

STATE OF HAWAII DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

February 16, 2022

VIA ELECTRONIC MAIL

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

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First 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 a copy of the State of Hawaii Department of Accounting and General Services Annual Comprehensive Financial Report for Fiscal Year 2020-2021, pursuant to Section 40-5, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at: https://ags.hawaii.gov/wp-content/uploads/2022/02/acfr2021.pdf.

Sincerely,

alga

CURT T. OTAGURO Comptroller

Enclosure

STATE OF HAWAII

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

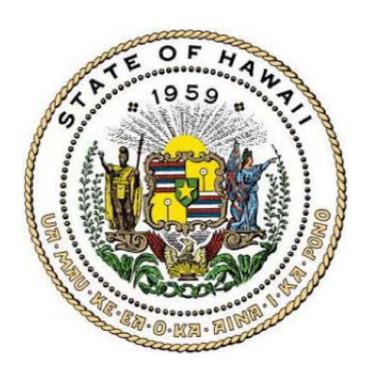


CURT T. OTAGURO COMPTROLLER

STATE OF HAWAII

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



CURT T. OTAGURO

Prepared by Accounting Division
Department of Accounting and General Services

Independent Audit Contracted and Administered by Office of the State Auditor

State of Hawaii Annual Comprehensive Financial Report Table of Contents June 30, 2021

Page(s)
PART I: INTRODUCTORY SECTION
Principal Officials for Finance-Related Functions
Organizational Chart
Letter of Transmittal
Government Finance Officers Association (GFOA) Certificate
PART II: FINANCIAL SECTION
Report of Independent Auditors
Management's Discussion and Analysis (Unaudited)
Basic Financial Statements
Government-Wide Financial Statements
Statement of Net Position
Statement of Activities
Fund Financial Statements
Balance Sheet – Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Statement of Fund Net Position – Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 42
Statement of Cash Flows – Proprietary Funds
Statement of Fiduciary Net Position – Fiduciary Funds
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Statement of Net Position – Component Units

Page	2(S)
Statement of Activities – Component Units	-53
Notes to Basic Financial Statements	L29
Required Supplementary Information Other Than Management's Discussion and Analysis (Unaudited)	
Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – General Fund	L32
Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – Med-Quest Special Revenue Fund	L33
Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – Administrative Support Special Revenue Fund	L34
Notes to Required Supplementary Information – Budgetary Control	135
Reconciliation of the Budgetary to GAAP Basis – Major Governmental Funds	136
Schedule of the Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years 1	L37
Schedule of Pension Contributions – Last Ten Fiscal Years	138
Schedule of the Proportionate Share of the Net OPEB Liability – Last Ten Fiscal Years 1	L39
Schedule of OPEB Contributions – Last Ten Fiscal Years	L40
Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	L45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 146–1	L47
Combining Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) — Nonmajor Special Revenue Funds	L53
Reconciliation of the Budgetary to GAAP Basis – Nonmajor Special Revenue Funds	154
Nonmajor Proprietary Funds	
Combining Statement of Fund Net Position	155
Combining Statement of Revenues Expenses and Changes in Fund Net Position 1	156

Page(s)
Combining Statement of Cash Flows
Fiduciary Funds
Combining Statement of Fiduciary Net Position – Custodial Funds
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
PART III: STATISTICAL SECTION (UNAUDITED)
Schedules of Financial Trends Information
Net Position by Component – Ten Years Ended June 30, 2021
Changes in Net Position – Ten Years Ended June 30, 2021
Fund Balances – Governmental Funds – Ten Years Ended June 30, 2021
Changes in Fund Balances – Governmental Funds – Ten Years Ended June 30, 2021 170–171
Schedules of Revenue Capacity Information
Personal Income by Industry – Ten Years Ended June 30, 2021
Personal Income Tax Rates – Ten Years Ending December 31, 2021
Taxable Sales by Industry – Ten Years Ended June 30, 2021
Sales Tax Revenue Payers by Industry – Ten Years Ended June 30, 2021
Schedules of Debt Capacity Information
Ratios of Outstanding Debt by Type – Ten Years Ended June 30, 2021
Ratios of Net General Bonded Debt Outstanding – Ten Years Ended June 30, 2021
Legal Debt Margin Information – Ten Years Ended June 30, 2021
Pledge Revenue Coverage – Ten Years Ended June 30, 2021
Schedules of Demographic and Economic Information
Demographic and Economic Statistics – Ten Years Ended June 30, 2021
Ten Largest Private Sector Employers – June 30, 2021 and June 30, 2012

State of Hawaii Annual Comprehensive Financial Report Table of Contents June 30, 2021

Page(
State Employees by Function – Ten Years Ended June 30, 2021
Schedules of Operating Information
Operating Indicators by Function – Ten Years Ended June 30, 2021190–19
Capital Assets Statistics by Function – Ten Years Ended June 30, 2021

PART I: INTRODUCTORY SECTION



Curt T. Otaguro Comptroller

Deputy Comptroller



Audrey Hidano Deputy Comptroller

Audrey Hidano

Governor David Y. Ige

Director of Finance Craig Hirai

Director of Taxation Isaac W. Choy

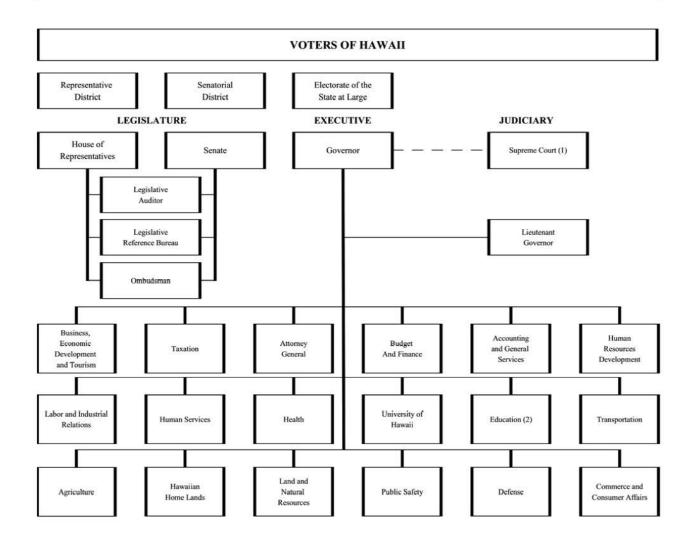
Comptroller Curt T. Otaguro

Notes:

The Director of Finance is also department head of the Department of Budget and Finance.

The Comptroller is also department head of the Department of Accounting and General Services.

An organizational chart including those and other departments and agencies of the State of Hawaii government is presented on the following page.



- (1) The Governor's appointment of justices of the Supreme Court confirmed by the Senate.
- (2) The Board of Education is appointed by the Governor.

DAVID Y. IGE GOVERNOR



CURT T. OTAGURO COMPTROLLER

AUDREY HIDANO DEPUTY COMPTROLLER

STATE OF HAWAII DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

December 30, 2021

To the Honorable Governor of the State of Hawaii To the Honorable Members of the Thirty-First State Legislature of the State of Hawaii

In accordance with the provisions of Section 40-5 of the Hawaii Revised Statutes, it is our privilege to present to you the Annual Comprehensive Financial Report (ACFR) of the State of Hawaii (the State) for the fiscal year ended June 30, 2021. The State's Department of Accounting and General Services has prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the State. We believe the information, as presented, is fairly stated in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all the information necessary to enable the reader to gain the maximum understanding of the State's financial affairs has been included.

Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's MD&A is included in Part II of this report.

THE REPORTING ENTITY AND ITS SERVICES

With Hawaii's highly centralized state government, the State provides a full range of services as mandated by statute. These services include, but are not limited to, education (lower and higher), welfare, transportation (highways, airports and harbors), health, hospitals, public safety, housing, culture and recreation, economic development, and conservation of natural resources.

This report includes the various funds comprising the State, including all entities that are accountable to the State. The Employees' Retirement System of the State of Hawaii, which is administered on behalf of public employees for both the state and county governments, and the Office of Hawaiian Affairs, which exists for the betterment of the conditions of native Hawaiians, are not included in the State's basic financial statements because those agencies, based on their fiscal independence and/or separate legal entity status, are not accountable to the State.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the basic financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the State operates.

State of the Economy

Overview

During the third quarter of 2021, Hawaii's economic indicators were mostly positive. Visitor arrivals, wage and salary jobs, State general fund tax revenues, private building authorizations and government contracts awarded all increased compared to third quarter 2020.

Labor

Labor market conditions in Hawaii were all positive in 2021. During the first nine months of 2021, Hawaii's total civilian employment averaged 599,250 persons, an increase of 27,450 persons or 4.8% over the same period in 2020. The number of wage and salary jobs held steady at 568,300. Job increases were most notable in food services and drinking places 4,000, accommodation 3,600, and professional and business services 2,100. A few sectors experienced declines including state government (2,200) and federal government (1,300), retail trade (2,100) and transportation warehousing utility (1,000). Hawaii's civilian unemployment rate (not seasonally adjusted) averaged 7.8% for the first nine months of 2021, compared to 12.0% for the same period in 2020.

Taxes

The State General Fund tax revenues increased \$1,193.5 million, or 24.1%, during the first nine months of 2021 compared to the same period in 2020. Among its components, net individual income tax collections increased \$651.6 million or 32.5%, general excise and use tax (GET) collections increased \$341.7 million or 14.6%, and transient accommodations tax (TAT) collections were up \$114.8 million or 44.4%. Net corporate income tax revenues increased \$167.9 million or 1322.0%.

Personal Income

Total nominal personal income, not adjusted for inflation, increased \$11.6 billion, or 7.1% in the first half of 2021 compared to the same period in 2020. Among its components, the fastest growth was seen in personal current transfer receipts which increased \$6.4 billion or 15.9% and wages and salaries which increased \$4.3 million or 6.0%. The remaining categories had inclines that ranged from 6.4% to .1%. Contributions for government social insurance, which are subtracted from personal income, also increased by 6.4%.

Prices

Honolulu's consumer price index (CPI) increased 2.6% for the first half of 2021 compared to the same period in 2020, which is 0.8% below United States (U.S.) average CPI-U increase. The Honolulu increase was primarily due to increases in transportation (7.2%), other goods and services (4.8%), food and beverages (4.1%), education and communication (3.6%) and housing (1.8%). The price of apparel decreased (5.5%) and the price of recreation decreased (0.4%) compared to the first half of 2020.

Recent Developments in Hawaii's Major Industries

Visitor Industry

In the first nine months of 2021, total visitor arrivals by air increased 2,678,627 or 122.8% compared to the same period of 2020. Domestic arrivals (visitors on flights originating inside of the U.S.) increased 206.0% while international arrivals decreased 94.0%. Total visitor days (visitor arrivals multiplied by average length of stay) increased 113.0% in the first nine months of 2021 compared to the same period of 2020 and total visitor spending decreased \$427.2 million or 9.6% over the same period. Statewide hotel occupancy rate averaged 55.9% in the first nine months of 2021, 18.8% lower than the average rate during the same period of 2020.

Construction

Hawaii's construction industry has been one of the steady contributors to job growth over the past few years. In the first nine months of 2021, the construction sector added 1,300 jobs or 3.6% from the same period of 2020. Before the recession, specifically the period from 2002 to 2007, construction job growth averaged 8.0% per year. The strength of the current construction job market is a sharp contrast to the recession period. From the second quarter of 2008 until the second quarter of 2011, construction job growth was negative.

Outlook for Hawaii's Economy

Hawaii's economy has been greatly impacted by the COVID-19 pandemic. During the April-September 2021 period, the average unemployment rate (not seasonally adjusted) was 11.4%. Hawaii lost 86,700 non-agricultural payroll jobs during the April to September period as compared to the same period of 2020. All industry sectors lost jobs except construction jobs. The accommodation and food services and drink places accounted for 28.8% of the total job losses, with a decline of 25,000 jobs. Overall, statewide non-agriculture payroll jobs decreased by 13.1%

in the third quarter of 2021. Hawaii's economy depends significantly on conditions in the U.S. economy and key international economies, especially Japan. The November 2021 Blue Chip Economic Indicators report expects the U.S. economic growth rate in 2021 to increase 5.5% and projects a positive 4.0% U.S. economic growth rate for 2022. The Department of Business, Economic Development and Tourism (DBEDT) projects that Hawaii's economic growth rate, as measured by the real gross domestic product (GDP), will increase by 3.9% in 2021, 3.0% in 2022, 2.3% in 2023, and 2.0% in 2024.

The visitor arrivals are expected to increase gradually in the next three years to 8.9 million in 2022, 9.5 million in 2023 and 10.0 million in 2024. Visitor spending is also expected to increase gradually over the next three years by 24.6% in 2022, 8.3% in 2023 and 5.2% in 2024.

DBEDT projects total non-agricultural wage and salary jobs to increase 2.1% in 2021, then will increase by 6.1% in 2022, 3.3% in 2023, and 2.4% in 2024. Nominal Personal Income is expected to decrease 1.9% in 2022 with real GDP projected to increase 3.9% in 2021, then will increase 3.0% in 2022, 2.3% in 2023, and 2.0% in 2024.

DBEDT projects Hawaii's inflation, as measured in terms of changes in the Honolulu CPI, to increase at rates between 2.1% and 4.1% in the next few years. The State GDP deflator is forecast to grow 2.1% in 2022.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and maintaining the State's accounting system, consideration is given to the effectiveness of internal control, which is designed to accomplish certain objectives of management, including:

- Transactions are executed in accordance with management's general and specific authorization.
- Transactions are recorded as necessary to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and to maintain accountability for assets.
- Access to assets is permitted only in accordance with management's authorization.

Internal controls are designed to provide reasonable, but not absolute, assurance that the above objectives were accomplished. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. We believe that the State's internal controls are effective in accomplishing management's objectives.

By statutory provision, the State prepares a biennial budget for its programs. Budgeted expenditures are derived primarily from the General Appropriations Act of 2019 (Act 5, SLH 2019), as amended by the Supplemental Appropriations Act of 2020 (Act 7 SLH 2020) and from other authorizations contained in the State Constitution, the Hawaii Revised Statutes, and other specific appropriations acts in various Session Laws of Hawaii. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated periodically during the fiscal year.

An allotment system and encumbrance accounting are utilized by the State for budgetary control purposes. Obligations in the form of purchase orders or contracts are recorded as encumbrances at the time purchase orders or contracts are awarded and executed. To the extent not expended or encumbered, General Fund and Special Revenue Fund appropriations subject to budgetary control generally lapse at the end of the fiscal year for which the appropriations were made. The State Legislature specifies the lapse date and any other particular conditions relating to terminating the authorizations for other appropriations.

EMPLOYEE UNION CONTRACTS

The State Constitution grants public employees in Hawaii the right to organize for the purpose of collective bargaining as provided by law. Of the 15 collective bargaining units, 13 include State employees. Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14 have collective bargaining agreements in effect through June 30, 2023.

INDEPENDENT AUDIT

Although the State statutes do not require an annual audit of the State's financial statements, the State engaged a firm of independent certified public accountants to audit the State's basic financial statements for the fiscal year ended June 30, 2021. The independent auditors' report has been included in Part II of this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

We extend our appreciation to the staff of the various State agencies whose dedicated time and effort made the preparation of this report possible. Their combined efforts have produced a report that we believe will serve as a helpful source of information for anyone having an interest in the financial operations of the State.

Respectfully submitted.

CURT T. OTAGURO Comptroller, State of Hawaii



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

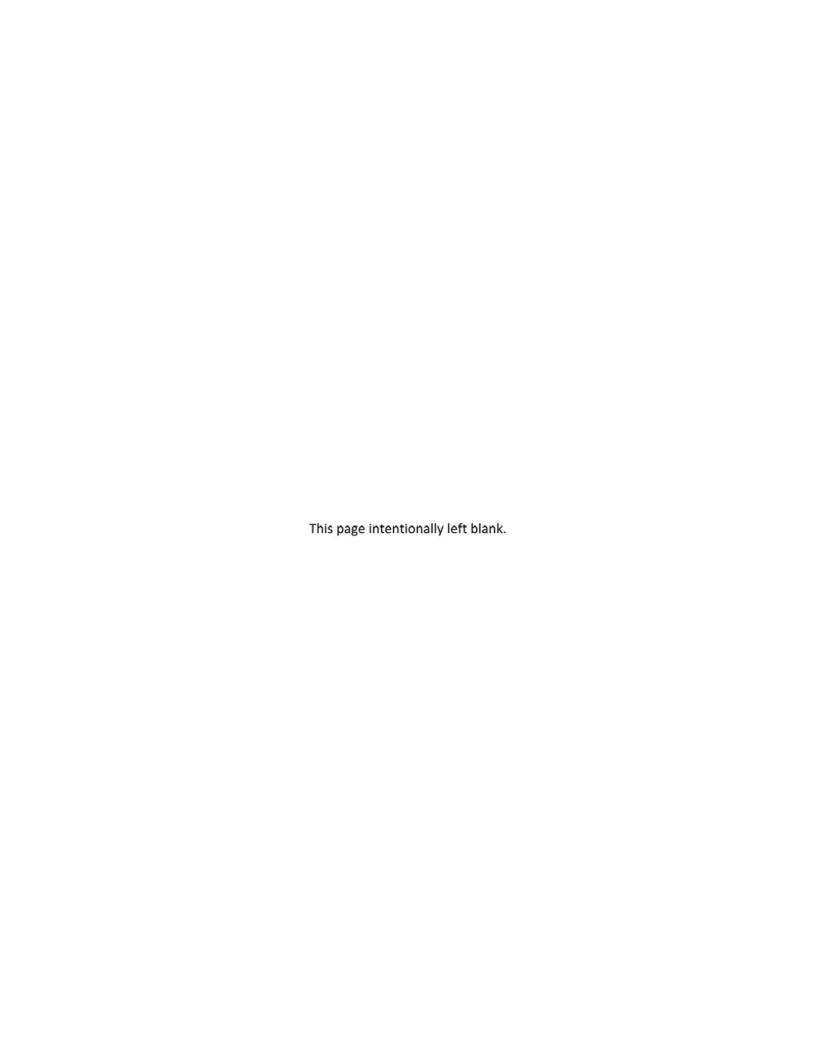
Presented to

State of Hawaii

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill
Executive Director/CEO



PART II: FINANCIAL SECTION
PART II: FINANCIAL SECTION



Report of Independent Auditors

The Auditor State of Hawaii

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Hawaii (the State) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the State of Hawaii's basic financial statements (pages 32–129) as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these respective financial statements based on our audit. We did not audit the financial statements of the Department of Transportation – Airports Division, which is a major enterprise fund; the Hawaii Employer-Union Health Benefits Trust Fund, the Water Pollution Control Revolving Fund, and the Drinking Water Treatment Revolving Loan Fund, which are nonmajor enterprise funds; and the Hawaii Public Housing Authority, the Hawaii Community Development Authority, and the Hawaii Health Systems Corporation which are discretely presented component units, which represent the following percentages of total assets and revenues and additions for the indicated opinion units.

Opinion Unit	Percent of Opinion Unit's Total Assets	Percent of Opinion Unit's Total Revenues/Additions
Business-Type Activities	78%	17%
Aggregate Discretely Presented Component Units	18%	26%
Fiduciary Funds	90%	65%

999 Bishop Street

Honolulu, HI 96813

Suite 1900

OFFICE 808.531.3400

accuityllp.com

808.531.3433

Those financial statements listed above were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Department of Transportation – Airports Division, the Water Pollution Control Revolving Fund, the Drinking Water Treatment Revolving Loan Fund, the Hawaii Employer-Union Health Benefits Trust Fund, the Hawaii Public Housing Authority, the Hawaii Community Development Authority, and the Hawaii Health Systems Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Hawaii, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2020, the State of Hawaii adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respective to this matter.





Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 14-30), budgetary comparison information (pages 132-136 and 148-154), Schedule of the Proportionate Share of the Net Pension Liability (page 137), Schedule of Pension Contributions (page 138), Schedule of the Proportionate Share of the Net OPEB Liability (page 139), and Schedule of OPEB Contributions (page 140) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Hawaii's basic financial statements. The combining and individual fund statements (pages 144–147 and 155–159), introductory section (pages 1–7) and statistical section (pages 162–195) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of the State of Hawaii's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.





In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the State of Hawaii's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Hawaii's internal control over financial reporting and compliance.

Honolulu, Hawaii December 30, 2021

Accenty LLP



State of Hawaii

Management's Discussion and Analysis (Unaudited)

June 30, 2021

As management of the State of Hawaii (the State), we offer readers of the State's basic financial statements this narrative overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in our letter of transmittal, which can be found on pages 3–6 of this report.

Financial Highlights

Implementation of GASB Statement No. 84

During fiscal year 2021, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities.

The adoption of Statement No. 84 resulted in the restatement of the State's July 1, 2020 governmental activities, governmental funds, and custodial funds to reflect assets and liabilities of nonfiduciary activities in accordance with provisions of Statement No. 84.

Net position and fund balance for governmental activities and governmental funds increased by approximately \$545.1 million to negative \$7.2 billion and \$3.8 billion, respectively.

Government-Wide Highlights

The liabilities and deferred inflows of resources of the State exceeded its assets and deferred outflows of resources at June 30, 2021 by \$4.3 billion (net position). Unrestricted net position, which may be used to meet the State's ongoing obligations to citizens and creditors, was a negative \$12.5 billion, a decrease of \$251 million from the previous year. Net position of governmental activities and business-type activities decreased by \$1.1 billion and \$542.9 million, respectively, due to current year activity. The total deferred outflows of resources increased to \$2.7 billion, a \$666.9 million increase. This was due to the increase in deferred outflows on net pension liability and net other postemployment benefits liability in the amounts of \$80.7 million and \$595.6 million, respectively. The deferred inflows of resources increased to \$608.1 million, with the increase of deferred inflows of resources from net other postemployment benefits liability in the amounts of \$472.2 million.

Fund Highlights

At June 30, 2021, the State's Governmental Funds reported combined ending fund balances of \$4.1 billion, an increase of \$857.1 million from the prior fiscal year. Of this amount, \$1.6 billion, or 37.7%, of total fund balances was in the General Fund, and the remaining \$2.6 billion represents amounts in other funds designated for specific purposes. The Proprietary Funds reported net position of \$4.0 billion at June 30, 2021, a decrease of \$542.9 million during the fiscal year.

Liabilities

The State's liabilities increased during the current year to \$32.3 billion, an increase of \$3.9 billion. During fiscal 2021, the State issued General Obligation Refunding bonds in the amount of \$400.0 million to advance refund \$400.0 million of previously issued outstanding bond anticipation notes. In addition, the State issued \$147.6 million in General Obligation bonds and \$1.6 billion in taxable General Obligation bonds.

State of Hawaii Management's Discussion and Analysis (Unaudited) June 30, 2021

The State's liability for postemployment benefits other than pension decreased to \$6.5 billion, a decrease of \$460.8 million for the fiscal year ended June 30, 2021.

The State's liability for pensions increased to \$7.8 billion, an increase of \$588.4 million for the fiscal year ended June 30, 2021.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the State's basic financial statements. The State's basic financial statements are comprised of three components:
(1) Government-Wide financial statements, (2) Fund financial statements, and (3) notes to basic financial statements. This report also contains supplementary information required by GASB and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide financial statements are designed to provide readers with a broad overview of the State's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The statement of activities presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unused vacation leave).

Both of the Government-Wide financial statements distinguish functions of the State that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the State include general government, public safety, conservation of natural resources, highways, health, welfare, education, culture and recreation, urban redevelopment and housing, economic development and assistance, and interest on long-term debt. The business-type activities of the State include the Department of Transportation – Airports Division (Airports), Department of Transportation – Harbors Division (Harbors), and the Unemployment Compensation Fund, which are considered to be major funds, while the remaining business-type activities are combined into a single aggregate presentation.

State of Hawaii Management's Discussion and Analysis (Unaudited) June 30, 2021

The Government-Wide financial statements include not only the State itself (known as the Primary Government), but also the activities of seven legally separate Component Units: the Hawaii Community Development Authority, the Hawaii Health Systems Corporation, the Hawaii Housing Finance and Development Corporation, the Hawaii Hurricane Relief Fund, the Hawaii Public Housing Authority, the Hawaii Tourism Authority, and the University of Hawaii, comprised of the State's public institutions of higher education, for which the State is financially accountable. Financial information for these Component Units is reported separately from the financial information presented for the Primary Government itself. The Component Units issue separate financial statements containing management's discussion and analysis.

The Government-Wide financial statements can be found on pages 32-34 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: (1) Governmental Funds, (2) Proprietary Funds, and (3) Fiduciary Funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide financial statements. However, unlike the Government-Wide financial statements, Governmental Funds financial statements focus on near term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the State's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide financial statements. By doing so, readers may better understand the long-term impact of the State's near-term financing decisions. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities in the Government-Wide financial statements.

Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Med-Quest Special Revenue Fund, and Administrative Support Special Revenue Fund, each of which is considered to be a major fund. Data from the other Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor Governmental Funds is provided in the form of combining financial statements in the supplementary information section of this report.

The State adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison schedule has been provided for the General Fund and each Special Revenue Fund to demonstrate compliance with this budget. The budgetary comparison schedules for the General Fund, Med-Quest Special Revenue Fund, and Administrative Support Special Revenue Fund are located in the required supplementary information and the budgetary comparison statements for each of the other Special Revenue Funds are located in the supplementary information section of this report.

The basic Governmental Funds financial statements can be found on pages 36–39 of this report.

Proprietary Funds

Proprietary Funds are used to show activities that operate more like those of commercial enterprises. They are known as Enterprise Funds because they charge fees for services provided to outsiders. They are used to report the same functions presented as business-type activities in the Government-Wide financial statements. The State uses Enterprise Funds to account for the operations of Airports, Harbors, the Unemployment Compensation Fund, and its other business-type activities.

Proprietary Funds provide the same type of information as the Government-Wide financial statements, only in more detail. The Proprietary Funds financial statements provide separate information for Airports, Harbors, and the Unemployment Compensation Fund, each of which are considered to be major funds of the State. Conversely, the other business-type activities are combined into a single, aggregate presentation in the Proprietary Funds financial statements.

The basic Proprietary Funds financial statements can be found on pages 40–44 of this report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the State. Fiduciary Funds are not reflected in the Government-Wide financial statements because the resources of those funds are not available to support the State's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The basic Fiduciary Funds financial statements can be found on pages 46-47 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund financial statements. The notes to basic financial statements can be found on pages 54–129 of this report.

State of Hawaii Management's Discussion and Analysis (Unaudited) June 30, 2021

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents a section of required supplementary information (RSI) other than management's discussion and analysis, which contains budget-to-actual schedules for the State's General Fund, Med-Quest Special Revenue Fund, and Administrative Support Special Revenue Fund as well as accompanying notes. This section also includes a Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, Schedule of the Proportionate Share of the Net OPEB Liability, and Schedule of OPEB Contributions.

Other Supplementary Information

The combining financial statements referred to earlier are presented in the supplementary information immediately following the RSI other than management's discussion and analysis. These combining statements provide details about the nonmajor Governmental, nonmajor Proprietary, and Fiduciary Funds. The total columns of these combining financial statements carry to the applicable Fund financial statements.

