

**MAUI UNITED WAY**

AUDITED FINANCIAL STATEMENTS  
(With Independent Auditor's Report)

FOR THE YEAR ENDED  
JUNE 30, 2021

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Maui United Way (a Hawaii Non-Profit Corporation), which comprise of the statement of financial position as of June 30, 2021, and the related statement of activities and changes in net assets and statement of cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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, 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Maui United Way's financial statements, and our report dated March 24, 2021, 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, 2020, 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 trustees 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  
February 14, 2022

MAUI UNITED WAY

Statement of Financial Position  
For the Year Ended June 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	ASSETS	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 350,085	\$ 413,968
Accounts Receivable	-	1,000
Pledges Receivable	218,039	238,514
Allowance for Uncollectible Pledges	(56,000)	(56,000)
Prepaid Expenses	<u>5,226</u>	<u>6,349</u>
Total Current Assets	517,350	603,831
FIXED ASSETS		
Furniture & Equipment	55,985	55,985
Less Accumulated Depreciation	<u>(55,985)</u>	<u>(55,985)</u>
Net Fixed Assets	-	-
OTHER ASSETS		
Investments	<u>2,551,305</u>	<u>2,016,601</u>
Total Other Assets	<u>2,551,305</u>	<u>2,016,601</u>
TOTAL ASSETS	<u>\$ 3,068,655</u>	<u>\$ 2,620,432</u>

The accompanying notes and independent auditor's report  
are an integral part of these financial statements.

MAUI UNITED WAY

Statement of Financial Position (Continued)  
For the Year Ended June 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 46,998	\$ 24,844
Payroll Liabilities	14,074	10,429
Paycheck Protection Loan	<u>43,772</u>	<u>58,400</u>
Total Current Liabilities	104,844	93,673
TOTAL LIABILITIES	104,844	93,673
NET ASSETS		
Net Assets without Donor Restrictions	1,669,455	691,283
Net Assets with Donor Restrictions	<u>1,294,356</u>	<u>1,835,476</u>
Total Net Assets	<u>2,963,811</u>	<u>2,526,759</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,068,655</u>	<u>\$ 2,620,432</u>

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MAUI UNITED WAY

Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	2021		Total	2020 Total
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>		
SUPPORT AND REVENUE				
Campaign Contributions	\$ -	\$ 623,653	\$ 623,653	\$ 942,187
Less Provision for Uncollectible Pledges	-	(366)	(366)	(128,392)
Net Campaign Contributions	-	623,287	623,287	813,795
Realized Gain (Loss) on Investments	196,771	-	196,771	(2,401)
Unrealized Gain (Loss) on Investments	323,509	-	323,509	28,694
Investment Income	36,513	-	36,513	50,350
In Kind Donations	-	-	-	5,695
Grant Revenue	358,796	-	358,796	85,277
COVID Safety Net Donations	-	24,520	24,520	215,145
Maui ESG Revenue	11,450	-	11,450	53,549
Other Income	403,929	-	403,929	20,027
Fiscal Sponsorships	137,078	-	137,078	-
Net Assets Released from Restrictions	<u>1,188,927</u>	<u>(1,188,927)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	2,656,973	(541,120)	2,115,853	1,270,131
EXPENSES				
Campaign and Program Services	1,400,935	-	1,400,935	932,013
Management and General	206,185	-	206,185	194,846
Fundraising	<u>71,681</u>	<u>-</u>	<u>71,681</u>	<u>39,404</u>
Total Expenses	1,678,801	-	1,678,801	1,166,263
CHANGE IN NET ASSETS	978,172	(541,120)	437,052	103,868
NET ASSETS, BEGINNING OF YEAR	<u>691,283</u>	<u>1,835,476</u>	<u>2,526,759</u>	<u>2,422,891</u>
NET ASSETS, END OF YEAR	<u>\$ 1,669,455</u>	<u>\$ 1,294,356</u>	<u>\$ 2,963,811</u>	<u>\$ 2,526,759</u>

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are an integral part of these financial statements.



