

University of Hawai'i State of Hawai'i

**University of Hawai'i Hilo
Supplemental Information
June 30, 2012 and 2011**

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, 2012 and 2011 and our report thereon dated February 15, 2013, 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
May 8, 2013

**University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Statements of Net Assets
June 30, 2012 and 2011
(All dollars reported in thousands)**

Schedule I

	2012	2011
Assets		
Current assets		
Claim on cash	\$ 24,268	\$ 22,145
Due from State of Hawai'i	-	923
Accounts receivable, net	1,967	2,250
Current portion of notes and contributions receivable, net	317	338
Accrued interest receivable	19	27
Inventories	1,550	1,262
Prepaid expenses, deferred charges and other current assets	1,309	2,071
Total current assets	<u>29,430</u>	<u>29,016</u>
Noncurrent assets		
Due from State of Hawai'i	54,541	56,917
Endowment and other investments	21,322	29,669
Notes and contributions receivable, net	2,859	2,806
Capital assets, net	159,183	139,336
Other noncurrent assets	2	2
Total noncurrent assets	<u>237,907</u>	<u>228,730</u>
Total assets	<u>\$ 267,337</u>	<u>\$ 257,746</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 4,739	\$ 2,699
Accrued payroll and fringe benefits	2,710	2,716
Advances from sponsors	903	784
Deferred revenue	1,377	1,860
Due to State of Hawai'i	30	-
Due to RCUH	288	1,501
Current portion of long-term liabilities	2,322	2,158
Other current liabilities	323	553
Total current liabilities	<u>12,692</u>	<u>12,271</u>
Noncurrent liabilities		
Accrued vacation	2,813	2,674
Accrued workers' compensation	1,607	1,406
Due to campuses and funds	817	756
Due to State of Hawai'i	79	97
Revenue bonds payable	24,684	28,081
Premium on bonds payable	2	3
Total noncurrent liabilities	<u>30,002</u>	<u>33,017</u>
Net assets		
Invested in capital assets, net of related debt	152,783	136,593
Restricted		
Nonexpendable	61	62
Expendable	55,693	60,643
Unrestricted	16,106	15,160
Total net assets	<u>224,643</u>	<u>212,458</u>
Total liabilities and net assets	<u>\$ 267,337</u>	<u>\$ 257,746</u>

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended June 30, 2012 and 2011
(All dollars reported in thousands)

Schedule II

	2012	2011
Operating revenues		
Student tuition and fees	\$ 36,009	\$ 33,489
Less: Scholarship allowances	11,896	10,429
Net student tuition and fees	<u>24,113</u>	<u>23,060</u>
Federal appropriations, grants and contracts	31,958	26,978
State and local grants and contracts	1,272	1,569
Nongovernmental sponsored programs	1,185	1,715
Sales and services of educational departments, other	878	454
Auxiliary enterprises		
Bookstores	2,742	2,878
Student housing (net of scholarship allowances of \$230 and \$232)	2,091	2,084
Other auxiliary enterprises revenues	2,654	3,084
Other operating revenues	<u>105</u>	<u>121</u>
Total operating revenues	<u>66,998</u>	<u>61,943</u>
Operating expenses		
Compensation and benefits	69,633	66,971
Supplies, services and cost of goods sold	16,872	15,979
Depreciation	3,242	3,876
Telephone and utilities	7,991	7,052
Scholarships and fellowships	5,430	5,024
Travel expenses	1,476	1,138
Repairs and maintenance	2,756	2,808
Other operating expenses	<u>4,277</u>	<u>4,553</u>
Total operating expenses	<u>111,677</u>	<u>107,401</u>
Operating loss	<u>(44,679)</u>	<u>(45,458)</u>
Nonoperating revenues (expenses)		
State appropriations	29,622	29,370
Private gifts	205	153
Net investment income	258	280
Interest expense	(189)	(33)
Transfers from (to) State of Hawai'i for		
Fringe benefits	12,019	11,832
Restrictions	-	(25)
Loss on disposal of capital assets	(535)	(2,053)
Other, net	<u>(263)</u>	<u>(972)</u>
Net nonoperating revenues before capital and endowment additions	<u>41,117</u>	<u>38,552</u>
Capital – state appropriations	15,845	28,000
Capital – federal grants/subsidies	96	26
Capital – gifts and grants	-	269
Net transfers to State of Hawai'i for capital assets	(194)	(352)
Transfers from State of Hawai'i for Tobacco settlement	<u>-</u>	<u>-</u>
Total other revenues	<u>15,747</u>	<u>27,943</u>
Net nonoperating revenues	<u>56,864</u>	<u>66,495</u>
Change in net assets	12,185	21,037
Net assets		
Beginning of year	<u>212,458</u>	<u>191,421</u>
End of year	<u>\$ 224,643</u>	<u>\$ 212,458</u>

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Summarized Statements of Cash Flows
Years Ended June 30, 2012 and 2011
(All dollars reported in thousands)

Schedule III

	2012	2011
Cash received from operations	\$ 66,016	\$ 62,409
Cash payments for operations	<u>(88,906)</u>	<u>(87,162)</u>
Net cash used in operating activities	(22,890)	(24,753)
Net cash provided by noncapital financing activities	29,795	29,748
Net cash used in capital and related financing activities	(13,165)	(10,605)
Net cash provided by investing activities	<u>8,383</u>	<u>7,080</u>
Net increase in cash	2,123	1,470
Cash		
Beginning of year	<u>22,145</u>	<u>20,675</u>
End of year	<u>\$ 24,268</u>	<u>\$ 22,145</u>

**University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Notes to Schedules I through III
June 30, 2012 and 2011
(All dollars reported in thousands)**

1. Basis of Presentation

The accompanying statements of net assets and related statements of revenues, expenses and changes in net assets and cash flows present the financial position and results of operations of the University of Hawai'i 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 is not reflected in these schedules.

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