

**OUTRIGGER DUKE KAHANAMOKU
FOUNDATION AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**
As of and for the Year Ended June 30, 2022
With Prior Year Comparative Information





INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Outrigger Duke Kahanamoku Foundation and affiliate:

Report on the Consolidated Financial Statements

We have reviewed the accompanying consolidated financial statements of Outrigger Duke Kahanamoku Foundation (Foundation) and its affiliate, both of which are nonprofit Hawaii corporations, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Foundation and its affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2021 Consolidated Financial Statements

The June 30, 2021 consolidated financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated February 9, 2022. We have not performed any auditing procedures since that date.

CW ASSOCIATES, CPAs

CW Associates, CPAs
Honolulu, Hawaii
March 9, 2023



OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**As of June 30, 2022
(With Prior Year Comparative Information)**

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
ASSETS		
Cash (including interest-bearing accounts)	\$ 278,138	\$ 188,917
Contributions and other receivables – net	3,024	552
Prepaid expenses and other assets	7,901	2,127
Investments in marketable securities	<u>1,756,782</u>	<u>2,119,373</u>
TOTAL ASSETS	<u>\$2,045,845</u>	<u>\$2,310,969</u>
LIABILITIES		
Accounts payable	\$ 33,334	\$ 32,006
Deferred revenue	<u>23,880</u>	<u>10,000</u>
Total liabilities	<u>57,214</u>	<u>42,006</u>
NET ASSETS		
Net assets without donor restrictions		
Undesignated	1,069,387	1,354,169
Board designated as Memorial Funds	<u>919,244</u>	<u>914,794</u>
Total net assets without donor restrictions	<u>1,988,631</u>	<u>2,268,963</u>
Total net assets	<u>1,988,631</u>	<u>2,268,963</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,045,845</u>	<u>\$2,310,969</u>

See accompanying notes to the consolidated financial statements.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Contributions without donor restrictions	\$ 223,655	\$ 145,397
Special events – net	117,339	-
Net assets released from donor restrictions	65,236	1,000
Interest and dividend income – net	19,642	11,657
Other revenue and support	300	3,827
Total support and revenue	<u>426,172</u>	<u>161,881</u>
Expenses		
Program services	199,321	141,163
Management and general	61,621	54,061
Fundraising	63,697	47,359
Total expenses	<u>324,639</u>	<u>242,583</u>
Support and revenue less expenses	101,533	(80,702)
Net gains (losses) on investments in marketable securities	<u>(381,865)</u>	<u>363,054</u>
Increase (decrease) in net assets without donor restrictions	<u>(280,332)</u>	<u>282,352</u>
 CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions with donor restrictions	65,236	1,000
Net assets released from donor restrictions	<u>(65,236)</u>	<u>(1,000)</u>
Decrease in net assets with donor restrictions	<u>-</u>	<u>-</u>
 INCREASE (DECREASE) IN NET ASSETS	 (280,332)	 282,352
 NET ASSETS – Beginning of year	 <u>2,268,963</u>	 <u>1,986,611</u>
 NET ASSETS – End of year	 <u>\$ 1,988,631</u>	 <u>\$ 2,268,963</u>

See accompanying notes to the consolidated financial statements.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2022 Total (Reviewed)</u>	<u>2021 Total (Audited)</u>
Scholarships	\$ 134,900	\$ -	\$ -	\$ 134,900	\$ 98,486
Supplies	740	159	99,692	100,591	2,556
Coordinators	20,495	23,423	14,639	58,557	53,940
Professional fees	-	29,657	18,930	48,587	31,181
Grants	35,565	-	-	35,565	14,705
Office and administrative	2,013	3,487	23,240	28,740	5,397
Advertising and promotion	-	-	20,876	20,876	10,501
Website development	5,119	-	7,564	12,683	16,630
Travel and entertainment	-	-	10,805	10,805	-
Other	215	4,621	3,347	8,183	2,707
General excise tax	-	-	6,153	6,153	127
Contract services	-	-	5,818	5,818	6,000
Printing and postage	274	274	3,415	3,963	353
Total expenses	<u>199,321</u>	<u>61,621</u>	<u>214,479</u>	<u>475,421</u>	<u>242,583</u>
Special event direct expenses reported net with revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>(150,782)</u>	<u>(150,782)</u>	<u>-</u>
Total expenses on the statement of activities	<u>\$ 199,321</u>	<u>\$ 61,621</u>	<u>\$ 63,697</u>	<u>\$ 324,639</u>	<u>\$ 242,583</u>

