



DEPT. COMM. NO. 220

LUIS P. SALAVERIA
DIRECTOR
SABRINA NASIR
DEPUTY DIRECTOR

JOSH GREEN, M.D.
GOVERNOR
SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

December 28, 2023

The Honorable Ronald D. Kouchi
President and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki
Speaker and Members of the House of
Representatives
Thirtieth-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki and Members of the Legislature:

For your information and consideration, I am transmitting copies of the State of Hawaii Department of Budget and Finance's Annual Report on Administratively Established Accounts and Funds for the Period July 1, 2022, through June 30, 2023, in accordance with Section 37-52.5 of the Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that these reports will be available for viewing electronically at:

<https://budget.hawaii.gov/budget/reports-to-the-legislature/department-of-budget-finance/>

Sincerely,

/S/

LUIS P. SALAVERIA
Director of Finance

Enclosure

- c: Legislative Reference Bureau
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Department of Budget and Finance: DBFLeg.DIR@hawaii.gov

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
ANNUAL REPORT ON ADMINISTRATIVELY ESTABLISHED
FUNDS AND ACCOUNTS
FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023

SUBMITTED TO
THE THIRTY SECOND STATE LEGISLATURE
IN RESPONSE TO HAWAII REVISED STATUTES, SECTION 37-52.5

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
ANNUAL REPORT ON ADMINISTRATIVELY ESTABLISHED
ACCOUNTS AND FUNDS

December 2023

Submitted to the Thirty Second State Legislature
(As required by Section 37-52.5, Hawai'i Revised Statutes)

Pursuant to Hawai'i Revised Statutes (HRS) Section 37-52.5, each department or agency shall submit to the Legislature a report at least 20 days prior to the convening of each regular session that includes: 1) a list of all administratively established accounts or funds; and 2) all revenues, expenditures, encumbrances, and ending balances of each account or fund.

The following are the administratively established accounts and funds for the Department of Budget and Finance for FY 2022 and FY 2023.

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: Budget and Finance
 Prog ID(s): BUF 101
 Name of Fund: Overpayment Collections to OHA-Ceded Lands (T-955)
 Legal Authority: Executive Order No. 22-04

Intended Purpose: Account is used to collect amounts in excess of the \$5,375,000 quarterly payment to the Office of Hawaiian Affairs for the use of Public Land Trust lands and to make up any shortage due to OHA pursuant to Executive Order No. 22-04.

Source of Revenues: Account revenues are quarterly amounts paid to OHA in excess of the \$5,375,000, pursuant to Act 178, SLH 2006, as amended by Act 226, SLH 2022.

Current Program Activities/Allowable Expenses: Funds can be expended to make up shortfalls in payments to OHA per Executive Order No. 22-04.

Purpose of Proposed Ceiling Adjustment (if applicable):

Variances:

Revenues in FY 21 do not include the return of \$ 641,217.13 for the 3rd quarter of FY 21 due from OHA, which was processed in FY 22.

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			25,439,163	32,246,276
Revenues			6,807,113	25,317,985
Expenditures			0	16,125,000
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			32,246,276	41,439,261
Encumbrances				
Unencumbered Cash Balance			32,246,276	41,439,261

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Interest Earned - Investment Pool (T-907)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established as holding account to deposit interest earned from the State Treasury centralized pool investments before distribution to participating accounts.

Source of Revenues:

Interest earned on centralized investment pool investments.

Current Program Activities/Allowable Expenses:

JV's are generated each month to allocate interest earnings to the various appropriation accounts of departments participating in the investment pool. Interest is allocated monthly by the investment pool system, to approx. 2,500 accounts.

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			1,006,199	5,918,140
Revenues			32,842,604	186,887,151
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
			(27,930,663)	(166,546,852)
Net Total Transfers			(27,930,663)	(166,546,852)
Ending Cash Balance			5,918,140	26,258,439
Encumbrances				
Unencumbered Cash Balance			5,918,140	26,258,439

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Interest Earned - Bond Investment Pool (T-908)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established as holding account to deposit interest earned from the State Treasury centralized Bond Investment Pool before distribution to participating accounts.

Source of Revenues:

Interest earned on centralized Bond Investment Pool investments.

Current Program Activities/Allowable Expenses:

JV's are generated each month to allocate interest earnings to the various appropriation accounts of departments participating in the Bond pool.

Interest is allocated monthly by the Bond Investment pool system.

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			1,264,393	1,304,981
Revenues			2,280,298	11,686,992
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
			(2,239,710)	(2,104,341)
Net Total Transfers			(2,239,710)	(2,104,341)
Ending Cash Balance			1,304,981	10,887,632
Encumbrances				
Unencumbered Cash Balance			1,304,981	10,887,632

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Temporary Deposits - Special Purpose Revenue Bond - Security Deposit (T-914)
 Legal Authority: Adminstratively established

Intended Purpose:

To record non-refundable security deposits from project parties for the purpose of reimbursing the State for all the costs and expenses incurred relating to the issuance of special purpose revenue bonds.

Source of Revenues:

Security deposits from the project parties.

Current Program Activities/Allowable Expenses:

Any balance remaining in the Trust Fund is to be transferred to General Fund.

