

Aloha United Way, Inc.

(A Nonprofit Organization)

Financial and Compliance Audit December 31, 2023 and 2022



Aloha United Way, Inc.

(A Nonprofit Organization)

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Report of Independent Auditors

To the Board of Directors of Aloha United Way, Inc.

Opinion

We have audited the accompanying financial statements of Aloha United Way, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 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.

Auditors' 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 auditors' 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

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standards and *Government 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, 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 generally accepted auditing standards and *Government Auditing Standards*, we:

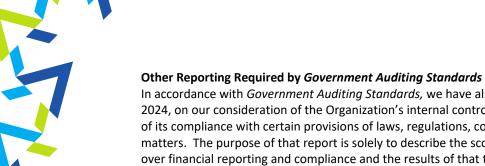
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to
 fraud or error, and design and perform audit procedures responsive to those risks. Such procedures
 include 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 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Allocations to Agencies for the year ended December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.





Accusty LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Honolulu, Hawaii September 9, 2024



Aloha United Way, Inc. (A Nonprofit Organization) Statements of Financial Position December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 3,916,457	\$ 4,060,331
Investments	7,023,401	6,483,596
Pledges receivable, net of allowance of \$636,000		
and \$649,000 in 2023 and 2022, respectively	2,488,781	2,398,759
Grants and other receivables	1,749,496	1,320,182
Prepaid expenses and other	126,051	121,178
Total current assets	15,304,186	14,384,046
Endowments and charitable gift annuities	3,020,300	2,667,637
Cash and time certificates of deposit held by third party	1,094,633	843,561
Beneficial interest in perpetual trusts	1,055,909	952,112
Note receivable, net of allowance of \$244,000 in 2023	84,671	-
Other assets	211,456	209,892
Property and equipment		
Land	191,000	191,000
Building and improvements	11,851,414	11,794,521
Furniture, fixtures and equipment	772,865	725,666
Total	12,815,279	12,711,187
Less: Accumulated depreciation	(10,379,416)	(10,159,994)
Property and equipment, net	2,435,863	2,551,193
Total assets	\$ 23,207,018	\$ 21,608,441
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,746,041	\$ 1,191,806
Due to designated agencies	2,798,194	2,798,469
Deferred grant income	289,203	456,729
Total current liabilities	4,833,438	4,447,004
Annuities payable, noncurrent	32,856	37,432
Total liabilities	4,866,294	4,484,436
Net assets		
Without donor restrictions		
Invested in property and equipment, net	2,435,863	2,551,193
Board-Designated Operating Reserve Fund	4,058,404	3,730,479
Undesignated	2,000,000	2,000,000
Total net assets without donor restrictions	8,494,267	8,281,672
With donor restrictions	9,846,457	8,842,333
Total net assets	18,340,724	17,124,005
Total liabilities and net assets	\$ 23,207,018	\$ 21,608,441

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

Aloha United Way, Inc. (A Nonprofit Organization) Statement of Activities Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Campaign revenue			
Campaign contributions	\$ 639,143	\$ 12,584,905	\$ 13,224,048
Less: Donor designations	(3,909,437)	(3,878,153)	(7,787,590)
Less: Provision for uncollectible pledges	(245,596)	(17,637)	(263,233)
Net assets released from restrictions	8,142,424	(8,142,424)	
Net campaign revenue	4,626,534	546,691	5,173,225
Grant income	6,861,254	-	6,861,254
Fiscal agent support	1,569,526	-	1,569,526
In-kind contributions	143,287	-	143,287
Investment income, net	703,736	-	703,736
Building income, net	654,200	-	654,200
Change in value of Board-Designated			
Operating Reserve Fund investments	214,873	-	214,873
Change in value of charitable trusts and other			
permanently restricted investments	-	457,433	457,433
Other income	1,746,707		1,746,707
Total revenues and support	16,520,117	1,004,124	17,524,241
Allocations and other functional expenses			
Gross funds allocated to agencies	10,661,424	-	10,661,424
Less: Donor designations	(8,171,702)		(8,171,702)
Net funds allocated to agencies	2,489,722	-	2,489,722
Functional expenses			
Program services	9,735,744	-	9,735,744
Management and general	2,286,357	-	2,286,357
Fundraising	1,795,699		1,795,699
Total functional expenses	13,817,800		13,817,800
Total allocations and functional expenses	16,307,522		16,307,522
Change in net assets	212,595	1,004,124	1,216,719
Net assets			
Beginning of year	8,281,672	8,842,333	17,124,005
End of year	\$ 8,494,267	\$ 9,846,457	\$ 18,340,724

Aloha United Way, Inc. (A Nonprofit Organization) Statement of Activities Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Campaign revenue			
Campaign contributions	\$ 1,227,972	\$ 8,142,424	\$ 9,370,396
Less: Donor designations	(3,895,630)	(86,197)	(3,981,827)
Less: Provision for uncollectible pledges	(416,324)	273,438	(142,886)
Net assets released from restrictions	7,641,475	(7,641,475)	
Net campaign revenue	4,557,493	688,190	5,245,683
Grant income	6,122,237	-	6,122,237
Grant income, COVID-19-related	88,165	-	88,165
Fiscal agent support	2,206,291	-	2,206,291
In-kind contributions	133,893	-	133,893
Investment income, net	248,429	-	248,429
Building income, net	575,748	-	575,748
Change in value of Board-Designated			
Operating Reserve Fund investments	(1,125,652)	-	(1,125,652)
Change in value of charitable trusts and other			
permanently restricted investments	-	(431,793)	(431,793)
Other income	1,452,270		1,452,270
Total revenues and support	14,258,874	256,397	14,515,271
Allocations and other functional expenses			
Gross funds allocated to agencies	6,631,296	-	6,631,296
Less: Donor designations	(4,133,192)		(4,133,192)
Net funds allocated to agencies	2,498,104	-	2,498,104
Functional expenses			
Program services	9,761,091	-	9,761,091
Management and general	1,721,563	-	1,721,563
Fundraising	2,071,831		2,071,831
Total functional expenses	13,554,485		13,554,485
Total allocations and functional expenses	16,052,589		16,052,589
Change in net assets	(1,793,715)	256,397	(1,537,318)
Net assets			
Beginning of year	10,075,387	8,585,936	18,661,323
End of year	\$ 8,281,672	\$ 8,842,333	\$17,124,005

Aloha United Way, Inc. (A Nonprofit Organization) Statements of Functional Expenses Years Ended December 31, 2023 and 2022

