



# **Aloha United Way, Inc.**

**(A Nonprofit Organization)**

**Financial and Compliance Audit**

**December 31, 2021 and 2020**



# Aloha United Way, Inc.

(A Nonprofit Organization)

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# 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, 2021 and 2020, 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, 2021 and 2020, and the results of its operations 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. 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 opinion.

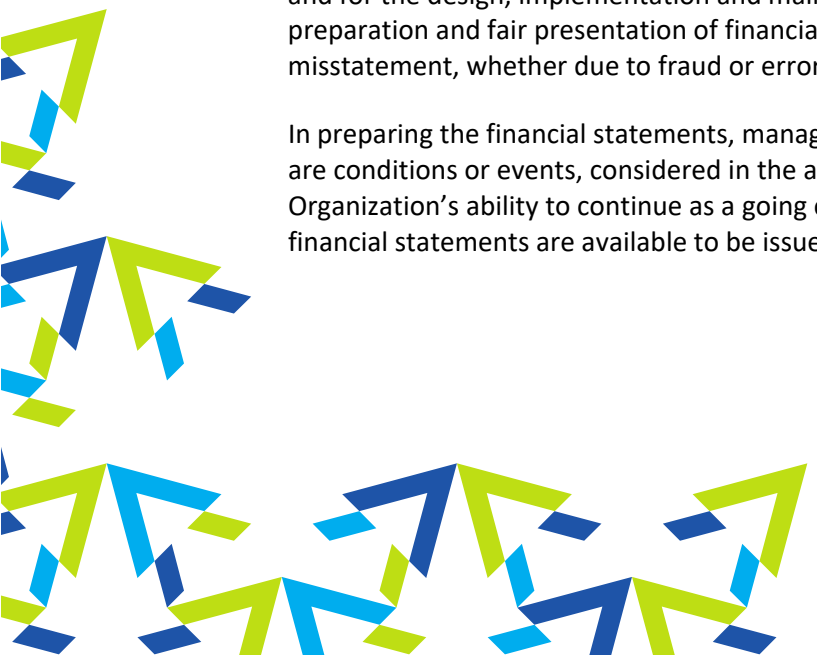
### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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## **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 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, 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.

## **Report on 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, 2021 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.

*Accuity* LLP

Honolulu, Hawaii  
July 11, 2022

**Aloha United Way, Inc.**  
**(A Nonprofit Organization)**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 4,610,993	\$ 8,316,800
Investments	7,762,181	6,662,887
Pledges receivable, net of allowance of \$775,000 and \$672,000 in 2021 and 2020, respectively	1,827,466	1,595,639
Grants and other receivables	1,914,216	1,997,303
Prepaid expenses and other	131,930	103,628
Total current assets	<u>16,246,786</u>	<u>18,676,257</u>
Endowments and charitable gift annuities	2,846,114	2,435,869
Cash and time certificates of deposit held by third party	994,871	1,342,371
Beneficial interest in perpetual trusts	1,205,503	1,098,861
Other assets	207,754	204,882
Property and equipment		
Land	191,000	191,000
Building and improvements	11,728,031	11,430,914
Furniture, fixtures and equipment	725,666	796,496
Total	<u>12,644,697</u>	<u>12,418,410</u>
Less: Accumulated depreciation	<u>(9,903,076)</u>	<u>(9,664,597)</u>
Property and equipment, net	<u>2,741,621</u>	<u>2,753,813</u>
Total assets	<u>\$ 24,242,649</u>	<u>\$ 26,512,053</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,060,498	\$ 2,417,355
Due to designated agencies	2,503,145	1,622,695
Deferred grant income	475,915	5,163,922
Line of credit	500,000	1,000,000
Total current liabilities	<u>5,539,558</u>	<u>10,203,972</u>
Annuities payable, noncurrent	<u>41,768</u>	<u>45,966</u>
Total liabilities	<u>5,581,326</u>	<u>10,249,938</u>
Net assets		
Without donor restrictions		
Invested in property and equipment, net	2,741,621	2,753,813
Board-Designated Operating Reserve Fund	5,333,766	4,649,761
Undesignated	2,000,000	2,000,000
Total net assets without donor restrictions	<u>10,075,387</u>	<u>9,403,574</u>
With donor restrictions	<u>8,585,936</u>	<u>6,858,541</u>
Total net assets	<u>18,661,323</u>	<u>16,262,115</u>
Total liabilities and net assets	<u>\$ 24,242,649</u>	<u>\$ 26,512,053</u>

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and other support</b>			
Campaign revenue			
Current year campaign contributions	\$ 7,113,379	\$ 2,358,119	\$ 9,471,498
Less: Donor designations	(3,535,339)	(838,076)	(4,373,415)
Less: Provision for uncollectible pledges	(616,349)	(310,206)	(926,555)
Net campaign revenue	<u>2,961,691</u>	<u>1,209,837</u>	<u>4,171,528</u>
Grant income	5,902,495	-	5,902,495
Grant income, COVID-19-related	8,870,467	-	8,870,467
Grant income, Paycheck Protection Program	778,110	-	778,110
Fiscal agent support	2,142,480	-	2,142,480
In-kind contributions	133,601	-	133,601
Investment income	300,391	-	300,391
Building income, net	637,692	-	637,692
Change in value of Board-Designated Operating Reserve Fund investments	550,954	-	550,954
Change in value of charitable trusts and other permanently restricted investments	-	517,558	517,558
Other income	<u>1,103,036</u>	<u>-</u>	<u>1,103,036</u>
Total revenues and support	<u>23,380,917</u>	<u>1,727,395</u>	<u>25,108,312</u>
<b>Allocations and other functional expenses</b>			
Gross funds allocated to agencies	6,227,552	-	6,227,552
Less: Donor designations	<u>(4,322,461)</u>	<u>-</u>	<u>(4,322,461)</u>
Net funds allocated to agencies	1,905,091	-	1,905,091
Functional expenses			
Program services	17,380,447	-	17,380,447
Management and general	1,614,629	-	1,614,629
Fundraising	<u>1,808,937</u>	<u>-</u>	<u>1,808,937</u>
Total functional expenses	<u>20,804,013</u>	<u>-</u>	<u>20,804,013</u>
Total allocations and expenses	<u>22,709,104</u>	<u>-</u>	<u>22,709,104</u>
Change in net assets	671,813	1,727,395	2,399,208
<b>Net assets</b>			
Beginning of year	<u>9,403,574</u>	<u>6,858,541</u>	<u>16,262,115</u>
End of year	<u>\$ 10,075,387</u>	<u>\$ 8,585,936</u>	<u>\$ 18,661,323</u>

