



**UNIVERSITY OF HAWAI‘I FOUNDATION AND SUBSIDIARIES**

Consolidated Financial Statements  
and Supplementary Information

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 2210  
1003 Bishop Street  
Honolulu, HI 96813-6400

## Independent Auditors' Report

The Board of Trustees  
University of Hawai'i Foundation:

### *Opinion*

We have audited the consolidated financial statements of University of Hawai'i Foundation and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying UHF RISE Student Housing LLC supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Honolulu, Hawaii  
November 17, 2025

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Consolidated Statements of Financial Position

June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 12,386,082	20,888,655
Assets whose use is limited or restricted	11,463,623	6,476,148
Contributions receivable, net	67,256,470	61,853,623
Prepaid expenses and other receivables	5,814,223	7,474,509
Property and equipment, at cost, net of accumulated depreciation and amortization	90,008,558	91,604,103
Other assets, at cost	3,871,786	2,484,549
Investments	887,848,366	745,330,187
Beneficial interests in trusts held by others	28,268,282	27,035,281
	<u>1,106,917,390</u>	<u>963,147,055</u>
Total assets	\$ <u>1,106,917,390</u>	<u>963,147,055</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 12,993,850	13,323,998
Liabilities under split-interest agreements	13,774,355	14,481,485
Amounts held for others	3,682,465	3,547,467
Long-term debt	92,871,323	92,868,467
Other liabilities	1,433,135	1,416,838
	<u>124,755,128</u>	<u>125,638,255</u>
Total liabilities	\$ <u>124,755,128</u>	<u>125,638,255</u>
Commitments and contingencies		
Net assets:		
Without donor restrictions	27,225,149	14,421,474
With donor restrictions	954,937,113	823,087,326
	<u>982,162,262</u>	<u>837,508,800</u>
Total net assets	\$ <u>982,162,262</u>	<u>837,508,800</u>
Total liabilities and net assets	\$ <u>1,106,917,390</u>	<u>963,147,055</u>

See accompanying notes to the consolidated financial statements.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended June 30, 2025

	<u>Net assets</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 471,040	141,032,345	141,503,385
Fees and other	9,359,138	670,886	10,030,024
Investment gains, net	16,679,219	73,876,491	90,555,710
Administrative fees	11,492,900	(11,492,900)	—
Fundraising events and projects	478,448	1,114,434	1,592,882
	<u>38,480,745</u>	<u>205,201,256</u>	<u>243,682,001</u>
Net assets released from restrictions	<u>73,351,469</u>	<u>(73,351,469)</u>	<u>—</u>
	<u>111,832,214</u>	<u>131,849,787</u>	<u>243,682,001</u>
Expenses:			
Program services:			
Extension and public services	1,769,431	—	1,769,431
Academic support	10,425,433	—	10,425,433
Research	9,245,102	—	9,245,102
Student aid and services	18,188,174	—	18,188,174
Faculty and staff support	4,106,968	—	4,106,968
Capital projects	3,386,116	—	3,386,116
Athletics	4,445,387	—	4,445,387
Special programs	21,617,206	—	21,617,206
Other	167,652	—	167,652
Total program services	<u>73,351,469</u>	<u>—</u>	<u>73,351,469</u>
Supporting services:			
Administrative, management, and fiscal services	14,652,935	—	14,652,935
Development	11,024,135	—	11,024,135
Total supporting services	<u>25,677,070</u>	<u>—</u>	<u>25,677,070</u>
Total expenses	<u>99,028,539</u>	<u>—</u>	<u>99,028,539</u>
Change in net assets	12,803,675	131,849,787	144,653,462
Net assets at beginning of year	<u>14,421,474</u>	<u>823,087,326</u>	<u>837,508,800</u>
Net assets at end of year	<u>\$ 27,225,149</u>	<u>954,937,113</u>	<u>982,162,262</u>

See accompanying notes to the consolidated financial statements.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended June 30, 2024

