

ENDOWING THE LEGACY

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University of Hawai'i Foundation | ANNUAL REPORT 2005

ENDOWING THE LEGACY 1955-2005



Aloha friends and supporters,

Our 2005 annual report celebrates an important milestone for the University of Hawai'i Foundation—our 50th year.

Originally chartered on June 15, 1955 to "aid and assist the University of Hawai'i, including all campuses, colleges, schools, departments, centers, institutes and such other units as comprise the University of Hawai'i, by the solicitation of gifts of real and/or personal property from individuals, corporations, foundations, associations, and other entities in support of the teaching, research, and service functions of the University, the faculty and staff carrying out such functions, and the students served thereby....," our mission today continues to honor the intent of our founders.

From those beginnings, we have worked to build an organization that enables and encourages alumni and friends to provide the university the margin of excellence that philanthropic support allows.



Faye W. Kurren, Howard H. Karr and Donna Vuchinich

In this report we would like to tell you about a few of our many thousands of donors—alumni, friends, parents, foundations, and corporations—whose generous financial support over these fifty years has expanded that margin of excellence. Each and every gift is an important vote of confidence in the University of Hawai'i, its vision, and mission.

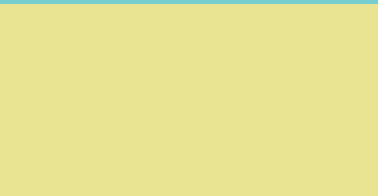
We are proud of our 50-year partnership with the University of Hawai'i. Our board and staff are deeply committed to working with alumni and friends locally, nationally, and internationally to raise philanthropic gifts to benefit University of Hawai'i students and faculty, launch or enhance strategic programs, and support new facilities.

It is with grateful appreciation to you and all of our donors that we report these efforts are gaining momentum. In fiscal year 2005, the UH Foundation received \$34,568,511 in philanthropic support, a 33 percent increase from 2004. In addition, the market value of the UH Foundation endowment stood at \$124.4 million, an increase of 10 percent over 2004.

Your support makes this possible. We are honored to be stewards of that support.

Donna Vuchinich
President

Faye W. Kurren
Chair





■ ACCESS TO SUCCESS

An academic community that attracts dedicated students is the backbone of America's best colleges and universities. But for many low-income families, the cost of tuition makes college unattainable.

Contributions that establish endowed scholarships or fund student assistance are essential. The university's ability to provide access to financially needy students is part of its commitment to Hawai'i. Endowed scholarships and other student assistance allow UH to recruit the most promising students and offer them a rich academic experience.

In 2005, the University of Hawai'i Foundation received more than \$9 million in contributions designated for this purpose. Today, higher education is a reality for more than 4,000 students across the UH System thanks to donors who made these scholarships possible.



Dr. Kathryn Hu-Pei Au
(RDNUH '71, MA '76)

AU AND HEW FAMILY ENDOWED SCHOLARSHIP

After spending most of her life pursuing education, Dr. Kathryn Hu-Pei Au established an endowment to assist others doing the same.

In 1995, Dr. Au became the first to occupy the Dai Ho Chun Endowed Chair in the UH College of Education, where she directed the Institute for Teacher Education.

In 2005, she established the Au and Hew Family Endowed Scholarship to assist undergraduates who reside on the Waianae Coast and have a commitment to teaching in area schools.

"A great teacher can change a student's life," Dr. Au said. "When the teacher is from the community, and teaches in the community, he or she can be an inspiration and a role model. I personally know the first scholarship recipient. I know she's going to be a great teacher and make a great contribution to education."



Chris Grootaert
(PhD '78)

CHRIS GROOTAERT ENDOWED SCHOLARSHIP FUND

Chris Grootaert came to the University of Hawai'i at Mānoa from Belgium in 1974, attracted by the university's strong Asian Studies program and courses on the development of Asian countries offered by the school's economics department. As a student, he grew to love Hawaiian culture.

In 1978, Chris obtained his PhD in economics and left for Washington, D.C., where he joined the World Bank and spent 23 years focusing on poverty and sustainable development in countries around the world.

