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GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119 HONOLULU, HAWAII 96810-0119

Comptroller's Certification

Mr. Luis P. Salaveria, Director
Department of Budget and Finance
State of Hawaii

We have verified the Honolulu Authority for Rapid Transportation's (HART) compliance with Hawaii Revised Statutes (HRS) §46-16.8 (e) for capital costs in invoices submitted to the Comptroller by HART in the accompanying Schedule of Invoices. The management of HART is responsible for HART's compliance with HRS §46-16.8 (e). Our responsibility is to verify that the invoices for capital costs comply with HRS §46-16.8 (e).

As more fully described in Note 2 and Note 3 to the accompanying Schedule of Invoices, our verification procedures involved procedures to obtain evidence about whether the invoices submitted by HART for the capital costs of a locally preferred alternative for a mass transit project comply with HRS §46-16.8 (e). We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

As more fully described in Note 4 to the accompanying Schedule of Invoices, adjustments may be made to reduce the amount of future reimbursements to HART for prior invoices certified by the Comptroller that are found to be in error due to fraud, illegal activities or other violations of laws and regulations.

Our verification procedures do not provide a legal determination of HART's compliance with HRS §46-16.8 (e). Further, as the objective of our procedures were limited to verifying that the costs in invoices submitted by HART complied with a specific law, our procedures have not been designed to detect fraud or other illegal activities.

Based on the results of our verification procedures performed, the invoices for capital costs in the accompanying Schedule of Invoices comply with HRS §46-16.8 (e).

_____/S/_____
Keith A. Regan
Comptroller

Dated: April 30, 2024

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
AON Risk Services, Inc. of Hawaii	SC-HRT-1400008	79775	\$ 690,902.00
AON Risk Services, Inc. of Hawaii	SC-HRT-1400008	79776	375,855.00
AON Risk Services, Inc. of Hawaii	SC-HRT-1400008	84436	375,855.00
AON Risk Services, Inc. of Hawaii	SC-HRT-1400008	84440	690,901.00
City & County of Honolulu-Division of Treasury	ICP-HRT-24000618	GOB 2019A, Nov 2023	783,604.17
City & County of Honolulu-Division of Treasury	ICP-HRT-24000618	GOB 2020B, Nov 2023	1,139,416.67
City & County of Honolulu-Division of Treasury	ICP-HRT-24000618	GOB 2021E, Nov 2023	1,374,104.17
City & County of Honolulu-Division of Treasury	ICP-HRT-24000618	GOB 2023D, Nov 2023	614,524.42
City & County of Honolulu-Division of Treasury	ICP-HRT-24000742	GOB 2019A, Dec 2023	783,604.17
City & County of Honolulu-Division of Treasury	ICP-HRT-24000742	GOB 2020B, Dec 2023	1,139,416.67
City & County of Honolulu-Division of Treasury	ICP-HRT-24000742	GOB 2021E, Dec 2023	1,374,104.17
City & County of Honolulu-Division of Treasury	ICP-HRT-24000742	GOB 2023D, Dec 2023	614,524.42
City & County of Honolulu-Division of Treasury	ICP-HRT-24000867	GOB 2019A, Jan 2024	783,604.16
City & County of Honolulu-Division of Treasury	ICP-HRT-24000867	GOB 2020B, Jan 2024	1,139,416.66
City & County of Honolulu-Division of Treasury	ICP-HRT-24000867	GOB 2021E, Jan 2024	1,374,104.16
City & County of Honolulu-Division of Treasury	ICP-HRT-24000867	GOB 2023D, Jan 2024	614,524.42
City & County of Honolulu-Division of Treasury	ICP-HRT-24000991	GOB 2019A, Feb 2024	783,604.16
City & County of Honolulu-Division of Treasury	ICP-HRT-24000991	GOB 2020B, Feb 2024	1,139,416.66
City & County of Honolulu-Division of Treasury	ICP-HRT-24000991	GOB 2021E, Feb 2024	1,374,104.16
City & County of Honolulu-Division of Treasury	ICP-HRT-24000991	GOB 2023D, Feb 2024	614,524.42
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00002	940,547.17
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00003	707,297.93
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00004	1,150,534.35
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00005	1,267,608.42
		Carried forward	<u>\$ 21,846,098.53</u>

