

**MAUI UNITED WAY**

**AUDITED FINANCIAL STATEMENTS**  
**(With Independent Auditor's Report)**

**FOR THE YEAR ENDED**  
**JUNE 30, 2023**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Maui United Way  
Wailuku, Maui, Hawaii

### **Opinion**

We have audited the accompanying financial statements of Maui United Way (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maui United Way as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maui United Way and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maui United Way's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Maui United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maui United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited Maui United Way's financial statements, and our report dated April 25, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

This report is intended for the information of the board of directors and management of Maui United Way and is not intended to be and should not be used by anyone other than these specified parties.

*Melanie Devereux, CPA, LLC*  
Makawao, Hawaii  
December 10, 2024

MAUI UNITED WAY  
Statement of Financial Position  
For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

ASSETS	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 179,566	\$ 114,174
Pledges Receivable	94,856	92,224
Allowance for Uncollectible Pledges	(26,000)	(26,000)
Prepaid Expenses	<u>8,433</u>	<u>10,862</u>
Total Current Assets	256,855	191,260
<b>FIXED ASSETS</b>		
Furniture & Equipment	55,985	55,985
Less Accumulated Depreciation	<u>(55,985)</u>	<u>(55,985)</u>
Net Fixed Assets	-	-
<b>OTHER ASSETS</b>		
Investments	<u>2,206,506</u>	<u>2,267,834</u>
Total Other Assets	<u>2,206,506</u>	<u>2,267,834</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,463,361</u></u>	<u><u>\$ 2,459,094</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 16,553	\$ 44,758
Payroll Liabilities	11,554	7,534
Fiscal Sponsorships Payable	<u>79,310</u>	<u>-</u>
Total Current Liabilities	107,417	52,292
<b>TOTAL LIABILITIES</b>	107,417	52,292
<b>NET ASSETS</b>		
Net Assets without Donor Restrictions	996,707	1,228,548
Net Assets with Donor Restrictions	<u>1,359,237</u>	<u>1,178,254</u>
Total Net Assets	<u>2,355,944</u>	<u>2,406,802</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,463,361</u></u>	<u><u>\$ 2,459,094</u></u>

The accompanying notes are an integral part of these financial statements.

MAUI UNITED WAY

Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	2023			<u>2022 Total</u>
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	
<b>SUPPORT AND REVENUE</b>				
Campaign Contributions	\$ -	\$ 688,168	\$ 688,168	\$ 564,515
Less Provision for Uncollectible Pledges	-	(13,855)	(13,855)	(57,330)
Net Campaign Contributions	-	674,313	674,313	507,185
Realized Gain (Loss) on Investments	7,947	-	7,947	95,907
Unrealized Gain (Loss) on Investments	119,587	-	119,587	(411,128)
Investment Income	68,896	-	68,896	53,862
In Kind Donations	-	-	-	2,100
Grant Revenue	77,813	-	77,813	77,100
Paycheck Protection Loan Forgiveness	-	-	-	43,772
Other Income	27,693	-	27,693	126,085
Fiscal Sponsorships	712,470	-	712,470	756,495
MUW Administrative Fees	86,928	-	86,928	-
Net Assets Released from Restrictions	493,330	(493,330)	-	-
Total Support and Revenue	1,594,664	180,983	1,775,647	1,251,378
<b>EXPENSES</b>				
Campaign and Program Services	1,530,541	-	1,530,541	1,521,557
Management and General	244,372	-	244,372	237,915
Fundraising	51,592	-	51,592	48,915
Total Expenses	1,826,505	-	1,826,505	1,808,387
CHANGE IN NET ASSETS	(231,841)	180,983	(50,858)	(557,009)
NET ASSETS, BEGINNING OF YEAR	<u>1,228,548</u>	<u>1,178,254</u>	<u>2,406,802</u>	<u>2,963,811</u>
NET ASSETS, END OF YEAR	<u>\$ 996,707</u>	<u>\$ 1,359,237</u>	<u>\$ 2,355,944</u>	<u>\$ 2,406,802</u>

The accompanying notes are an integral part of these financial statements.

