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

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

July 15, 2015

FINANCE MEMORANDUM

MEMO NO. 15-10

TO: All Department Heads

FROM: Wesley K. Machida  
Director of Finance

SUBJECT: Public Land Trust Revenues

House Concurrent Resolution No. 6 and Senate Concurrent Resolution No. 1 requested the Governor to direct all State departments to provide annually to the Department of Land and Natural Resources (DLNR) an accurate and complete accounting of all ceded land receipts, as required by Act 178, SLH 2006.

As you may be aware, the Office of Hawaiian Affairs (OHA) retained an accounting consultant, KMH LLP (KMH), to evaluate the accuracy and completeness of the public land trust revenues reported by DLNR in its FY 12 report to the Legislature. KMH estimated that as much as \$226.1 million in public land trust revenues went unreported for FY 12 in the DLNR report.

In response to the concurrent resolutions, we will be working with DLNR and other State agencies to review KMH's report and examine the reasons for the differences. We also intend to work with OHA, in consultation with staff from the Department of the Attorney General, to address any other discrepancy issues, the objective of which is to make the ceded lands reporting more accurate and complete.

We will be contacting each department or agency individually to review the differences noted in the KMH report.

Thank you for your understanding and cooperation in this matter.

If there are any questions, please have your staff contact Mr. Neal Miyahira, Administrator of this department's Budget, Program Planning and Management Division, at 586-1530.