



ANNUAL REPORT

2007 & 2008



**U.S. SENATOR
DANIEL K. INOUE**

“When I learned of the large backlog in school repairs, I felt that the greater community needed to step forward to support quality learning environments for our children. It is easy to lay blame, and then look the other way, but the children are the ultimate losers. I believe it must be our collective responsibility and challenge.”

A handwritten signature in black ink, which appears to read "D. Inouye". The signature is stylized and cursive.

In 2001, U.S. Senator Daniel K. Inouye established an innovative program called Hawaii 3R's to help provide a better and safer learning environment for the students of Hawaii's public schools by completing needed repair and maintenance projects. The three "Rs" stands for Repair, Remodel, and Restore Hawaii's public schools.

Hawaii 3R's is a non-profit 501(c)(3) organization that leverages State and Federal funds with private contributions, skilled labor, and the "sweat equity" of volunteers. "Sweat equity" is the manual labor that is donated by the



various volunteer groups in the community. Our objective is to activate and empower communities so that they take ownership of the schools and continue to volunteer even after the project is completed.



Hawaii 3R's creates and fosters partnerships with State agencies, trade unions and associations, private businesses, all branches of the military, community groups, private foundations, legislators, parents, teachers, and students. These partners provide both

skilled and unskilled volunteers, supplies and materials, and monetary donations.

Furthermore, the scope and quality of the work is much higher than the typical volunteer-only project because Hawaii 3R's partners with or hires contractors, as necessary, to perform portions of the work that are too difficult, dangerous, or time consuming for volunteers to do.

The end result is that schools complete much needed repair and maintenance projects more quickly than would be done through the traditional process, while gaining community partners along the way.



SUMMARY OF ACHIEVEMENTS

While the success of Hawaii 3R's can be seen in many ways, from the actual completed projects to the increased level of community involvement, it is very important that the statistical and financial data also reflects this success. With solid financial results, Hawaii 3R's will continue to merit consideration from the State and Federal governments, as well as from private organizations, for future grants and donations.

The table below summarizes our results for 2007 and 2008, and for our entire history beginning in August of 2001.

Category	2007 Results (Jan.1 to Dec. 31)	2008 Results (Jan.1 to Dec. 31)	Overall Results (Aug. '01 to Dec. '08)
Total Number of Grants Awarded	99	40	401
Total Value of Grants Awarded	\$3,632,700	\$1,384,500	\$12,442,242
Est. Value of Projects Completed	\$7,600,000	\$4,310,000	\$29,884,000
State Grant-In-Aid Funds Received	\$398,000	\$400,000	\$2,729,660
Total Savings to the State	\$7,202,000	\$3,910,000	\$27,154,340
Return on Every State \$ to 3R's	\$19 per State \$	\$11 per State \$	\$11 per State \$

In 2007, there was a major increase in the number and value of grants awarded, and the estimated value of the projects completed. This was mainly due to increased funding and the addition of a part-time project manager. In 2008, the grants awarded and estimated value of projects completed diminished due to a one-year hiatus of a major source of funding. However, the funding source has been restored in 2009.

The "Estimated Value of Projects Completed" category reflects the amount that the State believes these projects would have cost if it had to complete these projects itself. The figures in this category are taken from the Department of Education's official Repair and Maintenance backlog list, and provide legitimacy to the statistics in the table.

The "Total Savings to the State" is calculated by subtracting the "State Grant-In-Aid Funds Received" from the "Estimated Value of Projects Completed." Therefore, for 2007 and 2008, Hawaii 3R's saved the State \$7, 202,000 and \$3,910,000, respectively.

The overall results encompassing about seven and a half years of existence are just as impressive with Hawaii 3R's saving the State over \$27 million! Based on a return on investment, State funds awarded to Hawaii 3R's are State funds well spent.