	<u>Net assets</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 183,534	86,409,794	86,593,328
Fees and other	8,801,759	735,210	9,536,969
Investment gains, net	11,538,320	52,253,799	63,792,119
Administrative fees	10,734,786	(10,734,786)	—
Fundraising events and projects	291,027	1,571,152	1,862,179
	<u>31,549,426</u>	<u>130,235,169</u>	<u>161,784,595</u>
Net assets released from restrictions	<u>63,716,590</u>	<u>(63,716,590)</u>	<u>—</u>
	<u>95,266,016</u>	<u>66,518,579</u>	<u>161,784,595</u>
Expenses:			
Program services:			
Extension and public services	1,821,496	—	1,821,496
Academic support	8,791,150	—	8,791,150
Research	12,486,545	—	12,486,545
Student aid and services	16,053,861	—	16,053,861
Faculty and staff support	3,619,057	—	3,619,057
Capital projects	731,554	—	731,554
Athletics	5,187,369	—	5,187,369
Special programs	15,382,486	—	15,382,486
Other	(356,928)	—	(356,928)
Total program services	<u>63,716,590</u>	<u>—</u>	<u>63,716,590</u>
Supporting services:			
Administrative, management, and fiscal services	13,632,094	—	13,632,094
Development	9,993,016	—	9,993,016
Total supporting services	<u>23,625,110</u>	<u>—</u>	<u>23,625,110</u>
Total expenses	<u>87,341,700</u>	<u>—</u>	<u>87,341,700</u>
Change in net assets	7,924,316	66,518,579	74,442,895
Net assets at beginning of year	<u>6,497,158</u>	<u>756,568,747</u>	<u>763,065,905</u>
Net assets at end of year	<u>\$ 14,421,474</u>	<u>823,087,326</u>	<u>837,508,800</u>

See accompanying notes to the consolidated financial statements.

**UNIVERSITY OF HAWAII FOUNDATION AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from contributions	\$ 64,246,131	87,358,371
Cash received for fees, honoraria, royalties, and other	9,749,385	9,260,270
Investment returns received	10,942,871	17,410,659
Program and supporting service expenses paid	<u>(98,042,373)</u>	<u>(81,114,316)</u>
Net cash provided by (used in) operating activities	<u>(13,103,986)</u>	<u>32,914,984</u>
Cash flows from investing activities:		
Purchases of investments	(279,156,679)	(175,995,282)
Proceeds from sale of investments	211,629,938	155,211,156
Purchases of property and equipment	<u>(277,288)</u>	<u>(28,657,448)</u>
Net cash provided by (used in) investing activities	<u>(67,804,029)</u>	<u>(49,441,574)</u>
Cash flows from financing activities:		
Amounts restricted for long-term investment	<u>77,392,917</u>	<u>15,043,502</u>
Net cash provided by financing activities	<u>77,392,917</u>	<u>15,043,502</u>
Net decrease in cash and cash equivalents and assets whose use is limited	(3,515,098)	(1,483,088)
Cash and cash equivalents and assets whose use is limited at beginning of year	<u>27,364,803</u>	<u>28,847,891</u>
Cash and cash equivalents and assets whose use is limited at end of year	\$ <u><u>23,849,705</u></u>	\$ <u><u>27,364,803</u></u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 144,653,462	74,442,895
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amounts restricted for long-term investment	(77,392,917)	(15,043,502)
Other noncash contributions	(2,573,943)	(2,488,773)
Depreciation and amortization	1,872,833	1,686,529
Realized and unrealized net gains on investments	(75,163,817)	(50,201,792)
Provision for uncollectible pledges, net	(345,914)	(2,584,941)
Changes in assets and liabilities:		
Contributions receivable	(5,056,933)	19,704,759
Prepaid expenses and other receivables	1,660,286	(2,676,973)
Other assets	128,940	224,493
Accounts payable	(330,148)	6,947,607
Liabilities under split-interest agreements	(707,130)	2,942,250
Amounts held for others, net	134,998	161,180
Other liabilities	<u>16,297</u>	<u>(198,748)</u>
Net cash provided by (used in) operating activities	\$ <u><u>(13,103,986)</u></u>	\$ <u><u>32,914,984</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest (net of amount capitalized)	\$ 4,048,535	1,704,426
Noncash investing activities – accrued purchases of property and equipment	—	355,361

See accompanying notes to the consolidated financial statements.

# UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

### (1) Summary of Significant Accounting Policies

#### (a) Organization

The University of Hawai'i Foundation (UHF) is a not-for-profit entity established to solicit and manage funds for the benefit of the University of Hawai'i (the University). The Foundation is governed by a self-perpetuating Board of Trustees primarily consisting of elected volunteers.

UHF is the sole member of UHF Atherton Student Housing LLC and UHF Rise Student Housing LLC. Effective September 24, 2021, management created UHF Rise Student Housing LLC for the purposes of financing, developing, constructing, and operating a 220-unit student housing facility for the use of students attending the University.

UHF and the above affiliates are collectively referred to as "the Foundation" and are consolidated in the accompanying consolidated financial statements. All interorganizational transactions and balances have been eliminated in consolidation.

#### (b) Financial Statement Presentation

The consolidated financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions as follows:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the Board of Trustees.

