
ANNUAL



Habilitat: A Year In Review

July 1, 2010 to June 30, 2011

REPORT

Habilitat is a charitable nonprofit corporation that provides long-term substance abuse treatment to people who were dependent on drugs and or alcohol and led antisocial, self-destructive lifestyles. By the time treatment is sought, most lack self-esteem, have caused great pain to their families and are burdens on their communities. Habilitat changes their lives by teaching them discipline and mutual respect in a Therapeutic Community setting. It is in this environment where residents rediscover themselves and feel good about their lives, make amends with their families, earn their high school diploma and learn job skills to become productive members of their communities.

Habilitat's history dates back more than three decades when Vinny Marino, Habilitat's founder, first opened the doors to a small group of misled youths. Under Vinny's leadership, Habilitat developed a unique, highly effective approach to treating drug and alcohol addiction. Habilitat remains strong and dedicated to its mission of saving lives by rebuilding lives. As long as substance abuse exists, Habilitat will continue to do its part, helping people to change their lives for the better.

This Annual Report highlights developments of the past year.

Habilitat: A Year In Review

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June 30, 2011

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Executive Director



Enterprise Department

INSIDE

Message from the Executive Director 3

Substance Abuse 4

Habilitat’s Program 5-6

Residents 7-8

Board of Directors 9

Habilitat’s Education Program 9

Habilitat’s Vocational Training 10-12

Classic Koa Creations 13

Fundraising Events 14

Grants Received & Financial Information 15



The Habilitat Family



Message from Daniel Katada, Executive Director

2011 has proven to be a successful year for the Habilitat Family. Despite challenging economic conditions, everyone pulled together to overcome the obstacles that were presented. The Habilitat staff and residents worked very hard to ensure that our annual fundraisers as well as our daily jobs turned out to be as fruitful as possible.

Our Induction department has done their part by maintaining a large population. They brought in 111 new residents to the facility this fiscal year. The Clinical team has also done what it takes to show residents that change is possible if they're willing to put the work into themselves. Due to their creative approaches, we have kept the attention and determination of the residents. Our median population has remained steady at around 123 residents throughout the year. We completed 12 female residents and 21 male residents this year.

The Enterprise department raised more money than in previous years with the two annual fundraisers they organized. They also branched out and created a Habilitat Graphics team. This team offers graphic and web design services to the community. The Enterprise department continues to look for new and innovative ways to raise funds. Our Kitchen Crew has focused on making scrumptious and healthy meals on a budget. They are also setting their sights on expanding and creating Habilitat Catering. This will be an additional service that Habilitat offers to the community and earns income through.

Our Habilitat Maintenance crew has focused on contracting jobs in the community along with maintaining our facility. New remodeling jobs have brought additional revenue to the Habilitat Family. The Services department has emphasized their strengths with vinyl fencing, masonry, and landscaping. These services are in constant need by the community and have been a steady source of income throughout the year.

The Habilitat Family is looking to save money by investing in photovoltaic solar power. This would offset electric costs. After the tsunami in March, and with the other natural disasters happening throughout the world, Habilitat's staff has been taking steps to safeguard our residents and facility. This fiscal year we have acquired a generator capable of supplying power to our two walk-in freezers and walk-in refrigerator in case of a power outage. We cook with gas and have gas water heaters so we would be able to keep everyone comfortable in the event of an emergency.

Again, the Habilitat Family had a successful year. We're planning to continue to work together and make each year that follows even more successful than the last.

