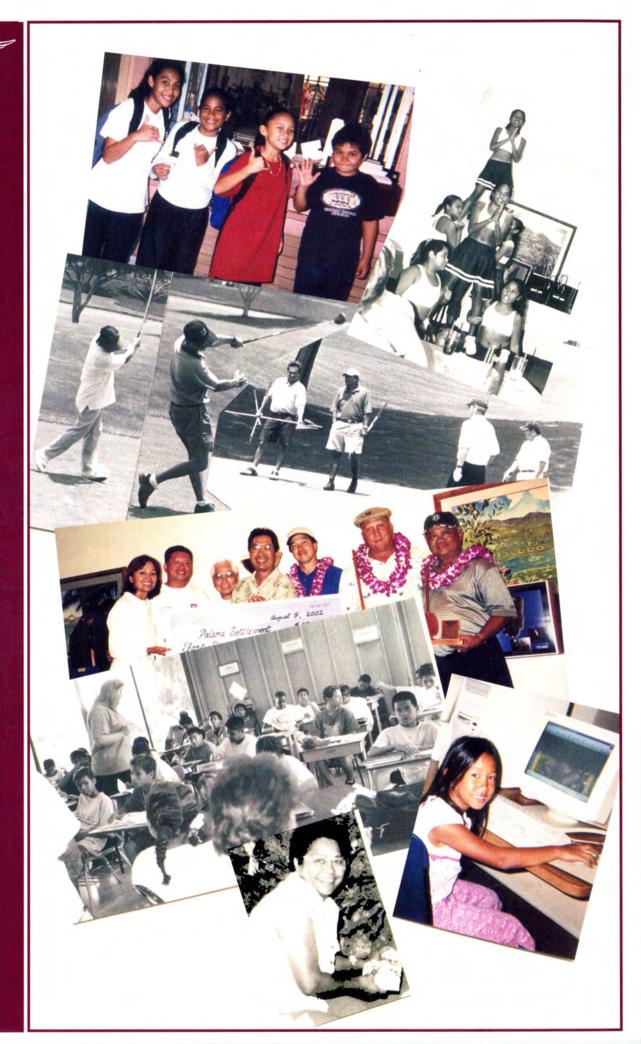


Member, Aloha United Way Member, Family Resource Coalition of America







PALAMA SETTLEMENT Annual Message



The year 2002 brought many challenges to Palama Settlement. Despite an unstable economy and stagnant funding, our financial and staffing resources managed to produce the extra effort needed to meet the heavy demand for services and provide additional activities and programs, particularly for youth. Moreover, faced with rising insurance and employee-related costs, our administration and Board of Trustees worked exceptionally hard to find ways to maintain critical services and to streamline operations.

Several important factors helped us meet the challenges of the year:

- Our *hard working and dedicated personnel* consistently rose to overcome every obstacle. Despite cutbacks in our staff, we were able to increase the range of activities for youth and families living in a high- risk environment. For many of our staff members, this meant working long days and weekends, each one doing more than their fair share.
- Our *Board of Trustees* held its inaugural *Charity Golf Tournament*. This first-time event raised \$48,000 with backing from our title sponsor, First Hawaiian Bank, contributing sponsors, Verizon Hawaii and the Laborers' Union Local 368, the generous support of golfers and prize donors from the community, and the Board members and staff who spent countless hours organizing the event.
- The *renegotiation of our lease rental agreement* with a major lessee has also generated additional income. Although we are presently relying on these funds to subsidize our ongoing operations, we will be designating a major portion of this income for a much needed capital improvement fund.
- Our Sustaining Membership Drive has continued to garner solid support from individuals, businesses, and institutional donors. With the regular distribution of our Ka Leo O Palama newsletter and other promotional materials, we are keeping our donors informed about our work. They, in turn, have responded with generous gifts.
- Grants from various foundations, trusts, government agencies, businesses, organizations, and individuals have provided vital support for a number of our programs. In particular, we want to acknowledge the following: Alexander & Baldwin Foundation, Atherton Family Foundation, Hung Wo & Elizabeth Lau Ching Foundation, Cooke Foundation, Foodland Stores, Frear Trust, Friends of Hawaii Charities-Sony Open, Gannett Foundation, Hawaii State Judiciary, Heads Up Youth Foundation, Housing & Community Development Corporation of Hawaii, Junior League of Honolulu, Abigail Kawananakoa Foundation, Kosasa Foundation, Ohana Komputers, Pacific Resources for Education & Learning-PREL, Pettus Foundation, Servco Foundation, Visitor Industry Charity Walk, Waterhouse Charitable Trust, G.N. Wilcox Trust, and the Henry Wong Foundation.

We also want to acknowledge *Esther Stubblefield*, *Cecilia Blackfield*, and her daughters *Pamela Blackfield* and *Karen Blackfield Wallace* for their charitable gifts to Palama Settlement.

In addition to monetary support, Palama Settlement has benefitted from generous donations of "people power." Our ranks of volunteers, who give freely of their time and talents to carry out various assignments at Palama, continue to grow. They serve the agency and community by coaching, tutoring, teaching, mentoring, providing professional expertise in various fields, and performing important clerical and maintenance tasks. They come from all sectors of the community~ our Board of Trustees, parents of our youth, high school and college students, concerned retirees, members of various churches, and our friends in the military. With their help, we have extended our programs and services beyond the limits of our staffing capabilities.

Because of this network of support, Palama Settlement has continued to maintain a strong presence in this neighborhood. Moreover, we continually assess the relevance of our programs so that we're attuned to changing lifestyles, technologies, and socio-economic needs. In response to important needs in our community, we have taken the following steps:

- We have *hired a teen coordinator* to organize a teen development and activity program.
- We are *exploring the possibility of extending our Family Service Center program* to include Kamehameha Homes.
- Thanks in part to Verizon Hawaii, the Alexander & Baldwin Foundation, and the Cooke Foundation, we have begun retooling our Computer Center and have hired a coordinator for our Computer Center to offer computer classes, training programs, and educational programs for our participants.
- We will begin major *renovation to our administration building* in Fall 2003, which will provide additional office space and our long-awaited archives. Through the efforts of Trustee Emeritus *Bob Rath*, the *Strong Foundation* has provided the financial support to underwrite this major capital improvement.

