

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
	☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report
	☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program
	☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II Basic Plan Information —enter all requested information		
1a Name of plan CHILD & FAMILY SERVICE 401(K) PLAN	1b Three-digit plan number (PN) ▶	004
	1c Effective date of plan	01/01/2012
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) CHILD AND FAMILY SERVICE 91-1841 FORT WEAVER ROAD EWA BEACH, HI 96706	2b Employer Identification Number (EIN) 99-0073483	
	2c Plan Sponsor's telephone number	808-681-1427
	2d Business code (see instructions)	624100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2023	AMANDA PUMP
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 513
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 365
a(2) Total number of active participants at the end of the plan year		6a(2) 349
b Retired or separated participants receiving benefits		6b 8
c Other retired or separated participants entitled to future benefits.....		6c 158
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 515
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 515
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 405
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 21
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan CHILD & FAMILY SERVICE 401(K) PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 CHILD AND FAMILY SERVICE	D Employer Identification Number (EIN) 99-0073483	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

NEWPORT GROUP, INC.

27-2037969

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 21 34 37	CONTRACT ADMINISTRATOR	33071	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>CHILD & FAMILY SERVICE 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHILD AND FAMILY SERVICE</u>	D Employer Identification Number (EIN) <u>99-0073483</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	
(2) Participant contributions.....		1b(2)	
(3) Other.....		1b(3)	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common.....		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans.....		1c(8)	15160979996
(9) Value of interest in common/collective trusts.....		1c(9)	
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts.....		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	92219918335621
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	9373600	8415617

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9373600	8415617
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	245409	
(B) Participants	2a(1)(B)	734482	
(C) Others (including rollovers)	2a(1)(C)	177413	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1157304
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	3937	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3937
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	215015	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		215015
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-1598797
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-222541
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	691465	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		691465
f Corrective distributions (see instructions)	2f		10906
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	33071	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		33071
j Total expenses. Add all expense amounts in column (b) and enter total	2j		735442
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-957983
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **CW ASSOCIATES, CPA'S**

(2) EIN: **26-1659234**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a	X		31351

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan CHILD & FAMILY SERVICE 401(K) PLAN		B Three-digit plan number (PN) ► 004
C Plan sponsor's name as shown on line 2a of Form 5500 CHILD AND FAMILY SERVICE		D Employer Identification Number (EIN) 99-0073483
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 75-3182674		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____% b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____
20	PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation _____



CHILD AND FAMILY SERVICE 401(k) PLAN
REPORT TO THE PLAN ADMINISTRATOR
For the Year Ended December 31, 2022

Child and Family Service Retirement Savings Committee:

We have conducted an Employee Retirement Income Security Act of 1974, as amended (ERISA) Section 103(a)(3)(C) audit of the financial statements – modified cash basis of Child and Family Service 401(k) Plan (Plan) as of and for the year ended December 31, 2022, and have issued our report thereon dated October 12, 2023. The financial statements were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Professional standards require that we advise you of the following information related to our audit.

Our Responsibility in Relation to the ERISA Section 103(a)(3)(C) Financial Statement Audit

As communicated in our engagement letter dated November 20, 2021, our responsibility, as described by professional standards, is to conduct our audit in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution). For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting. Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our Responsibility in Relation to the ERISA Section 103(a)(3)(C) Financial Statement Audit (continued)

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. We have provided our comments regarding internal controls in a separate Report to Management dated October 12, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter dated November 20, 2021.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, our firm, and our affiliated firms, as appropriate, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Plan's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note B to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

As the fair value of the investments are based on quoted market prices, there are no sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Plan's financial statements relate to the fair value of the investments and the information in the supplemental schedules.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



Uncorrected and Corrected Misstatements

For purposes of this report, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule summarizes the misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected, by management.

Disagreements with Management

For purposes of this report, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached management representation letter dated October 12, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no such consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Plan, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditor.

Other Matters

The ERISA-required supplemental schedules, other than that agreed to or derived from the certified investment information, were subjected to the audit 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.