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and other support</b>			
Campaign revenue			
Current year campaign contributions	\$ 8,684,308	\$ (1,458,010)	\$ 7,226,298
Less: Donor designations	(3,798,970)	771,085	(3,027,885)
Less: Provision for uncollectible pledges	(524,109)	48,579	(475,530)
Net campaign revenue	<u>4,361,229</u>	<u>(638,346)</u>	<u>3,722,883</u>
Grant income	6,610,961	-	6,610,961
Grant income, COVID-19-related	27,851,373	-	27,851,373
Grant income, Paycheck Protection Program	558,572	-	558,572
Fiscal agent support	316,835	-	316,835
In-kind contributions	336,735	-	336,735
Investment income	751,695	-	751,695
Building income, net	586,210	-	586,210
Change in value of Board-Designated Operating Reserve Fund investments	300,324	-	300,324
Change in value of charitable trusts and other permanently restricted investments	-	370,961	370,961
Other income	<u>514,350</u>	<u>-</u>	<u>514,350</u>
Total revenues and support	<u>42,188,284</u>	<u>(267,385)</u>	<u>41,920,899</u>
<b>Allocations and other functional expenses</b>			
Gross funds allocated to agencies	6,378,220	-	6,378,220
Less: Donor designations	<u>(4,227,279)</u>	<u>-</u>	<u>(4,227,279)</u>
Net funds allocated to agencies	2,150,941	-	2,150,941
Functional expenses			
Program services	36,373,826	-	36,373,826
Management and general	1,504,071	-	1,504,071
Fundraising	<u>1,557,583</u>	<u>-</u>	<u>1,557,583</u>
Total functional expenses	<u>39,435,480</u>	<u>-</u>	<u>39,435,480</u>
Total allocations and expenses	<u>41,586,421</u>	<u>-</u>	<u>41,586,421</u>
Change in net assets	601,863	(267,385)	334,478
<b>Net assets</b>			
Beginning of year	<u>8,801,711</u>	<u>7,125,926</u>	<u>15,927,637</u>
End of year	<u>\$ 9,403,574</u>	<u>\$ 6,858,541</u>	<u>\$ 16,262,115</u>

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

**Aloha United Way, Inc.**  
**(A Nonprofit Organization)**  
**Statements of Functional Expenses**  
**Years Ended December 31, 2021 and 2020**

	Program Services			Management and General	Fundraising	Total
	Member Agency Services	Other Program Services	Total			
<b>2021</b>						
Salaries	\$ 780,123	\$ 540,106	\$ 1,320,229	\$ 819,264	\$ 755,329	\$ 2,894,822
Employee benefits	155,066	129,986	285,052	139,057	162,722	586,831
Payroll taxes	67,728	47,209	114,937	65,867	65,781	246,585
Total salaries and related expenses	1,002,917	717,301	1,720,218	1,024,188	983,832	3,728,238
Professional fees and contract services, COVID-19-related programs	7,218,862	-	7,218,862	-	-	7,218,862
Professional fees and contract services, other	7,322,589	859,031	8,181,620	395,961	483,201	9,060,782
Media, printing and publications	2,684	523	3,207	3,525	158,499	165,231
Depreciation	30,815	20,760	51,575	52,271	44,483	148,329
National dues	56,218	61,993	118,211	54,486	56,864	229,561
Conferences, conventions and meetings	1,449	100	1,549	4,039	37,113	42,701
Telephone	5,476	49,507	54,983	6,860	6,932	68,775
Supplies	218	-	218	6,035	7,147	13,400
Equipment rental and maintenance	5,067	1,826	6,893	8,253	9,448	24,594
Postage and shipping	807	2	809	1,902	11,389	14,100
Travel	-	-	-	1,814	1,954	3,768
Other	7,823	14,479	22,302	55,295	8,075	85,672
Total expenses	\$ 15,654,925	\$ 1,725,522	\$ 17,380,447	\$ 1,614,629	\$ 1,808,937	\$ 20,804,013
<b>2020</b>						
Salaries	\$ 1,545,230	\$ 357,017	\$ 1,902,247	\$ 627,370	\$ 699,778	\$ 3,229,395
Employee benefits	232,219	91,521	323,740	117,582	133,961	575,283
Payroll taxes	122,449	31,200	153,649	52,427	58,316	264,392
Total salaries and related expenses	1,899,898	479,738	2,379,636	797,379	892,055	4,069,070
Professional fees and contract services, COVID-19-related programs	27,951,405	-	27,951,405	-	-	27,951,405
Professional fees and contract services, other	5,214,636	407,274	5,621,910	464,368	392,081	6,478,359
Media, printing and publications	3,294	98,634	101,928	10,880	160,359	273,167
Depreciation	30,433	21,405	51,838	51,443	42,777	146,058
National dues	65,335	20,541	85,876	27,572	28,237	141,685
Conferences, conventions and meetings	1,522	1,081	2,603	9,880	6,496	18,979
Telephone	9,800	37,235	47,035	4,948	9,719	61,702
Supplies	186	8,906	9,092	4,311	2,004	15,407
Equipment rental and maintenance	59,923	26,668	86,591	75,536	10,895	173,022
Postage and shipping	656	4	660	1,623	2,590	4,873
Travel	942	2,559	3,501	2,664	4,912	11,077
Other	15,550	16,201	31,751	53,467	5,458	90,676
Total expenses	\$ 35,253,580	\$ 1,120,246	\$ 36,373,826	\$ 1,504,071	\$ 1,557,583	\$ 39,435,480