See accompanying notes to the consolidated financial statements.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (280,332)	\$ 282,352
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Realized gains from sales of investments		
in marketable securities	(9,965)	(96,593)
Unrealized (gains) losses from holding investments		
in marketable securities	391,830	(266,461)
(Increase) decrease in		
Contributions and other receivables – net	(2,472)	45
Prepaid expenses and other assets	(5,774)	3,873
Increase in		
Accounts payable	1,328	29,650
Deferred revenue	13,880	-
Net cash provided (used) by operating activities	<u>108,495</u>	<u>(47,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments in marketable securities	474,205	1,214,385
Purchases of investments in marketable securities	<u>(493,479)</u>	<u>(1,127,459)</u>
Net cash provided (used) by investing activities	<u>(19,274)</u>	<u>86,926</u>
NET INCREASE IN CASH	89,221	39,792
CASH – Beginning of year	<u>188,917</u>	<u>149,125</u>
CASH – End of year	<u>\$ 278,138</u>	<u>\$ 188,917</u>

See accompanying notes to the consolidated financial statements.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activity

The Outrigger Duke Kahanamoku Foundation (Foundation) was created in honor of one of Hawaii's greatest athletes, three-time Olympic Gold Medalist and Native Hawaiian Duke Kahanamoku, whose Olympic career spanned 20 years. The Foundation is the result of a merger in February 1986 of the Outrigger Foundation and the Duke Kahanamoku Foundation, nonprofit Hawaii corporations organized for comparable charitable and community purposes. The Foundation's affiliate, ODKF Support Inc. (affiliate), was incorporated in Hawaii in October 2008 as a supporting organization of the Foundation.

The objectives of the Foundation are to keep alive the memory of Duke Kahanamoku by helping athletes in Hawaii to participate in athletic competitions and further their education with the hope that they will emulate the remarkable accomplishments and character of Duke Kahanamoku; to financially support the development of individuals and organizations that perpetuate the spirit and legacy of Duke Kahanamoku; to encourage athletes and scholars whose endeavors will contribute to the growth and development of athletics in Hawaii; to support athletic events and participation by teams and individuals ranging from local to international competition; to help individuals in furthering their education; and to assist in preserving, perpetuating, and developing sports and arts that have a special cultural or historical significance to Hawaii.

The Foundation achieves its purpose primarily by awarding athletic grants to teams and individuals for use towards tournaments and competitions; and through scholarship grants, which are given to individual athletes pursuing post high school education. Grantees must meet certain criteria established by the Foundation. The principal fundraising events are the annual OceanFest, a seven-day tribute to Duke Kahanamoku that is operated by the Foundation's affiliate, and the Waterman Hall of Fame Awards Dinner.

The accompanying consolidated financial statements include the accounts of the Foundation and its affiliate. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Foundation and its affiliate to report information regarding their financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions consist of net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation and its affiliate. These net assets may be used at the discretion of the Foundation and its affiliate's management and Board of Directors.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022
(With Prior Year Comparative Information)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (continued)

Net Assets with Donor Restrictions consist of net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation and its affiliate or the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity (none in 2022 and 2021).

