

II. BUSINESS ITEMS



ASSOCIATION OF HAWAIIAN EVANGELICAL CHURCHES

‘Aha Nā Kai ‘Ewalu 2024

June 13, 2024

BUSINESS AGENDA

Opening Pule: Papa Makua

W. Davis

A. Call to Order

B. Welsh

B. Roll Call - Declare Quorum

L. Kamanu

C. Review and Approve Agenda

B. Welsh

BUSINESS ITEMS:

D. Approve Minutes:

L. Kamanu

- ACTION:

E. Finance Report:

K. Carmelo

- Treasurer's Report

- ACTION:

F. Old / Unfinished Business

-

-

G. New Business

-HCUCC Budget Amendment on Papa Makua support B. Welsh

-

REPORTS:

H. Leadership Reports

Luna Ho'omalua

B. Welsh

Papa Makua

W Davis

Luna Ho'omalua Hope

A. Rosa

Associate Conference Minister

J. Roach

I. Special Committee Reports

Ho'ola I Ka Aina

R. Fujioshi

Ho'okolokolo Committee

W. Davis

Ho'olala Committee

A. Dahlburg

J. Committee Reports

COM (Committee on Ministry)

S. Masilamoney

Program "Nā Lima Hō'ike 'E"

K. Arinaga

Scholarship

M. Warren

Hua Mua Endowment

A. Paleka

Nominations

K. Welsh

Bylaws

Inactive

K. Reports: Island Representatives

O'ahu

Kaua'i

Moloka'i

East Maui

West Maui

East Hawai'i

West Hawai'i

M. Abang

K. Arinaga

J. Costa

K. Ross

A. Warren

M. Kaupiko

L. Partnership Ministries

State Sunday School Association

Pacific Island Asian American Ministries - Hawai'i

Pacific Justice and Reconciliation Center

Kamehameha Schools

Christian Endeavor - Hawai'i

Aloha Ke Akua Ministries

The Henry Maunakea Center for Discernment
and Church Development

A. Mercado

R. Mau

K. Patterson

B. Boshard

M. Warren

D. Kikawa

T. Maunakea

M. Announcements:

N. Adjournment / Closing Pule

UPDATED: AHEC CALENDAR OF MEETINGS 2024

May 4, 2024 – Board of Directors Meeting – 9:00am

May 27, 2024 – Executive Meeting – 6:30pm

June 13, 2024 – Aha Na Kai Ewalu at Kawaiaha'o Church – 8:00am - 3:00pm

August 12, 2024 – Executive Meeting – 6:30pm

August 24, 2024 – Board of Directors Meeting – 9:00am

September 23, 2024 – Executive Meeting – 6:30pm

October 11-12, 2024 – Fall Aha Halawai – Location TBD

November 18, 2024 - Executive Meeting – 6:30pm

December 7, 2024 – Board of Directors Meeting – 9:00am

ASSOCIATION OF HAWAIIAN EVANGELICAL CHURCHES



2024 Spring `Aha Halawai

Kalapana Maunakea Church, Pahoa, HI

February 16-17, 2024

Minutes

Start: 11:36 am - 4:00 pm

Opening Pule: Papa Makua

A. Call to Order

B. Roll Call - Quorum Established- 16 Churches

W. Davis

B. Welsh

L. Kamanu

Churches Present: Ewa Community Church, Haili Congregational Church, Hau‘ula Kahuku Church, Kaahumanu Church, Kalanikahua Hou Church, Kalapana Maunakea Church, Kalihi and Moanalua Church, Kawaiaha‘o Church, Keolahou Cong'l Hawaiian Church, Kona Lanakila Church, Ko‘olau Hui‘ia Protestant Church, Laupahoehoe Cong'l Church, Lili'uokalani Protestant Church, Ola'a 1st Hawaiian Church, Paia Hawaiian Protestant Church, and Waiola Church.

Churches Absent: Bishop Memorial Chapel, Hau'oli Kamana'o Church, Helani Cong'l Church, Ka Hana O Ke Akua Church, Kahikuonalani UCC, Kaulanapueo Cong'l Church, Lahuiokalani Kā'anapali Cong'l Church, Olowalu Lanakila Hawaiian Church, and Waihe'e Protestant Church.

Partnerships Present: Christian Endeavor Hawaii, HI PAAM, Aloha Ke Akua Ministries, State Sunday School Association, and Henery Maunakea Center for Discernment and Church.

Partnerships Absent: Kamehameha Schools, and Pacific Justice and Reconciliation.

C. Review and Approve Agenda

B. Welsh

Action: 1. 2024 SpringAH - Motion: to approve Agenda: Motion M. Warren /S-J. Costa Motion Carried

BUSINESS ITEMS:

D. Approve Minutes:

L. Kamanu

Action: 2. 2024 SpringAH - Motion to accept minutes with corrections. M: B. Galuteria /S: H. Fernandez [Galuteria sp. J j pg 1] Motion Carried

E. Finance Report:

K. Carmelo

- Treasurer's Report

Action: 3. 2024 SpringAH - Motion to accept the financial report Motion: N. Kamae-Kaaihue /S: C. Akimseu Carried

Discussion about establishing a timeline for Hua Mua funds. SOP will be shared at the next Halawai so that we all can understand the timeline and budget rationale for funding PM salary.