As we draft this Annual Report for 2002, we are proud to say that we have met the challenges of the year, are humbly satisfied with our accomplishments and *profoundly grateful* for the support we have received from all of our donors and friends. In particular, we want to thank the *Aloha United Way*, which has provided major funding for Palama Settlement to help us carry out our vision for this community. In this regard, we also want to recognize the contributions of our staff who consistently support the annual AUW Campaign. Each year our staff receives the "Ilima Award" in recognition for their 100% participation in this community fund drive that assists so many charities in the state.

As we look ahead to the new year, we hope you will join us in our efforts to keep Palama a haven for the youth of this neighborhood and a true gathering place for families to learn, grow, and enrich their lives. *Mahalo and aloha pumehana!*

Man XQu

Glenn Kimura President, Board of Trustees

el the

Robert T. Omura Executive Director

Dedicated to Verna M. K. Keyes



Retired May 31, 2002 after 25 years of service to Palama Settlement



BOARD OF TRUSTEES 2002-2003

OFFICERS

Glenn Kimura, President President, Kimura International Inc.

Paul D. Yee, 1st Vice President National Write Your Congressman

Richard K.C. Lau, 2nd Vice President/Treasurer Sr. Vice President, Territorial Savings & Loan

Mary Ann Changg, 3rd Vice President Owner, Mary Ann Changg Photography

James Westlake, Secretary Retired

Vernon Nakamura, Past President Vice President, First Hawaiian Bank

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Darwin L.D. Ching Attorney at Law

Suzanne Chun-Oakland Senator, State Capitol

Claire K. Cooper Management Consultant

Guy K. Fujimura Secretary/Trasurer, ILWU

Lori Hiramatsu Vice President & District Director Bank of Hawaii-Waiakamilo

Wesley B. Hiyane Nishihama & Kishida CPAs

Howard Kong Kam, Jr. * Managing Director, Horwath Kam & Co.

Gerald H. Kibe Judge, District Court, First Circuit Lynn Kinney International Union of Painters & Allied Trades District Council 50

Ted Lubong Community Representative

Donna Mercado Kim # Senator, Stae Capitol

Gerald M. Noda Director-Construction, Verizon Hawaii

Allene Richardson Suemori Judge, Family Court

Richard F. Takashima General Manager, USF Worldwide Logistics

Fa`auuga To`oto`o Judge, District Court, First Circuit

Alan Van Etten Attorney at Law, Damon Key Leong Kupchak Hastert

Jim Walters * President, Hawaiian Building Maintenance

Chadwick Wong ** Contract Manager, AT&T

Robert T. Wu CEO, The Wu Group

Alan T. Yamamoto Director of Community Relations Hawaiian Electric Industries

Davis Yogi Administrator, Honolulu International Airport

Robert Rath, Sr. Trustee Emeritus

* Elected 12/02 ** Resigned # Completed term

PALAMA SETTLEMENT STAFF

ADMINISTRATION

Robert T. Omura, Executive Director Saundra Smith, Executive Secretary

Rosa Sandoval, Administrator of Financial Services Duval Dutro, Director of Support & Maintenance Services Bette Uyeda, Program & Fund Development Administrator*** Linda Quiocho, Computer Center Program Coordinator

ADMINISTRATIVE SUPPORT STAFF

Rosalinda Reyes Rosalie Yano Edith "Aki" Najita+ Amy Fujii+

 RECREATION DIVISION: Vince DeBina, Recreation Director

 Francis Akana
 Leila Akana*
 Peter Pasigan
 Richard Ribuca

 Christopher Embernate*
 Scott Straley*
 Shawn Spriggs (reassigned to Family Service Center 7/03)

 Ned Luther*
 Patrick Kaahanui*

Pakolea Sports/Academic Program, Larry Sweets, CoordinatorJudy Baker*Sharon Ma`ave* (reassigned to Recreation Division 5/03)

Teen Development Program, LaValle Ramos-Dias, Coordinator

COMMUNITY & NEIGHBORHOOD DEVELOPMENT Director (Position currently unfilled)

FAMILY SERVICE CENTERS: Lynne Akana, Program ManagerLewis Kainoa Castro, Jr.++Eugene MikaLolita Nardo***Saipeti Lafaele*

IN-COMMUNITY TREATMENT PROGRAM: Donna Taniguchi, Program ManagerEdnalyn GodinetT.S. Nico TuiteleleapagaTodd Wyrick

AFTER SCHOOL & PERFORMING ARTS PROGRAM

Stella Chow-Crouch* Gregory Doi++ Myrna Cleveland+ Leslie Omura* Brother Noland Conjugacion* Debbie Yoshimura++

SUPPORT, MAINTENANCE, & FACILITY SERVICES

Harry Marchadie, Supervisor++ Lawrence DeSoto** Rosalina Rabbon*** Leif Andersen++ Tovia Fatu# Elaine Lani Davis*** Segundo Pacquing

* Part-Time

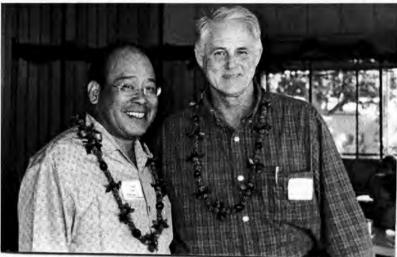
- ** On Call
- *** Half-Time

- + Volunteer
- ++ Resigned/Terminated
- # Retired

Annual Board of Trustees Meeting



Board President Glenn Kimura <left> recognizes Bob Wu, co-chair of Palama's First Charity Golf Tournament. Bob shared the responsibilities with Senator Donna Mercado Kim.



Two newly elected trustees bring their considerable experience, expertise, and talents to assist the agency. Howard Kong Kam, Jr <left> is a CPA and Managing Director of Horwath Kam & Co. Jim Walters is President of

Hawaiian Building Maintenance, which has been a generous supporter of our Pakolea and other youthrelated activities. Both men have also served on the boards of other nonprofit organizations in the community. We are fortunate to have them join our Palama ohana.

