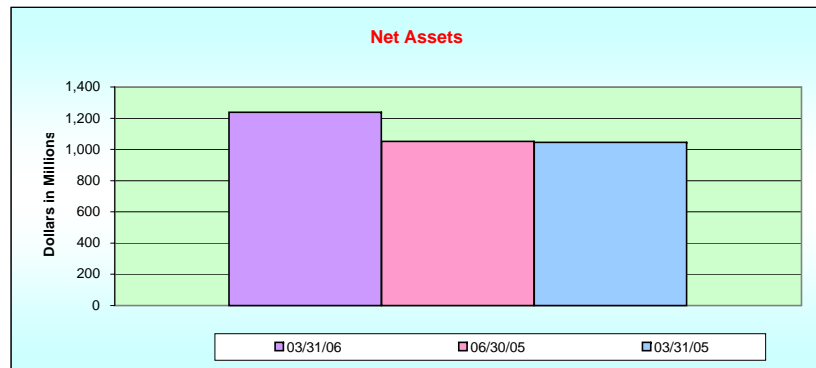
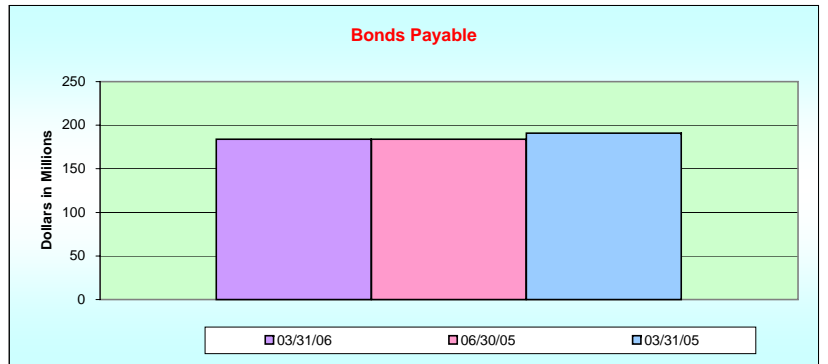
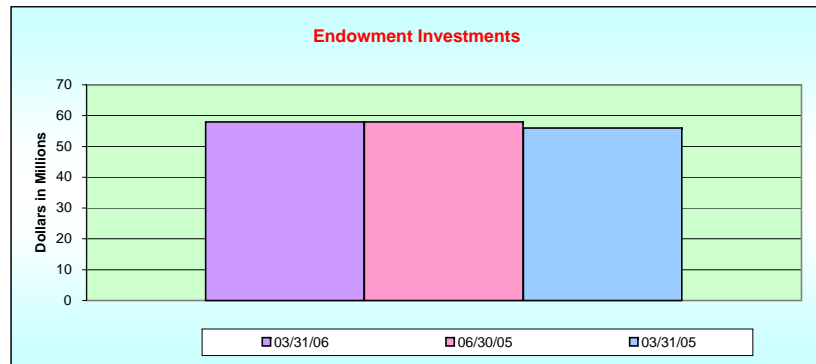
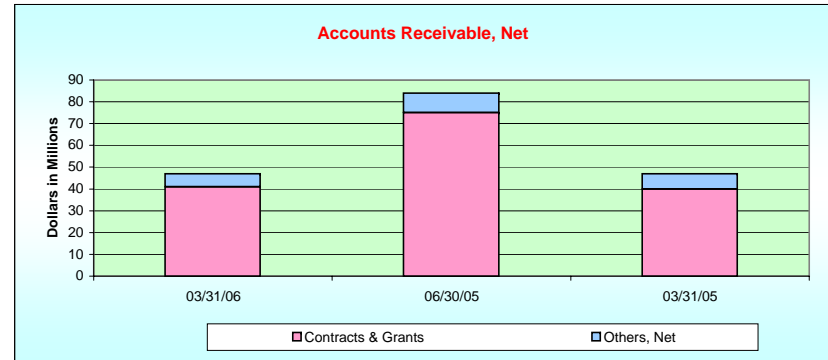
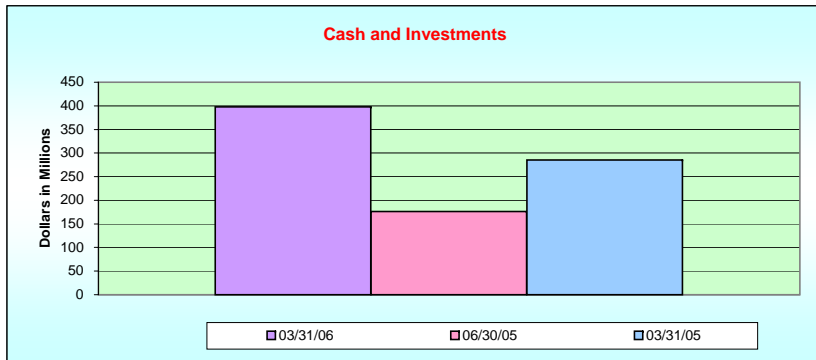