Action: 2. 2024 SpringAH - Motion to increase the membership dues to \$5.00 per member to begin for fiscal year 7/1/24 Motion: J. Jenks/ S:B. Welsh Motion carried

F. Old / Unfinished Business:

- a) Update: PCC Gathering New Caledonia (Nov.)
Shared a video

M. Warren – R. Mau

- b) Update: Aloha Ke Akua Ministry W. Davis
31 years old at this time. Kahu Daniel Kikawa was introduced and shared about his ministry and vision to support and sustain our Hawaiian Culture.
- c) Update: Henry Maunakea Center for Discernment W. Davis
Trevor Maunakea shared about his non-profit organization: Henry Maunakea Center for Discernment and Church Development. His Kahu training program provides courses, mentors, program connects to a called pastor to a path of accreditation, plants new churches in needy area, and establishes and empowers a Hawaiian church network. Shared birth and vision of his organization.
- d) Associate Conference Minister - Oral report given J. Roach
Online Virtual - Faithful Resilience Retiree Resource shared

G. New Business:

- a) Discussion regarding the date for 6/7/24 for Na Kai Ewalu on the weekend before the Aha Makua. ACM Jonathan Roach helped in planning for Na Kai Ewalu date.

Discussion:

- 6/13- Thurs morning - afternoon hold Na Kai Ewalu -3:00pm-4:00pm – State Sunday School and State Christian Endeavor Annual Meetings.
- 6/13- Registration for Aha Makua open speak out forum rules - dinner and opening service “Taste of Honolulu”
- 6/14 – 7:30 Breakfast 9:00 State of the conference; 12:00 lunch workshops 2:30 budget review
- 15 - Sat Morn business meeting voting

REPORTS:

H. Leadership Reports:

- a) Luna Ho'omalulu Report on file B. Welsh
- b) Papa Makua Report on file W Davis
- Thompson assigned PM to sit on the Council of Churches in representation of Hawaii World Council seat to serve Hawaii.
 - Suggestion - Churches lift an offering each month for retired Kahu
- c) Luna Ho'omalulu Hope A. Rosa

I. Special Committee Reports:

- a) Ho'ola I Ka Aina Report on file R. Fujioshi
- b) Ho'okolokolo Committee Report on file W. Davis
- c) Ho'olala Committee Report on file S. Masilamoney
They need help for growth and be on the wa'a...where does the waa go?

J. Committee Reports:

- a) COM (Committee on Ministry) S. Masilamoney
West COM is going out- Kahu Wayne Higa - -looking for nominations
- b) Program “Nā Lima Hō'ike 'E" Report on file K. Arinaga
Updating this weekend: received eight applications and rewarded all. Total of \$9,967.00 was awarded. The body consensus is for Kalei to continue.
- c) Scholarship Oral Report M. Warren

The balance in the Scholarship Fund is \$11,000.00

- d) Hua Mua Endowment Report on file A. Paleka
Suggestion: AHEC churches to make a request for a re-vote on the financial support of the PM at the Aha Makua. Propose to revisit the decision to support our Papa Makua
- e) Nominations Report on file K. Welsh
- f) Bylaws Inactive

K. Reports: Island Representatives:

- a) O‘ahu Report on file M. Abang
- b) Kaua‘i Report on file K. Arinaga
- c) Moloka‘i
- d) East Maui J. Costa
- e) West Maui Report sent via email K. Ross
- f) East Hawai‘i Report on file A. Warren
- g) West Hawai‘i Report on file M. Kaupiko

L. Partnership Reports:

- a) State Sunday School Association Report on file A. Mercado
- b) Pacific Island Asian American Ministries - Hawai‘i Report
Report on file R. Mau
- c) Pacific Justice and Reconciliation Center Report on file K. Patterson
- d) Kamehameha Schools No report B. Boshard
- e) Christian Endeavor - Hawai‘i Report on file M. Warren

M. Announcements: June 8 – Kamehameha Floral Parade in Honolulu

N. Adjournment / Closing Pule

UPDATED: AHEC CALENDAR OF MEETINGS 2024

- FEB 14-15 – `Aha O Nā Kahu- Kūhio Chapel (Hilo)
- FEB 16-17 – Spring Halawai- Kalapana Maunakea Ch.
- APR 29 – Exec Mtg
- MAY 4 – Board of Directors
- MAY 27 – Exec Mtg
- JUNE 13 – `Aha Nā Kai `Ewalu (Annual Meeting)
- AUG 12 – Exec Mtg
- AUG 24 – Board of Directors
- OCT – Fall Halawai – Location TBD
- DEC 7 – Board of Directors

Respectfully Submitted,



Loke Kamanu
Kākau `Ōlelo, AHEC
Association of Hawaiian Evangelical Churches
66 Kukila Street Hilo HI 96720
Cell: (808) 896-4633



Association of Hawaiian Evangelical Churches
Aha Na Kai Ewalu
June 13, 2024

Deuteronomy 8:18 “It is God who gives you the ability to produce wealth”

Finance Committee: Sam Masilamoney (Kona Lanakila Church) & Russel Paio (Laupahoehoe Congregational Church)

Aloha Pumehana,

Pu’uku Reports included

1. Balance Sheet
2. Budget vs Actual Funding (Summary)
3. Generations Investment Services- January 01, 2024, to March 31, 2024
4. AHEC Budget for Fiscal Year 2024-2025
5. Redress Policy Statement
6. Hua Mua Standard Operating Procedures

Balance Sheet highlights Total Assets \$2,904,329.46

Budget vs Actual

#4100 Membership Dues \$2,404.00 (28 Member Churches 17 Paid 10 Unpaid 1 Inactive) Please check with Pu’uku regarding payment clarifications.