Board members <left to right> Alan Van Etten, Paul Yee, Gerald Noda, and Glenn Kimura enjoy the food and fellowship at our Board luncheon. The Board of Trustees Annual Meeting was held on December 10, 2002, marking the end of a busy and fruitful year. The initiation of Palama's *First Annual Charity Golf Tournament in August 2002* generated a flurry of activities, which required adjustments in our normal schedule of events.

Based on the recommendations of the Nominations and Elections Committee, the Board elected two new board members: Howard Kong Kam, Jr, Managing Director of Horwath Kam & Co. and Jim Walters, President of Hawaiian Building Maintenance. All present officers were re-elected to their second terms.



Ted Lubong, trustee and member of Grace Bible Church, accepts our Community Service Award, which was presented to his church for their many volunteer activities at the Settlement.



Highlights from our Board Luncheon

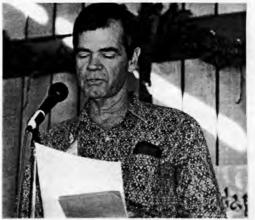


Saundra Smith, Executive Secretary, joins Board President Glenn Kimura for a photo op. Glenn and the rest of the present officers agreed to serve a second term on the Board.



Wesley Hiyane presents Palama's annual financial report to the Board members for their adoption.

Vince DeBina <left> Palama's Recreation Director, set up the sound system for our Board Luncheon and Brother Noland provided the musical entertainment for the event.



Alan Van Etten, Chair of the Nominations and Elections Committee, announces the nominations of the new Board members.



Lloyd Kaneshige, representing the Waterhouse Charitable Trust, converses with trustee Mary Ann Changg. The Waterhouse Trust provided funds to support Palama's outreach program to youth and families at the Kukui Gardens Housing complex.



Palama Settlement's 1st Annual Charity Golf Tournament



Because of the state's faltering economy and our declining revenues our Board voted to initiate a major fundraiser in 2002. Palama Settlement's First Annual Charity Golf Tournament was held on August 8 at the Kapolei Golf Course.

Tony Guerrero <second from right>, Executive Vice-President of First Hawaiian Bank, the tournament's underwriting sponsor, says to Ben Saguibo <right> of the Laborers' Union, Local 368, "Look, Ben...we raised \$48,000 <not \$47,000>!" Others pictured here include Donna Mercado Kim, Bob Wu, Bob Omura, Glenn Kimura, and Joel Matsunaga, representing Verizon Hawaii, a contributing sponsor for the tournament.



Palama Settlement's First Annual Charity Golf Tournament was a huge success, raising \$48,000! A very special thanks to our tournament co-chairs Donna Mercado Kim and Bob Wu and their diligent committee members who worked extremely hard to secure sponsors, prize donors, and golfers for the tournament. Our major sponsors included: Title Sponsor First Hawaiian Bank <\$10,000>; the Laborers' Union, Local 368 <\$9,000>; and Verizon Hawaii <\$7,000>. A warm mahalo also goes out to President Glenn Kimura who recruited a host of golfers and obtained numerous prizes for the tournament. With everyone's support and help, our first tournament was an unqualified success!

Brother Noland and the Palama cheerleaders entertained at the banquet, which followed the tournament. The girls welcomed the golfers with a rousing cheer!



Funds raised from the tournament go to support our many youth and community programs like our Pakolea cheerleading program. Many of the golfers remarked that, "We're here for the kids! They deserve our support and help." The cheerleaders responded with a warm Mahalo!



After months of planning, the big day finally comes!



Members of the tournament committee--Lynn Kinney <left>, Bob Wu, and Donna Mercado Kim--discuss the many details of the tournament. The committee met regularly to ensure that everything went smoothly.



Duval Dutro <left> and Joe Pacquing stand at the entrance to Palama's Centennial Display with Bob Wu. The golfers enjoyed looking at the historical display of Palama's work in the community.



Joel Matsunaga <left> of Verizon Hawaii, Bob Wu, Donna Mercado Kim, and Mary Ann Changg take a break from the task of sorting all the tournament prizes.



Golfers checking in with the help of Palama staff and some of our trustees. Both staff members and trustees turned out to lend a hand at the tournament.



Palama's "money lady" Rosa Sandoval with assistants Rosalinda Reyes and Linda Quiocho handling donations for the cruise raffle.



Trustees Fa'auuga To'oto'o <left>, Glenn Kimura, and Gerald Kibe are all smiles as they await the start of the tournament.

Golfers prepare to tee off for Palama!



Donna Mercado Kim wishes Tony Guerrero, Executive Vice-President of First Hawaiian Bank, and his partner good luck for the tournament.



Tony Guerrero with Bob Wu, who stayed back with the working gang to make sure everything went according to plan.



Palama staff Tovia Fatu and Joe Pacquing with their cart loaded and ready to go to their assigned hole. The staff worked hard to keep things running smoothly at the tournament.



Albert Matsumoto <left>, Ernie Itoga, and Arlene Hasegawa relaxing and waiting for the starter's call.



Ben Saguibo, Business Manager and Secretary-Treasurer of the Laborers' Union, Local 368, with partner Dean Matsumura ready to hit the fairways!



President Glenn Kimura with sons Tyler and Fletcher and friend Jay Ikehara looking ahead to the tournament with confidence!

Clockwise from bottom left: Eugene Mika, Sharon Ma'ave, and Bob Omura packing the goodie bags; Ben Saguibo picking up his lunch from Verna Keyes, Lei Ahu-Isa, and a youth volunteer; Rosalinda Reyes, Edna Godinet, and Suzie Chun greeting golfers at one of the holes; Gerald Noda and Arlene Hasegawa loading up on the Hawaiian buffet; Donna Mercado Kim and Bob Wu announcing the lucky prize winners; Judge To'oto'o and Jim Westlake serving golfers Ernest Murata, Jane Takara, and Ken Yamashita more ono food; Rick Ribuca pointing out the grand prize lucky number winner ~ Wendell Duarte.

Tournament highlights



Wendell Duarte <above right>, winner of the Hawaiian cruise, courtesy of Norwegian Cruise Line. Other tournament prizes included a Sony Vega TV and Game Boy from Sony Hawaii; a Las Vegas trip for two; chance for a hole-in-one car from New City Nissan; and a trip to Japan offered by Japan Airlines; DVD/CD players; and team prizes for all players. Mahalo to our generous prize donors!