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

**Aloha United Way, Inc.**

(A Nonprofit Organization)

**Statements of Cash Flows****Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,399,208	\$ 334,478
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	314,018	297,569
Net unrealized and realized gains on investments	(1,105,877)	(935,349)
Change in value of charitable trusts	(141,651)	(98,196)
Change in operating assets and liabilities		
Pledges receivable	(231,827)	1,439,507
Accounts receivable	83,087	(755,370)
Prepaid expenses and other	(28,302)	(11,104)
Accounts payable and accrued expenses	(356,857)	1,020,492
Deferred grant income	(4,688,007)	4,792,660
Due to designated agencies	880,450	(878,776)
Net cash provided by (used in) operating activities	<u>(2,875,758)</u>	<u>5,205,911</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(301,826)	(349,906)
Purchases of investments	(1,464,670)	(5,378,718)
Proceeds from sale or maturity of investments	1,471,253	6,262,492
Net change in cash and time certificates of deposit held by third party	347,500	(513,896)
Net change in investments	<u>(375,927)</u>	<u>(284,041)</u>
Net cash used in investing activities	<u>(323,670)</u>	<u>(264,069)</u>
<b>Cash flows from financing activities</b>		
Proceeds from line of credit	-	1,000,000
Payment on line of credit	(500,000)	-
Charitable gift annuities	(6,379)	(6,380)
Net cash provided by (used in) financing activities	<u>(506,379)</u>	<u>993,620</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,705,807)</u>	<u>5,935,462</u>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>8,316,800</u>	<u>2,381,338</u>
End of year	<u>\$ 4,610,993</u>	<u>\$ 8,316,800</u>

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

**Aloha United Way, Inc.**  
(A Nonprofit Organization)  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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 2021, 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, 2021 and 2020, the amount due to designated agencies was approximately \$2,503,000 and \$1,623,000, respectively.

Financial Accounting Standards Board (“FASB”) Accounting Standards Board (“ASU”) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, is effective for the Organization in 2022. Among other changes, ASU No. 2020-07 increases transparency of contributed nonfinancial assets for

**Aloha United Way, Inc.**  
(A Nonprofit Organization)  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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not-for-profit entities through enhancements to presentation and disclosure. Management is currently assessing the impact this ASU will have on its financial statements and footnotes.

FASB ASU No. 2016-02, *Leases (Topic 842)*, is effective for the Organization in 2022. This ASU requires that a lessee's rights and obligations under all leases (except short-term leases) be recognized in its statement of financial position. Management is currently assessing the impact this ASU will have on its financial statements and footnotes.

**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 receivable, valuation of charitable trusts, and pension plan assumptions. 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 2021 and 2020, the Organization maintained its federation for the Combined Federal Campaign consisting of 57 and 54 agencies, respectively. From the 2021 and 2020 campaigns, \$28,234 and \$32,512, respectively, was designated for the Organization, while \$644,363 and \$738,442, respectively, was 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 \$151,753 and \$143,513 for the 2021 and 2020 campaigns, 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.

**Aloha United Way, Inc.**  
(A Nonprofit Organization)  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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 an 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, 2021 and 2020.

**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.

**Aloha United Way, Inc.**  
(A Nonprofit Organization)  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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 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 \$6,227,552 and \$6,378,220 in allocations made to the agencies during the years ended December 31, 2021 and 2020, the Organization directed \$1,704,500 and \$1,740,112, respectively, toward impact issue areas.

In 2019, the Organization commissioned the ALICE (Asset Limited, Income Constrained, Employed) 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 \$787,500 and \$990,112 to its ALICE Project during the years ended December 31, 2021 and 2020, respectively.

**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 (“HUD”). 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.

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**Coronavirus Relief Fund**

The Organization is the recipient of various Coronavirus Relief Fund (“CRF”) grants funded by the U.S. Department of Treasury. The CRF program is designed to assist those households suffering from employment and/or income interruptions due to COVID-19 related business closures. The Organization has been awarded two grants under the CRF including the Household Hardship Relief Fund and the Rent Relief & Housing Assistance Program.

CRF grant revenues and related expenses are recognized upon disbursement of funds for allowable expenditures.

**Native Hawaiian Housing Block Grants**

The Organization is the recipient of a Native Hawaiian Housing Block Grant (“NHHBG”) funded by HUD. The program is designed to assist native Hawaiian Beneficiaries affected by the COVID-19 pandemic with rental assistance. The Organization has been awarded one grant under the NHHBG which consisted of the Department of Hawaiian Homelands Rent Assistance Program.

NHHBG grant revenues and related expenses are recognized upon disbursement of funds for allowable expenditures.

**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 FTE 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, 2021 and 2020, the Organization included \$84,783 and \$97,642, 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.



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**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, 2021 and 2020, 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, 2018 through 2021.

**Employee Benefit Plan**

The Organization created a defined contribution plan effective June 1, 2012 covering substantially all employees. For the years ended December 31, 2021 and 2020, contributions made to the plan by the Organization were \$117,841 and \$51,491, respectively.