	Member	Other				
	Agency	Program		Management		
	Services	Services	Total	and General	Fundraising	Total
2023						
Salaries	\$ 519,213	\$ 1,187,044	\$ 1,706,257	\$ 1,421,637	\$ 587,056	\$ 3,714,950
Employee benefits	92,579	219,280	311,859	288,879	109,615	710,353
Payroll taxes	44,259	104,993	149,252	116,920	52,406	318,578
Total salaries and related expenses	656,051	1,511,317	2,167,368	1,827,436	749,077	4,743,881
Professional fees and contract services, other	6,888,651	384,389	7,273,040	271,790	585,509	8,130,339
Media, printing and publications	2,134	4,654	6,788	15,722	204,500	227,010
National dues	17,449	82,258	99,707	54,839	42,766	197,312
Conferences, conventions and meetings	22,929	12,806	35,735	11,244	84,665	131,644
Telephone	2,452	60,721	63,173	7,706	8,102	78,981
Depreciation	13,281	10,163	23,444	23,790	21,080	68,314
Equipment rental and maintenance	1,150	20,006	21,156	7,460	19,380	47,996
Supplies	875	1,099	1,974	18,501	12,385	32,860
Travel	2,152	7,425	9,577	7,191	1,070	17,838
Postage and shipping	46	110	156	1,744	9,778	11,678
Other	4,178	29,448	33,626	38,934	57,387	129,947
Total expenses	\$ 7,611,348	\$ 2,124,396	\$ 9,735,744	\$ 2,286,357	\$ 1,795,699	\$ 13,817,800
2022						
Salaries	\$ 395,678	\$ 964,812	\$ 1,360,490	\$ 975,211	\$ 919,036	\$ 3,254,737
Employee benefits	77,262	169,746	247,008	184,354	161,698	593,060
Payroll taxes	37,633	87,072	124,705	82,577	79,242	286,524
Total salaries and related expenses	510,573	1,221,630	1,732,203	1,242,142	1,159,976	4,134,321
Professional fees and contract services, other	6,924,133	775,031	7,699,164	310,906	451,586	8,461,656
Media, printing and publications	20,227	11,243	31,470	5,998	177,986	215,454
National dues	22,811	68,733	91,544	46,663	41,897	180,104
Conferences, conventions and meetings	9,366	5,980	15,346	7,872	101,219	124,437
Depreciation	18,484	13,043	31,527	31,343	26,075	88,945
Telephone	2,900	53,108	56,008	7,197	7,476	70,681
Equipment rental and maintenance	4,313	33,635	37,948	8,873	7,767	54,588
Supplies	1,055	1,117	2,172	16,266	31,175	49,613
Professional fees and contract services,						
COVID-19-related programs	26,227	-	26,227	-	-	26,227
Travel	1,053	6,543	7,596	5,793	11,906	25,295
Postage and shipping	116	92	208	2,534	8,704	11,446
Other	5,796	23,882	29,678	35,976	46,064	111,718
Total expenses	\$ 7,547,054	\$ 2,214,037	\$ 9,761,091	\$ 1,721,563	\$ 2,071,831	\$ 13,554,485

Aloha United Way, Inc. (A Nonprofit Organization) Statements of Cash Flows Years Ended December 31, 2023 and 2022

Change in net assets \$ 1,216,719 \$ (1,537,318) Adjustments to reconcile change in net assets 5 1,216,719 \$ (1,537,318) Adjustments to reconcile change in net assets 5 1,216,719 \$ (1,537,318) Lopereciation 219,422 256,917 \$ (612,551) 1,125,652 Change in value of endowments and charitable trusts 7,281 30,281 Change in operating assets and liabilities (90,022) (571,293) Pledges receivable (90,002) (571,293) Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities (167,526) (19,186) Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,886,979) (4,773,004)		2023	2022
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities Depreciation 219,422 256,917 Net unrealized and realized (gains) losses on investments (612,551) 1,125,652 Change in value of endowments and charitable trusts 77,281 302,881 Change in operating assets and liabilities Pledges receivable (90,022) (571,293) Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable (20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities (678,425 (410,929) Eash flows from investing activities (104,092) (66,489) Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments (533,501) 128,912 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (533,501) 128,912 Cash flows from financing activities (533,000) (6332) Net cash used in financing activities (6,380) (506,332) Net cash used in financing activities (6,	Cash flows from operating activities		
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Depreciation 219,422 256,917 Net unrealized and realized (gains) losses on investments (612,551) 1,125,652 Change in value of endowments and charitable trusts 77,281 302,881 Change in operating assets and liabilities (90,022) (571,293) Pledges receivable (90,022) (571,293) Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities (275) 295,324 Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Pocceeds from sale or maturity of investments (533,501) 128,912 Net cange in endowment investments (533,501) 128,912 </td <td>Adjustments to reconcile change in net assets</td> <td></td> <td></td>	Adjustments to reconcile change in net assets		
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Change in value of endowments and charitable trusts 77,281 302,881 Change in operating assets and liabilities (90,022) (571,293) Pledges receivable (90,022) (571,293) Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities (275) 295,324 Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments (533,501) 128,912 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net cash (used in) provided by inve	Depreciation	219,422	256,917
Change in operating assets and liabilities Pledges receivable (90,022) (571,293) Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities 868,699 (410,929) Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities (533,501) 128,912 Net cash used in financing activities (6,380) (5	Net unrealized and realized (gains) losses on investments	(612,551)	1,125,652
Pledges receivable (90,022) (571,293) Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities 678,425 (410,929) Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities (6,380) (500,000) Charitable gift annuities (6,380) (506,332) Net cash used in financing activities (6,3	Change in value of endowments and charitable trusts	77,281	302,881
Grants and other receivables (533,985) 594,034 Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities (104,092) (66,489) Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in eash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities (6,380) (6,332) Payment on line of credit - (500,000) Charitable gift annuities (6,380)	Change in operating assets and liabilities		
Prepaid expenses and other (4,873) 10,752 Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities (6,380) (6,332) Payment on line of credit - (500,000) Charitable gift annuities (6,380) (506,332) Net cash used in financing activities (6,380) (5	Pledges receivable	(90,022)	(571,293)
Note receivable 20,000 - Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities (6,380) (6,332) Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) </td <td>Grants and other receivables</td> <td>(533,985)</td> <td>594,034</td>	Grants and other receivables	(533,985)	594,034
Accounts payable and accrued expenses 554,235 (868,692) Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents 4,060,331 4,610,993 <td>Prepaid expenses and other</td> <td>(4,873)</td> <td>10,752</td>	Prepaid expenses and other	(4,873)	10,752
Deferred grant income (167,526) (19,186) Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities Payment on line of credit - (500,000) Charitable gift annuities (6,380) (503,32) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Note receivable	20,000	-
Due to designated agencies (275) 295,324 Net cash provided by (used in) operating activities 678,425 (410,929) Cash flows from investing activities Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities (533,501) 128,912 Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Accounts payable and accrued expenses	554,235	(868,692)
Net cash provided by (used in) operating activities Cash flows from investing activities Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities Payment on line of credit - (500,000) Charitable gift annuities (6,380) (506,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Deferred grant income	(167,526)	(19,186)
Cash flows from investing activitiesPurchases of property and equipment(104,092)(66,489)Purchases of investments(4,486,979)(4,773,004)Proceeds from sale or maturity of investments4,559,7254,925,870Net change in cash and time certificates of deposit held by third party(251,072)151,310Net change in endowment investments(533,501)128,912Net cash (used in) provided by investing activities(815,919)366,599Cash flows from financing activities-(500,000)Charitable gift annuities(6,380)(6,332)Net cash used in financing activities(6,380)(506,332)Net decrease in cash and cash equivalents(143,874)(550,662)Cash and cash equivalentsBeginning of year4,060,3314,610,993	Due to designated agencies	(275)	295,324
Purchases of property and equipment (104,092) (66,489) Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Net cash provided by (used in) operating activities	 678,425	(410,929)
Purchases of investments (4,486,979) (4,773,004) Proceeds from sale or maturity of investments 4,559,725 4,925,870 Net change in cash and time certificates of deposit held by third party (251,072) 151,310 Net change in endowment investments (533,501) 128,912 Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Cash flows from investing activities		
Proceeds from sale or maturity of investments Net change in cash and time certificates of deposit held by third party Net change in endowment investments Net cash (used in) provided by investing activities Net cash flows from financing activities Payment on line of credit Charitable gift annuities Net cash used in financing activities Net cash used in financing activities Net decrease in cash and cash equivalents Cash and cash equivalents Beginning of year 4,925,870 4,925,870 4,925,870 4,925,870 450,072 151,310 128,912 (815,919) 366,599 (500,000) (500,000) (6,380) (6,380) (6,332) (506,332) (506,332) 4,610,993	Purchases of property and equipment	(104,092)	(66,489)
Net change in cash and time certificates of deposit held by third party Net change in endowment investments Net cash (used in) provided by investing activities Cash flows from financing activities Payment on line of credit Charitable gift annuities Net cash used in financing activities Net cash used in financing activities Net decrease in cash and cash equivalents Cash and cash equivalents Beginning of year (251,072) 151,310 (533,501) 128,912 (815,919) 366,599 (500,000) (500,000) (6,380) (6,332) (6,380) (506,332) (550,662) Cash and cash equivalents	Purchases of investments	(4,486,979)	(4,773,004)
Net change in endowment investments(533,501)128,912Net cash (used in) provided by investing activities(815,919)366,599Cash flows from financing activitiesPayment on line of credit-(500,000)Charitable gift annuities(6,380)(6,332)Net cash used in financing activities(6,380)(506,332)Net decrease in cash and cash equivalents(143,874)(550,662)Cash and cash equivalentsBeginning of year4,060,3314,610,993	Proceeds from sale or maturity of investments	4,559,725	4,925,870
Net cash (used in) provided by investing activities (815,919) 366,599 Cash flows from financing activities Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Net change in cash and time certificates of deposit held by third party	(251,072)	151,310
Cash flows from financing activitiesPayment on line of credit- (500,000)Charitable gift annuities(6,380)(6,332)Net cash used in financing activities(6,380)(506,332)Net decrease in cash and cash equivalents(143,874)(550,662)Cash and cash equivalents(550,662)Beginning of year4,060,3314,610,993	Net change in endowment investments	(533,501)	128,912
Payment on line of credit - (500,000) Charitable gift annuities (6,380) (6,332) Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents 4,060,331 4,610,993	Net cash (used in) provided by investing activities	(815,919)	366,599
Charitable gift annuities(6,380)(6,332)Net cash used in financing activities(6,380)(506,332)Net decrease in cash and cash equivalents(143,874)(550,662)Cash and cash equivalentsBeginning of year4,060,3314,610,993	Cash flows from financing activities		
Net cash used in financing activities (6,380) (506,332) Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Payment on line of credit	-	(500,000)
Net decrease in cash and cash equivalents (143,874) (550,662) Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Charitable gift annuities	(6,380)	(6,332)
Cash and cash equivalents Beginning of year 4,060,331 4,610,993	Net cash used in financing activities	(6,380)	(506,332)
Beginning of year 4,060,331 4,610,993	Net decrease in cash and cash equivalents	(143,874)	(550,662)
	Cash and cash equivalents		
End of year \$ 3,916,457 \$ 4,060,331			
	End of year	\$ 3,916,457	\$ 4,060,331