# UNIVERSITY OF HAWAII

## Financial Status

### Quarter Ended March 31, 2006 & 2005

#### Selected Balance Sheet Items and Liquidity Metrics



	QE 03/31/06	FYE 06/30/05	QE 03/31/05
Current Ratio (Current Assets to Current Liabilities)	4.49	2.37	4.21
Debt to Equity (Net Assets to Non-Current Liabilities)	0.17	0.21	0.20
Employee Headcount, (FTE)	7,862	7,294	7,648

Note: FYE decrease in FTE, each year, Lectures are terminated at 05/31.

**UNIVERSITY OF HAWAII**  
**Financial Status**  
**Quarter Ended March 31, 2006 & 2005**  
(Dollars in thousands)

**Income Statement Metrics**

**Statement of Revenues, Expenses, and Changes in Net Assets**

	FYTD		3rd Qtr		FYE
	2006	2005	2006	2005	06/30/05
<b>Total Revenue</b>					
Net student tuition	108,873	104,632	10,600	11,008	117,080
Federal grants and contracts	244,820	230,227	80,300	76,040	290,870
State and local grants and contracts	15,536	13,146	4,963	4,612	19,034
Nongovernmental sponsored programs	21,962	19,097	7,054	6,145	27,075
Sales and services of educational departments	19,515	19,368	6,983	6,757	47,332
Auxiliary enterprises:	57,156	56,483	16,584	16,287	67,947
Other Operating Revenues	348	306	132	115	263
<b>Total Operating Expenses</b>					
Compensation and benefits	577,741	520,551	146,182	134,812	654,899
Supplies and services	120,221	110,401	39,243	32,107	157,108
Depreciation (recorded in 4th quarter)	0	0	0	0	53,363
Scholarship and fellowships	36,582	38,767	14,214	16,226	33,700
Other operating expenses	101,338	100,939	32,072	33,229	130,712
<b>Operating income (loss)</b>	<b>(367,672)</b>	<b>(327,399)</b>	<b>(105,095)</b>	<b>(95,410)</b>	<b>(460,181)</b>
<b>Total Nonoperating Revenues (Expenses)</b>					
State appropriations	591,449	475,172	0	0	488,193
Private gifts	1,133	1,534	127	151	3,004
Net investment (loss) income	5,513	4,639	2,557	2,175	7,597
Interest expense	(83,152)	(55,052)	(4,623)	(4,742)	(2,592)
Net other nonoperating expenses	(45,155)	(28,688)	(23,121)	(5,163)	(74,795)
Capital state appropriations	79,613	35,828	28,467	26,472	49,185
Capital gifts and grants	330	472	223	309	24,831
Capital asset transfers	984	54	734	(300)	65,400
Private gifts for endowment purposes	0	0	0	0	102
Extraordinary item	(4,188)	(12,868)	(872)	(7,398)	2,322
<b>(Decrease) increase in net assets</b>	<b>178,855</b>	<b>93,692</b>	<b>(101,603)</b>	<b>(83,906)</b>	<b>103,066</b>