The accompanying consolidated financial statements include prior year comparative information that is not in sufficient detail to constitute a complete presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation and its affiliate's consolidated financial statements as of and for the year ended June 30, 2021, from which the information was derived.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates, it is reasonably possible that such estimates may change within the near term, and such differences could be material to the consolidated financial statements.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation and its affiliate to credit risk include cash, contributions and other receivables, and investments in marketable securities. Cash on deposit with financial institutions was fully insured at June 30, 2022 and 2021. Management evaluates the credit standings of these financial institutions to ensure that such deposits are adequately safeguarded. Contributions and other receivables, which are determined to be collectible or uncollectible based on an assessment by management of the facts and circumstances related to the individual accounts, including historical experience, an assessment of economic conditions, and a review of subsequent collections, have been adjusted for all known doubtful accounts (none at June 30, 2022 and 2021). Investments in marketable securities are fully-insured by federal and private insurance, as represented by the custodian. Future changes in market prices may make such investments less valuable.

Investments in Marketable Securities

Investments in marketable securities are stated at fair value. Net realized and unrealized gains (losses) are determined using the specific identification method.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expense Recognition

Revenue is recognized when the required goods or services are provided to customers. Amounts received prior to the provision of the goods and services are reported as deferred revenue. Revenue from performance obligations satisfied at a point in time consists of table and ticket sales, auction income, and merchandise sales, which are included in special events; and other merchandise sales, which is included in other revenue and support. Revenue from sources other than performance obligations consists of interest and dividend income and net gains (losses) on investments in marketable securities. See Note F for a disaggregation of revenue.

For performance obligations related to table and ticket sales, auction income, and merchandise sales, control transfers to the customer at a point in time. The Foundation and its affiliate transfer control and recognize revenue when the special events occur or when the merchandise and auction items are delivered to the customer. The Foundation and its affiliate do not have any significant financing components as payment is received before or at the special events and when the merchandise and auction items are delivered.

Expenses are recorded when the related liability is incurred. Advertising and promotion costs, amounting to \$20,876 and \$10,501 for the years ended June 30, 2022 and 2021, respectively, are expensed as incurred. The Foundation and its affiliate allocate their expenses on a functional basis among their various programs and supporting services based on estimates by management. Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Other expenses that are common to several functions include coordinators, website development, office and administrative, supplies, printing and postage, and other expenses. These expenses are allocated based on management's estimates of time and effort of the coordinator.

Contributions

The Foundation and its affiliate recognize contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Conditional promises to give, which are those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Support is considered to be available for unrestricted use unless restricted by the donor. Donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction is satisfied or expires, net assets with donor restrictions are released to net assets without donor restrictions.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022
(With Prior Year Comparative Information)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions

In-kind contributions of goods and services that meet the criteria for recognition are recognized by the Foundation and its affiliate as contributions at the estimated fair market value at the date of donation, and are recorded as expenses or assets in the same amount. Donated services are recognized as contributions if the services create or enhance nonfinancial assets, or require specialized skills that are performed by people with those skills and would otherwise be purchased by the Foundation and its affiliate.

During the year ended June 30, 2022, the Foundation and its affiliate received donated goods and donated storage space amounting to \$77,573 (in special events – net) and \$4,929 (in contributions), respectively. During the year ended June 30, 2021, the Foundation and its affiliate received donated storage space amounting to \$2,403 (in contributions). The donated goods are valued based on an estimate of the retail value for either the exact items or similar items. The donated goods are recognized as special event contribution revenue and direct expenses based on their use. The donated storage space is valued based on the amount charged to the public for similar storage space. The donated storage space is allocated among program and supporting services based on management’s estimate of its use. There were no donor-imposed restrictions associated with the donated goods and storage space.

A number of unpaid volunteers have made significant contributions of their time to the Foundation and its affiliate. The value of the volunteer time is not reflected in these consolidated financial statements because it does not meet the criteria for recognition.

Hawaii General Excise Tax

The State of Hawaii imposes a general excise tax of 4% on the gross receipts of the Foundation and its affiliate from certain special events within Hawaii, plus an additional 0.5% on such gross receipts within the City and County of Honolulu. Hawaii general excise tax amounted to \$6,153 and \$127 for the years ended June 30, 2022 and 2021, respectively.

Income Taxes

The Foundation and its affiliate are exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation is classified as a public charity under Section 509(a)(2), while its affiliate is classified as a supporting organization under Section 509(a)(3) of the U.S. Internal Revenue Code. Accordingly, qualifying contributions to the Foundation or its affiliate are tax deductible.