**Rental Income**

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

**Advertising**

Advertising costs are recognized when incurred and approximated \$137,000 and \$146,000 for the years ended December 31, 2021 and 2020, respectively.

**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 government obligations and corporate and foreign bonds were 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

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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.

**Coronavirus Disease 2019**

The Organization's operations may be affected by the ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption that may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's campaign revenues.

**Subsequent Events**

Management has reviewed all events that have occurred from January 1, 2022 through July 11, 2022, 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	\$ 4,610,993
Accounts receivable	1,914,216
Pledges receivable	1,827,466
BDORF investments	<u>7,762,181</u>
Financial assets at year end	16,114,856
Less those unavailable for general expenditures within one year due to donor restrictions	<u>(4,570,390)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,544,466</u>

The Organization's operations and grant funding are primarily supported by its undesignated contributions. The Board Designated Operating Reserve Fund ("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 \$1,000,000 is available, and is collateralized by a portion of the BDORF investments.

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**4. Investments**

The Organization's investments at December 31, 2021 and 2020 consisted of the following:

	<b>2021</b>	<b>2020</b>
Cash	\$ 290,968	\$ 264,350
Corporate and foreign stock	668,845	581,708
Mutual and fixed income funds	<u>6,802,368</u>	<u>5,816,829</u>
	<u>\$ 7,762,181</u>	<u>\$ 6,662,887</u>

At December 31, 2021 and 2020, noncurrent investments consisted of the following:

	<b>2021</b>	<b>2020</b>
Cash	\$ 108,337	\$ 203,455
Restricted certificate of deposit, with interest of 3.00% at December 31, 2021 and 2020	1,000,000	1,000,000
Corporate and foreign bonds	27,785	-
Mutual and fixed income funds	<u>1,709,992</u>	<u>1,232,414</u>
	<u>\$ 2,846,114</u>	<u>\$ 2,435,869</u>

Investment income in 2021 and 2020 consisted of the following:

	<b>2021</b>	<b>2020</b>
Investment loss	\$ (1,003,898)	\$ (368,524)
Unrealized and realized gains, net	<u>1,304,289</u>	<u>1,120,219</u>
	<u>\$ 300,391</u>	<u>\$ 751,695</u>

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**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, 2021 and 2020 as follows:

	<b>2021</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Investments</b>				
Cash	\$ 399,305	\$ -	\$ -	\$ 399,305
Corporate stock				
Financials	10,836	-	-	10,836
Consumer	8,590	-	-	8,590
Healthcare	23,545	-	-	23,545
Information technology	15,699	-	-	15,699
Total corporate stock	58,670	-	-	58,670
Foreign stock	610,175	-	-	610,175
Corporate bonds				
Financials	27,785	-	-	27,785
Total corporate bonds	27,785	-	-	27,785
Mutual funds				
Domestic equity funds	5,764,191	-	-	5,764,191
International funds	1,477,330	-	-	1,477,330
Total mutual funds	7,241,521	-	-	7,241,521
Fixed income funds	1,270,839	-	-	1,270,839
Time certificates of deposit	-	1,000,000	-	1,000,000
Beneficial interest in perpetual trusts	-	-	1,205,503	1,205,503
	<u>\$ 9,608,295</u>	<u>\$ 1,000,000</u>	<u>\$ 1,205,503</u>	<u>\$ 11,813,798</u>

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	<b>2020</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Investments</b>				
Cash	\$ 467,805	\$ -	\$ -	\$ 467,805
Corporate stock				
Financials	7,566	-	-	7,566
Consumer	8,406	-	-	8,406
Energy	18,816	-	-	18,816
Healthcare	13,269	-	-	13,269
Total corporate stock	48,057	-	-	48,057
Foreign stock	533,651	-	-	533,651
Mutual funds				
Domestic equity funds	4,705,258	-	-	4,705,258
International funds	1,281,732	-	-	1,281,732
Total mutual funds	5,986,990	-	-	5,986,990
Fixed income funds	1,062,253	-	-	1,062,253
Time certificates of deposit	-	1,000,000	-	1,000,000
Beneficial interest in perpetual trusts	-	-	1,098,861	1,098,861
	<u>\$ 8,098,756</u>	<u>\$ 1,000,000</u>	<u>\$ 1,098,861</u>	<u>\$ 10,197,617</u>

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

	<b>Beneficial Interest in Perpetual Trusts</b>
<b>As of January 1, 2020</b>	\$ 1,029,310
Sales and distributions	(113,500)
Purchases	44,921
Realized and unrealized gains, net	138,130
<b>As of December 31, 2020</b>	1,098,861
Sales and distributions	(137,848)
Purchases	80,190
Realized and unrealized gains, net	164,300
<b>As of December 31, 2021</b>	<u>\$ 1,205,503</u>

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**6. Grants and Other Receivables**

At December 31, 2021 and 2020, grants and other receivables consisted of the following:

	<b>2021</b>	<b>2020</b>
Grant receivable from the U.S. Department of Housing and Urban Development	\$ 1,265,665	\$ 1,539,459
Receivable from ALEA Bridge	96,541	119,929
Receivable from Partners in Care, net	104,671	-
Receivable from State Department of Health	-	79,017
Due from United Way Statewide Association of Hawaii, net	13,758	13,758
Contract services receivable and other	433,581	245,140
	<u>\$ 1,914,216</u>	<u>\$ 1,997,303</u>

**7. 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.

Community Service Center revenues and expenses during 2021 and 2020 included the following:

	<b>2021</b>	<b>2020</b>
Minimum rent income	\$ 800,563	\$ 810,711
Operating expense reimbursements	655,661	650,912
Parking rent	87,582	88,861
Rental income	<u>1,543,806</u>	<u>1,550,484</u>
Other income	<u>42,912</u>	<u>54,992</u>
	1,586,718	1,605,476
Less: Expenses		
Depreciation	165,689	151,511
Utilities	220,314	188,073
Repairs and maintenance	154,813	166,283
Janitorial, grounds and security	272,203	272,991
Commissions	20,241	52,490
Management fees	56,826	55,896
Insurance	25,053	31,902
Other expenses	33,887	100,120
	<u>949,026</u>	<u>1,019,266</u>
	<u>\$ 637,692</u>	<u>\$ 586,210</u>

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Future minimum rental receipts under noncancelable operating lease agreements and commitments for office space as of December 31, 2021 are as follows:

<b>Years ending</b>	
2022	\$ 831,000
2023	545,000
2024	465,000
2025	324,000
2026	175,000
Thereafter	77,000
	<u>\$ 2,417,000</u>

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, 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
Buildings and improvements	\$ 8,420,895	\$ 8,105,267
Less: Accumulated depreciation	<u>(6,611,500)</u>	<u>(6,365,474)</u>
	<u>\$ 1,809,395</u>	<u>\$ 1,739,793</u>

**8. Net Assets with Donor Restrictions**

Net assets with time restrictions consisted of campaign results for the next allocation period of \$4,570,390 and \$3,350,441 as of December 31, 2021 and 2020, respectively.

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

	<b>2021</b>	<b>2020</b>
Donor restricted endowments	\$ 2,810,043	\$ 2,409,239
Perpetual trusts	<u>1,205,503</u>	<u>1,098,861</u>
	<u>\$ 4,015,546</u>	<u>\$ 3,508,100</u>

**9. 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 would be termed endowment funds under UPMIFA.

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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, 2021 and 2020 consisted of donor-restricted endowment funds of \$1,718,407 included in net assets with donor restrictions.

Changes in endowment net assets for the years ended December 31, 2021 and 2020 were as follows:

	<b>Net Assets With Donor Restrictions</b>	<b>Net Assets Without Donor Restrictions</b>	<b>Total</b>
<b>Endowment net assets, January 1, 2020</b>	\$ -	\$ 1,718,407	\$ 1,718,407
Interest income	-	30,487	30,487
Appropriation of endowment earnings for expenditure	30,487	(30,487)	-
Expenditure of endowment earnings	<u>(30,487)</u>	<u>-</u>	<u>(30,487)</u>
Total change in endowment net assets	<u>-</u>	<u>-</u>	<u>-</u>
<b>Endowment net assets, December 31, 2020</b>	<u>-</u>	<u>1,718,407</u>	<u>1,718,407</u>
Interest income	-	30,402	30,402
Appropriation of endowment earnings for expenditure	30,402	(30,402)	-
Expenditure of endowment earnings	<u>(30,402)</u>	<u>-</u>	<u>(30,402)</u>
Total change in endowment net assets	<u>-</u>	<u>-</u>	<u>-</u>
<b>Endowment net assets, December 31, 2021</b>	<u>\$ -</u>	<u>\$ 1,718,407</u>	<u>\$ 1,718,407</u>



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**10. 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.

In April 2020, the Organization drew down \$1,000,000 under its line of credit to fund its new COVID-19 Rent and Utilities Assistance Program. In August 2021, the Organization paid down \$500,000 of the outstanding balance. At December 31, 2021 and 2020, the balances outstanding were \$500,000 and \$1,000,000, respectively, bearing interest at 2.40%.

**11. Paycheck Protection Program**

In April 2020, the Organization was approved for a loan of \$552,795 under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") which originally matured in April 2022. Interest accrued at 1.00% and monthly payments of principal and interest were to commence in November 2020. All unpaid principal and interest were due at maturity unless forgiven.

In February 2021, the Organization was approved by the SBA for a second PPP loan of \$771,557 which originally matured in February 2026. Interest accrued at 1.00% and monthly payments of principal and interest were dependent on amounts forgiven by the SBA or another period authorized under the PPP. All unpaid principal and interest were due at maturity unless forgiven.

The Organization has concluded the PPP proceeds represent, in substance, a grant that is expected to be forgiven and has accounted for the proceeds in accordance with FASB ASC 958 605. Under ASC 958 605, proceeds from the PPP are conditional and are initially recorded as a refundable advance, which is subsequently recognized into income once the conditions of release have been substantially met or explicitly waived. During the years ended December 31, 2020 and 2021, the Organization estimated that it had incurred \$552,795 and \$771,557, respectively, of qualifying expenses, determined that it has met the requirements for forgiveness, and has recognized \$552,795 and \$771,557 of grant income.

In June 2021, the Organization received notice from its lender that the SBA has forgiven the Organization's initial PPP loan in its entirety. In March 2022, the Organization received notice from its lender that the SBA has forgiven the Organization's second PPP loan in its entirety.

