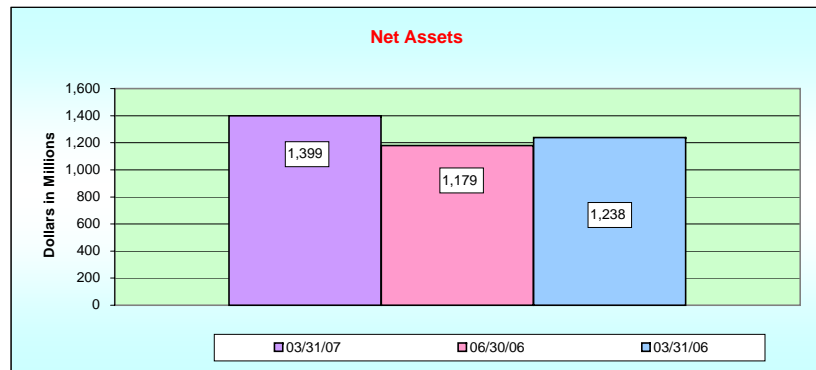
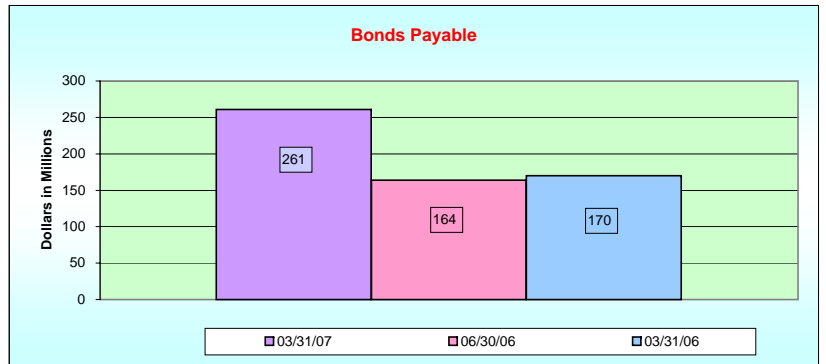
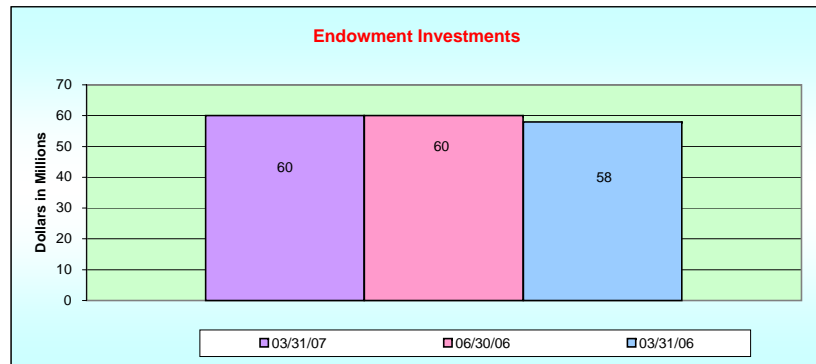
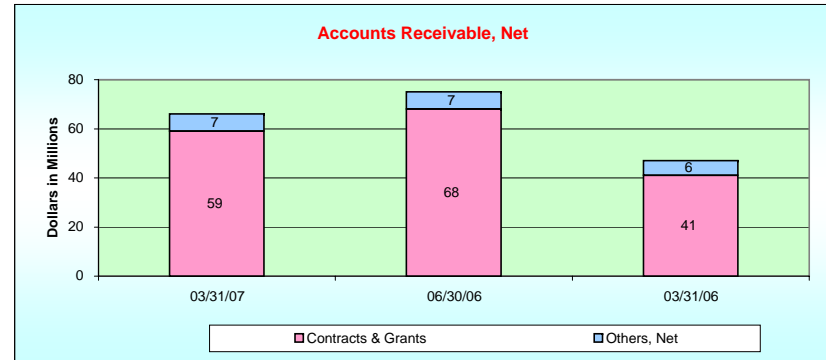
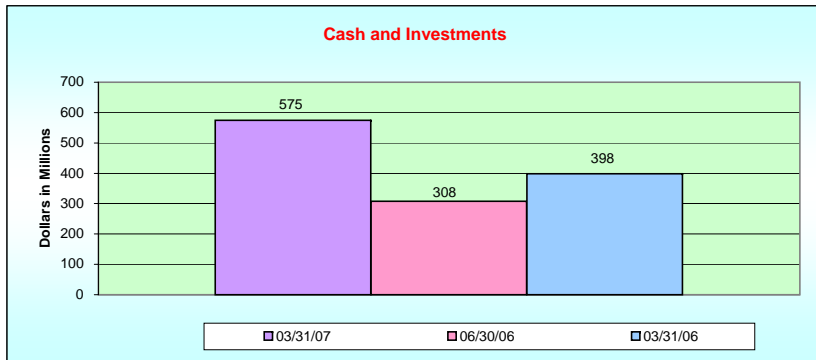