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices (Continued)

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
		Carried over	\$ 21,846,098.53
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00006	741,877.93
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00007	745,213.06
Hitachi Rail Honolulu JV	CT-HRT-1200106	00139	540,998.60
Hitachi Rail Honolulu JV	CT-HRT-1200106	00143	1,461,216.00
Hitachi Rail Honolulu JV	CT-HRT-1200106	00144	1,355,327.90
Hitachi Rail Honolulu JV	CT-HRT-1200106	00145	2,713,615.25
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00021	158,481.36
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00023	194,536.45
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00024	230,868.22
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00025	196,781.26
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00027	16,944.39
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00028	8,151.74
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00029	212,035.42
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00030	121,743.64
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00031	268,066.22
Kiewit Infrastructure West Co. KHG	CT-HRT-11H0195	95 (Ret Rel)	500,000.00
Kiewit Infrastructure West Co. WOFH	CT-HRT-10H0137	118 (Ret Rel)	500,000.00
Lea+Elliott, Inc.	SC-HRT-2300042	00005	510,044.02
Lea+Elliott, Inc.	SC-HRT-2300042	00006	401,383.51
Nan, Inc. CCUR	CT-HRT-1800230	TO 1-17	2,305,032.27
Nan, Inc. CCUR	CT-HRT-1800230	TO 3-1	127,063.45
Nan, Inc. CCUR	CT-HRT-1800230	TO 5-14	45,858.17
Nan, Inc. CCUR	CT-HRT-1800230	TO 5-15	46,154.54
Nan, Inc. CCUR	CT-HRT-1800230	TO 5-16	54,855.68
		Carried forward	\$ 35,302,347.61

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices (Continued)

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
		Carried over	\$ 35,302,347.61
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-4	96,690.53
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-5	40,978.98
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-6	40,111.86
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-7	79,529.63
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-8	126,568.57
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-9	169,043.57
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-11	261,270.72
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-14	234,190.90
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-16	175,464.86
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-17	182,388.52
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-18	168,581.06
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-19	210,066.03
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-20	180,766.98
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-22	222,053.33
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-23	60,799.78
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-24	77,088.67
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-25	145,176.55
Nan, Inc. CCUR	CT-HRT-1800230	TO 12-9	7,373.14
Road and Highway Builders, LLC	CT-HRT-1900074	30 (Ret Rel)	663,537.93
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00085	509,144.04
Stantec Consulting Services, Inc.	SC-HRT-2200050	00020	25,928.37
Stantec Consulting Services, Inc.	SC-HRT-2200050	00027	41,125.92
Stantec Consulting Services, Inc.	SC-HRT-2200050	00035	2,917.55
W.D. Schock Company, Inc.	SC-HRT-2100005	6568 TO 1-10	154,779.91
W.D. Schock Company, Inc.	SC-HRT-2100005	6688 TO 2-21	284,329.80
		Subtotal	<u>\$ 39,462,254.81</u>

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices (Continued)

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00041	\$ 675,451.23
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00042	416,240.53
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00043	592,694.67
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00044	396,806.19
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00045	518,783.92
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00046	512,174.39
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00047	695,270.20
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00048	429,918.47
(B) Jacobs Engineering Group, Inc.	SC-HRT-2200048	00020	278,124.81
(B) Jacobs Engineering Group, Inc.	SC-HRT-2200048	00026	1,013.63
(B) Nan, Inc. CCUR	CT-HRT-1800230	TO 5-18	48,450.64
(C) Shimmick/Traylor/Granite JV	CT-HRT-1600385	00086	513,313.43
(C) Shimmick/Traylor/Granite JV	CT-HRT-1600385	00088	395,199.67
		Subtotal	<u>\$ 5,473,441.78</u>
		Total	<u>\$ 44,935,696.59</u>

See Note 3. Adjustments to Reduce Amounts Reimbursed to HART for items (A), (B) and (C).