MAUI UNITED WAY

Statement of Functional Expenses  
For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	2023				2022 Total
	Campaign and Program	Management and General	Fundraising	Total	
Salaries and Wages	\$ 203,704	\$ 94,705	\$ 15,706	\$ 314,115	\$ 275,396
Employee Benefits	50,926	23,504	3,917	78,347	77,133
Payroll Taxes	20,446	9,436	1,573	31,455	25,805
Allocations to Agencies	460,979	-	-	460,979	449,612
Occupancy	7,819	13,032	5,213	26,064	3,384
Professional Fees	19,687	55,124	3,937	78,748	32,919
Fiscal Sponsorship	733,422	-	-	733,422	741,046
Dues and Subscriptions	7,469	534	2,668	10,671	22,248
Event Costs and Distribution to Recipients	-	-	10,812	10,812	12,434
Investment Management Fees	-	16,323	-	16,323	22,103
Management Fees	-	-	-	-	24,954
Equipment	2,390	3,985	1,594	7,969	9,474
Occupancy	-	-	-	-	24,687
Printing	3,713	6,189	2,475	12,377	7,928
Telephone	1,204	2,006	802	4,012	3,992
Advertising	15,443	-	-	15,443	3,822
Travel and Entertainment	888	7,106	888	8,882	6,842
Outside Services	-	-	-	-	1,036
Postage and Supplies	1,264	3,791	1,264	6,319	25,596
Conference and Meetings	244	203	366	813	6,851
Insurance	260	2,213	130	2,603	2,796
Bank and Merchant Fees	-	5,591	-	5,591	2,181
Grant Expenses	-	-	-	-	22,500
Miscellaneous	683	630	247	1,560	3,648
	<u>\$ 1,530,541</u>	<u>\$ 244,372</u>	<u>\$ 51,592</u>	<u>\$ 1,826,505</u>	<u>\$ 1,808,387</u>

The accompanying notes are an integral part of these financial statements.

MAUI UNITED WAY

Statement of Cash Flows  
For the Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Campaign Contributions	\$ 671,681	\$ 633,000
Cash Received From Grants and Donations	77,813	77,100
Cash Received From Investment Income	76,843	53,862
Cash Received From Other Income	114,621	852,580
Cash Provided From Fiscal Sponsorships	791,780	(315,221)
Cash Paid to Employees and Vendors	<u>(1,848,261)</u>	<u>(1,820,703)</u>
Net Cash (Used) by Operating Activities	(115,523)	(519,382)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investment Accounts	<u>180,915</u>	<u>283,471</u>
Net Cash Provided by Investing Activities	<u>180,915</u>	<u>283,471</u>
NET CHANGE IN CASH	<u>65,392</u>	<u>(235,911)</u>
CASH BALANCE, BEGINNING OF YEAR	<u>114,174</u>	<u>350,085</u>
CASH BALANCE, END OF YEAR	<u>\$ 179,566</u>	<u>\$ 114,174</u>

The accompanying notes are an integral part of these financial statements.

## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2023

#### 1. ORGANIZATION

Maui United Way (the Organization) is a nonprofit organization established in 1944. The Organization is guided by a locally based board of directors implementing policies unique to its community's needs. The Organization is a member of the United Way Statewide Association of Hawaii, a cooperative effort among the various United Way Organizations in Hawaii to improve lives by mobilizing the caring power of the communities. The Organization is also a member of The United Way of America, a trade organization that supports local United Ways nationwide.

The Organization receives its financial support principally through an annual fundraising campaign. Contributions are primarily received from companies, foundations and individuals through payroll deductions plans. The funds raised, after deducting support services costs, are distributed on a monthly basis to the Organization's member agencies based on the recommendation of the Organization's allocation committee and approved by the Organization's board of directors.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Method of Accounting

The accrual basis of accounting is used for financial and income tax reporting purposes. Under this method of accounting, revenues are recorded when earned and expenses are recorded when the obligation is incurred.

##### Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

##### Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.



## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2023

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Property and Equipment

Furniture, fixtures and equipment are stated at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment that have a useful life for a year or more. The fair value of donated fixed assets is similarly capitalized when a clearly measurable and objective basis for determining the value is available. Such donations are reported as unrestricted revenue unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided on a straight-line basis over the estimated useful life of each asset.

##### Income Taxes

The Organization has been granted a tax-exempt status as a nonprivate foundation under Internal Revenue Code Section 501(c)(3) and by the Hawaii Revised Statutes Sections 237-23(b). Contributions to the organization are tax deductible. Accordingly, no provision for income taxes has been recorded in the statements of activity and financial position. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2021, 2022 and 2023 are subject to examination by the IRS, generally for three years after they were filed.

##### Donated Services

The Organization receives services donated by the general public in carrying out its purpose. No amounts have been reflected in the financial statements for donated services since they do not meet the criteria for recognition under ASC 958-605 *Not-for-Profit Entities Revenue Recognition*.

## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2023

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. There are no unconditional promises to give beyond the subsequent year.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises to give.

##### Revenue and Revenue Recognition

Maui United Way has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of Maui United Way's financial reporting. Maui United Way recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give- that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Maui United Way records special events revenue equal to the cost of admission when the event takes place. A portion of the Maui United Way's revenue is derived from cost-reimbursable contracts and grants from foundations and governmental entities, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Maui United Way has incurred expenditures in compliance with specific contract or grant provisions. Maui United Way recognized cost-reimbursable grants of \$77,813 by the end of the fiscal year of June 30, 2023.

MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

ASC 958-205 requires that not-for-profit organizations group their expenses by functional classifications: Program Services, Supporting Services, and Fundraising. Expenses are charged directly to program services, supporting services or fundraising based on specific identification. Other expenses such as payroll, payroll taxes, employee benefits and occupancy related costs are allocated based on estimated usage.

Advertising Costs

The Organization expenses non-direct response advertising costs as they are incurred, and no direct-response advertising costs were incurred.

3. NET ASSETS

The Organization has conformed to FASB ASU 2016-14, Not-for-Profit (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets, revenue, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions include all resources that are not subject to donor-imposed stipulations or contributions with donor-imposed restrictions that are met during the same fiscal year as the contribution is made.

Net assets with donor restrictions include amounts that the donor subjects to restrictions in perpetuity and amounts subject to legal or donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.

## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2023

#### 4. INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in Debt securities are reported at fair value, based on quoted prices in active markets with gains or losses included in the statements of activities. Interest and dividend income and net realized and unrealized gains or losses are reported in the period earned as increases, or decreases to unrestricted net assets.

ASC FASB 820-10, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the measurement in its entirety.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value.

Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly and include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

For the year ended June 30, 2023, the Organization engaged solely in level 1 inputs.

The Organization held the following investments at June 30, 2023:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Money market funds	\$ 62,894	\$ 62,894	\$ -
Mutual funds - fixed income	1,396,394	1,343,653	(52,741)
Equity securities	<u>684,270</u>	<u>799,959</u>	<u>115,689</u>
	<u>\$ 2,143,558</u>	<u>\$ 2,206,506</u>	<u>\$ 62,948</u>

MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2023

5. RECONCILIATION OF EXCESS (DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSES WITH NET CASH (USED) BY OPERATING ACTIVITIES