#4600.1 & 6400.2 Fall Halawai:

Income \$4,049.85 minus Expense \$3,991.58 (+\$58.27)

#4600.2 & #6400.4 Spring Halawai:

Income \$2,952.91 minus Expense \$4,482.68 (-\$1,529.77) *King Kamehameha Parade

#6460.1 Na Lima Hoike Pending Grants of -\$8,553.00 Balance \$8,600.00 (May & June)

#6670.1 Papa Makua Fund \$4,887.93 (New York & American Samoa Trips not included)

#6700 Pacific Conference of Churches \$1,322.07 (minus \$1,040.00 wired membership fee)

Investments

Many concerns and comments have been brought to my attention regarding AHEC’s investments. Some claims was made that we transferred three million dollars, some claim we did this as a “statement against” the Hawaii Foundation, another claiming we

moved the investment into the United Church Fund, etc. As the Associations Pu'uku let me address some concerns. Firstly, it is the Executive Committees due diligent is to the Membership Churches of the Association, the Standard Operating Procedures, and the Bylaws regarding all transactions of the Association.

History of the Redress Fund: AHEC was formed 1994 and the Redress was given to the Association in 1996 following the Apology by President Sherry of the United Church of Christ. The National Redress was given by both Board of Homeland Ministries \$500,000.00 and Board of World Ministry gave \$750,000.00 this money was awarded to the newly formed Pu'a Foundation (\$1.25 Million). The Hawaii Redress money was given by the Hawaii Conference \$1.5 Million to the Hawaiian Churches in existence at the time of the Overthrow in 1893. They gave \$1.0 Million to the Association of Hawaiian Evangelical Churches and another \$1.0 Million along with \$1,096,220.00 worth of land on Oahu, Hawaii, Maui, Molokai, and Kauai to the Pu'a Foundation total received \$3.25 Million (Money/Land). Total Redress was \$5,750,000.00 The Hawaii Conference held the AHEC Redress Fund in an investment pool along with other donors.

AHEC Investment

1996: \$1,000,000

2017: \$1,617,366.43 (21-year increase to investments approximately \$30,000 per year gains)

2017-2023: \$2,251,674.85 (6-year growth of \$634,308.42 approximately \$105,718.07 per year gains). What took 21 years to gain took 6 years after diligently watching its progress.

The investment gains from only Generations Services in 2023 was \$270,963.82 & Hua Mua \$50,101.71 Total generated \$3,21,065.53 half of what we made the last 6 years.

January-March 2024 gains Redress \$103,389.41 & Hua Mua \$16,285.31 Total for first quarter three-month period \$119,674.72 (Making in a year prior now gaining in three months).

Generations Investment Services (Pension Board of UCC)

*Please see statements attached.

AHEC Budget for fiscal Year 2024-2025

Motion from Committee to approve budget submitted.

Mahalo nui,



Kerisa Carmelo, AHEC Pu'uku

Association of Hawaiian Evangelical Churches
Balance Sheet
As of March 31, 2024

	31-Mar-24
ASSETS	
Current Assets	
Checking/Savings	
1000 · Bank of Hawaii Checking	
1000.1 · BOH Checking - General	46,546.48
1000.2 · BOH Checking - Program Fund	16,277.03
1000.3 · BOH Checking - Scholarship Fund	12,449.48
1000.4 · BOH Checking - PM Fund (HCUCC)	6,000.00
Total 1000 · Bank of Hawaii Checking	81,272.99
1001 · Petty Cash	19.47
Total	81,292.46
Other Current Assets	
1210 · GIS - Redress Funds (1)	1,115,989.30
12100 · Inventory Asset	795.37
1215 · GIS - Redress Funds (2)	1,239,074.96
1220 · GIS - Hua Mua	467,177.37
Total Other Current Assets	2,823,037.00
Total Current Assets	2,904,329.46
 TOTAL ASSETS	 2,904,329.46

Association of Hawaiian Evangelical Churches Budget vs. Actual Operating Fund (Summary)

July 2023 through March 2024

	Jul 23 - Mar 24	FY 2023-2024 Budget	Variance
Income			
4100 · AHEC Membership Dues	2,404.00	3,000.00	-596.00
4200 · Contributions - Hua Mua Fund	558.48	0.00	558.48
4210 · Offerings			
4210.1 · Offerings - Scholarship	646.50	400.00	246.50
4210.2 · Offerings - General	866.00	1,000.00	-134.00
Total	4,474.98	4,400.00	74.98
4300 · AHEC Endowment Fund			
4300 · Redress Fund Draw- Progam	0.00	40,000.00	-40,000.00
4300.1 · AHEC Redress Fund Draw- AHEC	0.00	15,000.00	-15,000.00
Total	0.00	55,000.00	-55,000.00
4500 · William Crisp Fund Distribution	1,891.58	1,700.00	191.58
4600 · Aha Registration			
4600.1 · Aha Registration - Fall	4,049.85	3,000.00	1,049.85
4600.2 · Aha Registration - Spring	2,952.91	3,000.00	-47.09
4600.3 · Aha Registration - Aha Iki	0.00	3,000.00	-3,000.00
4600.4 · Aha O Na Kahu Registration	525.00	0.00	525.00
Total	9,419.34	10,700.00	-1,280.66
4650 · Miscellaneous Income			
4650.2 · Reserve From Prior Year	0.00	17,000.00	-17,000.00
Total	0.00	17,000.00	-17,000.00
4750 · Interest Income	17.16	20.00	-2.84
4900 · HCUCF Fund (PM)	0.00	24,000.00	-24,000.00
Total Income	13,911.48	111,120.00	-97,208.52
Gross Profit	13,911.48	111,120.00	-97,208.52
Expense			
6040 · Bank Service Charges	30.00	50.00	-20.00
6140 · Charitable Contributions	0.00	900.00	-900.00
6180 · Boards & Committees			
6180.1 · Board of Directors	0.00	1,000.00	-1,000.00
6180.2 · Executive Board	1,560.36	3,600.00	-2,039.64
6180.3 · Church & Ministry	1,258.09	3,000.00	-1,741.91
6180.4 · Program Committee	112.72	500.00	-387.28
6180.5 · Nominations Committee	0.00	120.00	-120.00
6180.6 · Constitution & By Laws Comm.	0.00	100.00	-100.00
6180.9 · Finance Committee	0.00	100.00	-100.00
618010 · Hua Mua Committee	0.00	150.00	-150.00
618014 · Research Committee	0.00	2,000.00	-2,000.00
618015 · Ho'okolokolo Komeki Committee	912.90	2,500.00	-1,587.10
618016 · Hoolala Committee	0.00	2,000.00	-2,000.00
Total	3,874.07	16,020.00	-12,145.93