## **Supplemental Schedule**

**Aloha United Way, Inc.**  
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**Supplemental Schedule of Allocations to Agencies**  
**Year Ended December 31, 2021**

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808 Aloha Cleanups	\$ 3,271
AccessSurf Hawaii	6,979
Adult Friends for Youth	7,585
After-School All-Stars Hawaii	14,211
Ahahui Koa Anuenue	5,000
ALEA Bridge	20,327
Aloha Animal Sanctuary	5,000
Aloha Harvest	78,413
Aloha House	3,000
Aloha Medical Mission	66,554
Alzheimer's Disease and Related Disorders Association, Inc.	80,401
American Cancer Society Inc.	46,895
American Civil Liberties Union of Hawaii Foundation	5,916
American Diabetes Association	27,867
American Heart Association of Hawaii	51,827
American Red Cross – Guam	1,143
American Red Cross	144,918
American Red Cross – Denver	2,978
Arc of Kona	1,022
Arthritis Foundation Hawaii	7,600
Assets School	18,387
Ballet Hawaii	2,670
Bennington College Corporation	10,000
Big Brothers Big Sisters Hawaii	44,788
Big Brothers Big Sisters of Maui	1,701
Bishop Museum	12,254
Blood Bank Of Hawaii	11,560
Blue Planet Foundation	7,380
Bobby Benson Center	15,600
Boy Scouts Of America – Aloha Council	58,065
Boys & Girls Club of Hawaii	47,465
Boys & Girls Club Of Hilo	1,197
Boys & Girls Club of Maui	1,312
Catholic Charities Hawaii	212,099
Catholic Charities Hawaii – Hawaii County	3,043
Center for Tomorrow's Leaders	41,072
Chaminade University of Honolulu	37,850
Child & Family Service	77,878
Children's Discovery Center	1,500
Coalition For A Drug-Free Hawaii	4,507
Common Grace	2,566
Compassion For Cancer Caregivers	16,785
Corvette Center Ministries	1,125
Council for Native Hawaiian Advancement	139,921
Crown Prince Akihito Scholarship Fund	5,000
CrimeStoppers Honolulu Inc.	3,093
CSI Inc.	1,279

(continued)

**Aloha United Way, Inc.**  
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**Supplemental Schedule of Allocations to Agencies**  
**Year Ended December 31, 2021**

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Damien Memorial School	1,230
Department of Education	6,100
Diamond Head Theatre	100,916
Disabled American Veterans (“DAV”) Charitable Service Trust	5,835
Domestic Violence Action Center	101,924
Easter Seals Hawaii	19,727
Effective Planning and Innovative Communication Inc.	5,436
Epilepsy Foundation of Hawaii	4,499
Family Hui Hawaii	1,198
Family Programs of Hawaii	13,650
Family Promise of Hawaii	57,905
Farrington Alumni and Community Foundation	2,000
Feed My Sheep (Maui)	1,956
Feed The Hunger Foundation	79,982
Feeding Hawaii Together	4,824
Filipino Community Center Inc.	5,000
Fisher House – Tripler Army Medical Center	4,604
Franciscan Care Services	2,354
Frank Delima’s Student Enrichment Program Inc.	2,462
Friends of Hawaii Charities Inc.	5,000
Friends of the University of Hawaii Cancer Research Center	3,206
Friends of the Children’s Justice Center of East Hawaii	1,016
Friends of the Children’s Justice Center of Oahu	9,162
Friends of the Library of Hawaii	4,306
Fur-Angel Foundation	1,005
Girl Scouts of Hawaii	31,980
Goodwill Industries of Hawaii, Inc.	135,114
Grace Bible Church Pearlside	1,116
Gregory House Programs	20,681
Guide Dogs of Hawaii	24,126
Habilitat, Inc.	14,434
Hale Kipa, Inc.	71,124
Hale Mahaolu	3,757
Hawaii 3RS	3,468
Hawaii 4-H Foundation	3,490
Hawaii Appleseed Center for Law and Economic Justice	1,720
Hawaii Autism Foundation	5,292
Hawaii Bone Marrow Donor Registry / Franciscan Care Services	1,440
Hawaii Branch of the International Dyslexia Association	3,362
Hawaii Catholic Community Foundation	1,500
Hawaii Children’s Action Network	75,634
Hawaii Children’s Cancer Foundation	36,285
Hawaii Children’s Theatre (Kauai)	2,997
Hawai’i Community Foundation	2,600
Hawaii Dog Foundation	11,084
Hawaii Employees Lifeline Program	1,030
Hawaii Executive Collaborative	14,252
Hawaii Fi-Do Service Dogs	10,665
Hawaii Foodbank (Kauai)	1,294

(continued)

**Aloha United Way, Inc.**  
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**Supplemental Schedule of Allocations to Agencies**  
**Year Ended December 31, 2021**

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Hawaii Foodbank	326,724
Hawaii Forest Institute	12,456
Hawaii High School Rodeo Association	5,000
Hawaii HomeOwnership Center	78,543
Hawaii International Child Placement & Family Services Inc.	3,645
Hawaii International Film Festival	1,593
Hawaii Island United Way	12,554
Hawaii Justice Foundation	2,029
Hawaii Literacy, Inc.	23,734
Hawaii Meals on Wheels, Inc.	148,362
Hawaii Meth Project	4,877
Hawaii Mothers' Milk, Inc.	6,043
Hawaii Nature Center	4,652
Hawaii Opera Theatre	2,596
Hawaii Pacific University	7,600
Hawaii Performing Arts Company Ltd.	2,882
Hawaii Public Radio	16,434
Hawaii Public Television Foundation dba PBS Hawaii	21,144
Hawaii Speed and Quickness	2,770
Hawaii State Coalition Against Domestic Violence	2,445
Hawaii Symphony Orchestra Inc.	1,946
Hawaii Theatre Center	12,687
Hawaii Youth Opera Chorus	2,579
Hawaii Youth Symphony	17,331
Hawaiian Community Assets	125,599
Hawaiian Humane Society	173,093
Hawaiian Island Ministries	5,725
HawaiikidsCAN	8,838
Healthy Mothers Healthy Babies Coalition of Hawaii	1,073
Helping Hands Hawaii	57,382
Historic Hawai'i Foundation	13,072
Ho'ola Na Pua	68,339
Hoa Aina O Makaha	24,624
Honolulu Community Action Program Inc.	12,611
Honolulu Habitat for Humanity	65,023
Honolulu Museum of Art	4,537
Honolulu Police Community Foundation	7,505
Honolulu Professionals Foundation	5,000
Honolulu Theatre for Youth	14,364
Honpa Hongwanji Mission of Hawaii	5,139
Honpa Hongwanji Hilo Betsuin	3,500
Hospice Hawaii Inc.	64,457
Hospice Maui	4,453
Hospice of Hilo	1,679
HUGS (Help, Understanding & Group Support)	18,743
IHS, The Institute for Human Services, Inc.	116,158
Immaculate Conception Church	1,005
Institute for Native Pacific Education and Culture	5,029
Iolani School	68,581