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

#### (c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of contributions receivable, investments, beneficial interests in trusts held by others, and liabilities under split-interest agreements. Actual results could differ from those estimates.

#### (d) Cash Equivalents

Short-term investments held for operations with original maturities of three months or less when purchased are classified as cash equivalents. Cash equivalents include short-term U.S. Treasury securities and other short-term, highly liquid investments and are carried at cost, which approximates fair value. Short-term investments held for investment purposes are reflected as investments.

## UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

**(e) Assets Whose Use is Limited or Restricted**

Assets whose use is limited or restricted include assets held by a trustee for the repayment of bonds and purchase of capital assets. Assets whose use is limited or restricted are held in the form of cash and cash equivalents as of June 30, 2025 and 2024.

**(f) Contributions and Contributions Receivable**

Contributions received and unconditional promises to give to the Foundation are recorded at their fair values and are reported as an increase in net assets.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Certain noncash contributions are reported as other assets until liquidation. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a fair value interest rate commensurate with the associated risk to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. The Foundation provides an allowance for uncollectible pledges based upon historical experience with its donors, as well as individual donor circumstances.

**(g) Investments**

Investments are reported at fair value with unrealized gains and losses reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Fair value for investments in certain domestic equities, fixed-income securities, foreign equities, money market funds, pooled investments in natural resources/real estate, and hedge funds are based on quoted market prices for the security or quoted market prices for the underlying securities in the pooled investment.

Fair value for investments in certain alternative investments, including limited partnership investments in domestic and foreign equities, natural resources and real estate, hedge funds, and private equity securities, are generally based on information provided by the respective external investment manager at the most recent valuation date and from the valuation date to fiscal year-end, if applicable. The private equity and real estate investments are not readily marketable and involve assumptions and methods that are reviewed by management. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investment existed. A portion of the investments made by certain hedge funds is also not readily marketable; additionally, hedge fund managers may not provide the detail of their underlying marketable securities. The hedge fund valuation process is carefully reviewed by management with the assistance of an outside consultant. The Foundation utilized the net

## UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

asset value per share for certain investments in alternative structures as a practical expedient for the estimation of the fair value of these investments.

Net investment gains are reported in the consolidated statements of activities and consist of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

#### **(h) Property and Equipment**

Property and equipment are stated at cost. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets as follows:

Equipment	3–5 years
Furniture and fixtures	5 years
Leasehold improvements	10 years
Buildings	30 years

The Foundation reports gifts of property and equipment at fair value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### **(i) Split-Interest Agreements**

The Foundation's split-interest agreements with donors consist of irrevocable pooled income funds, charitable remainder trusts, and charitable gift annuities for which the Foundation serves as trustee. Assets held under these split-interest agreements are included in investments. Contributions revenue is recognized at the date the split-interest agreements are established after recording liabilities for the present value (utilizing discount rates ranging from 1.6% to 6.0%) of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the split-interest agreements for changes in the fair value of the assets, accretion of the discount, and other changes in the estimates of future benefits. For the years ended June 30, 2025 and 2024, contributions revenue attributed to split-interest agreements was \$0. For the years ended June 30, 2025 and 2024, net investment gains were \$109,288 and \$177,464, respectively, for changes in the value of split-interest agreements.

#### **(j) Interests in Trusts Held by Others**

The Foundation is also the beneficiary of certain trusts held and administered by others. The fair value of the estimated future cash receipts from the trusts is recognized as assets and contributions revenue when the Foundation is notified of their existence. The reported value of the assets is fair value. For the years ended June 30, 2025 and 2024, contributions revenue attributed to beneficial interest in trusts held by others was \$138,344 and \$470,399, respectively. For the years ended June 30, 2025 and 2024, net investment gains (loss) associated with the beneficial interests in trust held by others included a net gain of \$2,008,200 and \$572,275, respectively.

## UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

#### **(k) Amounts Held for Others**

Resources received in transactions that the Foundation acts as an agent are reported as amounts held for others. Investment income earned on amounts received increases amounts held for others. Distributions to specified recipients decrease amounts held for others. Unrealized gains on assets held for others were \$175,837 and \$131,887 for the years ended June 30, 2025 and 2024, respectively.

#### **(l) Fair Value Measurements**

The Foundation applies the provisions of Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (note 4).

The Foundation also applies the provisions of ASC Topic 820 to fair value measurements of nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis.

#### **(m) Revenue Recognition**

The Foundation has several revenue streams that are accounted for as reciprocal exchange transactions including fees and other. The Foundation earns an annual fee of \$3 million for the years ended June 30, 2025 and 2024 from the University recorded in fees and other revenue. The fee is compensation for the Foundation providing fundraising and alumni services to the University (note 10).

