

Financial Statements and Report of Independent
Certified Public Accountants

MAUI UNITED WAY

June 30, 2024 and 2023

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Report of Independent Certified Public Accountants

To the Board of Directors of
Maui United Way:

Opinion

We have audited the accompanying financial statements of Maui United Way (the "Organization"), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of June 30, 2024, 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, ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, ("U.S. GAAS"). Our responsibility 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 the Organization 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.

Other Matter – Prior Period Financial Statements

The financial statements of the Organization as of and for the year ended June 30, 2023, were audited by other auditors, whose report dated December 10, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP 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 the Organization'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 the 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 U.S. GAAS 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, including omissions, 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 U.S. GAAS, 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 the Organization'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 the Organization'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.

A stylized, handwritten signature in black ink that reads "Verity CPAs". The signature is fluid and cursive, with the letters "V", "C", and "P" being particularly prominent.

November 21, 2025

Maui United Way

STATEMENTS OF FINANCIAL POSITION

As of June 30,

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 24,460,347	\$ 242,461
Contributions and pledges receivable, net	2,906	68,856
Prepaid expenses and other	8,516	8,433
Total current assets	24,471,769	319,750
INVESTMENTS	2,399,112	2,143,611
TOTAL ASSETS	<u>\$ 26,870,881</u>	<u>\$ 2,463,361</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 75,797	\$ 16,553
Payroll liabilities	3,352	11,554
Fiscal sponsorship payable	81,380	79,310
Total current liabilities	160,529	107,417
COMMITMENTS AND CONTINGENCIES	-	-
Total liabilities	160,529	107,417
NET ASSETS		
Without donor restrictions	5,034,643	996,707
With donor restrictions	21,675,709	1,359,237
Total net assets	26,710,352	2,355,944
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 26,870,881</u>	<u>\$ 2,463,361</u>

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

Maui United Way

STATEMENT OF ACTIVITIES

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Disaster relief	\$ -	\$ 20,696,484	\$ 20,696,484
Grant revenue	94,750	6,547,196	6,641,946
Individual contributions	3,963,083	650,604	4,613,687
Fiscal sponsorships	-	1,971,144	1,971,144
Campaign contributions	-	976,567	976,567
MUW administrative fees	245,688	-	245,688
Net assets released from restrictions	11,505,172	(11,505,172)	-
Total revenue and support	15,808,693	19,336,823	35,145,516
EXPENSES:			
Campaign and program services	10,990,601	-	10,990,601
Management and general	640,612	-	640,612
Fundraising	168,735	-	168,735
Total expenses	11,799,948	-	11,799,948
OTHER CHANGES:			
Investment income, net	-	745,224	745,224
Unrealized gain on investments	-	148,898	148,898
Realized gain on investments	-	74,035	74,035
Other income	29,191	11,492	40,683
Total other changes	29,191	979,649	1,008,840
Change in net assets	4,037,936	20,316,472	24,354,408
NET ASSETS AT BEGINNING OF YEAR	996,707	1,359,237	2,355,944
NET ASSETS AT END OF YEAR	\$ 5,034,643	\$ 21,675,709	\$ 26,710,352

The accompanying notes are an integral part of this financial statement.

Maui United Way

STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:			
Grant revenue	\$ 77,813	\$ -	\$ 77,813
Fiscal sponsorships	712,470	-	712,470
Campaign contributions, net	-	674,313	674,313
MUW administrative fees	86,928	-	86,928
Net assets released from restrictions	493,330	(493,330)	-
Total revenue and support	1,370,541	180,983	1,551,524
EXPENSES:			
Campaign and program services	1,530,541	-	1,530,541
Management and general	228,049	-	228,049
Fundraising	51,592	-	51,592
Total expenses	1,810,182	-	1,810,182
OTHER CHANGES:			
Investment income, net	52,573	-	52,573
Unrealized gain on investments	119,587	-	119,587
Realized gain on investments	7,947	-	7,947
Other income	27,693	-	27,693
Total other changes	207,800	-	207,800
Change in net assets	(231,841)	180,983	(50,858)
NET ASSETS AT BEGINNING OF YEAR	1,228,548	1,178,254	2,406,802
NET ASSETS AT END OF YEAR	\$ 996,707	\$ 1,359,237	\$ 2,355,944

The accompanying notes are an integral part of this financial statement.