GRANT AWARDS SUMMARY

OAHU 2007

School Name	Project Description	Grant (\$)
Ahuimanu El	Repaint Exterior of Building B	5,900
Ahuimanu El	Replace Asphalt Walkway with Concrete	23,000
Aiea High	Library - Replace Windows & Paint Interior	47,000
Aiea Int	Cafeteria Stage - Install Lights & Electrical	29,800
Aina Haina El	Replace Playground Equip / Refinish Stage	14,000
Aliamanu El	Replace Playground	50,000
Aliamanu Mid	Convert Shop Into Mtg / Counseling Ctr	43,900
Anuenue	Misc. Improvements for Portable	74,200
Ben Parker El	Relocate Electrical Transformer	4,800
Ben Parker El	Replace 2 Playground Surfaces	45,000
Castle High	Resurface Football Field - Phase III	53,000
Enchanted Lake El	Drainage Improvements Behind K Bldg	10,000
Farrington High	Misc. Repairs to Auditorium	50,000
Farrington High	Renovate Restrooms in Auditorium	40,000
Halau Ku Mana	Misc. Repairs / Install ADA Walkway	75,000
Hale Kula El	Replace Carpet in Transition Center	5,000
Hauula El	Replace Chain Link Fence	19,000
Hickam El	Concrete Drainage Improve & Water Line	29,500
Hickam El	Install Walkway / Bikeway	21,000
Holomua El	Replace Playground Equipment & Surface	33,000
Holomua El	D Replace Carpet & Replace Stage Curtain	30,500
Kaaawa El	Replace Playground Surfacing	31,300
Kaahumanu El	Replace Sprinkler System and Landscape	18,500
Kahala El	Replace Playground Equipment & Surface	48,800
Kahuku High & Int	Improve Ventilation in Cafeteria	40,500
Kailua High	Replace Baseball Bleachers & Walkway	49,000
Kailua Int	Replace Tile in Bandroom & Replace Fence	49,400
Kainalu El	Repaint Interior of Kitchen	15,900
Kaleiopuu El	Replace Stage Curtains / Repaint Parking Lot	20,100
Kamaile El	Replace Stage Curtain & Replace Carpet	22,100
Kaneohe El	Install Concrete Walkway	11,700
Kaneohe El	Install Concrete Slabs and Benches	15,300
Keolu El	Replace Playground	49,900
Kipapa El	Cafeteria Install Security Screens	22,500
Leihoku El	Install Campus Perimeter Fence	23,500
Leilehua High	Install Emergency Lights / S Repair Entry Roof	19,300
Mali El	Install Drinking Fountains / Ext Paint 7 Portables	75,000
Makaha El	Replace Plygrnd Eq / Repair Drinking Fountains	43,400
Makakilo El	Install Fence Around Playground	22,200

OAHU 2007 - continued

School Name	Project Description	Grant (\$)
Manoa El	Improve Ventilation in 22 Classrooms	38,800
Maunawili El	Install Windbreaker & Replace School Sign	30,000
McKinley High	BB Replace Softball Storage	37,500
Mililani High	Drainage Improvements in Library Area	32,000
Mililani High	Replace Cafeteria Wall Partition	48,900
Mililani Ike El	Repaint Exterior of 8 Portables	51,200
Mililani Uka El	Replace Floor Tile in Library	13,700
Moanalua High	Install SMART LAB Partitions	37,500
Mokapu El	Replace Playground Equipment & Surface	48,000
Nanakuli El	Install Sprinkler System & Tables	15,000
Niu Valley Mid	Stage - Replace Curtain & Refinish Floor	15,900
Noelani El	Install Ceiling Fans in Bldgs. A & B	50,000
Pope El	Repair and Install Concrete Walkways	35,000
Puohala El	Replace Playground Equip & Surface	48,200
Salt Lake El	Replace Playground	47,400
Stevenson Mid	Restoration of Greenhouse	15,400
Waiahole El	Enclose Conference Room	4,900
Waiahole El	Resurface Playcourt / Retop Plygrnd Surface	36,900
Waianae El	Replace Playground & Resurface Playcourt	117,800
Waianae High	Refinish Gym Floor & Move Partition	49,500
Waianae Int	Install Security Screens on 5 Portables	14,500
Waikele El	Replace Carpet in 2 Bldgs (8 Classrms each)	32,300
Waimalu El	Student Drop Off Safety Improvements	50,000
Webbing El	Demolish Wall / Relocate Switches & Wiring	4,600

BIG ISLAND 2007

School Name	Project Description	Grant (\$)
DeSilva El	Replace 2 Playgrounds	50,300
Honokaa El	Install Night Lights on Walkways	17,500
Kalaniana'ole El	Repaint Exterior of D Bldg	43,000
Kaumana El	Replace Playground	71,800
Ke Kula O Nawahi PCS	Gym Replace Doors and Refinish Floor	37,700
Ka Umeke Ka'eo PCS	Convert Storage Room into Media Lab	23,100
Keonepoko El	Replace Playground	58,600
Kohala El	Install Covered Walkway - Phase I Design	20,000
Konawaena High	Replace Light Fixtures in Library	33,400
Kua O Ka La PCS	Renovate Donated Portables	50,000
Mountain View El	Resurface Covered Play Court	7,900
Paauilo El & Int	Remove Norfolk Pine Trees	23,300
Waimea El	Cafeteria Install Computer Conduit	40,400