These fees are recognized ratably over the period the service is provided on a straight-line basis in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those services. All the Foundation's revenue from contracts with customers are from performance obligations satisfied over time. Price is specific to a distinct performance obligation and does not consist of multiple transactions. Amounts billed but unpaid are contract assets and recorded as other receivables.

#### **(n) Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, professional services, office expenses, equipment, occupancy, provision for uncollectible, travel, affiliate research agreement, student scholarships/grants, grants, and other, which are allocated on the basis of estimates of time and effort.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

**(o) Income Taxes**

The Foundation is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is generally not subject to federal or State of Hawai'i income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole.

**(2) Contributions Receivable**

At June 30, 2025 and 2024, contributions receivable, net of discount for present value and allowance for uncollectible contributions, consist of the following:

	<b>2025</b>	<b>2024</b>
Contributions receivable	\$ 71,490,677	66,318,128
Less discount to present value (1.78%–6.31% discount rate)	(3,140,065)	(3,024,449)
Subtotal	68,350,612	63,293,679
Less allowance for uncollectible pledges	(1,094,142)	(1,440,056)
Contributions receivable, net	\$ 67,256,470	61,853,623
Amounts to be collected in:		
Less than one year	\$ 32,734,713	20,859,314
One year to five years	38,755,964	45,458,814
Total	\$ 71,490,677	66,318,128

**(3) Investments**

Investments at June 30, 2025 and 2024 consist of the following:

	<b>2025</b>	<b>2024</b>
Investments at fair value:		
Domestic equities	\$ 101,164,526	82,949,944
Fixed-income securities	227,906,112	211,521,991
Foreign equities	75,594,115	57,435,449
Money market funds	16,418,623	29,875,813
Hedge funds	5,981,488	6,910,334
Private equity securities	105,605	105,605
Natural resources/real estate	5,906,269	5,181,313
Total investments at fair value	433,076,738	393,980,449

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
Investments at net asset value:		
Foreign equities	\$ 97,297,504	55,783,618
Hedge funds	187,117,333	183,854,715
Private equity securities	157,275,055	92,178,846
Natural resources/real estate	13,081,736	19,532,559
Total investments at net asset value	454,771,628	351,349,738
Total investments	\$ 887,848,366	745,330,187

The Foundation invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Investments are generally pooled and managed under various asset diversification strategies, depending upon the investment objectives and to avoid significant concentrations of market risk. Earnings on endowment contributions, which the donor designates as being available for program operations, are considered restricted until the specific restrictions have been met. Endowment investments classified as net assets with donor restrictions were \$689,102,716 and \$554,244,311 at June 30, 2025 and 2024, respectively. Under the Foundation's endowment spending policy, certain amounts (based on a percentage of the adjusted fair value of the investment pool) are appropriated and are available to support operations. In 2025 and 2024, \$22,400,933 and \$19,637,637, respectively, were made available to support programs.

**(4) Fair Value Measurements**

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety at the measurement date.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

The following tables present assets that are measured at fair value on a recurring basis at June 30, 2025 and 2024:

	Fair value measurements at reporting date using				
	June 30, 2025	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at net asset value
Assets:					
Domestic equities	\$ 101,164,526	101,164,526	—	—	— a
Fixed-income securities	227,906,112	176,445,768	51,460,344	—	—
Foreign equities	172,891,619	75,594,115	—	—	97,297,504 b
Money market funds	16,418,623	16,418,623	—	—	—
Natural resources/real estate	18,988,005	—	—	5,906,269	13,081,736 c
Hedge funds	193,098,821	5,981,488	—	—	187,117,333 d
Private equity securities	157,380,660	—	—	105,605	157,275,055 c
Total investments	887,848,366	375,604,520	51,460,344	6,011,874	454,771,628
Beneficial interest in trusts held by others	28,268,282	—	—	28,268,282	—
Total	\$ 916,116,648	375,604,520	51,460,344	34,280,156	454,771,628

	Fair value measurements at reporting date using				
	June 30, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at net asset value
Assets:					
Domestic equities	\$ 82,949,944	82,949,944	—	—	— a
Fixed-income securities	211,521,991	158,120,135	53,401,856	—	—
Foreign equities	113,219,067	57,435,449	—	—	55,783,618 b
Money market funds	29,875,813	29,875,813	—	—	—
Natural resources/real estate	24,713,872	—	—	5,181,313	19,532,559 c
Hedge funds	190,765,049	6,910,334	—	—	183,854,715 d
Private equity securities	92,284,451	—	—	105,605	92,178,846 c
Total investments	745,330,187	335,291,675	53,401,856	5,286,918	351,349,738
Beneficial interest in trusts held by others	27,035,281	—	—	27,035,281	—
Total	\$ 772,365,468	335,291,675	53,401,856	32,322,199	351,349,738