Other Matters (Continued)

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

SECURE 2.0 Act of 2022

The SECURE 2.0 Act of 2022 (Act) was signed into law on December 29, 2022, to increase retirement savings, improve retirement rules, and lower employer costs of sponsoring a retirement plan. Plan amendments required by the Act generally need not be made until the end of the first plan year beginning on or after January 1, 2025. For calendar year plans, the amendments would need to be made no later than December 31, 2025. A plan must be operated in accordance with the provisions as of the effective date of each new provision.

Following are certain of the significant provisions that may affect your Plan.

- The catch-up contribution limit will increase for taxable years beginning after December 31, 2024. Starting in 2026, all catch-up contributions must be ROTH contributions for participants with compensation equal to or greater than \$145,000.
- For distributions after December 31, 2023, the involuntary distribution threshold will increase from \$5,000 to \$7,000.
- Effective immediately, retirement plan fiduciaries have the discretion to not recoup overpayments mistakenly made to retirees.
- The Act conforms the current hardship distribution rules for 401(k) plans to 403(b) plans that are subject to ERISA.
- Section 403(b) plans are allowed to invest in collective investment trusts, eliminating a distinction between 401(k) and 403(b) plans. This change is effective for investments made after December 29, 2022.
- Section 401(k) and 403(b) plans are required to permit part-time employees who complete at least 500 hours of service in two consecutive 12-month periods (and who are at least 21 years of age) to participate and make elective deferrals. Vesting is also based on completion of 500 hours of service in a year. Employers are not required to make employer contributions to these part-time employees. This change is effective for plan years beginning after December 31, 2024, and no period prior to January 1, 2023, are taken into account in determining eligibility or vesting.
- There will be a change to the participant-counting methodology. Under the current rules, the audit requirement is based on a plan having 100 or more eligible plan participants at the beginning of the plan year, regardless of whether they have account balances or were active in the plan. Under the Act, the participant count will be based on those participants with account balances at the beginning of the plan year. If that count falls below 100, the plan may not require an audit for the 2023 plan year.

There are other provisions that may affect your Plan. Thus, the plan administrator should consult with the Plan's third-party administrator and legal counsel to determine which provisions affect the Plan, and the amendments that need to be made to the respective plan documents.



* * * * *

This report is intended solely for the information and use of the plan administrator and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

CW Associates, CPAs

CW Associates, CPAs
Honolulu, Hawaii
October 12, 2023



CWA

Client:	1836.3 - Child and Family Service 401(k) Plan				
Engagement:	478 - EBP - Child and Family Service 401(k) Plan				
Period Ending:	12/31/2022				
Trial Balance:	TB				
Workpaper:	3100.30 - Adjusting Journal Entries				
Account	Description	W/P Ref		Debit	Credit
Adjusting Journal Entries JE # 101		7300.10			
To record current year forfeiture activity					
1228	VANGUARD CASH RESERVES FEDERAL MONEY			16,299.05	
5100	Dividends				464.39
7200	Forfeitures				15,834.66
Total				16,299.05	16,299.05

CHILD AND FAMILY SERVICE 401(k) PLAN
MANAGEMENT REPRESENTATION LETTER
For the Years Ended December 31, 2022 and 2021

To CW Associates, CPAs:

This representation letter is provided in connection with your audits of the financial statements of the Child and Family Service 401(k) Plan (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), which comprise the statements of net assets available for benefits – modified cash basis as of December 31, 2022 and 2021, the related statements of changes in net assets available for benefits – modified cash basis for the years then ended, and the related notes to the financial statements – modified cash basis. We have determined that the modified cash basis of accounting is an acceptable basis of accounting in the circumstances.

