



Hawaii Children's Action Network

Financial Statements
(With Independent Auditors' Report Thereon)

June 30, 2022 and 2021

HAWAII CHILDREN'S ACTION NETWORK

Financial Statements

June 30, 2022 and 2021

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Independent Auditors' Report

The Board of Directors
Hawaii Children's Action Network:

Opinion

We have audited the financial statements of Hawaii Children's Action Network (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The 2021 financial statements were reviewed by us, and our report thereon, dated October 21, 2021, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, 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.

KKDLV LLC

Honolulu, Hawaii
February 14, 2023

HAWAII CHILDREN'S ACTION NETWORK

Statements of Financial Position

June 30, 2022 and 2021

Assets	2022 (Audited)	2021 (Reviewed)
Current assets:		
Cash	\$ 1,329,517	\$ 1,053,086
Restricted cash	39,498	56,497
Grants receivable	90,838	30,000
Other receivables	35,040	16,995
Prepaid expenses	9,232	9,840
Total current assets	1,504,125	1,166,418
Certificates of deposit	99,773	150,997
Investments	233,425	164,053
Total assets	<u>\$ 1,837,323</u>	<u>\$ 1,481,468</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 123,586	\$ 8,251
Accrued payroll	52,581	39,940
Funds held in custody for others	39,498	56,497
Deferred income	638,111	474,965
Total current liabilities	853,776	579,653
Net assets:		
Without donor restrictions	983,547	901,815
Total liabilities and net assets	<u>\$ 1,837,323</u>	<u>\$ 1,481,468</u>

See accompanying notes to financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Statement of Activities

Year Ended June 30, 2022 (Audited)

Revenue and support:		
Grants	\$	962,910
Contract services		469,242
Contributions		257,885
Net investment loss		(21,774)
Other income		97,078
		<hr/>
Total revenue and support		1,765,341
		<hr/>
Expenses:		
Program services:		
Public education and engagement		747,147
Collaborative advocacy		292,231
General policy		187,541
Data and research		181,695
Supporting services:		
Fund development and administration		274,995
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Total expenses		1,683,609
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Change in net assets		81,732
Net assets without donor restrictions:		
Beginning of year		901,815
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End of year	\$	983,547
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See accompanying notes to financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Statement of Activities

Year Ended June 30, 2021 (Reviewed)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Grants	\$ 785,630	\$ -	\$ 785,630
Contract services	273,173	-	273,173
Contributions	44,466	-	44,466
Net investment return	15,512	-	15,512
Other income	63,514	-	63,514
Net assets released from restrictions	100,000	(100,000)	-
Total revenue and support	1,282,295	(100,000)	1,182,295
Expenses:			
Program services:			
Public education and engagement	492,993	-	492,993
General policy	149,066	-	149,066
Collaborative advocacy	96,035	-	96,035
Data and research	88,158	-	88,158
Supporting services:			
Fund development and administration	189,776	-	189,776
Total expenses	1,016,028	-	1,016,028
Change in net assets	266,267	(100,000)	166,267
Net assets at beginning of year	635,548	100,000	735,548
Net assets at end of year	\$ 901,815	\$ -	\$ 901,815

See accompanying notes to financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Statement of Functional Expenses

Year Ended June 30, 2022 (Audited)