During that time, he never forgot Hawai'i. In 2005, he established the Chris Grootaert Endowed Scholarship Fund to provide assistance to full-time undergraduate students majoring in economics. With preference given to Native Hawaiian students, his gift reflects his belief that Native Hawaiians must assert their role in economic leadership and that economic education is an integral part of their empowerment.

ROGER A. LONG SOUTHEAST ASIAN PERFORMING ARTS ENDOWMENTS

The Hindu Prince Gautama Siddhartha, the founder of Buddhism, wrote, "Your work is to discover your work, and then with all your heart to give yourself to it."

Dr. Roger Long, professor emeritus of the University of Hawai'i and past director of the UH Southeast Asian Studies Program and chair of the Department of Theatre and Dance, discovered his life's work early. "I've been committed to theatre since high school," Dr. Long said.

In 2005, he decided to give even more of himself to his work. He made a provision in his estate plan to establish four endowments at the College of Arts and Humanities at UH Mānoa that will provide scholarship support to students studying theatre, dance, and music. In addition, Dr. Long is archiving research that he compiled in Indonesia, India, and Japan over the past 45 years. Once complete, he intends to donate the entire body of work, which includes rare performance recordings that exist nowhere else, to the university.

Because of Dr. Long's lifetime of dedication and love of his work, he is leaving a legacy for others to share his avocation and build on his accomplishments.







■ ENHANCING ACADEMIC EXCELLENCE AND RESEARCH

Intellectual capital is the new currency in a world where innovation is prized. The University of Hawai'i Foundation works hard to attract endowments that support faculty chairs, professorships, research, and academic program enhancements in a host of disciplines. These enable the university to attain a margin of excellence above and beyond what is possible through state funding alone.



Walter Dods (BBA '67)
Diane Dods (BA '67)

DAN AND MAGGIE INOUYE DISTINGUISHED CHAIR IN DEMOCRATIC IDEALS

UH alumni Walter and Diane Dods have built a legacy of giving that continues to touch the lives of many. For example in 2001, they created the Walter A. and Diane Dods Scholarship with an endowment of \$1 million to generate funds in perpetuity for tuition, books, and fees for students attending any campus in the UH System. In 2005, Walter served as a member of the volunteer leadership committee that successfully raised more than \$2 million to endow the Dan and Maggie Inouye Distinguished Chair in Democratic Ideals at UH Mānoa. It included a personal contribution of \$50,000 from Walter and Diane.

"This chair underscores the crucial elements of Senator Inouye's unrivalled role in Hawai'i and the nation," Walter said. "His career and life have served as a catalyst for democratic ideals, as will the Inouye chair."

Thanks to the commitment of Walter, Diane, and others that have made this distinguished chair possible, the people who occupy it will educate the future leaders of our state and nation.

AMERICAN LUNG ASSOCIATION OF HAWAI'I ENDOWED CHAIR IN NEONATAL RESPIRATORY HEALTH



Hawai'i has the highest incidence of respiratory disease in the nation, and 1-in-10 suffers from asthma.

As an organization dedicated to the prevention of lung disease, the American Lung Association of Hawai'i (ALAH) endowed chairs in neonatal and adult respiratory health at UH John A. Burns School of Medicine (JABSOM) should come as no surprise.

"We are pleased to partner with the University of Hawai'i to grow the talent of specialized physicians and researchers in pulmonary medicine at the school and through the state of Hawai'i," said Sterling Yee, president of ALAH. "With this gift, we are investing in the future of lung health in Hawai'i."

The catalyst for the partnership was ALAH's sale in early 2005 of the Kuakini Health Center building in Honolulu. The ALAH board of directors approved a portion of the proceeds to make a gift of \$1 million to support an endowed chair in neonatal respiratory health at JABSOM.

AMERICAN LUNG ASSOCIATION OF HAWAI'I AND LEHI FUND ENDOWED CHAIR IN ADULT RESPIRATORY HEALTH

What may be surprising are the circumstances—and the unique partnership with the Hawai'i Community Foundation's Lehi Fund—that made a second endowed chair possible.