We have elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. We acknowledge that the audits did not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier, that is regulated, supervised and subject to periodic examination by a state or federal agency, a qualified institution, that prepared and certified the investment information in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting under ERISA. We have determined that an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances. We have also determined that the investment information is prepared and certified by a qualified institution as described by 29 CFR 2520.103-8, that the certification meets the requirements in 29 CFR 2520.103-5, and that the certified investment information is appropriately measured, presented, and disclosed in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve misstatements, including omissions, and 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of the independent auditor's report, the following representations made to you during your audits:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 20, 2021, for the preparation and fair presentation of the financial statements (and disclosures) in accordance with the modified cash basis of accounting.
2. We acknowledge our responsibility for administering the Plan and determining the Plan's transactions that are presented and disclosed in the ERISA plan financial statements are in conformity with the plan provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, notes, and supplemental schedules that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. The methods and significant assumptions used to estimate fair values of financial instruments are properly disclosed in Note D to the financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.
6. We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services, or other third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of the modified cash basis of accounting. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in the modified cash basis of accounting.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the modified cash basis of accounting.
8. Transactions with parties in interest, as defined in Section 3(14) of ERISA and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from, or payable to, related parties have been appropriately disclosed.
9. All events subsequent to the date of the financial statements and for which the modified cash basis of accounting requires adjustment or disclosure have been adjusted or disclosed.
10. There are no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are material, both individually and in the aggregate, to the financial statements taken as a whole. We have corrected all identified material misstatements.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with the modified cash basis of accounting.
12. We have no intentions to terminate the Plan.
13. Guarantees, whether written or oral, under which the Plan is contingently liable to a bank or another lending institution have been properly recorded or disclosed in the financial statements.
14. We have properly reported and disclosed amendments to the plan instrument, if any.

Financial Statements (continued)

15. With respect to nonattest services provided, including assistance in the preparation of the financial statements, notes to the financial statements, and supplemental schedules, and any other nonattest services, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
16. We acknowledge our responsibility for the presentation of the ERISA-required supplemental schedules in accordance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
17. We believe the supplemental schedules, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
18. We acknowledge our responsibility to evaluate tax positions taken by the Plan and recognize a tax liability in the financial statements if the Plan has taken a significant uncertain tax position that more likely than not would not be sustained upon examination by the applicable taxing authorities.

Information Provided

19. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, plan instruments, trust agreements, insurance contracts, as applicable, or investment contracts, as applicable, and amendments to such documents entered into during the year;
 - b. The most current plan instrument for the audit period, including all amendments;
 - c. A draft of the Form 5500 that is substantially complete;
 - d. Additional information that you have requested from us for the purpose of the audits;
 - e. Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence; and
 - f. All minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
20. All transactions have been recorded in the accounting records and are reflected in the financial statements.
21. Financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
22. The Plan or trust has satisfactory title to all owned assets that are recorded at fair value, and all liens, encumbrances, or security interest requiring disclosure in the financial statements have been properly disclosed.
23. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
24. We have no knowledge of any fraud or suspected fraud that affects the Plan and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
25. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.

Information Provided (continued)

26. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
27. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
28. There are no other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, events reportable to the Pension Benefit Guaranty Corporation, or events that may jeopardize the tax status) that legal counsel has advised us must be disclosed.
29. We have disclosed to you the identity of all the Plan's related parties and parties in interest and the nature of all the related party and party in interest relationships and transactions of which we are aware.
30. We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
31. The Plan has complied with all aspects of debt and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
32. All required filings with the appropriate agencies have been made.
33. The Plan (and the trust established under the plan) is qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified plan (and trust). The plan sponsor has operated the Plan and trust in a manner that did not jeopardize this tax status.
34. The Plan has complied with the DOL's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the Plan, except as disclosed in Note I to the financial statements and in Form 5500, Schedule H, Line 4a – Schedule of Delinquent Participant Accounts.
35. The Plan has complied with the fidelity bonding requirements of ERISA.
36. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
37. We are in agreement with the adjusting journal entries that you have recommended, and they have been posted to the Plan's accounts.
38. There are no:
 - a. Nonexempt party-in-interest transactions (as defined in ERISA Section 3[1] and regulations under that section) that were not disclosed in the supplemental schedules or financial statements.
 - b. Investments in default or considered to be uncollectible that were not disclosed in the supplemental schedules.
 - c. Reportable transactions (as defined in ERISA Section 103[b][3][H] and regulations under that section) that were not disclosed in the supplemental schedules.


Signature

Executive Vice President and Chief Program Officer 10/12/2023
Date

Signature

Title

Date

Form 5500 annual return/Report of Employee Benefit Plan

Schedule H Line 4j – Reportable Transactions

See Supplemental Schedule attached with IQPA Opinion and Financial Statements.