	Program Services				Supporting Services	
	Public Education and Engagement	Collaborative Advocacy	General Policy	Data and Research	Fund Development and Administration	Total
Payroll and related benefits:						
Salaries, wages and payroll taxes	\$ 330,247	\$ 27,668	\$ 102,431	\$ 60,248	\$ 67,877	\$ 588,471
Employee benefits	21,768	2,034	7,528	6,933	4,858	43,121
Total payroll and related benefits	<u>352,015</u>	<u>29,702</u>	<u>109,959</u>	<u>67,181</u>	<u>72,735</u>	<u>631,592</u>
Operating expenses:						
Professional services	202,816	138,607	2,121	113,683	56,242	513,469
Contract services	10,725	19,003	68,000	-	60,447	158,175
Supplies	28,326	56,127	126	-	4,085	88,664
Rent	44,234	25,200	-	-	6,624	76,058
Meetings	28,542	80	-	-	769	29,391
Advertising	23,381	289	-	-	205	23,875
Utilities	11,818	2,062	300	-	732	14,912
Printing and publications	8,936	2,493	-	-	3,185	14,614
Insurance	3,103	738	1,032	831	4,091	9,795
Dues and membership	2,424	276	-	-	3,025	5,725
Travel	1,518	586	765	-	1,161	4,030
Miscellaneous	29,309	17,068	5,238	-	61,694	113,309
Total operating expenses	<u>395,132</u>	<u>262,529</u>	<u>77,582</u>	<u>114,514</u>	<u>202,260</u>	<u>1,052,017</u>
Total expenses	<u>\$ 747,147</u>	<u>\$ 292,231</u>	<u>\$ 187,541</u>	<u>\$ 181,695</u>	<u>\$ 274,995</u>	<u>\$ 1,683,609</u>

See accompanying notes to financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Statement of Functional Expenses

Year Ended June 30, 2021 (Reviewed)

	Program Services				Supporting Services	
	Public Education and Engagement	General Policy	Collaborative Advocacy	Data and Research	Fund Development and Administration	Total
Payroll and related benefits:						
Salaries, wages and payroll taxes	\$ 232,211	\$ 98,489	\$ 16,451	\$ 48,659	\$ 50,046	\$ 445,856
Employee benefits	20,656	6,731	1,230	1,054	2,933	32,604
Total payroll and related benefits	<u>252,867</u>	<u>105,220</u>	<u>17,681</u>	<u>49,713</u>	<u>52,979</u>	<u>478,460</u>
Operating expenses:						
Professional services	113,236	2,293	53,371	31,833	32,378	233,111
Contract services	15,650	20,149	24,566	1,000	64,515	125,880
Rent	30,651	11,129	-	5,058	5,635	52,473
Supplies	17,278	42	31	-	2,560	19,911
Meetings	18,263	-	-	-	391	18,654
Advertising	17,013	-	-	-	30	17,043
Printing and publications	8,899	5,906	-	-	1,596	16,401
Dues and membership	10,542	439	231	-	298	11,510
Utilities	6,487	2,958	-	-	632	10,077
Insurance	2,082	930	155	554	4,105	7,826
Maintenance	-	-	-	-	5,000	5,000
Miscellaneous	25	-	-	-	19,657	19,682
Total operating expenses	<u>240,126</u>	<u>43,846</u>	<u>78,354</u>	<u>38,445</u>	<u>136,797</u>	<u>537,568</u>
Total expenses	<u>\$ 492,993</u>	<u>\$ 149,066</u>	<u>\$ 96,035</u>	<u>\$ 88,158</u>	<u>\$ 189,776</u>	<u>\$ 1,016,028</u>

See accompanying notes to financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
	<u>(Audited)</u>	<u>(Reviewed)</u>
Cash flows from operating activities:		
Change in net assets	\$ 81,732	\$ 166,267
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net unrealized (gain) loss on investments	21,851	(12,116)
Change in assets and liabilities:		
Grants receivable	(60,838)	120,850
Other receivables	(18,045)	(11,730)
Prepaid expenses	608	(2,631)
Accounts payable	115,335	(14,250)
Accrued payroll	12,641	19,287
Funds held in custody for others	(16,999)	(1,528,972)
Deferred income	163,146	(99,195)
Net cash provided by (used in) operating activities	<u>299,431</u>	<u>(1,362,490)</u>
Cash flows from investing activities:		
Proceeds from certificates of deposit	51,224	220,581
Purchases of investments	<u>(91,223)</u>	<u>(109,147)</u>
Net cash provided by (used in) investing activities	<u>(39,999)</u>	<u>111,434</u>
Net increase (decrease) in cash and restricted cash	259,432	(1,251,056)
Cash and restricted cash at beginning of year	<u>1,109,583</u>	<u>2,360,639</u>
Cash and restricted cash at end of year	<u><u>\$ 1,369,015</u></u>	<u><u>\$ 1,109,583</u></u>