The statistical section containing information regarding financial trends, revenue capacity, and debt capacity, as well as demographic, economic and operating information follows immediately after the supplementary information.

Government-Wide Financial Analysis

The following financial analysis focuses on the Primary Government (governmental and business-type activities of the State). Separate financial statements for each of the State's Component Units, including their respective management's discussion and analysis, can be obtained from the Department of Accounting and General Services.

Net position is a useful indicator of a government's financial position. For the State, total liabilities and deferred inflows of resources exceed assets and deferred outflows of resources by \$4.3 billion as of June 30, 2021, and net position decreased \$1.1 billion, or 34.1%, from June 30, 2020 balances. The net position of the governmental activities decreased by \$538.2 million, or 7.0%, and business-type activities had a decrease of \$542.9 million, or 12.0%, due to the fiscal year 2021 activity and adoption of Statement No. 84. The following table was derived from the Government-Wide Statement of Net Position.

Summary Schedule of Net Position June 30, 2021 and 2020 (Amounts in thousands)

			Primary G	iovernment		
	Governmen	tal Activities	Business-Ty	pe Activities	To	otal
	2021	2020	2021	2020	2021	2020
Assets Current and other assets Capital assets, net	\$ 7,760,370 9,933,813	\$ 5,496,602 10,101,526	\$ 3,216,765 5,061,053	\$ 3,075,722 4,701,609	\$ 10,977,135 14,994,866	\$ 8,572,324 14,803,135
Total assets	\$ 17,694,183	\$ 15,598,128	\$ 8,277,818	\$ 7,777,331	\$ 25,972,001	\$ 23,375,459
Deferred outflows of resources Deferred loss on refunding Deferred outflows on net pension liability Deferred outflows on net other postemployment benefits liability	\$ 103,797 1,249,170 1,281,528	\$ 119,823 1,171,683 676,377	\$ 8,499 43,477 15,281	\$ 1,842 40,310 24,828	\$ 112,296 1,292,647 1,296,809	\$ 121,665 1,211,993 701,205
Total deferred outflows of resources	\$ 2,634,495	\$ 1,967,883	\$ 67,257	\$ 66,980	\$ 2,701,752	\$ 2,034,863
Liabilities Long-term liabilities Other liabilities	\$ 24,364,821 3,609,875	\$ 22,892,042 2,211,465	\$ 3,959,667	\$ 2,820,861 497,210	\$ 28,324,488 3,997,605	\$ 25,712,903 2,708,675
Total liabilities	\$ 27,974,696	\$ 25,103,507	\$ 4,347,397	\$ 3,318,071	\$ 32,322,093	\$ 28,421,578
Deferred inflows of resources Deferred inflows on net pension liability Deferred inflows on net other postemployment benefits liability	\$ 24,066 563,529	\$ 50,692 107,265	\$ 1,105 19,403	\$ 2,721 3,421	\$ 25,171 582,932	\$ 53,413 110,686
Total deferred inflows of resources	\$ 587,595	\$ 157,957	\$ 20,508	\$ 6,142	\$ 608,103	\$ 164,099
Net position Net investment in capital assets Restricted Unrestricted	\$ 1,147,118 2,755,923 (12,136,654)	\$ 2,478,200 2,345,000 (12,518,653)	\$ 2,637,031 1,721,912 (381,773)	\$ 2,629,344 1,639,488 251,266	\$ 3,784,149 4,477,835 (12,518,427)	\$ 5,107,544 3,984,488 (12,267,387)
Total net position	\$ (8,233,613)	\$ (7,695,453)	\$ 3,977,170	\$ 4,520,098	\$ (4,256,443)	\$ (3,175,355)

Analysis of Net Position

By far, the largest portion of the State's net position (\$3.8 billion or negative 88.9%) reflects its investment in capital assets (e.g., land, infrastructure, buildings and equipment), less any related debt used to acquire those assets that is still outstanding. The State uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position (\$4.5 billion or negative 105.2%) represents resources that are subject to external restrictions or enabling legislation on how they may be used. The remaining balance of negative \$12.5 billion or 294.1% represents unrestricted net position.

At June 30, 2021, the State is able to report positive balances in two of the categories of net position for governmental activities and all three categories for business-type activities. The negative balance of unrestricted net position for governmental activities is primarily attributed to the State's net other postemployment benefit liability of \$6.5 billion and net pension liability of \$7.8 billion.

Changes in Net Position

The State's net position decreased by \$1.6 billion, or 61.8%, during the fiscal year ended June 30, 2021. Approximately 43.4% of the State's total revenues came from taxes, while 46.9% resulted from grants and contributions (including federal aid). Charges for various goods and services and other income provided 9.7% of the total revenues. The State's expenses cover a range of services. The largest expenses were for welfare, higher and lower education, general government, health, public safety, and highways.

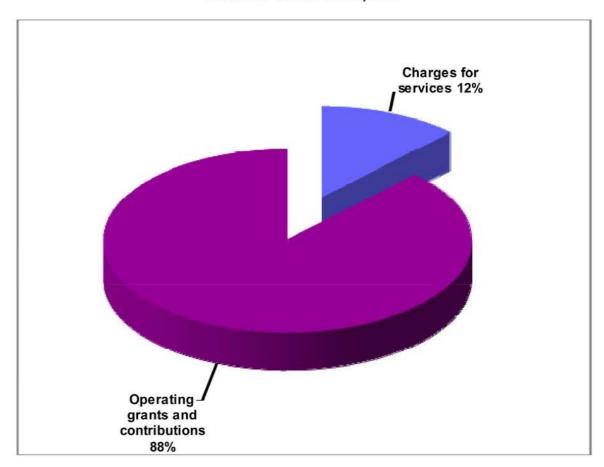
The following financial information was derived from the Government-Wide Statement of Activities and reflects how the State's net position changed during the fiscal year.

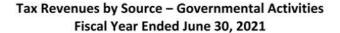
Summary Schedule of Changes in Net Position For the Fiscal Years Ended June 30, 2021 and 2020 (Amounts in thousands)

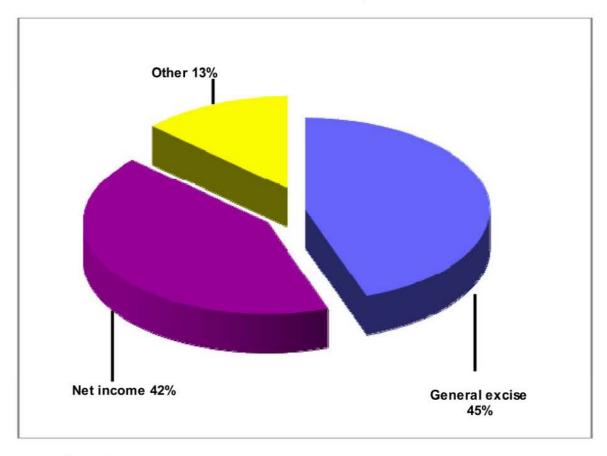
			Primary Go	vernment		
	Governmen	ital Activities	Business-Typ	oe Activities	To	otal
	2021	2020	2021	2020	2021	2020
Revenues	\$ 					
Program revenues						
Charges for services	\$ 703,910	\$ 797,989	\$ 890,955	\$ 2,196,094	\$ 1,594,865	\$ 2,994,083
Operating grants and contributions	5,030,769	3,597,822	3,206,169	-	8,236,938	3,597,822
Capital grants and contributions	-	-	83,411	95,720	83,411	95,720
General revenues						
Taxes	7,699,115	7,571,137		7:	7,699,115	7,571,137
Investment income and other	30,759	164,354	88,509	84,866	119,268	249,220
Total revenues	13,464,553	12,131,302	4,269,044	2,376,680	17,733,597	14,507,982
Expenses						
General government	1,867,701	1,129,769		3	1,867,701	1,129,769
Public safety	772,470	642,353	*		772,470	642,353
Highways	531,130	531,105	*		531,130	531,105
Conservation of natural resources	115,658	109,093	*	5.	115,658	109,093
Health	891,325	1,138,450	-	-	891,325	1,138,450
Welfare	4,579,544	3,678,820	-		4,579,544	3,678,820
Lower education	3,299,413	3,595,747	-		3,299,413	3,595,747
Higher education	984,734	1,050,582	*	*	984,734	1,050,582
Other education	20,593	16,936	-	-	20,593	16,936
Culture and recreation	374,727	155,261	-		374,727	155,261
Urban redevelopment and housing	449,870	246,495	-	*	449,870	246,495
Economic development and assistance	403,426	4,868	-	×	403,426	4,868
Interest expense	257,218	244,994	essesses es co		257,218	244,994
Airports		-	600,867	559,374	600,867	559,374
Harbors		*	107,371	98,998	107,371	98,998
Unemployment compensation		*	4,005,272	2,147,598	4,005,272	2,147,598
Nonmajor proprietary funds	×.		98,462	108,798	98,462	108,798
Total expenses	14,547,809	12,544,473	4,811,972	2,914,768	19,359,781	15,459,241
Change in net position	(1,083,256)	(413,171)	(542,928)	(538,088)	(1,626,184)	(951,259)
Net position						
Beginning of year	(7,695,453)	(7,282,282)	4,520,098	5,058,186	(3,175,355)	(2,224,096)
Adjustment for change in accounting principle	545,096				545,096	
Beginning of year, as restated	(7,150,357)	(7,282,282)	4,520,098	5,058,186	(2,630,259)	(2,224,096)
End of year	\$ (8,233,613)	\$ (7,695,453)	\$ 3,977,170	\$ 4,520,098	\$ (4,256,443)	\$ (3,175,355)

The following charts depict revenues of the governmental activities for the fiscal year:

Program Revenues by Source – Governmental Activities Fiscal Year Ended June 30, 2021







Analysis of Changes in Net Position

The State's net position decreased by \$1.6 billion during the current fiscal year. This is explained in the governmental and business-type activities discussion and is primarily due to decreases in net position of governmental activities of \$1.1 billion, Unemployment Compensation Fund of \$633.6 million, and Airports of \$64.5 million, and increases in Harbors of \$80.9 million and Nonmajor Proprietary Funds of \$74.3 million.

22

Governmental Activities

June 30, 2021

Governmental activities decreased the State's net position by \$1.1 billion. The elements of this decrease are reflected below:

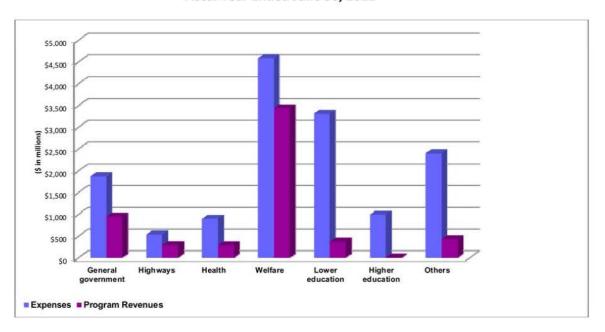
	Governmental Activities				
	(Amounts in thousands				
	2021	2020			
General revenues					
Taxes	\$ 7,699,115	\$ 7,571,137			
Interest and investment income and other	30,759	164,354			
Total general revenues	7,729,874	7,735,491			
Expenses, net of program revenues					
General government	928,094	451,682			
Public safety	603,175	506,210			
Highways	243,649	369,022			
Conservation of natural resources	4,226	(1,171)			
Health	605,097	875,798			
Welfare	1,145,362	1,127,849			
Lower education	2,935,058	3,253,012			
Higher education	984,690	1,050,483			
Other education	20,593	16,936			
Culture and recreation	369,012	142,028			
Urban redevelopment and housing	408,033	201,292			
Economic development and assistance	308,923	(89,473)			
Interest expense	257,218	244,994			
Total governmental activities expenses,	()	2			
net of program revenues	8,813,130	8,148,662			
Decrease in governmental activities net position	\$ (1,083,256)	\$ (413,171)			

Tax revenues increased by \$128.0 million, or 1.7%, from the previous fiscal year. The increase was primarily due to an increase in individuals' net income taxes of \$592.7 million and a decrease in general excise tax of \$229.5 million due to delayed income tax due dates in 2020 and decreased tourist spending.

Expenses, net of program revenues increased by \$664.5 million mainly due to the increase in program expenses of \$2.0 billion which was netted against an increase of charges for services and operating grants and contributions of \$1.3 billion. The largest variance was in the General Government program with an increase in revenues and expenses of \$261.4 million and \$737.9 million, respectively.

A comparison of the cost of services by function of the State's governmental activities is shown below, along with the revenues used to cover the net expenses of the governmental activities. This format identifies the extent to which each governmental function is self-financing through fees and intergovernmental aid or draws from the general revenues of the State:

Expenses and Program Revenues – Governmental Activities Fiscal Year Ended June 30, 2021

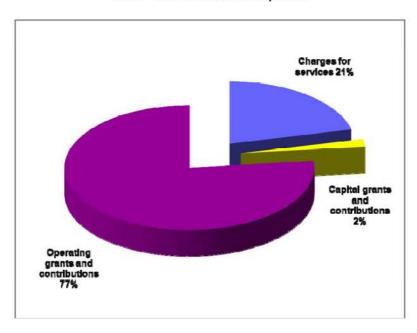


24

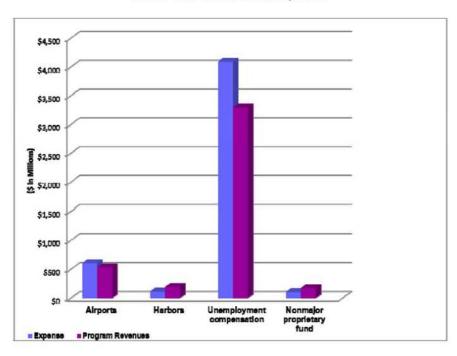
Business-Type Activities

The following charts depict revenues and expenses of the business-type activities for the fiscal year:

Program Revenues by Source – Business-Type Activities Fiscal Year Ended June 30, 2021



Expenses and Program Revenues – Business-Type Activities Fiscal Year Ended June 30, 2021



25

Business-type activities decreased the State's net position by \$542.9 million in fiscal 2021, compared to a decrease of \$538.1 million in fiscal 2020. Key elements of this decrease are as follows:

- Airports' net position decreased \$64.5 million compared to an increase of \$8.2 million in
 the prior fiscal year. Charges for current services decreased by \$146.4 million primarily
 due to a decrease in landing fees from lower passenger traffic. Operating and capital grants
 and contributions increased \$133.6 million due to an increase in federal capital grants and
 state capital contributions. Airport's expenses increased \$41.5 million due to increases in
 personnel costs and interest expense on revenue bonds.
- Harbors' net position increased \$80.9 million in fiscal 2021 compared to an increase of \$77.3 million in fiscal 2020. Charges for current services increased by \$5.9 million due to increased Wharfage revenues and a decrease in tariff rates, while expenses increased \$8.4 million.
- The Unemployment Compensation Fund's net position decreased \$633.6 million compared
 to a decrease of \$704.1 million in the prior fiscal year. The change was primarily due to an
 increase in unemployment program revenues of \$1.9 billion and increase in unemployment
 benefits paid of \$1.9 billion.
- The Nonmajor Proprietary Fund's net position increased \$74.3 million in fiscal 2021 compared to an increase of \$80.5 million in fiscal 2020.
- Key elements of the State's business-type activities for the fiscal years ended June 30, 2021 and 2020 are as follows:

	-								Business-Ty (Amounts i										
	_					Program			***************************************	-							Program	Day	onuor
	_	Charges f	or S	ervices	G	rants and C			To	ota	d		Expe	ense	es	_	Net of E		
		2021		2020		2021		2020	2021		2020	ŝ	2021		2020	80 m	2021		2020
Airports	\$	328,629	\$	475,064	\$	200,827	5	67,183	\$ 529,456	1	\$ 542,247	0.00	\$ 600,867	\$	559,374	\$	(71,411)	\$	(17,127)
Harbors		182,061		176,132		6,165		163	188,226		176,295		107,371		98,998		80,855		77,297
Unemployment compensation		239,096		1,391,747		3,053,978			3,293,074		1,391,747		4,005,272		2,147,598		(712, 198)		(755,851)
Nonmajor proprietary funds		141,169		153,151		28,610		28,374	169,779		181,525		98,462		108,798		71,317		72,727
Total	\$	890,955	\$	2,196,094	\$	3,289,580	\$	95,720	\$4,180,535	1	\$2,291,814	- 5	\$4,811,972	\$	2,914,768	\$	(631,437)	5	(622,954)

Financial Analysis of the State's Individual Funds

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the State's Governmental Funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the State's financing requirements. The fund balance classifications comprise a hierarchy based primarily on the extent the State is bound to honor constraints on the specific purpose for which amounts can be spent.

At the end of the fiscal year, the State's Governmental Funds reported combined ending fund balances of \$4.1 billion. Of this amount, \$247 thousand is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional \$667.1 million has been committed to specific purposes. An additional \$2.5 billion has been assigned to specific purposes by management. The unassigned fund balance was \$1.0 billion at fiscal year-end.

The General Fund is the chief operating fund of the State. At the end of the fiscal year, the total fund balance of the General Fund was \$1.6 billion compared to \$1.3 billion previously reported at June 30, 2020. The fund balance of the State's Capital Projects Fund increased \$159.3 million during the fiscal year. The Capital Projects Fund increase is a result of proceeds from general obligation bond issuance in excess of expenditures. The fund balance of the Med-Quest Special Fund decreased \$9.6 million, Administrative Support Special Revenue Fund increased by \$46.2 million, and other Nonmajor Governmental Funds increased \$369.3 million from the balances previously reported at June 30, 2020.

Proprietary Funds

The State's Proprietary Funds provide the same type of information found in the Government-Wide financial statements, but in more detail. At the end of the current fiscal year, Airports had a decrease in net position of \$64.5 million, Harbors had an increase in net position of \$80.9 million, the Unemployment Compensation Fund had a decrease in net position of \$633.6 million, and the Nonmajor Proprietary Funds had an increase in net position of \$74.3 million. Other factors concerning the finances of Airports, Harbors, the Unemployment Compensation Fund, and the Nonmajor Proprietary Funds have already been addressed in the discussion of the State's business-type activities.

General Fund Budgetary Highlights

The General Fund revenues were \$855.0 million or 10.8% more than the final budget. The positive variance was attributed to favorable tax revenues of \$739.3 million and favorable non-tax revenues of \$115.6 million. General excise tax, corporate income tax, and individual tax all collected more than what was projected by \$58.8 million, \$4.4 million and \$713.6 million, respectively. The favorable variance in non-tax revenues is mainly comprised of charges for current services and pension and social security reimbursements.

The difference between the final budget and actual expenditures on a budgetary basis was \$447.3 million. The difference is mostly due to the Budget and Finance variance of \$160.0 million and education variance of \$115.7 million. The Budget and Finance variance is due to \$54.9 million from savings in reductions to debt service payments from bond refunding and \$58.8 million savings in health premiums and retirement payments due to lower than projected employee growth and enrollment in the State's health plans. As in previous years, the positive variance in education resulted when the Department of Education carried over \$86.0 million of unencumbered appropriations into the next fiscal year. The Department of Education is allowed by statute to carry up to 5% of its unencumbered appropriations. Spending restrictions imposed on all executive branch departments resulted in positive variances across most departments.

Capital Assets

The State's capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$15.0 billion (net of accumulated depreciation of \$14.6 billion), an increase of \$191.7 million from fiscal 2020. The increase is due to an increase in governmental activities capital assets of \$290.3 million and in business-type capital assets of \$552.0 million offset by increases in governmental activities and business-type activities accumulated depreciation of \$458.1 million and \$192.5 million, respectively. Major capital improvement projects, which resulted in additions to capital assets in the fiscal year ended June 30, 2021, included the following:

- \$381.8 million for various capital improvement projects and repair and maintenance of public school facilities throughout the State.
- \$314.5 million for various capital improvements at airports statewide.
- \$259.9 million for various highway improvement projects throughout the State.
- \$96.3 million for various building improvement projects throughout the State.

Additional information on the State's capital assets can be found in Note 3 to the basic financial statements.

Debt Administration

At the end of the current fiscal year, the State had total bonded debt outstanding of \$12.4 billion. Of this amount, \$9.1 billion comprises debt backed by the full faith and credit of the State and \$3.3 billion (i.e., revenue bonds) is revenue-bonded debt that is payable from and secured solely by the specified revenue sources. A breakdown of the State's total bonded debt is shown below:

Long-Term Debt June 30, 2021 and 2020 (Amounts in thousands)

	Governmen	tal Activities	Business-Ty	pe Activities	Total			
	2021	2020	2021	2020	2021	2020		
General obligation bonds	\$ 8,870,454	\$ 7,294,070	\$ 16,239	\$ 18,690	\$ 8,886,693	\$ 7,312,760		
Bond anticipation note	200,000	600,000	-		200,000	600,000		
Revenue bonds	753,505	623,120	2,519,961	2,093,075	3,273,466	2,716,195		
Total	\$ 9,823,959	\$ 8,517,190	\$ 2,536,200	\$ 2,111,765	\$12,360,159	\$10,628,955		

The State's total long-term debt increased by \$1.7 billion, or 16.3%, during the current fiscal year. The increase is primarily due to bond maturities and issuances of GO bond and revenue bonds (see Notes 4 and 5 to the basic financial statements).

As of June 30, 2021, the State's underlying general obligation bond ratings were Moody's Investors Service (Aa2), Standard and Poor's Corporation (AA+), and Fitch Ratings (AA) based on the credit of the State.

The State Constitution limits the amount of general obligation bonds that may be issued. As required by law, the Director of Finance has confirmed that the State was within its legal debt limit. The legal debt margin at June 30, 2021 was \$549.9 million.

Additional information on the State's long-term debt can be found in Notes 4, 5 and 6 to the basic financial statements.

Economic Factors and Next Year's Budget

The statewide seasonally adjusted unemployment rate for October 2021 was 6.3%, while the seasonally adjusted national unemployment rate was 4.6%. One year ago, the State's seasonally adjusted unemployment rate stood at 14.2%, while the seasonally adjusted national unemployment rate was 6.9%.

The Council of Revenues in September 2021 revised the State's General Fund tax revenue growth rate for fiscal year 2022 from 3.0% to 6.3%. The Council also revised the General Fund tax revenue growth rate for fiscal years 2023 through 2028 to 4.0%.

Cumulative general fund tax revenues for the first five months of fiscal 2022 was \$3.4 billion, an increase of \$737.4 million from the same period last fiscal year. General excise and use tax collections, which are the largest source of revenue and a good measure of economic growth, increased 39.8%.

On March 4, 2020, the State of Hawaii Governor proclaimed the spread of COVID-19 in Hawaii to be a disaster, declared a state of emergency, and announced State responses, including the use of disaster relief funds, to address the spread of COVID-19. The Governor subsequently issued twenty-four supplementary proclamations through December 27, 2021, and a series of executive orders with more recent orders focusing on gathering restrictions, vaccination requirements for state and county workers, and Safe Travels Hawaii protocols. While a ten-day quarantine for non-vaccinated, untested travelers remains in effect, vaccinated and travelers testing negative prior to entry are not required to quarantine upon entering the State.

Since the first case was reported on February 17, 2020, there have been over 100,000 confirmed cases and 1,000 deaths from COVID-19 in the state as of December 2021. The State's economy appears to be slowly returning to pre-pandemic levels. Current international arrivals are only marginally above 2020, which were practically zero, and are far below the 2019 average of approximately 8,000 arrivals each day. However, domestic arrivals, which average between 20,000 and 30,000 per day based on seasonality, are on par with 2019. It is not known when international travel might return to pre-pandemic levels at this time due to the ongoing pandemic and impacts of variants. The fiscal impact will depend on the future events outside of the State's control, including actions of the federal government. In response to these budget shortfalls, the Governor has imposed a 10% spending restriction on discretionary operating expenses of general funds for all departments and agencies of the Executive Branch for fiscal year 2022.

State of Hawaii Management's Discussion and Analysis (Unaudited) June 30, 2021

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Comptroller, Department of Accounting and General Services, P.O. Box 119, Honolulu, Hawaii 96810-0119. General information about the State can be found at the State's website: http://www.hawaii.gov.



