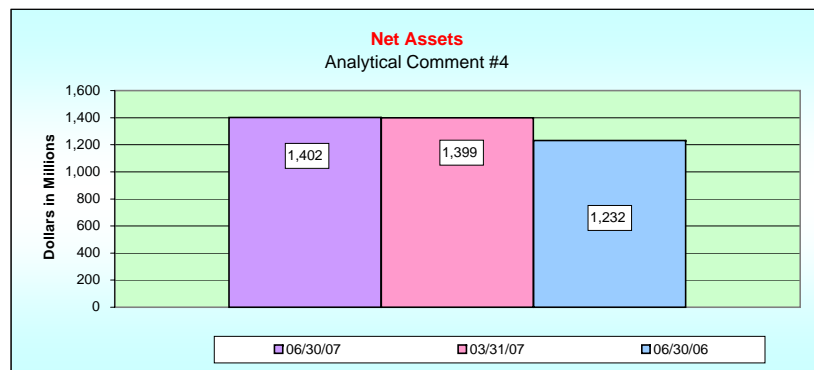
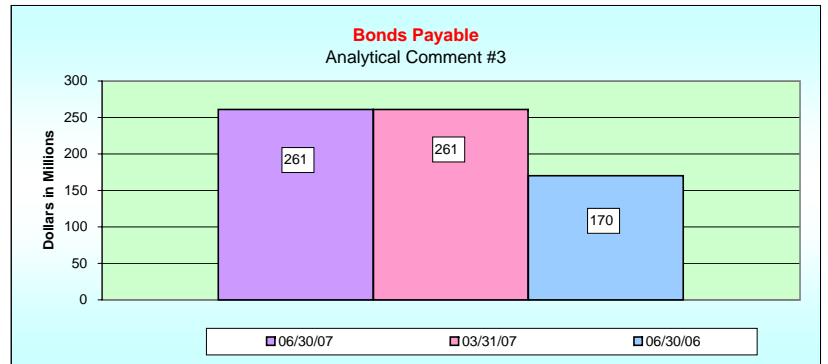
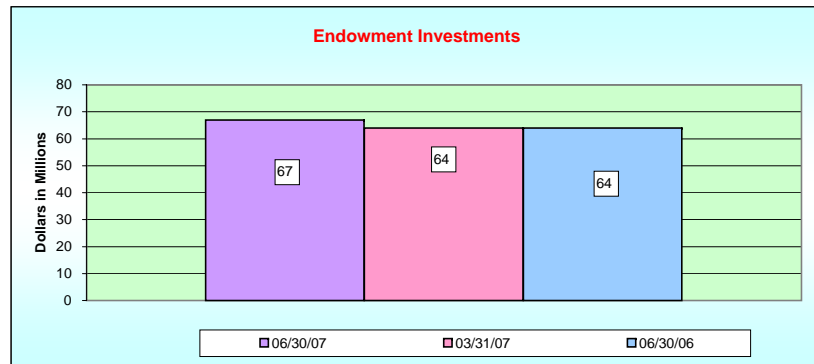
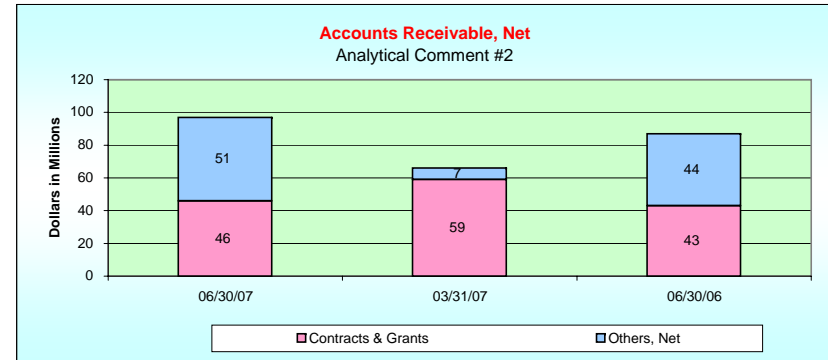
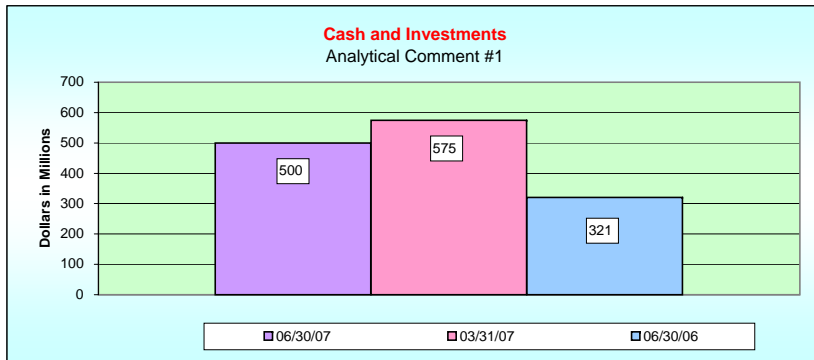


UNIVERSITY OF HAWAII

Financial Status

Quarter Ended June 30, 2007

Selected Balance Sheet Items and Liquidity Metrics



	QE 06/30/07	QE 03/31/07	QE 06/30/06
Current Ratio (Current Assets to Current Liabilities)	5.63	5.90	3.61
Debt to Equity (Non-Current Liabilities to Net Assets)	0.22	0.23	0.18
Employee Headcount, (FTE)	7,818	8,140	7,546