Maui United Way

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2024

	Campaign and Program	Management and General	Fundraising	Total
Salaries and wages	\$ 265,557	\$ 99,847	\$ 16,559	\$ 381,963
Payroll taxes and employee benefits	80,910	37,344	6,224	124,478
Total salaries and related expenses	346,467	137,191	22,783	506,441
Allocations to agencies	8,933,263	199,365	-	9,132,628
Fiscal sponsorship	1,280,481	-	-	1,280,481
Professional fees	231,007	82,719	5,551	319,277
Contractors	93,483	126,616	88,500	308,599
Travel and entertainment	56,649	7,485	250	64,384
Miscellaneous	7,874	36,509	2,601	46,984
Occupancy	11,734	19,557	7,823	39,114
Equipment	16,081	12,427	4,971	33,479
Printing	7,090	9,455	7,091	23,636
Postage and supplies	5,818	6,993	3,248	16,059
Event costs and distribution to recipients	-	-	14,567	14,567
Conference and meetings	654	2,295	11,350	14,299
Total expenses	<u>\$ 10,990,601</u>	<u>\$ 640,612</u>	<u>\$ 168,735</u>	<u>\$ 11,799,948</u>

The accompanying notes are an integral part of this financial statement.

Maui United Way

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Campaign and Program	Management and General	Fundraising	Total
Salaries and wages	\$ 203,704	\$ 94,705	\$ 15,706	\$ 314,115
Payroll taxes and employee benefits	71,372	32,940	5,490	109,802
Total salaries and related expenses	275,076	127,645	21,196	423,917
Allocations to agencies	460,979	-	-	460,979
Fiscal sponsorship	733,422	-	-	733,422
Professional fees	19,687	55,124	3,937	78,748
Travel and entertainment	888	7,106	888	8,882
Miscellaneous	25,059	10,974	3,847	39,880
Occupancy	7,819	13,032	5,213	26,064
Equipment	2,390	3,985	1,594	7,969
Printing	3,713	6,189	2,475	12,377
Postage and supplies	1,264	3,791	1,264	6,319
Event costs and distribution to recipients	-	-	10,812	10,812
Conference and meetings	244	203	366	813
Total expenses	<u>\$ 1,530,541</u>	<u>\$ 228,049</u>	<u>\$ 51,592</u>	<u>\$ 1,810,182</u>

The accompanying notes are an integral part of this financial statement.

Maui United Way

STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 24,354,408	\$ (50,858)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(148,898)	(119,587)
Realized gain on investments	(74,035)	(7,947)
(Increase) decrease in assets:		
Contributions and pledges receivable, net	65,950	(2,632)
Prepaid expenses and other	(83)	2,429
Increase (decrease) in liabilities:		
Accounts payable	59,244	28,205
Payroll liabilities	(8,202)	(4,020)
Fiscal sponsorship payable	2,070	(79,310)
Net cash provided by (used in) operating activities	<u>24,250,454</u>	<u>(233,720)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,097,063	430,905
Interest and dividend reinvestment	(777,686)	(68,898)
Purchase of investments	<u>(351,945)</u>	<u>-</u>
Net cash (used in) provided by investing activities	<u>(32,568)</u>	<u>362,007</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	24,217,886	128,287
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>242,461</u>	<u>114,174</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$ 24,460,347</u></u>	<u><u>\$ 242,461</u></u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Non-cash reclassification of investments	\$ 22,104,656	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION BACKGROUND

Maui United Way (“MUW” or the “Organization”) is a nonprofit organization established in 1944 and based in Maui County, serving as a trusted convener and resource for the people of Maui, Molokai, and Lānaʻi. Guided by a locally based Board of Directors, MUW implements initiatives both directly and through community nonprofit partners to address the unique needs of its communities guided by community based data. As a member of both the United Way Statewide Association of Hawaiʻi and United Way Worldwide, MUW is part of a global network while maintain a distinctly local focus and commitment.

MUW's mission is to improve lives by mobilizing the caring power of the community. The organization works collaboratively with nonprofit agencies, businesses, foundations, and government partners to address critical and emerging needs across youth education, financial stability, health, and community resilience. Financial support is received principally through annual fundraising campaigns, with contributions from individuals, companies, and foundations, often facilitated through payroll deduction plans. After covering necessary support services, funds are distributed monthly to partner agencies, based on the recommendations of MUW's allocation committee and approval of its Board of Directors.