*Mahalo & Aloha,
Danny Katada
June 30, 2011*

Substance Abuse: The Facts

Each year we update our readers on trends in substance abuse. From year to year, the details change, but the big picture remains the same- drug abuse is an epidemic. The United States has the highest substance abuse rate of any industrialized nation. The following statistics speak for themselves:

- 85% of the inmates in the United States prison system are addicts, and only about 11% are receiving treatment
- 90% of all property crimes and muggings are drug related
- 70% of violent crimes are committed by people under the influence of drugs or alcohol

In Hawaii, the following statistics are even more discouraging

- Hawaii ranks 4th in the nation in “meth” related drug offenses
- 43 million dollars were spent in emergency rooms across Hawaii on “meth” related injuries or deaths
- In 2008, “meth” use among 10th graders is up to 87%
- Hawaii is ranked 3rd in the nation in “meth” treatment

Hawaii currently ranks #5 for meth use for those 12 and older and the data from the most recent Hawaii Youth Risk Behavior Survey showed that in 2007, 7.3% of 10th grade students report having used Meth, up 87% from 2006. Meth costs Hawaii an estimated \$500 million each year in crime, lost productivity, treatment, healthcare, and foster care services.

“Meth is one of the most addictive, destructive drugs we’ve ever seen, in both the staggering financial burden and profound human costs. Overall crime rates continue to drop with Hawaii’s ever increasing attempts at stricter, more aggressive attack on “meth” and ‘meth” related crimes. Even with the increased focus, “meth” continues to be the drug of choice here in Hawaii.

At both the national and state levels, it is clear that treatment works. That is why the state of Hawaii budgets in excess of 35 million dollars to drug treatment every year. According to the Office of National Drug Control Policy, “drug treatment reduces use by 40 to 60 percent and significantly decreases criminal activity during and after treatment.

The goal of treatment is not finding a cure, but instead to increase the quality of life in the community we live in.

Habilitat's Program

For 40 years, Habilitat's residential facility has kept its doors open day and night, weekdays and weekends. Most residents come to us with serious, long-term addictions that require intensive, long-term treatment. To complete their programs, residents participate for approximately 28 months. Habilitat employs the "therapeutic community" mode of treatment, regarded by many experts as the most proven method of drug treatment. Therapeutic communities are residential units in which residents gain progressively higher status and responsibilities as they internalize socially accepted behavior. Individual commitment to the community is emphasized, with senior residents and staff counseling new residents and serving as role models.

The Habilitat program follows three main phases: Treatment, Reentry, and Post Reentry. The first contact between the prospective resident and the program usually takes place in Habilitat's Induction Department. Most new residents arrive at Habilitat through referrals by various agencies, the judicial system, personal referrals and the media. In addition to gathering data about the prospect's psychological and physical ability to handle the program, the Induction staff looks for evidence of the prospects' sincere desire to change their life styles.



Treatment, the most critical phase, is highly controlled and structured. During this time, the foundation for a new lifestyle is laid, one focused on responsibility, self-reliance, self-awareness, confidence and a commitment to change. In the beginning, each resident is evaluated for his or her aptitudes, strengths, and weaknesses. Residents learn the rules and our basic philosophy. The various therapeutic tools are introduced, as are the mechanics of the program. During this initial period, residents are encouraged to get acquainted with one another. Immediately after orientation, the residents are assigned to various working crews and are delegated responsibilities on an earned basis. In addition to their daily responsibilities, residents with academic deficiencies attend Habilitat's Basic Skills or GED programs. In the evening, residents attend seminars and participate in encounter groups. The treatment phase utilizes three tools to teach residents how to express their feelings and to encourage creativity: morning meetings, seminars and encounter groups. Designed to encourage interaction, the morning meeting involves 45 minutes of singing, skits, role-playing, laughter and "lunacy." During seminars, guest speakers discuss relevant issues, present audio-visual materials and lead recreational activities. The most effective and essential tool is the encounter group, also known as the "game." Played three times a week, the game allows residents to release their frustrations and hostilities. Under the guidance of the game facilitator, peers describe their view of each other and suggest areas in which they might improve. At one point during the games, residents are encouraged to openly discuss their fears and insecurities. It is during this phase that residents learn to cope with pressure, anxiety, and disappointment without relying on drugs. Recreational activities such as beach trips, picnics, fishing, outdoor sporting events and movies are granted on an earned basis.