MAUI 2007

School Name	Project Description	Grant (\$)
Baldwin High	Replace Carpet / Repaint Parking Lot	9,300
Haiku El	Replace Playground	65,000
Iao Int	Erosion Control / Install Security Screens	37,100
Kilohana El	Install Security Screens & A Paint Exterior	60,000
Lahaina Int	Replace Student Lockers	9,800
Lahainaluna High	Repaint Interior of Girls' Dorm	48,300
Lahainaluna High	Repaint Exterior of Girls' Dorm	36,400
Nahienaena El	Replace Playground Equipment & Surface	50,000
Waihee El	Install Partition & Window for Kiln Room	5,400
Wailuku El	Front Campus Erosion Control	13,300
Wailuku El	Campus Repaint Railings	16,000

MOLOKAI 2007

School Name	Project Description	Grant (\$)
Kaunakakai El	Admin Install Security Screens	25,900
Kilohana El	Electrical Improve / Install Security Screens	15,900
Maunaloa El	Install Security Screens & Paint Kitchen Int	22,500
Maunaloa El	Repaint Exterior of Teacher Cottages	24,500
Molokai High	Install Security Screens & Replace Lights	55,200
Molokai High	Install Security Screens	52,600
Molokai Middle	Install Security Screens on U Bldg	6,500

KAUAI 2007

School Name	Project Description	Grant (\$)
Hanalei El	Replace Playground Equipment & Surface	47,800
Kanuikapono PCS	Install Concrete Walkways & Improve Parking	75,000
Kauai High	Misc. Improvements to Athletic Field	25,000
Ke Kula Niihau O Kekaha PCS	Install Septic System	50,000

OAHU 2008

School Name	Project Description	Grant (\$)
Alvah Scott El	Replace Playground Equipment	40,200
Dole Middle	Repaint Entire Campus	90,000
Kaaawa El	Recoat Playcourt / Replace B-Ball Backbds	27,500
Kaimuki High	Refinish & Repaint Gym Floor	29,300
Kaimuki High	Renovate Computer Lab	133,000
Kapolei Middle	Repaint Exterior of Various Buildings	10,500
King Int	Install Retaining Wall & Landscaping	37,500
Manoa El	Replace 2 Playgrounds	50,000
Maunawili El	Replace Playground	50,000
Nuuanu El	Recoat Playcourt & Replace Doors	21,000

OAHU 2008 - continued

School Name	Project Description	Grant (\$)
Pearl City El	Replace Playground	50,000
Pope El	Repair & Replace Various Sidewalks	28,000
Radford High	Resurface Plycrt / Add Padding & Lights	50,200
Radford High	Repaint Exterior of Various Buildings	89,400
Roosevelt High	Repaint Concrete Bleachers	50,000
Waiahole El	Extend Sidewalk - Bldg G	5,600
Waianae El	Install Cattle Gate / Landscaping	7,500
Waikiki El	Replace Concrete Walkway	20,000
Waimanalo El & Int	Install Partition & Replace School Sign	37,000
Waipahu El	Restripe Parking Lot / Repaint Railings	6,500

BIG ISLAND 2008

School Name	Project Description	Grant (\$)
DeSilva El	Install Ceiling Fans in Bldgs B, D & G	14,100
Honokaa El & Int	ADA Walkway	11,800
Honokaa High & Int	Install ADA Ramp & Chain Link Fence	17,100
Kalaniana'ole El & Int	Refurbish 58 Cafeteria Tables	22,700
Kohala El	Install Covered Walkway	50,000

MAUI 2008

School Name	Project Description	Grant (\$)
Baldwin High	Replace Boys' Lockers	45,900
Hana High & El	Renovate Lath House	75,000
Iao Int	Replace Fence and Repave Asphalt Lot	25,400
Lahainaluna High	Rpl. Concrete / Rebuild Marine Ed. Bldg.	28,500
Waihee El	Install Security Screens in 4 Buildings	22,400
Waihee El	Install Fence & Gate	4,200
Wailuku El	Install Security Screens	12,500

MOLOKAI 2008

School Name	Project Description	Grant (\$)
Kaunakakai El	Install Security Scrn / Renovate Kiln Rm	31,500
Kilohana El	Repl Sink / Paint Ext Port / Install Ceil. Fans	22,700
Maunaloa El	Campus Replace Chain Link Fence	23,800
Molokai High	Replace Kitchen Lights / Replace Walkway	19,300
Molokai High	Mobile Science Lab Cart	25,000
Molokai Mid	Install Partition & Secure Storage	18,400

KAUAI 2008

School Name	Project Description	Grant (\$)
Eleele El	Replace Playground	36,400
Kalaheo El	Rpl. Stage Curtains / Repaint Int. Cafeteria	44,600

FINANCIAL STATEMENTS

We have compiled the accompanying statement of assets, liabilities and fund balance – modified cash basis of HAWAII 3R'S as of December 31, 2007 and 2008, and the related statement of support, revenue and expenses – modified cash basis – historical and budgeted, for the month and year to date then ended and the accompanying supplementary information which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The budgeted income statement information is presented for supplementary analysis purposes only.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them. In addition, the budgeted income statement information for the same period has not been audited or reviewed by us, and, accordingly, we do not express an opinion or any other form of assurance on it.