The ALAH board approved a second gift of \$500,000 to partially endow a chair position in adult respiratory health at the medical school. This gift was matched by the Hawai'i Community Foundation's Lehi Fund and the chair was fully endowed.

"The Lehi Fund at the Hawai'i Community Foundation was established to support programs of research and education in, and prevention of, pulmonary disease so a partnership with the ALAH, the medical school, and the UH Foundation will help meet the ultimate goal of this fund, which is to provide better pulmonary health for our community and everyone," said Hawai'i Community Foundation CEO and President Kelvin Taketa.



W.M. KECK COSMOCHEMISTRY LABORATORY

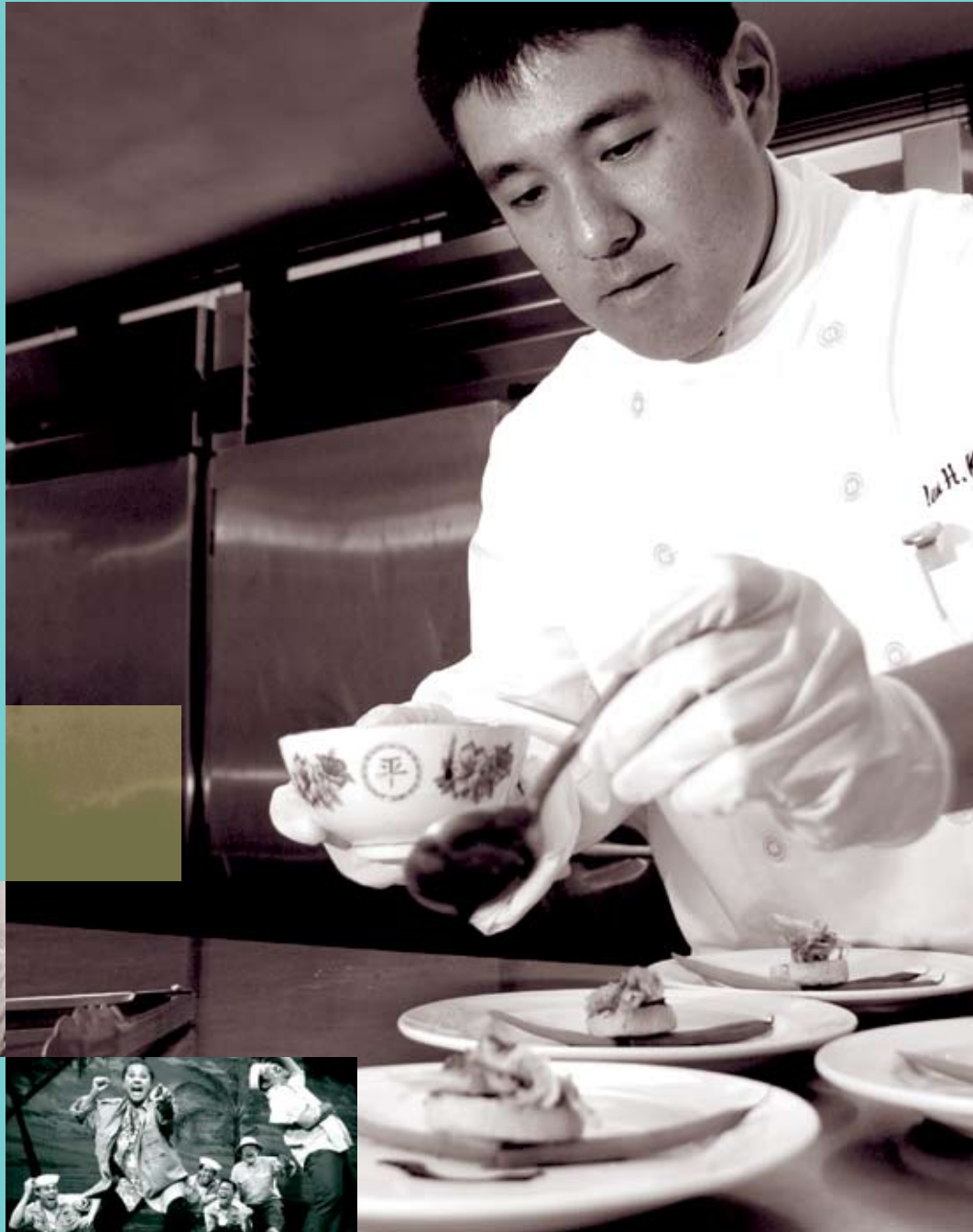
Space may be infinite in scale but some of its mysteries may soon be revealed at a granular level.

