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DEPARTMENT OF BUDGET AND FINANCE

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

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

December 20, 2022

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
Thirty-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, 2021 through June 30, 2022 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

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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, 2021, THROUGH JUNE 30, 2022

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 2022

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 2021 and FY 2022.

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 Legislature

Department: Budget and Finance
 Prog ID(s): BUF 101
 Name of Fund: Temporary Deposits (T-909)
 Legal Authority: Administratively Established

Intended Purpose:

To hold temporary deposits related to vendor bids, performance bonds, salary overpayments, and various other administrative type temporary deposits.

Source of Revenues:

Temporary deposits from salary overpayments, performance bonds, vendor bids, and other administrative temporary deposits.

Current Program Activities/Allowable Expenses:

Financial Data				
			FY 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			6,275	0
Revenues			0	0
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
9/1/2020 G-00-000-O			(6,275)	
Net Total Transfers			(6,275)	0
Ending Cash Balance			0	0
Encumbrances				
Unencumbered Cash Balance			0	0

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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. 06-06

Intended Purpose: Account is used to collect overpayments made to the Office of Hawaiian Affairs for ceded lands, and to make up shortage amounts due to OHA pursuant to Executive Order No. 06-06.

Source of Revenues: Account revenues are quarterly amounts paid to OHA in excess of the \$3,775,000, pursuant to Act 178, SLH 2006.

Current Program Activities/Allowable Expenses: Funds can be expended to make up shortfalls in payments to OHA per Executive Order No. 06-06.

Purpose of Proposed Ceiling Adjustment (if applicable):

Variances:

Revenues in FY 19 include the repayment of funds returned in FY 16 to Dept of Transportation of pro rata share of overpayments for FY 13, FY 14, and FY 15. Revenues in FY 21 do not include the return of \$ 641,217.13 for the 3rd quarter of FY 21 due from OHA. Revenues in FY 22 include the return of \$ 641,217.13 for the 3rd quarter of FY 21 due from OHA.

Financial Data				
			FY 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			23,770,439	25,439,163
Revenues			1,668,724	6,807,113
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			25,439,163	32,246,276
Encumbrances				
Unencumbered Cash Balance			25,439,163	32,246,276

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			12,421,450	1,006,199
Revenues			25,825,347	32,842,604
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
			(37,240,598)	(27,930,663)
Net Total Transfers			(37,240,598)	(27,930,663)
Ending Cash Balance			1,006,199	5,918,140
Encumbrances				
Unencumbered Cash Balance			1,006,199	5,918,140

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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.

Variations:

Financial Data				
			FY 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			1,259,399	1,264,393
Revenues			2,623,339	2,280,298
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
			(2,618,345)	(2,239,710)
Net Total Transfers			(2,618,345)	(2,239,710)
Ending Cash Balance			1,264,393	1,304,981
Encumbrances				
Unencumbered Cash Balance			1,264,393	1,304,981

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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.

Variances:

Variances:

Financial Data				
			FY 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance				0
Revenues			2,000	0
Expenditures			0	0
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
JM0142 dated 7/21/20			(2,000)	
Net Total Transfers			(2,000)	0
Ending Cash Balance			0	0
Encumbrances				
Unencumbered Cash Balance			0	0

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			1,168,238	1,318,784
Revenues			14,342,663	12,590,140
Expenditures			14,192,118	12,762,755
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			1,318,784	1,146,169
Encumbrances				
Unencumbered Cash Balance			1,318,784	1,146,169

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			0	0
Revenues			39,504,557	15,500,000
Expenditures			39,504,557	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 2023 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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			5,280,080	7,615,551
Revenues			77,943,417	88,766,585
Expenditures			75,607,946	88,841,634
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			7,615,551	7,540,502
Encumbrances				
Unencumbered Cash Balance			7,615,551	7,540,502

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			15,156,473	20,648,415
Revenues			333,480,773	458,202,846
Expenditures			327,988,831	453,686,740
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			20,648,415	25,164,521
Encumbrances				
Unencumbered Cash Balance			20,648,415	25,164,521

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			116,395	130,000
Revenues			244,502	139,275
Expenditures			230,897	144,050
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
Net Total Transfers			0	0
Ending Cash Balance			130,000	125,225
Encumbrances				
Unencumbered Cash Balance			130,000	125,225

Report on Administratively Created Accounts and Funds
for Submittal to the 2023 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.

Variances:

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 2021	FY 2022
			(actual)	(actual)
Beginning Cash Balance			21,639,488	25,803,551
Revenues			41,082,004	41,550,080
Expenditures			16,589,152	11,684,140
Transfers				
List each net transfer in/out/ or projection in/out; list each account number				
8/18/20 JM 0605 TF to GF			(20,308,603)	
6/26/21 JT2297 Retro Pay			(20,187)	
9/30/21 JM 1601 TF to GF				(24,478,557)
Net Total Transfers			(20,328,790)	(24,478,557)
Ending Cash Balance			25,803,551	31,190,934
Encumbrances			24,952	22,183
Unencumbered Cash Balance			25,778,599	31,168,751