CHILD AND FAMILY SERVICE 401(k) PLAN

REPORT TO MANAGEMENT

For the Year Ended December 31, 2022

Child and Family Service 401(k) Plan:

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of the Child and Family Service 401(k) Plan (Plan) as of and for the year ended December 31, 2022, in accordance with the modified cash basis of accounting, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing our 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 Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

Management has determined it is permissible in the circumstances and has elected to have the audit of the Plan's financial statements performed in accordance with Employee Retirement Income Security Act of 1974, as amended (ERISA) Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

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 Plan's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible (the chance of the future event or events occurring is more than remote but less than likely) or probable (the future event or events are likely to occur).

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

As discussed below, we identified the following matters that we believe deserves your attention.

REVIEW OF SYSTEM AND ORGANIZATION (SOC) REPORTS

Comment

Statement on Auditing Standards (SAS) 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*, defines reportable findings as matters that are one or more of the following:

- A finding arising from the audit that is, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process in accordance with AU-C section 260, *The Auditor's Communication With Those Charged With Governance*.
- An indication of deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention in accordance with AU-C section 265, *Communicating Internal Control Related Matters Identified in an Audit*

An example of a reportable finding is the insufficient monitoring of a plan's service organizations, including review of relevant System and Organization Controls (SOC) 1 reports, by the plan sponsor.

SOC 1 reports communicate the risk management and internal controls of a third-party service provider that could impact the financial reporting and internal controls of its customers. It is important for plan sponsors to review these SOC 1 reports to understand the level of risk involved with outsourcing key functions of a plan's operations to a third-party. The SOC 1 report also provides a list of complementary user controls that plan sponsors need to implement while utilizing the services of the third-party. The effectiveness of the third-party's controls are dependent on the implementation of the user controls by plan sponsors.

Outsourcing to a third-party service provider that does not have the proper controls or not implementing the user controls as specified by the third-party service provider can be construed as a failure of the plan sponsor's fiduciary duty for monitoring and operating the plan for the benefit of its participants.

Recommendation

We recommend the plan administrator and management of the Plan obtain and review the SOC 1 reports for all of its third-party service organizations, including those for payroll processing. Within the SOC 1 reports, the plan administrator and management should pay particular attention to the following sections:

- Audit Opinion – Did the service provider receive an unmodified or “clean” opinion? If they received a qualified opinion, what was the reason and does it have any effect on your benefit plan or payroll processing.
- Complementary User Controls – Plan sponsors should have processes, procedures, and controls in place to address the complementary user controls. The service provider is communicating that their controls only work if their clients have these controls in place.
- Control Objectives – Did the service provider have any issues with the operation of their controls? If so, how were these addressed by the service provider and does it have any effect on the benefit plan or payroll processing.



APPLICATION OF FORFEITURES

Comment

Accumulated forfeitures amounted to \$34,213 and \$17,914 at December 31, 2022 and 2021, respectively, as certified by Newport Trust Company, the qualified institution of the Plan. None of the forfeitures were applied to administrative expenses or to reduce employer contributions for the years then ended, contrary to Internal Revenue Service (IRS) requirements. *Failure to comply with IRS requirements with respect to the accumulated forfeitures may result in the disqualification of the Plan.*

Except under limited circumstances, forfeitures should not be held unallocated in a suspense account. IRS Revenue Ruling 80-155 indicates that a defined contribution plan will not be qualified unless all funds are allocated to participants' accounts in accordance with a definite formula defined in the plan. Additionally, the language in IRS Revenue Ruling 84-156 suggests that any forfeitures remaining after expenses are paid must be applied to provide benefits to the participants, either in payment of a portion of the employer's contribution or as an additional employer contribution. This is consistent with the general principle that all amounts must be allocated under a defined contribution plan.

Recommendation

We recommend that the plan sponsor consult with the Plan's legal counsel and third-party administrator to determine the appropriate action regarding the allocation of forfeited balances to ensure compliance with all applicable IRS regulations, and make those allocations as soon as possible.

* * * * *

This report is intended solely for the information and use of the plan administrator and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

CW Associates, CPAs

CW Associates, CPAs
Honolulu, Hawaii
October 12, 2023

CHILD AND FAMILY SERVICE 401(k) PLAN

**FINANCIAL STATEMENTS – MODIFIED CASH BASIS
For the Years Ended December 31, 2022 and 2021
With Supplemental Schedules for 2022
And Independent Auditor's Report**





INDEPENDENT AUDITOR'S REPORT

Child and Family Service 401(k) Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Child and Family Service 401(k) Plan (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits – modified cash basis as of December 31, 2022 and 2021, the related statements of changes in net assets available for benefits – modified cash basis for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note B to the financial statements.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B to the financial statements, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting. Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

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.