Three Cheers for Cheers Station!



Half of the group that helped in our carwash sponsored by Jun Stewart, owner of Cheers Station. Jun worked alongside our staff and other volunteers to wash cars.



Francis Akana doing a great job washing and wiping down the cars.



Jun Stewart presenting fundraising check to Bob Omura.

Cheers Station owner, *Jun Stewart*, wanted to help the community where her business was located. Her original plan to organize a golf tournament was cancelled because of the 9/11 tragedy so she made a generous donation instead. This year she sponsored a carwash and raised \$4,581 for our youth programs. Mahalo!



Cheers Station employees, Palama staff and youth, and students from Kapiolani Community College all volunteered to lend a hand at the fundraising carwash.



Jun Stewart giving some carwashing pointers to a young helper.



Staff members Rosalinda Reyes, Saundra Smith, and Judy Baker with other volunteers taking care of the steady stream of dirty cars.

Palama supports Visitor Industry Charity Walk



Palama Settlement participated in the 2002 Visitor Industry Charity Walk, a seven-mile walk through Waikiki. The event, sponsored yearly by the Hawaii Hotel Association, is the state's largest single day fundraiser. The walk takes place simultaneously on Oahu, Maui, Kauai, and Hawaii. Proceeds from the event benefit hundreds of local charities. Over the years Palama has been fortunate to receive grants to fund various youth and family projects in the community.

Members of our Palama ohana gathered together before the walk. Pictured above with some of our Palama youth are: Bette Uyeda, her mother Edith Yamasaki, Rick Ribuca, his wife Ulla, Lynne Akana, Larry Sweets, and Wallace Ma'ave.

Walking briskly and passing everyone else are the three young and energetic ladies ~ Saundra Smith, Bette Uyeda, and her mom Edith Yamasaki.

Wallace Ma'ave <left> and members of the Akana family ~ Kainoa, Ku'u, Lynne, and Kona ~ flash their victory smiles after finishing the long walk through Waikiki. Last year funds raised from the Charity Walk supported our Pakolea Sports/Academic Program for youth.







Ted McAneeley, general manager of the Hawaii Prince Hotel, and Paul Tomonari, general manager of the Park Shore Hotel, present Bette and Saundra with a \$5,000 check from the Visitor Industry Charity Walk.



Joe Pacquing scrubbing the kitchen floor.

line provided by Ige's Catering Service.

Schofield soldiers show their aloha to Palama

Captain May painting the curbing for the handicap parking stall Our friends from the HHC 65th !

Painting the lines on the Castle basketball courts

Scrubbing the kitchen floors

Captain William May and soldiers from the HHC 65th Engineer Battalion at Schofield Barracks have chosen to help out the community by performing work projects at Palama. The soldiers came back for a second time in March to repaint the lines on our outdoor basketball courts and parking lot. They plan to return to help out again before the holiday season. *Mahalo to our friends in the military!*

Repairing the porch at the Blackfield Youth Center

Staff and volunteers give an extra mile of service



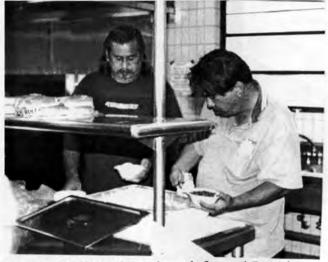
Jackie and Bob Rath show their support of Palama and our youth by attending the ICTP Art Show at the Plaza Club. The Raths are loyal volunteers at Palama, spending time working on our archives and fundraising for the Settlement.



No! No! Rosie Yano and Rosalinda Reyes are not for sale! They're in charge of selling 25 cent scrips for the various games and activities at our Easter Fair for the community.



Staff members Rosie Yano and Nico Tuiteleleapaga attended the Art Show. We were all proud of the work of our students!



Support staff Joe Pacquing <left> and Duval Dutro use their chef talents to prepare food for our volunteers.



Ulla Hasager <middle>, assistant professor at Kapiolani Community College and the University of Hawaii, with volunteer students who helped sell food items at our Easter Fair.

Palama celebrates Volunteer Recognition Day



Captain William May of the HHC 65th Engineer Battalion at Schofield Barracks receives an award for the volunteer services of his soldiers from Board President Glenn Kimura.



Saundra Smith gives a prize to a lucky number winner at our Volunteer Luncheon.



Part of the group at the Volunteer Luncheon. In the foreground: Lucy Kimura <left>, wife of Glenn Kimura, trustee Paul Yee, and Executive Secretary Saundra Smith.

Palama volunteers were honored at a Volunteer Recognition Day luncheon held at the Pagoda Restaurant on May 24, 2003. Special recognition was given to the men and women of the HHC 65th Engineer Battalion from Schofield Barracks for their work at Palama.

Volunteers contribute a significant amount of their time, talent, and labor to Palama. They have a tremendous impact on the overall mission of our agency.



Pakolea volunteers: Billie Malae, Robert Duarte, and Terri Sugui hitting the buffet line.



Vince DeBina, who served as MC for the luncheon, demonstrates a ballroom dance step to volunteer

Palama's Community & Neighborhood Outreach Programs

A major focus of Palama's programs in the last few years has been our Community & Neighborhood Outreach activities. The slowdown in our economy, precipitated by the events of 9/11, have had lasting effects on our neighborhood. More families and youth have been in need of services and assistance. Our staff has been active in the community, responding to requests for food, household items, and constructive activities for youth.



Alan Yamamoto <left>, Chair of our Program Committee, and trustee Lori Hiramatsu, meet with staff from the Palama Family Service Center and residents of Kamehameha Homes to consider the needs of families at the housing site.



Staff and volunteers work together to distribute food items provided by the Hawaii Foodbank to families at Ka'ahumanu Homes. The Family Service Center staff also works with the Clearinghouse to fill requests for furniture, beds, appliances, and other household needs.



Because of the pressing need for food at the public housing sites, the Hawaii Foodbank now distributes food directly at Ka'ahumanu, Mayor Wright, and Kamehameha Homes. This service has filled an important need in the community for families whose employment hours or welfare benefits have been reduced in the aftermath of 9/11. The Family Service Center staff collaborates with the Foodbank to continue this vital service.

