Loss

January - December 2023

	TOTAL
Income	
4002 Sales of Product Income	217.93
Sales	0.00
<b>Total Income</b>	<b>\$217.93</b>
Cost of Goods Sold	
Cost of goods sold	
Supplies & materials - COGS	5,158.44
<b>Total Cost of goods sold</b>	<b>5,158.44</b>
<b>Total Cost of Goods Sold</b>	<b>\$5,158.44</b>
GROSS PROFIT	<b>\$ -4,940.51</b>
Expenses	
6055 Business licenses	26.00
6080 Contract labor	869.64
6270 Outside Services	39,328.60
6272 Outside Services Reimbursable	219.35
<b>Total 6270 Outside Services</b>	<b>39,547.95</b>
6310 State Taxes paid	76,226.97
6315 Payroll taxes	240.41
6316 L&I Workers Compensation	369.55
<b>Total 6315 Payroll taxes</b>	<b>609.96</b>
Advertising & marketing	3,998.49
6020 Marketing	1,548.65
<b>Total Advertising &amp; marketing</b>	<b>5,547.14</b>
Employee benefits	
6110 Health insurance & accident plans	4,720.74
<b>Total Employee benefits</b>	<b>4,720.74</b>
General business expenses	4,830.17
6140 Bank fees & service charges	347.00
6145 Continuing education	2,725.00
6150 Memberships & subscriptions	730.00
<b>Total General business expenses</b>	<b>8,632.17</b>
Insurance	200.00
6170 Business insurance	369.55
6190 Property insurance	6,558.07
6200 Ship Insurance	23,513.00
<b>Total Insurance</b>	<b>30,640.62</b>
Legal & accounting services	760.00
6225 Legal Fees	314.14
<b>Total Legal &amp; accounting services</b>	<b>1,074.14</b>

# Hawaiian Chieftain, LLC

## Profit and Loss

January - December 2023

	TOTAL
Meals	1,528.76
6231 Employee Appreciation Events	1,531.66
6232 Employee Meal	223.34
6235 Travel meals	9,535.88
<b>Total Meals</b>	<b>12,819.64</b>
Office expenses	837.08
6245 Office supplies	2,017.90
6260 Small tools & equipment	1,067.00
6265 Software & apps	3,316.28
<b>Total Office expenses</b>	<b>7,238.26</b>
Payroll expenses	
Taxes	9,246.26
Wages	70,088.21
<b>Total Payroll expenses</b>	<b>79,334.47</b>
Reimbursements	8,138.10
Total Payroll Reimbursement	-3,045.99
<b>Total Reimbursements</b>	<b>5,092.11</b>
Rent	
6290 Building & land rent	52,450.00
6291 Rent - Security Deposit	10,000.00
<b>Total 6290 Building &amp; land rent</b>	<b>62,450.00</b>
<b>Total Rent</b>	<b>62,450.00</b>
Square Fees	1.45
Supplies	
6305 Supplies & materials	9,817.36
6306 Community Meal	6,051.14
<b>Total Supplies</b>	<b>15,868.50</b>
Travel	180.85
6325 Airfare	22,027.88
6330 Hotels	5,609.15
6335 Taxis or shared rides	1,089.29
6340 Vehicle rental	526.85
<b>Total Travel</b>	<b>29,434.02</b>
Utilities	10.00
6345 Disposal & waste fees	20.00
6350 Electricity	1,236.31
6355 Heating & cooling	2,955.00
6360 Internet & TV services	621.70

# Hawaiian Chieftain, LLC

## Profit and Loss

January - December 2023

	TOTAL
6370 Water & sewer	902.09
<b>Total Utilities</b>	<b>5,745.10</b>
<b>Total Expenses</b>	<b>\$385,878.88</b>
NET OPERATING INCOME	\$ -390,819.39
Other Expenses	
Vehicle expenses	5,000.00
6385 Vehicle gas & fuel	2,268.97
<b>Total Vehicle expenses</b>	<b>7,268.97</b>
<b>Total Other Expenses</b>	<b>\$7,268.97</b>
NET OTHER INCOME	\$ -7,268.97
NET INCOME	\$ -398,088.36