Other Matters

Supplemental Schedules Required by ERISA

The supplemental schedules, Form 5500, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions – Modified Cash Basis for the year ended December 31, 2022, and Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – Modified Cash Basis as of December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. 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 included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits 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 U.S. GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.



Other Matters (continued)

Supplemental Schedules Required by ERISA (continued)

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

CW Associates, CPAs

CW Associates, CPAs
Honolulu, Hawaii
October 12, 2023



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CHILD AND FAMILY SERVICE 401(k) PLAN

**STATEMENTS OF
NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS**

As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investment in registered investment companies, at fair value	\$8,335,621	\$9,221,991
Notes receivable from participants	<u>79,996</u>	<u>151,609</u>
TOTAL ASSETS	<u>8,415,617</u>	<u>9,373,600</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$8,415,617</u>	<u>\$9,373,600</u>

See accompanying notes to the financial statements.

CHILD AND FAMILY SERVICE 401(k) PLAN

**STATEMENTS OF
CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS**

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Earnings (losses) from investments		
Net depreciation in fair value of registered investment companies	\$(1,598,797)	\$ (32,153)
Dividends	<u>215,015</u>	<u>1,051,581</u>
Total earnings (losses) from investments	<u>(1,383,782)</u>	<u>1,019,428</u>
Interest from notes receivable from participants	<u>3,937</u>	<u>5,854</u>
Contributions		
Participants	734,482	678,018
Employer	245,409	227,781
Rollovers	<u>177,413</u>	<u>148,337</u>
Total contributions	<u>1,157,304</u>	<u>1,054,136</u>
Total additions (reductions) to net assets	<u>(222,541)</u>	<u>2,079,418</u>
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	702,371	562,267
Administrative expenses	<u>33,071</u>	<u>29,922</u>
Total deductions from net assets	<u>735,442</u>	<u>592,189</u>
CHANGE IN NET ASSETS	(957,983)	1,487,229
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>9,373,600</u>	<u>7,886,371</u>
End of year	<u>\$ 8,415,617</u>	<u>\$ 9,373,600</u>

See accompanying notes to the financial statements.

CHILD AND FAMILY SERVICE 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS

For the Years Ended December 31, 2022 and 2021

NOTE A – DESCRIPTION OF PLAN

The Child and Family Service 401(k) Plan (Plan) was established by Child and Family Service (Organization) on January 1, 2012, and amended and restated as of January 1, 2016. The following is a description of the Plan that provides only general information. Participants should refer to the plan agreement for a complete description of the Plan's provisions.

General

The Plan is a profit sharing and salary deferral plan, also known as a 401(k) plan covering substantially all employees of the Organization (excluding nonresident aliens, leased employees, and part-time/temporary/seasonal employees). It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Employees become eligible to participate in the Plan at their hire date.

Contributions

Participants may make employee salary deferral contributions to the Plan up to the lesser of 100% of their eligible compensation or \$20,500 in 2022 and \$19,500 in 2021, adjusted annually for the cost of living, plus an additional \$6,500 in 2022 and 2021, for employees age 50 and over. Participants are eligible for employer matching contributions after one year of credited service with the Organization. The Organization contributes matching contributions equal to 50% of the participant's contribution (100% for participants hired before January 1, 2012) up to two percent of the participant's compensation. Total contributions to each employee's account may not exceed the lesser of \$61,000 (\$67,500 with the catch-up contribution) in 2022 and \$58,000 (\$64,500 with the catch-up contribution) in 2021, or 100% of annual compensation, as defined. Excess contributions are refunded in accordance with provisions of the Internal Revenue Code (IRC).

Participant Accounts

Each participant's account is credited with the participant's contributions and matching employer contribution, plus an allocation of the Plan's net earnings (losses); less an allocation for plan expenses. Allocations are based on participant earnings (losses), account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting

Participants are 100% vested in employer matching contributions and earnings thereon after three years of continuous service. Participant voluntary contributions and earnings thereon are always 100% vested.