(continued)

**Aloha United Way, Inc.**  
**(A Nonprofit Organization)**  
**Supplemental Schedule of Allocations to Agencies**  
**Year Ended December 31, 2021**

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Japanese Cultural Center of Hawai'i	5,587
Jewish Community Services	3,833
Junior Achievement of Hawaii	4,595
Ka Hale A Ke Ola Homeless Resource Centers, Inc	1,521
Kalihi-Palama Health Center	41,039
KAMP Hawaii	2,238
Kapi'olani Health Foundation	49,309
Kapiolani Medical Center	2,119
Kauai Economic Opportunity Inc.	1,215
Kauai United Way	9,244
KCAA PreSchools of Hawaii	16,468
Kick Start Karate	1,228
Kokua Kalihi Valley Comprehensive Family Services	144,257
Ku Aloha Ola Mau	2,162
Kuakini Foundation	10,102
Kumu Kahua Theatre	1,260
Kupu	13,447
Lanakila Pacific	47,323
Le Jardin Academy	2,777
Legacy of Life Hawai'i	6,436
Legal Aid Society of Hawaii	6,409
Life Foundation (Hawaii Health & Harm Reduction Center)	22,761
Liljestrand Foundation	1,500
Make A Wish Hawaii Inc	53,845
Malama Aina Foundation/Consortium for Hawaii	3,316
Malama Learning Center	10,601
March of Dimes Foundation	7,436
Marshallese Community Organization of Hawaii	6,000
Maryknoll School	10,778
Maui Economic Opportunity	1,254
Maui Food Bank	2,700
Maui Health Foundation	1,500
Maui United Way	15,314
Mental Health America of Hawaii	1,640
Mental Health Kokua	21,193
Mid-Pacific Institute	52,238
Mililani Hongwanji Mission	3,000
Moiiliili Community Center	8,883
Montessori Community School	3,579
Mothers Against Drunk Driving	3,075
National Alliance on Mental Illness Hawaii	3,627
National Kidney Foundation of Hawaii	18,306
Nature Conservancy	14,028
Navy Hale Keiki School	5,137
Neighborhood Place of Puna	1,443
New Hope Windward	20,000
Oahu Society for the Prevention of Cruelty of Animals	36,702
Out Reach for Grieving Youth Alliance dba Kids Hurt Too	4,970

(continued)

**Aloha United Way, Inc.**  
**(A Nonprofit Organization)**  
**Supplemental Schedule of Allocations to Agencies**  
**Year Ended December 31, 2021**

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Pacific and Asian Affairs Council	14,481
Pacific Gateway Center	5,674
Palama Settlement	50,184
Pali Momi Foundation	13,742
Palolo Chinese Home	25,056
Parents and Children Together	127,162
Partners in Development Foundation	19,318
PATCH ("People Attentive to Children")	2,616
Planned Parenthood of the Great Northwest & Hawaiian Islands	28,076
Po'ailani, Inc.	1,688
Prevent Child Abuse Hawaii	3,086
PROJECT DANA	51,090
Project Vision Hawaii	20,278
Punahou School	14,314
Read To Me International Foundation	3,301
Rehabilitation Hospital of the Pacific	32,426
Residential Youth Services and Empowerment	34,759
Responsive Caregivers of Hawaii	1,240
Re-use Hawaii	8,791
River of Life Mission	9,179
Ronald McDonald House Charities of Hawaii	25,303
Sacred Hearts Academy	1,835
Saint Louis School	66,019
Seagull Schools, Inc.	7,523
Shriner's Hospitals for Children	17,268
Special Education Center of Hawaii	2,333
Special Olympics Hawaii	48,098
St. Andrew's Priory and Prep	5,000
St. Francis Community Health Services	17,459
St. Francis Healthcare Foundation of Hawaii	25,263
Straub Foundation	12,063
Susan G. Komen Breast Cancer Foundation	19,779
Susannah Wesley Community Center	20,743
Sutter Health Pacific dba Kahi Mohala	2,477
Tax Foundation of Hawaii	1,919
Teach for America Hawai'i	27,036
The Alcoholic Rehabilitation Services of HI dba Hina Mauka	2,422
The ALS Association Golden West Chapter	1,335
The Arc in Hawaii	17,666
The Compassionate Friends Inc. Honolulu Chapter	2,204
The Early School	2,666
The Food Basket – Hawaii Island's Food Bank	1,384
The Leahi-Maluhia Foundation Inc	2,969
The Mediation Center of the Pacific, Inc.	61,529
The Salvation Army Hawaiian & Pacific Islands Division	86,946
Touch a Heart Inc.	2,477
Trustees of the University of Pennsylvania	9,000
United Cerebral Palsy Association of Hawaii	1,600

(continued)

**Aloha United Way, Inc.**  
**(A Nonprofit Organization)**  
**Supplemental Schedule of Allocations to Agencies**  
**Year Ended December 31, 2021**