Palama Family Service Centers serve the neighborhood



Kimberly Freitas and Mayor Wright youth help to clean up a section of their housing project after their Youth Patrol Walk.



The Family Service Centers at Mayor Wright and Ka'ahumanu Homes continue to serve the youth and families living at the housing sites. The staff conducts regular outreach to the residents and provides direct or referral services for different needs.



Ka'ahumanu youth Britney Soares and Ashley Kapai pitch in to help clean the Family Service Center office.

Keala Soares, Ashley Kapai, and Mary Soares get down and dirty to keep the yard, fronting the Family Service Center at Ka'ahumanu Homes, clean.



Officer Spencer
back right> assisting with the Mayor
Wright Youth Patrol Crime Watch. The youngsters are
learning how to protect their neighborhood.



Lee Ann Kaiu, volunteer volleyball coach, discusses strategy with the Ka'ahumanu youth team.

Easter at Palama means....eggs, bunnies, and fun!



Youngsters crowd around the Easter Bunny with their hands out, ready to get some of the goodies.



With the help of community volunteers children pick a plastic egg and hope it will have a lucky number for a great prize.



The Fish Pond is a favorite activity of the children. Staff member Judy Baker makes sure that the right fish takes the bait!

The children received t-shirts when they "went fishing" at our Fish Pond. The shirts were donated by Fortune Fashions Industry with the help of Pam Blackfield whose family also supports the Leland Blackfield Youth Center. Both keiki and their parents look forward to Palama's annual Easter Fair. With the help of volunteers from the Grace Bible Church, the event has been a fun-filled time for children in the neighborhood. Games, contests, entertainment, and a visit from the Easter Bunny make it special.



A young girl selects a plastic egg, wishing for a winning ticket.



Saundra Smith is kept busy making laminated name tags for children to use on their school bags.

Palama provides a Halloween treat for neighborhood keiki



The teen group from Grace Bible Church excites the audience with their snappy song. Volunteers from the church help to ensure that our children have a Halloween filled with treats!



Now....that's one scarey face created by one of the volunteers from Grace Bible Church. The kids actually stay still for a change!



Trustee Mary Ann Changg tries out her make-up artistry on a lucky youngster. She is a regular volunteer at these events and we appreciate her willingness to share her talents with us.



Pastor Billy Paccaro along with another church member take a moment to relax during the Halloween event.



"Now...all I gotta do is keep my head down and give it a nice, smooth stroke...like that...."



"Uh...uh..donut, don't move so much!" The children love playing this game over and over again.

Palama's Halloween contest is a favorite event



Saundra Smith and Bette Uyeda busy getting the prize gift baskets ready for the costume contest.



A happy and excited contestant gives her name and age.



Volunteer Leslie Omura signs up Halloween contest participants. She should enter the contest...don't you think?



Judges for the costume contest ~ Emily Ichise, Kipp Sakata, and Lloyd Hasegawa ~ enjoyed scrutinizing the many contestants and their creative costumes.



Presenting....the lucky winners in the various age divisions. Don't they look terrific?



Leslie Omura presenting the winners from the various age brackets with their hardearned prize baskets.

E Kipa Mai I Palama ~ Lei Kanikapila



A happy youngster is about to receive her Christmas gift from Santa. Ulla Hasager <right>, Santa's #1 helper, scurries to get the right gift while another helper encourages the other children to be patient and wait their turn in line.



Left: Jordan and Michelle Yamashita pose happily with Santa, our own Rick Ribuca.

Right: Dennis Tengan of Servco Hawaii presents a generous Christmas stocking donated by the company to the Edayan family. Palama held its free annual Christmas concert on December 14, 2002, featuring Amy Hanaiali'i Gilliom. The concert, sponsored in part by Coca-Cola Bottling Company of Hawaii, is our gift to the community to celebrate the holiday season.

Before the concert Santa and his helpers were there to distribute presents to the anxious keiki. Many of the gifts were donated by the Toys for Tots program and other community donors. Lucky numbers and door prizes were also passed out to add to the evening's excitement.





"Believe," a trio composed of members of the Jesus Christ of Nazareth Full Gospel Church, entertained the audience with religious and secular Christmas songs. The girls, who are very good friends, come together to sing for special occasions.



Precious Ma'ave was overwhelmed with joy after winning the home stereo system at Palama's family Christmas party. She had the winning number!

Palama shares the joy of Christmas



Amy Hanaiali'i Gilliom, accompanied by her brother, sings out a song. The concert was a special way for the community to celebrate the holidays.



Santa makes it a very merry Christmas for this youngster. Donations from the community make this a happy time for the neighborhood children.



Palama staff Duval Dutro (center) and Joe Pacquing, along with a crew of other helpers, served the estimated 250 guests who bought their dinners at our food concession. The delicious food was prepared by Palama Chefs Dutro and Pacquing and Ige's Catering Srvice.

The Christmas event also featured strolling magicians Greg Gabaylo and Santos Kidd, the Lanakila Elementary School Choir, and the Hawaiian/Puerto Rican Fantasy group.



Santa delights another child with a gift especially ordered for her!



Members of the Lanakila Elementary School Choir performing at the Christmas concert. The event is really a community affair.

Performing Arts Program: A partnership for learning



Piano students left to right: Alyssa Tagata, Hannah Gallardo, Jobelle Asto, Jeanette Asto, Jelissa Asto, Ashley Nishioka, and Christine Hermano. Palama's partnership with the Farrington Community School for Adults helps the school meets its family literacy goals by providing academic and performing arts classes for children. The piano classes offer parents a chance to get involved in their children's program and opens the door to learning and acculturation opportunities for themselves.

Left: Piano instructor Leslie Omura with her students at their piano recital held at the Weinberg Maluhia Nursing Home. The program teaches children the joy of giving back to the community by sharing their gifts of music.



17-year-old Jeanette Asto shares her piano talents with the residents of the Maluhia Nursing Home.



The piano students passing out flower pins and refreshments to residents with the help of their parents.