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Notes to Schedule of Invoices

1. Organization

The Honolulu Authority for Rapid Transportation (HART) is a semi-autonomous government unit of the City and County of Honolulu (City) which came into being pursuant to the Revised Charter of the City and County of Honolulu (RCH). HART is authorized under the RCH to develop, operate, maintain, and expand the City guideway system.

2. Hawaii Revised Statutes §46-16.8 (e) and §40-81.5

Hawaii Revised Statutes (HRS) §46-16.8 (e) provides for the use of surcharge revenues received from the State of Hawaii (State) for capital costs of a locally preferred alternative for a mass transit project provided that revenues derived from the county surcharge of State tax shall not be used:

- 1) To build or repair public roads or highways, bicycle paths, or support public transportation systems already in existence prior to July 12, 2005;
- 2) For operating or maintenance costs of a mass transit project or any purpose not consistent with this subsection; or
- 3) For administrative or operating, marketing, or maintenance costs, including personnel costs, of a rapid transportation authority (Authority) charged with the responsibility for constructing, operating, or maintaining the mass transit project.

HRS §40-81.5 requires the Comptroller, upon request for payment by the rapid transportation authority, to verify that the Authority's invoices for capital costs of a locally preferred alternative for a mass transit project comply with HRS §46-16.8 (e). After submission of invoices by the Authority for capital costs of a locally preferred alternative for a mass transit project are verified by the Comptroller as an acceptable use of funds pursuant to a surcharge on State tax authorized pursuant to HRS §46-16.8 (e), the Comptroller shall submit a certification statement, including any appropriate supporting documents, to the State Department of Budget and Finance for allocation of funds from the Mass Transit Special Fund, if available. The certification statement shall include, at a minimum, the total amount contained in the invoices for capital costs that are verified as an appropriate use of funds pursuant to HRS §46-16.8 (e).

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Notes to Schedule of Invoices (Continued)

3. Adjustments to Reduce Amounts Reimbursed to HART

During the quarter ended March 31, 2024, the Comptroller identified eight invoices that contained amounts totaling \$83,923.06 which were deemed to be Administrative costs of HART. These costs do not comply with HRS §46-16.8 (e) and the invoices were adjusted for these items to reduce the amount reimbursed to HART - see items (A).

The Comptroller identified three invoices that contained amounts totaling \$1,062.71 for errors on invoices which resulted in overpayments by HART. The invoices were adjusted for these items to reduce the amount reimbursed to HART - see items (B).

The Comptroller identified two invoices that contained amounts totaling \$17,475.98 for costs related to Thermoplastic Raised Profile Markings that will be reimbursed by the Hawaii Department of Transportation (HDOT) and one invoice that contained an amount of \$90,855.44 for the construction of an easement and the installation of bollards to protect Pier 595L on the former IEX property which HART may sell and at that time may recoup these costs. These invoices were adjusted by the items identified above to reduce the amount reimbursed to HART - see items (C).

As of March 31, 2024, the balance in the Mass Transit Special Fund totaled \$109,800,487.90; however, the remaining allotment balance available to reimburse HART was \$44,935,704.92. As disclosed in the accompanying Schedule of Invoices, the total amount certified by the Comptroller as of April 30, 2024, totaled \$44,935,696.59.

4. Fraud, Illegal Activities and/or Violations of Laws and Regulations

During February 2019, HART was served with three separate subpoenas by the United States Attorney for the District of Hawaii. As a result of such actions by Federal authorities, the Department of Accounting and General Services (DAGS) has determined that adjustments to reduce the amount of future reimbursements to HART will be made should prior invoices certified by the Comptroller be determined to be in error due to fraud, illegal activities or other violations of laws and regulations as a result of investigations, audits and/or judicial proceedings by any governmental body. The scope of this policy includes the findings and conclusions of investigators, auditors or other third parties contracted by such governmental bodies for the purpose of examining HART for possible fraudulent and illegal activities or other violations of laws and regulations.