University of Hawaii - Financial Status  
 Analytical Comments  
 Quarter Ended March 31, 2006 & 2005

1. Cash and investment balances include all fund sources including State general funds. Accordingly, cash balances are highest at the start of the fiscal year (July 1<sup>st</sup>) and decline throughout the year as general fund cash is depleted. The increase in cash and investments over the balance at the same time in the prior year is primarily the result of additional State general fund and general obligation bond fund appropriations and increases in contracts and grants revenues.
2. Accounts receivable consist mainly of Federal, State and private contracts and grants receivables. The high year-end balance in accounts receivable, net of allowances, as compared to March 31 was the result of several large contract and grant billings that occurred late last fiscal year.
3. The approximate increase of \$190M in net assets was due to increases of \$55M in General Funds and \$135M in Plant Funds (fixed assets).
4. Employee Headcount (FTE):

	03/31/06
Administrative, Professional and Technical	1,784
Civil Service	1,631
Executive and Managerial	192
Faculty	3,263
Graduate Assistant	599
Lecturers	390
Other	3
	7,862

5. The \$57M increase in compensation and benefits was the result of additional pass through cost for fringe benefits of approximately \$26M resulting primarily from a change in statute regarding pension contributions from an actuarial calculation to a percentage of 13.75 % of payroll. The remainder of the increase resulted from additional FTE and collective bargaining increases.
6. The decrease in scholarship and fellowships (\$2M) were primarily due to a decrease in Pell Grants resulting from:
  - a. Across the board enrollment decreases at the community colleges
  - b. Increase in the Expected Family Contribution (EFC) rate which decreases the amounts awarded to recipients

7. FYTD State appropriations increases were due to the following:
- |                                |            |
|--------------------------------|------------|
| a. Manoa Flood                 | \$31M      |
| b. Pass thru Costs:            |            |
| Debt Service                   |            |
| - Interest                     | 7.6        |
| - Principal                    | 20.8       |
| Pension                        | 12.3       |
| Health Premiums                | 10.8       |
| Social Security                | <u>3.3</u> |
|                                | 54.8       |
| c. Collective Bargaining       | 24.1       |
| d. JABSOM                      | 3.7        |
| e. New Initiatives (MA and HI) | <u>3.5</u> |
| Total                          | \$117.1M   |
8. Interest expense increase of \$28M was due to an increase in debt service costs attributable to State funded CIP.
9. Extraordinary item shown as non-operating expense are costs related to the Manoa flood.

**University of Hawai'i - FY 2006 Budget Status  
Consolidated Funding Report as of March 31, 2006**

<b>Appropriated Operating Funds</b>	<b>1/ Fiscal Year Available Resources</b>	<b>2/ Fiscal Year to Date Exp &amp; Enc</b>	<b>Fiscal Year Available Balance</b>	<b>Projected Fiscal Year End Unenc Cash Bal</b>
General Funds	594,871,298	473,238,745	121,632,553	
Federal Funds	9,716,605	4,583,485	5,133,120	
Special Funds	150,996,048	109,291,381	41,704,667	13,680,117
Revolving Funds	187,301,107	94,838,474	92,462,633	60,175,807
<b>Total Appropriated Operating Funds</b>	<b>942,885,058</b>	<b>681,952,085</b>	<b>260,932,973</b>	<b>73,855,924</b>

1/ Available Resources for General funds represent Total Appropriation + Collective Bargaining - Executive Restrictions (UBO worksheet)  
Available Resources for Federal funds represent current year allocations (BLS)  
Available Resources for Special & Revolving funds reflect current revenue projections + transfers + carryforward balances (BLS)