Piano students Jeanette, Jelissa, and Jobelle Asto with their parents and grandmother at the Weinberg Maluhia Nursing Home. The residents were delighted with the piano concert put on by the students and the students enjoyed sharing their musical pieces with such a grateful audience.

ICTP Art Show showcases the talents of our students



Visitors to the ICTP Art Show included Palama trustee Alan Yamamoto <left>, Dr. Lori Phillips, PREL art teacher, and John Simonds from the Gannett Foundation, who were joined by ICTP Manager Donna Taniguchi.



ICTP staff Nico Tuiteleleapa, Todd Wyrick, Donna Taniguchi, and Edna Godinet proudly pose with some of the students' drawings. The staff also developed their own artistic talents through the classes offered by PREL.

Our In-Community Treatment Program students are learning to tap their creative talents through an art program subsidized by the *Pacific Resources for Education and Learning* and supported by grants from the *Gannett Foundation* and the *Keehi Memorial Organization*.

Through the program the teens learn art theory and techniques, which they then apply to creating their own art pieces. The classes were so successful that PREL organized an art show at the Plaza Club to display the students' art work. Family, friends, PREL staff, and members of the Family Court were invited to attend.

The premise of the program is that art can stimulate learning on both sides of our brain. As students engage in "right brain"<creative> activity, they can open up the channels for "left brain" <analytical reasoning> learning. They also realize that art, like all the other subjects they are trying to master, requires discipline, focus, and perseverance. These are valuable lessons that our

students can apply not only to their educational objectives but also to their life goals.



Student Andy Kim <left> with his parents Ji Kim and Sun Min Shin <right> donated his watercolor to the Plaza Club for display in their dining room.



Duane Ikeda, Program Specialist with the Family Court, having a chat with Nico.



Lori Phillips and trustee Paul Yee discuss PREL's art program.

Pakolea players learn on the field and in the classroom



Parents, relatives, and friends are at the playing field offering support to the Pakolea players. Through the years, the *Palama Scorpions* have produced many championship teams.

From early August to mid-December, it's football and cheerleading fever time at Palama Settlement. Approximately 110 hopeful youngsters turn out for football in August. When the season starts in early September, 20 of the youngsters drop out of the program because they are unable to meet the weight requirements of the league or they cannot keep up with the rigorous athletic and academic demands of the program. When school begins in late August, the players must spend two days a week in the Learning Center to complete their school work and/or receive tutoring.



A Palama player breaks past the line and into the secondary defense for a sizeable gain.



Coach George Yoon and his assistants watch intently from the sidelines. Our volunteer coaches are the backbone of the Pakolea Program, donating hundreds of hours of community service.



The end-of-the-season game is an emotional time for coaches, youngsters, and parents. Congratulations are in order for a wonderful season!



Pakolea staff member Judy Baker monitors students in the Learning Center and provides tutoring for our football participants.

Football and cheerleading provide healthy outlets for youth



Cheerleaders are present at all the games, cheering and encouraging the teams on. "Go! Termite White Cheerleaders!"



Volunteer statisticians monitor the game activity to ensure that every youngster gets to play. Our program depends on a crew of willing volunteers who spend countless hours helping our youth.



Jenn Garcie <right> and Melanie Terry, our cheerleading coaches, get ready to recognize players at our annual Awards Banquet.



"Yeah, Palama!" You can tell that it's a touchdown by the exuberance displayed by our Palama supporters. Parents, relatives, and friends get caught up in football fever too.



Defenders are trying to hold back a determined Palama running back from making first down. Part of our athletic training teaches players to give that extra effort in their games.



Our cheerful and enthusiastic cheerleaders are ready for another exciting season: Left to right: Krysten, Zyna, Cynthia, Joy, and Candice.

Football players enjoy a successful season



Coach Malae from the Termite Maroon Team with Team Mom Billie Malae and son Steward



Termite White Team Coach George Yoon with Isaac Torres and Judy Baker, Pakolea staff member.



Pee Wee Team with Coach Ronnie Hill, Assistant Coach Keoki Davis, and Judy Baker, staff member.



Pee Wee coaches Keoki Davis <left>, Ronnie Hill, and Phil Roberts presenting award to Richard, a Pee Wee team player.



Mother Aina Malia and son Isaac Torres and Nick Penitusi.



Picture taking day ~ "Man, I feel like I'm ready to play already! I feel tough and rreaaddy!"

Basketball provides year-round fun and learning



Louis Kainoa Castro, Family Service Center staff, with his basketball team from Ka'ahumanu Homes at the awards ceremony concluding Brother Noland's Goodwill Basketball Tournament. Brother Noland and Lei Ahu-Isa congratulated the team for a good job!



Teams from Mayor Wright Homes competed against our Palama Recreation Team in our annual Brother Noland Goodwill Basketball Tournament held in August at Palama.



A Mayor Wright player dribbles past a Palama defender. The girls love playing on co-ed teams.



Staff Judy Baker with her "pick-up" basketball team. She does a wonderful job relating to the kids, teaching them basketball skills and teamwork, and helping them use their idle time.



"Now, listen up, everyone..." A Palama P.A.L. team receives instruction from their coach during a crucial championship game.



89 boys and girls participated in our Palama Pakolea P.A.L. Basketball Program including these six sets of twins.

Palama offers horsemanship program for inner city kids



A select number of Palama youth enjoyed the horsemanship program at the Koko Crater Equestrian Center. Besides learning how to ride horses, the children were taught how to relate to and care for the animals <picture below>.

The Hawaii Equestrian Foundation and the Koko Crater Equestrian Center collaborated with Palama Settlement to develop a horsemanship program for at-risk inner city youth. The goals of the program are to help youth to:

- * Develop empathy and compassion for animals
- * Learn to care for animals
- * Become aware of their own bodies, learn body control, and sharpen their reflexes
- * Focus on a task and persevere in reaching their goals
- * Develop responsibility and team work
- * Transfer these skills to improve their academic work



Bob Nakamura, DVM, PhD, and Emeritus Professor, and Emogene Yoshimura, DVM, PhD, meet with Palama staff Larry Sweets and Bette Uyeda to plan the horsemanship program.



Big brother teaching little brother how to play the Nintendo games at the Leland Blackfield Youth Activity Center.