On August 8, 2023, Maui experienced a series of catastrophic wildfires that devastated Lāhainā, Kīhei, and Upcountry areas, resulting in tragic loss of life, destruction of property and cultural landmarks, and long-term disruption to the community and economy. In response, MUW has seen a significant increase in public and corporate donations and has undertaken ongoing recovery and relief efforts in partnership with local, state, and federal agencies. These efforts complement MUW's long-standing role in addressing systemic needs, strengthening nonprofit capacity, and fostering collective resilience across Maui County.

MUW remains committed to monitoring and assessing the impact of these donations and recovery activities on its operations, while continuing to steward resources responsibly to meet both urgent recovery needs and long-term community priorities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies follows.

Basis of accounting and financial statement presentation

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net assets classifications:

- *Net assets without donor restrictions* – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.
- *Net assets with donor restrictions* – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP 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. It is reasonably possible that such estimates may change within the near term, and such differences could be material to the financial statements.

Going concern

Management has evaluated the Organization's ability to continue as a going concern for one year after the financial statement issuance date and has determined that no conditions or events that would raise substantial doubt exist.

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with maturities of three months or less and money market funds to be cash equivalents.

The Organization maintains cash and cash equivalent balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. As of June 30, 2024 and 2023, uninsured bank balances were \$23,895,258 and \$0, respectively.

Investments in marketable securities

Investments in marketable securities consist of equity investments in publicly traded companies, exchange traded funds, and mutual funds. Securities are stated at fair value. Realized and unrealized gains and losses, determined using the specific identification method, are included in income.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Gains and losses include both realized and unrealized gains and losses as of June 30, 2024 and 2023.

Contributions and pledges receivable, net

Contributions, including unconditional promises to give, are recorded as received. 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. The Organization recognizes unconditional promises to give as pledges receivable when they are received.

Normal pledge receivables are unsecured, do not accrue interest, and are due upon date specified when the pledge is made. Delinquent pledge receivables are written off based on individual credit evaluation and specific circumstances.

The estimate of expected credit losses is established at the inception date and is recorded as an allowance for credit losses at the reporting date (none as of June 30, 2024 and 2023). The establishment of the allowance and increases to the allowance for credit losses is reported as a provision for credit losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and if the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset. The length of the non-cancellable period of the lease is the period for which the contract is enforceable. A lease is no longer enforceable when both the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The lessee and lessor must agree on terms and conditions to extend the lease.

The Organization has elected the practical expedient to not recognize right-of-use (“ROU”) assets and lease liabilities for short-term leases, defined as leases with an initial term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date or remaining term for leases existing. Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle, and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Contributions

The Organization recognizes contributions when cash or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, 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.

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions (continued)

Contributions restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the financial statements.

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. The Organization is also exempt from state income taxes under Section 235 of the Hawai'i Revised Statutes.

In evaluating a tax position for recognition, the Organization evaluates whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of related appeals or litigation processes, based on the technical merits of the position. If the tax position meets the more-likely-than-not recognition threshold, the tax position is measured and recognized as the largest amount of tax benefit that, in management's judgment, is greater than 50% likely of being realized upon ultimate settlement.

It is the Organization's policy to accrue interest related to any unrecognized tax benefits, as well as any related penalties in other expenses. The Organization did not recognize any interest or penalties associated with unrecognized tax benefits during the years ended June 30, 2024 and 2023.

The Organization files information returns in the United States ("U.S") Federal jurisdiction. The Organization's evaluation of tax positions was performed for the years ended June 30, 2024 and 2023, for the U.S. Federal jurisdiction, the tax years that remain subject to examination by the Internal Revenue Service as of June 30, 2024.

Donated services

In-kind contributions of services are recorded as contributions at their estimated fair value at the date of donation and are recorded as expenses or assets in the same amount. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills that are performed by people with those skills and would otherwise be purchased by the Organization. A number of unpaid volunteers have made contributions of their time to the Organization. The value of their time is not reflected in these financial statements because it does not meet the criteria for recognition.

Functional classification of expenses

Expenses, including advertising expenses (\$5,983 and \$15,443 for the years ended June 30, 2024 and 2023, respectively), are recognized when the related liability is incurred. The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service using natural expense classifications. Other expenses that are common to several functions are allocated to the programs and supporting services based on management's estimates, including the percentage of time spent by the Organization's personnel.