Association of Hawaiian Evangelical Churches
Budget vs. Actual Operating Fund (Summary)
 July 2023 through March 2024

	<u>Jul 23 - Mar 24</u>	<u>FY 2023-2024 Budget</u>	<u>Variance</u>
6400 · Association Meetings			
6400.1 · Aha Planning	0.00	300.00	-300.00
6400.2 · Aha Halawai Fall	3,991.58	3,000.00	991.58
6400.3 · Aha Iki	24.00	3,000.00	-2,976.00
6400.4 · Aha Halawai Spring	4,482.68	3,000.00	1,482.68
Total	8,498.26	9,300.00	-801.74
6460 · Programs, Grants, Scholarships			
6460.1 · Na Lima Hoike "E"	22,846.97	40,000.00	-17,153.03
6460.2 · Scholarships	0.00	400.00	-400.00
6460.3 · Papa Makua Monthly (HCUC)	18,000.00	24,000.00	-6,000.00
Total	40,846.97	64,400.00	-23,553.03
6470 · Miscellaneous - Investment Fees			
6470.1 · Miscellaneous - Others	0.00	200.00	-200.00
Total	0.00	200.00	-200.00
6600 · Programs			
6600.1 · Aha O Na Kahu	1,000.00	1,000.00	0.00
Total	1,000.00	1,000.00	0.00
6650 · Postage, Material & Supp, Print	1,295.24	2,200.00	-904.76
Total	1,295.24	2,200.00	-904.76
6670 · Professional Fees			
6670 · Professional Fees - Other	0.00	500.00	-500.00
6670.1 · Papa Makua Supplement Fund	4,887.77	12,000.00	-7,112.23
Total	4,887.77	12,500.00	-7,612.23
6700 · Pacific Conference of Churches	4,177.93	5,500.00	-1,322.07
Total	4,177.93	5,500.00	-1,322.07
Total Expense	64,580.24	111,120.00	-46,539.76
Net Income	-50,668.76	0.00	-50,668.76



Generations Investment Services, Inc.

An affiliate of the Pension Boards UCC

Account Statement for The Association of Hawaiian Evangelical Churches of the Hawaii Conference

Redress Fund

January 1, 2024 to March 31, 2024

Account Summary

Beginning Balance	\$	1,067,102.68
Receipts and disbursements		
Cash receipts		-
Cash disbursements		-
Service fee		-
Earnings		
Realized gains(losses)		-
Unrealized gains(losses)		48,886.62
Ending Balance	\$	<u>1,115,989.30</u>

Investment Holdings

Funds		
Money Market Fund	\$	107,849.26
Equity Fund		680,226.14
Bond Fund		<u>327,913.90</u>
Total Investment Holdings	\$	<u>1,115,989.30</u>

Transactions

Purchases

No transactions

Sales

No transactions

Bond Fund

Generations Investment Services, Inc.

475 Riverside Drive

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New York, NY 10115

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Email: info@genserv.org



Generations Investment Services, Inc.

An affiliate of the Pension Boards UCC

Account Statement for The Association of Hawaiian Evangelical Churches of the Hawaii Conference

Redress Fund (2)

January 1, 2024 to March 31, 2024

Account Summary

Beginning Balance	\$	1,184,572.17
Receipts and disbursements		
Cash receipts		-
Cash disbursements		-
Service fee		-
Earnings		
Realized gains(losses)		-
Unrealized gains(losses)		54,502.79
Ending Balance	\$	<u>1,239,074.96</u>

Investment Holdings

Funds		
Money Market Fund	\$	344.15
Equity Fund		785,494.29
Bond Fund		453,236.52
Total Investment Holdings	\$	<u>1,239,074.96</u>

Transactions

Purchases
No Transactions

Sales
No Transactions

Generations Investment Services, Inc.
475 Riverside Drive
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New York, NY 10115

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Account Statement for The Association of Hawaiian Evangelical Churches of the Hawaii Conference

Hua Mua Fund

January 1, 2024 to March 31, 2024

Account Summary

Beginning Balance	\$	450,892.06
Receipts and disbursements		
Cash receipts		-
Cash disbursements		-
Service fee		-
Earnings		
Realized gains(losses)		-
Unrealized gains(losses)		16,285.31
Ending Balance	\$	<u>467,177.37</u>

