

University of Hawai'i State of Hawai'i

**University of Hawai'i Hilo
Supplemental Information
June 30, 2013 and 2012**

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, 2013 and 2012 and our report thereon dated February 24, 2014, 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
February 24, 2014

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Statements of Net Position
June 30, 2013 and 2012
(All dollars reported in thousands)

Schedule I

	2013	2012
Assets		
Current assets		
Claim on cash	\$ 28,014	\$ 24,268
Due from State of Hawai'i	112	-
Accounts receivable, net	3,085	1,967
Current portion of notes and contributions receivable, net	326	317
Accrued interest receivable	11	19
Inventories	1,529	1,550
Prepaid expenses, deferred charges and other current assets	<u>2,180</u>	<u>1,309</u>
Total current assets	<u>35,257</u>	<u>29,430</u>
Noncurrent assets		
Due from State of Hawai'i	21,320	54,541
Endowment and other investments	5,565	21,322
Notes and contributions receivable, net	2,848	2,859
Capital assets, net	208,339	159,183
Other noncurrent assets	<u>1</u>	<u>2</u>
Total noncurrent assets	<u>238,073</u>	<u>237,907</u>
Total assets	<u>\$ 273,330</u>	<u>\$ 267,337</u>
Liabilities and Net Position		
Current liabilities		
Accounts payable	\$ 8,924	\$ 4,739
Accrued payroll and fringe benefits	2,759	2,710
Advances from sponsors	807	903
Deferred revenue	2,530	1,377
Due to State of Hawai'i	26	30
Due to RCUH	842	288
Current portion of long-term liabilities	1,991	2,322
Other current liabilities	<u>320</u>	<u>323</u>
Total current liabilities	<u>18,199</u>	<u>12,692</u>
Noncurrent liabilities		
Accrued vacation	2,332	2,813
Accrued workers' compensation	642	1,607
Due to State of Hawai'i	61	79
Due to campuses and funds	1,113	817
Revenue bonds payable	24,188	24,684
Premium on bonds payable	<u>1</u>	<u>2</u>
Total noncurrent liabilities	<u>28,337</u>	<u>30,002</u>
Net position		
Net investment in capital assets	188,547	152,783
Restricted		
Nonexpendable	62	61
Expendable	18,226	55,693
Unrestricted	<u>19,959</u>	<u>16,106</u>
Total net position	<u>226,794</u>	<u>224,643</u>
Total liabilities and net position	<u>\$ 273,330</u>	<u>\$ 267,337</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, 2013 and 2012
(All dollars reported in thousands)

Schedule II

	2013	2012
Operating revenues		
Student tuition and fees	\$ 36,763	\$ 36,009
Less: Scholarship allowances	12,512	11,896
Net student tuition and fees	24,251	24,113
Federal appropriations, grants and contracts	37,026	31,958
State and local grants and contracts	1,021	1,272
Nongovernmental sponsored programs	932	1,185
Sales and services of educational departments, other	1,020	878
Auxiliary enterprises		
Bookstores	2,729	2,742
Student housing (net of scholarship allowances of \$258 and \$230)	2,017	2,091
Other auxiliary enterprises revenues	2,504	2,654
Other operating revenues	84	105
Total operating revenues	71,584	66,998
Operating expenses		
Compensation and benefits	67,344	69,633
Supplies, services and cost of goods sold	17,550	16,872
Depreciation	7,688	7,991
Telephone and utilities	6,041	5,430
Scholarships and fellowships	3,495	3,242
Travel expenses	2,758	2,756
Repairs and maintenance	1,585	1,476
Other operating expenses	4,707	4,277
Total operating expenses	111,168	111,677
Operating loss	(39,584)	(44,679)
Nonoperating revenues (expenses)		
State appropriations	29,298	29,622
Private gifts	205	205
Net investment income	188	258
Interest expense	(321)	(189)
Transfers from State of Hawai'i for fringe benefits	12,699	12,019
Loss on disposal of capital assets	(59)	(535)
Other, net	(585)	(263)
Net nonoperating revenues before capital and endowment additions	41,425	41,117
Capital – state appropriations	13	15,845
Capital – federal grants/subsidies	103	96
Capital – gifts and grants	194	-
Net transfers to State of Hawai'i for capital assets	-	(194)
Total other revenues	310	15,747
Net nonoperating revenues	41,735	56,864
Change in net position	2,151	12,185
Net position		
Beginning of year	224,643	212,458
End of year	\$ 226,794	\$ 224,643

University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Summarized Statements of Cash Flows
Years Ended June 30, 2013 and 2012
(All dollars reported in thousands)

Schedule III

	2013	2012
Cash received from operations	\$ 71,127	\$ 66,016
Cash payments for operations	<u>(92,327)</u>	<u>(88,906)</u>
Net cash used in operating activities	(21,200)	(22,890)
Net cash provided by noncapital financing activities	29,505	29,795
Net cash used in capital and related financing activities	(20,509)	(13,165)
Net cash provided by investing activities	<u>15,950</u>	<u>8,383</u>
Net increase in cash	3,746	2,123
Cash		
Beginning of year	<u>24,268</u>	<u>22,145</u>
End of year	<u>\$ 28,014</u>	<u>\$ 24,268</u>

**University of Hawai'i
State of Hawai'i
University of Hawai'i Hilo
Notes to Schedules I through III
June 30, 2013 and 2012
(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, 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.

2. Reclassifications

Certain amounts in the 2012 supplemental schedules have been reclassified to conform to the 2013 presentation. Such reclassifications have no impact on the 2012 operating expenses as previously reported.