

University of Hawai'i State of Hawai'i

**University of Hawai'i Hilo
Supplemental Information
June 30, 2016 and 2015**

Report of Independent Auditors on Supplemental Information

To the Board of Regents
University of Hawai'i

We have audited the consolidated financial statements of the University of Hawai'i ("University") as of and for the years ended June 30, 2016 and 2015 and our report thereon dated December 15, 2016, which expressed an unmodified opinion on those financial statements, which can be made readily available by the University upon request. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Supplemental schedules I through III ("supplemental schedules") are presented for purposes of additional analysis of the consolidated financial statements, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Acuity LLP

Honolulu, Hawai'i
December 15, 2016

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Statements of Net Position
June 30, 2016 and 2015
(All dollars reported in thousands)

Schedule I

	2016	2015
Assets and Deferred Outflows of Resources		
Current assets		
Claim on cash	\$ 18,729	\$ 33,266
Due from State of Hawai'i	11	13
Accounts receivable, net	4,651	4,149
Current portion of notes receivable, net	299	397
Accrued interest receivable	27	20
Prepaid expenses and other current assets	2,071	2,283
Total current assets	<u>25,788</u>	<u>40,128</u>
Noncurrent assets		
Due from State of Hawai'i	35,161	36,663
Endowment and other investments	6,482	1,553
Notes receivable, net	2,031	2,249
Capital assets, net	193,865	203,386
Total noncurrent assets	<u>237,539</u>	<u>243,851</u>
Total assets	263,327	283,979
Deferred outflows of resources		
Deferred loss on refunding	81	-
Total deferred outflows of resources	<u>81</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 263,408</u>	<u>\$ 283,979</u>
Liabilities and Net Position		
Current liabilities		
Accounts payable	\$ 1,192	\$ 1,097
Accrued payroll and fringe benefits	3,597	3,187
Advances from sponsors	5,660	5,615
Unearned revenue	3,200	3,014
Due to State of Hawai'i	1	35
Due to RCUH	1,385	1,854
Current portion of long-term liabilities	2,408	2,356
Other current liabilities	352	310
Total current liabilities	<u>17,795</u>	<u>17,468</u>
Noncurrent liabilities		
Accrued vacation	2,332	2,265
Accrued workers' compensation	829	705
Due to State of Hawai'i	-	21
Due to campuses and funds	1,217	1,370
Revenue bonds payable	27,462	23,132
Premium on bonds payable	107	-
Total noncurrent liabilities	<u>31,947</u>	<u>27,493</u>
Net position		
Net investment in capital assets	171,912	180,969
Restricted		
Nonexpendable	61	62
Expendable	38,299	40,310
Unrestricted	3,394	17,677
Total net position	<u>213,666</u>	<u>239,018</u>
Total liabilities and net position	<u>\$ 263,408</u>	<u>\$ 283,979</u>

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2016 and 2015
(All dollars reported in thousands)

Schedule II

	2016	2015
Operating revenues		
Student tuition and fees	\$ 39,705	\$ 39,262
Less: Scholarship allowances	13,104	13,293
Net student tuition and fees	26,601	25,969
Federal appropriations, grants and contracts	16,948	20,070
State and local grants and contracts	848	1,098
Nongovernmental sponsored programs	1,842	1,464
Sales and services of educational departments, other	1,206	1,207
Auxiliary enterprises		
Student housing (net of scholarship allowances of \$477 and \$404)	2,922	3,164
Other auxiliary enterprises revenues	3,453	3,232
Other operating revenues	92	103
Total operating revenues	<u>53,912</u>	<u>56,307</u>
Operating expenses		
Compensation and benefits	75,949	74,756
Supplies, services and cost of goods sold	12,617	16,097
Depreciation	10,995	11,017
Telephone and utilities	4,693	5,664
Scholarships and fellowships	3,004	3,420
Travel expenses	2,534	2,829
Repairs and maintenance	1,338	805
Other operating expenses	2,474	3,988
Total operating expenses	<u>113,604</u>	<u>118,576</u>
Operating loss	<u>(59,692)</u>	<u>(62,269)</u>
Nonoperating revenues (expenses)		
State appropriations	33,207	31,916
Federal Pell grants	7,051	7,460
Net investment income (loss)	(423)	184
Interest expense	(1,397)	(1,245)
Transfers from State of Hawai'i for fringe benefits	14,725	13,639
Loss on disposal of capital assets	(569)	(416)
Other, net	(17,756)	(70)
Net nonoperating revenues before capital and endowment additions	<u>34,838</u>	<u>51,468</u>
Capital – state appropriations	(497)	31,000
Net transfers to State of Hawai'i for capital assets	(1)	(310)
Net transfers from other campuses and funds for capital assets	-	40
Total other revenues (expenses)	<u>(498)</u>	<u>30,730</u>
Net nonoperating revenues	<u>34,340</u>	<u>82,198</u>
Change in net position	<u>(25,352)</u>	<u>19,929</u>
Net position		
Beginning of year	<u>239,018</u>	<u>219,089</u>
End of year	<u>\$ 213,666</u>	<u>\$ 239,018</u>

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Summarized Statements of Cash Flows
Years Ended June 30, 2016 and 2015
(All dollars reported in thousands)

Schedule III

	2016	2015
Cash received from operations	\$ 64,907	\$ 68,184
Cash payments for operations	<u>(91,748)</u>	<u>(92,975)</u>
Net cash used in operating activities	(26,841)	(24,791)
Net cash provided by noncapital financing activities	33,523	31,998
Net cash used in capital and related financing activities	(15,902)	(3,847)
Net cash provided by (used in) investing activities	<u>(5,317)</u>	<u>723</u>
Net increase (decrease) in cash	(14,537)	4,083
Cash		
Beginning of year	<u>33,266</u>	<u>29,183</u>
End of year	<u>\$ 18,729</u>	<u>\$ 33,266</u>

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Notes to Schedules I through III
June 30, 2016 and 2015
(All dollars reported in thousands)

1. Basis of Presentation

The accompanying statements of net position and related statements of revenues, expenses and changes in net position and cash flows present the financial position and results of operations of the University of Hawai'i Hilo ("UH-Hilo"), and are presented on the accrual basis of accounting. The financial information of the Research Corporation of the University of Hawai'i and the University of Hawai'i Foundation are not reflected in these schedules.

2. Employee Benefits

In accordance with University policy, the University's liability for other postemployment benefits ("OPEB") is not allocated internally to individual departments, funds and campuses. Accordingly, no liability for OPEB is reflected in these schedules.

In accordance with University policy, the University's liability for pension benefits, deferred outflows and deferred inflows of resources related to pensions ("pension benefits") are not allocated internally to individual departments, funds and campuses. Accordingly, pension benefits are not reflected in these schedules.