Investment Holdings

Funds		
Money Market Fund	\$	134,266.25
Equity Fund		210,492.35
Bond Fund		<u>122,418.77</u>
Total Investment Holdings	\$	<u>467,177.37</u>

Transactions

Purchases

No transactions

Sales

No transactions

Generations Investment Services, Inc.
475 Riverside Drive
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AHEC PROPOSED BUDGET FOR FISCAL YEAR 2024-2025

Income		FY 2023-2024	FY 2024-2025
4100	AHEC Membership Dues	\$ 3,000.00	\$ 3,000.00
4210.1	Offerings - Scholarships	\$ 400.00	\$ 400.00
4210.2	Offerings - General	\$ 1,000.00	\$ 1,000.00
42200	Hua Mua Fund Draw	\$ -	\$ -
4300	Redress Fund Draw: Program	\$ 40,000.00	\$ 50,000.00
4300.1	Redress Fund Draw: AHEC	\$ 15,000.00	\$ 50,000.00
4500	William Crisp Fund Distribution	\$ 1,700.00	\$ 1,700.00
4600.1	Aha Registration- Fall	\$ 3,000.00	\$ 3,000.00
4600.2	Aha Registration- Spring	\$ 3,000.00	\$ 3,000.00
4600.3	Aha Registration- Iki	\$ 3,000.00	\$ 3,000.00
4900	HCUCC Fund PM	\$ 24,000.00	\$ -
4650.2	Reserve from prior year	\$ 17,000.00	\$ 4,000.00
4750	Interest Income	\$ 20.00	\$ 20.00
TOTAL		\$ 111,120.00	\$ 119,120.00
<hr/>			
Expense		FY 2023-2024	FY 2024-2025
6040	Bank Service Charges	\$ 50.00	\$ 50.00
6140	Charitable Contributions	\$ 900.00	\$ 1,000.00
6180.1	Board of Directors	\$ 1,000.00	\$ 1,000.00
6180.2	Executive Board	\$ 3,600.00	\$ 3,600.00
6180.3	Committee on Ministry	\$ 3,000.00	\$ 3,000.00
6180.4	Program Committee	\$ 500.00	\$ 300.00
6180.5	Nomination Committee	\$ 120.00	\$ 120.00
6180.6	Constituion & Bylaws Committee	\$ 100.00	\$ 100.00
6180.8	General Synod	\$ -	\$ -
6180.9	Finance Committee	\$ 100.00	\$ 100.00
6180.10	Hua Mua Committee	\$ 150.00	\$ 150.00
6180.14	Hoola I Ka Aina	\$ 2,000.00	\$ 2,000.00
6180.15	Hookolokolo Committee	\$ 2,500.00	\$ 1,000.00
6180.16	Hoolala	\$ 2,000.00	\$ 2,000.00
6400.1	Aha Planning	\$ 300.00	\$ 300.00
6400.2	Aha Halawai Fall	\$ 3,000.00	\$ 4,000.00
6400.3	Aha Iki	\$ 3,000.00	\$ 3,500.00
6400.4	Aha Halawai Spring	\$ 3,000.00	\$ 3,500.00
6460.1	Na Lima Hoike E Program	\$ 40,000.00	\$ 50,000.00
6460.2	Scholarship	\$ 400.00	\$ 400.00
6470.1	Miscellaneous- Others	\$ 200.00	\$ 300.00
6600.1	Aha O Na Kahu	\$ 1,000.00	\$ 1,200.00
6650	Postage, Material & Supplies, Printing and	\$ 2,200.00	\$ 2,000.00
6670	Professiononal Fees-Others	\$ 500.00	\$ 500.00
6700	Pacific Conf of Churches	\$ 5,500.00	\$ 3,000.00
6670.1	Papa Makua Supplement Fund	\$ 12,000.00	\$ 12,000.00
6670.2	Papa Makua Monthly	\$ 24,000.00	\$ 24,000.00
TOTAL EXPENSE		\$ 111,120.00	\$ 119,120.00

Association of Hawaiian Evangelical Churches

Endowment Policy Statement

Introduction

- A. The Association of Hawaiian Evangelical Churches (“AHEC”), in accordance with our mission and/or vision statements for the long-term growth, mission, and ministry of our churches, has developed this Endowment Policy Statement (“EPS”) to guide our management of the Endowment/Redress and Hua Mua funds (“Fund”) with regard to the Fund’s spending policy, investment management, and gift acceptance procedures in accordance with generally recognized accounting and management practices for non-profit organizations, including but not limited to, the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and other applicable state and federal laws and guidelines.
- B. Policies set forth in this document are intended to be used as guidelines regarding the general management of the Fund, consistent with the long-term and short-term objectives of the Fund while providing sufficient flexibility to meet changing market conditions or changes to the overall objectives of the Fund.

A. AHEC Mission Statement:

This Association, as part of the Hawai‘i Conference, United Church of Christ, believe and affirm as its faith and mission:

- To declare that God the Father, the Son and the Holy Spirit, as revealed in the Bible, shall be central in all of the functions of the Churches in this Association.
- To proclaim the Realm of God through *aloha* and *lōkahi* of the Spirit working within us, so that we may develop a growing ‘ohana that is both sensitive to the needs of others and to our own faith, heritage and feelings.
- To serve and strengthen our churches so we may have a strong voice to make a difference as advocates in word and deed for the needs of our communities and the world.
- To nurture and develop our youth to serve in the leadership and ministry of our churches.
- To train, support and nurture the lay and pastoral leadership within our churches.
- To share God’s aloha made known to us in Jesus Christ through the weaving of our Hawaiian heritage and Christian faith within our churches and communities and the world in which we live.