MAUI UNITED WAY

Statement of Functional Expenses  
For the Year Ended June 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Total
	Campaign and Program	Management and General	Fundraising	Total	
Salaries and Wages	\$ 157,247	\$ 72,576	\$ 12,096	\$ 241,919	\$ 212,080
Employee Benefits	48,164	22,229	3,705	74,098	63,504
Payroll Taxes	14,441	6,665	1,111	22,217	19,797
Allocations to Agencies	486,442	-	-	486,442	424,220
Rent and Utility Assistance	314,532	-	-	314,532	35,794
COVID Safety Net Fund Payments	60,600	-	-	60,600	127,893
Labor Community Services	2,618	-	-	2,618	4,435
Professional Fees	12,266	34,346	2,453	49,065	32,026
Fiscal Sponsorship	52,195	-	-	52,195	97,937
Dues and Subscriptions	22,679	1,620	8,100	32,399	10,953
Event Costs and Distribution to Recipients	-	-	12,268	12,268	-
Investment Management Fees	22,078	-	-	22,078	19,222
Management Fees	43,191	-	-	43,191	13,285
Depreciation	-	-	-	-	812
Equipment	2,172	3,620	1,448	7,240	13,662
Occupancy	7,024	11,706	4,682	23,412	24,791
Printing	1,825	3,041	1,216	6,082	6,056
Telephone	1,244	2,074	829	4,147	3,743
Advertising	3,617	-	-	3,617	3,806
Travel and Entertainment	140	1,118	140	1,398	3,642
Outside Services	4,086	4,086	2,043	10,215	-
Postage and Supplies	10,476	31,429	10,476	52,381	28,936
Conference and Meetings	7,223	6,019	10,834	24,076	4,003
Insurance	314	2,668	157	3,139	2,567
Bank and Merchant Fees	-	2,496	-	2,496	2,086
Loss on Sale of Assets	-	-	-	-	8,956
Miscellaneous	1,845	492	123	2,460	2,057
Grant Expenses	124,516	-	-	124,516	-
	<u>\$ 1,400,935</u>	<u>\$ 206,185</u>	<u>\$ 71,681</u>	<u>\$ 1,678,801</u>	<u>\$ 1,166,263</u>

The accompanying notes and independent auditor's report are an integral part of these financial statements.

MAUI UNITED WAY  
Statement of Cash Flows  
For the Year Ended June 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received From Campaign Contributions	\$ 644,762	\$ 822,545
Cash Received From Grants and Donations	394,766	353,971
Cash Received From Investment Income	36,513	50,350
Cash Received From Other Income	482,607	9,427
Cash Provided by Gains on Investments	520,280	26,293
Cash Paid to Employees and Vendors	<u>(1,651,879)</u>	<u>(1,124,986)</u>
Net Cash Provided by Operating Activities	427,049	137,600
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Investment Accounts	<u>(534,704)</u>	<u>(57,380)</u>
Net Cash (Used) by Investing Activities	<u>(534,704)</u>	<u>(57,380)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP Loan	43,772	58,400
Proceeds from Sale of Condo	<u>-</u>	<u>125,301</u>
Net Cash Provided (Used) by Financing Activities	<u>43,772</u>	<u>183,701</u>
NET (DECREASE) INCREASE IN CASH	<u>(63,883)</u>	<u>263,921</u>
CASH BALANCE, BEGINNING OF YEAR	<u>413,968</u>	<u>150,047</u>
CASH BALANCE, END OF YEAR	<u>\$ 350,085</u>	<u>\$ 413,968</u>

The accompanying notes and independent auditor's report  
are an integral part of these financial statements.



## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2021

#### 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, 2021

#### 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, 2019, 2020 and 2021 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, 2021

#### 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.

##### 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.



## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2021

#### 3. NET ASSETS (Continued)

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.

#### 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 fails 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.

MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2021

4. INVESTMENTS (Continued)

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, 2021, the Organization engaged solely in level 1 inputs.

The Organization held the following investments at June 30, 2021:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Money market funds	\$ 368,197	\$ 368,197	\$ -
Mutual funds - Fixed income	271,624	279,870	8,246
Equity securities	536,763	820,908	284,145
Mutual funds - equity securities	<u>727,658</u>	<u>1,082,330</u>	<u>354,672</u>
	<u>\$ 1,904,242</u>	<u>\$ 2,551,305</u>	<u>\$ 647,063</u>