CHILD AND FAMILY SERVICE 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS (Continued)

For the Years Ended December 31, 2022 and 2021

NOTE A – DESCRIPTION OF PLAN (Continued)

Forfeitures

Forfeitures may be used to pay administrative expenses and to reduce employer contributions. At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$34,213 and \$17,914, respectively. For the year ended December 31, 2022, there was \$16,299 in forfeited amounts and interest earned, and no forfeitures were used to pay administrative expenses or reduce employer contributions. For the year ended December 31, 2021, there was \$8,919 in forfeited amounts and interest earned, and no forfeitures were used to pay administrative expenses or reduce employer contributions.

Payment of Benefits

The vested amount in each participant's account is payable upon normal retirement, disability, death, or termination of employment. Participants may receive the entire value of their accounts in a single lump-sum payment. Account balances of \$5,000 or less at the time of separation may be automatically disbursed to the participant. Active participants may withdraw all or a portion of their vested account balances as in-service distributions after attaining the age of 59 ½. Participants are eligible to make hardship withdrawals from the vested portion of their accounts to satisfy a financial hardship, as defined, subject to the approval of the plan administrator. Hardship withdrawals are strictly regulated by the Internal Revenue Service.

Notes Receivable from Participants

Participants may borrow up to the lesser of \$50,000 or 50% of the vested portion of their account balance. The minimum loan amount is \$1,000. The notes receivable must be repaid in five years unless the note is used to acquire a principal residence. The notes receivable are secured by a lien on the participant's interest in the Plan and are repaid through payroll deductions. Interest rates are set at the prevailing interest rates, at the time of the loan, charged on similar commercial loans under like circumstances by persons in the business of lending money, which ranged from 4.25% to 6.50% for the years ended December 31, 2022 and 2021. Maturities range from July 2023 to May 2027.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Except for investments, which are accounted for on a fair value basis, the Plan has prepared its financial statements on the cash basis of cash receipts and disbursements; consequently, certain additions to net assets available for benefits are recognized when received rather than when earned, and certain deductions from net assets available for benefits are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to be presented in accordance with accounting principles generally accepted in the United States of America.

CHILD AND FAMILY SERVICE 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS (Continued)

For the Years Ended December 31, 2022 and 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates, it is reasonably possible that such estimates may change within the near term, and such differences could be material to the financial statements.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Net investment earnings (losses) include the Plan's gains and losses on investments bought and sold as well as held during the year. The Organization determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note D for discussion of fair value measurements.

Notes Receivable from Participants

Notes receivable from participants are stated at their unpaid principal balance. Interest income is recorded when it is received. Related expenses are recorded as administrative expenses and are expensed when paid. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Expenses are recognized when the related liability is paid. Fees incurred by the Plan for investment management services are included in the net depreciation in fair value of investments.

NOTE C – CERTIFICATION FROM QUALIFIED INSTITUTION

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedules, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments and dividends for the years ended December 31, 2022 and 2021, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Newport Trust Company, the qualified institution of the Plan, as of and for the years ended December 31, 2022 and 2021.

CHILD AND FAMILY SERVICE 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS (Continued)

For the Years Ended December 31, 2022 and 2021

NOTE D – FAIR VALUE MEASUREMENTS

The established framework for measuring fair value 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 consist of unadjusted quoted prices for identical assets or liabilities in active markets that the Plan 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 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.

Investments in registered investment companies are valued using quoted market prices, a Level 1 input. There were no investments requiring the use of Level 2 or Level 3 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.

At December 31, 2022 and 2021, total investments at fair value, consisting solely of investments in registered investment companies, amounted to \$8,335,621 and \$9,221,991, respectively.

NOTE E – TAX STATUS

In a letter dated July 17, 2012, the Internal Revenue Service indicated that the volume submitter profit sharing plan adopted by the Organization is acceptable and may be relied on with respect to qualifying under Section 401(a) of the IRC.

The Plan has been amended since the determination letter. However, the plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

Management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by applicable taxing authorities. The plan administrator evaluated the Plan's tax positions as of December 31, 2022 and 2021 and for the years then ended, and determined that the Plan had no uncertain tax positions required to be reported. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods in progress.