U.S. GAAP requires uncertain tax positions to be recognized in the consolidated financial statements if they are more likely than not to fail upon regulatory examination. Management has evaluated the tax positions of the Foundation and its affiliate as of June 30, 2022 and 2021 and for the years then ended and determined that they had no uncertain tax positions required to be reported in accordance with U.S. GAAP. The Foundation and its affiliate are subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any open tax periods.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, separate from contributions of cash and other financial assets. This ASU also requires a not-for-profit entity to disclose a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets, qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, and a description of the valuation techniques and inputs used to arrive at a fair value measure. The Foundation and its affiliate implemented this ASU during the year ended June 30, 2022 using the retrospective method. This ASU did not have an impact on the accounting for the contributed nonfinancial assets.

NOTE B – LIQUIDITY

The Foundation and its affiliate monitor liquidity required to meet their operating needs and other contractual commitments while also striving to maximize the investment returns on their available funds. The Foundation and its affiliate have various sources of liquidity available for use including cash, contributions and other receivables, and investments in marketable securities. In addition to financial assets available to meet general expenditures, the Foundation and its affiliate anticipate collecting sufficient revenue to cover general operating expenditures.

At June 30, 2022 and 2021, the Foundation and its affiliate's financial assets and the amounts of those assets that are readily available within one year of the consolidated statement of financial position date to meet general expenditures are as follows:

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
Cash (including interest-bearing accounts)	\$ 278,138	\$ 188,917
Contributions and other receivables – net	3,024	552
Investments in marketable securities	<u>1,756,782</u>	<u>2,119,373</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,037,944</u>	<u>\$2,308,842</u>

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE C – INVESTMENTS IN MARKETABLE SECURITIES

Interest and dividend income consisted of the following for the years ended June 30, 2022 and 2021:

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
Interest and dividends	\$41,030	\$34,381
Investment fees	<u>(21,388)</u>	<u>(22,724)</u>
Interest and dividend income – net	<u>\$19,642</u>	<u>\$11,657</u>

Gains (losses) on investments in marketable securities consisted of the following for the years ended June 30, 2022 and 2021:

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
Realized gains	\$ 9,965	\$ 96,593
Unrealized gains (losses)	<u>(391,830)</u>	<u>266,461</u>
Net gains (losses) on investments in marketable securities	<u>\$(381,865)</u>	<u>\$363,054</u>

NOTE D – FAIR VALUE MEASUREMENTS

U.S. GAAP provides a hierarchy that prioritizes the inputs to valuation methodologies used to measure fair value. There are three levels of the fair value hierarchy. Level 1 inputs to the valuation methodologies consist of unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access. Level 2 inputs 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, and 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 are unobservable and significant to the fair value measurement. The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation methodologies used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

At June 30, 2022 and 2021, the fair value measurements reportable by the Foundation consisted of common stock, mutual funds, and exchange traded funds valued at quoted market prices, and money market funds are valued at stated value, for which Level 1 valuation inputs were required. Government securities and corporate bonds are valued at the discounted value of future cash flows for which Level 2 valuation inputs were required. There were no investments for which Level 3 valuation inputs were required.