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently adopted accounting standards

Accounting Standards Updates (“ASU”) issued by the Financial Accounting Standards Board (“FASB”) are adopted by the Organization as of the specified effective date. Unless otherwise discussed, the Organization believes the impact of other recently issued accounting pronouncements will not have a material impact on the financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which modifies how expected credit losses on financial instruments are developed. ASU No. 2016-13 changes the impairment model for most financial assets that are measured at amortized costs and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 326)*, which provides amendments to ASU No. 2016-13 and deferred the effective date to years beginning after December 15, 2020.

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*. This ASU deferred the effective date of ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, for non-public entities and other entities that do not file with the Securities and Exchange Commission for fiscal years beginning after December 15, 2022. *Topic 326* was effective for the Organization beginning July 1, 2023. The adoption of ASU No. 2016-13 did not have a material impact on the Organization’s financial statements.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other financial commitments. For purposes of analyzing resources available to meet these requirements over the next twelve-month period, the Organization considers all program services, management and general, and fundraising to be general expenses. The Organization’s liquidity is maintained in interest and non-interest bearing checking and savings accounts.

The Organization is substantially supported by contributions, and grants from individuals, and foundations. The contributions from individuals and foundations are received with and without donor restrictions. The Organization prepares an annual operating budget, which is used to plan the level of fundraising activity and other sources of funding required for the coming twelve months for general and capital expenses. The Organization operates within its annual operating budget and anticipates collecting sufficient funds to cover general and capital expenses.

Maui United Way

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 3 – AVAILABILITY AND LIQUIDITY (continued)

The following represents the Organization's financial assets available for general expenditures, without donor restrictions limiting their use, within one year as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 24,460,347	\$ 242,461
Pledges receivable, net	2,906	68,856
Investments in marketable securities	<u>2,399,112</u>	<u>2,143,611</u>
Total financial assets at year-end	26,862,365	2,454,928
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(21,675,709)</u>	<u>(1,359,237)</u>
	<u>\$ 5,186,656</u>	<u>\$ 1,095,691</u>

NOTE 4 – INVESTMENTS

Fair value measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides for the hierarchy of valuation techniques based upon whether inputs to those valuation techniques reflect assumptions that other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The following summarizes the fair value hierarchy:

- *Level 1* – Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, assets or liabilities without donor restrictions.
- *Level 2* – Quoted prices for identical assets and liabilities in markets that are not active, quotes prices for similar assets and liabilities in active markets or financial instruments for which significant observable inputs are available, either directly or indirectly, such as interest rates and yield curves that are observable at commonly quoted intervals; and
- *Level 3* – Prices or valuations that require inputs that are unobservable.

In certain cases, the inputs used to measure fair value may fall into different values of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety fall has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Maui United Way

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 4 – INVESTMENTS (continued)

Fair value methodology

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes to the methodologies used at June 30, 2024 and 2023. The methods described may produce a fair value calculation that may not be indicative of net realized value or reflective of future fair value measurements. The Organization believes its valuation techniques are appropriate and consistent with those of market participants.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value as of the reporting date.

The Organization's investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization determines the fair value of its investments using the following methods and inputs:

- *Mutual funds* – Valued at quoted market prices in active markets, which represent the net asset value of shares.
- *Equity securities* – Valued at quoted market prices in active markets.
- *Exchange-traded funds* – Valued at quoted market prices in active markets.

Fair value hierarchy

The following sets forth, within the fair value hierarchy the Organization's investments at fair value as of June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,829,152	\$ -	\$ -	\$ 1,829,152
Equity securities	294,368	-	-	294,368
Exchange-traded funds	275,592	-	-	275,592
	<u>\$ 2,399,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,399,112</u>

	2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,612,916	\$ -	\$ -	\$ 1,612,916
Equity securities	217,663	-	-	217,663
Exchange-traded funds	313,032	-	-	313,032
	<u>\$ 2,143,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,143,611</u>

Maui United Way

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of the following as of June 30:

	2024	2023
Specific purpose:		
Disaster relief	\$16,996,553	\$ -
Campaign donations	2,585,992	1,220,843
Fiscal sponsorship	1,109,109	138,394
Investment	968,157	-
Other	15,898	-
	<u>\$21,675,709</u>	<u>\$ 1,359,237</u>

NOTE 6 – LEASES

Office Space

On March 1, 2022, the Organization entered into a lease for its office space. The lease expired in February 28, 2023 but continued on a month-to-month basis until terminated in March 2024. The total rent expense under this lease amounted to \$17,640 and \$23,520 for the years ended June 30, 2024 and 2023, respectively.