The final phases, Reentry and Post Reentry involve a progressive relaxation of controls, allowing for more self-monitoring and autonomy. Initially, residents are introduced to several vocational training programs. They are challenged to cope with a "normal" workday and are expected to conduct themselves in a professional manner. Residents learn a practical and marketable skill for which they earn a nominal stipend. They learn to budget their money. They begin to contact people and programs outside of Habilitat. After seven to ten months in reentry, residents are elevated to Post-reentry. This phase is designed to alleviate reverse culture shock, which is experienced when residents leave behind Habilitat's sheltered, drug-free environment. A gradual, closely supervised transition is made as

prospective graduates ease into outside living. They are encouraged to become involved in the community and to avail themselves of external support groups such as Alcoholics Anonymous and Narcotics Anonymous. Those interested in higher education are encouraged to enroll in colleges and universities. Finally, we focus on employment and the actual transition into mainstream society. At the end, the entire clinical staff evaluates residents' preparation for graduation and a collective decision is made, subject to final approval by the executive director.

Throughout their treatment at Habilitat, residents are carefully monitored. Initially, each resident is evaluated by a psychiatrist and is thereafter reevaluated every six months. The resident is assessed on a monthly basis with regard to his or her goals and objectives, strengths and weaknesses, and participation in activities. Upon graduation, follow up studies are conducted in the form of questionnaires that are disseminated at 90 day, one year, and two year intervals.



Residents

During fiscal year 2009-2010, 94 residents were admitted into Habilitat, 62 percent were residents of Hawaii, and 38 percent were from other parts of the United States. Ethnically, there were 17 percent native Hawaiian, 51 percent Caucasian, 2 percent African American, 9 percent Filipino, 10 percent Hispanic, 2 percent Asian, 2 percent Samoan and 5 percent Other. Each year, we highlight the impact Habilitat makes on former substance abusers' lives. This year, Randall D. and Karisa F. tell their stories.



My name is Karisa I am 23 years old and I currently reside in Habilitat, “The Place of Change”. I can say with confidence that along with my determination to live a successful life, Habilitat has truly changed my outlook.

As a young adult, I thought the world owed me something. I was a scared girl who thought I could handle the world. I had big dreams but had no understanding of the footwork it would take to get to them.

I always had everything handed to me. I rarely had to work for what I wanted and even more rarely did I appreciate it. My wonderful family did everything they could to help me and pave the way for me to succeed in life. I was taught good morals and values. I was given all the opportunities a person could need. All of this I took for granted.

After a series of emotionally abusive relationships and my unwillingness to conquer life's adversities, I became emotionally crippled. I stopped sticking up for myself, stopped feeling good about myself and gave up on life. For a while I settled for being a useless and unmotivated human being.

I arrived at Habilitat on March 5, 2009. I was 21 years old and desperate for change. After doing everything I said I would not do and hurting everybody I love, I surrendered. Thank God for Habilitat, my supportive family and the small amount of hope I had left in myself. Throughout my program I have grown to be self reliant, self empowered and selfless. I believe in myself today. I understand I must live life on life's terms and that nothing is constant but change. I have learned to be flexible and open minded. I feel that it is not about how hard I fell, but about how strong I am now and that I have picked myself back up.

I had to accept my past and create new dreams. Habilitat has given me that opportunity. I plan to stay another year in the program and continue to strengthen my character. My goals are to be an independent woman, free of burdens, free of worries and full of life.

I am working towards a future that is filled with family, friends, happiness and success. “Without struggles, there is no progress.” Now I look at life's obstacles as a chance for me to become a stronger, knowledgeable and accomplished woman.