B. AHEC Investment Committee Mission Statement

To support AHEC’s mission by providing guidance and oversight regarding the investment of AHEC assets and provide predictable distributions to fund current activities and preserve, protect and increase where possible the long-term purchasing power of the Fund with the goal of financial independence.

Governance Policy

- A. The AHEC Investment Committee (“**Committee**”) acts in a fiduciary capacity as an Investment Steward for the overall management of the Fund, including spending guidelines, investment management, and gift acceptance procedures.
- B. The Committee is accountable to the AHEC Budget & Finance Committee and is required to submit reports to the governing body as necessary concerning the activities of the Committee, gifts and distributions, and performance of the Fund.
- C. The Committee will be made up of volunteers from within the Church who perform their duties prudently, and solely for the benefit of the Fund in accordance with the UPMIFA. Any conflicts of interest by an Investment Steward or other party should be avoided when possible, and always when required by law. Conflicts should be immediately disclosed to the Committee in writing.
- D. The Committee requires each service provider to provide a written disclosure of services to be provided which includes details on compensation. These agreements will be reviewed annually to ensure consistency with the objectives of the Committee.
- E. Changes to any part of the EPS may be made by written recommendation of the Committee to the governing body, and voted upon as required by AHEC’s constitution, bylaws, or other governing document.

Gift Acceptance Policy

The Fund will accept a variety of types of gifts which shall be utilized for the benefit of AHEC, and managed in accordance with the distribution and investment policies set forth in this document. A copy of this EPS will be given to each prospective donor to educate the donor on the policy guidelines. While the Committee will work with all parties to accept all gifts, the Committee reserves the right to reject a gift that is deemed not to be in the long-term best interests of AHEC.

- A. Donor-Specified Purpose - If a gift is given with the donor-specified intent to be used to fund a specific ministry or use, the Committee will honor the request of the donor and manage the gift based upon the guidelines put forth in this document. If a gift is given without a donor-specified purpose, those funds will be deemed to be un-restricted, and therefore the Committee and the governing body will determine the use of funds as required or dictated by the needs of AHEC.
- B. Gift of Stock, Bonds, or Financial Instruments – A gift of stock, bonds, mutual funds, or other security, whether in certificate or book form, will be liquidated within 180 days from receipt by AHEC or Fund. After liquidation, the proceeds from the sale of the security will be invested based upon the guidelines in the Investment Policy herein.
- C. Gift of Real Estate or Ill-Liquid Assets – A gift of real estate or like ill-liquid asset will be liquidated in a suitable timeframe based on market conditions. Upon liquidation, the proceeds from the sale of the real estate or like asset will be invested based upon the

guidelines in the Investment Policy herein. If AHEC determines that the sale of the asset is not in its long-term interests, the Committee will not be required to manage the asset or act in a fiduciary capacity regarding the asset.

Investment Policy

The objective of the investment policy of the Fund is to preserve the long-term real purchasing power of the net assets of the Fund, while allowing for predictable distributions in support of AHEC's mission and ministry. The invested assets of the Fund will be managed solely for the benefit of the Fund and AHEC, and will be administered by prudent professionals as outlined by the UPMIFA.

- A. Asset Allocation Strategy – The Committee seeks to invest the assets of the Fund to achieve returns consistent with the investment objectives, risk tolerance, and time horizon of the Fund. As such, an Investment Manager may invest assets over a diversified portfolio of asset classes with varying degrees of historical risk and correlation attributes. Any asset class selected for investment must include an appropriate process and tools for selection and monitoring of the asset class over time.
- B. Definition of Asset Classes – The Fund may include equities, including both domestic and international, as well as fixed income securities. Investments in cash or cash equivalent instruments will be utilized only in the short term or as temporary holdings. If the portfolio holds any assets which do not fall into the broad categories of equities, fixed income, or cash instruments, these assets will be considered alternative investments.
- C. Allocation Flexibility – To the extent that a target allocation summarizes the risk/return profile of the Fund, the Committee understands that shorter-term changes in market conditions may dictate short-term target allocations. Therefore, the Committee recognizes that the Investment Manager may deviate from a target allocation from time to time, which will require re-balancing to remain consistent with the investment objectives of the Fund.
- D. Return Objectives – The expected return objectives for the portfolio should be consistent with the distribution guidelines as defined in this document, in addition to other factors such as Fund expenses and inflation as generally defined, to protect the long-term real purchasing power of the Fund.
- E. Socially Responsible Investment (SRI) Strategy – In covenant with AHEC and the broader Christian community, the Committee recognizes its role in promoting an investment strategy that is consistent with the values of AHEC. Therefore, the Investment Manager is required to employ SRI strategies that includes both screens and active engagement.
- F. Manager Selection – The Committee will select a manager(s) for day to day portfolio management of the Fund, in alignment with the obligations of care. This manager will be selected after substantial due diligence is performed regarding the general capabilities and experience, investment strategy, historical performance, and fees of the manager, among other attributes. No contract will be signed by AHEC with respect to the services of the

manager, and AHEC reserves the right to terminate its relationship with a manager at will.

G. **Manager Reports** – The manager is required to send quarterly reports on performance and strategy in a timely manner to the Committee. The Committee will review the reports, and if necessary, contact the manager for clarification or further discussion. Performance reports from the manager will include performance of holdings against a comparable allocation benchmark, peer groups, and/or investment policy statement objectives.