Facilities Use

On August 15, 2023, the Organization entered into a short-term facilities use agreement with the University of Hawai'i. The agreement had a one-month term and no rental fee was charged. On January 1, 2024, the agreement was amended to a non-cancellable lease through December 31, 2024, with monthly payments of \$3,000. On January 1, 2025, the agreement was amended to extend the lease for an additional one-year term through December 31, 2025. The total rent expense under this lease amounted to \$18,000 for the year ended June 30, 2024.

NOTE 7 – COMMITMENT TO MEMBER AGENCIES

Allocations to member agencies are paid out subsequent to the end of the previous year's campaign. The Organization is committed to funding member agencies \$627,067 from the 2023-2024 campaign.

Maui United Way

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 7 – COMMITMENT TO MEMBER AGENCIES (continued)

The Organization designated allocations to agency partners as follows for the years ended June 30:

	2024	2023
Hale Mahaolu	\$ 27,718	\$ 18,287
Maui Youth and Family Services	20,922	12,886
Malama Family Recovery Center	18,163	15,013
Maui Adult Day Care Center	18,146	17,138
Aloha House	17,429	15,014
Women Helping Women	16,952	14,656
Salvation Army	16,933	11,060
Boys and Girls Clubs of Maui	16,762	8,842
Maui Farm	16,463	9,045
Child and Family Services	16,196	13,866
Planned Parenthood	16,170	14,562
Big Brothers / Big Sisters	15,673	8,165
Kupu	15,254	13,351
Lahaina Arts Guild	14,981	10,500
Common Ground Collective	14,897	13,000
American Red Cross	14,829	-
Hana Arts	14,068	13,693
Pacific Cancer Foundation	10,937	-
Molokai Child Abuse Prevention	8,500	-
Na Hoaloha Volunteer Caregivers	8,144	6,965
Habitat for Humanity	7,216	7,500
Parents and Children Together	5,025	6,090
Legal Aid Society of Hawaii	3,805	-
IMUA Family Services	-	16,830
Hospice Maui	-	16,104
Maui Family Support Services	-	15,096
Maui Hui Malama	-	14,255
Ka Hale A Ke Ola	-	13,601
Feed My Sheep	-	13,357
Lanai Kinaole Inc.	-	13,342
Mental Health America of HI	-	13,117
La'akea Village	-	13,000
Mental Health Kokua	-	13,000
Hui No Ke Ola Pono, Inc.	-	12,554
American Lung Association	-	10,000
Mediation Services of Maui	-	8,851
Catholic Charities	-	8,764
Alzheimer's Association	-	8,504
Ohana Makamae	-	7,000
Best Buddies	-	6,523
Paia Youth Council, Inc.	-	6,045
PATCH - People Attentiveto Children	-	5,955
Girl Scouts Council of Hawaii	-	5,919
Total allocation to member agencies	<u>\$ 335,183</u>	<u>\$ 451,450</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

June 30, 2024 and 2023

NOTE 8 – RETIREMENT SAVINGS PLAN

The Organization sponsors a defined contribution plan for the benefit of their eligible employees. Employees are eligible to participate in the plan after one full year of employment and attaining the age of 21. Participating employees may make voluntary pre-tax and Roth contributions to the plan not to exceed amounts allowable under the Internal Revenue Code.

The Organization matches 100% of the participants' first 6% of contributions. The Organization made contributions of \$19,237 and \$15,512 for the years ended June 30, 2024 and 2023, respectively.

NOTE 9 – GEOGRAPHICAL AND FUNDING CONCENTRATION

The Organization operates on the island of Maui in the state of Hawai'i. Local, national, and international events can have a severe and adverse effect on the economic conditions in the state of Hawai'i. This could affect the Organization's funding levels and operations.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Organization may be subject to legal proceedings, claims, or litigation arising in the ordinary courses of business. This could have an adverse effect on the Organization. Management is not aware of any legal proceedings, claims, or litigation at this time.

NOTE 11 – SUBSEQUENT EVENTS

The Organization evaluated its June 30, 2024, financial statements for subsequent events through November 21, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require additional recognition or disclosure in the financial statements.
