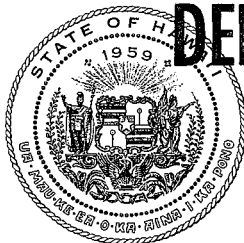


STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



DEPT. COMM. NO. 90

MARION M. HIGA
State Auditor

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November 24, 2010

The Honorable Shan S. Tsutsui
President of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Mr. President:

I transmit to you a copy of our report, *Review of Revolving Fund, Trust Funds, and Trust Accounts of the Judiciary and the Departments of Commerce and Consumer Affairs, Hawaiian Home Lands, Health, and Human Services*.

Section 23-12, Hawaii Revised Statutes, requires the State Auditor to review all existing revolving and trust funds every five years. This report presents a five-year financial summary for each fund or account, evaluates the original intent and purpose of each fund or account, and determines the degree to which each fund or account achieves its stated and claimed purpose. We reviewed a total of 121 funds and accounts: 27 revolving funds, 59 trust funds, and 35 trust accounts. Of these, we found that a total of 17 funds (seven revolving and 10 trust) did not meet applicable criteria and/or may not be properly classified.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Friday, November 26, 2010.

Sincerely,

Marion M. Higa
State Auditor

Enclosure

c/v Carol Taniguchi, Senate Clerk