The following sets forth by level, within the fair value hierarchy, the Foundation’s investments in marketable securities at fair value as of June 30, 2022 (reviewed):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock				
Technology	\$ 143,920	\$ -	\$ -	\$ 143,920
Consumer	135,251	-	-	135,251
Financial service	124,580	-	-	124,580
Industrials	112,467	-	-	112,467
Healthcare	109,889	-	-	109,889
Basic materials	40,177	-	-	40,177
Energy	25,030	-	-	25,030
Communication services	16,362	-	-	16,362
Other	31,067	-	-	31,067
Total common stock	<u>738,743</u>	<u>-</u>	<u>-</u>	<u>738,743</u>
Mutual funds				
Bond funds	400,800	-	-	400,800
Growth funds	92,926	-	-	92,926
Total mutual funds	<u>493,726</u>	<u>-</u>	<u>-</u>	<u>493,726</u>
Exchange traded funds				
Value funds	191,898	-	-	191,898
Growth funds	130,090	-	-	130,090
Total exchange traded funds	<u>321,988</u>	<u>-</u>	<u>-</u>	<u>321,988</u>
Government securities				
U.S. government agencies	-	56,610	-	56,610
U.S. treasury obligations	-	50,052	-	50,052
Total government securities	<u>-</u>	<u>106,662</u>	<u>-</u>	<u>106,662</u>
Corporate bonds				
Long-term	-	58,431	-	58,431
Total corporate bonds	<u>-</u>	<u>58,431</u>	<u>-</u>	<u>58,431</u>
Money market funds	37,232	-	-	37,232
Total	<u>\$ 1,591,689</u>	<u>\$ 165,093</u>	<u>\$ -</u>	<u>\$ 1,756,782</u>

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

The following sets forth by level, within the fair value hierarchy, the Foundation’s investments in marketable securities at fair value as of June 30, 2021 (audited):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock				
Technology	\$ 183,281	\$ -	\$ -	\$ 183,281
Consumer	154,475	-	-	154,475
Financial service	119,113	-	-	119,113
Industrials	140,071	-	-	140,071
Healthcare	104,968	-	-	104,968
Basic materials	37,717	-	-	37,717
Energy	15,660	-	-	15,660
Communication services	31,697	-	-	31,697
Other	22,928	-	-	22,928
Total common stock	<u>809,910</u>	<u>-</u>	<u>-</u>	<u>809,910</u>
Mutual funds				
Bond funds	547,600	-	-	547,600
Growth funds	113,628	-	-	113,628
Total mutual funds	<u>661,228</u>	<u>-</u>	<u>-</u>	<u>661,228</u>
Exchange traded funds				
Value funds	175,646	-	-	175,646
Growth funds	158,778	-	-	158,778
Total exchange traded funds	<u>334,424</u>	<u>-</u>	<u>-</u>	<u>334,424</u>
Government securities				
U.S. government agencies	-	39,070	-	39,070
U.S. treasury obligations	-	154,252	-	154,252
Total government securities	<u>-</u>	<u>193,322</u>	<u>-</u>	<u>193,322</u>
Corporate bonds				
Long-term	-	90,754	-	90,754
Total corporate bonds	<u>-</u>	<u>90,754</u>	<u>-</u>	<u>90,754</u>
Money market funds	29,735	-	-	29,735
Total	<u><u>\$ 1,835,297</u></u>	<u><u>\$ 284,076</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,119,373</u></u>

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE E – BOARD DESIGNATED NET ASSETS

At June 30, 2022 and 2021, the board designated memorial funds and their primary purposes were as follows:

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
Muriel Macfarlane Flanders Memorial Fund, <i>to perpetuate the Macfarlane Fourth of July Regatta</i>	\$317,697	\$317,577
Terrance McCarthy Memorial Fund, <i>to support Hawaii's top scholar athletes</i>	197,393	197,393
Tom "Daddy" Haine Memorial Fund, <i>to support the sport of volleyball in Hawaii</i>	88,134	87,514
Schwinn Family Fund, <i>to perpetuate Hawaiian Water Sports and to encourage athletes and and scholars who contribute to the growth and development of athletics in Hawaii</i>	76,850	76,850
Thomas M. Arnott Memorial Fund, <i>to support interscholastic canoe paddling in Hawaii</i>	54,135	54,135
Randy Carlson Fund, <i>in memory of Randy Carlson who loved teaching young people</i>	39,275	36,075
Kala Kukea Memorial Fund, <i>to honor one of Hawaii's top individuals in water sports</i>	31,748	31,358
Kirk Smith Memorial Fund, <i>to support water sports and the young scholar athletes of Hawaii</i>	25,725	25,725
John Cline Mann Memorial Fund, <i>to support the annual Cline Mann Paddleboard Race</i>	23,448	23,328
Dale P. Madden and The Madden Corporation Fund <i>to provide scholarships to Hawaii's youth</i>	20,000	20,000
Henry Ayau Memorial Fund, <i>to honor this renowned athlete, businessman, sportsman, and citizen</i>	18,606	18,606
Great Aloha Run Community Fund <i>to support scholarships for students exemplifying the volunteerism and community spirit of the Great Aloha Run</i>	15,100	15,100
David & Keanuenu Rochlen Fund, <i>to perpetuate Hawaiian water sports and encourage young athletes</i>	10,883	10,883
Hawaii Olympians Fund <i>to support Hawaii's elite athletes in their quest to make the U.S. Olympic team in swimming, water polo, kayaking, or volleyball</i>	<u>250</u>	<u>250</u>
Total board designated net assets	<u>\$919,244</u>	<u>\$914,794</u>