STATEMENT OF ASSETS, LIABILITIES & FUND BALANCE			
Modified Cash Basis (See Accountants' Compilation Report)			
As of December 31, 2006, 2007, and 2008			
ASSETS	12/31/06	12/31/07	12/31/08
Cash	\$1,980,761	\$746,636	\$1,007,196
Other Assets	\$1,644,596	\$405,959	\$2,152
TOTAL ASSETS	\$3,625,357	\$1,152,596	\$1,009,348
LIABILITIES & FUND BALANCE			
LIABILITIES			
Current Liabilities	\$900,059	\$700,067	\$1,088,436
FUND BALANCE			
Fund Balance	\$1,748,859	\$2,725,297	\$463,705
Net Income (Loss)	\$976,439	\$(2,272,769)	\$(542,793)
TOTAL LIAB. & FUND BALANCE	\$3,625,357	\$1,152,596	\$1,009,348
STATEMENT OF SUPPORT, REVENUE & EXPENSES			
Modified Cash Basis (See Accountants' Compilation Report)			
For the Years Ended December 31, 2006, 2007, and 2008			
	12/31/06	12/31/07	12/31/08
REVENUE	\$3,593,377	\$1,876,965	\$1,960,188
EXPENSES			
Project Costs	\$2,422,007	\$3,915,845	\$2,245,177
Admin Expenses	\$194,931	\$233,889	\$257,804
TOTAL EXPENSES	\$2,616,938	\$4,149,734	\$2,502,981
NET INCOME (Loss)	\$976,439	\$(2,272,769)	\$(542,793)

Management has elected to omit substantially all of the disclosures ordinarily included in financial statement prepared on the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to HAWAII 3R's.

KIRIO & COMPANY, INC.
February 6, 2009

COMMUNITY PARTNERING

A key component of the continued success of Hawaii 3R's is the relationships that have been created and fostered with community organizations and businesses. In the past, we have used this section to recognize, to the best of our ability and within the space available, the organizations and volunteer groups that have assisted with monetary donations, skilled and unskilled labor, materials, and other contributions. However, after seven years and over 2,000 volunteers, the list has become exceedingly large. Therefore, we have decided to highlight specific exemplary projects from 2007 and 2008.

Hanalei Elementary School – The largest playground at the school had been condemned for some time because it did not have a safe and accessible surface. Pierce and Keely Brosnan made a donation to the school of \$25,000 and a commitment for another \$75,000 towards a replacement playground, but for months, no apparent action was taken. Hawaii 3R's was asked to assist in the situation and in less than five months, a new playground was constructed. While the \$100,000 donation was undoubtedly the catalyst for the project, another noteworthy aspect was hard work provided by community volunteers to remove and dispose of the old playground. And finally, it was truly heartwarming to see the outpouring of community support when the playground was blessed.



Kauai High School – The practice field was in such poor condition that players were getting injured and maintenance was a nightmare. In this project, the playing surface was leveled, an irrigation system was installed, fencing was added, part of an old dirt track was removed, and numerous other improvements were made. The official State estimate for the amount of work that was done in this project was \$400,000, but due to the enormous amount of support from the community and businesses, all of the work was accomplished with only a \$25,000 grant from Hawaii 3R's. On this project alone, the State saved \$375,000.

Roosevelt High School – Hawaii 3R's received a last minute request to assist the school with repainting its football stadium concrete bleachers in time to coincide with the grand rollout of its new football field and rubberized track. Due to the number of volunteers needed on such short notice, Hawaii 3R's enlisted the help of several organizations, including the Hawaiian Electric Company, Central Pacific Bank, UBS Financial Services, U.S. Pacific Command, Referentia Systems, Roteract, and Roosevelt High students. Having a "United Nations" of organizations energized the diverse groups of volunteers.



Momilani and Kanoelani Elementary Schools – A pest control operator wanted to donate the installation and monitoring of Sentricon at Momilani Elementary School because one of his grandchildren attended the school. This alone would have been commendable. However, through a Hawaii 3R's grant, the operator was able to recover some of his costs, which allowed him to then provide Sentricon to a second school, Kanoelani Elementary, which was near his office. Thus, a partnership between this community-minded business and Hawaii 3R's allowed two schools to benefit instead of just one.

Whether through sweat equity or a donation, one company or many, these projects illustrate that greatness can be accomplished when we work together towards a common good. We hope that you find these projects as inspiring as we do, and you will get involved to help "Repair, Remodel, and Restore Hawaii's public schools."

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