UNIVERSITY OF HAWAII

Financial Status

Quarter Ended March 31, 2007 & 2006

Selected Balance Sheet Items and Liquidity Metrics



	QE 03/31/07	FYE 06/30/06	QE 03/31/06
Current Ratio (Current Assets to Current Liabilities)	5.90	3.04	3.78
Debt to Equity (Non-Current Liabilities to Net Assets)	0.23	0.19	0.18
Employee Headcount, (FTE)	8,140	7,546	7,862

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

UNIVERSITY OF HAWAII
Financial Status
Quarter Ended March 31, 2007 & 2006
(Dollars in thousands)

Income Statement Metrics

Statement of Revenues, Expenses, and Changes in Net Assets

	FYTD		3rd Qtr		FYE
	2007	2006	2007	2006	06/30/06
Total Revenue					
Net student tuition and fees	125,495	108,873	10,299	10,600	124,074
Federal grants and contracts	253,821	244,820	86,437	80,300	299,635
State and local grants and contracts	16,741	15,536	6,341	4,963	21,653
Nongovernmental sponsored programs	23,247	21,962	7,573	7,054	28,921
Sales and services of educational departments	19,661	19,515	6,596	6,983	19,446
Auxiliary enterprises:	63,475	57,156	19,022	16,584	70,329
Other Operating Revenues	316	348	140	132	301
Total Operating Revenue	502,756	468,210	136,408	126,616	564,359
Total Operating Expenses					
Compensation and benefits	611,002	577,741	155,560	146,182	689,945
Supplies and services	124,319	120,221	43,120	39,243	161,335
Depreciation (recorded in 4th quarter)	0	0	0	0	55,353
Scholarship and fellowships	33,400	36,582	14,555	14,214	30,558
Other operating expenses	107,250	101,338	34,602	32,072	117,371
Total Operating Expenses	875,971	835,882	247,837	231,711	1,054,562
Operating income (loss)	(373,215)	(367,672)	(111,429)	(105,095)	(490,203)
Total Nonoperating Revenues (Expenses)					
State appropriations	623,049	591,449	0	0	570,746
Private gifts	844	1,133	222	127	2,190
Net investment income	8,589	5,513	5,153	2,557	11,624
Interest expense	(88,751)	(83,152)	(3,858)	(4,623)	(7,431)
Net other nonoperating expenses	(41,444)	(45,155)	(115,541)	(23,121)	(114,509)
Capital state appropriations	90,000	79,613	0	28,467	103,502
Capital gifts and grants	175	330	96	223	23,502
Capital asset transfers	(39)	984	(43)	734	20,783
Private gifts for endowment purposes	0	0	0	0	1
Extraordinary item	1,625	(4,188)	(255)	(872)	(825)
Nonoperating Revenues, Net	594,048	546,527	(114,226)	3,492	609,583
Increase (decrease) in net assets	220,833	178,855	(225,655)	(101,603)	119,380

University of Hawaii - Financial Status
 Analytical Comments
 Quarter Ended March 31, 2007 & 2006

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, State Appropriations, and G.O. Bond Funds.
2. At March 31, 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, which are adjusted at fiscal year-end to reflect revenues in the appropriate fiscal years.
3. The increase in Bonds Payable at March 31, 2007 as compared to March 31, 2006 was due to the issuance of Revenue Bonds in December 2006.
4. The approximate increase of \$161M in net assets at March 31, 2007 as compared to March 31, 2006 was due to:

G.O. Fund for construction projects*	\$75	M
Growth in Plant Fund balances (Fixed Assets)**	56	
Growth in Special Fund balances***	44	
Others	<u>(14)</u>	
	<u>\$161</u>	M

* - Unexpended General Obligation Bond Funds increased due to Health, Safety & Code projects in progress (\$15M), Komahana Agricultural Complex project (\$13), Frear Hall Redevelopment project (\$21M), and System Capital Renewal and Deferred Maintenance projects (\$30M).

** - 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>03/31/07</u>	<u>6/30/2006</u>	<u>03/31/06</u>
Administrative, Professional and Technical	1,925	1,832	1,784
Civil Service	1,624	1,657	1,631
Executive and Managerial	195	196	192
Faculty	3,398	3,249	3,263
Graduate Assistant	620	568	599
Lecturer	378	41	390
Non-compensated		3	3
	<u>8,140</u>	<u>7,546</u>	<u>7,862</u>

6. The \$33M 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 (\$24M).

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 0.4

Total \$31.6M

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 March 31, 2007, the Governor had released \$10.4M more, as compared to the prior year's same period.

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