CHILD AND FAMILY SERVICE 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS (Continued)

For the Years Ended December 31, 2022 and 2021

NOTE F – RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan's assets are held by Newport Trust Company, and therefore, these transactions qualify as party in interest transactions. Certain administrative functions are performed by officers or employees of the Organization, who receive no compensation from the Plan. Fees and other administrative expenses are paid by either by the Plan or by the Organization, as provided by the plan document.

NOTE G – TERMINATION

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, all participants become 100% vested in their accounts.

NOTE H – RISK AND UNCERTAINTIES

The Plan invests in various investment securities, including investments in shares of registered investment companies. In general, investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the financial statements.

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

NOTE I – PROHIBITED TRANSACTIONS

During the year ended December 31, 2022, the Organization made late payments of participant contributions totaling \$31,351. The Organization deposited the late payments during the year ended December 31, 2022 and corrected the lost interest during the year ending December 31, 2023.

NOTE J – SUBSEQUENT EVENTS

The plan administrator has evaluated subsequent events through October 13, 2023, which is the date the financial statements were available to be issued, and determined that the Plan did not have any subsequent events requiring adjustment to the financial statements or disclosure in the notes to the financial statements, except as disclosed in Note I to the financial statements.

CHILD AND FAMILY SERVICE 401(k) PLAN

**SUPPLEMENTAL SCHEDULE – FORM 5500, SCHEDULE H, LINE 4a –
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS –
MODIFIED CASH BASIS**

For the Year Ended December 31, 2022

Form 5500, Schedule H, line 4a – Schedule of Delinquent Participant Contributions

Participant Contributions Transferred Late to Plan	<u>Total that Constitute Nonexempt Prohibited Transactions</u>			Total Fully Corrected Under VFCP and PTE 2002-51
	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside VFCP</u>	<u>Contribuiutions Pending Correction in VFCP</u>	
\$31,351	\$31,351	NONE	NONE	NONE

Plan Number 004

Employer Identification Number 99-0073483

CHILD AND FAMILY SERVICE 401(k) PLAN

**SUPPLEMENTAL SCHEDULE – FORM 5500, SCHEDULE H, LINE 4i –
SCHEDULE OF ASSETS (HELD AT END OF YEAR) –
MODIFIED CASH BASIS
(Certified by Qualified Institution)**

As of December 31, 2022

Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

(a)	(b)	(c)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current Value
<u>Participant Loans</u>			
*	Participant loans	Terms: interest at 4.25% - 6.50%; Maturities from July 2023 to May 2027	\$ 79,996
<u>Registered Investment Companies</u>			
	The Vanguard Group, Inc.	Vanguard Target Retirement 2040 Inv	1,335,245
	The Vanguard Group, Inc.	Vanguard Target Retirement 2045 Inv	996,822
	The Vanguard Group, Inc.	Vanguard Target Retirement 2025 Inv	904,977
	The Vanguard Group, Inc.	Vanguard Target Retirement 2035 Inv	810,728
	The Vanguard Group, Inc.	Vanguard Target Retirement 2030 Inv	668,335
	The Vanguard Group, Inc.	Vanguard Target Retirement 2050 Inv	547,599
	The Vanguard Group, Inc.	Vanguard Federal Money Market Adm	546,261
	The Vanguard Group, Inc.	Vanguard Target Retirement 2055 Inv	521,576
	The Vanguard Group, Inc.	Vanguard Target Retirement Income Inv	469,916
	The Vanguard Group, Inc.	Vanguard Target Retirement 2020 Inv	413,197
	The Vanguard Group, Inc.	Vanguard 500 Index Admiral	346,588
	The Vanguard Group, Inc.	Vanguard Mid Cap Index Adm	294,289
	The Vanguard Group, Inc.	Vanguard Total Intl Stock Index Admiral	158,916
	The Vanguard Group, Inc.	Vanguard Total Bond Market Index Adm	137,674
	The Vanguard Group, Inc.	Vanguard Small Cap Index Adm	125,871
	The Vanguard Group, Inc.	Vanguard Short-term Bond Index Adm	57,627
	Total registered investment companies		<u>8,335,621</u>
	Total assets held for investment purposes at year-end		<u><u>\$8,415,617</u></u>

*** In column (a), if applicable, denotes party-in-interest to the Plan.**

**Plan Number 004
Employer Identification Number 99-0073483**