1. Organization

The mission of Aloha United Way, Inc. (the "Organization") is to bring resources, organizations and people together to advance the health, education and financial stability of every person in our community. The Organization has fundraised for over 100 years to address the greatest needs in our community. The Organization has evolved to meet the changing needs of our community.

A member of United Way Worldwide, the Organization supports nonprofit organizations and communities on Oahu. The Organization operates separately from the Hawaii Island United Way, Kauai United Way, and Maui United Way. As an efficient, effective fundraiser for hundreds of local nonprofits, the Organization provides those who want to support collective and sustainable impact with a trusted, transparent and meaningful way to invest in addressing critical issues in its community. During 2023, the Organization supported over 300 independent agencies, many of which have provided health and human services for families and individuals in need.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization classifies its net assets and its revenues and expenses based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions result from contributions (including grants and bequests) whose use is limited by donor stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations in addition to contributions whose use is limited by donor stipulations that do not expire. Net assets without donor restrictions represent resources over which the Board of Directors has discretionary control. Contributions (including grants and bequests) for which restrictions are met in the same reporting period are reported as net assets without donor restrictions. Conditional contributions are recognized as the conditions are satisfied, which typically occurs as grant funds are expended.

The Organization reports contributions of cash and other assets as net assets with donor restrictions if they are received for the subsequent allocation period. At the beginning of the next allocation period, the related net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions that are designated by donors for specific beneficiaries are considered to be agency transactions; accordingly, such amounts are not recognized as revenues and distributions in the statements of activities. At December 31, 2023 and 2022, the amounts due to designated agencies were approximately \$2,798,000 and \$2,798,000, respectively.

Recently Adopted Accounting Pronouncements

On January 1, 2023, the Organization adopted Financial Accounting Standards Board Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Accounting Standards Codification Topic 326): Measurement of Credit Losses on Financial Instruments. This standard replaced the incurred loss methodology with the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized costs will be presented at the net amount expected to be collected by using an allowance for credit losses. The Organization adopted the standard using a modified retrospective approach which allows entities to initially apply provisions of the new standard at the adoption date and recognize a cumulative adjustment to the opening balance of net position in

the period of adoption. The adoption of the ASU did not significantly impact the Organization's accounting for its allowance for credit losses. Additionally, the adoption of the ASU did not materially affect beginning net position, the statements of financial position, the statements of activities, or the statements of cash flows.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 periods. Significant items subject to such estimates and assumptions include valuation allowances for pledges and notes receivable, and valuation of investments and charitable trusts. Actual results could differ from those estimates.

Annual Campaigns

Annual campaigns are conducted to raise support for qualified agencies in the subsequent calendar year. All contributions are considered available for unrestricted use unless specifically designated or restricted by the donor.

In 2023 and 2022, the Organization maintained its federation for the Combined Federal Campaign consisting of 53 and 51 agencies, respectively. In 2023 and 2022, \$41,800 and \$22,128, respectively, were designated for the Organization, while \$502,488 and \$492,515 respectively, were designated for the Organization's federation agencies. As a federation, the Organization and its Combined Federal Campaign designated agencies' share of the campaign expenses was \$117,096 and \$151,753 in 2023 and 2022, respectively. Only the federation's share of the Combined Federal Campaign totals is reported. The federation is honoring designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Permanently restricted cash included in noncurrent investments, cash held in investment accounts, and cash held by third party are not considered cash and cash equivalents for statements of cash flows purposes.

Cash Accounts and Time Certificates of Deposit Held by Third Party

The property manager of the building owned by the Organization maintains and manages cash accounts and time certificates of deposit as an agent of the Organization. The Organization has legal title to the cash accounts and time certificates of deposit, which are primarily reserves for major maintenance and improvement projects of the building.

Concentrations of Credit Risk

The Organization maintains cash and cash equivalents and short-term investments with various major financial institutions. Cash equivalents and short-term investments include investments in money market funds and investments in securities backed by the U.S. government. The Organization's cash balances are in excess of federally insured amounts. Pledges and donor-restricted pledges receivables are pledges from various individuals and corporations in the state of Hawaii.