State of Hawaii Statement of Net Position June 30, 2021

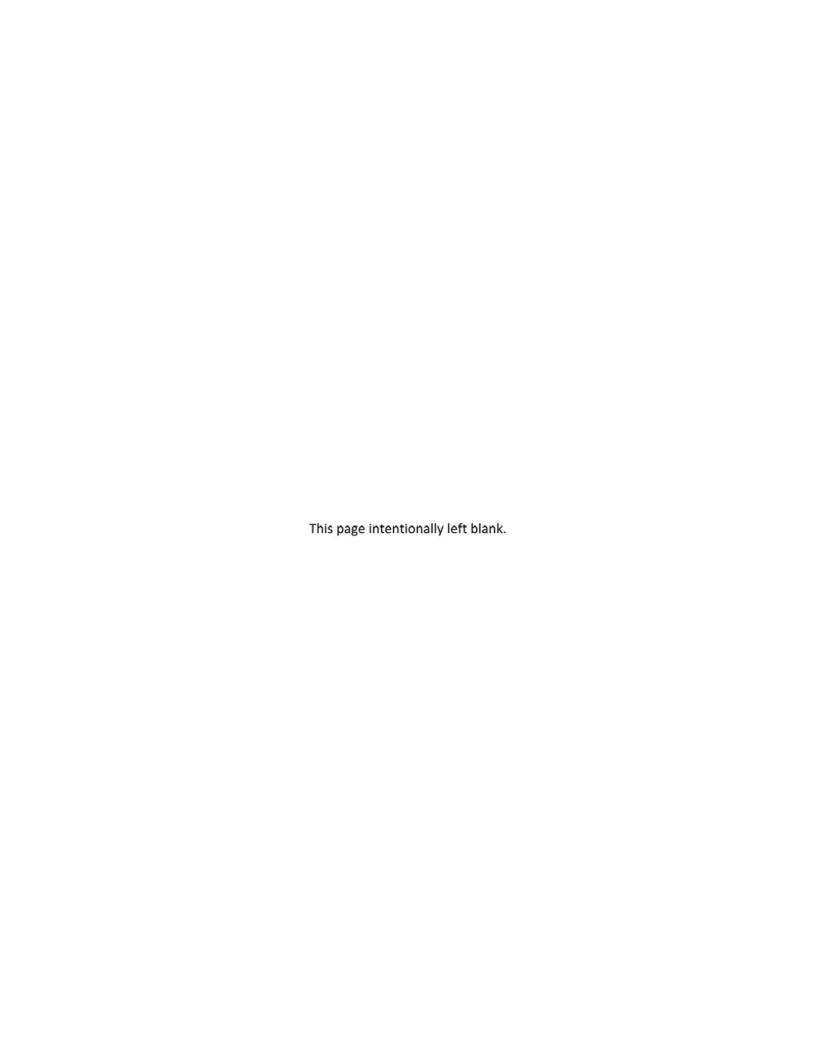
	P			
	Governmental	Business-Type		Component
	Activities	Activities	Total	Units
Assets Cash and cash equivalents	\$ 1,701,560	\$ 742,627	\$ 2,444,187	\$ 1,347,596
5.10 (Appendix Appendix Append	\$\tau\tau\tau\tau\tau\tau\tau\tau\tau\tau	- / 12,027	Ψ 2,111,1201	V 1/3 1 / / / / / / / / / / / / / / / / /
Receivables Taxes	707,307	69 427	775 724	
Accounts and accrued interest, net	707,307	68,427 70,857	775,734 70,857	209,751
Notes, loans, mortgages and contributions, net	146,268	705,240	851,508	797,724
Federal government	126,189	28,141	154,330	621
Premiums	120,103	67,869	67,869	021
Drug rebate	68,228	-	68,228	
Other, net	28,500	57,172	85,672	31,823
Total receivables	1,076,492	997,706	2,074,198	1,039,919
Internal balances	1,617	(1,617)	(2)	
Due from component units	6,000	943	6,000	~
Due from primary government	0.50	:5	9≣8	567,239
Investments	4,962,794	141,532	5,104,326	1,213,421
Inventories				
Materials and supplies	:(*)	204	204	23,344
Developments in progress and dwelling units				39,428
Total inventories		204	204	62,772
Restricted assets	1040	1,294,757	1,294,757	93,258
Other assets				
Prepaid expenses	8,023	41,556	49,579	30,202
Other	3,884		3,884	37,311
Total other assets	11,907	41,556	53,463	67,513
Capital assets				
Land and land improvements	2,407,812	2,822,116	5,229,928	564,815
Infrastructure Construction in progress	10,597,856 949,412	1,812,241	10,597,856 2,761,653	320,491 306,045
Buildings, improvements and equipment	7,129,122	3,672,389	10,801,511	5,326,942
Intangible assets – software	157,426	3,072,363	157,426	3,320,342
Accumulated depreciation and amortization	(11,307,815)	(3,245,693)	(14,553,508)	(3,236,531)
Total capital assets, net	9,933,813	5,061,053	14,994,866	3,281,762
Total assets	17,694,183	8,277,818	25,972,001	7,673,480
Deferred outflows of resources				
Deferred asset retirement obligations		-		2,634
Deferred loss on refunding	103,797	8,499	112,296	10,922
Deferred outflows on net pension liability	1,249,170	43,477	1,292,647	377,534
Deferred outflows on net other postemployment benefits liability	1,281,528	15,281	1,296,809	133,065
Total deferred outflows of resources	\$ 2,634,495	\$ 67,257	\$ 2,701,752	\$ 524,155

State of Hawaii Statement of Net Position June 30, 2021

	Governmenta	Primary Government Business-Type		Component
	Activities	Activities	Total	Units
Liabilities				
Vouchers and contracts payable	\$ 755,571	\$ 144,847	\$ 900,418	\$ 131,868
Other accrued liabilities	376,344	196,472	572,816	99,026
Advance from federal government	1,785,138		1,785,138	
Due to component units	567,239		567,239	7 8 27
Due to primary government		2 720	12	6,000
Unearned revenue			:*:	36,596
Premiums payable		46,411	46,411	•
Other	125,583	-	125,583	29,479
Long-term liabilities				
Due within one year				
Payable from restricted assets – revenue bonds payable, net		18,467	18,467	-
General obligation (GO) bonds payable	709,240	2,573	711,813	100
Notes, mortgages and installment contracts payable	500 A 100 A		(= 1	13,890
Bond anticipation note payable	200,000		200,000	*
Accrued vacation and retirement benefits payable	77,766	(i) 111.05 to the con-	82,384	54,380
Revenue bonds payable, net	50,837		50,837	18,206
Reserve for losses and loss adjustment costs	34,311		36,757	8,024
Capital lease obligations	7,037		8,177	3,431
Lease revenue certificates of participation		13,753	13,753	(\$1)
Customer facility charge revenue bonds	13	10,350	10,350	(=))
Due more than one year	Week and the first terms of	e e e e e e e e e e e e e e e e e e e	952409032504037032604	
GO bonds payable	8,161,214	13,666	8,174,880	(0.0)
Notes, mortgages and installment contracts payable				29,144
Accrued vacation and retirement benefits payable	197,034		211,402	71,999
Revenue bonds payable, net	702,668		3,193,812	484,427
Reserve for losses and loss adjustment costs	256,252		261,916	18,990
Capital lease obligations	101,628		124,013	3,514
Lease revenue certificates of participation	13	173,525	173,525	
Unearned revenue	1.			20,853
Estimated future costs of land sold		747.006	747.006	35,180
Loan payable	7.557.400	717,096	717,096	2 504 445
Net pension liability	7,567,480		7,814,788	2,584,415
Net other postemployment benefits liability	6,299,019		6,516,876	2,268,030
Security deposits Other	225	3,307	3,307 335	99 590
	335			88,589
Total liabilities	27,974,696	4,347,397	32,322,093	6,006,041
Deferred inflows of resources				
Deferred inflows on net pension liability	24,066		25,171	26,866
Deferred inflows on net other postemployment benefits liability	563,529	19,403	582,932	171,008
Total deferred inflows of resources	587,599	20,508	608,103	197,874
Net position				
Net investment in capital assets	1,147,118	2,637,031	3,784,149	2,752,842
	-,,	2,007,002	5,751,215	2,7.02,072
Restricted for	276 027	gi.	275 227	
Capital maintenance projects	276,927		276,927	2,000
Health and welfare	218,960		218,960	7 <u>2</u> 0
Natural resources	213,864		213,864	1.50
Native Hawaiian programs	385,370		385,370	***
Education	291,483		291,483	C#3
Regulatory and economic development	391,656		391,656	-
Administrative support	876,500		876,500	-
Other purposes	100,916		100,916	4 207 00-
Bond requirements and other	247	1,721,912	1,722,159	1,387,087
Unrestricted	(12,136,654	(381,773)	(12,518,427)	(2,146,209)
Total net position	\$ (8,233,613	\$ 3,977,170	\$ (4,256,443)	\$ 1,993,720
centres contact and accommodate and accommodate as		-		

State of Hawaii Statement of Activities Year Ended June 30, 2021

Primary government Governmental activities General government \$ 1,867,701 \$ 229,268 \$ 710,339 \$ \$ \$ (928,094) \$ \$ \$ \$ (928,094) \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ \$ (928,094) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	3,094)	Total
Expenses Expenses For Services Contributions Contributions Activities Activities Tot	al Unit:	Total
Primary government Governmental activities \$ 1,867,701 \$ 229,268 \$ 710,339 \$ - \$ (928,094) \$ - \$ (921,022) Public safety 772,470 86,291 83,004 - (603,175) - (603,175) - (603,175) - (603,175) - (603,175) - (7,022) - (24,564) - (24,564) - (24,564) - (24,564) - (24,564) - (24,564) - (4,226) - (4,22	3,094)	
Governmental activities General government \$ 1,867,701 \$ 229,268 \$ 710,339 \$ - \$ (928,094) \$ - \$ (92) Public safety 772,470 86,291 83,004 - (603,175) - (60 Highways 531,130 12,459 275,022 - (243,649) - (24 Conservation of natural resources 115,658 72,670 38,762 - (4,226) - (605,097) - (60 Welfare 4,579,544 100,059 3,334,123 - (1,145,362) - (1,145 Lower education 3,299,413 14,830 349,525 - (2,935,058) - (2,935 Higher education 984,734 44 - - (984,690) - (98 Culture and recreation 374,727 3,172 2,543 - (369,012) - (366		
Public safety 772,470 86,291 83,004 - (603,175) - (60,175) Highways 531,130 12,459 275,022 - (243,649) - (24 Conservation of natural resources 115,658 72,670 38,762 - (4,226) - (4,226) - (60,5097) - (60) Health 891,325 140,442 145,786 - (605,097) - (60 Welfare 4,579,544 100,059 3,334,123 - (1,145,362) - (1,14 Lower education 3,299,413 14,830 349,525 - (2,935,058) - (2,935,058) Higher education 984,734 44 (984,690) - (98 Other education 20,593 (20,593) - (20,593)		
Highways 531,130 12,459 275,022 - (243,649) - (245) Conservation of natural resources 115,658 72,670 38,762 - (4,226) - (605,097) - (1,145,362) - (1,145,362) - (1,145,362) - (1,145,362) - (1,145,362) - (2,935,058) - (2,935,058) - (2,935,058) - (2,935,058) - (2,935,058) - (2,935,058) - (2,935,058) -	1,175)	\$ (928,094)
Conservation of natural resources 115,658 72,670 38,762 - (4,226) - (4,266)		(603,175)
Health 891,325 140,442 145,786 - (605,097) - (605,097) - (605,097) Welfare 4,579,544 100,059 3,334,123 - (1,145,362) - (1,145,362) - (1,145,362) - (2,935,058) - (2,935,058) - (2,935,058) - (2,935,058) - (2,935,058) - (98,690) - (98,690) - (98,690) - (98,690) - (20,593)	3,649)	(243,649)
Welfare 4,579,544 100,059 3,334,123 - (1,145,362) <	,226)	(4,226)
Lower education 3,299,413 14,830 349,525 - (2,935,058)	5,097)	(605,097)
Higher education 984,734 44 - - (984,690) - (98 Other education 20,593 - - - (20,593) - (20 Culture and recreation 374,727 3,172 2,543 - (369,012) - (369,012) -	,362)	(1,145,362)
Other education 20,593 (20,593) - (21) Culture and recreation 374,727 3,172 2,543 - (369,012) - (36)	5,058)	(2,935,058)
Culture and recreation 374,727 3,172 2,543 - (369,012) - (369	,690)	(984,690)
),593)	(20,593)
	,012)	(369,012)
Urban redevelopment and housing 449,870 21,976 19,861 - (408,033) - (408,033)	3,033)	(408,033)
Economic development and assistance 403,426 22,699 71,804 - (308,923) - (308	3,923)	(308,923)
Interest expense 257,218 (257,218) - (257,218)	7,218)	(257,218)
Total governmental activities 14,547,809 703,910 5,030,769 - (8,813,130) - (8,81	,130)	(8,813,130)
Business-type activities		(m) 1441
		(71,411)
		80,855
		(712,198)
	-	71,317
		(631,437)
Total primary government \$19,359,781 \$ 1,594,865 \$ 8,236,938 \$ 83,411 (8,813,130) (631,437) (9,444)	,567)	(9,444,567)
Component units	ć (1 oos	
University of Hawaii \$ 1,858,606 \$ 330,249 \$ 431,568 \$ -	\$ (1,096,	
Hawaii Housing Finance	27	
and Development Corporation 103,728 44,960 86,222	27,	
Hawaii Public Housing Authority 187,035 25,040 119,138 5,863 Hawaii Health Systems Corporation 701,899 495,180 1,323 17,856	(36,	
	(187,	
Hawaii Tourism Authority 49,245 5,839	(43,	
Hawaii Hurricane Relief Fund 2	(1,	
Total component units \$ 2,906,545 \$ 905,322 \$ 638,251 \$ 23,719	(1,339,	
General revenues		
Taxes		
		3,438,088
		3,254,330
		125,201
		195,410
		141,522
		69,351
		188,229
		143,242
		32,206
		5,079
		106,457
		119,268
Payments from the primary government, net	- 1,369,	-
Gifts and subsidies Other	- 52,	
THE CONTRACT OF THE CONTRACT O	- 107,	7.010.703
		7,818,383
Net position	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	12/020/204/
	5,355) 1,593,	(3,175,355)
		545,096
545,050		
Projunity of your or sectated 17 150 2571 4 530 000 10 531	The second second	(2,630,259)
	5,443) \$ 1,993,	\$ (4,256,443)



State of Hawaii Governmental Funds Balance Sheet June 30, 2021

	General Fund			Capital Projects Fund				ministrative Support cial Revenue Fund	Go	Other evernmental Funds	Total Governmental Funds	
Assets												
Cash and cash equivalents	\$	300,736	\$	7,839	\$	9,979	\$	694,897	\$	688,108	\$ 1,701,559	
Receivables												
Taxes		595,936		Ø		(35)		0.		75	595,936	
Notes and loans, net of allowance for												
doubtful accounts of \$48,505		1,327						2.		144,941	146,268	
Federal government		2.0		0		88,333		20		37,856	126,189	
Drug rebate		0.500		8		68,228		8		-	68,228	
Other		8,500		7		-					8,500	
Due from other funds		220,916						17,208		247	238,371	
Due from proprietary funds Due from component units		6,000		1,597		175				- 5	1,617 6,000	
Investments		1,240,087		479,746		39.916		1.953.899		1,249,146	4,962,794	
Other assets		3,884		4/9,/46		39,910		1,953,899		1,249,146	3,884	
			-		-	-	-		-			
Total assets	\$ 2	2,377,406	\$	489,182	\$	206,456	\$	2,666,004	\$	2,120,298	\$ 7,859,346	
Liabilities and Fund Balances												
Liabilities												
Vouchers and contracts payable	\$	522,681	\$	105,797	\$	2,916	\$	971	\$	122,023	\$ 754,388	
Other accrued liabilities		271,808		-		46,802		3,395		54,339	376,344	
Advance from federal government		27						1,785,138		73	1,785,138	
Due to other funds		17,455				137,737				83,179	238,371	
Due to component units		4,923		562,316		(.75)		8		7.5	567,239	
Payable from restricted assets												
Matured bonds and interest payable	34	(4)	10			-	-	-	3	335	335	
Total liabilities	-	816,867		668,113		187,455		1,789,504		259,876	3,721,815	
Fund balances												
Restricted		170				1.00				247	247	
Committed		170		4,311		-		465,056		197,737	667,104	
Assigned		390,666				19,001		411,444		1,662,438	2,483,549	
Unassigned	-	1,169,873		(183,242)						*1-	986,631	
Total fund balances		1,560,539	Ξ	(178,931)		19,001		876,500		1,860,422	4,137,531	
Total liabilities and fund balances	\$ 2	2,377,406	\$	489,182	\$	206,456	\$	2,666,004	\$	2,120,298	\$ 7,859,346	

State of Hawaii

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2021

(Amounts in thousands)

Total fund balance – Governmental funds	\$	4,137,531
Amounts reported for governmental activities in the statement of net position are different because Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of		
Land and land improvements		2,407,812
Infrastructure		10,597,856
Construction in progress		949,412
Buildings, improvements and equipment		7,129,122
Intangible assets – software		157,426
Accumulated depreciation and amortization	(11,307,815)
	3.	9,933,813
Accrued interest and other payables are not recognized in governmental funds.	_	(125,893)
Other assets and liabilities are not available to pay or be used for current-period expenditures and are not recognized in governmental funds, such as unearned		
revenue and settlement receivables.		138,522
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of		
General obligation bonds payable		(8,870,454)
Bond anticipation note payable		(200,000)
Accrued vacation payable		(274,800)
Revenue bonds payable		(753,505)
Reserve for losses and loss adjustment costs		(290,563)
Net other postemployment benefits liability		(6,299,019)
Net pension liability		(7,567,480)
Capital lease obligations	_	(108,665)
	(24,364,486)
Deferred outflows of resources are for future periods and are not reported in the funds. Those deferred outflows consist of		
Deferred loss on refunding		103,797
Deferred outflows on net pension liability		1,249,170
Deferred outflows on other postemployment benefits liability		1,281,528
		2,634,495
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of		
Deferred inflows on net pension liability		(24,066)
Deferred inflows on other postemployment benefits liability		(563,529)
送 2.1 3	-	(587,595)
Net position of governmental activities	۲	
Net position of governmental activities	<u>ې</u>	(8,233,613)

State of Hawaii
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021
(Amounts in thousands)

Revenues	General Fund	Capital Projects Fund	Med-Quest Special Revenue Fund	Administrative Support Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Taxes						
General excise tax	\$ 3,195,843	\$ -	\$ -	\$ 241,912	\$ -	\$ 3,437,755
Net income tax - corporations and individuals	3,233,174			S	-	3,233,174
Public service companies tax	125,201		0.00	-	*	125,201
Transient accommodations tax	194,095					194,095
Tobacco and liquor tax	117,925	2		1,647	21,950	141,522
Liquid fuel tax					69,351	69,351
Tax on premiums of insurance companies	185,570				2,659	188,229
Vehicle weight and registration tax		*	0.00	*	143,242	143,242
Rental motor/vehicle surcharge tax	5			8	32,201	32,206
Franchise tax	3,079			720000E	2,000	5,079
Other	72,973			19,935	13,549	106,457
Total taxes	7,127,865		<u> </u>	263,494	284,952	7,676,311
Interest and investment income	14,035	~		4,943	11,781	30,759
Charges for current services	128,101		200344902020	94,676	178,626	401,403
Intergovernmental	9,711		1,984,369	704,445	2,042,651	4,741,176
Rentals	292			194	30,830	31,316
Fines, forfeitures and penalties	19,329	-	(6)	78	12,674	32,081
Licenses and fees	741	-	77 726	303	41,533	42,577
Revenues from private sources Other	8,876 58,015	-	77,736 92,344	1,720 1,448	50,188	138,520
	-	· — -	-	-	204,846	356,653
Total revenues	7,366,965		2,154,449	1,071,301	2,858,081	13,450,796
Expenditures						
Control	930,895	32.150		531.953	213,339	1.708.337
General government Public safety	422,017	72,657		26,953	225,195	746,822
Highways	3,537	132,695		20,533	312,415	448,647
Conservation of natural resources	67,198	12,984		29	57,248	137,459
Health	725,269	72,095	1.00	23	242,921	1,040,285
Welfare	1,265,818	5,885	2,076,596	13,390	1,237,758	4,599,447
Lower education	2,693,083	259,667	-	4,655	493,770	3,451,175
Higher education	885,315	99,419		,	-	984,734
Other education	6,776	-			13,817	20,593
Culture and recreation	64,854	13,674	-	270,548	28,343	377,419
Urban redevelopment and housing	20,703	14,604	(2)	5.	54,519	89,826
Economic development and assistance	58,068	39,951		ă,	140,937	238,956
Housing	34,871	320,479			*	355,350
Other		4,700		5,480	9,964	20,144
Debt service					853,533	853,533
Total expenditures	7,178,404	1,080,960	2,076,596	853,008	3,883,759	15,072,727
Excess (deficiency) of revenues						
over (under) expenditures	188,561	(1,080,960)	77,853	218,293	(1,025,678)	(1,621,931)
Other financing sources (uses)						
Issuance of GO bonds – par	747,555	995,000		-	400,000	2,142,555
Issuance of GO bonds – premium	10,272			-		10,272
Issuance of revenue and refunding revenue bonds – par	(*)	136,091			*	136,091
Issuance of revenue and refunding revenue bonds – premium	(*)	45,023		*	(100.000)	45,023
Payment to refunded bond escrow agent	005.544	CA 105	2 707	277.070	(400,000)	(400,000)
Transfers in	985,641	64,165	3,707	277,078	1,301,841	2,632,432
Transfers out	(1,157,380)	(8)	(91,209)	(1,130,366)	(253,469)	(2,632,432)
Total other financing sources (uses)	586,088	1,240,271	(87,502)	(853,288)	1,048,372	1,933,941
Net change in fund balances	774,649	159,311	(9,649)	(634,995)	22,694	312,010
Fund balances		1900 0 1-1				2222
Beginning of year, as previously reported	1,268,589	(338,242)	28,650	830,325	1,491,103	3,280,425
Adjustment for change in accounting principle	(482,699)			681,170	346,625	545,096
Beginning of year, as restated	785,890	(338,242)	28,650	1,511,495	1,837,728	3,825,521
End of year	\$ 1,560,539	\$ (178,931)	\$ 19,001	\$ 876,500	\$ 1,860,422	\$ 4,137,531

State of Hawaii

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Year Ended June 30, 2021

(Amounts in thousands)

Table to be a single for the leaves of Community of the de-	ć 212.010
Total net change in fund balances – Governmental funds	\$ 312,010
Amounts reported for governmental activities in the statement of activities are different because	
Capital outlays are reported as expenditures in governmental funds;	
however, in the statement of activities, the cost of capital assets is	
allocated over their estimated useful lives as depreciation expense.	
In the current period, these amounts are	
Capital asset additions	1,162,865
Capital asset disposals	(872,525)
Accumulated depreciation on disposals	93,786
Depreciation expense	(551,839)
Excess of capital outlay over depreciation expense	(167,713)
Debt proceeds provide current financial resources to governmental funds;	
however, issuing debt increases long-term liabilities in the statement of net position.	
In the current period, this is the amount of proceeds received from general obligation and revenue bonds issued.	(2.222.041)
	(2,333,941)
Repayment of long-term debt is reported as an expenditure in governmental funds,	
but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of	
Bond and BAN principal retirement	921,526
Capital lease payments	6,482
Total long-term debt repayment	928,008
Because some revenues will not be collected for several months after the State's	
fiscal year end, they are not considered available revenues and are deferred in the	
governmental funds.	22,804
Some expenses reported in the statement of activities do not require the use of	
current financial resources and, therefore, are not reported as expenditures in the	
governmental funds	(22.22.1)
Change in accrued vacation payable	(29,404)
Change in reserve for losses and loss adjustment costs Change in accrued interest on bonds payable	(19,922) (17,931)
Change in accrued interest on capital leases	(1,744)
Amortization of bond premium and deferred amount on refunding	94,742
Net pension activity	(464,302)
Net other postemployment benefits activity	594,137
Total	155,576
Change in net position of governmental activities	\$ (1,083,256)

State of Hawaii Proprietary Funds Statement of Fund Net Position June 30, 2021

	Airports	Airports Harbo		Uner Harbors Com		Nonmajor Proprietary Funds		P	Total roprietary Funds
Assets									
Current assets									
Cash and cash equivalents	\$ 432,727	\$	170,666	\$	5,351	\$	133,883	\$	742,627
Investments	-		2		-		141,532		141,532
Restricted assets – cash and short-term investments	185,377		35,577				-		220,954
Receivables									
Taxes	266		-		68,161		- 2		68,427
Accounts and accrued interest, net of allowance									
for doubtful accounts of \$14,975	49,305		20,990		8.78		562		70,857
Promissory note receivable, net of allowance for									
doubtful accounts of \$1,925	-		255		346		53,425		53,680
Federal government	27,921		-		120		220		28,141
Premiums	100		7.7		100		67,869		67,869
Other	30,159		-		-		27,013		57,172
Materials and supplies inventory	204		1.40		(45)				204
Prepaid expenses and other assets	35,541		695		525		5,320		41,556
Total current assets	761,500	=	228,183		73,512		429,824		1,493,019
Noncurrent assets Capital assets Land and land improvements Construction in progress Buildings and improvements Equipment	2,179,610 1,528,570 2,607,049 381,542 6,696,771	· ·	642,506 278,678 642,349 27,350 1,590,883	_	(5) (4) (4)	<u>-</u>	4,993 14,099 19,092	-	2,822,116 1,812,241 3,249,398 422,991 8,306,746
11 40 10 A0 11 11 00 10 10 10 10 10 10 10 10 10 10									
Less: Accumulated depreciation	(2,724,449)		(508,154)	-	<u>:::::::::::::::::::::::::::::::::::::</u>	_	(13,090)	_	(3,245,693)
Net capital assets	3,972,322		1,082,729		-		6,002		5,061,053
Promissory note receivable	-		(2)				651,560		651,560
Restricted assets – net direct financing leases	21,878		-		0.00				21,878
Restricted assets - cash and cash equivalents	421,006		412,867		-		10		833,873
Restricted assets – investments	218,052				328		8,		218,052
Total noncurrent assets	4,633,258		1,495,596		-		657,562		6,786,416
Total assets	5,394,758	_	1,723,779		73,512		1,087,386		8,279,435
Deferred outflows of resources Deferred loss on refunding Deferred outflows on net pension liability Deferred outflows on net other postemployment benefits liability	7,239 34,190 11,928		1,260 6,620 2,428	·			2,667 925		8,499 43,477 15,281
Total deferred outflows of resources	\$ 53,357	<u>\$</u>	10,308	\$		\$	3,592	\$	67,257

State of Hawaii Proprietary Funds Statement of Fund Net Position June 30, 2021

	Air	rports	_ 1	Harbors	Unemployment Compensation			Nonmajor Proprietary Funds		Total roprietary Funds
Liabilities										
Current liabilities										
Vouchers and contracts payable	\$	64,958	\$	6,156	\$	72,283	\$	1,450	\$	144,847
Payable from restricted assets –										
contracts payable, accrued interest, and other	- 3	135,964		32,069				~		168,033
Other accrued liabilities		21,501		-				917		22,418
Due to governmental funds		20		1,597		100		-		1,617
Benefit claims payable		680				3.63		6,021		6,021
General obligation bonds payable, current portion		313		2,573		127				2.573
Reserve for losses and loss adjustment costs		2.209		237						2,446
Capital lease obligations				1.140		190		-		1,140
Lease revenue certificates of participation		13,753		-		161		2		13,753
Customer facility charge revenue bonds		10,350		-				- 2		10,350
Accrued vacation, current portion		3,664		698				256		4,618
Payable from restricted assets – revenue bond payable		430		18,037		-		-		18,467
Premiums payable		-		-				46,411		46,411
Total current liabilities		252,849		62,507		72,283		55,055		442,694
Noncurrent liabilities									-	
General obligation bonds payable		-20		13,666						13,666
Accrued vacation		11,226		2,307				835		14,368
Revenue bonds payable, net of unamortized		11,220		2,507				033		14,500
bond premium and bond discount	2.0	096,126		395,018		127		- 6		2,491,144
Reserve for losses and loss adjustment cost	-,	4,726		938						5,664
Capital lease obligations		4,720		22,385		150				22,385
Lease revenue certificates of participation		173,525		22,303						173,525
Loans payable		.,525		122		717,096		2		717,096
Net pension liability		192,093		40,863		717,030		14,352		247,308
Net other postemployment benefits liability		168,547		36,179		2.73		13,131		217,857
Security deposits				3,307		_		13,131		3,307
Total noncurrent liabilities	2.6	546,243	_	514,663	-	717,096	-	28,318	_	3,906,320
Total liabilities	-	399,092		577,170		789,379		83,373		4,349,014
Deferred inflows of resources										
Deferred inflows on net pension liability		587		121		121		397		1,105
Deferred inflows on net other postemployment benefits liability		15,449		2,800		-		1,154		19,403
Total deferred inflows of resources	Sta	16,036	35-	2,921				1,551		20,508
		10,030	-	2,321	_		_	1,331	_	20,308
Net position	50.51	20002042000		Andreas Carterion				No. 170 (410)		
Net investment in capital assets		943,324		687,705		170		6,002		2,637,031
Restricted for bond requirements and other		663,873		355,683		140		802,356		1,721,912
Unrestricted		25,790	_	110,608	_	(715,867)		197,696	_	(381,773)
Net position	\$ 2,5	532,987	\$:	1,153,996	\$	(715,867)	\$	1,006,054	\$	3,977,170

State of Hawaii Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position Year Ended June 30, 2021