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

- a. Investments in this class can be redeemed on a monthly/quarterly basis, with notification provided between 15 and 30 days prior to redemption.
- b. Investments in this class can be redeemed on a monthly basis with notification provided between 5 and 30 days prior to redemption.
- c. Investments in this class can be redeemed at the discretion of the investment managers. The Foundation has commitments to contribute additional amounts to this class of investments of approximately \$80,719,000 and \$56,631,000 at June 30, 2025 and 2024, respectively.
- d. Redemption frequency for investments in this class ranges from monthly to annually redemptions, with notification provided between 2 and 90 days prior to redemption. Additionally, certain investments can be redeemed at the discretion of the investment managers.

The following table presents the Foundation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC Topic 820 for the years ended June 30, 2025 and 2024:

	<b>Assets</b>			
	<b>Private equity securities</b>	<b>Natural resources/ real estate</b>	<b>Beneficial interest in trusts held by others</b>	<b>Total</b>
Balance at June 30, 2023	\$ 105,605	7,588,967	28,673,526	36,368,098
Total gains (losses) included in income:				
Unrealized	—	(2,407,654)	(1,638,245)	(4,045,899)
Balance at June 30, 2024	105,605	5,181,313	27,035,281	32,322,199
Total gains (losses) included in income:				
Unrealized	—	(479,628)	(204,708)	(684,336)
Realized	—	1,204,584	1,437,709	2,642,293
Balance at June 30, 2025	\$ <u>105,605</u>	<u>5,906,269</u>	<u>28,268,282</u>	<u>34,280,156</u>

Investments in domestic equities, foreign equities, hedge funds, private equity securities, and natural resources/real estate are recorded at estimated fair value based on the net asset value of the Foundation's ownership interest in the partners' capital, which includes assumptions and methods that were prepared by the general partner of the limited partnerships and were reviewed by the Foundation's management. The Foundation believes that the reported amounts for these investments are a reasonable estimate of their fair value at June 30, 2025 and 2024.

Investments in real estate and certain private equity securities are recorded at estimated fair value at June 30, 2025 and 2024.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

All realized and unrealized gains (losses) for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3), as defined in ASC Topic 820, are reported in investment gains, net in the accompanying consolidated statements of activities.

**(5) Property and Equipment**

The components of net property and equipment at June 30, 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
Land	\$ 7,927,481	7,927,481
Equipment	1,943,253	1,823,302
Buildings	83,433,962	83,371,081
Leasehold improvements	2,004,710	1,917,220
Furniture and fixtures	395,951	388,985
	95,705,357	95,428,069
Less accumulated depreciation and amortization	(5,696,799)	(3,823,966)
Property and equipment, net	\$ 90,008,558	91,604,103

**(6) Retirement Annuity Plan**

The Foundation has defined-contribution retirement annuity plans with Teachers Insurance and Annuity Association covering substantially all of its employees. The Foundation recorded contribution expense of \$879,596 and \$806,107 in 2025 and 2024, respectively.

**(7) Long-Term Debt**

In November 2021, the Public Finance Authority issued revenue bonds totaling \$91,915,000 comprising Series 2021A-1 (\$62,205,000 tax-exempt), Series 2021A-2 (\$14,210,000 taxable), and Series 2021B (\$15,500,000 tax-exempt). The Authority then loaned the proceeds of the bonds to the Foundation for the construction of a new student housing facility. Total premium for the Series 2021 bonds was \$3,389,942.

The Foundation entered a continuing disclosure agreement for the benefit of revenue bondholders; it agreed to provide certain financial information and operating data relating to the Foundation with respect to its revenue bonds to the Municipal Securities Rulemaking Board. The Foundation, based on consultation with its bond counsel and bond underwriter, has complied in all material respects with the continuing disclosure requirements.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

The Foundation's revenue bonds payable at June 30, 2025 and 2024 are as follows:

<b>Series</b>	<b>Interest rate</b>	<b>Date issued</b>		<b>2025</b>	<b>2024</b>
2021A-1	4.00 %	November 1, 2021	\$	62,205,000	62,205,000
2021A-2	4.85 %	November 1, 2021		2,730,000	2,730,000
2021A-2	5.35 %	November 1, 2021		11,480,000	11,480,000
2021B	5.25 %	November 1, 2021		15,500,000	15,500,000
				<u>91,915,000</u>	<u>91,915,000</u>
Unamortized premium on bonds				3,012,640	3,117,852
Less: Unamortized debt issuance costs				<u>(2,056,317)</u>	<u>(2,164,385)</u>
Long-term debt, net unamortized debt issuance costs				<u>\$ 92,871,323</u>	<u>92,868,467</u>