An advanced ion microprobe laboratory for astrophysical research, made possible by a \$1.5 million grant from the W.M. Keck Foundation, will soon enable scientists and researchers at the University of Hawai'i at Mānoa to perform a higher quality analysis of extraterrestrial materials than previously possible. At the same time, the laboratory will be able to link data from meteorites and comet dust to telescopic observations of stars and comets.

By the end of 2006, the team expects to be making measurements of comet samples collected during the STARDUST mission. Launched in 1999, STARDUST successfully collected particles from the comet Wild 2 along with samples of interstellar dust particles as they streamed through the solar system. These samples were returned to Earth in January 2006 and will be available for analysis sometime in the fall. By the middle of 2007, the UH-based team aims to be on its way to new breakthroughs in understanding the origin of stars, planets, and our solar system.

In addition to the significant role it is expected to play in the exploration and understanding of the universe, the W.M. Keck Cosmochemistry Laboratory will further enhance the reputation of the University of Hawai'i as a preeminent institution in the world of astronomical research.







■ DONOR SUPPORTED PROGRAMS PAY HUGE DIVIDENDS

UH is poised to spur a new wave of development in the islands thanks to investments in academic programs in the biosciences, creative and culinary arts, tourism, and ocean, earth, and space sciences, to name a few. The anticipated dividends are potentially huge, and include the creation of thousands of new jobs and hundreds of millions in new tax revenues.

And economic benefits are just the beginning of the story. Many of the endowments managed by the University of Hawai'i Foundation support programs that are directly tied to the quality of life in Hawai'i.



JOSEFINA A. CORTEZAN ENDOWED SCHOLARSHIP FUND

Raymond and Josephine Duvauchelle believe well-trained licensed practical nurses are crucial to meeting the needs of the community. That's why they established the Josefina A. Cortezan Endowed Scholarship Fund to provide scholarships to Kaua'i Community College students who are pursuing careers as licensed practical nurses.

The scholarship fund is named in honor of Josephine's mother, Josefina A. Cortezan, who was recruited from the Philippines in the 1920s to provide healthcare to workers at the Ewa Plantation on O'ahu.

Thirty years later, daughter Josephine was among the first to graduate from the University of Cincinnati, the first collegiate school of nursing in America. In 1967, she was recruited to come to Kaua'i Community College, where she would start the school's nursing program and teach for more than 20 years.



Karl Fujii
(BBA '90)

KARL FUJII GIFT TO UHAA

Fifteen years after graduating from the UH Mānoa School of Accounting, Karl Fujii nostalgically recalls his life as a student, the nights spent camping out to purchase football tickets, and various business school club events and activities.

After graduation, he joined the accounting firm of PricewaterhouseCoopers. For the past eight years, he's been with Hawaiian Building Maintenance as vice president and chief financial officer.

Today, Karl is building more than memories. He believes engaged alumni are vital to the success of the university, and has worked to build the reach of the UH Alumni Association (UHAA). In 2004, he served as president of UHAA and currently serves on its board of directors. As a proud alumnus, Karl supports UH by giving time and money to UHAA. Fujii believes that a contribution to UH has far reaching impact. "UH is the most important organization in the state," he said. "It affects everything and everyone in Hawai'i in one way or another." So do contributions to UH from people like Karl.



HERB AND DEE COYLE GIFTS TO MCC

Maui Community College is a special place for Herb and Dee Coyle. Both attended the college, where they met, and Herb works there today as associated professor of counseling.

"There's a lot of value in this institution," Herb said. "People with or without any previous higher education have been able to start here. I counseled one student who left carpentry and eventually became an attorney. If Maui Community College wasn't here, these personal success stories wouldn't exist."