(Amounts in thousands)

		irports		Harbors	Unemploymer Compensatio	nt P	Nonmajor Proprietary Funds		Total oprietary Funds
Operating revenues	-	200000000	52.0		2	1000		-	76.0889.0000
Concession fees	\$	59,180	\$	-	\$ -	\$	-	\$	59,180
Unemployment compensation				160	239,096				239,096
Aviation fuel tax		1,642			-		-		1,642
Airport use charges		61,735		2223					61,735
Rentals		151,910		26,896	-		-		178,806
Services and others		-		153,854					153,854
Administrative fees		179		7/23	17		5,676		5,676
Premium revenue – self insurance		0.00			95		96,082		96,082
Experience refunds, net		-		(4)	-		36,505		36,505
Other	-	8,155	_	1,311		<u> </u>	2,892		12,358
Total operating revenues	-	282,622	_	182,061	239,096	_	141,155	_	844,934
Operating expenses									
Personnel services		246,142		25,819			9,102		281,063
Depreciation and amortization		158,338		40,217	15		465		199,020
Repairs and maintenance		63,714		(e)			339		64,053
Airports operations		37,823			34		54		37,823
Harbors operations		-		16,572	12		~		16,572
General administration		14,144		11,566	(7		5,100		30,810
Unemployment compensation		(*)		100	4,005,272				4,005,272
Claims		(*)					81,523		81,523
Other	92	2,615	% <u></u>	160	<u> </u>	<u> </u>	1,933	100	4,548
Total operating expenses	_	522,776	_	94,174	4,005,272	_	98,462	_	4,720,684
Operating income (loss)		(240,154)	_	87,887	(3,766,176	<u> </u>	42,693	_(3,875,750)
Nonoperating revenues (expenses)									
Interest and investment income		6,928		1.2	78,608		2,973		88,509
Interest expense		(78,091)		(10,262)	12		-		(88,353)
Federal grants		152,191			3,053,978		1.5		3,206,169
Loss on disposal of capital assets		(576)		(1,753)					(2,329)
Rental car customer and passenger facility charges		49,450		-	3-		-		49,450
Other		(2,867)	_	(1,182)	12	b =	14	_	(4,035)
Total nonoperating revenues (expenses)	8	127,035	:- :-	(13,197)	3,132,586	_	2,987	_	3,249,411
Income (loss) before capital contributions		(113,119)		74,690	(633,590)	45,680		(626,339)
Capital contributions	·	48,636		6,165			28,610	_	83,411
Change in net position		(64,483)		80,855	(633,590	_	74,290		(542,928)
Net position									
Beginning of year	2	,597,470		1,073,141	(82,277	<u> </u>	931,764	_	4,520,098
End of year	\$ 2	,532,987	\$	1,153,996	\$ (715,867	\$	1,006,054	\$	3,977,170

State of Hawaii Proprietary Funds Statement of Cash Flows Year Ended June 30, 2021

(Amounts in thousands)

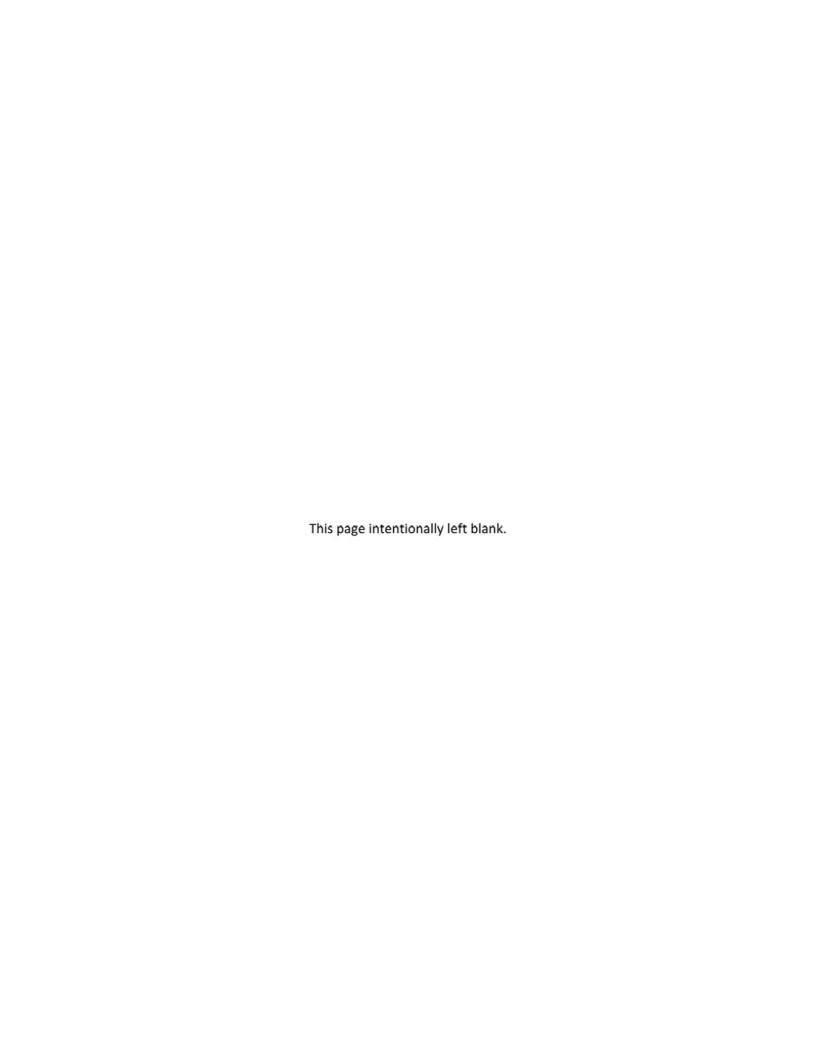
		Airports		Harbors	Unemployment Compensation		lonmajor roprietary Funds	Total Proprietary Funds
Cash flows from operating activities							70	
Cash received from customers	\$	242,397	\$	177,769	\$ -	\$	-	\$ 420,166
Cash received from taxes	53	40	17		224,080	.(0)	i G	224,080
Cash received from employers and employees								
for premiums and benefits		1.70		1.00			675,114	675,114
Cash paid to suppliers		(211,903)		(28,833)	(*)		(4,293)	(245,029)
Cash paid to employees		(110,114)		(21,628)	323		(8,751)	(140,493)
Cash paid for unemployment compensation					(4,161,055)			(4,161,055)
Cash paid for premiums and benefits payable		200			(*)		(618,575)	(618,575)
Net cash provided by (used in) operating activities	-	(79,620)		127,308	(3,936,975)		43,495	(3,845,792)
Cash flows from noncapital financing activities			(X)				7	
Proceeds from federal operating grants		164,551			3,053,978		-	3,218,529
Proceeds from federal loan		-		160	717,096		-	717,096
	_		_			_		
Net cash provided by noncapital financing activities		164,551			3,771,074			3,935,625
Service and Article and Article and Common Parkins are treatment	-	104,551	_		3,771,074	_		3,933,023
Cash flows from capital and related financing activities		(454.350)		(22.54.4)			(5.045)	(5.42.700)
Acquisition and construction of capital assets		(464,250)		(73,514)	-		(5,016)	(542,780)
Proceeds from federal, state and capital grants and contributions		48,617		475.005	27.0		28,860	77,477
Proceeds from issuance of bonds		227.245		175,006	150		-	175,006
Proceeds from customer facility charge revenue bonds		327,245		0-6	•			327,245
Principal paid on airports system revenue bonds		(44,690)		(40.744)	3.00		-	(44,690)
Repayment of general obligation and revenue bonds principal		(2.024)		(19,741)	-		-	(19,741)
Bond issue costs paid		(2,921)		1.00	(5)		15	(2,921)
Payments for lease revenue certificates of participation		(12,116)		0.00	9 0 0			(12,116)
Interest paid on outstanding debt		(78,754)						(78,754)
Proceeds from passenger facility charges program Proceeds from rental car customer facility charges program		14,459		-	-		-	14,459 25,595
이 맛있다면 하는데 가지 않는데 가지 않는데 하나 하는데		25,595		(7)	(2)		-	
Principal paid on rental car customer facility charges program Interest paid on bonds		(10,140)		(8,635)	157			(10,140) (8,635)
Principal paid on capital lease obligation		5-600 Filtra		(1,024)	100			(1,024)
Restricted cash disbursement				(6,423)	(2)		2	(6,423)
Reimbursement received for capital assets		170		1,465				1,465
Receipts – other		52		1,403	100			52
1.00	-	32	· —		-	_		
Net cash provided by (used in) capital and related financing activities		(196,903)		67,134	190		23,844	(105,925)
ter man an ar are sufficient	_	(130,303)	-	07,134	-	_	23,044	(103,323)
Cash flows from investing activities Proceeds from sales and maturities of investments		362,780						362,780
Interest received from investments		5,877		2.315	78,608		729	87,529
Purchase of investments		(259,620)		2,313	78,008		(54,398)	(314,018)
Principal repayments on notes receivable		(233,020)			157.0		50,281	50,281
Disbursement of note receivable proceeds		190			100		(95,543)	(95,543)
Interest income from notes receivable		3228		72			1,915	1,915
Administrative loan fees		-			-		5,508	5,508
Net cash provided by (used in) investing activities	3	109,037	-	2,315	78,608		(91,508)	98,452
Net increase (decrease) in cash and cash equivalents	-	(2,935)	3	196,757	(87,293)	-	(24,169)	82,360
		(2,555)		200,101	(07,233)		(2.,100)	52,550
Cash and cash equivalents, including restricted amounts Beginning of year		1,042,045		422,353	92,644		158,052	1,715,094
End of year	Ś	1,039,110	Ś	619,110	\$ 5,351	\$	133,883	\$ 1,797,454
Life of year	-	1,033,110	-	019,110	\$ 3,331	\$	133,003	J 1,737,434

(continued)

State of Hawaii Proprietary Funds Statement of Cash Flows Year Ended June 30, 2021 (Amounts in thousands)

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		· —	Harbors	Unemployment Compensation	Nonmajor Proprietary Funds		Proprietary Funds
	(242454)	4	07.007	4 (2 755 475)	2	10.500	4 (2 075 750)
Operating income (loss)	(240,154)	\$	87,887	\$ (3,766,176)	\$	42,693	\$ (3,875,750)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
그렇은 그 그 그리는 사람들이 하는 그렇게 하면 그렇게 되었다고 있다.	150 220		40 247			465	100.020
Depreciation and amortization Provision for uncollectible accounts	158,338 97		40,217 (4,172)	0.00		465	199,020 (4.075)
Underpayment of airport use charge to be transferred	97		(4,172)			-	(4,075)
to the prepaid airport use charge fund	(35,853)						(35,853)
Premium reserves held by insurance companies	(33,833)		-	-		3,961	3,961
Principal forgiveness of loans	156					949	949
Interest income from loans	323					(2,000)	(2,000)
Administrative loan fees	-		-	-		(5,676)	(5,676)
Non-imposed fringe benefits						35	(5,676)
Changes in assets, deferred outflows, liabilities	-			(3.50)		33	33
and deferred inflows							
Receivables	(12,086)		(499)	(15,017)		(1,151)	(28,753)
Prepaid and other expenses	(12,000)		(433)	(15,017)		(39)	(39)
Other current assets	(5)		7			(33)	(39)
Net deferred outflows/inflows of resources	17,039		2,478			1,228	20,745
Vouchers and contracts payable	19,155		(1,450)	(155,782)		342	(137,735)
Net pension liability	15,124		3,575	(155,762)		1,256	19,955
Other postemployment benefits liability	(12,450)		(2,218)	170		(928)	(15,596)
Other accrued liabilities	11,175		1,483	720		1,691	14,349
Benefit claims payable	11,173		1,403	120		669	669
(300 to		· .			-		
Net cash provided by (used in) operating activities	(79,620)	\$_	127,308	\$ (3,936,975)	\$	43,495	\$ (3,845,792)
Supplemental information							
Noncash investing, capital and financing activities							
Amortization of bond discount, bond premium,							
and loss on refunding	(8,102)	\$	(1,901)	\$ -	\$	-	\$ (10,003)
Interest payments relating to special facility revenue bonds	1,222		183	27:1		100	1,222
Amortization of certificates of participation premium	432			-		-	432
Amounts included in contracts payable for the							
acquisition of capital assets	87,699		17,616	(2)			105,315
Payments to refund airports system revenue bonds	(301,355)		(.73	177			(301,355)
Proceeds from issuance of refunding airports system							
revenue bonds	309,270		0.40			-	309,270
Other assets utilized for the acquisition of capital assets	576		-	323		-	576
Noncash capital contributions	-		4,700	•			4,700
Bond proceeds deposited into escrow			148,474	376		17	148,474
Bond issuance costs settled in escrow	(#O		1,182	3 ± 3		-	1,182

(concluded)



State of Hawaii Fiduciary Funds Statement of Fiduciary Net Position June 30, 2021

(Amounts	in	thousands)
----------	----	------------

	_	Custodial Funds		OPEB rust Fund
Assets				
Cash and cash equivalents	\$	598,561	\$	959,134
Receivables		0.010		
Taxes		8,810		-
Employer contributions		3=3		390,000
Rebates and other receivables from insurance companies		-		54,408
Experience refunds due from insurance companies		-		29,472
Other Investments		170		13
Certificates of deposit		2,559		2
U.S. government securities		48,014		332,623
Equity securities		40,014		477,565
Mutual funds		-		93,209
Commingled funds		_		2,341,889
Alternative investments		-		1,035,332
Real estate		-		406,477
Derivatives		-		(581)
Invested securities lending collateral		-		8,762
Other assets, primarily due from individuals,				
businesses and counties				8,165
Total assets		657,944		6,136,468
Liabilities and Net Position Liabilities				
Vouchers payable		25,262		Ξ.
Due to individuals, businesses and counties		105,950		=
Premium payable		0=0		27,137
Benefit claims payable		-		21,046
Securities lending collateral		-		8,762
Other accrued liabilities	2			2,617
Total liabilities	-	131,212	2	59,562
Net position restricted for OPEB	\$	526,732	\$	6,076,906

State of Hawaii Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended June 30, 2021

(Amounts in thousands)

	Custodial Funds	OPEB Trust Fund
Additions Employer contributions	\$ -	¢ 1 522 200
Employer contributions Tax collections	406,216	\$ 1,532,280
Custodial collections	263,075	_
Other collections	717,760	=
Investment income	717,700	
Investing activities		
Interest	170	62,780
Net appreciation in the fair value of investments	=:	1,006,120
	-	1,068,900
Less: Investment expenses	1=1	9,508
Net investment income from investing activities	*	1,059,392
Securities lending activities		
Securities lending income	20	639
Less: Securities lending expenses		140
Net investment income from securities lending activities		499
Total net investment income		1,059,891
Other revenues, net		80
Total additions	1,387,051	2,592,251
Deductions		
Benefits claims expense and carrier payments	; = 2;	497,432
Tax disbursements	416,014	=
Custodial disbursements	126,789	ā
Other disbursements	451,579	
Total deductions	994,382	497,432
Net increase in fiduciary net position	392,669	2,094,819
Net position		
Beginning of year, as previously reported	:=:	3,982,087
Adjustment for change in accounting principle	134,063	
Beginning of year, as restated	134,063	3,982,087
End of year	\$ 526,732	\$ 6,076,906

State of Hawaii Component Units Statement of Net Position June 30, 2021

(Amounts in thousands)

	University of Hawaii		Hawaii Housing Finance and Development Corporation		Hawaii Public Housing Authority		Hawaii Health Systems Corporation	
Assets								
Current assets								
Cash and cash equivalents	\$	305,158	\$	641,814	\$	98,212	\$	170,187
Receivables								
Accounts and accrued interest, net of								
allowance for doubtful accounts of \$62,522		94,897		41,719		985		69,898
Notes, loans, mortgages and contributions,								
net of allowance for doubtful accounts of \$2,082		21,699		545		-		(*)
Federal government		2		2		621		-
Other, net of allowance for doubtful accounts of \$136		21,519		2,180		34		8,090
Due from primary government		4,177		4,562		64,448		40,317
Investments		244,317		57/2				34,938
Inventories – materials and supplies		6,576		(45)		824		15,944
Prepaid expenses and other assets		28,975		1,025			_	-
Total current assets	_	727,318	-	691,845	_	165,124	_	339,374
Restricted assets								
Cash and cash equivalents		-		17,195		-		23,034
Investments		5		29,873		7.		1.00
Deposits, funded reserves and other	4	Ψ.,		2,582		-	3	-
Total restricted assets	97	*.	72	49,650	_	¥.	=	23,034
Capital assets								
Land and land improvements		246,723		82,724		25,340		10,807
Infrastructure		282,371		120		<u> </u>		128
Construction in progress		211,300				40,076		37,443
Buildings, improvements and equipment		3,407,989		14,483		801,463		850,346
Less: Accumulated depreciation	(1,957,270)		(3,804)		(491,711)	_	(563,501)
Total capital assets, net		2,191,113	_	93,403	_	375,168		335,095
Other assets								
Notes, loans, mortgages and contributions,								
net of allowance for doubtful accounts of \$2,800		27,784		723,602		8,717		1.5
Due from primary government		451,964		180		-		-
Inventories – developments in progress and dwelling units				39,428		-		-
Investments		744,130		(*)		-		(-)
Other assets	_	33,989		(2)			_	3,019
Total other assets		1,257,867		763,030		8,717		3,019
Total assets	_	4,176,298		1,597,928		549,009	_	700,522
Deferred outflows of resources								
Deferred asset retirement obligations		2,634		123		2		121
Deferred loss on refunding		10,922				7		
Deferred outflows on net pension liability		297,194		1,849		6,802		70,597
Deferred outflows on net other postemployment benefits liability	_	94,669	_	731	_	2,720		34,058
Total deferred outflows of resources	\$	405,419	\$	2,580	\$	9,522	\$	104,655

Hawaii Tourism Authority		Co	Hawaii Community Development Authority		Hawaii Iurricane elief Fund	Total Component Units		
\$	104,590	\$	27,522	\$	113	\$ 1,347,596	6	
	683		623		946	209,75	1	
	-		500		383	22,24	4	
	2		12		121	62:	1	
	-				17.0	31,82	3	
	-		1,771		-	115,27		
	8				190,036	469,29		
	5.53		(*)		(*)	23,34		
_	202	_		-		30,20	2	
-	105,475	_	29,916	-	191,095	2,250,14	7	
	20,574		(*)			60,803	3	
	-		16			29,87	3	
	= =		38)		-	2,58		
_	20,574	_	<u></u>	-	-	93,258	8	
	131,497		67,724			564,815	5	
	-		38,120			320,49		
	3,061		14,165		120	306,045		
	235,589		17,072			5,326,942	2	
37	(177,217)	50	(43,028)	.6	-	(3,236,53	1)	
_	192,930	_	94,053	_	-	3,281,76		
			45.077			775.40	_	
	-		15,377		-	775,480 451,964		
	i i		150		100	39,428		
	-				-	744,130		
	_		303			37,31		
_		_	15,680	-		2,048,31	_	
	219.070	-	and the second second	_	101.005		-	
_	318,979	_	139,649	_	191,095	7,673,480	<u> </u>	
					-	2,634	4	
	-		(4)		(±0)	10,92	2	
	973		119			377,534		
_	366	_	521	-		133,065	5	
\$	1,339	\$	640	\$		\$ 524,15	5	

(continued)

State of Hawaii Component Units Statement of Net Position June 30, 2021

(Amounts in the	ousands)
-----------------	----------

		niversity Hawaii	Hawaii Housing Finance and Development Corporation		Hawaii Public Housing Authority		Hawaii Health Systems Corporation	
Liabilities		- 55	38			- 20	0.7	70
Current liabilities								
Vouchers and contracts payable	\$	62,698	\$	2,591	\$	6,685	\$	59,468
Other accrued liabilities		90,651		4,413		3,673		92 B25
Due to primary government		6,000				-		
Unearned revenue		33,616		385		1,451		919
Notes, mortgages and installation contracts payable				15		-		13,875
Accrued vacation and retirement benefits payable		40,711				-		13,410
Revenue bonds payable, net		17,040		1,166		-		
Reserve for losses and loss adjustment costs		5,421				-		2,603
Capital lease obligations		1,578		-		-		1,853
Other liabilities	-	10,105				1,733	-	12,345
Total current liabilities		267,820	_	8,570		13,542		104,473
Noncurrent liabilities								
Notes, mortgages and installment contracts payable		7,400		71		-		21,673
Accrued vacation and retirement benefits payable		50,040				-		21,332
Revenue bonds payable, net		477,128		7,299		-		-
Reserve for losses and loss adjustment costs		10,036		3 - 2		π.		8,954
Capital lease obligations		-		-		2		3,514
Unearned revenue				20,853		Ξ.		(475)
Estimated future cost of land sold		~		35,180		~		1000
Net pension liability	1	,889,437		11,764		44,225		627,818
Net other postemployment benefits liability	1	,699,884		9,590		37,602		513,050
Other liabilities		53,294	_	1,743		1,943		20,780
Total noncurrent liabilities	_	,187,219	_	86,500		83,770	-	1,217,121
Total liabilities	4	,455,039	_	95,070	_	97,312	_	1,321,594
Deferred inflows of resources								
Deferred inflows on net pension liability		25,994		237		128		398
Deferred inflows on net other postemployment benefits liability		122,170		915	-	3,389	-	43,933
Total deferred inflows of resources		148,164	2)	1,152	_	3,517	::	44,331
Net position								
Net investment in capital assets	1	,694,428		93,317		375,167		302,948
Restricted								
Nonexpendable	1	,157,948		828		-		((=)
Expendable		10,493						
Legislation and contractual agreements		-		93,221		207		(·
Lender covenants and other		-		•		-		8,700
Capital projects						·		÷.
Other	192000							- Paris
Unrestricted	(2	,884,355)	1	,317,748	_	82,328	8-	(872,396)
Total net position	\$	(21,486)	\$ 1	,504,286	\$	457,702	\$	(560,748)

113,858 - 113,858 - 23,276 187,190 (2,146,209	Hawaii Tourism Authority		De	Hawaii ommunity velopment Authority		Hawaii Iurricane elief Fund	Total Component Units		
	\$		\$		\$	90	\$		
- 225 - 36,596 13,890 158 101 - 54,380 8,024 3,431 - 1,391 3,905 29,479 438 2,152 3,905 400,900 29,144 404 223 - 71,999 484,427 18,990 3,514 - 20,853 20,853 35,180 6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 1,157,948 93,428 93,428 93,428 93,428 93,428 93,428 93,428 2,660 113,858 23,276 187,190 (2,146,209		145		144		-			
158 101 - 54,380 8,024 3,431 - 1,391 3,905 29,479 438 2,152 3,905 400,900 29,144 404 223 - 71,999 484,427 18,990 3,514 - 20,853 20,853 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 10,493 2,660 113,858 - 13,858 - 23,276 187,190 (2,146,209		-				-			
158 101 - 54,380 - - - 8,024 - - 3,431 - 1,391 3,905 29,479 438 2,152 3,905 400,900 - - - 29,144 404 223 - 71,999 - - - 484,427 - - - 18,990 - - - 20,853 - - - 35,180 6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 <tr< td=""><td></td><td></td><td></td><td>225</td><td></td><td></td><td></td><td></td></tr<>				225					
		450							
		158		101		-			
- 1,391 3,905 29,479 438 2,152 3,905 400,900 29,144 404 223 - 71,999 484,427 18,990 3,514 20,853 35,180 6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 1,157,948 93,428 93,428 2,660 113,858 26,600 113,858 26,600 113,858 23,276 187,190 (2,146,209				S. 5 5		(2)			
- 1,391 3,905 29,479 438 2,152 3,905 400,900 29,144 404 223 - 71,999 484,427 18,990 3,514 20,853 35,180 6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 10,493 - 39,428 8,700 - 2,660 113,858 13,858 - 23,276 187,190 (2,146,209		-		S-5) -);			
438 2,152 3,905 400,900 - - 29,144 404 223 - 71,999 - - - 484,427 - - - 18,990 - - - 3,514 - - - 3,5180 6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 - - - 10,493 - - - 10,493 - - </td <td></td> <td></td> <td></td> <td>1 201</td> <td></td> <td>2 005</td> <td></td> <td></td>				1 201		2 005			
29,144 404 223 - 71,999 484,427 18,990 3,514 20,853 35,180 6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 1,157,948 10,493 93,428 93,428 2,660 113,858 - 23,276 187,190 (2,146,209			-						
404 223 - 71,999 - - 484,427 - - 18,990 - - 3,514 - - 20,853 - - 35,180 6,934 4,237 - 2,268,030 - 10,829 - 22,68,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 - - - 10,493 - - - 93,428 - - - 93,428 - - - 8,700 - - 2,660 - 2,660 113,858 - - 113,8		438	-	2,152	-	3,905	_	400,900	
484,427 18,990 3,514 20,853 35,180 6,934		-		; e o				29,144	
		404		223		20		71,999	
3,514 20,853 35,180 6,934		-		580		1			
20,853 35,180 6,934		2		52		-			
35,180 6,934		-		(1 1)		(7.3)		3,514	
6,934 4,237 - 2,584,415 5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 10,493 - - - 93,428 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209		-		848		1			
5,234 2,670 - 2,268,030 - 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 10,493 - - - 10,493 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209		2022				30			
- 10,829 - 88,589 12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 1,157,948 10,493 93,428 93,428 2,660 113,858 - 113,858 - 23,276 187,190 (2,146,209						-			
12,572 17,959 - 5,605,141 13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 - - - 10,493 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209		5,234				-			
13,010 20,111 3,905 6,006,041 54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 - - - 10,493 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209	97		-	V.000 - 1.110.00	_		-	88,589	
54 55 - 26,866 467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 10,493 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209	_	12,572	_	17,959	3	-		5,605,141	
467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 - - - 10,493 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209	-	13,010	-	20,111	_	3,905	-	6,006,041	
467 134 - 171,008 521 189 - 197,874 192,929 94,053 - 2,752,842 - - - 1,157,948 - - - 10,493 - - - 93,428 - - - 8,700 - 2,660 - 2,660 113,858 - - 113,858 - 23,276 187,190 (2,146,209		54		55		-		26,866	
192,929 94,053 - 2,752,842 1,157,948 10,493 93,428 8,700 - 2,660 - 2,660 113,858 - 113,858 - 23,276 187,190 (2,146,209		467		134		-		171,008	
1,157,948 10,493 93,428 8,700 - 2,660 - 2,660 - 113,858 - 23,276 - 187,190 - (2,146,209		521	=	189		-		197,874	
10,493 93,428 8,700 - 2,660 - 2,660 113,858 - 113,858 - 23,276 187,190 (2,146,209		192,929		94,053		(4)		2,752,842	
93,428 8,700 - 2,660 - 2,660 113,858 113,858 - 23,276 187,190 (2,146,209				(H)		:*:		1,157,948	
8,700 - 2,660 - 2,660 113,858 113,858 - 23,276 187,190 (2,146,209		2		7.0		-		10,493	
- 2,660 - 2,660 113,858 - 113,858 - 23,276 187,190 (2,146,209				(-		(#3		93,428	
113,858 - 113,858 - 23,276 187,190 (2,146,209		2		7.21		(2)		8,700	
- 23,276 187,190 (2,146,209				2,660				2,660	
		113,858		323		-			
\$ 306,787 \$ 119,989 \$ 187,190 \$ 1,993,720	-	-	_	23,276	_	187,190	(2,146,209)	
	\$	306,787	\$	119,989	\$	187,190	\$	1,993,720	

(concluded)

State of Hawaii Component Units Statement of Activities Year Ended June 30, 2021 (Amounts in thousands)

	University of Hawaii	Hawaii Housing Finance and Development Corporation	Hawaii Public Housing Authority	Hawaii Health Systems Corporation
Expenses	\$ 1,858,606	\$ 103,728	\$ 187,035	\$ 701,899
Program revenues Charges for services Operating grants and contributions Capital grants and contributions	330,249 431,568	44,960 86,222	25,040 119,138 5,863	495,180 1,323 17,856
Total program revenues	761,817	131,182	150,041	514,359
Net program revenues (expenses)	(1,096,789)	27,454	(36,994)	(187,540)
General revenues (expenses) Interest and investment income Transient accommodations tax Payments from State, net Gifts and subsidies Other Net general revenues (expenses)	170,160 913,371 52,379 52,154 1,188,064	300,668 - 31,667 - 332,335	27,908 - 207 - 28,115	171 129,100 68,315 197,586
Change in net position	91,275	359,789	(8,879)	10,046
Net position Beginning of year	(112,761)	1,144,497	466,581	(570,794)
End of year	\$ (21,486)	\$ 1,504,286	\$ 457,702	\$ (560,748)

Hawaii Tourism Authority		De	Hawaii ommunity velopment Authority		Hawaii Iurricane elief Fund	Total Component Units		
\$	49,245	\$	6,030	\$	2	\$	2,906,545	
	5,839		4,054		-		905,322	
	-		-				638,251 23,719	
	5,839	-	4,054		-		1,567,292	
::- ::-	(43,406)	- -	(1,976)	*	(2)	_	(1,339,253)	
	596		255		(259)		170,923	
	38,005		-				38,005	
	-		2,800		(3,905)		1,369,942	
	*				-		52,379	
	1,654		(46,261)			_	107,736	
	40,255		(43,206)		(4,164)		1,738,985	
(() ())	(3,151)	2. 2.	(45,182)	30 3 10	(4,166)		399,732	
	309,938		165,171		191,356		1,593,988	
\$	306,787	\$	119,989	\$	187,190	\$	1,993,720	

1. Summary of Significant Accounting Policies

The basic financial statements of the State of Hawaii (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The State's significant accounting policies are described below.