At June 30, 2025, future maturities of revenue bonds are as follows:

	<b>Principal</b>
Years ending June 30:	
2026	\$ —
2027	155,000
2028	260,000
2029	385,000
2030	510,000
Thereafter	<u>90,605,000</u>
	<u>\$ 91,915,000</u>

For the years ended June 30, 2025 and 2024, the Foundation capitalized interest cost of \$0 and \$337,378, respectively, to construction in progress recorded in property and equipment, net.

## UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

#### (8) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following restricted amounts at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Extension and public services	\$ 11,344,347	11,538,635
Academic support	95,343,126	89,409,549
Research	69,808,836	71,666,018
Student aid and services	293,683,428	263,287,553
Faculty and staff support	215,378,616	195,977,521
Capital projects	14,961,751	17,083,367
Athletics	12,944,599	12,950,880
Special programs	216,304,887	148,622,603
Other	25,167,523	12,551,200
Total	\$ <u>954,937,113</u>	<u>823,087,326</u>

Net assets are released from donor restrictions primarily by incurring expenses that satisfy the restricted purpose. For the years ended June 30, 2025 and 2024, net assets released from restrictions totaled \$73,351,469 and \$63,716,590, respectively.

#### (9) Endowment

The Foundation's endowment consists of approximately 1,800 individual funds established for a variety of purposes as of June 30, 2025 and June 30, 2024. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. At June 30, 2025 and 2024, the total endowment net assets amounted to \$706,754,556 and \$566,998,434, respectively.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

For the years ended June 30, 2025 and 2024, the changes in endowment net assets are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2023	\$ 7,881,870	483,481,178	491,363,048
Investment return:			
Investment income	347,939	5,518,191	5,866,130
Net appreciation, realized and unrealized, net expenses	<u>2,548,705</u>	<u>37,843,393</u>	<u>40,392,098</u>
Total investment return	2,896,644	43,361,584	46,258,228
Contributions, net of expenses	3,001,172	46,013,623	49,014,795
Appropriations	<u>(1,025,563)</u>	<u>(18,612,074)</u>	<u>(19,637,637)</u>
Endowment net assets, June 30, 2024	<u>12,754,123</u>	<u>554,244,311</u>	<u>566,998,434</u>
Investment return:			
Investment income	703,788	5,596,241	6,300,029
Net appreciation, realized and unrealized, net expenses	<u>6,049,519</u>	<u>57,256,818</u>	<u>63,306,337</u>
Total investment return	6,753,307	62,853,059	69,606,366
Contributions, net of expenses	344,118	92,206,571	92,550,689
Appropriations	<u>(2,199,708)</u>	<u>(20,201,225)</u>	<u>(22,400,933)</u>
Endowment net assets, June 30, 2025	\$ <u>17,651,840</u>	<u>689,102,716</u>	<u>706,754,556</u>

Donor-restricted and board-designated endowment net asset composition is as follows as of June 30, 2025 and 2024:

	<u>2025</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	689,102,716	689,102,716
Board-designated endowment funds	<u>17,651,840</u>	<u>—</u>	<u>17,651,840</u>
	\$ <u>17,651,840</u>	<u>689,102,716</u>	<u>706,754,556</u>

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ —	554,244,311	554,244,311
Board-designated endowment funds	12,754,123	—	12,754,123
	\$ 12,754,123	554,244,311	566,998,434

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At June 30, 2025, funds with original gift values of \$7,136,600, fair values of \$6,271,950, and deficiencies of \$864,609 were reported in net assets with donor restrictions. At June 30, 2024, funds with original gift values of \$16,707,841, fair values of \$15,524,074, and deficiencies of \$1,183,767 were reported in net assets with donor restrictions.