Dee graduated with a BA in interdisciplinary studies in 2004. While completing her degree, she worked full-time and took two or three classes at a time while commuting 80 miles a day.

They have made financial contributions to the college's culinary program, student services, and the Chancellor's Golf Tournament.

PACIFIC ASIAN CENTER FOR ENTREPRENEURSHIP AND E-BUSINESS FUND

The path you start down isn't always the one you end up following. Just ask Susan Yamada Scott. After earning a BBA degree from the UH Mānoa School of Travel Industry Management in 1983, she joined Marriott Hotels & Resorts, embarking on a career that would take her to Santa Clara, California.

It was a heady time in Silicon Valley. Technology and the Internet were huge, and Susan jumped right in, first as a technology industry analyst, later as an industry trade magazine publisher, and finally as founder of an Internet company. Now retired, Susan made a commitment that established the Pacific Asian Center for Entrepreneurship and E-Business Fund at the College of Business Administration. This important program serves as a launch pad for student teams who collaborate with venture capitalists to produce and bring to market products developed in Hawai'i. She has continued to support this entrepreneurship program—most recently with a gift of \$20,000.



Susan Yamada Scott
(BBA '83)

TODD YUKUTAKE GIFTS TO HCC AND UHWO

Armed with a bachelor of science degree in administration of justice from the University of Hawai'i at West O'ahu, you might expect Todd Yukutake to be wearing a police uniform. Someday, he says, he may do exactly that. But for now, he's wearing the uniform of the Hawai'i Army National Guard.

Todd, an education specialist with the Guard, attended both Honolulu Community College and UH West O'ahu, where he says the education he received helped prepare him for the work he does today.

In 2005, Todd contributed \$300 in unrestricted funds to each of the UH campuses he attended. "I just wanted to give a little something that would help them improve their services to students," he said. His gifts illustrate an important point—it isn't the size of the gift, it's the heart behind it that matters.



Todd Yukutake
(AS '97, BA '01)

NOLAN AND JANE KRAMER ENDOWED FUND

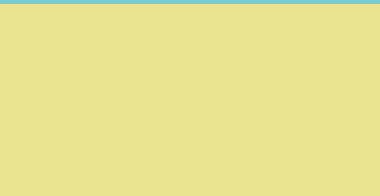
It would be difficult to find someone whose life is more closely entwined with the University of Hawai'i than Jane Kramer. Her stepfather, Wilfred "Jasper" Holmes, is a former dean of UH Mānoa's College of Engineering. Mānoa's Holmes Hall is named in his honor.

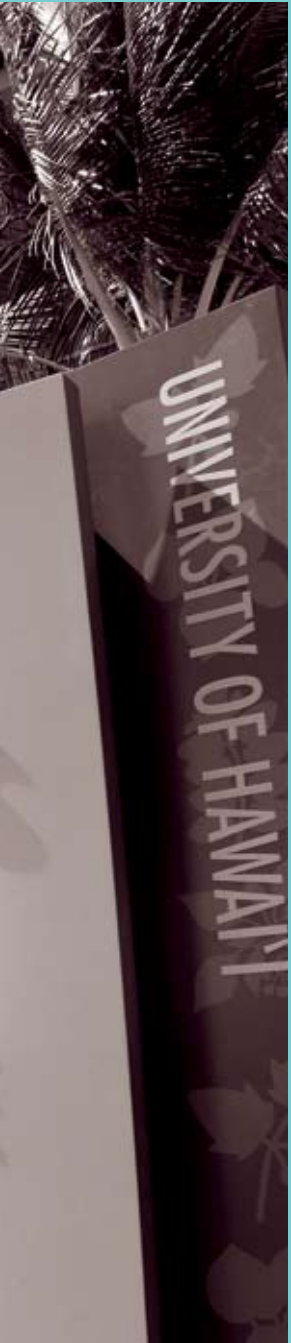
Jane's late mother, Elizabeth Carr Holmes, was an emeritus professor of speech at UH and a founding board member of the University of Hawai'i Foundation. Her son, Dr. Kenton Kramer, is currently an associate professor in the John A. Burns School of Medicine. And, yes, Jane is a UH graduate.