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE E – BOARD DESIGNATED NET ASSETS (Continued)

The Board of Directors of the Foundation designated a portion of the Foundation’s net assets without donor restrictions as Memorial Funds to honor individuals that exemplified the objectives of the Foundation. Such designations may also include funding for other programs supported by the Foundation and may be changed by the Board of Directors of the Foundation at any time.

NOTE F – DISAGGREGATION OF REVENUE

For the years ended June 30, 2022 and 2021, revenue from performance obligations satisfied at a point in time and revenue from sources other than performance obligations consisted of the following:

	2022 <u>(Reviewed)</u>	2021 <u>(Audited)</u>
Revenue from performance obligations satisfied at a point in time		
Table and ticket sales	\$ 16,517	\$ -
Auction income	14,263	-
Merchandise sales	<u>3,145</u>	<u>3,827</u>
Total revenue from performance obligations satisfied at a point in time	<u>\$ 33,925</u>	<u>\$ 3,827</u>
Revenue from sources other than performance obligations		
Interest and dividend income	\$ 41,030	\$ 34,381
Net gains (losses) on investments in marketable securities	<u>(381,865)</u>	<u>363,054</u>
Total revenue from sources other than performance obligations	<u>\$ (340,835)</u>	<u>\$ 397,435</u>

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**For the Year Ended June 30, 2022
(With Prior Year Comparative Information)**

NOTE G – SPECIAL EVENTS

Special events for the years ended June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
	<u>(Reviewed)</u>	<u>(Audited)</u>
Hawaii Waterman Hall of Fame Awards Dinner		
Contributions and sales	\$ 175,921	\$ -
In-kind contributions	52,113	-
Direct expenses	<u>(114,707)</u>	<u>-</u>
Hawaii Waterman Hall of Fame Awards Dinner – net	<u>113,327</u>	<u>-</u>
Duke's Night		
In-kind contributions	25,460	-
Contributions and sales	14,627	-
Direct expenses	<u>(36,075)</u>	<u>-</u>
Duke's Night – net	<u>4,012</u>	<u>-</u>
Special events – net	<u>\$ 117,339</u>	<u>\$ -</u>

Due to the COVID-19 pandemic, special events, including OceanFest, were not held during the year-ended June 30, 2021.

NOTE H – CONTINGENCIES

The Foundation and its affiliate may be subject to legal proceedings, claims, or litigation arising in the ordinary course of business for which they may seek the advice of legal counsel. Management estimates that the cost to resolve such matters, if any, would not be material to the consolidated financial statements. However, it is reasonably possible that such estimates may change within the near term.

The Foundation and its affiliate operate in the State of Hawaii. Local, national, and international events (such as the COVID-19 pandemic) can have severe, adverse effects on economic conditions in Hawaii. These consolidated financial statements do not include the adjustments that would result if the Foundation and its affiliate were to account for future losses or asset impairments, as the effects on the consolidated financial statements of the Foundation and its affiliate from such changes in economic conditions are not presently determinable.

OUTRIGGER DUKE KAHANAMOKU FOUNDATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2022
(With Prior Year Comparative Information)

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 9, 2023, which is the date the consolidated financial statements were available to be issued, and determined the Foundation and its affiliate did not have any subsequent events requiring adjustment to the consolidated financial statements or disclosure in the notes to the consolidated financial statements.