H. **Manager Review** – In the absence of gross negligence or significant change in services, the Committee will review the performance and strategy of the Manager on a three-year basis, which will include both quantitative and qualitative measures. If the Committee decides to terminate its relationship with the Manager, it will make a written recommendation to the governing body and if approved, act on its termination request within 180 days, during which diligence will be performed to find a new Manager.

Spending Policy

AHEC’s spending policy is developed to meet several objectives, namely to:

- (a) Provide a current source of funding for Administrative expenses
- (b) Provide a source of funding for the 5E programs
- (c) Provide year-to-year budget stability
- (d) Meet intergenerational needs by protecting the future purchasing power of the fund against the impact of inflation,
- (e) Enable the maximum amount of spending that can be maintained over the long term, and
- (f) Ensure that the stated wishes of donors are honored.

Each fiscal year, a stated payout percentage of 3% to 5% is calculated that, when applied to average market values, will result in actual payout dollars that meet the program objective. The combination of spendable income rate, anticipated expenses and allowance for inflation should not exceed expected returns.

Spending Objectives:

A. Generational Neutrality

The Fund is considered to be permanent, and its benefit to future generations should be equal to its benefit to the current generation. The key is that the amount spent annually should remain as close to constant as possible, when measured over time on an inflation-adjusted (“real”) return basis. Investments and spending are to be coordinated in a manner so that the Fund’s income will maintain its real purchasing power into the future.

B. Maximum Sustainable Spending

Income from an endowment is to be spent, not hoarded. Until income is spent, it achieves nothing to undertake the great commission given to us by Jesus Christ. It is AHEC's policy to use the earnings of the Fund, on generation-neutral basis, to help meet the needs of AHEC and fulfill its mission. As stated on page 4, Spending Policy, "each fiscal year, a stated payout percentage of 3% to 5% is calculated that, when applied to average market values, will result in actual payout dollars that meet the program objective. The combination of spendable income rate, anticipated expenses and allowance for inflation should not exceed expected returns."

C. Donor-Imposed Restrictions

Those who manage and spend endowment funds exercise those duties in a special position of trust and responsibility, both to the beneficiaries and to the donors. When the (organization) accepts endowment gifts that are restricted by the donor (either time restrictions or use restrictions), those restrictions will be honored to the extent permitted by law.

Spending Strategy:

A. Total Return

Funds available for distribution will be determined by using a total return principle, i.e., return derived from dividends and interest as well as realized and unrealized capital gains. The funds available for distribution during any one year may be limited to a minimum of 3%, not to exceed 5% of the market value of the corpus that is based on a 5 year rolling average, with corrective measures taken at the end of each of the preceding 12 to 20 quarters where necessary. The market value for this purpose will be taken net of the fees for investment management.

B. Any unexpended funds from those available for distribution in a given year will be accrued and will continue to be considered available for distribution in subsequent years unless otherwise designated by action of the Committee with the approval of the governing body. Expenses related to the management and administration of the Fund will be deducted from the funds available for distribution.

C. Honoring Donor-Imposed Restrictions

In order to monitor ongoing adherence to donor-imposed restrictions, AHEC is to periodically review endowment disbursements. This Policy recognizes that there may be cases where a restricted use becomes obsolete or over fulfilled, or becomes inconsistent with AHEC's needs or mission.

Note: A true endowment is established if a donor makes a gift and restricts it to an "Endowment" Fund, often defining its use. If the (organization) promotes its Endowment Fund

and receives gifts of any size for the Fund, those funds are equally restricted. If a purpose is announced and donors give to an Endowment Fund for a named purpose, the funds are restricted as to purpose as well. If the (organization) receives an unrestricted bequest that is placed in the Endowment Fund, or if the (governing board) decides to put excess funds into the Endowment, those funds remain unrestricted. This part of the Endowment Fund can be spent down by the (governing board) within the established distribution rules. This is considered a “quasi” or unrestricted endowment.

Association of Hawaiian Evangelical Churches (AHEC)

Hua Mua Standard Operating Procedures

A. THEOLOGICAL FOUNDATION

Deuteronomy 26:1-11 First Fruits and Tithes

26 When you have entered the land the Lord your God is giving you as an inheritance and have taken possession of it and settled in it, ²take some of the First Fruits of all that you produce from the soil of the land the Lord your God is giving you and put them in a basket. Then go to the place the Lord your God will choose as a dwelling for his Name ³and say to the priest in office at the time, “I declare today to the Lord your God that I have come to the land the Lord swore to our ancestors to give us.” ⁴The priest shall take the basket from your hands and set it down in front of the altar of the Lord your God. ⁵Then you shall declare before the Lord your God: “My father was a wandering Aramean, and he went down into Egypt with a few people and lived there and became a great nation, powerful and numerous. ⁶But the Egyptians mistreated us and made us suffer, subjecting us to harsh labor. ⁷Then we cried out to the Lord, the God of our ancestors, and the Lord heard our voice and saw our misery, toil and oppression. ⁸So the Lord brought us out of Egypt with a mighty hand and an outstretched arm, with great terror and with signs and wonders. ⁹He brought us to this place and gave us this land, a land flowing with milk and honey; ¹⁰and now I bring the First Fruits of the soil that you, Lord, have given me.” Place the basket before the Lord your God and bow down before him. ¹¹Then you and the Levites and the foreigners residing among you shall rejoice in all the good things the Lord your God has given to you and your household.