Jane's support of TIM honors her family's long involvement at UH and her husband's successful travel industry career. Nolan worked nearly 40 years with Hawaiian Airlines, was vice president of the Pacific region for World Airways and co-founder of Mid-Pacific Airways.



Jane Kramer (BA '51)
Nolan Kramer





■ ENHANCING THE QUALITY OF UH FACILITIES

The quality of an institution's facilities is more critical to the delivery of education today than ever before. UH facilities must continue to offer the technological infrastructure, advanced equipment, and other advantages necessary to support high-level research while providing new opportunities for teaching and learning in an environment characterized by dynamic interaction between faculty and students.

Endowments managed by the University of Hawai'i Foundation are funding technological enhancements to many of these facilities as well as supporting their continued maintenance.



Shizue Akiyama
(BA '84)

SHIZUE AKIYAMA GIFT TO UH HILO

In high school, Shizue Akiyama dreamed of attending college. But when her mother passed away suddenly, those dreams were replaced by the need to help support her family.

Putting higher education on hold, Shizue joined the Hawai'i State Judiciary, where she worked as a court clerk for 35 years. One month after she retired, Shizue enrolled at the University of Hawai'i at Hilo.

Initially, Shizue was interested in astronomy, an interest shared by her husband, Mitsuo, who graduated from UH Mānoa in 1942. "When he saw that I'd received a B in a biology class, he was appalled," she said. "Astronomy wasn't for me."

Instead, Shizue took an eclectic approach and graduated in 1984 with a bachelor's in liberal studies.

In 2005, Shizue made a gift of \$10,000 to UH Hilo for the Imiloa Astronomy Center on the occasion of its groundbreaking. The gift was in honor of her late husband, who was recognized posthumously for his work on behalf of the Big Island business community to encourage the development of astronomy at Mauna Kea.



Dr. Jacqueline Maly
(EdD '77)

DR. JACQUELINE MALY GIFT TO WCC

After 35 years teaching science at several University of Hawai'i campuses, Dr. Jacqueline Maly discovered a simple formula for giving to the school.

"I see needs and I want to help," she said. "It brings me great joy to have the financial resources to make gifts that solve specific problems."

Dr. Maly supports the university with funds that she designates for specific uses. In 2005, these included the creation of some permanent displays in the Windward Community College (WCC) Science Building and enhancements to WCC's Palikū Theater.

Now retired, Dr. Maly volunteers as a WCC Ambassador, one of thirty community leaders who share what's new on campus with others in the community. She's active in Kokua Palikū, a group dedicated to raising funds to operate and endow the Palikū Theater. In addition, she presents shows at the WCC Imaginarium, serves as a docent for the Aerospace Lab and the NASA Lab at the college, and is a member of the Laniloa fundraising team.

YOUR GIFTS MAKE EXCELLENCE POSSIBLE!

Like the gifts mentioned above, every private contribution to the University of Hawai'i Foundation helps move UH that much closer to being a great institution of higher learning for Hawai'i, our nation, and the world. Mahalo nui loa.