Pledges Receivable

The Organization establishes an allowance for uncollectible pledges based on a historical analysis of collections, adjusted for management's estimates of current economic factors, applied to gross campaigns, including donor designations.

Beneficial Interest in Charitable Trusts

The Organization recognizes charitable trusts such as perpetual trusts and charitable gift annuities when a donor purchases an annuity contract or makes an initial irrevocable gift to a trust in which the Organization has a beneficial interest.

Beneficial interest in perpetual trusts represents assets held in perpetual trusts by independent trustees and resources neither in the possession nor under the control of the Organization, although the Organization derives income from the assets of such trusts. The beneficial interests in these trusts are carried at fair value as reported to the Organization by the trustees. The changes in the fair value of these trusts are reflected as increases or decreases to net assets with donor restrictions in the statements of activities.

Charitable gift annuities are arrangements between the donors and the Organization in which the donors contribute assets to the Organization, which are recognized at fair value. The portion of these assets held for the benefit of others is carried at the estimated present value of future payments to be distributed over the donor's expected life based on Internal Revenue Service valuation tables, and is classified as an annuity obligation. The difference is recognized as contribution revenues in the year of the gift. The discount rates ranged from 1.6% to 5.2% at December 31, 2023 and 2022.

Investments

Investments are stated at fair value, which are based on quoted market prices or observable inputs. Cash and certificates of deposit included in the investment balances are stated at cost.

Note Receivable

In June 2023, the Organization entered into a \$349,000 promissory note with Partners in Care, a tenant, for support services provided through December 31, 2020. The receivable for these services was included in grants and other receivables in the statements of financial position prior to execution of the note agreement. The note began accruing interest at 1.9% in May 2024 and matures in June 2026, with the unpaid balance and accrued interest due at maturity.

Property and Equipment

Property and equipment are stated at cost. Major renewals and betterments are capitalized while replacements, maintenance and repairs that do not extend the lives of assets are expensed. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recognized. Property and equipment are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

Building and improvements 5 to 45 years Furniture, fixtures and equipment 3 to 10 years

Board-Designated Operating Reserve Fund

The Board-Designated Operating Reserve Fund ("BDORF") is an unrestricted fund that can be used at the Board's discretion. It contains a six-month operating reserve, a reserve for strategic investments,

and an emergency reserve to assist the Oahu community to rebuild and recover in the event of a natural or man-made disaster.

Impact Allocations

The Organization, based on community input, identified two key issues that impact the community. These impact issues include the ALICE (Asset Limited, Income Constrained, Employed) Project and safety net services. Of the \$10,661,424 and \$6,631,296 in allocations made to the agencies during the years ended December 31, 2023 and 2022, the Organization directed \$2,340,000 each year toward impact issue areas.

In 2019, the Organization commissioned the ALICE Project. ALICE refers to individuals and families that are employed and earn income above the Federal Poverty Level, but not enough to afford basic household necessities. The Organization provides funds to community organizations that provide services to this vulnerable segment of the population. The Organization allocated \$1,500,000 to its ALICE Project during each of the years ended December 31, 2023 and 2022.

Continuum of Care

The Organization is the recipient of various Continuum of Care ("CoC") grants funded by the U.S. Department of Housing and Urban Development. The CoC program is designed to (1) promote community-wide commitment to the goal of ending homelessness; (2) provide funding for efforts by nonprofits, states and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused by homelessness; (3) promote access to and effective utilization of mainstream programs by homeless individuals and families; and (4) optimize self-sufficiency among individuals and families experiencing homelessness.

CoC grant revenues and related expenses are recognized upon disbursement of funds for allowable expenditures or upon distribution to subrecipients.

Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and IT services, which are allocated on a square footage or full-time equivalent basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Fiscal Agent Support

The Organization serves as fiscal agent for various nonprofit organizations receiving Federal and non-Federal funds. Fiscal agent support and related expenses are recognized upon distribution of funds to the organizations.

Donated Services

The Organization recognizes their pro rata share of the fair value of airtime donated to United Way Worldwide, which is allocated based on a ratio of membership dues paid by each member agency during the year. For the years ended December 31, 2023 and 2022, the Organization included \$21,661 and \$55,057, respectively, as in-kind contribution revenue and in-kind program services expense.

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns; however, no amounts have been reflected in the

accompanying financial statements for donated services because these services did not meet the requirements for financial statement recognition.

Income Taxes

The Organization has received a determination letter from the Internal Revenue Service that it is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

The Organization evaluates uncertain tax positions utilizing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. At December 31, 2023 and 2022, management believes there were no significant uncertain tax positions and there were no pending federal or state income tax audits. The federal statute of limitations remains open for the Organization for the years ended December 31, 2020 through 2022.

Employee Benefit Plan

The Organization created a defined contribution plan effective June 1, 2012 covering substantially all employees. For the years ended December 31, 2023 and 2022, contributions made to the plan by the Organization were \$119,498 and \$104,930, respectively.

Lease Income

Lease income is recognized as income on a straight-line basis over the lease term.

Advertising

Advertising costs are recognized when incurred and approximated \$179,000 and \$166,000 for the years ended December 31, 2023 and 2022, respectively.

Employee Retention Credits

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), signed into law on March 27, 2020, and the subsequent extension of the CARES Act, the Organization was eligible for refundable employee retention credits subject to certain criteria. The Organization recognized a \$297,000 employee retention credit in 2023, which is reported in grant income in the statement of activities. There were no employee retention credits recognized in 2022.

Fair Value Measurements

The Organization measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value, as follows:

- **Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for an asset or liability reflecting the reporting entity's own assumptions. Level 3 inputs are used to measure fair value to the extent that observable Level 1 or Level 2 inputs are not available.

The fair value of corporate and foreign stock, mutual funds, and fixed interest funds were estimated using a market approach with quoted prices in an active market or exchange and are generally categorized in Level 1. The fair value of corporate bonds was estimated using an income approach with extrapolated data and proprietary pricing models that use observable inputs, such as prices in active markets, and are generally categorized in Level 2. The fair value of time certificates of deposit was estimated based on amortized cost and is categorized in Level 2. The fair value of the underlying assets in its beneficial interest in perpetual trusts is generally categorized in Level 3 as the Organization does not have possession nor does it control the underlying investments.

Subsequent Events

Management has reviewed all events that have occurred from January 1, 2024 through September 9, 2024, the date that the financial statements were available for issuance, for proper accounting and disclosure in the financial statements.

3. Availability of Financial Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and equivalents	\$ 3,916,457
Investments	7,023,401
Pledges receivable	2,488,781
Grants and other receivables	1,749,496
Financial assets at year end	15,178,135
Less: Assets unavailable for general expenditures within	
one year due to donor restrictions	(5,804,312)
Financial assets available to meet cash needs	
for general expenditures within one year	\$ 9,373,823

The Organization's operations and grant funding are primarily supported by its undesignated contributions. The BDORF investments may also be used for strategic initiatives, additional grant funding, and general operations upon Board approval. Contained within the BDORF investments is a six-month operating reserve that is monitored by the Organization's Finance Committee. In the event of an unanticipated liquidity need, the Organization may also draw up to \$1,500,000 from its Loan Management Account under which \$1,500,000 is available, and is collateralized by a portion of the BDORF investments.