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United Service Organizations Inc.	4,647
United States Veterans Initiative	36,102
University of Hawaii Foundation	90,083
U.S. Japan Council	45,603
Variety School of Hawaii	5,043
Visitor Aloha Society of Hawaii	2,060
Volunteer Legal Services Hawaii	1,221
Waianae District Comprehensive Health and Hospital Board Inc.	58,462
Waikiki Community Center	66,763
Waikiki Health	29,808
Waimanalo Health Center	42,059
Weed and Seed Hawaii	2,500
Women in Need Win	35,192
Women Speaking Out	11,150
YMCA of Honolulu	45,051
YMCA of Honolulu	10,000
Young Life Oahu	1,919
Youth for Christ USA Inc.	3,997
YWCA of O'ahu	30,800
Other	158,019
	<u>\$ 6,227,552</u>

(concluded)



**Schedule of Expenditures of Federal Awards**

**Aloha United Way, Inc.**  
**(A Nonprofit Organization)**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

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Federal Agency / Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>				
Continuum of Care Program Pass-through from the State of Hawaii, Department of Hawaiian Homelands	14.267		\$ 5,535,107	\$ 5,343,904
COVID-19 – Native Hawaiian Housing Block Grants	14.873	68690	<u>1,153,643</u>	-
Total U.S. Department of Housing and Urban Development			<u>6,688,750</u>	<u>5,343,904</u>
<b>U.S. Department of Treasury</b>				
Pass-through from the City and County of Honolulu, Department of Community Services				
COVID-19 – Coronavirus Relief Fund	21.019	PO-DCS-2000277	4,415,036	-
Pass-through from the State of Hawaii, Hawaii Housing Finance and Development Corporation				
COVID-19 – Coronavirus Relief Fund	21.019	PECB 21-02	<u>91,342</u>	-
Total U.S. Department of Treasury			<u>4,506,378</u>	-
<b>Total expenditures of federal awards</b>			<u>\$ 11,195,128</u>	<u>\$ 5,343,904</u>

# **Aloha United Way, Inc.**

(A Nonprofit Organization)

## **Notes to Schedule of Expenditures of Federal Awards**

**Year Ended December 31, 2021**

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### **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-percent de minimis indirect cost rate allowed under the Uniform Guidance.

# **Single Audit Reports**



**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, 2021, 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 July 11, 2022.

**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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## Report on Compliance and Other Matters

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.

*Accuity* LLP

Honolulu, Hawaii  
July 11, 2022



**Report of Independent Auditors on Compliance  
for Each Major 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 Each Major Federal Program**

**Opinion on Each Major Federal Program**

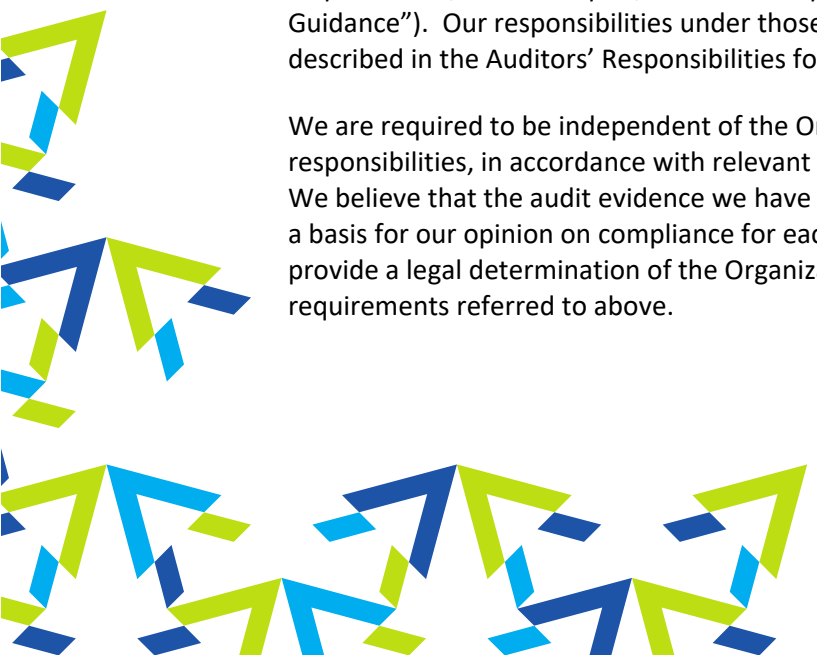
We have audited Aloha United Way, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are 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 each of its major federal programs for the year ended December 31, 2021.

**Basis for Opinion on Each 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 each 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 programs.

## Auditors' Responsibilities for the Audit of Compliance

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 each 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 consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

*Accuity* LLP

Honolulu, Hawaii  
July 11, 2022

## **Schedule of Findings and Questioned Costs**

**Aloha United Way, Inc.**  
 (A Nonprofit Organization)  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued	<u>Unmodified</u>	
Internal control over financial reporting		
• Material weakness(es) identified?	<u>    </u> yes	<u>  X  </u> no
• Significant deficiencies identified that are not considered to be material weaknesses?	<u>    </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>    </u> yes	<u>  X  </u> no

**Federal Awards**

Internal control over major program		
• Material weakness(es) identified?	<u>    </u> yes	<u>  X  </u> no
• Significant deficiencies identified that are not considered to be material weaknesses?	<u>    </u> yes	<u>  X  </u> none reported

Type of auditors’ report issued on compliance for major programs

	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<u>    </u> yes	<u>  X  </u> no

Identification of major programs

<b>Name of Federal Program or Cluster</b>	<b>CFDA Number</b>
COVID-19 – Coronavirus Relief Fund	20.019

Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Auditee qualified as low-risk auditee?	<u>  X  </u> yes	<u>    </u> no
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**Aloha United Way, Inc.**  
(A Nonprofit Organization)  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section II – Financial Statement Findings**

None noted.

**Aloha United Way, Inc.**  
(A Nonprofit Organization)  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section III – Federal Award Findings and Questioned Costs**

None noted.