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FINANCIAL REPORT

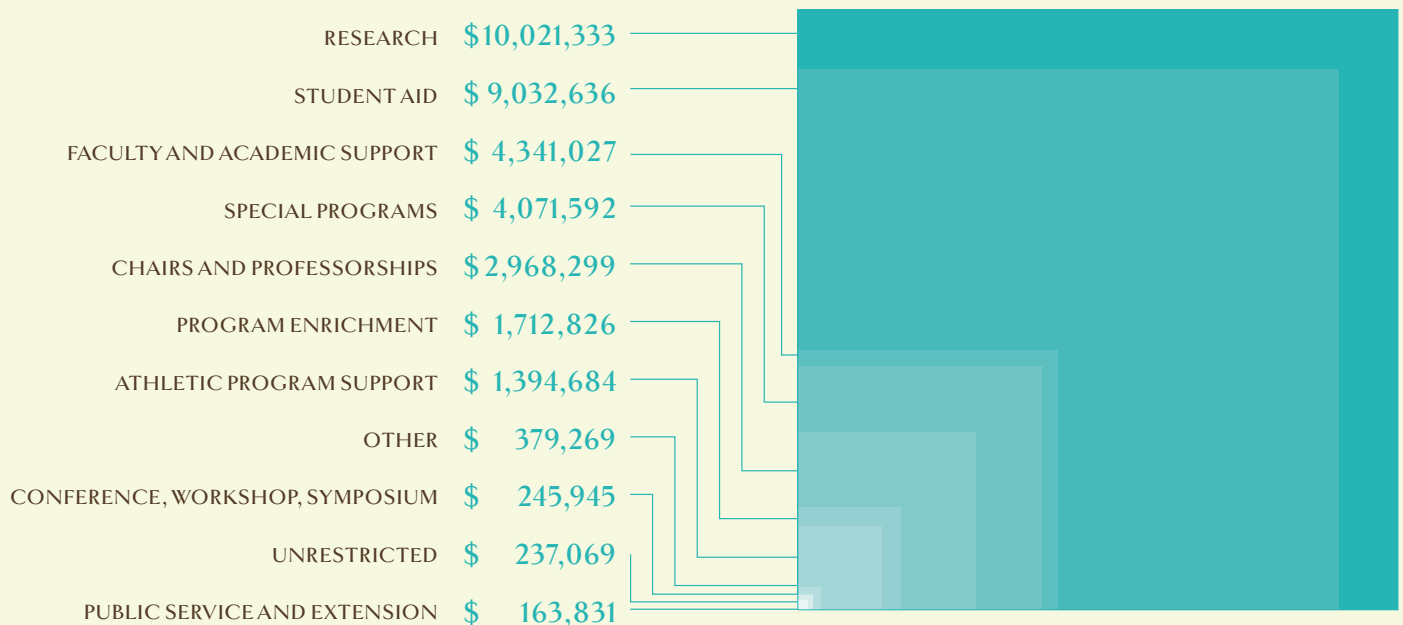
In fiscal year 2005, our community partners gave nearly 35,000 gifts to the University of Hawai'i Foundation in support of programs throughout the University of Hawai'i's 10 campuses. For these generous gifts and donors, we are extremely thankful.

These investments in academic programs and university initiatives do not take the place of the state's ongoing obligation to provide a solid foundation for the University. Rather, they enhance the state's investment and enable UH to go above and beyond the norm. They advance and extend the reach of UH scholarships and create a vital link between the university and the local and global communities it serves.

Because private investment in UH is ongoing, we have created a special section of our website dedicated to acknowledging private support. Please visit us at www.uhf.hawaii.edu to view the names of those who make excellence in education a reality at the University of Hawai'i.