Reporting Entity

The accompanying basic financial statements present the financial activity of the State (Primary Government) and its Component Units, entities for which the Primary Government is considered to be financially accountable. Discretely presented Component Units are legally separate organizations for which the Primary Government is financially accountable or for which the nature and significance of their relationship to the Primary Government are such that exclusion would cause the State's reporting entity to be misleading or incomplete.

Primary Government

The following branches and departments are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

Executive:

Accounting and General Services

Agriculture

Attorney General

Budget and Finance

Business, Economic Development and Tourism

Commerce and Consumer Affairs

Defense

Education

Hawaiian Home Lands

Health

Human Resource Development

Human Services

Labor and Industrial Relations

Land and Natural Resources

Public Safety

Taxation

Transportation

Judicial

Legislative

Discretely Presented Component Units

The Component Units column in the basic financial statements includes the financial data for the State's discretely presented Component Units. They are reported in a separate column to emphasize their legal separation from the State. The discretely presented Component Units are:

 University of Hawaii – The University of Hawaii (UH) is Hawaii's sole public higher education system. Hawaii Revised Statutes (HRS) Chapter 304 governs the activities of the UH.

The UH is comprised of ten campuses and provides a broad range of degree (baccalaureate to post-doctoral level) programs, through a framework of sixteen colleges and nine professional schools. Through its seven community colleges on Oahu, Hawaii, Maui and Kauai, the UH offers certificate and associate degree programs and in certain areas, baccalaureate degrees. In addition to organized research institutes and administrative service and distance learning centers, the UH houses more than a hundred centers with a research, instruction or public service purpose. The UH is also engaged in instructional research and service activities at hundreds of Hawaii schools, hospitals and community sites, and carries out these activities across the Pacific Islands and in foreign countries.

The UH Board of Regents is appointed by the Governor of the State of Hawaii. The UH is a separate legal entity that is financially accountable to and fiscally dependent (potential to impose a financial burden) on the State and is therefore included as a discretely presented Component Unit. The UH's complete financial statements are available online at: https://www.hawaii.edu/offices/budget-finance/.

• Hawaii Housing Finance and Development Corporation – The Hawaii Housing Finance and Development Corporation (HHFDC) was established by Act 196, Session Laws of Hawaii (SLH) 2005, as amended by Act 180, SLH 2006. The HHFDC is a corporate body placed within the Department of Business, Economic Development and Tourism (DBEDT) for administrative purposes. The HHFDC's mission is to increase the supply of workforce and affordable homes by providing tools and resources to facilitate housing development. Tools and resources include housing tax credits, low interest construction loans, equity gap loans, developable land, and expedited land use approvals.

The HHFDC's Board of Directors is appointed by the Governor of the State of Hawaii. The HHFDC is a separate legal entity that is financially accountable to and fiscally dependent (potential to impose a financial burden) on the State and is therefore included as a discretely presented Component Unit. The HHFDC's complete financial statements are available online at: http://dbedt.hawaii.gov/hhfdc/resources/reports/.

Hawaii Public Housing Authority – The Hawaii Public Housing Authority (HPHA) was
established by Act 196, SLH 2005, as amended by Act 180, SLH 2006. The HPHA is
administratively attached to the Department of Human Services. Its mission is to provide
safe, decent and sanitary dwellings for low and moderate income residents of the State of
Hawaii and to operate its housing program in accordance with federal and State of Hawaii
laws and regulations.

The HPHA's Board of Directors is appointed by the Governor of the State of Hawaii. The HPHA is a separate legal entity that is financially accountable to and fiscally dependent (potential to impose a financial burden) on the State and is therefore included as a discretely presented Component Unit. The HPHA's complete financial statements are available online at: http://www.hpha.hawaii.gov/reportsstudies/index.htm.

Hawaii Health Systems Corporation – Act 262, SLH 1996, transferred all facilities previously
under the Department of Health – Division of Community Hospitals to the Hawaii Health
Systems Corporation (HHSC). The HHSC is administratively attached to the Department of
Health. Its mission is to provide and enhance accessible and comprehensive healthcare
services that are quality-driven, customer-focused, and cost-effective. It operates the
following facilities:

East Hawaii Region: Kauai Region:

Hilo Medical Center Kauai Veterans Memorial Hospital
Hale Ho'ola Hamakua Samuel Mahelona Memorial Hospital

Ka'u Hospital

Yukio Okutsu Veterans Care Home

West Hawaii Region:

Kona Community Hospital

Kohala Hospital

Maluhia

Kahuku Medical Center

The HHSC's Board of Directors is appointed by the Governor of the State of Hawaii. The HHSC is a public body corporate and politic and an instrumentality and agency of the State of Hawaii that is financially accountable to and fiscally dependent (potential to impose a financial burden) on the State and is therefore included as a discretely presented Component Unit. The HHSC's complete financial statements are available online at: https://www.hhsc.org/about-us/hhsc-reports/.

Hawaii Tourism Authority – The Hawaii Tourism Authority (HTA) was established
by Act 156, SLH 1998. The HTA is administratively attached to DBEDT. The HTA is
responsible for developing and implementing a strategic tourism marketing plan and
developing measures of effectiveness to assess the overall benefits and effectiveness
of the marketing plan as it relates to the State's tourism industry, employment taxes,
and lesser-known and underutilized destinations.

Effective July 2002, in accordance with Executive Order No. 3817, the HTA assumed control and management of the Hawaii Convention Center (Center). Effective July 1, 2002, the Center, by statute, became the responsibility of the HTA. The Center offers approximately 350,000 square feet of rentable space including 51 meeting rooms.

The HTA's Board of Directors is appointed by the Governor of the State of Hawaii. The HTA is a separate legal entity that is financially accountable to and fiscally dependent (potential to impose a financial burden) on the State and is therefore included as a discretely presented Component Unit. Information for obtaining the HTA's complete financial statements may be obtained from the Hawaii Tourism Authority, 1801 Kalakaua Avenue, Honolulu, Hawaii 96815.

• Hawaii Community Development Authority – The Hawaii Community Development Authority (HCDA) was established by HRS Chapter 206E to join the strengths of private enterprise, public development, and regulation into a form capable of long-term planning and implementation of improved community development in the urban areas of the State of Hawaii. The HCDA was established as a body corporate and a public instrumentality of the State and is administratively attached to DBEDT. The HCDA has three Community Development Districts: Kaka'ako, Kalaeloa and He'eia.

The HCDA's Board of Directors is appointed by the Governor of the State of Hawaii. The HCDA is a separate legal entity that is financially accountable to and fiscally dependent (potential to impose a financial burden) on the State and is therefore included as a discretely presented Component Unit. Information for obtaining the HCDA's complete financial statements may be obtained from the Hawaii Community Development Authority, 547 Queen Street, Honolulu, Hawaii 96813.

The HCDA financial statements were restated to correct errors made in the prior period. The errors resulted in an understatement of liabilities and overstatement of capital assets of approximately \$88,000 and \$46,200,000, respectively. These corrections are reflected in current year activity in the component unit's statement of activities as management determined the prior period misstatements did not have a material effect on the component unit's financial statements.

Hawaii Hurricane Relief Fund – The Hawaii Hurricane Relief Fund (HHRF) was organized
pursuant to and operates in accordance with HRS Chapter 431P. The HHRF was established
as a public body and a body corporate and politic and is administratively attached to the
Department of Commerce and Consumer Affairs.

The HHRF was primarily organized to provide residential and commercial hurricane property insurance coverage to Hawaii consumers in situations where insurance companies will not underwrite such business in the State. Due to the increase in availability of hurricane insurance coverage from the private sector, the HHRF ceased writing policies effective December 1, 2000. However, it was determined that the HHRF should not be dissolved as it may need to reenter the insurance market in the future.

In the event of dissolution of the HHRF, the net monies within the hurricane reserve trust fund shall revert to the State General Fund after any payments on behalf of licensed property and casualty insurers or the State that are required to be made pursuant to any federal disaster insurance program enacted to provide insurance or reinsurance for hurricane risks.

The HHRF's Board of Directors is appointed by the Governor of the State of Hawaii. The HHRF is financially accountable, poses a financial burden or benefit to the State, and is therefore included as a discretely presented Component Unit. Information for obtaining the HHRF's complete financial statements may be obtained from the Department of Commerce and Consumer Affairs, 335 Merchant Street, Honolulu, Hawaii 96813.

The Employees' Retirement System of the State of Hawaii (ERS), which is administered on behalf of public employees for both the State and county governments, and the Office of Hawaiian Affairs (OHA), which exists for the betterment of the conditions of native Hawaiians, are excluded from the State's reporting entity because those agencies, based on the fiscal independence and/or separate legal entity status, are not accountable to the State.

Government-Wide and Fund Financial Statements

The Government-Wide financial statements (the statement of net position and the statement of activities) report information of all of the nonfiduciary activities of the Primary Government and its Component Units. For the most part, the effect of interfund activity has been removed from these Government-Wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the Primary Government is reported separately from the legally separate Component Units for which the Primary Government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not included in program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues. The State does not allocate general government (indirect) expenses to other functions.

Net position is restricted when legally enforceable enabling legislation places restrictions or when restrictions are externally imposed by citizens and/or public interest groups. Additionally, restricted net position is reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if the government has other cause for reconsideration. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for Governmental Funds, Proprietary Funds, Fiduciary Funds, and discretely presented Component Units. However, the Fiduciary Funds are not included in the Government-Wide financial statements. Major individual Governmental

Funds and major individual Proprietary Funds are reported as separate columns in the Fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental Funds Financial Statements

The Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues other than federal grants and assistance awards to be available if they are collected within 60 days of the end of the current fiscal year. Revenues susceptible to accrual include taxpayer-assessed tax revenues. Taxpayer-assessed tax revenues primarily consist of income and general excise taxes. Other revenues which are not considered susceptible to accrual and, therefore, are not accrued include fines, forfeitures and penalties, licenses, permits, and franchise taxes.

Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenue when available and entitlement occurs which is generally within 12 months of the end of the current fiscal year. All other federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures or expenses are incurred as of fiscal year-end and funds are available.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements

The financial statements of the Proprietary Funds, Fiduciary Funds, and Component Units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the Government-Wide financial statements described above.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The financial activities of the State that are reported in the accompanying Fund financial statements have been classified into the following major and nonmajor Governmental and Proprietary Funds. In addition, a description of the Fiduciary Funds and Component Units are as follows:

Governmental Fund Types - The State reports the following major Governmental Funds:

- General Fund This fund is the State's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Capital Projects Fund This fund accounts for substantially all of the financial resources
 obtained and used for the acquisition or construction of the State's capital assets and
 facilities. Such resources are derived principally from proceeds of general obligation
 and revenue bond issues, federal grants, and transfers from the Special Revenue Funds.
- Med-Quest Special Revenue Fund This fund accounts for the State's Medicaid program
 through which healthcare is provided to the low-income population. The Medicaid
 program is jointly financed by the State and the federal government.
- Administrative Support Special Revenue Fund This fund accounts for the proceeds of specific revenue sources that are for specific purposes of certain administrative agencies.

The nonmajor Governmental Funds are comprised of the following:

- Special Revenue Funds These funds account for the financial resources obtained from specific revenue sources and used for restricted purposes.
- Debt Service Fund This fund accounts for the financial resources obtained and used for the payment of principal and interest on long-term bond obligations. This fund also accounts for financial resources obtained and used to refund existing debt.

Proprietary Fund Type – Enterprise Funds – The major Enterprise Funds are comprised of the following:

 Department of Transportation – Airports Division (Airports) – Airports operates the State's airports and air navigation facilities and is responsible for general supervision of aeronautics within the State.

- Department of Transportation Harbors Division (Harbors) Harbors maintains and operates the State's commercial harbors system.
- Unemployment Compensation Fund This fund accounts for the unemployment compensation benefits to qualified recipients.

The nonmajor Enterprise Funds are comprised of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), the Water Pollution Control Revolving Fund (WPCF), and the Drinking Water Treatment Revolving Loan Fund (DWTLF). The EUTF accounts for the benefits relating to active employees and beneficiaries, which includes medical, dental and life insurance coverage. The WPCF accounts for loans to county agencies for the construction of wastewater treatment facilities. The DWTLF accounts for loans to county agencies for construction of drinking water treatment facilities.

Fiduciary Fund Types -

- Custodial Funds Custodial Funds account for various taxes, deposits and property held by the State, pending distribution to other governments and individuals.
- OPEB Trust Fund This fund accounts for retiree healthcare benefits, which includes
 medical, dental and life insurance coverage as well as for plan assets and related expenses
 from the pre-funding contributions made by the State and counties. The OPEB Trust Fund
 meets the criteria for plans that are administered as trusts or equivalent arrangements.

Component Units - Component Units are comprised of the following:

- UH Comprises the State's public institutions of higher education.
- HHFDC Finances housing programs for residents of the State.
- HPHA Manages federal and state housing programs.
- HHSC Provides quality healthcare for the people of the State.
- HTA Manages the State's convention center and markets the State's visitor industry.
- HCDA Coordinates private and public community development for residents of the State.
- HHRF Funds, assesses and provides, when necessary, hurricane property insurance to residents of the State.

Cash and Cash Equivalents

Cash and cash equivalents include all cash, repurchase agreements, and U.S. government securities with original maturities of three months or less, and time certificates of deposit. For purposes of the statement of cash flows, the State has defined cash equivalents to be all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the Government-Wide financial statements as internal balances.

All tax and other receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

Investments

The State's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles.

Inventories

Inventories of developments in progress and units available for sale are stated at the lower of cost or estimated net realizable value, with cost being determined by the specific-identification method. All estimated carrying costs to the anticipated date of disposition are considered in the determination of estimated net realizable value. Units available for sale include constructed units, developed lots, and repurchased units available for sale. Developments in progress include construction in progress and land held for future development.

Materials and supplies inventories are stated at cost, with cost being determined principally using the first-in, first-out method.

Restricted Assets

Revenue bond indentures authorize the State's trustees to invest monies in time certificates of deposit, money market funds, and investment securities, including U.S. government or agency obligations, certain municipal bonds, and repurchase agreements. Uninsured time certificates of deposit are required to be collateralized by investment securities of an equal or greater market value. The underlying securities for repurchase agreements are required to be U.S. government or agency obligations of an equal or greater market value held by the State's agent in the State's name.

Capital Assets

Capital assets, which include land and land improvements, infrastructure assets (e.g., roads, bridges, sidewalks and similar items), buildings and improvements, equipment, and computer software, are reported in the applicable governmental and business-type activities columns, as well as the Component Units column, in the Government-Wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Major outlays for capital assets and improvements capitalized as projects are constructed to the extent the State's capitalization thresholds are met.

The State's capitalization thresholds are \$5,000 for equipment, and \$100,000 for land and land improvements, infrastructure, and buildings and improvements. The Primary Government's capitalization threshold is \$1,000,000 for purchased and internally generated software and \$100,000 for other intangible assets. Component units and major enterprise funds establish separate capitalization thresholds and estimated useful lives, as appropriate. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts, and any resulting gain or loss is recognized in the statement of activities.

Capital assets of the Primary Government, as well as the Component Units, are depreciated or amortized using the straight-line method over the following estimated useful lives:

Infrastructure	12-50 years
Buildings and improvements	15-30 years
Equipment	5-7 years
Computer software	5-15 years
Other intangible assets	30 years

Works of art and historical treasures held for public exhibition, education or research in furtherance of public service, rather than financial gain, are capitalized. These items are protected, kept encumbered, conserved, and preserved by the State. It is the State's policy to utilize proceeds from the sale of these items for the acquisition of other items for collection and display.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows (inflows) of resources represent a consumption of (benefit to) net position that applies to a future period. The State defers recognition of the loss on debt refunding related to issuance of its general obligation and revenue bonds and amortizes these costs over the life of the bonds using the effective interest rate method.

The deferred outflow of resources and deferred inflow of resources related to pensions resulted from differences between expected and actual experiences on pension plan investments, changes in assumptions, and changes in proportion on pension plan investments will be amortized over the estimated average remaining service life of the plan members. The deferred outflow of resources and deferred inflow of resources related to OPEB resulted from differences between expected and actual experiences and changes in assumptions which will be amortized over the estimated remaining service life of the plan members. The net difference between projected and actual earnings on plan investments for both pension and OPEB resulted in a deferred outflow of resources which is amortized over five years. The State's contributions to the pension and OPEB plans subsequent to the measurement date of the actuarial valuations for the pension and OPEB plans will be recognized as a reduction of the net pension liability and net OPEB liability in the subsequent fiscal year.

Compensated Absences

It is the State's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since sick leave is not convertible to pay upon termination of employment. All vacation pay is accrued when incurred in the Government-Wide, Proprietary Funds, and Component Units financial statements. A liability for these amounts is reported in the Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the Government-Wide financial statements, Proprietary Fund financial statements, and Component Unit financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, Proprietary Fund, or Component Units statement of net position. Initial-issue bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the life of the bonds using the effective-interest method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or the remaining life of the refunded debt. Bond issuance costs, except any portion related to prepaid insurance costs, are expensed in the period incurred. Amortization of bond premiums or discounts, prepaid insurance costs, and deferred amounts on refunding are included in interest expense.

In the Fund financial statements, Governmental Funds recognize bond premiums, discounts and prepaid insurance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position and Fund Balance

In the Government-Wide financial statements and Proprietary Funds and Component Units financial statements, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents net position restricted by parties outside of the State (such as citizens, public interest groups, or the judiciary), or imposed by law through enabling legislation, and includes unspent proceeds of bonds issued to acquire or construct capital assets.

The State classifies fund balances based primarily on the extent to which a government is bound to follow constraints on how resources can be spent in accordance with GAAP. Classifications include:

Restricted – Balances that are restricted for specific purposes by external parties such as
creditors, grantors or other governments. Sources of these externally enforceable legal
restrictions include creditors, grantors or other governments.

- Committed Balances that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., legislation) of the State's Legislature, the highest level of decision-making authority. Legislation is required to modify or rescind a fund balance commitment.
- Assigned Balances that are constrained by management to be used for specific purposes, as authorized by the Hawaii Revised Statutes, but are not restricted or committed. For general fund only, encumbrance balances at fiscal year-end are classified as assigned.
- Unassigned Residual balances that are not contained in the other classifications.
 The General Fund is the only fund that reports a positive unassigned fund balance.

The State spends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar-for-dollar spending. Additionally, the State would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

The following table presents the State's fund balances by major function at June 30, 2021 (amounts expressed in thousands):

	General Fund	Capital Projects Fund	Med-Quest Special Revenue Fund	Administrative Support Special Revenue Fund	Other Governmental Funds	Total Governmental Funds	
Restricted for Debt service	ć	ė	ć	s -	\$ 247	\$ 247	
Debt service	3 -	3 -	3 -	3 -	247	247	
I ADMINISTRAÇÃO SECURIO DE		· 	· 	y 		24/	
Committed to							
General government			87	463,169		463,169	
Public safety		701955		34	85,257	85,257	
Highways	3-	4,311		*		4,311	
Health		-			112,480	112,480	
Culture and recreation				1,887		1,887	
		4,311		465,056	197,737	667,104	
Assigned to							
General government	38,765	-	39	409,774	75,207	523,746	
Public safety	19,373	+	Sa	× >=	78,825	98,198	
Highways	6,244	4	34	2	276,927	283,171	
Conservation of natural resources	16,735	2	G	12	215,823	232,558	
Health	79,909	-	2	9	78,517	158,426	
Welfare	122,233	5	19,001		8,962	150,196	
Education	78,387		8		291,099	369,486	
Culture and recreation	5,165		87	1,670	385	7,220	
Urban development and housing	3,810				385,367	389,177	
Economic development	20,045				251,326	271,371	
	390,666		19,001	411,444	1,662,438	2,483,549	
Unassigned	1,169,873	(183,242)			(2)	986,631	
Total	\$ 1,560,539	\$ (178,931)	\$ 19,001	\$ 876,500	\$ 1,860,422	\$ 4,137,531	

The following describes the purposes, by function, for the most significant fund balances:

- Urban development and housing To develop and deliver Hawaiian home lands to native
 Hawaiians by identifying and assessing the needs of beneficiaries of the Hawaiian Homes
 Commission Act; to develop, market and manage lands not immediately needed; to
 develop lands for homesteading and income-producing purposes; and to develop waiting
 lists of applicants for homestead leases.
- Highways To provide a safe, efficient, accessible and sustainable inter-modal transportation system that ensures the mobility of people and enhances and/or preserves economic prosperity and the quality of life. This is accomplished through planning, designing and supervising the construction and maintenance of the State Highway System.
- Education For the public education system, to serve the community by developing the
 academic achievement, character and social-emotional well-being of the State's students
 to the fullest potential and to work with partners, families and communities to ensure
 that all students reach their aspirations from early learning through college, career and
 citizenship. For the public charter commission, to authorize high-quality public charter
 schools throughout the State.
- Health To administer programs designed to protect, preserve, care for, and improve the
 physical and mental health of the people of the State.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the ERS, and additions to/deductions from the ERS fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at their fair value.

Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about EUTF's fiduciary net position, and additions to/deductions from the EUTF's fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

Nonexchange Transactions

The Enterprise Funds and Component Units recognize contributed capital as nonoperating revenues.

Medicare and Medicaid Reimbursements

Revenues from services reimbursed under Medicare and Medicaid programs are recorded at the estimated reimbursable amounts. Final determination of the amounts earned is subject to review by the fiscal intermediary or a peer review organization. The State administration's opinion is that adequate provision has been made for any adjustments that may result from such reviews.

Fair Value Measurements

The State measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value, as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted market prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for an asset or liability reflecting the reporting entity's own assumptions. Level 3 inputs are used to measure fair value to the extent that observable Level 1 or Level 2 inputs are not available.

Risk Management

The State is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and workers' compensation. The State generally retains the first \$1,000,000 per occurrence of property losses such as fires and 3% of a property's replacement cost value for catastrophic losses such as hurricanes, earthquakes and floods; the first \$5,000,000 with respect to general liability claims; and the first \$500,000 of losses due to crime and cyber liability. Losses in excess of those retention amounts are insured with commercial insurance carriers. The limit per occurrence for property losses is \$200,000,000, except for terrorism, which is \$100,000,000 per occurrence. The annual aggregate limit for general liability losses is \$9,000,000 per occurrence, \$50,000,000 for cyber liability losses and, for crime losses, the limit per occurrence is \$10,000,000 with no aggregate limit. The State also has an insurance policy to cover medical malpractice risk in the amount of \$35,000,000 per occurrence and \$39,000,000 in the aggregate. The State is generally self-insured for workers' compensation and automobile claims.

The estimated reserve for losses and loss adjustment costs includes the accumulation of estimates for losses and claims reported prior to fiscal year-end, non-incremental estimates (based on projections of historical developments) of claims incurred but not reported, and non-incremental estimates of costs for investigating and adjusting all incurred and unadjusted claims. Amounts reported are subject to the impact of future changes in economic and social conditions. The State believes that, given the inherent variability in any such estimates, the reserves are within a reasonable and acceptable range of adequacy. Reserves are continually monitored and reviewed and, as settlements are made and reserves adjusted, the differences

are reported in current operations. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss is reasonably estimable.

Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All plan assets are held in a trust fund to protect them from claims of general creditors. The State has no responsibility for loss due to the investment or failure of investment of funds and assets in the plan but does have the duty of due care that would be required of an ordinary prudent investor. Accordingly, the assets and liabilities of the State's deferred compensation plan are not reported in the accompanying basic financial statements.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Newly Issued Accounting Pronouncements

GASB Statement No. 84

During fiscal year 2021, the State implemented GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Certain assets and liabilities previously reported as part of the agency fund classification of the statement of fiduciary net position are now reported on the governmental fund balance sheet.

The adoption of Statement No. 84 resulted in the restatement of the State's July 1, 2020 governmental activities, governmental funds, and custodial funds to reflect assets and liabilities of nonfiduciary activities from net position and fund balance for governmental activities, custodial funds to governmental funds of approximately \$545,000,000.

GASB Statement No. 87

The GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, postponed by GASB Statement No. 95 for eighteen months. The State has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 90

During fiscal year 2021, the State implemented GASB Statement No. 90, Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. This Statement did not have a material effect on State's financial statements.

GASB Statement No. 92

The GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective at multiple periods depending on when certain Statements are implemented, postponed by GASB Statement No. 95 for one year. The State has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 93

The GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The removal of London Interbank Offered Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020, postponed by GASB Statement No. 95 for one year. The State has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 94

The GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The State has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 96

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The State has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 97

The GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The main objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this Statement are effective immediately while other requirements, like reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. The State has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 98

During fiscal year 2021, the State implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym, ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounded like a profoundly objectionable racial slur. This Statement's introduction of the new term, ACFR, is founded on a commitment to promoting inclusiveness. The adoption of this Statement did not have any effect on the State's financial statements.

2. Cash and Investments

The Director of Finance is responsible for the safekeeping of all monies paid into the State Treasury. The Director of Finance pools and invests any monies of the State, which in the Director of Finance's judgment, are in excess of the amounts necessary for meeting the specific requirements of the State. Investment earnings are allocated to the Primary Government based on its equity interest in the pooled monies. Legally authorized investments include obligations of or guaranteed by the U.S. government, obligations of the State, federally-insured savings and checking accounts, time certificates of deposit, and repurchase agreements with federally-insured financial institutions.