See accompanying notes to financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

(1) Nature of Organization

Hawaii Children's Action Network (the Organization) was established in 1996. The Organization's current programs are in the following areas:

Public Education and Engagement – The Organization teaches parents and community members about public policy and systems change through the Parent Leadership Training Institute and other training sessions. Through events, campaigns, email newsletters, social media, and the press, the Organization educates and mobilizes the public on children's issues, including early learning, health, safety, and economic security.

Collaborative Advocacy – The Organization builds and supports coalitions of individuals, community organizations, and government agencies that serve Hawai'i's children and their families. These coalitions collectively advocate to improve systems and change policies to better serve children. The Organization assists coalitions with strategy and planning, organizing events and meetings, drafting bills and testimony, and reaching target audiences through the press, social media, and other methods.

General Policy – The Organization coordinates general policy efforts and campaigns on children's issues including early learning, health, safety, and economic security.

Data and Research – The Organization analyzes data that tracks the health, education, and well-being of children in Hawai'i. Using its data analysis, the Organization publishes reports to educate the community and influence public policy and system change. It is the Hawai'i state partner for KIDS COUNT, a nationwide data analysis network.

(2) Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

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

Net assets without donor restrictions – Net assets available for use in general operations not subject to donor (or certain grantor) restrictions.

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) - imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization did not have any net assets with donor restrictions as of and during the year ended June 30, 2022.

Cash

The Organization maintains a substantial portion of its cash and short-term cash investments with Hawaii based financial institutions. At June 30, 2022 and 2021, and during the years then ended, the Organization had deposits that exceeded the Federal Deposit Insurance Corporations limit of \$250,000 per institution.

Investments

The Organization's investments in a mutual fund and an exchange traded fund are stated at fair market value in the accompanying statements of financial position. See Note 5 for further discussion and disclosures related to fair value measurements.

Net investment return (loss) is comprised of realized and unrealized gains and losses, interest income, less investment expenses and is reported in the accompanying statements of activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Other Receivables

In May 2014, the Organization agreed to share a variety of personnel and facilities expenses with Good Beginnings Alliance – Children's Action Network, an affiliated organization created to educate and advocate for the same purpose as the Organization, which subsequently changed its name to Hawaii Children's Action Network Speaks. Other receivables include Hawaii Children's Action Network Speaks' allocated portion of shared personnel and facilities expenses.

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are capitalized at cost, if purchased, or at the fair market value on the date of donation, if contributed. Depreciation is provided over the estimated useful lives of 3 to 7 years and is computed using the straight-line method. All furniture, fixtures and equipment have been fully depreciated.

Grants and Contracts

The Organization receives funding under grants and contracts from the government of the United States of America, State of Hawaii, and other grantors, for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs.

Revenue from grants and contracts is recognized only when funds are utilized by the Organization to carry out the activity stipulated in the grant or contract agreement. Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expense is reported as deferred income.

Contributions

Contributions, which include unconditional promises to give, are recognized as revenue when received. Contributions to be paid in future years are discounted to present value using a risk-adjusted discount rate. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible contributions is estimated based upon prior year collection history and analysis of past due amounts.

The Organization reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Contributed Services and Materials

The Organization has not reflected in the financial statements certain incidental materials and services received in connection with the various program activities since these donations do not meet the revenue recognition criteria under GAAP.

Income Taxes

The Organization has evaluated its tax positions and believe that there are no uncertain tax positions that require adjustment to the financial statements.

