

JOSH GREEN, M.D.
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COMPTROLLER
KA LUNA HO OMALU HANA LAULĀ

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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. Seth S. Colby, Ph.D., Acting 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 (f) 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 (f). Our responsibility is to verify that the invoices for capital costs comply with HRS §46-16.8 (f).

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 (f). 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 (f). 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 were not 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 (f).

/s/

Meoh Leng Silliman
Acting Comptroller

Dated: April 30, 2026

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
Alliant Insurance Services, Inc.	SC-HRT-2500043	3221709	\$ 4,943,710.16
Alliant Insurance Services, Inc.	SC-HRT-2500043	3221757	325,451.78
Alliant Insurance Services, Inc.	SC-HRT-2500043	3295966C	751,689.60
City & County of Honolulu-Division of Treasury	ICP-HRT-26000808	GOB 2019A, Jan 2026	586,958.33
City & County of Honolulu-Division of Treasury	ICP-HRT-26000808	GOB 2020B, Jan 2026	999,479.16
City & County of Honolulu-Division of Treasury	ICP-HRT-26000808	GOB 2021E, Jan 2026	1,374,104.16
City & County of Honolulu-Division of Treasury	ICP-HRT-26000808	GOB 2023D, Jan 2026	518,895.83
City & County of Honolulu-Division of Treasury	ICP-HRT-26000928	GOB 2019A, Feb 2026	586,958.33
City & County of Honolulu-Division of Treasury	ICP-HRT-26000928	GOB 2020B, Feb 2026	999,479.16
City & County of Honolulu-Division of Treasury	ICP-HRT-26000928	GOB 2021E, Feb 2026	1,374,104.16
City & County of Honolulu-Division of Treasury	ICP-HRT-26000928	GOB 2023D, Feb 2026	518,895.83
Hitachi Rail Honolulu JV	CT-HRT-1200106	00167	99,845.31
HMS Construction, Inc.	CT-HRT-2400156	00018	2,150,292.73
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00064	141,438.37
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00086	254,975.27
Lea+Elliott, Inc.	SC-HRT-2300042	00034	496,763.39
Lea+Elliott, Inc.	SC-HRT-2300042	00035	347,676.46
Nan, Inc. CCUR IV	CT-HRT-2300070	00030	4,925,446.79
Nan, Inc. CCUR IV	CT-HRT-2300070	00031	4,865,958.52
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00103	66,748.43
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00105	32,982.59
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00106	49,223.11
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00107	26,713.71
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00108	61,047.34
		Carried forward	<u>\$ 26,498,838.52</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	\$ 26,498,838.52
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00109	31,837.99
Shimmick/Traylor/Granite JV	CT-HRT-1600385	00110	7,130,737.83
SSFM International, Inc.	SC-HRT-2500017	00005	70,516.22
SSFM International, Inc.	SC-HRT-2500017	00006	58,886.14
Tutor Perini Corporation	CT-HRT-2500084	00013	22,250,242.47
Tutor Perini Corporation	CT-HRT-2500084	00014	15,624,460.32
Tutor Perini Corporation	CT-HRT-2500084	00015	15,572,050.81
W.D. Schock Company, Inc.	SC-HRT-2100005	6984	313,556.83
W.D. Schock Company, Inc.	SC-HRT-2100005	6992	249,012.96
W.D. Schock Company, Inc.	SC-HRT-2100005	7004	233,918.06
		Subtotal	<u>\$ 88,034,058.15</u>
(A) Jacobs Engineering Group, Inc.	SC-HRT-2200048	00087	\$ 147,137.23
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00084	461,031.02
(A) Stantec Consulting Services, Inc.	SC-HRT-2200050	00085	494,769.27
(B) Jacobs Engineering Group, Inc.	SC-HRT-2200048	00085	302,172.46
		Subtotal	<u>\$ 1,405,109.98</u>
		Total	<u><u>\$ 89,439,168.13</u></u>

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

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 (f) and §40-81.5

Hawaii Revised Statutes (HRS) §46-16.8 (f) 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 before 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 (f). 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 (f), 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 (f).

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, 2026, the Comptroller identified invoices that contained amounts totaling \$42,888.25 which were deemed to be administrative costs of HART. These costs do not comply with HRS §46-16.8 (f) and the invoices were adjusted for these items to reduce the amount reimbursed to HART - see items (A).

The Comptroller also identified a duplicate labor charge that resulted in an overpayment of \$658.51. The invoice was adjusted for this item to reduce the amount reimbursed to HART - see item (B).

As of March 31, 2026, the balance in the Mass Transit Special Fund totaled \$110,287,686.07; however, the remaining allotment balance available to reimburse HART was \$89,439,184.09. As disclosed in the accompanying Schedule of Invoices, the amount certified by the Comptroller as of April 30, 2026, totaled \$89,439,168.13.

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.