Cash

The State maintains bank accounts for various purposes at locations throughout the State and the nation. Bank deposits for the State Treasury are under the custody of the Director of Finance. For financial statement reporting purposes, cash and cash equivalents consist of cash, time certificates of deposit, and money market accounts. Cash and cash equivalents also include repurchase agreements and U.S. government securities with original maturities of three months or less.

The carrying amount of the State's unrestricted and restricted deposits (cash, time certificates of deposit, and money market accounts) for the Primary Government as of June 30, 2021 was \$2,444,187,000 and \$1,294,757,000, respectively, and unrestricted cash for the Fiduciary Funds as of June 30, 2021 was \$1,557,695,000.

Information relating to the bank balance, insurance and collateral of cash deposits is determined on a statewide basis and not for individual departments or divisions. Total bank balances of deposits for the Primary Government and Fiduciary Funds amounted to approximately \$2,273,356,000 at June 30, 2021. Of that amount, approximately \$1,329,361,000 represents bank balances covered by federal deposit insurance or by collateral held either by the State Treasury or by the State's fiscal agents in the name of the State. Bank balances of \$4,000 represent deposits with the U.S. Department of the Treasury for the State's Unemployment Trust Fund, which were uncollateralized, and the Special Revenue Funds' and Proprietary Funds' cash in bank, which was uninsured and uncollateralized. The Special Revenue Funds' and Proprietary Funds' cash balances were held by fiscal agents in the State's name for the purpose of satisfying outstanding bond obligations. Accordingly, these deposits were exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, the State's deposits may not be returned to it. For demand or checking accounts and time certificates of deposit, the State requires that the depository banks pledge collateral based on the daily available bank balances to limit its exposure to custodial credit risk. The use of daily available bank balances to determine collateral requirements results in the available balances being under-collateralized at various times during the fiscal year. All securities pledged as collateral are held either by the State Treasury or by the State's fiscal agents in the name of the State. The State also requires that no more than 60% of the State's total funds available for deposit and on deposit in the State Treasury may be deposited in any one financial institution.

Investments

The State holds investments both for its own benefit and as an agent for other parties.

Further, the State pools all excess funds into an investment pool that is administered by the State Department of Budget and Finance (Budget and Finance). The pool's investment options are limited to investments listed in the HRS.

At the end of each quarter, Budget and Finance allocates the investment pool amount to each of the participants including those participants who are part of the Proprietary Funds and Fiduciary Funds. The allocation is based on the average monthly investment balance of each participant in the investment pool.

The EUTF maintains a separate investment pool. The EUTF board is responsible for safekeeping these monies and has appointed an Investment Committee responsible for investing EUTF assets in compliance with HRS Sections 87A-24(2) and 88-119. Money is invested in accordance with EUTF's investment policy.

The following table presents the fair value of the State's investments by level of input at June 30, 2021 (amounts expressed in thousands):

				Fair Va	lue	Measuremen	ts Usir	ng
	_	Reported Value		uoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)		Uno	gnificant bservable Inputs Level 3)
Investments – Primary government Investments by fair value level U.S. government securities Mutual funds Total investments by fair value level		4,711,633 141,532 4,853,165		1,944,547 141,532 2,086,079	0/1	2,767,086	\$	-
Investments measured at amortized cost Certificates of deposit Total investments	\$	251,161 5,104,326					-	
Investments – Fiduciary funds Investments by fair value level Equity securities U.S. government securities Mutual funds Derivatives	\$	477,565 380,637 93,209 (581) 950,830	\$	477,565 19,815 93,209 - 590,589	\$	360,822 (581) 360,241	\$	# 1
Investments at net asset value (NAV) Commingled funds Domestic equity International equity Domestic inflation-linked fixed income Real estate Alternative investments Total investments at fair value		1,292,277 781,533 268,079 406,477 1,035,332 4,734,528	1.					
Investments measured at amortized cost Certificates of deposit Total investments	\$	2,559 4,737,087						
Invested securities lending collateral at NAV Money market fund	\$	8,762						

Cash and Cash Equivalents, Certificates of Deposit, and Repurchase Agreements

The State considers all cash and investments with original maturities of three months or less to be cash equivalents. The carrying amounts reported in the accompanying statement of net position for cash equivalents, certificates of deposit, and repurchase agreements are measured at amortized cost.

The following methods and assumptions were used by the State in estimating the fair value of its financial instruments:

- Debt securities Debt securities held by the State consist of U.S. government obligations including U.S. Treasury bills and U.S. Treasury notes and bonds. The fair value of these investments are based on quoted prices in active markets or other observable inputs, including pricing matrices. These investments are categorized in either Level 1 or Level 2 of the fair value hierarchy.
- Mutual funds The mutual funds held by the State are open-ended mutual funds that are
 registered with the Securities Exchange Commission. The fair value of these mutual funds
 are valued at the daily closing price as reported by the fund. These funds are required to
 publish their daily net asset value (NAV) and to transact at that price. These investments
 are categorized in Level 1 of the fair value hierarchy.
- Commingled funds Investments in commingled funds are valued at the NAV of units of a bank commingled investment vehicle. The NAV is based on the fair value of the underlying assets held by the fund less its liabilities.
- Money market funds Investments in money market funds are valued at the NAV of the
 custodian bank liquid asset portfolio. The NAV is based on the fair value of the underlying
 assets held by the fund less its liabilities.

The preceding measurements described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The market volatility of equity-based investments is expected to substantially impact the value of such investments at any given time. It is likely that the State's investments have fluctuated since June 30, 2021.

(amounts expressed in thousands)	-	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
Investments measured at NAV					
Commingled funds					
Domestic equity	\$	1,292,277	None	Daily/Monthly	Same as trade date/
					Trade date – 2
International equity		781,533	None	Daily	Same as trade date
Domestic inflation-linked fixed income		268,079	None	Daily	Trade date – 2
Real estate		406,477	\$ 37,606	Quarterly	Various up to trade date - 90
				Monthly/Quarterly/	₹
Alternative investments		1,035,332	411,508	Annually	Various up to trade date - 90
Total investments measured at NAV	\$	3,783,698			
Invested securities lending collateral					
Money market fund	\$	8,762			Same as trade date

- Domestic equity Northern Trust Russell 3000 Index Fund Lending primary objective
 is to approximate the risk and return characteristics of the Russell 3000 Index. This Index
 is commonly used to represent the broad U.S. equity market.
- International equity Northern Trust Collective All Country World Index EX-US Fund –
 Lending primary objective is to provide investment results that approximate the overall
 performance of the MSCI All Country World Index ex-US Index.
- Domestic inflation-linked fixed income BlackRock U.S. Inflation-Linked Bond Fund B –
 primary objective is to maximize real return by investing in inflation-linked fixed income
 securities issued by the U.S. government.
- Money market fund The Northern Trust Corporation Liquid Asset Portfolio is a money
 market fund that seeks to maximize current income to the extent consistent with the
 preservation of capital and maintenance of liquidity by investing exclusively in high quality
 money market investments.

The following table presents the State's investments by maturity period at June 30, 2021 (amounts expressed in thousands):

	Reported			M	atur	ity (in years)		
	Value		ī	ess than 1		1-5		>5
Investments - Primary government	2.		107			-		-
Certificates of deposit	\$	251,161	\$	221,496	\$	29,665	\$	-
U.S. government securities	-	4,711,633	-	1,762,151	_	2,883,519	6	5,963
	22	4,962,794	\$	1,983,647	\$	2,913,184	\$ 6	5,963
Mutual funds	e-	141,532						
Total investments	\$	5,104,326						
Investments – Fiduciary funds								
Certificates of deposit	\$	2,559	\$	2,258	\$	301	\$	
U.S. government securities		380,637		350,580		29,385		672
Derivatives		(581)	-02	- 1		(581)		
	- /-	382,615	\$	352,838	\$	29,105	\$	672
Equity securities		477,565						
Mutual funds		93,209						
Commingled funds		2,341,889						
Real estate		406,477						
Alternative investments		1,035,332						
Total investments	\$	4,737,087						

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the State's investment policy generally limits maturities on investments to not more than five years from the date of investment.

Credit Risk

The State's general investment policy limits investments in state and U.S. Treasury securities, time certificates of deposit, U.S. government or agency obligations, repurchase agreements, commercial paper, bankers' acceptances, and money market funds maintaining a Triple-A rating.

Custodial Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The State's investments are held at broker/dealer firms, which are protected by the Securities Investor Protection Corporation (SIPC) up to a maximum amount. Excess SIPC coverage is provided by the firms' insurance policies. In addition, the State requires the institutions to set aside in safekeeping certain types of securities to collateralize repurchase agreements. The State monitors the market value of these securities and obtains additional collateral when appropriate.

Concentration of Credit Risk

The State's policy provides guidelines for portfolio diversification by placing limits on the amount the State may invest in any one issuer, types of investment instruments, and position limits per issue of an investment instrument.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The EUTF's asset allocation and investment policy allows for active and passive investments in international securities. The foreign currency risk exposure to the State arises from the international equity investment holdings, including commingled funds, common stocks, and exchange traded funds.

Securities Lending

The EUTF participates in a securities lending program administered by its custodian bank, Northern Trust. Under this program, which is permissible by State statutes and EUTF's investment policy, certain equity securities are lent to participating broker-dealers and banks (borrowers). In return, the EUTF receives cash, securities and/or letters of credit as collateral at 102% to 105% of the principal plus accrued interest for reinvestment. The collateral is marked to market daily. If the market value of the collateral falls below the minimum collateral requirements, additional collateral is provided. Accordingly, management believes that the EUTF has no credit risk exposure to borrowers because the amounts the EUTF owed the borrowers equaled or exceeded the amounts the borrowers owed the EUTF. The contract with the EUTF requires the custodian bank to indemnify the EUTF. In the event a borrower goes into default, the custodian bank will liquidate the collateral to purchase replacement securities. Any shortfall between the replacement securities cost and the collateral value is covered by the custodian bank. All securities loans can be terminated on demand within a period specified in each agreement by either the EUTF or the borrowers.

Cash collateral is invested in a separate account by the custodian bank using approved lender's investment guidelines. As such, maturities of the investments made with cash collateral generally do not match the maturities of the securities loans. The EUTF does not impose any

restrictions on the amount of loans the bank custodian makes on behalf of the EUTF. The securities lending program in which the EUTF participates only allows pledging or selling securities in the case of borrower default.

At June 30, 2021, the total securities lent for collateral amounted to \$126,171,000. The total cash and noncash collateral received amounted to \$8,762,000 and \$120,985,000, respectively.

Each of the four commingled funds held in the EUTF investment pool participates in securities lending.

3. Capital Assets

For the fiscal year ended June 30, 2021, capital assets activity for the Primary Government (governmental activities and business-type activities) was as follows (amounts expressed in thousands):

	Governmental Activities							
	Balance at July 1, 2020	Additions	Deductions	Balance at June 30, 2021				
Capital assets not being depreciated Land and land improvements Construction in progress	\$ 2,371,333 1,106,707	\$ 41,404 489,552	\$ (4,925) (646,847)	\$ 2,407,812 949,412				
Total capital assets not being depreciated	3,478,040	530,956	(651,772)	3,357,224				
Capital assets being depreciated Infrastructure Buildings and improvements Equipment Intangible assets – software	10,428,613 6,061,331 828,677 154,627	174,233 420,911 33,966 2,799	(4,990) (180,121) (35,642)	10,597,856 6,302,121 827,001 157,426				
Total capital assets being depreciated	17,473,248	631,909	(220,753)	17,884,404				
Less: Accumulated depreciation and amortization Infrastructure Buildings and improvements Equipment Intangible assets – software	(6,775,286) (3,300,182) (643,917) (130,377)	(225,002) (249,359) (69,256) (8,222)	7,986 52,113 33,687	(6,992,302) (3,497,428) (679,486) (138,599)				
Total accumulated depreciation and amortization	(10,849,762)	(551,839)	93,786	(11,307,815)				
Total capital assets, net	\$ 10,101,526	\$ 611,026	\$ (778,739)	\$ 9,933,813				

	Business-type Activities							
		Balance at uly 1, 2020	,	Additions	D	eductions		Balance at ine 30, 2021
Capital assets not being depreciated Land and land improvements Construction in progress	\$	690,206 1,731,677	\$	7,565 539,499	\$	(458,935)	\$	697,771 1,812,241
Total capital assets not being depreciated		2,421,883		547,064		(458,935)		2,510,012
Capital assets being depreciated Land and improvements Buildings and improvements Equipment Total capital assets being depreciated	0 	1,937,550 3,020,241 375,075 5,332,866		186,795 229,157 54,543 470,495		(6,627) (6,627)		2,124,345 3,249,398 422,991 5,796,734
Less: Accumulated depreciation Land and improvements Buildings and improvements Equipment	0 	(1,079,370) (1,663,607) (310,163)		(86,806) (106,394) (5,820)	25	6,467		(1,166,176) (1,770,001) (309,516)
Total accumulated depreciation	12	(3,053,140)		(199,020)		6,467		(3,245,693)
Total capital assets, net	\$	4,701,609	\$	818,539	\$	(459,095)	\$	5,061,053

Depreciation expense for the fiscal year ended June 30, 2021 was charged to functions/ programs of the Primary Government as follows (amounts expressed in thousands):

Governmental activities		
Highways	\$	212,430
Lower education		107,129
General government		129,944
Welfare		11,581
Urban redevelopment and housing		23,072
Conservation of natural resources		32,894
Public safety		16,394
Health		10,027
Culture and recreation		3,906
Economic development and assistance		4,462
Total depreciation expense – governmental activities	\$	551,839
Business-type activities		
Airports	\$	158,338
Harbors		40,217
EUTF		105
DWTLF		222
WPCF	72	138
Total depreciation expense – business-type activities	\$	199,020

4. General Obligation Bonds Payable

The State issues general obligation bonds primarily to provide for the acquisition and construction of major capital facilities. Although certain general obligation debt is being retired from the resources of the Proprietary Funds – Airports and Harbors and is recorded in those funds, all general obligation bonds are backed solely by the full faith and credit of the State.

All issues contain call provisions except Series EL, issued November 21, 2013; Series EX, issued October 29, 2015; Series FJ, issued October 13, 2016; Series FR, issued December 12, 2017; and Series GA, issued October 21, 2020. Stated interest rates range from 1.00% to 5.53%.

During fiscal year 2021, the State issued two separate offerings of general obligation bonds:

- On August 12, 2020, the State issued \$995,000,000 of taxable general obligation bonds of 2020 Series FZ.
- On October 21, 2020, the State issued \$147,555,000 of general obligation bonds of 2020 Series GA, \$600,000,000 of taxable general obligation bonds of 2020 Series GB, and \$400,000,000 of taxable general obligation refunding bonds of 2020 Series GC.

New issue Series GA was issued at a premium, which will be amortized over the life of the bond using the effective rate method. The bonds within Series FZ that mature on or after August 1,

2031 are subject to optional redemption with restrictions. The bonds within Series GB are subject to optional redemption.

Refunding Series GC has interest rates of 0.85% to 2.78% and were used to advance refund \$400,000,000 of bond anticipation notes (BAN) previously issued. The net proceeds of \$400,000,000 related to the issuance of Series GC were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the previously issued BAN. As a result, a portion of the BAN is considered to be defeased and the related liabilities have been removed from the Government-Wide financial statements. Due to the advance refunding, the State increased its total debt service payments over the next 20 years by \$112,787,000 and resulted in an economic loss (difference between present values of the debt service payments on the old and new debt) of \$25,200,000.

The State defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunding bonds. Accordingly, the trust accounts and the refunded bonds are not included in the State's basic financial statements. At June 30, 2021, \$1,771,175,000 of bonds outstanding are considered defeased from prior years' refunding bonds. At June 30, 2021, the general obligation bonds consisted of the following (amounts expressed in thousands):

Callable	\$	8,160,773
Noncallable	172	203,670
Total general obligation bonds outstanding		8,364,443
Add: Unamortized bond premium		522,250
Less: Amount recorded as a liability of proprietary funds – Harbors		(16,239)
Amount recorded in the governmental activities of the primary government	\$	8,870,454

A summary of general obligation bonds outstanding by series as of June 30, 2021 is as follows (amounts expressed in thousands):

Series	Date of Issue	Date of Issue Interest Rates		Original Amount of Issue	Outstanding Amount	
DQ	June 23, 2009	3.600%-5.000%	Maturity Dates June 1, 2020–2026	\$ 500,000	\$ 11,930	
DS	November 5, 2009	0.800%-1.450%	September 15, 2019–2024	32,000	11,960	
DX	February 18, 2010	4.450%-5.530%	February 1, 2020–2030	500,000	325,225	
DZ	December 7, 2011	3.500%-5.000%	December 1, 2019–2031	800,000	33,180	
EA	December 7, 2011	3.000%-5.000%	December 1, 2019–2023	403,455	169,195	
EE	December 4, 2012	1.000%-5.000%	November 1, 2019–2032	444,000	157,625	
EF	December 4, 2012	5.000%	November 1, 2019–2024	396,990	218,285	
EG	December 4, 2012	1.600%-3.625%	November 1, 2019–2024 November 1, 2019–2032	26,000	20,410	
EH	November 21, 2013	4.000%-5.000%	August 1, 2019–2033	635,000	316,095	
EL	November 21, 2013	1.500%-5.000%	August 1, 2019–2023	50,860	23,595	
EM	November 21, 2013	2.450%-4.800%	August 1, 2019–2023 August 1, 2019–2033	25,000	21,345	
EN	November 21, 2013					
EO	November 25, 2014	2.450%-4.800%	August 1, 2019–2033 August 1, 2019–2034	29,795 575,000	24,200 496,015	
EP	생기 있는 아이들이 어떻게 되고 아이들이 있는 경기를 입었다면 하게 되었다.	3.000%-5.000%				
	November 25, 2014	5.000%	August 1, 2019–2026	209,015	164,320	
EQ	November 25, 2014	2.035%-3.915%	August 1, 2019–2034	25,000	22,510	
ET	October 29, 2015	2.000%-5.000%	October 1, 2019–2035	190,000	166,965	
EU	October 29, 2015	2.000%-3.500%	October 1, 2019–2035	35,000	30,285	
EX	October 29, 2015	2.000%-4.000%	October 1, 2019–2025	25,035	18,415	
EY	October 29, 2015	5.000%	October 1, 2020–2027	212,120	190,010	
EZ	October 29, 2015	5.000%	October 1, 2019–2028	215,590	180,640	
FA	October 29, 2015	1.950%-4.400%	October 1, 2019–2035	25,000	21,730	
FB	April 14, 2016	3.000%-5.000%	April 1, 2020–2036	500,000	441,795	
FE	April 14, 2016	3.000%-5.000%	October 1, 2019–2028	219,690	184,000	
FF	April 14, 2016	1.309%-2.902%	October 1, 2019–2028	119,730	97,765	
FG	October 13, 2016	3.000%-5.000%	October 1, 2019–2036	375,000	347,385	
FH	October 13, 2016	3.000%-5.000%	October 1, 2021–2031	379,295	379,295	
FI	October 13, 2016	2.000%-5.000%	October 1, 2021–2033	2,710	2,710	
FJ	October 13, 2016	1.151%-1.921%	October 1, 2019-2022	25,000	10,215	
FK	May 24, 2017	2.000%-5.000%	May 1, 2020–2037	575,000	530,800	
FN	May 24, 2017	5.000%	October 1, 2021-2031	229,355	229,355	
FP	May 24, 2017	1.850%-3.940%	May 1, 2020–2037	7,500	6,845	
FR	December 12, 2017	2.000%-2.180%	October 1, 2019-2021	15,090	3,890	
FS	December 12, 2017	2.220%-2.950%	October 1, 2022-2033	275,363	275,363	
FT	February 14, 2018	3.000%-5.000%	January 1, 2022-2038	631,215	631,215	
FW	February 21, 2019	2.000%-5.000%	January 1, 2023-2039	431,665	431,665	
FX	February 21, 2019	2.650%-3.250%	January 1, 2020-2022	75,000	25,655	
FZ	August 5, 2020	0.670%-2.293%	August 1, 2025-2040	995,000	995,000	
GA	October 21, 2020	5.000%	October 1, 2021	147,555	147,555	
GB	October 21, 2020	0.429%-0.852%	October 1, 2022-2025	600,000	600,000	
GC	October 21, 2020	0.852%-2.782%	October 1, 2025-2040	400,000	400,000	
					\$ 8,364,443	

The general obligation bonds outstanding financed the Hawaiian Home Lands Trust settlement and the acquisition, construction, extension or improvement of various public improvement projects, including public buildings and facilities, public schools, community college and university facilities, public libraries and parks, and other public purposes.

A summary of the general obligation bond premium activity for fiscal year 2021 is as follows (amounts expressed in thousands):

Balance – July 1, 2020	\$ 608,162
GO bond series GA	10,272
Current-year amortization	 (96,184)
Balance – June 30, 2021	\$ 522,250

A summary of debt service requirements to maturity on the governmental activities' general obligation bonds is as follows (amounts expressed in thousands):

	Principal		Interest	Total
Fiscal Year			 	
2022	\$	629,493	\$ 291,771	\$ 921,264
2023		609,674	265,784	875,458
2024		617,384	241,916	859,300
2025		599,619	220,334	819,953
2026		675,205	198,654	873,859
2027-2031		2,349,066	686,899	3,035,965
2032-2036		1,824,075	268,979	2,093,054
2037-2041		764,435	39,458	 803,893
	\$	8,068,951	\$ 2,213,795	\$ 10,282,746

A summary of debt service requirements to maturity on the governmental activities' direct placements is as follows (amounts expressed in thousands):

		Principal	I	nterest	Total		
Fiscal Year	i. .		D 10.				
2022	\$	3,890	\$	7,169	\$	11,059	
2023		19,971		6,905		26,876	
2024		20,424		6,451		26,875	
2025		20,900		5,975		26,875	
2026		21,401		5,475		26,876	
2027-2031		115,456		18,922		134,378	
2032-2036		77,211		3,416		80,627	
	\$	279,253	\$	54,313	\$	333,566	

A summary of debt service requirements to maturity on the governmental activities' bond anticipation note is as follows (amounts expressed in thousands):

		Principal	lı	nterest	Total
Fiscal Year	J				
2022	\$	200,000	\$	1,760	\$ 201,760

A summary of debt service requirements to maturity on the business-type activities' general obligation bonds is as follows (amounts expressed in thousands):

	P	rincipal	Ir	nterest		Total
Fiscal Year	<u></u>		2 28		100	
2022	\$	2,573	\$	808	\$	3,381
2023		2,700		680		3,380
2024		2,835		546		3,381
2025		2,977		404		3,381
2026		3,125		256		3,381
2027-2030	19	2,029	9	144	· +2	2,173
	\$	16,239	\$	2,838	\$	19,077

The State Constitution limits the amount of general obligation bonds which may be issued. As required by law, the Director of Finance has confirmed that the State was within its legal debt limit on the aforementioned issues. The legal debt margin at June 30, 2021 was \$549,899,000.

At June 30, 2021, general obligation bonds authorized but unissued were approximately \$3,164,259,000.

5. Revenue Bonds Payable

Governmental Activities

Revenue bonds are payable from and collateralized by each Department's revenues generated from certain capital improvement projects. On June 9, 2021, the Department of Transportation – Highways Division (Highways) issued \$137,205,000 of State of Hawaii Revenue Bonds Series 2021 ("2021 Bonds"). The 2021 Bonds bear interest at 5.00% and mature in annual installments beginning in 2027 through 2041. These bonds were issued at a premium of approximately \$43,909,000. The 2021 Bonds maturing on and before January 1, 2030 are not subject to redemption prior to their respective maturity dates. The 2021 Bonds maturing on or after January 1, 2033 are subject to redemption prior to their respective maturity dates at the option of the State at 100% plus accrued interest.

On December 11, 2019, Highways issued \$81,835,000 of State of Hawaii Revenue Bonds Series 2019A (the 2019A Bonds). The 2019A Bonds bear interest at rates ranging from 3.0% to 5.0% and mature in annual installments through 2040. These bonds were issued at a premium of \$18,660,847. The 2019A Bonds maturing on and before January 1, 2029 are not subject to redemption prior to their respective maturity dates. The 2019A Bonds maturing on or after January 1, 2030 are subject to redemption prior to their respective maturity dates at the option of the State at 100% plus accrued interest.

On August 25, 2017, the Department of Hawaiian Home Lands (DHHL) issued \$30,940,000 in State of Hawaii Revenue Bonds, Series 2017, with interest rates ranging from 3.00% to 5.00% to refund State of Hawaii Revenue Bonds, Series 2009 previously issued by DHHL. The bonds are payable on April 1 and October 1, annually through 2032.

On September 8, 2016, Highways issued \$103,395,000 in State of Hawaii Highway Revenue Bonds of 2016 Series A, with interest rates ranging from 2.0% to 5.0% to provide funds for certain highway capital improvement projects. The bonds are payable annually on January 1 through 2036.

On September 8, 2016, Highways issued \$101,090,000 in State of Hawaii Highway Revenue Bonds of 2016, Series B, with interest rates ranging from 1.3% to 5.0% to advance refund \$111,590,000 of certain highway revenue bonds previously issued. Due to the advanced refunding, the Highways increased its total debt service payments over the next 10 years by \$14,904,000 and incurred an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$13,575,000. The bonds are payable annually on January 1, commencing 2021 through 2030.

On November 13, 2014, the DBEDT issued \$150,000,000 in State of Hawaii Green Energy Market Securitization Bonds of 2014, Series A, to provide funds for environmentally beneficial projects. The Series A is comprised of Tranche A-1 for \$50,000,000 and Tranche A-2 for \$100,000,000. The interest rate for Tranche A-1 is 1.467%, with bonds payable semi-annually on January 1 and July 1 through 2020. The interest rate for Tranche A-2 is 3.242%, with bonds payable semi-annually beginning July 1, 2020 through January 1, 2029. Both tranches have a final maturity date which is two years later than the scheduled final payment date to allow for any final true-ups for balances owed.

On August 14, 2014, Highways issued \$103,375,000 in State of Hawaii Highway Revenue Bonds of 2014, Series A, with interest rates ranging from 2.0% to 5.0% to provide funds for certain highway capital improvement projects. The bonds are payable annually on January 1 through 2034.

On August 14, 2014, Highways issued \$32,285,000 in State of Hawaii Highway Revenue Bonds of 2014, Series B, with interest rates ranging from 3.0% to 5.0% to advance refund \$36,195,000 of certain highway revenue bonds previously issued. The bonds are payable annually on January 1 through 2026.

On December 15, 2011, Highways issued \$5,095,000 in State of Hawaii Highway Revenue Bonds of 2011, Series B, with an interest rate of 4.0% to advance refund \$5,400,000 of certain outstanding highway revenue bonds previously issued. The bond is payable on January 1, 2023.

On December 15, 2011, Highways issued \$112,270,000 in State of Hawaii Highway Revenue Bonds of 2011, Series A, with interest rates ranging from 0.75% to 5.0% to finance certain highway capital improvement projects and related projects. The bonds are payable annually on January 1 through 2032.