2/ UH processes pass through costs in 1st quarter (Pension Accumulation, Social Security, Health Fund, Debt Svc, Risk Mgt)  
Current year Systemwide Programs pass through costs = \$216,964,70

<b>Capital Improvements Program (CIP) Funds</b>	<b>1/ General Obligation Bond Funds Only</b>	<b>2/ Available Resources</b>	<b>To Date Exp &amp; Enc</b>	<b>Unencumbered Allotment</b>	<b>3/ Unallotted</b>	<b>4/ Lapsed</b>
	Appropriations					
FB 2003-2005 CIP Projects	111,365,000	110,935,000	36,452,432	74,482,568	430,000	0
FB 2005-2007 CIP Projects	167,571,000	60,929,000	4,244,318	56,684,682	106,642,000	0
<b>Total Appropriated CIP Funds</b>	<b>278,936,000</b>	<b>171,864,000</b>	<b>40,696,750</b>	<b>131,167,250</b>	<b>107,072,000</b>	<b>0</b>

1/ Limited to General Obligation Bond Funds - main revenue source for University CIP project

2/ Available Resources excludes Unallotted and Lapsed funding

3/ Unallotted = Funds not released by the Governor. Funding for future fiscal years cannot be allotted prior to the start of the fiscal year (Not Available)

4/ Lapsed = Funds lapsed by State Administration

<b>Federal &amp; Trust Extramural Funds</b>	<b>1/ New Awards Fiscal Year to Date</b>		<b>2/ Current Budget Balance</b>	<b>3/ Fiscal Year to Date Exp &amp; Enc</b>	<b>Available Budget Balance</b>
	<b>No.</b>	<b>Amount</b>			
Federal			516,533,294	263,369,538	253,163,756
Trust - State & Local Government			42,643,499	17,593,917	25,049,582
Trust - Private			52,394,605	22,485,667	29,908,938
<b>Total Federal and Trust Extramural Funds</b>	<b>1,269</b>	<b>283,159,691</b>	<b>611,571,398</b>	<b>303,449,122</b>	<b>308,122,276</b>

1/ New Awards represent the number and total value of awards received to date in the current fiscal year.

Federal awards generally reflect funding for only the current project period since funding for subsequent periods are approved incrementally.

Non Federal awards may reflect funding for multiple project periods which may span more than one fiscal year.

2/ Current Budget Balance is the prior fiscal year available budget balance plus new award budgets recorded in FMIS in the current year.

Budget balances may be expended over more than one fiscal year if awards have project periods that span multiple years.

3/ Current Fiscal Year to date expenditures & encumbrances reflect activity for active projects in the current fiscal year.

<b>Other Non-Appropriated Funds</b>	<b>Available Resources</b>	<b>Fiscal Year to Date Exp &amp; Enc</b>	<b>1/ Current Available Cash Balance</b>	<b>2/ Endow Princ/ Unencmbr Net Assets</b>
Endowment Funds	4,056,193	999,693	3,056,500	64,969,841
Loan Funds 3/	9,673,850	3,392,944	6,280,906	
Bond Funds				18,367,945
Agency Funds				723,162
<b>Total Non-Appropriated Funds</b>	<b>13,730,043</b>	<b>4,392,637</b>	<b>9,337,406</b>	<b>84,060,948</b>

1/ Cash balances for Endowment and Loan funds consider all receipts and disbursements. Cash balances are available for expenditure.

2/ Endowment principal is the current market value of endowment funds.

Bond funds - Unencumbered net assets for Renewal and Replacement and Debt Retirement.

Agency funds - Unencumbered net assets.

3/ Loan Funds are Federal, State and Private funds available for student loans

<b>Total Resources - All Fund Types</b>	<b>Available Resources</b>	<b>Fiscal Year To Date Exp &amp; Enc</b>	<b>Current Available Balance</b>
<b>University of Hawai'i Total</b>	<b>1,740,050,499</b>	<b>1,030,490,594</b>	<b>709,559,905</b>