4. Investments

The Organization's investments at December 31, 2023 and 2022 consisted of the following:

	2023	2022
Cash	\$ 156,897	\$ 423,526
Corporate and foreign stock	407,418	336,743
Mutual and fixed income funds	6,459,086	5,723,327
	\$ 7,023,401	\$ 6,483,596

At December 31, 2023 and 2022, noncurrent investments consisted of the following:

	2023	2022
Cash	\$ 71,784	\$ 51,258
Restricted certificate of deposit, with interest of		
3.00% at December 31, 2023 and 2022	1,000,000	1,000,000
Mutual and fixed income funds	1,948,516	1,616,379
	\$ 3,020,300	\$ 2,667,637

5. Fair Value Measurements

The Organization has determined the fair value of its investments and the underlying assets in its beneficial interest in perpetual trusts measured on a recurring basis at December 31, 2023 as follows:

		20	023		
	Level 1	Level 2		Level 3	Total
Investments					
Cash	\$ 228,681	\$ -	\$	-	\$ 228,681
Corporate stock					
Financials	5,235	-		-	5,235
Consumer	3,109	-		-	3,109
Healthcare	12,884	-		-	12,884
Information technology	 24,761	-			24,761
Total corporate stock	45,989	-		-	45,989
Foreign stock	361,429	-		-	361,429
Mutual funds					
Domestic equity funds	4,552,821	-		-	4,552,821
International funds	 2,101,593	_		_	2,101,593
Total mutual funds	6,654,414	-		-	6,654,414
Fixed income funds	1,753,188	-		-	1,753,188
Time certificates of deposit	-	1,000,000		-	1,000,000
Beneficial interest in perpetual trusts		 		1,055,909	 1,055,909
	\$ 9,043,701	\$ 1,000,000	\$	1,055,909	\$ 11,099,610

The following table presents a reconciliation of the beginning and ending balances of the fair value measurement using significant unobservable inputs (Level 3):

	Beneficial Interest
	in Perpetual Trusts
As of January 1, 2022	\$ 1,205,503
Sales and distributions	(160,477)
Purchases	84,038
Realized and unrealized losses, net	(176,952)
As of December 31, 2022	952,112
Sales and distributions	(186,686)
Purchases	133,557
Realized and unrealized gains, net	156,926
As of December 31, 2023	\$ 1,055,909

There were no transfers into or out of Level 3 during the years ended December 31, 2023 or 2022.

The Organization has determined the fair value of its investments and the underlying assets in its beneficial interest in perpetual trusts measured on a recurring basis at December 31, 2022 as follows:

				20)22			
	Level	1	Leve	12		Level 3		Total
Investments								
Cash	\$ 474	784	\$	-	\$	-	\$	474,784
Corporate stock								
Financials	7,	437		-		-		7,437
Consumer	4	291		-		-		4,291
Healthcare	15	849		-		-		15,849
Information technology	11	.044				-	_	11,044
Total corporate stock	38,	621		-		-		38,621
Foreign stock	298	122		-		-		298,122
Mutual funds								
Domestic equity funds	4,323	254		-		-		4,323,254
International funds	1,666	175				-		1,666,175
Total mutual funds	5,989	429		-		-		5,989,429
Fixed income funds	1,350	277		-		-		1,350,277
Time certificates of deposit		-	1,000	0,000		-		1,000,000
Beneficial interest in perpetual trusts	1	<u> </u>				952,112	_	952,112
	\$ 8,151	233	\$ 1,000	0,000	\$	952,112	\$	10,103,345

6. Pledges Receivable

Pledges receivable as of December 31, 2023 are summarized as follows:

	Pledges Due in Less Than 1 Year	Pledges Within 1 Years	L – 5	Unam Presei	ess: nortized nt Value count	Total
Campaign pledges receivable						
2023 Campaign	\$ 2,070,735	\$	-	\$	-	\$ 2,070,735
2022 Campaign	418,046		-			418,046
Total pledges receivable, net	\$ 2,488,781	\$	_	\$		\$ 2,488,781

Pledges receivable as of December 31, 2022 are summarized as follows:

	Pledges Due in Less Than 1 Year	Pledges Due Within 1 – 5 Years	Less: Unamortized Present Value Discount	Total
Campaign pledges receivable				
2022 Campaign	\$ 1,962,763	\$ 400,000	\$ (19,348)	\$ 2,343,415
2021 Campaign	55,344		<u> </u>	55,344
Total pledges receivable, net	\$ 2,018,107	\$ 400,000	\$ (19,348)	\$ 2,398,759

Pledges due in more than one year are reported at the net present value of future cash flows and are discounted using a rate of 3.4% for the year ended December 31, 2022.

7. Grants and Other Receivables

At December 31, 2023 and 2022, grants and other receivables consisted of the following:

	2023	2022
Grant receivable from the U.S. Department		
of Housing and Urban Development	\$ 899,714	\$ 692,670
Employee retention credit	297,325	-
Receivable from Partners in Care, net	-	104,671
Due from Department of Human Services	366,686	294,669
Due from United Way Statewide Association of Hawaii, net	13,758	13,758
Contract services receivable and other	 172,013	214,414
	\$ 1,749,496	\$ 1,320,182

8. Community Service Center

The Organization's offices are located within the Castle and Cooke Community Service Center owned by the Organization. Office space is leased to tenants, which are primarily nonprofit organizations, under noncancelable lease agreements with terms expiring on various dates through 2028. The leases provide for minimum rents with scheduled increases and for reimbursements of the tenant's share of building operating expenses.

2022

Community Service Center revenues and expenses during 2023 and 2022 included the following:

Minimum rent income \$ 904,350 \$ 896,500 \$ 0 904,350 \$ 759,400 \$ 75	149
Operating expense reimbursements 961.085 759.4	
operating expense remisurations 755,	768
Parking rent <u>88,840</u> 91,	700
Lease income 1,954,275 1,747,7	734
Other income 34,715 28,8	393
1,988,990 1,776,6	527
Less: Expenses	
Depreciation 151,108 167,9	972
Utilities 361,127 318,5	555
Repairs and maintenance 212,105 170,3	153
Janitorial, grounds and security 337,603 282,9	936
Commissions 42,008 61,7	797
Management fees 59,104 58,5	530
Insurance 53,363 78,9	988
Other expenses) 48_
<u>1,334,790</u> <u>1,200,8</u>	379
<u>\$ 654,200</u> <u>\$ 575,</u>	748

Future minimum lease income under noncancelable operating lease agreements and commitments for office space as of December 31, 2023 is as follows:

Years ending	
2024	\$ 873,000
2025	672,000
2026	394,000
2027	220,000
2028	41,000
	\$ 2,200,000

The cost and accumulated depreciation related to the property the Organization leases or will have available to lease, based on square footage usage, as of December 31, 2023 and 2022 were as follows:

	2023	2022
Buildings and improvements	\$ 8,287,735	\$ 8,497,754
Less: Accumulated depreciation	(6,753,383)	(6,802,204)
	\$ 1,534,352	\$ 1,695,550

9. Net Assets with Donor Restrictions

Net assets with time restrictions consisted of campaign results for the next allocation period of \$5,804,312 and \$5,250,909 as of December 31, 2023 and 2022, respectively.