On March 15, 2005, Highways issued \$123,915,000 of State of Hawaii Highway Revenue Bonds of 2005, Series B, with interest rates ranging from 3.0% to 5.25% to advance refund \$128,705,000 of certain outstanding highway revenue bonds previously issued. The bonds are payable annually on July 1 through 2021.

The bonds are payable solely from and collateralized by the revenues, consisting primarily of highway fuel taxes, vehicle registration fees, vehicle weight taxes, rental motor vehicle and tour vehicle surcharge taxes, and green infrastructure fees.

The liabilities for the refunded bond issues and the related securities and trust accounts are not included in the accompanying basic financial statements, as DHHL and Highways defeased their obligations for payment of those bonds upon completion of those refunding transactions.

The following is a summary of the State's revenue bonds issued and outstanding at June 30, 2021 (amounts expressed in thousands):

Series	Date of Issue	Interest Rates	Maturity Dates		Original Amount of Issue	itstanding Amount
Highways						
2005B	March 15, 2005	5.25%	July 1, 2019-2021	\$	123,915	\$ 4,425
2011A	December 15, 2011	2.50%-5.00%	January 1, 2020-2032		112,270	32,335
2011B	December 15, 2011	4.00%	January 1, 2023		5,095	5,095
2014A	August 14, 2014	5.00%	January 1, 2020-2034		103,375	78,225
2014B	August 14, 2014	5.00%	January 1, 2020-2026		32,285	18,005
2016A	September 8, 2016	1.25%-5.00%	January 1, 2020-2036		103,395	86,455
2016B	September 8, 2016	4.00%-5.00%	January 1, 2021-2030		101,090	94,415
2019A	December 11, 2019	3.00%-5.00%	January 1, 2023-2040		81,835	81,835
2021	June 9, 2021	5.00%	January 1, 2027-2041		137,205	137,205
DHHL 2017	August 25, 2017	3.00%-5.00%	April 1, 2020–2032		30,940	24,915
DBEDT					**************************************	00 -05 100 1000
2014A-A2	November 13, 2014	3.242%	January 1, 2031		100,000	92,429
						655,339
Add: Unamo	ortized bond premium					98,166
						\$ 753,505

A summary of the revenue bond premium activity for fiscal year 2021 is as follows (amounts expressed in thousands):

	Bonds
\$	62,605
	43,909
V-	(8,348)
\$	98,166
	\$

Debt service requirements to maturity on revenue bonds are aggregated below (amounts expressed in thousands):

	Principal		Interest	Total		
Fiscal Year						
2022	\$	40,066	\$ 26,831	\$	66,897	
2023		40,122	28,253		68,375	
2024		41,620	26,762		68,382	
2025		43,118	24,917		68,035	
2026		44,979	23,052		68,031	
2027-2031		201,379	84,472		285,851	
2032-2036		145,040	45,691		190,731	
2037-2041		99,015	 15,335		114,350	
	\$	655,339	\$ 275,313	\$	930,652	

Business-Type Activities

Revenue bonds are backed by a pledge of resources derived from users of the related facilities and are not supported by the full faith and credit of the State.

Airports System Revenue Bonds

The Airports system revenue bonds are payable solely from and collateralized by airport revenues, which include all aviation fuel taxes levied. The Airports system revenue bonds are subject to redemption at the option of the Department of Transportation (DOT) and the State during specific years at prices ranging from 102% to 100% of principal.

The following is a summary of the Airports system revenue bonds issued and outstanding at June 30, 2021 (amounts expressed in thousands):

	Interest Rates	Final Original Maturity Amount of Date (July 1) Issue		0	utstanding Amount	
Series	ACT CONTROL SERVICE CONTROL SE	Manager Manager Tal	73 SZ.	75788 808 8 73 8 9 8 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	sand	100000000000000000000000000000000000000
2011, refunding	2.00%-5.00%	2024	\$	300,885	\$	56,615
2015A, non-refunding	4.125%-5.00%	2045		235,135		235,135
2015B, non-refunding	4.00%	2045		9,125		9,125
2018A, non-refunding	5.00%	2048		388,560		388,560
2018B, non-refunding	3.00%-5.00%	2027		26,125		26,125
2018C, refunding	3.58%	2028		93,175		93,175
2018D, refunding	5.00%	2034		142,150		142,150
2020A, nonrefunding	4.00%-5.00%	2045		113,140		113,140
2020B, nonrefunding	3.48%	2050		165,885		165,885
2020C, nonrefunding	5.00%	2050		20,295		20,295
2020D, refunding	4.00%-5.00%	2039		184,855		184,855
2020E, refunding	1.39%-2.33%	2030		98,315		98,315
			\$	1,777,645		1,533,375
Add: Unamortized premium						127,640
Less: Unamortized discount						(59)
						1,660,956
Less: Current portion					8	(430)
Noncurrent portion					\$	1,660,526

In August 2018, Airports executed two forward delivery bond purchase contracts relating to its \$93,175,000 Airports System Revenue Bonds, Refunding Series 2018C and \$142,150,000 Airports System Revenue Bonds, Refunding Series 2018D. Subject to the terms of such contracts, Airports issued and delivered the Series 2018C Bonds and the Series 2018D Bonds in April 2020 to refund \$245,385,000 of outstanding Series 2010A Bonds on July 1, 2020.

Airports entered into these agreements with the respective purchasers for the purpose of effecting a refunding of an outstanding issue that cannot be advance refunded.

On August 9, 2018, the purchaser agreed to purchase the Series 2018C Bonds in the principal amount of \$93,175,000 for the amount of \$93,175,000. The Series 2018C Bonds bear an interest rate of 3.58% and maturity dates ranging from 2021 through 2028.

On August 9, 2018, the purchaser agreed to purchase the Series 2018D Bonds in the principal amount of \$142,150,000 at a price of \$154,466,536. The Series 2018D Bonds bear an interest rate of 5.00% with maturity dates ranging from 2029 through 2034.

On April 7, 2020, the Airports Division issued the Series 2018C and Series 2018D Bonds to refund a portion of its outstanding Series 2010A Bonds. Of the net proceeds of \$247,641,537 (after payment of \$154,328 in underwriting fees, insurance, and other costs), along with an additional \$4,204,417 from the debt service reserve account, \$251,691,625 was deposited into an irrevocable trust with an escrow agent to provide for the redemption of the refunded portion of Refunding Series 2010A bonds on July 1, 2020. As a result, the refunded portion of the Refunding Series 2010A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$7,137 (deferred gain on refunding of \$1,309,991 for Series 2018C Bonds and deferred loss on refunding of \$1,302,854 for Series 2018D Bonds). This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations over the next 9 to 15 years.

On October 21, 2020, the Airports Division issued \$113,140,000, \$165,885,000, \$20,295,000, \$184,855,000, and \$98,315,000 of airports system revenue bonds (Series 2020A (AMT), Series 2020B (Taxable), Series 2020C (Non-AMT), Series 2020D (Non-AMT), and Series 2020E (Taxable), respectively) at interest rates ranging from 1.392% to 5.00% to pay costs of capital improvement projects at certain facilities of the State's airports system, capitalized interest on the Series 2020 Bonds, a deposit into the Debt Service Account, and certain costs of issuance relating to the Series 2020 Bonds. The Series 2020D and 2020E Bonds were issued to refund the remaining outstanding Series 2010A Bonds and a portion of the outstanding Series 2011 Bond. Of the net proceeds of \$309,640,992 (after payment of \$1,410,349 in underwriting fees, insurance, and other costs), along with an additional \$1,038,974 from the debt service reserve account, \$309,269,617 was deposited into an irrevocable trust with an escrow agent to provide for the redemption of the refunded portion of Refunding Series 2010A bonds and the Refunding Series 2011 bond on November 6, 2020. As a result, the refunded portion of the Refunding Series 2010A bonds and the Refunding Series 2010A bonds and the Refunding Series 2010A bonds and the Refunding Series 2011 bond are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$7,914,822 (deferred loss on refunding of \$5,177,695 for Series 2020D Bond and deferred loss on refunding of \$2,737,127 for Series 2020E Bond). This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations over the next 4 to 19 years.

Airports Special Facility Leases and Revenue Bonds

Airports entered into two special facility lease agreements with Continental Airlines, Inc. (Continental) in November 1997 and July 2000. The construction of the related facilities was financed by special facility revenue bonds issued by Airports in the amounts of \$25,255,000 and \$16,600,000, respectively. The \$16,600,000 special facility revenue bond was called in full on May 18, 2015. The remaining bond is payable solely from and collateralized solely by certain rentals and other monies derived from the special facility.

\$25,255,000 Issue

The bonds bear interest at 5.625% per annum, and are subject to redemption on or after November 15, 2007 at the option of Airports upon the request of Continental at prices ranging from 101% to 100%, depending on the dates of redemption, or at 100% plus interest, if the facilities are destroyed or damaged extensively.

Interest-only payments of \$611,000 are due semi-annually on May 15 and November 15 of each year until the bonds mature on November 15, 2027, at which time the entire principal amount is due.

Special facility revenue bonds payable at June 30, 2021 consisted of \$21,725,000, and are classified as noncurrent.

The special facility lease is accounted for and recorded as a direct financing lease. The remaining lease payments to be paid by the lessees (including debt service requirements on the special facility revenue bonds) are recorded as a restricted asset, and the special facility revenue bonds outstanding are recorded as a liability in the accompanying basic financial statements.

In July 2017, Airports issued \$249,805,000 of Airports system customer facility charge revenue bonds (Customer Facility Charge Revenue Bonds, Series 2017A) at interest rates ranging from 1.70% to 4.14%. The Series 2017 Bonds are being issued for the costs of design, development and construction of consolidated rental motor vehicle projects at certain airports and to fund the Rolling Coverage Fund Requirement and the Debt Service Reserve Fund Requirement for the Series 2017 Bonds and to pay certain costs of issuance relating to the Series 2017 bonds. The Bonds are special limited obligations of the State, payable solely from and secured by the receipts from collection of the Rental Motor Vehicle Customer Facility Charge imposed by the State on rental motor vehicle customers who use or benefit from rental car facilities at all airports in the Airports system. At June 30, 2021, the outstanding balance of the Series 2017A Bonds is \$234,430,000 with a maturity date of July 1, 2047.

In August 2019, the Airports Division issued \$194,710,000 of airports system customer facility charge revenue bonds (Customer Facility Charge Revenue Bonds, Series 2019A) at interest rates ranging from 1.819% to 2.733%. The Series 2019A Bonds are being issued for the costs of design, development and construction of consolidated rental motor vehicle facility projects at certain airports and to fund the Rolling Coverage Fund Requirement and the Debt Service Reserve Fund Requirements for the Series 2019 Bonds and to pay certain costs of issuance relating to the Series 2019 bonds. The Bonds are special limited obligations of the State, payable solely from and secured by the receipts from collection of the Rental Motor Vehicle Customer Facility Charge imposed by the State on rental motor vehicle customers who use or benefit from rental car facilities at all airports in the Airports System. At June 30, 2021, the outstanding balance of the Series 2019A Bonds is \$189,795,000 with a maturity of July 1, 2047.

Harbors Revenue Bonds

The Harbors revenue bonds are collateralized by a charge and lien on the gross revenues of the commercial harbors system and upon all improvements and betterments thereto, and all funds and securities created in whole or in part from revenues or from the proceeds of any bonds issued. The Harbors revenue bonds are subject to redemption at the option of the DOT and the State during specific years at prices ranging from 102% to 100% of face value.

The following is a summary of the Harbors' revenue bonds issued and outstanding as of June 30, 2021 (amounts expressed in thousands):

							urrent				
Final Redemption Date	Interest Rates					Ja	Due nuary 1, 2022		Total	N	oncurrent
8				7-		15				-	
July 1, 2029	3.25%	\$	23,615	\$	60	\$	-	\$	60	\$	13,285
January 1, 2031	1.99%-3.09%		113,660		2,605		5,495		8,100		75,575
July 1, 2040	0.60%-5.00%		266,550		5,960				5,960		260,590
		\$	403,825	\$	8,625	\$	5,495		14,120		349,450
ized premium (discou	int)						177		3,917		45,568
								\$	18,037	\$	395,018
	July 1, 2029 January 1, 2031 July 1, 2040	Name	Name	Redemption Date Interest Rates Amount of Issue July 1, 2029 3.25% \$ 23,615 January 1, 2031 1.99%-3.09% 113,660 July 1, 2040 0.60%-5.00% 266,550 \$ 403,825	Redemption Date Interest Rates Amount of Issue July 1, 2029 3.25% \$ 23,615 \$ January 1, 2031 \$ 1.99%—3.09% 113,660 \$ 266,550 \$ 403,825 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Redemption Date Interest Rates Amount of Issue July 1, 2021 July 1, 2029 3.25% \$ 23,615 \$ 60 January 1, 2031 1.99%-3.09% 113,660 2,605 July 1, 2040 0.60%-5.00% 266,550 5,960 \$ 403,825 \$ 8,625	Final Redemption Date Interest Rates Original Amount of Issue Principal Due July 1, 2021 July 1, 2021 July 1, 2029 3.25% \$ 23,615 \$ 60 \$ 3,605 January 1, 2031 1.99%-3.09% 113,660 2,605 5,960 July 1, 2040 0.60%-5.00% 266,550 5,960 \$ 8,625 \$ \$ 8,625	Redemption Date Interest Rates Amount of Issue July 1, 2021 January 1, 2022 July 1, 2029 3.25% \$ 23,615 \$ 60 \$ - January 1, 2031 1.99%-3.09% 113,660 2,605 5,495 July 1, 2040 0.60%-5.00% 266,550 5,960 - \$ 403,825 \$ 8,625 \$ 5,495	Final Redemption Date Interest Rates Original Amount of Issue Principal Due July 1, 2021 Due January 1, 2022 July 1, 2029 3.25% \$ 23,615 \$ 60 \$ - \$ 34,000 January 1, 2031 1.99%-3.09% 113,660 2,605 5,495 July 1, 2040 0.60%-5.00% 266,550 5,960 - \$ 403,825 \$ 8,625 \$ 5,495	Final Redemption Date Interest Rates Original Amount of Issue Principal Due July 1, 2021 Due January 1, 2022 Total July 1, 2029 3.25% \$ 23,615 \$ 60 \$ - \$ 60 January 1, 2031 1.99%-3.09% 113,660 2,605 5,495 8,100 July 1, 2040 0.60%-5.00% 266,550 5,960 - 5,960 5,960 \$ 403,825 \$ 8,625 \$ 5,495 14,120 ized premium (discount) 3,917	Final Redemption Date Interest Rates Original Amount of Issue Principal Due July 1, 2021 Due January 1, 2022 Total No. July 1, 2029 3.25% \$ 23,615 \$ 60 \$ - \$ 60 \$ 3,000 January 1, 2031 1.99%-3.09% 113,660 2,605 5,495 8,100 July 1, 2040 0.60%-5.00% 266,550 5,960 - 5,960 July 1, 2040 0.60%-5.00% 3,825 \$ 8,625 \$ 5,495 14,120 July 1, 2040 3,917 3,917 3,917 3,917

Debt service requirements to maturity on the business-type activities' revenue bonds for fiscal years ending June 30, 2022 are aggregated below (amounts expressed in thousands):

	Principal			Interest	Total		
Fiscal Year							
2022	\$	24,900	\$	96,927	\$	121,827	
2023		31,290		95,433		126,723	
2024		61,300		93,940		155,240	
2025		66,090		91,553		157,643	
2026		70,825		89,287		160,112	
2027-2031		412,230		404,551		816,781	
2032-2036		477,985		312,489		790,474	
2037-2041		425,385		214,729		640,114	
2042-2046		427,250		122,298		549,548	
2047–2051		345,640	_	32,655		378,295	
	\$	2,342,895	\$	1,553,862	\$	3,896,757	

The above debt service requirements are set forth based upon funding requirements. Principal and interest payments are required to be funded in the twelve-month and six-month periods, respectively, preceding the date on which the payments are due.

Revenue Bonds Authorized, but Unissued

At June 30, 2021, revenue bonds authorized, but unissued, were approximately \$6,109,492,000.

Special Purpose Revenue Bonds

HRS Chapter 39A authorizes the State (with legislative approval) to issue special purpose revenue bonds. Proceeds from those bonds are loaned to certain enterprises for projects deemed to be in the public interest. The bonds are not general obligations of the State and are payable solely from monies received by the State under project agreements with the recipients of the bond proceeds. Accordingly, the State has not included those bonds in its basic financial statements. Bonds outstanding at June 30, 2021 amounted to approximately \$2,083,860,000. At June 30, 2021, special purpose revenue bonds of \$1,217,580,000 were authorized, but unissued.

6. Changes in Long-Term Liabilities

Changes in the long-term liabilities for the Primary Government (governmental activities and business-type activities) were as follows (amounts expressed in thousands):

	Governmental Activities						
	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year		
General obligation bonds payable Add: Unamortized premium Direct placements	\$ 6,402,845 608,162 283,063	\$ 2,142,555 10,272	\$ (476,449) (96,184) (3,810)	\$ 8,068,951 522,250 279,253	\$ 629,493 75,857 3,890		
Total general obligation bonds payable	7,294,070	2,152,827	(576,443)	8,870,454	709,240		
Revenue bonds payable Add: Unamortized premium	560,515 62,605	136,091 45,023	(41,267) (9,462)	655,339 98,166	40,066 10,771		
Total revenue bonds payable	623,120	181,114	(50,729)	753,505	50,837		
Bond anticipation note Accrued vacation payable	600,000 245,396	112,053	(400,000) (82,649)	200,000 274,800	200,000 77,766		
Reserve for losses and loss adjustment costs Net pension liability	270,641 6,999,063	61,754 972,383	(41,832) (403,966)	290,563 7,567,480	34,311		
Net other postemployment benefits liability Capital lease obligations	6,744,270	611,807	(1,057,058)	6,299,019	7,037		
Total	\$ 22,891,707	\$ 4,091,938	\$ (2,619,159)	\$ 24,364,486	\$ 1,079,191		

	Business-type Activities									
	Balance July 1, 2020		Additions		Deductions		Ju	Balance ine 30, 2021		ue Within One Year
General obligation bonds payable, net	\$	18,690	\$		\$	(2,451)	\$	16,239	\$	2,573
Revenue bonds payable Add: Unamortized premium, net	e	2,012,690 80,385		849,040 107,448		(518,835) (10,767)	10	2,342,895 177,066		24,900 3,917
Total revenue bonds payable		2,093,075		956,488		(529,602)		2,519,961		28,817
Accrued vacation and retirement benefits payable Reserve for losses and loss adjustment costs		16,660 6,944		8,436 3.062		(6,110) (1,896)		18,986 8,110		4,618 2,446
Net pension liability		227,353		41,321		(21,366)		247,308		2,440
Net other postemployment benefits liability Capital lease obligations		233,452 224,375	-0	6,399		(21,994) (13,572)		217,857 210,803		14,893
Total	\$	2,820,549	\$	1,015,706	\$	(596,991)	\$	3,239,264	\$	53,347

The accrued vacation liability attributable to the governmental activities will be liquidated by the State's governmental funds. Approximately 85%, 14%, and 1% of the accrued vacation liability has been paid by the General Fund, Special Revenue Funds, and Capital Projects Fund, respectively, during the fiscal year ended June 30, 2021.

The net pension and net OPEB liabilities will be liquidated by the General Fund.

7. Interfund Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2021 (amounts expressed in thousands):

	Due From		Due To		
Governmental Funds	-		ÿ 		
General Fund					
Special Revenue Funds	\$	83,179	\$	17,208	
Med-Quest Special Revenue Fund		137,737		02	
Proprietary Fund		20		-	
Debt Service Fund		(H)	_	247	
	_	220,936		17,455	
Capital Projects Fund					
Proprietary Fund	92	1,597	_		
Med-Quest Special Revenue Fund					
General Fund	12	- 25_,		137,737	
Administrative Support Special Revenue Fund					
General Fund	84	17,208		<u> </u>	
Nonmajor Governmental Funds					
General Fund		247		83,179	
Proprietary Funds					
Airports		72		20	
Harbors	9	1 5 _		1,597	
	0	-		1,617	
	\$	239,988	\$	239,988	

The interfund balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occurred, transactions are recorded, and payment between funds are made.

8. Transfers

Transfers between funds occur when a fund receiving revenues transfers resources to a fund where the resources are to be expended, or when nonrecurring or nonroutine transfers between funds occur. For the fiscal year ended June 30, 2021, transfers by fund were as follows (amounts expressed in thousands):

Governmental Funds General Fund \$ 90,132 \$ 3,461 Med-Quest Special Revenue Fund - 1,145 Capital Projects Fund 789,136 268,778 Nonmajor Governmental Funds 106,373 883,996 Nonmajor Governmental Funds 106,373 883,996 Capital Projects Fund 1,145 - General Fund 1,145 - Administrative Support Special Revenue Fund 63,020 - Nonmajor Governmental Funds 3,461 90,132 Med-Quest Special Revenue Fund 3,461 90,132 Nonmajor Governmental Funds 246 1,077 General Fund 3,707 91,209 Administrative Support Special Revenue Fund 8 - General Fund 8,292 341,230 Capital Projects Fund 1,077 </th <th></th> <th>Transfers</th> <th>In Transfers Out</th>		Transfers	In Transfers Out
Med-Quest Special Revenue Fund Capital Projects Fund Administrative Support Special Revenue Fund Nonmajor Governmental Funds \$ 90,132 \$ 3,461 Administrative Support Special Revenue Fund Nonmajor Governmental Funds 789,136 268,778 Capital Projects Fund General Fund General Fund Administrative Support Special Revenue Fund Nonmajor Governmental Funds 1,145 - Med-Quest Special Revenue Fund General Fund Monmajor Governmental Funds 63,020 - Med-Quest Special Revenue Fund General Fund 3,461 90,132 Nonmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund General Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 8,292 341,230 Reneral Fund 883,996 106,373 Capital Projects Fund 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 </td <td></td> <td>8.</td> <td></td>		8.	
Capital Projects Fund - 1,145 Administrative Support Special Revenue Fund 789,136 268,778 Nonmajor Governmental Funds 106,373 883,996 Capital Projects Fund - 8 General Fund 1,145 - Administrative Support Special Revenue Fund 63,020 - Nonmajor Governmental Funds 3,461 90,132 Med-Quest Special Revenue Fund 246 1,077 Med-Quest Support Special Revenue Fund 268,778 789,136 General Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Capital Projects Fund 8,292 341,230 Nonmajor Governmental Funds 277,078 1,130,366 Nonmajor Governmental Funds 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 Other Nonmajor Governmental Funds <			
Administrative Support Special Revenue Fund Nonmajor Governmental Funds 789,136 106,373 883,996 Capital Projects Fund General Fund Administrative Support Special Revenue Fund Nonmajor Governmental Funds 1,145 - 8 Med-Quest Special Revenue Fund General Fund Seneral F		\$ 90,3	
Nonmajor Governmental Funds 106,373 883,996 Capital Projects Fund 1,157,380 General Fund 1,145 - Administrative Support Special Revenue Fund - 8 Nonmajor Governmental Funds 63,020 - Med-Quest Special Revenue Fund 3,461 90,132 Nonmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund 8 - General Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 8292 341,230 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 Other Nonmajor Governmental Funds 253,469	(5)		7
Capital Projects Fund 985,641 1,157,380 General Fund 1,145 - Administrative Support Special Revenue Fund - 8 Nonmajor Governmental Funds 63,020 - Med-Quest Special Revenue Fund 64,165 8 Med-Quest Special Revenue Fund 246 1,077 Nonmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund 8 - General Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 Other Nonmajor Governmental Funds 75,538 1,301,841 253,469			
Capital Projects Fund General Fund Administrative Support Special Revenue Fund Nonmajor Governmental Funds Med-Quest Special Revenue Fund General Fund Med-Quest Special Revenue Fund General Fund Monmajor Governmental Funds Med-Quest Special Revenue Fund General Fund General Fund Administrative Support Special Revenue Fund General Fund Capital Projects Fund Nonmajor Governmental Funds Monmajor Governmental Funds Seperal Fund Capital Projects Fund Revenue Fund Seperal Fund Capital Projects Fund Monmajor Governmental Funds General Fund Genera	Nonmajor Governmental Funds	106,3	883,996
General Fund 1,145 - Administrative Support Special Revenue Fund - 8 Nonmajor Governmental Funds 63,020 - Med-Quest Special Revenue Fund - 8 General Fund 3,461 90,132 Nonmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Romajor Governmental Funds 827,078 1,130,366 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469		985,6	541 1,157,380
Administrative Support Special Revenue Fund - 8 Nonmajor Governmental Funds 63,020 - 64,165 8 Med-Quest Special Revenue Fund 3,461 90,132 Ronmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Capital Projects Fund		
Nonmajor Governmental Funds 63,020 - 64,165 8	General Fund	1,:	145 -
Med-Quest Special Revenue Fund General Fund 3,461 90,132 Nonmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund 3,707 91,209 Administrative Support Special Revenue Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Administrative Support Special Revenue Fund		- 8
Med-Quest Special Revenue Fund 3,461 90,132 Nonmajor Governmental Funds 246 1,077 Administrative Support Special Revenue Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 277,078 1,130,366 Nonmajor Fund 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Nonmajor Governmental Funds	63,0)20 -
General Fund Nonmajor Governmental Funds 3,461 246 1,077 90,132 3,707 90,132 91,209 Administrative Support Special Revenue Fund General Fund 268,778 8 789,136 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 341,230 Nonmajor Governmental Funds General Fund 883,996 277,078 106,373 1,300,366 Nondel-Quest Special Revenue Fund Administrative Support Special Revenue Fund Other Nonmajor Governmental Funds 341,230 3		64,3	165 8
Nonmajor Governmental Funds 246 1,077 3,707 91,209 Administrative Support Special Revenue Fund 268,778 789,136 General Fund 8 - Capital Projects Fund 8,292 341,230 Nonmajor Governmental Funds 277,078 1,130,366 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Med-Quest Special Revenue Fund		
Administrative Support Special Revenue Fund General Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds General Fund 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538		3,4	461 90,132
Administrative Support Special Revenue Fund 268,778 789,136 General Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 277,078 1,130,366 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Nonmajor Governmental Funds	<u> </u>	246 1,077
General Fund 268,778 789,136 Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 277,078 1,130,366 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469		3,7	707 91,209
Capital Projects Fund 8 - Nonmajor Governmental Funds 8,292 341,230 Nonmajor Governmental Funds 277,078 1,130,366 Nonmajor Governmental Funds 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Administrative Support Special Revenue Fund		
Nonmajor Governmental Funds 8,292 341,230 277,078 1,130,366 Nonmajor Governmental Funds 883,996 106,373 General Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	General Fund	268,	778 789,136
Nonmajor Governmental Funds 277,078 1,130,366 General Fund 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Capital Projects Fund		8 -
Nonmajor Governmental Funds 883,996 106,373 General Fund - 63,020 Capital Projects Fund - 246 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Nonmajor Governmental Funds	8,2	292 341,230
General Fund 883,996 106,373 Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469		277,0	1,130,366
Capital Projects Fund - 63,020 Med-Quest Special Revenue Fund 1,077 246 Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Nonmajor Governmental Funds		
Med-Quest Special Revenue Fund1,077246Administrative Support Special Revenue Fund341,2308,292Other Nonmajor Governmental Funds75,53875,5381,301,841253,469	General Fund	883,9	996 106,373
Administrative Support Special Revenue Fund 341,230 8,292 Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Capital Projects Fund		- 63,020
Other Nonmajor Governmental Funds 75,538 75,538 1,301,841 253,469	Med-Quest Special Revenue Fund	1,0	077 246
1,301,841 253,469	Administrative Support Special Revenue Fund	341,2	230 8,292
	Other Nonmajor Governmental Funds	75,5	538 75,538
\$ 2,632,432 \$ 2,632,432		1,301,8	341 253,469
		\$ 2,632,4	\$ 2,632,432

The General Fund transferred approximately \$784,125,000 to the Nonmajor Governmental Funds for debt service payments and approximately \$99,861,000 to subsidize various Special Revenue Funds' programs, and approximately \$1,145,000 to the Capital Projects Fund to finance capital projects. Approximately \$63,020,000 of Highways receipts were transferred from the Nonmajor Governmental Funds to the Capital Projects Fund to finance capital projects.