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

UNIVERSITY OF HAWAII

Financial Status

Quarter Ended June 30, 2007

(Dollars in thousands)

Income Statement Metrics

Statement of Revenues, Expenses, and Changes in Net Assets

	FYTD		4th Qtr	
	2007	2006	2007	2006
Total Revenue				
Net student tuition and fees	195,965	171,278	70,470	62,405
Federal grants and contracts	333,553	324,111	79,732	79,291
State and local grants and contracts	23,486	22,376	6,745	6,840
Nongovernmental sponsored programs	31,844	29,195	8,597	7,233
Sales and services of educational departments	26,994	25,834	7,333	6,319
Auxiliary enterprises:	81,149	75,611	17,674	18,455
Other Operating Revenues	244	326	(72)	(22)
Total Operating Revenue	693,235	648,731	190,479	180,521
Total Operating Expenses				
Compensation and benefits (Analytical Comment #6)	771,196	726,477	160,194	148,736
Supplies and services	172,122	164,545	47,803	44,324
Depreciation (recorded in 4th quarter)	0	0	0	0
Scholarship and fellowships	39,803	41,924	6,403	5,342
Other operating expenses	130,445	124,593	23,195	23,255
Total Operating Expenses	1,113,566	1,057,539	237,595	221,657
Operating income (loss)	(420,331)	(408,808)	(47,116)	(41,136)
Total Nonoperating Revenues (Expenses)				
State appropriations (Analytical Comment #7)	623,149	591,449	100	0
Private gifts	2,517	2,884	1,673	1,751
Net investment income	15,956	11,249	7,367	5,736
Interest expense	(88,754)	(83,188)	(3)	(36)
Net other nonoperating expenses	(39,079)	(58,982)	(8,070)	(13,827)
Capital state appropriations (Analytical Comment #8)	129,029	102,885	39,029	23,272
Capital gifts and grants	241	393	66	63
Capital asset transfers (Analytical Comment #9)	(314)	20,626	(275)	19,642
Private gifts for endowment purposes	0	1	0	1
Extraordinary item (Analytical Comment #10)	855	(5,550)	(770)	(1,362)
Nonoperating Revenues, Net	643,600	581,767	39,117	35,240
Increase (decrease) in net assets	223,269	172,959	(7,999)	(5,896)

University of Hawaii - Financial Status
Analytical Comments
Quarter Ended June 30, 2007

1. Cash and investment balances include all fund sources including State general funds. The increase in cash and investments over the prior year's same period is primarily the result of increases in Revenue Bond proceeds, unencumbered General Funds, and G.O. Bond Funds.
2. At June 30, 2007, Contracts and Grants receivables increased over the same prior year period, consistent with overall increases in operations and awards received. Other accounts receivable consist mainly of student receivables in the Banner system, the adjustment at fiscal year-end to reflect revenues in the appropriate fiscal years, has not yet been recorded.
3. The increase in Bonds Payable at June 30, 2007 as compared to June 30, 2006 was due to the issuance of Revenue Bonds in December 2006.
4. The approximate increase of \$170M in net assets at June 30, 2007 as compared to June 30, 2006 was due to:

G.O. Fund for construction projects*	\$94 M
Growth in Plant Fund balances (Fixed Assets)**	55
Growth in Special Fund balances***	60
Reduction in General Fund balances	(18)
Reduction in Revolving Fund balances	(16)
Others	(5)
	\$170 M

* - Unexpended General Obligation Bond Funds increased due to Science and Technology Building projects in progress (\$24M), Frear Hall Redevelopment project (\$21M), and System Capital Renewal and Deferred Maintenance projects (\$37M).

** - Plant Fund balances increased primarily due to construction projects including JABSOM, Imiloa Astronomy Center of Hawaii, and UH Manoa Institute of Astronomy project.

*** - Special Fund balances increased primarily due to tuition and fees increases (\$17M) and Legislatively mandated transfers of Bond System Revolving funds to Special funds (\$20M).

5. Employee Headcount (FTE):

	<u>06/30/07</u>	<u>03/31/07</u>	<u>06/30/06</u>
Administrative, Professional and Technical	1,961	1,925	1,832
Civil Service	1,643	1,624	1,657
Executive and Managerial	203	195	196
Faculty	3,391	3,398	3,249
Graduate Assistant	587	620	568
Lecturer	33	378	41
Non-compensated			3
	<u>7,818</u>	<u>8,140</u>	<u>7,546</u>

6. The \$45M increase in compensation and benefits was the result of additional pass through cost for fringe benefits of approximately \$8M and increases resulting from additional FTEs and collective bargaining increases (\$33M).

7. FYTD State appropriations increases were due to the following:

a. Pass thru Costs:

Debt Service

- Interest \$ 0.5M
 - Principal 6.0

Pension 1.7

Health Premiums 5.4

Social Security 1.3

14.9

b. Collective Bargaining 7.8

c. Biennium and Supplemental Budget increases, net 8.5

d. Others 0.5

Total \$31.7M

8. Capital State appropriations represent State General Obligation Bond Funds released by the Governor for Capital Improvement Projects (CIP) appropriated by the Legislature in the State CIP Budget. For the fiscal year to date at June 30, 2007, the Governor had released \$26.1M more, as compared to the prior year's same period.

9. Capital assets transfers at June 30, 2006 reflected transfers from the State for Institute of Astronomy – Hilo Facilities (\$10.7M) and UH Wellness Center tobacco settlement (\$9.1M).

10. Extraordinary item shown as non-operating revenues related primarily to the UH Lab School fire insurance advance.