Karisa F



My name is Randall and I am a 26 year old man from Salt Lake City, Utah. I am the youngest in a family of four males and one female. Growing up I idolized my siblings and made my family the most important thing in my life. I always believed in defending my family at any cost which even at a very young age included violence. My brothers and sister are quite a bit older than myself, ranging from 6-18 years older. When they left home I felt abandoned which built resentment and fueled my biggest problem, anger. I built my whole life around destruction, both of myself and everything around me. Soon I found myself drinking smoking pot and taking pills everyday at the age of 13. I had thought I found the perfect cure; suddenly I did not care about anything. One rehab and two stints in the mental institution later, I became an adult (as far as age is concerned) and found my two loves, heroin and crack cocaine. I would snort, smoke and shoot them both and did anything and everything to get them. I

became homeless. I completely lost myself and what was worse was that I had what I wanted, my brothers by my side. Unfortunately, it was because I had introduced them both to heroin. On January 15, 2005, I overdosed in my car and ended up with a felony. I went through Drug Court and actually graduated. I graduated with two balloons of heroin at home waiting for me, which I had bought two weeks prior

After I graduated Drug Court, I put on a good show for my family. I held two jobs and acted like I was a victim of circumstance over and over again when I had no money to show for it. Sometime in November 2007, my brother, Dave, came to Habilitat and then in January 2009, my other brother, Scott, came to Habilitat also. I was given an ultimatum by my family, either I go to Habilitat or I would not be welcome around any of my family. Even a junkie could feel that one. So on May 5, 2009 I arrived here. Little by little my head started clearing up. I was given responsibilities and I actually took pride in taking care of them. I was building confidence and standing up for my beliefs. My "act as if" was in full throttle but about to run out. I was still very angry and did nothing to correct it. Then on February 11, 2010, my brothers and I found out my mother had cancer. She came out here for a visit with my other brother and my sister. It would be the last time we were together like that. On November 2nd, my mother passed away. Because of Habilitat, I was strong enough to do the right thing. Because of Habilitat, she died with pride of her children in her heart. I am still an angry person but now I am in complete control of it, for the simple fact that I do not want to lose what I have now.

I am thankful because I have my family back and for the first time I have a bright future ahead of me.

Randall D

Board of Directors

A seven member Board of Directors guides Habilitat. While their professions vary widely, they share a mutual commitment to substance abuse treatment.

Paul Schraff, President
Attorney , Dwyer, Schraff,
Meyer, Jossem & Bushnell

Thomas Coppola, Vice President
Contractor, Tradewind Painting

Lila Camacho, Secretary/Treasurer
Fine Jewelry and Watch
Distributor/Realtor

Jerry Romano
Service Manager
Windward Dodge

Frank Haines, M.A.R.C.A.
Chairman of Architects Hawaii

Victoria Marino
Account Executive, Title Guaranty
& Escrow Services.

T. Harvey Oaks
Realtor
Prudential Advantage Realty

Habilitat's Education Program

Many residents at Habilitat enter our program without a high school diploma. That is why we are so committed to our on-site GED and Basic Skills and competency based programs. With the help of certified teachers and tutors from the Windward School for Adults, Habilitat's students earn their General Equivalency Diploma. In 2010, 13 students, ages 22 to 45, attended these classes with one receiving his GED.

Habilitat also offers Computer classes taught by older qualified residents. These classes take place in our computer lab, which is equipped with 15 computers. The classes have three different levels: basic, intermediate and advanced. Basic Computer Class familiarizes the resident with the fundamentals of the computer. Intermediate Computer Class teaches the basics of computer programs (e-mail, Excel, Microsoft Word). Advanced Computer Class goes into the details of programs.

Our Competency Based classes offer residents the opportunity to earn a diploma based on their competency in the classes. This approach also gives credit for vocational training experience.

The Basic Skills class is also partnered with Windward School for Adults and is geared towards focusing on core subjects like math and English. Residents that attend this class need extra help with remedial skills to bring them up to date. This will further their education and prepare them to compete in the workforce.

Habilitat's GED program is now primarily computer based learning through the Windward School for Adults system with in-class teacher support.

Habilitat's Vocational Training

Habilitat offers several vocational training programs designed to qualify residents for careers. After completing extensive, practical training, residents may become interns at Habilitat in their respective fields.

Most residents come to Habilitat with no viable work skills and little education. Many have already bounced around from institution to institution having gained nothing. At Habilitat, during the Reentry and Post-reentry phases of treatment, they receive extensive vocational training in the field of their choice—Administration & Computer, Accounting, Clinical Care, Marketing, Induction, Food Services, Medical Administration and Contract Services.