FUNDS RAISED BY PURPOSE

Total: \$34,568,511

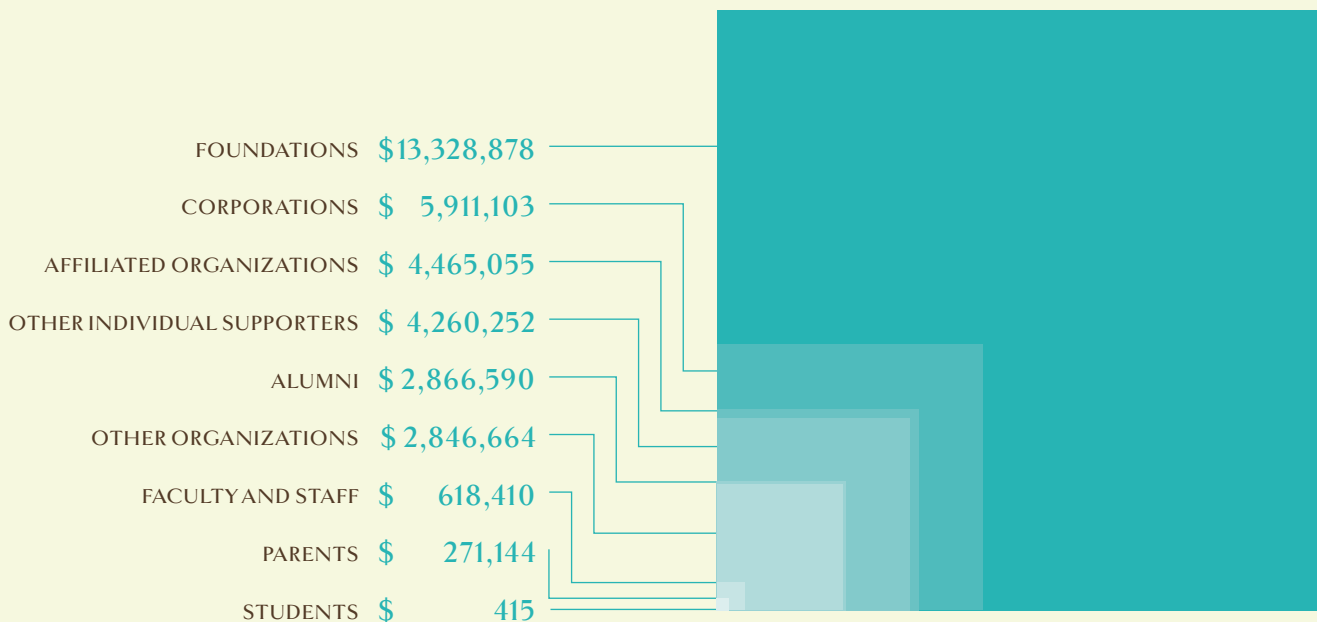


FY 2005 GIFT RESULTS BY PURPOSE

The University of Hawai'i is dedicated to advancing the ambitions of our community through education, training, and service. The impact of our alumni is felt locally, nationally, and internationally, not only through the UH programs they support, but also in the work they do each day. Likewise, the corporate community has taken a strong interest in higher education in Hawai'i as the best investment to diversify and grow our economy.

FUNDS RAISED BY SOURCE

Total: \$34,568,511



FY 2005 GIFT RESULTS BY SOURCE

Private investment in the University of Hawai'i elevates every aspect of the university's mission. In particular, the university's guiding commitments to research and student access are sustained and extended by partnership with individual and institutional donors. By supporting a broad range of priorities across the university's 10 campuses, our partners ensure a promising future for the entire UH System.

FINANCIAL REPORT

BALANCE SHEET

As of June 30 (in 000's)

	FY05	FY04
Assets		
Cash and equivalents	\$ 2,125	\$ 1,186
Contributions receivables	9,728	6,721
Investments	148,517	132,275
Interest in trusts held by others	11,649	10,941
Split interest agreements	4,882	4,974
Other assets	4,384	3,775
Total Assets	\$ 181,285	\$ 159,872
Liabilities		
Amounts held for others	\$ 2,591	\$ 2,487
Accounts payable	1,066	576
Other liabilities	3,729	3,840
Total Liabilities	\$ 7,386	\$ 6,903
Net Assets		
Unrestricted	\$ 1,881	\$ 1,251
Temporarily restricted	75,218	64,190
Permanently restricted	96,800	87,528
Total Net Assets	\$ 173,899	\$ 152,969
TOTAL LIABILITIES & NET ASSETS	\$ 181,285	\$ 159,872

DOLLARS SPENT

	FY05	FY04
Distributions to UH		
Capital projects	\$ 770	\$ 97
Academic support	2,942	3,396
Faculty & staff support	1,113	1,448
Research	2,334	921
Extension & public services	516	473
Student aid & services	5,866	4,966
Athletics	1,872	1,752
Special projects & others	3,242	2,664
Total program services	\$ 18,655	\$ 15,717
Supporting Services		
Administrative, management & fiscal services	\$ 2,311	\$ 2,286
Development	4,146	4,417
Total supporting services	\$ 6,457	\$ 6,703
TOTAL EXPENSES	\$ 25,112	\$ 22,420

Audited FY 2005 financial statements will be available January 2006. The 2005 honor roll of donors is available online at www.uhf.hawaii.edu.