Youth enjoy playing billiards, ping pong, and other games at the Blackfield Center, which receives support from *Cecilia Blackfield*, her family, and friends. In 2002 the *Friends of Hawaii Charities-SONY Open* also provided a generous grant for the Center.

Scuba Program offers new experiences to Palama youth

How many of us would jump at the chance to learn how to scuba dive? At Palama we've offered our youth the chance to do just that. With the help of certified dive instructor Bryan Silver, who is a member of the Professional Association of Dive Instructors, Pakolea Program Manager Larry Sweets has developed a program that has helped twelve of our youth to earn their first level scuba certificate. Like many other sports and recreational experiences, diving can teach our youth discipline, focus, patience, and perseverance. These valuable lessons will prepare them well for the many challenges they will face as adults.



Before venturing out into the ocean, the youth must master basic ocean and safety skills at our Palama pool.



The students also learn how to put on and check out their diving gear.



Larry Sweets gives last minute instructions to an eager student as they head out to the North Shore for his diving lesson.

Student diver Juan Cordero admires an interesting shell while exploring the ocean bottom. Students in our scuba program learn the value of hard work, commitment, and learning to follow directions. They also realize they can accomplish some amazing things if they stick with it!



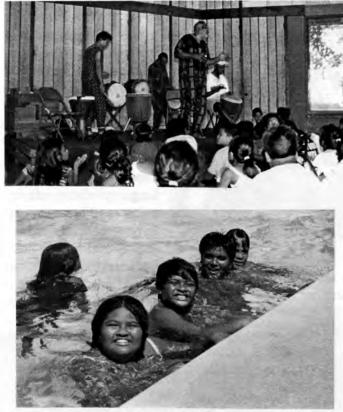


Student divers with their instructors Larry Sweets and Bryan Silver <lower right>. The students can't wait to hit the ocean!



Looks like this student diver has "found Nemo." Enjoying the vast treasures of the ocean and gaining a respect for their environment are some of the important benefits these student divers gain from the scuba program.

Summer means camping, swimming, and fun



"Come on in....the water feels great!" The summer youth are all smiles as they enjoy their swim time.

Larry Sweets <on the drums>, Pakolea Director, arranged for the African Drum Circle to perform for the summer youth and shared information about Afro-American culture and music.

> Palama's swimming pool provides welcome relief from the hot sun. Pool time is one of the favorite activities





"Camping tonight on the old Palama camp ground where all the luxuries of home are here. .We have hot and cold water and the meals are great so why go any place else?" sings this happy camper.

A joyous and rhythmic closing dance for parents, relatives, and friends during our Summer Grand Finale.



"Eh, sistah! Is this our tent?" The youth get ready for camping at Palama.



Our keiki learn to appreciate our many cultures



The children and teens from our summer programs with Aunty Grace Kupakaa <center front> at the Waihee Taro Patch, where they learned about respecting the land and the importance of taro to the Hawaiian culture.

Since keiki from many different ethnic groups attend our summer programs, it is only fitting that they learn about the diversity that enriches our island culture. During the summer the youth learn about the music, games, and language of our various cultures. They also engage in inter-generational activities (like line dancing!) with our Palama seniors who share their knowledge and skills with the youngsters.



Children admiring the artistic creations produced in their arts and crafts classes during the summer.



The boys' hula group performs for their parents and friends during our Summer Finale.



Besides learning about growing taro, making poi, and other aspects of Hawaiian culture, everyone had a wonderful time in the fresh water pool at the taro patch in Kahaluu.

MAHALO to the Frear Trust, G.N. Wilcox Trust, and the Atherton Family Foundation for their support of our 2002 Summer Enrichment and Summer Safari Programs.

Summer youth learn about the importance of the aina

Under the guidance of Rick Ribuca <right>, youth group leader, the teens enjoy a hands-on experience, harvesting and planting taro at the Waihee Taro Patch. The visit to the taro patch was one of several excursions taken by the youth during the summer program.





The teens learn how to pound poi from the *alakahi* <instructor> at the taro patch. Through the experience of planting and harvesting the taro and pounding the poi, they learn to respect and care for the land. They also grow to appreciate the Hawaiian culture and the values of hard work, patience, and cooperation that it represents.

The summer youth listen intently to the alakahi who shares more information about Hawaiian culture and the importance of taro and poi as a source of food. The children are learning to value the lessons of the past which are still relevant to them today. Teaching children about different cultures is an important goal of our Summer Enrichment Program.



Palama supports the educational needs of the community



Executive Director Bob Omura and Computer Center Coordinator Linda Quiocho <right> gratefully accept a check of \$2,500 from Martha Lanoza from the A&B Foundation to upgrade our Center for the community.



Students from our Pakolea and after school programs love to come to the Center to do their homework, check their e-mail, and play computer games and activities.



Youth from Mayor Wright Homes thank Senator Dan Inouye for his support of the Ready-to-Learn Program, which provides school supplies to needy families.

With the support of generous grants from the Alexander & Baldwin Foundation, the Cooke Foundation, and the Verizon Foundation, we have purchased additional computers and printers for our Computer Center. We also hired a Coordinator for the Center to offer computer classes and activities for youth, adults, and seniors.



During the last year our In-Community Treatment Program students benefitted from computer classes taught by an instructor from *Ohana Komputers*. The classes, which were offered at no cost to Palama, taught students computer applications including doing research on the computers and designing web sites. We are grateful for the support of Ohana Komputers!



Palama staff assist parents who have signed up to receive school supplies for their keiki. The Ready-to-Learn program is sponsored by Helping Hands Hawaii and Senator Dan Inouye in collaboration with agencies such as Palama Settlement.

Palama Seniors ~ Living a healthy lifestyle



Volunteer Winnie Lau leads one-half of the line dancing group...



"...and, step, step, side-step, step..." barks the line dance instructor as seniors obediently and joyfully follow her instructions during their graduation exercise.





...and here's Esther Kau leading the other half.

Above: Hannah Lee, Palama senior sharing her World War II experiences with students from the Halau Lokahi Charter School. The school wisely took advantage of the knowledge and experiences of the seniors who gather at Palama Settlement.

Right: When they're not line dancing, many of the seniors participate in table games and lei-making classes.