Administration & Computer: Skills that are learned in this area provide residents with the opportunity to experience working in an office environment. Residents learn and execute general office skills with an emphasis on learning computer software applications. They also learn how to manage multiple tasks including filing, typing, preparing schedules, phone console operations and proper phone etiquette.

Food Services: Food Services is a challenging and rewarding area of training for our residents. It provides them with the basic skills necessary to enter the food and beverage industry upon graduating from Habilitat. Our Food Service Manager is responsible for training the kitchen crew, which consists of 7 trainees. Trainees learn both the administrative and practical skills of operating a full service kitchen. Administratively, the crew learns menu planning, food purchasing, upkeep and recording of inventories and increased computer knowledge. Practically, they learn how to properly prepare and present meals and learn how to operate commercial kitchen equipment. The kitchen crew also learns responsibility and teamwork by having to serve over 300 meals a day. As part of their training, a licensed dietician teaches them how to prepare special meals for residents who have restricted diets (e.g. diabetes, high cholesterol, restricted sodium.)



Marketing: An average of 15 residents benefit from the vocational training of the Marketing Department. They play a vital role in implementing the many projects we hold throughout the year. The department is involved with managing various projects from start to finish. They learn project budgeting, planning, and the establishment of goals and objectives. During the projects, they learn how to interact and communicate in a business environment while at the same time executing the plans that ensure the success of the project. One of the most important lessons they learn is to not only face adversity, but to rise above it. Members of the department experience a sense of camaraderie, increased self-esteem, and an overwhelming feeling of accomplishment when they achieve their goals. The experiences gained in the Marketing Department sets a solid foundation for employment after Habilitat.



Clinical Care: The Clinical Team plays a vital role in teaching residents to be self-reliant men and women, helping to work towards their goals and realize their potential. Together, the team of four trainees and four staff members are an integral part of coordinating daily program activities for residents. Trainees learn to plan and organize the treatment for all residents, coordinate seminars, develop strategic plans for encounter groups, and plan one-on-one sessions for specific problems. Not only does this team lead by example, they also learn about themselves by helping other people.

Induction Department

Residents training in this department learn to develop the following skills: Communicate on a professional level with the Public and Hawaii Judicial System, Legal Protocol, Public Speaking, Manage and Budget their time, Computer use and software knowledge on a business level, Conducting Seminars and informal engagements for schools, clubs and Correctional Facilities in the State of Hawaii, promoting Drug Prevention, Awareness and Rehabilitation.

The Induction Department is the first point of contact for prospective Habilitat residents. Distressed family members and friends usually contact this department when a loved one is in need of help. Referrals are also made to the department by outside agencies such as the Courts, Substance Abuse Counselors, Attorneys, Probation officers and Social Services Personnel.

This Training and Experience provides the necessary skills for the resident to make a strong and confident transition into Society and the Workforce after completing Habilitat's program.

Medical Department: Residents who work in the Medical Department are trained by a Registered Nurse and work under the nurse's direct supervision. Residents gain skills in First Aid, database management, word processing and general medical office skills. They use the computer to schedule doctor's appointments and to assist the RN with documentation. They use their skills to become more proficient in medical terminology and to learn to read physician's orders. They have many opportunities to increase their skills in observation, assessment, and critical thinking. They use these skills to help communicate the residents' symptoms and needs to the R.N. They take responsibility for making physician's appointments as directed by the R.N. and work to make appointments that have the least impact on the operations of Habilitat Departments while meeting the needs of the residents. Residents who train in the Medical Department have the skills to work in various jobs in health care.



Accounting: Working in this area provides the residents with a deeper understanding about the financial operations of a company and better prepares them for life after Habilitat. Residents working in this department have the opportunity to create and maintain spreadsheets and databases, perform bank reconciliations, input data into the accounting system and refine their customer service skills.



