

KAMEHAMEHA SCHOOLS

July 1, 2008 - June 30, 2009

REPORT ON FINANCIAL ACTIVITIES



As of June 30, 2009, the overall fair value of Kamehameha Schools' endowment was approximately \$7.2 billion. The endowment total return is reported at fair value and excludes non-investment related assets, such as educational, administrative, and agricultural and conservation assets.

For the fiscal year ended June 30, 2009, Kamehameha Schools spent approximately \$258 million on educational programs, including \$97 million spent on community outreach 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 2009 was the fourth 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 16 percent, from approximately 38,100 to more than 44,400 learners.

Prenatal to 8 years of age

Kamehameha Schools served more than 16,710 keiki (and parents/caregivers) ages 0-8 through its KS center-based preschools, preschool scholarships, literacy instruction and various educational collaborations. Kamehameha also increased by 47 percent the number of scholarship awards (1,858 keiki) and increased the financial awards from \$6.7 million the previous year to \$11.2 million in fiscal year 2009.

Grades 4 through post-high

Kamehameha Schools educated nearly 16,000 non-campus students through enrichment, campus outreach and summer school programs such as the Exploration Series Program, the Kamehameha Scholars program and Post-High Counseling. Kamehameha Schools awarded \$18.2 million to 2,724 students for post-high scholarships as well as supported 17 Hawaiian-focused charter schools with a total of 3,459 students.

Campus programs

Educated approximately 5,350 students, including roughly 700 seniors, at Kamehameha Schools' campus programs on Hawai'i, Maui and at Kapālama. Key achievements among the tri-campus included the start of a Standards-Based Educational System and the rollout of the Ka Pi'ina Education Workforce Capacity Building Project. Improvements were also made in the understanding, use and interpretation of data, designing focused professional development for faculty and staff; and the development of more intervention programs to help students of all ages. An additional 1,846 non-campus learners were served through campus-based summer programs.

For more, including a copy of Kamehameha Schools' audited "Consolidated Financial Statements and Supplemental Schedules" for fiscal year 2009, please visit www.ksbe.edu/annual-reports.

Consolidated Statement of Assets

June 30, 2009

(in thousands of dollars)

	COST OR ESTIMATED FAIR MARKET VALUE	
CASH AND EQUIVALENTS	\$52,820	
INVESTMENTS		
Marketable debt and equity securities		
Common and preferred stocks	\$803,926	
Fixed income	761,290	
Short-term investments and cash equivalents	369,109	
Mutual funds	160,143	2,094,468
Other investments		
Hedge funds	1,769,841	
Private equity funds	630,658	
Commingled funds	333,923	
Other	37,073	2,771,495
Amounts receivable for securities sold		30,276
RECEIVABLES, NET		
Tenant and tuition receivables	8,084	
Interest	12,965	
Trade	3,019	
Other	1,906	
Less: Allowance for doubtful accounts	(6,470)	19,504
PROPERTY AND EQUIPMENT, NET		
Educational property and equipment	499,528	
All other property and equipment	315,917	
Construction in progress	46,607	862,052
REAL ESTATE HELD FOR DEVELOPMENT AND SALE		26,435
DEFERRED CHARGES AND OTHER		105,958
TOTAL ASSETS		<u>\$5,963,008</u>

Schedule of Hawai'i Real Estate by Island and Zoning*

June 30, 2009

(in acres)

ISLAND	AREA IN ACRES	PERCENTAGE OF TOTAL
HAWAI'I		
Improved Residential	81.2997	0.03
Apartment	105.7557	0.04
Commercial	173.1248	0.06
Industrial	70.8519	0.02
Agricultural	200,996.1937	67.96
Conservation	93,065.7966	31.46
Hotel and Resort	204.8936	0.07
Unimproved Residential	917.9443	0.31
Homeowner	154.8322	0.05
Total	295,770.6925	100.00
KAUA'I		
Agricultural	1,147.1820	9.78
Conservation	10,578.3470	90.22
Total	11,725.5290	100.00
MAUI		
Improved Residential	175.1950	6.55
Apartment	1.6877	0.06
Agricultural	1,197.3970	44.76
Conservation	1,300.6360	48.63
Total	2,674.9157	100.00
MOLOKA'I		
Agricultural	3,392.0630	68.51
Conservation	1,559.3600	31.49
Total	4,951.4230	100.00
O'AHU		
Improved Residential	2,378.1146	4.70
Commercial	869.4255	1.72
Industrial	258.2544	0.51
Agricultural	17,942.2652	35.48
Conservation	29,095.2280	57.54
Hotel and Resort	19.5111	0.04
Unimproved Residential	5.9230	0.01
Total	50,568.7218	100.00
SUMMARY		
Improved Residential	2,634.6093	0.72
Apartment	107.4434	0.03
Commercial	1,042.5503	0.29
Industrial	329.1063	0.09
Agricultural	224,675.1009	61.44
Conservation	135,599.3676	37.08
Hotel and Resort	224.4047	0.06
Unimproved Residential	923.8673	0.25
Homeowner	154.8322	0.04
Total	365,691.2820	100.00

* Unaudited



KAMEHAMEHA SCHOOLS®