



REPORT ON FINANCIAL ACTIVITIES

As of June 30, 2006 the overall fair value of Kamehameha Schools' endowment was approximately \$7.66 billion while the estimated fair value of Kamehameha Schools' total assets was approximately \$8.82 billion. Kamehameha Schools' total assets include the estimated value of the institution's endowment, educational, agricultural and support assets.

For the fiscal year ended June 30, 2006 Kamehameha Schools spent a net amount of approximately \$221 million on educational programs. These financial resources enabled Kamehameha Schools to extend its educational reach to more Hawaiians through its Education Strategic Plan approved by trustees in June 2005.

Fiscal year 2006 saw the first measurable effects of the plan, as the number of children and families impacted by Kamehameha's campus and community programs increased 26 percent from 22,400 to more than 28,000.

Prenatal to 8 years of age

Kamehameha Schools served more than 6,000 children and caregivers through KS center-based preschools and various educational collaborations, as well as awarded 622 preschool scholarships through its Pauahi Keiki Scholars program.

Grades 4 through post high

Kamehameha Schools reached 7,300 students through in-school, inter-session and summer programs and supported 2,400 students in Hawaiian-focused charter schools. Another 2,200 students were awarded \$12.6 million in post-high educational scholarships.

Innovation on Kamehameha campuses

Fiscal year 2006 was highlighted by a historic three-island graduation of 722 seniors from Kamehameha Schools' campuses on O'ahu, Maui and Hawai'i. Total campus K-12 enrollment was 5,300 and parent, family and caregiver programs reached more than 4,500 additional adult learners.

For more, visit www.ksbe.edu/annualreports.

Consolidated Statement of Assets (In thousands of dollars) June 30, 2006

	COST OR ESTIMATED FAIR VALUE	
CASH AND EQUIVALENTS <i>(Face value)</i>	\$	50,498
INVESTMENTS Marketable debt and equity securities <i>(Quoted market price value)</i>		
Common and preferred stocks	\$	1,948,947
Fixed income		586,714
Short-term investments		403,034
Mutual and commingled funds		1,359,182
		4,297,877
Privately placed debt and equity securities <i>(Cash flow, collateral or appraised value)</i>		
Hedge funds		997,906
Private equity funds		241,811
Other, including direct financing lease		141,059
		1,380,776
RECEIVABLES, NET <i>(Value via comparison to market interest rates)</i>		
Tenant and tuition receivables		4,094
Note agreements - fee conversion land sales & Other		20,218
Interest		7,866
		32,178
DEFERRED CHARGES AND OTHER <i>(Book value)</i>		80,017
REAL ESTATE HELD FOR DEVELOPMENT AND SALE <i>(Appraised, current tax assessed or net realizable value)</i>		82,343
LAND, BUILDINGS AND EQUIPMENT - HAWAII REAL ESTATE <i>(Appraised, current tax assessed or book value - net of debt)</i>		
Residential and commercial	1,994,888	
Schools	587,667	
Agriculture and conservation	312,341	
		2,900,377
LAND, BUILDINGS AND EQUIPMENT - NORTH AMERICAN REAL ESTATE <i>(Book value)</i>	5,481	2,900,377
TOTAL ASSETS		\$8,824,066

Schedule of Hawai'i Real Estate by Island and Zoning (In acres) June 30, 2006

ISLAND	AREA IN ACRES	PERCENTAGE OF TOTAL
HAWAII		
Improved Residential	37.9162	0.01
Apartment	109.1017	0.04
Commercial	173.4010	0.06
Industrial	70.8518	0.02
Agricultural	200,508.3339	67.80
Conservation	93,276.0056	31.54
Hotel and Resort	204.6956	0.07
Unimproved Residential	1,217.3073	0.41
Homeowner	158.0073	0.05
Total	295,755.6204	100.00
KAUA'I		
Industrial	2.9644	0.02
Agricultural	1,185.3319	10.11
Conservation	10,540.1970	89.87
Total	11,728.4933	100.00
MAUI		
Improved Residential	15.0000	0.56
Apartment	1.6877	0.06
Commercial	2.8500	0.11
Agricultural	1,197.3970	44.66
Conservation	1,300.6360	48.51
Unimproved Residential	163.5260	6.10
Total	2,681.0967	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	295.6384	0.58
Apartment	525.0931	1.04
Commercial	882.1319	1.74
Industrial	178.0342	0.35
Agricultural	17,878.6590	35.33
Conservation	29,034.1210	57.38
Hotel and Resort	19.5111	0.04
Unimproved Residential	1,789.5537	3.54
Total	50,602.7424	100.00
SUMMARY		
Improved Residential	348.5546	0.10
Apartment	635.8825	0.17
Commercial	1,058.3829	0.29
Industrial	251.8504	0.07
Agricultural	224,161.7848	61.29
Conservation	135,710.3196	37.11
Hotel and Resort	224.2067	0.06
Unimproved Residential	3,170.3870	0.87
Homeowner	158.0073	0.04
Total	365,719.3758	100.00