B. PURPOSE: The Hua Mua policy is a tool to help AHEC comply with increasing federal and State government guidelines in operating nonprofit organizations. This policy is intended to help the church avoid conflicts by providing well written and understandable content based in biblical handling of the financial resources God has provided.

C. HISTORY

The late Kahu Tuck Wah Lee initiated a historical process that resulted in two resolutions on the right to self-governance of Native Hawaiians passed by the Aha Paeaina of the Hawaii Conference, United Church of Christ (HCUCC) and revised and passed by the General Synod of the United Church of Christ (UCC).

“The Right to Self-Governance of Native Hawaiians” was passed by the Hawaii Conference, United Church of Christ at the 168th Aha Pae`aina, June 13-17, 1990.¹ With the assistance of Rev. Norman Jackson, Conference Minister of the Hawaii Conference, on June 8, 1991, the resolution was rewritten, submitted and passed by the General Synod of the United Church of Christ titled, “Resolution: Self-Governance of Native Hawaiians.”² This resolution directed the President of the United Church of Christ to “apologize to the Hawaiian people for the complicity of the church in the overthrow.” Finally, the Hawaii Conference United Church of Christ initiated its Plan for Redress that was produced in 1996.³ This plan provided funds of \$1 million to the AHEC (5 Es fund) and funds to the native Hawaiian congregations that met continually from the time of the overthrow to the present.

In the fall of 1997, AHEC formed an endowment committee to build a permanent fund to become self-governing by first becoming self-reliant financially. The committee named itself the Hua Mua Fund after the Hawaiian words for “First Fruits.”

The Hua Mua Committee set itself an ambitious goal of raising \$1 million over the next five years. AHEC has not yet achieved that goal, but has raised more than one-fourth of \$1 million. As long as the investment continues to return a favorable interest and the earnings are reinvested into the corpus, the fund will grow.

We recommend that the funds not be used until we become financially self-reliant. Self-reliant meaning that our goal equals x amount of dollars, 5% of which equals Papa Makua’s salary, as being stage one. The final stage is that we pay for Papa Makua, staff, and expenses that cover our association. Until our goals are achieved, only in an emergency situation should the Hua Mua Fund be used.

Because our mission is to become self-governing and self-reliant, the Hua Mua Committee cannot accomplish this alone. It is the mission of the whole AHEC *ohana*.

¹ Included in this document as Appendix I: Resolution X: Recognizing the Right to Self-Governance of Native Hawaiians, 168th Aha Pae`aina, June 13-17, 1990.

² Included in this document as Appendix II: Resolution: Self-Governance of Native Hawaiians, General Synod, June 18, 1991.

³ Initial Plan for Redress of the Hawaii Conference United Church of Christ (HCUCC) to Na Kanaka Maoli (Revision 4/18/96)

In this regard, the Hua Mua Committee may bring recommendations to the AHEC body when it sees policies being put in place that work against this mission.

D. AHEC HUA MUA MISSION STATEMENT: The mission of the Hua Mua Fund is to ensure that the Association of Hawaiian Evangelical Churches is truly self-governing and financially self-reliant.

E. THE COMMITTEE

The Hua Mua Committee was voted a Standing Committee by the AHEC Board of Directors. The committee exists to achieve the mission as stated in the mission statement.

Committee Members:

1. Committee will be composed of five (5) members with terms of three (3) years that are staggered.
2. Committee shall consist of a Chairperson, Secretary, and Three (3) at large members.
3. The Papa Makua and Puuku are ex-officio members of the committee.
4. Members will be chosen using the criteria:
 - a. Commitment to the mission
 - b. Balancing geographic locations
 - c. Experience in fund raising
5. Committee will vote for its members and its officers (Chairperson and Secretary)
6. Members will serve until replaced.
7. The AHEC Nominations committee will assist in recruiting prospective Hua Mua Committee members.
8. Decision-making will be done by consensus. In the case where consensus cannot be reached, the committee will follow Roberts Rules of Order.
9. The committee will meet regularly in order to achieve its mission and submit a budget to the AHEC annually. Meetings can be done electronically.

F. FINANCIAL PLAN

1. Each church in the AHEC is requested to include a donation to the Hua Mua Fund in its annual budget.

[Some of our churches participate in the national UCC collections. These include: NIN (Neighbors in Need), OGHS (One Great Hour of Sharing), Strengthen the Church, Christmas Fund (for retired pastors), and OCWM (Our Church's Wider Mission). The conference gives certificates to churches that give to all five collections (5 for 5). AHEC will ask our churches to give 6 for 6, by including the Hua Mua collection for one Sunday a year. Each church will set its own Sunday on the calendar for this collection.]

2. Request the Papa Makua and the AHEC officers to lead in a campaign to invite every Hawaiian church to join the AHEC.

[If they join the AHEC, we have an opportunity to raise more money by approaching these churches.]

3. Hua Mua means First Fruits. In the Jewish calendar, every believer gave a First Fruits gift at harvest time, usually in July. The Hua Mua Committee needs to have a Fundraiser, maybe a dinner, once a year to celebrate this First Fruits event. We should thank people and congregations who have added the Hua Mua to their annual collection. This will also be an opportunity to bring a check for the fund.

4. The Hua Mua Committee should approach each of the foundations that were set up by missionary families and ask them to help the AHEC to become self-reliant. The committee will first begin with writing a letter of solicitation and an accompanying packet. The packet can include the resolutions in this appendix to study and other information about the AHEC. This letter then can be used with other foundations, like the Wilcox Foundation on Kauai. We can also ask the Women's Board of Missions.