5. RECONCILIATION OF EXCESS OF SUPPORT AND REVENUE OVER EXPENSES WITH NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2021</u>	<u>2020</u> <u>Comparative</u>
Excess of support and revenue over expenses	\$ 437,052	\$ 103,868
Adjustment to reconcile excess of support and revenue over expenses to net cash provided by operating activities:		
Depreciation	-	882
PPP Loan Forgiveness	(58,400)	-
Loss on Sale of Condominium	-	8,956
Decrease in accounts receivable	21,475	8,750
Decrease in prepaid expenses	1,123	495
Increase in accounts payables	22,154	21,355
Increase in payroll liabilities	3,645	3,894
(Decrease) in deferred revenues	<u>-</u>	<u>(10,600)</u>
Net cash provided by operating activities	<u>\$ 427,049</u>	<u>\$ 137,600</u>



MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2021

6. LEASE OBLIGATIONS

The Organization has entered into several five year lease agreements for office equipment for the Wailuku office. The leases were signed in 2012 and 2017 and minimum monthly payments are \$303 and \$244, respectively. Future minimum lease payments for year ended June 30, 2022 is \$2,440.

7. 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 2018-2020 campaign year, made in the year ended June 30, 2021, amounted to \$424,220. The Organization is committed to fund member agencies \$456,295 from the 2020-2021 campaign.

8. 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>6/30/2021</u>	<u>6/30/2020</u>
Financial Assets	\$ 2,901,390	\$ 2,430,569
Less those unavailable to general expenditures within one year due to:		
Restricted by donor with time or purpose restriction	<u>(1,294,356)</u>	<u>(1,835,476)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 1,607,034</u>	<u>\$ 595,093</u>

9. 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, 2021 amounted to \$13,893.

## MAUI UNITED WAY

### Notes to the Financial Statements For the Year Ended June 30, 2021

#### 10. ALLOCATION TO MEMBER AGENCIES

The Organization has designated allocations to agency partners during the year ended June 30, 2021 as follows:

Aloha House	\$ 15,279
Alzheimer's Association	9,545
American Lung Association	10,000
Best Buddies	6,703
Big Brothers / Big Sisters	8,276
Catholic Charities	9,979
Child and Family Services	13,410
Common Ground Collective	13,000
Feed My Sheep	12,026
Girl Scouts Council of Hawaii	7,341
Habitat for Humanity	8,343
Hale Mahaolu	13,000
Hana Arts	13,000
Hospice Maui	16,313
Hui No Ke Ola Pono, Inc.	11,000
IMUA Family Services	17,041
Kupu	13,000
Ka Hale A Ke Ola	12,706
La'akea Village	13,000
Lahaina Arts Guild	10,500
Lanai Kinaole Inc.	13,000
Malama Family Recovery Center	16,598
Maui Adult Day Care Center	18,827
Maui Family Support Services	14,987
Maui Hui Malama	13,000
Maui Farm	9,313
Maui Youth and Family Services	14,058
Mediation Services of Maui	8,855
Mental Health America of HI	13,059
Mental Health Kokua	13,383
Na Hoaloha Volunteer Caregivers	7,500
Ohana Makamae	7,108
PACT	6,222
Planned Parenthood	16,012
PATCH - People Attentive to Children	5,883

MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2021

10. ALLOCATION TO MEMBER AGENCIES (Continued)

Salvation Army	11,906
Women Helping Women	16,206
Partner of the Year Award	1,000
Boys and Girls Clubs of Maui	11,052
Paia Youth Council, Inc.	5,865
Non-Partner Agencies	29,146
	<u>\$ 486,442</u>

11. CONTINGENCIES

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Effects may include, but are not limited to, disruption in the Organization's programs, customers, donors and revenue, absenteeism in the Organization's labor workforce, unavailability of products and supplies used in operations and a decline in value of assets held by the Organization, including but not limited to investments.

12. PAYCHECK PROTECTION LOAN

The Organization applied for and was granted a \$58,40 loan under the Paycheck Protection Program (PPP) created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was disbursed in April 2020 and in May 2021 the Organization was granted forgiveness on the entire amount of the initial loan.

The Organization applied and was approved for a second loan under the Paycheck Protection Program for \$43,772. The loan was disbursed February 2021 and accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. As of June 30, 2021, the Organization spent all of the second allotment of PPP funds on presumably allowable expenses, with the remainder being spent after year end, but within the allowable 24 week period. Full forgiveness was awarded upon completion of the forgiveness application in September 2021.

MAUI UNITED WAY

Notes to the Financial Statements  
For the Year Ended June 30, 2021

13. MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2022. 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.