Net assets with donor restrictions are restricted for the following purposes:

	<b>2025</b>	<b>2024</b>
The portion of endowment funds that is required to be retained permanently either by explicit donor stipulation or by HUPMIFA	\$ 429,892,832	352,943,977
The portion of the perpetual endowment funds subject to time restriction under HUPMIFA with purpose restrictions	259,209,884	201,300,335
The portion of net assets, excluding endowment funds, subject to purpose restrictions	157,804,694	167,523,770
Contributions and other receivables, net	70,146,754	67,279,996
Beneficial interest in trusts held by others	28,268,282	27,035,281
Split-interest agreements, net and other assets	9,614,667	7,003,967
Total net assets with donor restrictions	\$ 954,937,113	823,087,326

**(a) Interpretation of Relevant Law**

The Foundation is subject to Hawai'i's Uniform Prudent Management of Institutional Funds Act (HUPMIFA), which was enacted by the State of Hawai'i on July 1, 2009, and thus classified donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the Foundation has interpreted HUPMIFA as not requiring the maintenance of purchase power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the funds is less than the sum of (a) the original value of initial and subsequent gifts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The

## UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

Foundation has interpreted HUPMIFA to permit spending from underwater funds in accordance with the prudent measure required under the law. Additionally, in accordance with HUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

#### **(b) Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5.5% annually (including inflation). Actual returns in any given year may vary from this amount.

#### **(c) Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### **(d) Spending Policy**

The Foundation has a policy of appropriating for distribution each year up to 6% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 5.5% annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

**(10) Transactions With the University**

The Foundation has an agreement with the University to provide fundraising and alumni services through December 31, 2027. Annual compensation from this agreement amounted to \$3 million for the years ended June 30, 2025 and 2024. Under separate agreements to provide fundraising and alumni services for individual University units, compensation amounted to \$568,355 and \$540,708 for the years ended June 30, 2025 and 2024, respectively. For these payments, sources other than the University tuition and fees special fund were used.

**(11) Functional Expenses**

Expenses by natural and functional classification for the years ended June 30, 2025 and 2024, were as follows:

	Program services								Supporting services		2025 Total	
	Extension and public services	Academic support	Research	Student aid and services	Faculty and staff support	Capital projects	Athletics	Special programs	Other	Administrative, management, and fiscal services		Development
Expenses:												
Salaries and wages	\$ —	2,599	—	—	—	—	—	—	—	3,667,923	7,058,537	10,729,059
Employee benefits	164	69,496	—	—	1,726	1,932	—	31,472	—	939,716	1,723,757	2,768,263
Professional services	407,766	1,458,583	298,757	15,696	596,792	81,084	242,096	1,872,196	396,776	1,385,504	330,624	7,085,874
Office expenses	580,762	3,190,029	750,509	70,118	464,916	560,414	1,952,020	2,637,867	348,069	1,078,714	692,296	12,325,714
Equipment	9,682	1,053,984	402,840	26,352	89,391	990,940	112,798	918,704	15,243	362,231	601,989	4,584,154
Occupancy	15,802	105,586	13,257	—	15,465	2,993	14,122	206,749	848	278,123	134,882	787,827
Bad debt expense	(13,574)	303,828	211,060	51,271	58	169,400	11,635	306,429	(859,283)	38,866	(2,946)	216,744
Travel	164,275	1,037,495	181,697	1,668,980	562,701	—	595,007	866,627	44,367	40,129	57,519	5,218,797
Affiliate research agreement	581,275	2,727,129	7,382,304	1,139,776	1,569,788	1,579,259	—	10,126,486	204,407	—	—	25,310,424
Student scholarships/grants	3,500	341,096	36,195	15,212,853	30,077	—	337,219	2,901,792	—	—	—	18,862,732
Grants	1,105	107,593	(32,843)	3,100	772,411	—	1,123,247	1,681,895	—	11,712	21,622	3,689,842
Other	18,674	28,015	1,326	28	3,643	94	57,243	66,989	17,225	6,850,017	405,855	7,449,109
<b>Total expenses</b>	<b>\$ 1,769,431</b>	<b>10,425,433</b>	<b>9,245,102</b>	<b>18,188,174</b>	<b>4,106,968</b>	<b>3,386,116</b>	<b>4,445,387</b>	<b>21,617,206</b>	<b>167,652</b>	<b>14,652,935</b>	<b>11,024,135</b>	<b>99,028,539</b>