Net assets with permanent donor restrictions generate income that can be expended for unrestricted purposes and consist of the following:

	2023	2022
Donor restricted endowments	\$ 2,164,815	\$ 2,054,427
Perpetual trusts	1,055,909	952,112
Other restricted assets	821,421	584,885
	\$ 4,042,145	\$ 3,591,424

10. Uniform Prudent Management of Institutional Funds Act

In 2006, the Uniform Law Commission approved the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations, and imposes additional duties on those who manage and invest charitable funds. Board-designated net assets with and without donor restrictions are termed endowment funds under UPMIFA. Effective July 1, 2009, the State of Hawaii Legislature adopted the provisions of UPMIFA into Hawaii Revised Statutes Chapter 517E.

The Organization includes in their endowment donor-restricted endowment funds. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization invests their restricted funds in a certificate of deposit and cash equivalents when received unless otherwise designated by the donors. The funds are maintained in perpetuity and the earnings on the investments are released for unrestricted use.

The Organization's spending policy for the endowment assets provides funding in addition to the amounts that are raised during the campaign. The spending policy reflects that the investment income earned for net assets with donor restrictions should be reported as unrestricted income and be used for expenditures for which the endowment was established.

The endowment net asset composition as of December 31, 2023 and 2022 consisted of donor-restricted endowment funds of \$2,164,815 and \$2,054,427, respectively, included in net assets with donor restrictions.

Changes in endowment net assets for the years ended December 31, 2023 and 2022 were as follows:

	Net Assets	Net Assets	
	Without Donor	With Donor	
	Restrictions	Restrictions	Total
Endowment net assets, January 1, 2022	\$ -	\$ 1,954,427	\$ 1,954,427
Contributions	-	100,000	100,000
Interest income	-	30,403	30,403
Appropriation of endowment			
earnings for expenditure	30,403	(30,403)	-
Expenditure of endowment earnings	(30,403)		(30,403)
Total change in endowment net assets		100,000	100,000
Endowment net assets, December 31, 2022		2,054,427	2,054,427
Contributions	-	110,388	110,388
Interest income	-	30,411	30,411
Appropriation of endowment			
earnings for expenditure	30,411	(30,411)	-
Expenditure of endowment earnings	(30,411)		(30,411)
Total change in endowment net assets		110,388	110,388
Endowment net assets, December 31, 2023	\$ -	\$ 2,164,815	\$ 2,164,815

11. Line of Credit

The Organization entered into a line of credit agreement with a financial institution in April 2016. The line has a limit of \$1,500,000 and is collateralized by certain investments. There were no amounts outstanding under the line at December 31, 2023 or 2022.



Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

808 Cleanups	\$ 4,469
A Family Tree	2,523
AccesSurf Hawaii, Inc.	14,191
Adult Friends for Youth	9,614
After-School All-Stars Hawaii	11,891
Aha Punana Leo Inc.	2,674
Aloha Harvest	72,113
Alzheimer's Disease and Related Disorders Association, Inc.	80,585
American Cancer Society, Inc.	27,077
American Civil Liberties Union of Hawaii Foundation	1,063
American Diabetes Association Inc.	17,378
American Heart Association of Hawaii	41,339
American Red Cross (Guam)	3,875
American Red Cross (Maui)	3,655
American Red Cross Hawaii County	1,861
American Red Cross, Hawaii State Chapter	73,621
Armed Services YMCA of Honolulu	1,917
Arthritis Foundation Hi Chapter	2,000
Assets School	12,570
Be the Match	1,640
Best Buddies International Inc.	1,615
Big Brothers Big Sisters Hawaii, Inc.	44,108
Big Brothers Big Sisters of Maui Inc.	2,011
Bishop Museum	11,123
Blood Bank of Hawaii	15,155
Blue Planet Foundation	4,866
Boy Scouts Of America – Aloha Council	40,010
Boys & Girls Club of Hawaii	108,808
Boys & Girls Club of Hilo	1,463
Boys & Girls Clubs of Maui	1,294
Catholic Charities Hawai'i	249,613
Catholic Charities of the Diocese of Agana	1,420
Center for Tomorrow's Leaders	68,180
Central Pacific Bank Foundation	2,500
CF Vests Worldwide	1,089
Chaminade University of Honolulu	27,219
Chiefess Kamakahelei Middle School	1,000
Child & Family Service	49,857
Child & Family Service (Big Island)	1,054
Children's Discovery Center	1,576
ClimbHI Inc	3,010
Coalition For A Drug-Free Hawaii	3,631
Common Grace	9,326
Compassion For Cancer Caregivers	18,925
Council for Native Hawaiian Advancement	111,656

Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

CrimeStoppers Honolulu Inc.	2,042
CyberHawaii	2,101
Department of Education	7,589
Diamond Head Theatre	35,743
Disabled American Veterans ("DAV") Charitable Service Trust	3,128
Domestic Violence Action Center	54,692
Dong Ji Hoi	2,000
East West Center	4,000
Easter Seals Hawaii	22,099
Effective Planning Innovative Communication Inc. (EPIC Ohana)	2,528
Elemental Excelerator, Inc.	1,500
Entrepreneurs Foundation of Hawaii	2,000
Epilepsy Foundation of Hawaii	2,553
Ewha Girls High School Alumnae Associate	4,000
Family Hui Hawaii	1,607
Family Programs of Hawaii	7,830
Family Promise of Hawaii	168,314
Feed The Hunger Foundation	107,203
Feeding Hawaii Together (The Pantry)	53,516
Filipino Community Center Inc.	6,000
FilVetRep	8,500
Finley Fort Foundation	10,832
Frank Delima's Student Enrichment Program Inc.	1,105
Friendly Isle United Fund	3,532
Friends of Hawaii Charities Inc.	5,000
Friends of Hokulea and Hawaiiloa Inc.	1,410
Friends of the Children's Justice Center of Oahu	3,807
Friends of the John A Burns School of Medicine	1,000
Friends of the Library of Hawaii	2,216
Friends of the University of Hawaii Cancer Research Center	4,205
Friends of Youth Outreach Foundation dba RYSE	85,000
Fund For The Pacific Century	20,000
Fur-Angel Foundation	8,189
Girl Scouts of Hawai'i	32,359
Global Fund for Children	2,000
Goodwill Industries of Hawaii, Inc.	95,839
Gregory House Programs	11,260
Guide Dogs of Hawaii Adaptive Aids Canines & Advocacy for the Blind	12,549
Habilitat, Inc	2,428
Hale Kipa, Inc.	72,741
Hanahau'oli School	5,000
Hands of Hope	1,723
Hawaii 3RS	1,000
Hawaii 4 H Foundation	1,284
Hawaii Academy of Science	1,000

Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

Hawaii Appleseed Center for Law and Economic Justice	102,471
Hawaii Autism Foundation	4,052
Hawaii Baptist Academy	5,035
Hawaii Branch of the International Dyslexia Association	2,279
Hawaii Children's Action Network	82,275
Hawaii Children's Cancer Foundation	32,804
Hawaii Community Foundation	21,648
Hawaii Conference Foundation	2,000
Hawaii Conservation Alliance Foundation	3,031
Hawaii Dog Foundation	10,225
Hawaii Employees Lifeline Program	7,209
Hawaii Fi-Do Service Dog	4,143
Hawaii Foodbank Kauai	1,143
Hawaii Foodbank, Inc.	140,291
Hawaii Home Ownership Center	67,765
Hawaii Island United Way	1,989
Hawaii Literacy, Inc.	8,838
Hawaii Meals on Wheels, Inc.	143,091
Hawaii Mothers' Milk, Inc.	3,222
Hawaii Nature Center Inc.	6,249
Hawaii Opera Theatre	6,229
Hawaii Pacific University	14,013
Hawaii Performing Arts Company Ltd. dba Manoa Valley Theatre	2,950
Hawaii Public Radio	20,111
Hawaii Public Television Foundation dba PBS Hawaii	13,222
Hawaii Society of Professional Engineers	5,037
Hawaii Symphony Orchestra Inc.	38,882
Hawaii Theatre Center	12,444
Hawaii Youth Opera Chorus	2,349
Hawaii Youth Symphony Association	12,666
Hawaiian Community Assets	110,211
Hawaiian Humane Society	154,233
Hawaiian Islands Land Trust	1,000
HawaiikidsCAN	1,147
Healthy Mothers Healthy Babies Coalition of Hawaii	36,182
Helping Hands Hawaii	28,273
Hikaalani	1,020
Historic Hawaii Foundation	3,668
Hoʻola Na Pua	59,229
Hoa Aina O Makaha	1,057
Honolulu Community Action Program, Inc. ("HCAP")	46,554
Honolulu Habitat for Humanity	33,984
Honolulu Museum of Art	3,070
Honolulu Police Community Foundation	5,422
Honolulu Theatre for Youth	17,335

Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

Honolulu Zoological Society	17,865
Honpa Hongwanji Mission of Hawaii	4,089
HOPE Services Hawaii, Inc.	2,406
Hospice Maui	1,939
Housing Hawaii's Future	5,000
HUGS (Help, Understanding & Group Support)	25,069
Hui No'eau	1,400
IHS, The Institute for Human Services, Inc.	211,169
I'm A Bright Kid Foundation	2,028
Institute for Native Pacific Education and Culture ("INPEACE")	102,264
Iolani School	56,039
Japan America Society of Hawaii	1,500
Japanese Cultural Center of Hawaii	5,261
Jewish Community Services	1,521
Junior Achievement of Hawaii, Inc.	2,421
K9 Kokua	1,804
Kaiser High School	2,000
Kakaako Boxing Club Inc.	1,050
Kalihi-Palama Health Center	3,434
Kama'aina Care Inc.	1,050
Kamehameha Schools	1,000
Kanehunamoku Voyaging	1,000
Kapaa High School Foundation	1,000
Kapaa Middle School	1,000
Kapi'olani Health Foundation	39,600
Kauai Big Brothers Big Sisters	1,229
Kauai Economic Opportunity Inc.	3,150
Kauai Humane Society	1,345
Kauai United Way	1,559
KCAA Preschools of Hawai'i	13,213
Kids Hurt Too Hawaii	2,723
Kokua Kalihi Valley Comprehensive Family Services	183,282
Kuakini Foundation	7,482
Кири	15,737
Lanakila Pacific	15,328
Le Jardin Academy	11,459
Legacy of Life Hawaii	10,661
Legal Aid Society of Hawaiʻi	129,513
Life Foundation (Hawaii Health & Harm Reduction Center)	8,809
Mai Movement Hawaii Inc.	1,100
Make a Wish Hawaii Inc.	45,880
Malama Learning Center	16,400
Manoa Heritage Center	1,500
Manoa Valley Theatre	3,000
March of Dimes Foundation	3,414

Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

Marshallese Community Organization	4,000
Maryknoll School	18,171
Maui Family YMCA	1,049
Maui Food Bank	5,369
Maui Humane Society	2,959
Maui Nui Botanical Gardens Inc.	1,686
Maui United Way	4,258,033
Maximum Legal Services Corp.	1,000
Mental Health America of Hawaiʻi	2,823
Mental Health Kokua	44,019
Mid-Pacific Institute	101,140
Mililani Hongwanji Mission	2,500
Moiliili Community Center	5,678
Moiliili Hongwanji Mission – Project Dana	47,129
Montessori Community School	2,518
Mothers Against Drunk Driving ("MADD")	2,630
Mountain Valley Treatment Center	8,000
National Kidney Foundation of Hawaii	9,650
Navian Hawaii, formally Hospice Hawaii	42,611
Navy Hale Keiki School	2,192
Never Quit Dreaming	1,042
New Covenant Academy	5,000
Oahu Economic Development Board	15,000
Oahu Society for the Prevention of Cruelty of Animals	36,278
Olelo Community Television	1,977
Order of Malta, American Association	1,000
Pacific and Asian Affairs Council	26,024
Pacific Aviation Museum Pearl Harbor	6,441
Pacific Buddhist Academy	5,000
Pacific Forum (Center for Strategic & International Studies)	1,500
Pacific International Center for High Technology	5,000
Pacific Rim Christian University	5,035
Palama Settlement	32,274
Pali Momi Foundation	8,269
Palolo Chinese Home	7,499
Parents And Children Together ("PACT")	144,885
Parents And Children Together ("PACT") (Maui)	4,910
Partners in Development Foundation	116,222
Paws of Hawaii	1,000
Planned Parenthood of the Great Northwest & Hawaiian Islands	10,609
Polynesian Voyaging Society	10,000
Positive Coaching Alliance	1,000
Project Vision Hawaii	2,746
Public Schools of Hawaii Foundation	3,154
Punahou School	27,303

Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

Purple Maia Foundation	20,000
Read To Me International Foundation	11,086
Reality Church of Honolulu	6,500
Rehabilitation Hospital of the Pacific	32,050
Residential Youth Services and Empowerment dba RYSE	6,034
Re-use Hawaii	5,373
RiseHI Collective	4,500
River of Life Mission	12,686
Roman Catholic Diocese	2,000
Ronald McDonald House Charities of Hawaii Inc.	18,494
Sacred Hearts Academy	1,053
Saint Louis School	80,648
Seagull School	1,453
Serving Our World	2,000
Shidler College of Business Alumni Association	6,420
Shriners Hospitals for Children Honolulu	10,505
Sjorgen's Foundation	2,000
Soroptimist International	3,000
Special Education Center of Hawaii ("SECOH")	4,251
Special Olympics Hawaii	66,441
St. Andrew's School	16,500
St. Francis Community Health Services	5,852
St. Francis Healthcare Foundation of Hawaii	23,400
St. Patrick School	3,000
Straub Foundation	9,205
Surfrider Spirit Sessions	2,128
Susan G. Komen Breast Cancer Foundation	9,428
Susannah Wesley Community Center	43,513
Sustainable Coastlines Hawaii	1,838
Tax Foundation of Hawaii	1,914
Teach For America, Inc.	50,732
Tenrikyo Kyodan dba Tenrikyo Honolulu Church	1,000
The Administrators of the Tulane Educational Fund	1,000
The Alcoholic Rehabilitation Services of HI dba Hina Mauka	3,000
The Always Dream Foundation	3,000
The Arc in Hawaii	11,845
The Compassionate Friends Inc. Honolulu Chapter	3,761
The Early School	1,266
The Estria Foundation	1,000
The First Tee of Hawaii	1,037
The Food Basket – Hawaii Island's Food Bank	1,722
The Gift Foundation of Hawaii	6,000
The Leahi-Maluhia Foundation Inc	3,869
The Mediation Center of the Pacific, Inc.	1,545
The Nature Conservancy Hawaii Program	8,862