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

Employee Retirement Plan

The Organization sponsors a defined contribution 403(b) plan that is contributory and available to all qualified employees.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Standard

In September 2020, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The provisions of ASU 2020-07 include, but not limited to, (1) presentation of contributed nonfinancial assets as separate line item in the statement of activities, apart from contributions of cash and other financial assets; and (2) a disclosure requirement of disaggregation of the amount and other related information of contributed nonfinancial assets recognized within the statement of activities by category. The guidance is effective for the Organization's reporting period beginning July 1, 2022. The Organization is currently evaluating the effect that ASU 2020-07 will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right of use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities. ASU 2016-02 is effective for the Organization's annual reporting period beginning July 1, 2022. The Organization is currently evaluating the effect that ASU 2016-02 will have on its financial statements

(3) Liquidity and Availability of Funds

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures.

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

The Organization's financial assets available for general expenditure within one year of the statement of financial position date are comprised of the following at June 30, 2022:

	<u>2022</u>
Cash	\$ 1,329,517
Grants receivable	90,838
Other receivables	35,040
Certificates of deposit	99,773
Investments	233,425
	<u>\$ 1,788,593</u>

(4) Funds Held in Custody for Others

Funds held in custody for others consist of funds the Organization has received as an agent. The fund transactions are not included in the statements of activities and the balance of the funds are classified as restricted cash and funds held in custody for others on the statements of financial position. Funds held in custody for others as of June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Hawaii Diaper Bank	\$ 31,245	\$ 42,786
Others	8,253	13,711
	<u>\$ 39,498</u>	<u>\$ 56,497</u>

(5) Investments

Investments held at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Mutual fund	\$ 94,746	\$ 60,486
Exchange traded fund	80,867	53,567
Cash and cash equivalents	57,812	50,000
	<u>\$ 233,425</u>	<u>\$ 164,053</u>

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

Net investment return (loss) for the years ended June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Net unrealized gains (loss) on investments	\$ (21,851)	\$ 12,116
Interest income	77	3,396
	<u>\$ (21,774)</u>	<u>\$ 15,512</u>

Fair Value Measurements

Accounting Standards Codification (ASC) 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual fund and exchange traded fund are traded in active markets; quoted market prices for identical assets are obtained, and fair values are recorded on a recurring basis.

Cash and cash equivalents are reported at cost which approximate fair value.

The preceding measurement described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation method is appropriate and consistent with other market participants, the use of a different methodology or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below present by level, within the fair value hierarchy, the Organization’s investments measured at fair value as of June 30, 2022 and 2021:

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Mutual fund	\$ 94,746	\$ -	\$ -	\$ 94,746
Exchange traded fund	80,867	-	-	80,867
Cash and cash equivalents	57,812	-	-	57,812
	\$ 233,425	\$ -	\$ -	\$ 233,425

	Investments at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Mutual fund	\$ 60,486	\$ -	\$ -	\$ 60,486
Exchange traded fund	53,567	-	-	53,567
Cash and cash equivalents	50,000	-	-	50,000
	\$ 164,053	\$ -	\$ -	\$ 164,053

HAWAII CHILDREN'S ACTION NETWORK

Notes to Financial Statements

June 30, 2022 (Audited) and 2021 (Reviewed)

(6) Functional Expense Allocation

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Directly identifiable expenses are charged to program services and supporting services. Expenses related to more than one function are charged to program services and supporting services on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, rent, and utilities.

(7) Lease Agreements

The Organization operates primarily from one central office on the island of Oahu. In addition to the monthly rent, the lease provides for the payment of common area maintenance costs and real property taxes. The lease expired September 30, 2022.

(8) Economic Uncertainties

The Organization's operations has been and will continue to be affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19). The COVID-19 pandemic, together with recent geopolitical events and rising inflation, has adversely affected the global economy by, among other things, disrupting supply chains and operations, increasing unemployment levels, and creating significant volatility in the financial markets. The extent of the impact of these matters on the economy and the Organization is uncertain.

(9) Employee Benefit Plan

In May 2014, the Organization adopted a 403(b) plan for its employees. All employees are eligible to participate in the plan. The plan does not accept any employer contributions.

(10) Subsequent Events

Management has evaluated subsequent events through February 14, 2023, the date the financial statements were available to be issued, and determined that there were no other items to disclose.