Services Department: Training in the Services Department provides residents with marketable employment skills that are essential once they complete the Habilitat program. An average of 40 residents participated in this department over the past year. The areas of training include Masonry and Wall Construction, Fencing, Lawn & Garden Landscaping, Motor Pool, facility repairs, maintenance, Drain Cleaning and House cleaning. Generally, each of these areas teaches residents the importance of good work habits, safe and effective handling of tools, effective planning, teamwork, communication skills and supervision. Through their training, they become familiar with the entire process that is required to complete a project professionally. The diverse nature of this department also allows residents to gain knowledge in trades according to their aptitudes and interests. During the year, we obtained our fence license and now specialize in various types of custom fence construction.



Classic Koa Creations

Ancient Hawaiians were considered master wood workers. Captain James Cook called the canoes they made “The finest in the Pacific Rim” One of the favorite trees they used was the Koa tree. It only grows in Hawaii and is renowned by wood workers worldwide as one of the most beautiful woods. At Habilitat we encourage residents to get involved with Koa creations. It is good therapy and it also allows them to express their creativity. They take pride in showing off the Koa pen, bowl or bracelet that they made. We make our own picture frames, molding and we also frame all of the auction paintings for our luau auction. We also do custom framing for customers. In addition to framing we continue to make small gift items such as model Hawaiian canoes, bowls, jewelry boxes and small furniture pieces. We specialize in custom orders. If you can show us a picture of what you want or give us an idea we can create it for you.



Fundraising Projects

At Habilitat, we teach our residents self-reliance. In order to lead by example, Habilitat undertakes fundraising projects to meet some of our financial needs. Our two, long standing, annual projects are: Christmas Tree Sales and our Luau, Auction, and Benefit Concert. This year we've added graphic and web design to the repertoire of services that we offer the community.

Christmas Tree Sales: During the past fiscal year we successfully completed our 36th Annual Christmas Tree Project. We started the project in July 2010 and by December, sold close to 9000 Christmas trees, Wreaths and Door Charms. Our Christmas Tree Project was also available to community groups as a fundraiser for their organizations. There were 72 community groups throughout the State that participated in this program. We helped the community groups collectively raise over \$65,000 for their organizations. Habilitat raised over \$100,000 more than last year in community group fundraising alone. Again, we met all of the goals and objectives for our biggest fundraiser of the year



Luau, Auction & Benefit Concert: Habilitat's 40th Anniversary Luau, Auction & Benefit Concert was held on June 4, 2011 at King Intermediate School. Despite the threatening weather conditions, it turned out to be a wonderful outdoor event. It was a huge success with everyone thoroughly enjoying the food, fun and festivities. The highlight of the Luau was a wonderful performance by Rebel Souljahz. We auctioned off approximately 655 packages including a round trip ticket to Las Vegas, donated by Vacations Hawaii and a fishprint donated by Naoki.



These Fundraising projects have been vital in sustaining the operations of the program. Their success is largely attributed to our hard working residents but mostly to the warm and generous hearts of the people and businesses of Hawaii.

Grants Received

We are most grateful to the following charitable foundation for their financial contribution. This organization contributed \$3,000.00 in grants.

- Alexander & Baldwin Foundation
- Walmart

Habilitat, Inc. Financial Information

	June 30 2011	June 30 2010
Revenue & Support		
Resident Fees	1,168,111	977,260
Vocational Training Programs	1,182,959	1,292,735
Fundraising	428,842	327,735
Grants & Donations	247,952	186,850
Other Revenue	31,161	26,728
Investment Income	72,940	69,864
Net Realized and Unrealized Gain (Loss) on Investments	326,450	191,778
	3,458,415	3,072,950
Expenses		
Program Expenses	1,522,281	1,399,972
Vocational Training Expenses	917,592	917,480
Fundraising Expenses	178,427	191,947
General & Administrative Expenses	379,606	400,452
	2,997,906	2,909,851
Change in Net Assets	460,509	163,099
Net Assets at Beginning of Year	4,251,572	4,088,473
Net Assets at End of Year	4,712,081	4,251,572

Financial information as of June 30, 2011 and June 30, 2010 as excerpted from our audited financial statements.