	<u>2023</u>	<u>2022</u> <u>Comparative</u>
(Deficit) excess of support and revenue over expenses	\$ (50,858)	\$ (557,009)
Adjustment to reconcile (deficit) excess of support and revenue over expenses to net cash provided by operating activities:		
Unrealized Gains	(119,587)	-
PPP Loan Forgiveness	-	(43,772)
(Increase) decrease in accounts receivable	(2,632)	95,815
Decrease (increase) in prepaid expenses	2,429	(5,636)
Increase (decrease) in accounts payables	(28,205)	(2,240)
Increase (decrease) in payroll liabilities	4,020	(6,540)
Increase in fiscal sponsorships payable	<u>79,310</u>	<u>-</u>
Net cash (used) by operating activities	<u>\$ (115,523)</u>	<u>\$ (519,382)</u>

6. COMMITMENT TO MEMBER AGENCIES

Current allocations to member agencies are paid out subsequent to the end of the previous year's campaign. Allocations for the 2021-2022 campaign year, made in the year ended June 30, 2023, amounted to \$452,691. The Organization is committed to fund member agencies \$336,649 from the 2022-2023 campaign.

7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Management's policy is to structure its financial assets as its general expenditures, liabilities and other obligations come due.

	<u>6/30/2023</u>	<u>6/30/2022</u>
Financial Assets	\$ 2,386,072	\$ 2,382,008
Less those unavailable to general expenditures within one year due to:		
Restricted by donor with time or purpose restriction	<u>(1,359,237)</u>	<u>(1,178,254)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 1,026,835</u>	<u>\$ 1,203,754</u>

## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2023

#### 8. RETIREMENT PLAN

The Organization adopted a Simple Retirement Plan, which provides for a contribution of 6% of qualifying employees' compensation. The Organization's contribution for the year ended June 30, 2023 amounted to \$15,512.

#### 9. ALLOCATION TO MEMBER AGENCIES

The Organization has designated allocations to agency partners during the year ended June 30, 2023 as follows:

Aloha House	\$	15,014
Alzheimer's Association		8,504
American Lung Association		10,000
Best Buddies		6,523
Big Brothers / Big Sisters		8,165
Catholic Charities		8,764
Child and Family Services		13,866
Common Ground Collective		13,000
Feed My Sheep		13,357
Girl Scouts Council of Hawaii		5,919
Habitat for Humanity		7,500
Hale Mahaolu		18,287
Hana Arts		13,693
Hospice Maui		16,104
Hui No Ke Ola Pono, Inc.		12,554
IMUA Family Services		16,830
Kupu		13,351
Ka Hale A Ke Ola		13,601
La'akea Village		13,000
Lahaina Arts Guild		10,500
Lanai Kinaole Inc.		13,342
Malama Family Recovery Center		15,013
Maui Adult Day Care Center		17,138
Maui Family Support Services		15,096
Maui Hui Malama		14,255
Maui Farm		9,045

MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2023

9. ALLOCATION TO MEMBER AGENCIES (Continued)

Maui Youth and Family Services	12,886
Mediation Services of Maui	8,851
Mental Health America of HI	13,117
Mental Health Kokua	13,000
Na Hoaloha Volunteer Caregivers	6,965
Ohana Makamae	7,000
Planned Parenthood	14,562
PATCH - People Attentive to Children	5,955
Salvation Army	11,060
Women Helping Women	14,656
Boys and Girls Clubs of Maui	8,842
Paia Youth Council, Inc.	6,045
Parents and Children Together	6,090
Labor Community Services	1,240
Non-Partner Agencies	8,289
	<u>\$ 460,979</u>

10. SUBSEQUENT EVENTS

Subsequent to the issuance of these financial statements, a natural disaster on the island of Maui occurred, known as the Maui Wildfire Disaster. Economic conditions were negatively affected locally, however, the Organization was the recipient of an unprecedented amount of contributions that were designated to be used for Wildfire recovery. The Organization had to add staffing and processes to manage the additional work in making sure that these assets were properly managed. At the time the financial statements were available to be issued, the direct effect of the disaster on the future operations and cash flows of the Organization could not fully be determined.

11. MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2024. There are no other subsequent events that would have a material effect on the financial statements, and this is the date the financial statements were available to be issued.