Supplemental Schedule of Allocations to Agencies

Year Ended December 31, 2023

The Queen's Health Systems	15,460
The Salvation Army Hawaiian & Pacific Islands Division	55,629
The Shelter	1,008
The Trust for Public Land	14,500
The Waiakea High School Foundation	8,000
Touch a Heart	2,911
Trustees of the University of Pennsylvania – The Wharton Fund	9,000
United Cerebral Palsy Association of Hawaii	1,757
United Service Organizations, Inc.	1,576
United States Veterans Initiative – Hawaii	4,980
University of Hawaii Foundation	166,142
U.S. Japan Council	10,021
Visitor Aloha Society of Hawaii	2,499
Voices of Aloha	1,000
Volunteer Legal Services Hawaii	1,186
Waianae District Comprehensive Health and Hospital Board, Inc	66,420
Waianae Economic Development Council	30,273
Waikiki Community Center	165,575
Waikiki Health	29,243
Waimanalo Health Center	1,832
West Honolulu Rotary Foundation	1,000
Winners at Work Inc.	1,682
Women Helping Women (Maui)	8,223
Women in Need ("WIN")	34,193
Women Speaking Out	5,000
Wounded Warrior Ohana	6,163
YMCA of Honolulu	46,529
Youth for Christ USA Inc.	7,497
YWCA of Oʻahu	9,918
ZONTA Club of Hilo Foundation	1,000
Other	95,241
	\$ 10,661,424

(concluded)

Schedule of Expenditures of Federal Awards

Aloha United Way, Inc. (A Nonprofit Organization) Schedule of Expenditures of Federal Awards Year Ended December 31, 2023

Federal Agency / Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development				
Continuum of Care Program	14.267		\$ 5,077,371	\$ 5,077,371
Total U.S. Department of Housing and Urban Development			5,077,371	5,077,371
Total expenditures of federal awards			\$ 5,077,371	\$ 5,077,371

Aloha United Way, Inc. (A Nonprofit Organization) Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Indirect Costs

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.





Report of Independent Auditors on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards

To the Board of Directors of Aloha United Way, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Aloha United Way, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Honolulu, Hawaii September 9, 2024

Accusty LLP





Report of Independent Auditors on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of Aloha United Way, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Aloha United Way, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2023. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

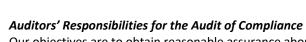
We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts, or grant agreements applicable to the Organization's federal program.

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Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

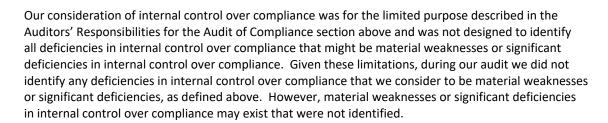
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design
 and perform audit procedures responsive to those risks. Such procedures include examining, on
 a test basis, evidence regarding the Organization's compliance with the compliance requirements
 referred to above and performing such other procedures as we considered necessary in the
 circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit
 in order to design audit procedures that are appropriate in the circumstances and to test and report
 on internal control over compliance in accordance with the Uniform Guidance, but not for the
 purpose of expressing an opinion on the effectiveness of the Organization's internal control over
 compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.





Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Honolulu, Hawaii September 9, 2024

Accusty LLP



Schedule of Findings and Questioned Costs

Aloha United Way, Inc. (A Nonprofit Organization) Schedule of Findings and Questioned Costs Year Ended December 31, 2023

Section I – Summary of Auditors' Results

Financial Statements				
Type of auditors' report issued	Unmodif	ed		
Internal control over financial reporting			<u> </u>	
 Material weakness(es) identified? 		yes	X no	
• Significant deficiencies identified that are	not considered			
to be material weaknesses?		yes	X_ none	reported
Noncompliance material to financial statemen	nts noted?	yes	X no	
Federal Awards				
Internal control over major program				
 Material weakness(es) identified? 		yes	<u>X</u> no	
• Significant deficiencies identified that are	not considered			
to be material weaknesses?		yes	X none	reported
Type of auditors' report issued on compliance	for major programs	Unmodif	ed	
Any audit findings disclosed that are required	to be reported			
in accordance with the Uniform Guidance?		yes	<u>X</u> no	
Identification of major programs				
Name of Federal Program or Cluster	AL Number			
Continuum of Care Program	14.267			
Dollar threshold used to distinguish between				
type A and type B programs		\$750,00	0	
Auditee qualified as low-risk auditee?		X yes	no	

Aloha United Way, Inc. (A Nonprofit Organization) Schedule of Findings and Questioned Costs Year Ended December 31, 2023

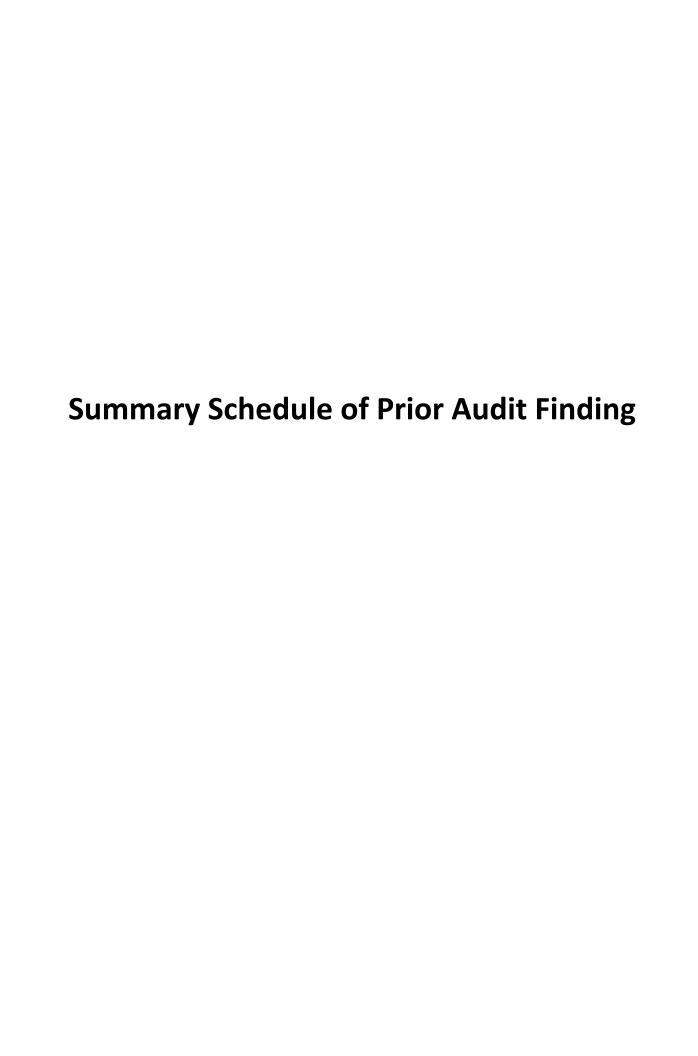
Section II – Financial Statement Findings

None noted.

Aloha United Way, Inc. (A Nonprofit Organization) Schedule of Findings and Questioned Costs Year Ended December 31, 2023

Section III – Federal Award Findings and Questioned Costs

None noted.



Aloha United Way, Inc. (A Nonprofit Organization) Summary Schedule of Prior Audit Finding

Year Ended December 31, 2023

Finding			Status		Current Year
No.	Description	Classification	Resolved	Unresolved	Finding No.
2022-001	Special Tests and Provisions	Deficiency	X		_