Secretary's (or Administrative Assistant's) Day Luncheon



Joining the ladies for the lunch were Support Services Director Duval Dutro <back left> and Recreation Director Vince DeBina.

Our secretaries, clerks, and assistants enjoyed a great luncheon show at the Ilikai Hotel, featuring the Makaha Sons and Melveen Leed. Joining us that day were: Account Clerk Rosalinda Reyes <left>, Receptionist Rosie Yano, Recreation Specialist and on-call Receptionist Sharon Ma'ave, Volunteer Clerk and former Executive Secretary Amy Fujii, Program Manager Lynne Akana, Executive Secretary Saundra Smith, Fund Developer Bette Uyeda, and Computer Center Coordinator Linda Quiocho.



Loyal volunteer Army Fujii at her desk keeping track of the employees' vacation and sick leave days. Amy, a retired school teacher, worked as our Executive Secretary for three years before retiring and returning as a volunteer.



The Palama ohana celebrated Amy Fujii's last day as a Palama volunteer at the Waioli Tea Room. We will miss her cheeful attitude and willingness to lend a hand. *Mahalo, Amy!*



Assistants Saundra Smith and Bette Uyeda get involved with just about everything at Palama. Here they help with the Volunteer Luncheon.



Jenn Garci <left> and Sharon Ma`ave at their familiar jobs as scorekeeper and timekeeper for our basketball tournaments.

Aloha to ~ Verna Keyes

In 1998 Verna traveled to New York City to attend the United Neighborhood Centers Conference. As part of the trip, she visited the Boys' Harbor School.

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After more than 30 years of loyal and dedicated service to Palama Settlement, *Verna Keyes* retired at the end of May 2002. She served in various capacities, the last as Director of the Community & Neighborhood Development Division and Manager of the Family Service Center Program.

Verna with Eugene Mika, Lisa Jaso of Ka`ahumanu Homes, and Senator Suzie Chun-Oakland.



Verna coordinating Palama's Christmas Fair for the community.

Verna serving as Teen Summer Safari Coordinator at Camp Palama Uka.

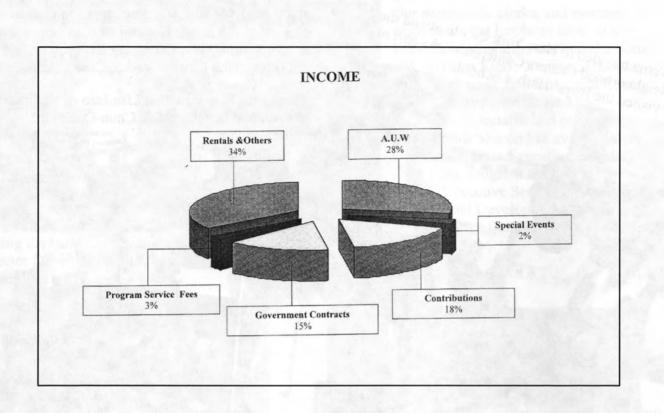
Verna was chosen as the *Outstanding Employee in 1993* for her tireless efforts to strengthen our communities and promote collaboration among various agencies. While at Palama Verna also served on the Kalihi Palama Council and the Board of the Honolulu Neighborhood Housing.

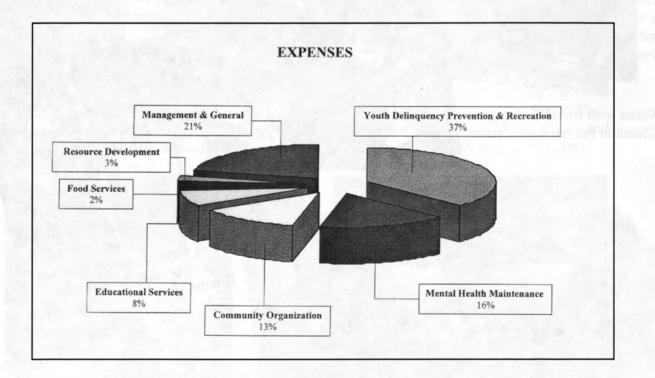
Verna getting the scrip booth ready for Palama's Halloween event with daughter Vernalynn

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Verna with friend Georgianna Chock at her retirement party

Verna visiting the Statue of Liberty with Bette Uyeda during a break in conference activities.





PALAMA SETTLEMENT

Statements of Financial Position

December 31, 2002 and 2001

Assets		2002	2001
Current assets: Cash and cash equivalents Receivables Prepaid expenses and other Short-term investments (note 2)	\$	156,803 86,889 45,237 44,104	106,485 125,194 46,711 306,903
Total current assets		333,033	585,293
Prepaid pension benefit cost (note 5)		-	322,055
Long-term investments (note 2)		2,101,742	2,101,742
Land, buildings and improvements, and equipment, net of accumulated depreciation (note 3)		2,200,402	2,341,475
Total assets	\$	4,635,177	5,350,565
Liabilities and Net Assets			
Current liabilities: Accounts payable Accrued expenses Accrued vacation Deferred income Total current liabilities	\$	30,797 7,506 42,313 5,972 86,588	25,912 2,562 42,084 5,972 76,530
Net assets: Unrestricted Temporarily restricted (note 6) Permanently restricted (note 7)	-	1,983,019 463,828 2,101,742	2,682,614 489,679 2,101,742
Total net assets		4,548,589	5,274,035
Commitment (note 5)	-		
Total liabilities and net assets	\$ =	4,635,177	5,350,565

See accompanying notes to financial statements.

PROGRAM SERVICES

Program	2000	2001	2002
Community & Neighborhood Development	4,350	4,350	2,260
Palama Family Service Centers	450	450	675
Kukui Gardens		140	80
Pakolea	800	802	625
Recreation, Planned	678	698	760
Recreation, Leisure	770	770	725
In-Community Treatment Program	75	97	105
Feeding Center	630	630	300
Senior Citizens	775	755	550
Volunteer Hours (225 Volunteers)	38,770 **	32,946 **	32,982**
Computer/Learning Center	660	675	280
Adult Education	661	669	625
Summer Enrichment/Summer Safari	121	108	123
Teen Programs	50	56	40

** Actual Hours of Service

