

KAMEHAMEHA SCHOOLS

REPORT ON FINANCIAL ACTIVITIES

JULY 1, 2010 - JUNE 30, 2011



As of June 30, 2011, the overall fair value of the Kamehameha Schools endowment was approximately \$9.06 billion. The endowment total return is reported at fair market value and excludes non-investment related assets such as educational, administrative, and agricultural and conservation assets.

For the fiscal year ended June 30, 2011, Kamehameha Schools spent nearly \$315 million on educational programs and educational support, with \$106 million spent on community focused programs and \$139 million spent on campus based programs. These financial resources enabled Kamehameha Schools to extend its educational reach to more Hawaiians through its education strategic plan, adopted in 2005 and based on the Kamehameha Schools Strategic Plan 2000-2015.

Fiscal year 2011 was the sixth year of the 10-year education strategic plan, and the number of children and families impacted by Kamehameha's campus and community programs increased by more than 3 percent from approximately 45,400 learners to more than 46,900 learners. Nearly 12,900 parents and caregivers in the prenatal to grade 12 community received training and support.

PRENATAL TO 8 YEARS OF AGE

Kamehameha Schools served nearly 10,000 keiki ages 0-8 and their parents and caregivers through its KS center-based preschools, preschool scholarships, literacy instruction and various educational collaborations. That number included more than 1,500 students at 31 KS preschools sites across the state and

over 4,100 students served through community collaborations. Nearly 2,330 Pauahi Keiki Scholars scholarships were awarded totaling \$13.5 million.

GRADES 4 THROUGH POST-HIGH

Kamehameha Schools served more than 18,600 learners through its enrichment, campus outreach, collaborations, distance learning and summer school programs such as the Explorations Series, Kamehameha Scholars, 'Ike Pono and Career & Post-High Counseling. More than 2,100 post-high scholarships were awarded totaling \$14.6 million and more than 3,800 students were supported with \$10.6 million in per-pupil funding and support to 17 of the Department of Education's 31 public charter schools. More than 1,600 non-campus learners were enrolled in campus-based summer programs.

CAMPUS PROGRAMS

Kamehameha Schools educated more than 5,390 learners, including graduating 695 seniors, at campus programs on Hawai'i, on Maui and at Kapālama. Orphan and indigent children comprised approximately 31 percent of students invited to campus programs and 25 percent of students enrolled during fiscal year 2011.

For more, including a copy of Kamehameha Schools' audited "Consolidated Financial Statements and Supplemental Schedules" for fiscal year 2011, please visit www.ksbe.edu/annualreports.

CONSOLIDATED BALANCE SHEET

JUNE 30, 2011 (in thousands)

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 51,671
Receivables, net	
Tenant and tuition receivables	\$ 7,598
Interest	10,620
Trade	4,327
Other	1,448
Less: Allowance for doubtful accounts	(4,541) 19,452
Other	3,491
Total Current Assets	74,614
Investments	
Marketable debt and equity securities	
Common and preferred stocks	989,066
Fixed income	731,538
Short-term investments and cash equivalents	164,761
Mutual funds	236,852 2,122,217
Other investments	
Hedge funds	2,438,894
Private equity funds	971,332
Commingled funds	602,090
Other	30,763 4,043,079
Amounts receivable for securities sold	23,701
Property and equipment, net	
Educational property and equipment	478,901
All other property and equipment	322,160
Construction in progress	78,223 879,284
Real estate held for development and sale	25,789
Deferred charges and other	112,851
TOTAL ASSETS	\$7,281,535
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable and accrued expenses	\$ 48,629
Current portion of notes payable	40,146
Deferred income and other	24,041
Total Current Liabilities	112,816
Notes payable	166,479
Accrued pension liability	73,666
Accrued postretirement benefits	32,918
Amounts payable for securities purchased	29,262
Other long-term liabilities	18,615
Total liabilities	433,756
Commitments and contingencies	
Net assets - unrestricted	6,847,779
TOTAL LIABILITIES AND NET ASSETS	\$7,281,535

SCHEDULE OF HAWAII REAL ESTATE BY ISLAND AND ZONING*

JUNE 30, 2011 (in thousands)

ISLAND	AREA IN ACRES	PERCENTAGE OF TOTAL
HAWAII		
Residential	1,010.4639	0.34
Apartment	94.4999	0.03
Commercial	173.1248	0.06
Industrial	25.9721	0.01
Agricultural	189,592.4555	64.11
Conservation	104,530.9306	35.34
Hotel and Resort	201.0175	0.07
Homeowner	128.6541	0.04
Total	295,757.1184	100.00
KAUAI		
Agricultural	1,147.1820	9.78
Conservation	10,578.3470	90.22
Total	11,725.5290	100.00
MAUI		
Residential	175.1950	6.55
Agricultural	1,197.3970	44.79
Conservation	1,300.6360	48.66
Total	2,673.2280	100.00
MOLOKA'I		
Agricultural	3,392.0630	68.51
Conservation	1,559.3600	31.49
Total	4,951.4230	100.00
O'AHU		
Residential	2,109.2796	4.37
Commercial	862.3498	1.79
Industrial	255.4616	0.53
Agricultural	17,940.2117	37.17
Conservation	27,063.0700	56.08
Hotel and Resort	19.5111	0.04
Homeowner	10.2747	0.02
Total	48,260.1585	100.00
SUMMARY		
Residential	3,294.9385	0.91
Apartment	94.4999	0.03
Commercial	1,035.4746	0.28
Industrial	281.4337	0.08
Agricultural	213,269.3092	58.69
Conservation	145,032.3436	39.91
Hotel and Resort	220.5286	0.06
Homeowner	138.9288	0.04
Total	363,367.4569	100.00

Note: Improved and Unimproved Residential land classes were combined into Residential.



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