Variations:

Variations:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance				0
Revenues			0	1,000
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			0	1,000
Encumbrances				
Unencumbered Cash Balance			0	1,000

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Taxes Payable to Other State Agencies (T-916)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established to enable B&F to generate SWV's on-line for transmittal of tobacco tax collected by DoTax and distributed per statute to UH per Act 316/SLH2006. It serves as a clearing account for fuel tax revenues pending distribution.

Source of Revenues:

Tobacco Tax collections by state Dept. of Taxation (DoTax)

Current Program Activities/Allowable Expenses:

B&F processes JVs to transfer taxes into this account in order to pay UH for their statutory distribution of tobacco tax.

Variances:

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			1,318,784	1,146,169
Revenues			12,590,140	10,855,458
Expenditures			12,762,755	11,301,498
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			1,146,169	700,129
Encumbrances				
Unencumbered Cash Balance			1,146,169	700,129

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Taxes Payable to Counties/HTA - TAT (T-917)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established to enable B&F to generate SWV's on-line for transmittal of TAT distributed monthly to HTA and semi-annually to the counties. It serves as a clearing account for TAT revenues pending distribution per statute.

Source of Revenues:

Transient Accommodations Tax (TAT) collected by the DoTax.

Current Program Activities/Allowable Expenses:

B&F processes SWV's from this account for payment to HTA and the counties of their statutory distribution of TAT.

Variances:

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			0	0
Revenues			15,500,000	15,500,000
Expenditures			15,500,000	15,500,000
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			0	0
Encumbrances				
Unencumbered Cash Balance			0	0

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Taxes Payable to Counties - Fuel Tax (T-918)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established to enable B7F to generate SWV's on-line for transmittal of liquid fuel tax distributed monthly to the counties. It serves as a clearing account for fuel tax revenues pending distribution per statute.

Source of Revenues:

Liquid Fuel Tax collected by the DoTax.

Current Program Activities/Allowable Expenses:

B&F processes SWV's from this account for payment to the counties of their statutory distribution of fuel tax.

Variances:

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			7,615,551	7,540,502
Revenues			88,766,585	89,287,202
Expenditures			88,841,634	89,055,050
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			7,540,502	7,772,654
Encumbrances				
Unencumbered Cash Balance			7,540,502	7,772,654

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Taxes Payable to Counties - GETax surcharge (T-919)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established to enable B&F to generate SWV's on-line for transmittal of county GET surcharge collected by DoTax and distributed per statute HRS 248-2.6 to the City & County of Honolulu. It serves as a clearing account for the surcharge pending distribution.

Source of Revenues:

General Excise Tax collections by state Dept. of Taxation (DoTax)

Current Program Activities/Allowable Expenses:

B&F processes JVs to transfer taxes into this account in order to pay City & County of Honolulu for their statutory distribution of GETax

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			20,648,415	25,164,521
Revenues			458,202,846	514,274,312
Expenditures			453,686,740	513,432,241
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			25,164,521	26,006,592
Encumbrances				
Unencumbered Cash Balance			25,164,521	26,006,592

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Hawaii Children's Trust Fund (T-922)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established to enable B&F to generate SWV's on-line for transmittal of taxes collected by DoTax and distributed per statute Act 228/SLH2004 to the Hawaii Children's Trust Fund at the Hawaii Community Foundation.

Source of Revenues:

Income tax refund designation by taxpayer.

Current Program Activities/Allowable Expenses:

B&F processes JVs to transfer funds into this account in order to pay HI Community Foundation per income tax refund designation.

Variances:

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			130,000	125,225
Revenues			139,275	124,750
Expenditures			144,050	213,205
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			125,225	36,770
Encumbrances				
Unencumbered Cash Balance			125,225	36,770

Report on Administratively Created Accounts and Funds
for Submittal to the 2024 Legislature

Department: BUF
 Prog ID(s): BUF115
 Name of Fund: Unclaimed Property Trust Fund (T-932)
 Legal Authority: Adminstratively established

Intended Purpose:

Account was established to deposit and disburse moneys in Unclaimed Property Program. All funds in excess of \$1.3 million remaining on balance at the end of the fiscal year will be transferred to the general fund.

Source of Revenues:

Property that is held, issued, or owing in the ordinary course of a holder's business and has remained unclaimed by the owner after it became payable or distributable is presumed abandoned.

Current Program Activities/Allowable Expenses:

Amounts received from abandoned property as Revenue and Claims verified and paid out as Expenditures.

Variations:

The variance is due to the increase in current, pending and anticipated claims filed by owners.
 The UP program has no direct control over the number of claims submitted on an annual basis.

Financial Data				
			FY 2022	FY 2023
			(actual)	(actual)
Beginning Cash Balance			25,803,551	31,190,934
Revenues			41,550,080	46,177,176
Expenditures			11,684,140	14,642,634
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
9/30/21 JM 1601 TF to GF			(24,478,557)	
8/22/22 JM 600 TF to GF				(29,868,748)
Net Total Transfers			(24,478,557)	(29,868,748)
Ending Cash Balance			31,190,934	32,856,728
Encumbrances			22,183	46,584
Unencumbered Cash Balance			31,168,751	32,810,144