	Program services								Supporting services		2024 Total	
	Extension and public services	Academic support	Research	Student aid and services	Faculty and staff support	Capital projects	Athletics	Special programs	Other	Administrative, management, and fiscal services		Development
Expenses:												
Salaries and wages	\$ —	—	—	—	4,083	—	—	—	—	3,343,772	6,210,245	9,558,100
Employee benefits	2,406	151,262	1,808	—	3,026	—	—	29,216	—	827,953	1,466,185	2,481,856
Professional services	719,571	1,319,922	1,148,633	32,562	467,802	2,665	168,798	1,300,751	9,615	1,178,044	253,431	6,601,794
Office expenses	515,402	2,637,690	225,703	64,045	356,945	453,008	2,195,769	2,831,037	304,539	1,102,593	621,883	11,308,614
Equipment	12,667	820,020	2,898,645	9,968	105,918	294,451	499,549	1,035,175	9,889	543,628	768,720	6,998,630
Occupancy	44,436	111,714	7,982	—	5,314	3,268	30,242	121,184	2,136	412,267	315,529	1,054,072
Bad debt expense	410	173,275	335	20,125	920	35,125	9,364	466,770	(1,566,579)	40,736	(3,856)	(823,375)
Travel	44,753	866,330	155,698	74,348	497,659	259	1,111,040	2,381,871	54,666	45,334	36,720	5,268,678
Affiliate research agreement	462,027	2,189,057	7,750,143	605,526	1,569,553	(57,259)	—	4,427,458	612,786	—	—	17,559,291
Student scholarships/grants	4,856	451,356	24,068	15,195,373	45,590	—	414,041	1,878,600	211,159	—	—	18,225,043
Grants	1,916	25,860	(28,471)	50,000	561,930	—	692,289	828,073	1,000	13,406	19,928	2,165,931
Other	13,052	44,664	302,001	1,914	317	37	66,277	82,351	3,861	6,124,361	304,231	6,943,066
<b>Total expenses</b>	<b>\$ 1,821,496</b>	<b>8,791,150</b>	<b>12,486,545</b>	<b>16,053,861</b>	<b>3,619,057</b>	<b>731,554</b>	<b>5,187,369</b>	<b>15,382,486</b>	<b>(356,928)</b>	<b>13,632,094</b>	<b>9,993,016</b>	<b>87,341,700</b>

## UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

#### (12) Liquidity and Availability

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support approximated 0.21% of annual program funding needs, with the remainder funded by investment income, appropriated earnings from gifts with donor restrictions, and service fees from the University as described in note 10.

The Foundation considers investment income, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions, and contributions with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and program expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The table below presents financial assets available for general expenditures within one year at June 30, 2025:

	<u>2025</u>
Financial assets at year-end:	
Cash and cash equivalents	\$ 12,386,082
Restricted cash held with trustee	11,463,623
Contributions receivable, net	67,256,470
Other receivables	4,570,571
Investments	887,848,366
Beneficial interest in trusts held by others	<u>28,268,282</u>
Total financial assets	<u>1,011,793,394</u>

**UNIVERSITY OF HAWAI'I FOUNDATION AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

	<u>2025</u>
Less amounts not available to be used within one year:	
Restricted by donor with purpose restrictions	\$ (157,804,693)
Subject to appropriation and satisfaction of donor restrictions	(697,573,662)
Investments in non-liquid securities	(105,605)
Investments held in custodial and non-custodial trusts	(48,712,075)
Contributions receivable – for restricted gifts, net	<u>(67,189,390)</u>
Financial assets not available to be used within one year	<u>(971,385,425)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 40,407,969</u>

**(13) Subsequent Events**

The Foundation has evaluated subsequent events from the balance sheet date through November 17, 2025, the date at which the consolidated financial statements were available to be issued, and determined that there are no additional items to disclose.

**UHF RISE STUDENT HOUSING LLC**

## Statement of Financial Position

June 30, 2025

**Assets**

Cash and cash equivalents	\$ 217,086
Assets whose use is limited or restricted	11,463,623
Receivables	376,610
Property and equipment, at cost, net of accumulated depreciation and amortization	78,665,242
Prepaid expenses	293,182
Right-of-use asset	<u>8,839,402</u>
Total assets	<u><u>\$ 99,855,145</u></u>

**Liabilities and Member's Deficit**

Liabilities:	
Accounts payable	\$ 3,032,957
Unearned income	13,781
Long-term debt	92,871,323
Lease liability	<u>8,839,402</u>
Total liabilities	104,757,463
Member's deficit	<u>(4,902,318)</u>
Total liabilities and member's deficit	<u><u>\$ 99,855,145</u></u>

See accompanying independent auditors' report.

## Schedule 2

## UHF RISE STUDENT HOUSING LLC

## Statement of Activities

Year ended June 30, 2025

Revenue:		
Rental income		\$ 5,823,289
Investment income, net		478,791
Other		478,449
		<u>6,780,529</u>
Operating expenses:		
Interest		3,943,323
Depreciation and amortization		1,797,628
Property management		627,164
Other services		607,197
Utilities		513,214
Taxes		455,535
Rent		300,000
General and administrative		199,689
Repairs and maintenance		105,772
Advertising		72,713
Legal services		18,339
Office equipment		14,204
Other		11,008
		<u>8,665,786</u>
Total expenses		
		<u>8,665,786</u>
Net loss		\$ <u><u>(1,885,257)</u></u>

See accompanying independent auditors' report.