9. Leases

Lease Commitments

Governmental Activities

The State leases office facilities and equipment under various operating leases expiring through fiscal 2030. Future minimum lease commitments for noncancelable operating leases as of June 30, 2021 were as follows (amounts expressed in thousands):

Fiscal Year	
2022	\$ 15,474
2023	10,298
2024	7,474
2025	4,384
2026	1,559
2027–2031	 2,737
Total future minimum lease payments	\$ 41,926

Rent expenditures for operating leases for the fiscal year ended June 30, 2021 amounted to approximately \$34,003,000.

On July 25, 2017, the State issued \$15,125,000 in Certificates of Participation (COPS) 2017 Series A to fully refund \$24,500,000 of the 2009 Series A Certificate, which proceeds were used to purchase the Kapolei State Office Building and Capitol District Building. Wells Fargo Bank, NA was paid \$18,739,000 by the Bank of New York Mellon Trust Company, NA on August 25, 2017 from the net proceeds of \$20,292,000 which include original issue premium of \$2,614,000 and funds on hand of \$2,553,000. The remaining amounts of \$152,000 was used as cost of issuance and \$1,401,000 was deposited to the Certificate Reserve Fund. Payments of principal and interest commenced on November 1, 2017 and will be payable every May 1 and November 1 until 2031, with interest rates ranging from 2% to 4% until 2022 and fixed at 5% starting in 2023.

An equipment lease purchase agreement between the Department of Transportation Highways Division and Johnson Controls, Inc. was entered into on July 8, 2015 to fund the construction, acquisition and installation of energy conservation systems throughout the State. The proceeds of \$60,286,091 were deposited into an acquisition fund held in trust by an acquisition fund custodian to provide for future payments as requested by the Highways Division. Payments commenced on August 1, 2017 and continue through August 1, 2031 at an interest rate of 2.63%.

An equipment lease purchase agreement between DAGS and Banc of America Public Capital Corp. was entered into on August 1, 2013 to fund the construction, acquisition and installation of energy conservation systems throughout the State. The proceeds of \$18,835,000 were deposited in an acquisition fund held in trust by an acquisition fund custodian to provide for future payments as requested by the State. Payments commenced on March 20, 2014 and continue through September 20, 2033 at an interest rate of 3.63%.

On April 14, 2011, an equipment lease purchase agreement between the Department of Public Safety and Capital One Public Funding, LLC was entered into, to fund the acquisition and installation of energy conservation equipment at the Halawa Correctional Facility and Oahu Community Correctional Center. An escrow agent to provide for future vendor payments as requested by the State deposited the proceeds of \$25,512,000 in an escrow fund. Payments commenced on May 1, 2012 and continue through November 1, 2030 at an interest rate of 5.021%.

An equipment lease purchase agreement between the DAGS and Capital One Public Funding, LLC was entered into on September 3, 2009, to fund the acquisition and installation of energy conservation equipment at various State buildings in the downtown Honolulu district. The proceeds of \$12,377,000 were deposited in an escrow fund by an escrow agent to provide for future vendor payments as requested by the State. Payments commenced on June 1, 2010 and continue through June 1, 2026 at an interest rate of 5.389%.

Future minimum lease payments for these capital leases are as follows (amounts expressed in thousands):

	1	Principal	I	nterest		Total
Fiscal Year	3-					
2022	\$	7,037	\$	3,898	\$	10,935
2023		7,761		3,620		11,381
2024		8,457		3,312		11,769
2025		9,221		2,972		12,193
2026		10,029		2,604		12,633
2027-2031		52,851		7,633		60,484
2032-2034	·-	13,309	K 8 <u>1</u>	486	1.09	13,795
Total future minimum lease payments	\$	108,665	\$	24,525	\$	133,190

Capital assets acquired under these capital leases are as follows (amounts expressed in thousands):

Asset type	
Buildings and improvements	\$ 15,125
Equipment	 117,010
Total assets	\$ 132,135

Business-Type Activities

Airports - Lease Revenue Certificates of Participation

Airports entered into a lease agreement with Johnson Controls, Inc. in December 2013. The costs relating to the lease and installation of certain equipment to implement the energy performance contract between Airports and Johnson Controls, Inc. was financed by lease revenue COPS issued by Airports in the amount of \$167,740,000 at interest rates ranging from 3.00% to 5.25%.

On April 13, 2016, Airports entered into a lease agreement with Johnson Controls, Inc. amending the Energy Performance Contract dated December 19, 2013 to finance improvements to Daniel K. Inouye International Airport's cooling infrastructure. The costs relating to the lease and installation of certain equipment to implement the third amendment to the Energy Performance Contract between Airports and Johnson Controls, Inc. was financed by lease revenue COPS issued by Airports in the amount of \$8,056,521 at an interest rate of 1.74%.

On March 31, 2017, Airports entered into a lease agreement with Johnson Controls, Inc. amending the Energy Performance Contract dated December 19, 2013 to finance improvements to the lighting infrastructure at multiple airports. The costs relating to the purchase and installation of certain equipment to implement the fourth amendment to the Energy Performance Contract between Airports and Johnson Controls, Inc. was financed by lease revenue COPS issued by Airports in the amount of \$51,473,427 at an interest rate of 2.87%.

The lease revenue COPS are payable from revenue derived by Airports from the ownership and operation of the Airports system and the receipts from aviation fuel taxes imposed by the State. The COPS represent participation in equipment lease rent payments made by the Department of Transportation. Lease rent payments to holders of the COPS are payable from revenues and aviation fuel taxes, subordinate in right of payments of debt service on bonds.

The outstanding lease revenue certificates of participation contain a provision that if the Airports Division is unable to make payment, outstanding amounts are due immediately. The lease revenue certificates of participation contains a subjective acceleration clause that allows the holders to accelerate payment of the entire principal amount to become immediately due if the holders determine that a material adverse change occurs.

At June 30, 2021, the outstanding balance of the lease revenue COPS and the unamortized premium were approximately \$186,431,000 and \$846,000, respectively. Future lease rent payments for the lease revenue COPS as of June 30, 2021 are as follows (amounts expressed in thousands):

Principal		Interest		Total	
		2 0			
\$	13,753	\$	7,982	\$	21,735
	15,204		7,343		22,547
	17,224		6,633		23,857
	19,760		5,797		25,557
	20,755		4,827		25,582
	86,115		8,874		94,989
r ₂ -	14,467	x 9 <u>2</u>	602	. 72	15,069
\$	187,278	\$	42,058	\$	229,336
	3 	\$ 13,753 15,204 17,224 19,760 20,755 86,115 14,467	\$ 13,753 \$ 15,204 17,224 19,760 20,755 86,115 14,467	\$ 13,753 \$ 7,982 15,204 7,343 17,224 6,633 19,760 5,797 20,755 4,827 86,115 8,874 14,467 602	\$ 13,753 \$ 7,982 \$ 15,204 7,343 17,224 6,633 19,760 5,797 20,755 4,827 86,115 8,874 14,467 602

Harbors - Equipment Lease Agreement

Harbors entered into an equipment lease purchase agreement to fund the installation and acquisition of energy conservation measures at selected Harbors Division locations. Annual lease payments commenced on October 1, 2017 and will continue through October 1, 2032 at an interest rate of 2.74%. Future minimum lease commitments as of June 30, 2021 are as follows (amounts expressed in thousands):

	P	rincipal	Ir	nterest		Total
Fiscal Year			-		-	
2022	\$	1,140	\$	645	\$	1,785
2023		1,264		613		1,877
2024		1,396		579		1,975
2025		1,537		540		2,077
2026		1,687		498		2,185
2027-2031		11,035		1,707		12,742
2032-2033		5,466		223		5,689
	\$	23,525	\$	4,805	\$	28,330

Lease Rentals

Airports - Airport-Airline Lease Agreement

The DOT and the airline companies serving the Airports system (signatory airlines) operated pursuant to an airport-airline lease agreement that was originally set to expire on July 31, 1992. Under the lease agreement, the signatory airlines each have the nonexclusive right to use the facilities, equipment, improvements and services of the Airports system and to occupy certain premises and facilities thereon. The lease agreement was extended under a series of five subsequent agreements, the last of which was executed in June 1994, and extended the expiration date to June 30, 1997 (hereafter the lease agreement and the five subsequent agreements are collectively referred to as the "lease extension agreement"). The lease extension agreement contains a provision under which the expiration date is automatically extended on a quarterly basis after June 30, 1997, unless terminated by either party upon at least 60 days prior written notice. In October 2007, the DOT and a majority of the signatory airlines executed the first amended lease extension agreement effective January 1, 2008.

Under the first amended lease extension agreement, the Airports system rates and charges are calculated using a rate-making methodology that recovers costs of specific airport system facilities from the signatory airlines that directly use them. The Airports system rates and charges consist of the following: (1) exclusive-use terminal charges based on a cost center residual rate-setting methodology and recovered on a per-square-foot basis, (2) joint-use premises charges (for nonexclusive use of terminal space, except for commuter terminal space) based on a cost center residual rate-setting methodology and recovered on a per enplaning or deplaning passenger basis, (3) commuter terminal charges based on appraisal and recovered on a per enplaning passenger basis, (4) international arrivals building charges based on a cost center residual rate-setting methodology and recovered on a per deplaning international passenger basis, (5) landing fees based on a cost center residual rate-setting methodology and recovered on a revenue landing landed weight basis (per 1,000-pound units), and (6) system

support charges based on an Airports system residual rate-setting methodology and recovered on a revenue landing landed weight basis (per 1,000-pound units).

Airports - Prepaid Airport Use Charge Fund

The DOT and the signatory airlines entered into an agreement in August 1995 to extend the prepaid airport use charge fund (PAUCF). Net excess payments for fiscal years 1996 through 2021 have been transferred to the PAUCF.

Airports - Aviation Fuel Tax

In May 1996, the Department of Taxation issued a tax information release which stated that, effective July 1, 1996, the Hawaii fuel tax will not apply to the sale of bonded aviation/jet fuel to air carriers departing for foreign ports or arriving from foreign ports on stopovers before continuing on to their final destination. The aviation fuel tax amounted to approximately \$1,642,000 for fiscal year 2021.

Airports - System Rates and Charges

Signatory and non-signatory airlines were assessed the following rates and charges:

- Landing fees amounted to approximately \$63,452,000 for fiscal year 2021. Airport landing fees are shown, net of aviation fuel tax credits of approximately \$1,717,000, for fiscal year 2021 on the statement of revenues, expenses, and changes in net position, which resulted in net airport landing fees of approximately \$61,735,000 for fiscal year 2021. Airport landing fees are based on a computed rate per 1,000-pound units of approved maximum landing weight for each aircraft used in revenue landings. Airport interisland landing fees for signatory airlines were set at 48% of the airport landing fees for overseas flights for fiscal year 2021, and are scheduled to increase 1% annually until it reaches 100%.
- Nonexclusive joint-use premise charges for terminal rentals amounted to approximately \$65,711,000 for fiscal year 2021. Overseas and interisland joint-use premise charges were established to recover Airports system costs allocable to the overseas and interisland terminals joint-use space based on terminal rental rates, and are recovered based on a computed rate per enplaning or deplaning passengers.
- Exclusive use premise charges amounted to approximately \$64,345,000 for fiscal year 2021, and were computed using a fixed rate per square footage. Exclusive use premise charges for terminal rentals amounted to approximately \$28,829,000 for fiscal year 2021.

Airports - Other Operating Leases

Airports leases certain building spaces and improvements to concessionaires, airline carriers, and other airport users. The terms of those leases range from 4 to 15 years for concessionaires and up to 65 years for other airport users. Concessionaire lease rentals are generally based on the greater of a percentage of sales or a minimum guarantee. Percentage rent included in concession fees revenues for the fiscal year ended June 30, 2021 was approximately \$61,534,000.

Concession fees revenues from the DFS Group L.P. (DFS), which operates the in-bond (duty free) concession, accounted for approximately 0% of total concession fees revenues for the fiscal year ended June 30, 2021. Airports has waived the minimum annual guarantee requirement for certain eligible concessionaires, including DFS, through December 2021 and will continue with the waiver until further notice.

DFS was awarded a ten-year lease agreement for the in-bond concessions with the term commencing on June 1, 2007, and terminating on May 31, 2017. On August 31, 2010, the lease was amended under provisions of Act 33, SLH 2009-883.

Effective October 31, 2014, the in-bond concession lease agreement was amended and the lease was extended through May 31, 2027. The amended lease contract provides (1) for the period from June 1, 2017 through May 31, 2019, \$40 million, (2) for the period of June 1, 2019 through May 31, 2020, \$47.5 million, (3) for the period June 1, 2020 through May 31, 2021, 85% of the actual annual fee paid and payable (either minimum annual guarantee (MAG) rent or percentage rent) for the previous year, (4) for the period of June 1, 2021 through May 31, 2022, the same as the previous year, (5) for the period of June 1, 2022 through May 31, 2023, 85% of the actual fee paid and payable for the previous year, and (6) for the period from June 1, 2023 through May 31, 2027, the same as the MAG rent for the period of June 1, 2022 through May 31, 2023. The percentage fee for the extension period will be set at 30% of gross receipts from on-airport sales and 18% of gross receipts from off-airport sales. Percentage fee for merchandise converted from duty free status to duty paid status shall be 1.25%, and the concession fee for items that are "High Price/Low Margin Merchandise" shall be 2.5% of the gross receipts from the sale. In addition, DFS agreed to pay \$27.9 million for improvements to the Central Waiting Lobby Building at Daniel K. Inouye International Airport.

In March 2009, DFS was awarded a five-year lease agreement for the retail concession at the Daniel K. Inouye International Airport, with the term commencing on April 1, 2009, and scheduled to terminate on March 14, 2014. Rents were computed as the higher of (1) percentage rent of 20% of gross receipts, and (2) MAG rent (85% of the actual annual fee paid for the preceding year). The lease agreement was extended for a holdover period through March 31, 2015. During the holdover period, the MAG rent was \$12 million. Subsequently, on October 31, 2014, the lease agreement was amended to extend the term through March 31, 2025. The amendment provided that the MAG rent be \$12 million for the period April 1, 2015 through March 31, 2016 and, for each subsequent year thereafter, the MAG rent will be 85% of the actual annual fee paid for the preceding year.

Harbors – Leasing Operations

Harbors leases land, wharf and building spaces under month-to-month revocable permits and long-term leases. The long-term leases expire during various years through August 2087. Those leases generally call for rental increases every five to ten years based on a step-up or independent appraisals of the fair rental value of the leased property.

Revenues for the fiscal year ended June 30, 2021 amounted to \$26,896,000 and have been included in rental revenues.

The following schedule presents the approximate future minimum lease rentals under noncancelable operating leases of the Proprietary Funds as of June 30, 2021 (amounts expressed in thousands):

	Proprietary Funds					
	Airports			Harbors		Total
Fiscal Year						
2022	\$	32,299	\$	8,243	\$	40,542
2023		30,669		8,282		38,951
2024		30,430		8,178		38,608
2025		29,158		8,086		37,244
2026		35,656		8,168		43,824
2027-2031		77,725		39,089		116,814
2032-2036		12,636		29,867		42,503
2037-2041		5,903		25,315		31,218
2042-2046		6,659		17,244		23,903
2047-2051		7,539		7,903		15,442
2052-2056				7,723		7,723
2057-2061		/ =		6,085		6,085
2062-2066		02:		5,137		5,137
2067–2071		0.75		5,137		5,137
2072-2076		:: :		5,137		5,137
2077-2081		-		5,137		5,137
2082-2086		6-		5,137		5,137
2087-2088	9			1,160	- P <u></u>	1,160
	\$	268,674	\$	201,028	\$	469,702

Net Investment in Direct Financing Leases

Certain leases of state-owned special facilities to parties engaged in airline operations are accounted for as direct financing leases. At June 30, 2021, net investments in direct financing leases of Airports consisted of the following (amounts expressed in thousands):

vi -	(7,790)
2.5	20,250
<u> </u>	1,628
\$	21,878
	\$

Minimum future rentals to be received under direct financing leases of Airports as of June 30, 2021 consisted of the following (amounts expressed in thousands):

Fiscal Year		
2022	\$	1,222
2023		1,222
2024		1,222
2025		1,222
2026		1,222
2027–2028	2	23,558
	\$ 2	9,668

10. Significant Transactions with Component Units

Hawaii Health Systems Corporation

The amount due to the State of \$19,008,000 at June 30, 2021 was comprised of cash advances that was assumed by the HHSC.

Hawaii Hurricane Relief Fund

In 2002, Act 179, SLH 2002, provided that all interest and dividends earned from the principal in the hurricane reserve trust fund be transferred and deposited into the State General Fund each year that the hurricane reserve trust fund remains in existence, beginning with fiscal year 2003. For the year ended June 30, 2021, interest and dividends earned and earmarked for transfer into the State General Fund amounted to \$3,905,000.

Hawaii Tourism Authority

The governor's Sixth Supplementary (emergency) Proclamation, issued on April 25, 2020, suspended specific provisions of law. Included were Sections 237D-6.5(b), HRS, distribution of the TAT. In June 2021, the Governor temporarily restarted the distribution of TAT revenues to the Authority. Total TAT revenues deposited into the Convention Center Fund and Tourism Fund was \$16,500,000 and \$21,505,000, respectively, for the fiscal year ended June 30, 2021.

11. Retirement Benefits

Pension Plan

Plan Description

Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at the ERS website: http://ers.ehawaii.gov/resources/financials.

Benefits Provided

The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement plans. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

- <u>Retirement Benefits</u> General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.
- <u>Disability Benefits</u> Members are eligible for service-related disability benefits
 regardless of length of service and receive a lifetime pension of 35% of their average
 final compensation. Ten years of credited service are required for ordinary disability.
 Ordinary disability benefits are determined in the same manner as retirement benefits
 but are payable immediately, without an actuarial reduction, and at a minimum of 12.5%
 of average final compensation.
- <u>Death Benefits</u> For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or surviving dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and surviving dependent children (up to age 18) receive a benefit equal to a percentage of the member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the surviving dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

Contributory Class for Members Hired Prior to July 1, 2012

- <u>Retirement Benefits</u> General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.
 - Police officers and firefighters' retirement benefits are determined using the benefit multiplier of 2.5% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with five years of credited service are eligible to retire at age 55. Police officers and firefighters with 25 years of credited service are eligible to retire at any age, provided the last five years is service credited in these occupations.
- <u>Disability Benefits</u> Members are eligible for service-related disability benefits regardless
 of length of service and receive a one-time payment of the member's contributions and
 accrued interest plus a lifetime pension of 50% of their average final compensation. Ten
 years of credited service are required for ordinary disability. Ordinary disability benefits
 are determined as 1.75% of average final compensation multiplied by the years of credited
 service but are payable immediately, without an actuarial reduction, and at a minimum of
 30% of average final compensation.
- <u>Death Benefits</u> For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Members Hired After June 30, 2012

 <u>Retirement Benefits</u> – General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.

Police officers and firefighters' retirement benefits are determined using the benefit multiplier of 2.25% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with ten years of credited service are eligible to retire at age 60. Police officers and firefighters with 25 years of credited service are eligible to retire at age 55, provided the last five years is service credited in these occupations.

<u>Disability and Death Benefits</u> – Members are eligible for service-related disability benefits
regardless of length of service and receive a lifetime pension of 50% of their average final
compensation plus refund of contributions and accrued interest. Ten years of credited
service are required for ordinary disability.

For police officers and firefighters, ordinary disability benefits are 1.75% of average final compensation for each year of service and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

Hybrid Class for Members Hired Prior to July 1, 2012

- <u>Retirement Benefits</u> General employees' retirement benefits are determined as 2% of
 average final compensation multiplied by the years of credited service. General employees
 with five years of credited service are eligible to retire at age 62. General employees with
 30 years of credited service are eligible to retire at age 55.
- <u>Disability Benefits</u> Members are eligible for service-related disability benefits regardless
 of length of service and receive a lifetime pension of 35% of their average final
 compensation plus refund of their contributions and accrued interest. Ten years of
 credited service are required for ordinary disability. Ordinary disability benefits are
 determined in the same manner as retirement benefits but are payable immediately,
 without an actuarial reduction, and at a minimum of 25% of average final compensation.

• <u>Death Benefits</u> – For service-connected deaths, the designated surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Class for Members Hired After June 30, 2012

- <u>Retirement Benefits</u> General employees' retirement benefits are determined as 1.75% of
 average final compensation multiplied by the years of credited service. General employees
 with ten years of credited service are eligible to retire at age 65. Employees with 30 years
 of credited service are eligible to retire at age 60. Sewer workers, water safety officers,
 and emergency medical technicians may retire with 25 years of credited service at age 55.
- Disability and Death Benefits Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributions

Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2021 were 41% for police officers and firefighters and 24% for all other employees. Contributions to the pension plan from the State was approximately \$632,633,000 for the fiscal year ended June 30, 2021.

Per Act 17 SLH 2017, employer contributions from the State and counties are expected to increase over four years beginning July 1, 2017. The rate for police and firefighters increased to 41% on July 1, 2020. The rate for all other employees increased to 24% on July 1, 2020.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012 are required to contribute 7.8% of their salary, except for police officers and firefighters who are required to contribute 12.2% of their salary. Contributory members hired after June 30, 2012 are required to contribute 9.8% of their salary, except for police officers and firefighters who are required to contribute 14.2% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the State reported a liability of approximately \$7.8 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2020, the State's proportion was 55.8385%, which was a decrease of 0.0894% from its proportion measured as of June 30, 2019.

There was no change in actuarial assumptions as of June 30, 2019 to June 30, 2020. There were no changes between the measurement date, June 30, 2020, and the reporting date, June 30, 2021, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the fiscal year ended June 30, 2021, the State recognized pension expense of approximately \$1,105,385,000. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts expressed in thousands):

		Deferred utflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$	93,416	\$	-	
Changes in assumptions		225,962		(104)	
Net difference between projected and actual earnings on pension plan investments		294,825		-	
Changes in proportion and differences between State contributions and proportionate share of contributions		45,813		(25,067)	
State contributions subsequent to the measurement date	N <u>s</u>	632,631	- Fr <u> </u>	18.	
Total	\$	1,292,647	\$	(25,171)	

At June 30, 2021, the approximate \$632,631,000 reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts expressed in thousands):

Fiscal Year		
2022	\$ 256,137	7
2023	130,923	3
2024	141,390	0
2025	104,187	7
2026	2,208	8_
	\$ 634,845	5

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS Board of Trustees on August 12, 2019, based on the 2018 Experience Study for the five-year period from July 1, 2013 through June 30, 2018:

Inflation	2.50%
Payroll growth rate	3.50%

Investment rate of return 7.00% per year, compounded annually including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Post-retirement mortality rates are based on the 2019 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2019 and full generational projections in future years. Pre-retirement mortality rates are based on multiples of Pub-2010 mortality table based on the occupation of the member.

The long-term expected rate of return on pension plan investments was determined using a "top down approach" of the Client-constrained Simulation-based Optimization Model (a statistical technique known as "re-sampling with a replacement" that directly keys in on specific plan-level risk factors as stipulated by the ERS Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return (real returns and inflation) by the target asset allocation percentage.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Expected Real Rate of Return
Strategic allocation (risk-based classes)		
Broad growth	63.0%	7.1%
Principal protection	37.0%	3.7%
Total investments	100.0%	

Discount Rate

The discount rate used to measure the net pension liability was 7.00%, consistent with the rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the State will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (amounts expressed in thousands):

	1%			Discount		1%
	Decrease (6.00%)		Rate (7.00%)		Increase (8.00%)	
State's proportionate share of the net pension liability	\$	10,039,156	\$	7,814,788	\$	5,981,005

Pension Plan Fiduciary Net Position

The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. The ERS complete financial statements are available at http://ers.ehawaii.gov/resources/financials.

Payables to the Pension Plan

The State's employer contributions payable to the ERS by fiscal year end was paid by June 30, 2021. Excess payments of \$10,063,000 are being applied to amounts due in fiscal year 2022.

Postemployment Healthcare and Life Insurance Benefits

Plan Description

The State provides certain healthcare and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The EUTF issues an annual financial report that is available to the public at https://eutf.hawaii.gov/reports/. The report may also be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

For employees hired before July 1, 1996, the State pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

Employees Covered by Benefit Terms

At July 1, 2020, the State had the following number of plan members covered:

Inactive plan members or beneficiaries currently receiving benefits	37,767
Inactive plan members entitled to but not yet receiving benefits	7,576
Active plan members	50,831
Total plan members	96,174

Contributions

Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the State was \$621,839,000 for the fiscal year ended June 30, 2021. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the State reported a net OPEB liability of approximately \$6.5 billion. The net OPEB liability was measured as of July 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2020, and the reporting date, June 30, 2021, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2021, the State recognized OPEB expense of approximately \$591,155,000. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts expressed in thousands):

		Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$	-	\$	(545,126)	
Changes in assumptions		78,751		(37,806)	
Net difference between projected and actual earnings on OPEB plan investments		77,156		=	
State contributions subsequent to the measurement date		1,140,902		-	
Total	\$	1,296,809	\$	(582,932)	

At June 30, 2021, the approximate \$1,140,902,000 reported as deferred outflows of resources related to OPEB resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts expressed in thousands):

Fiscal Year	
2022	\$ (85,675)
2023	(82,506)
2024	(81,697)
2025	(76,825)
2026	(100,322)
	\$ (427,025)

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 13, 2020, based on the experience study covering the five-year period ended June 30, 2018 as conducted for the ERS:

Inflation 2.50%

Salary increases 3.50% to 7.00% including inflation

Investment rate of return 7.00%

Healthcare cost trend rates

PPO* Initial rate of 7.50%; declining to a rate of 4.70%

after 13 years

HMO* Initial rate of 7.50%; declining to a rate of 4.70%

after 13 years

Contribution Initial rate of 5.00%; declining to a rate of 4.70%

after 10 years

Dental Initial rate of 5.00% for the first year; followed

by 4.00% for all future years

Vision Initial rate of 0.00% for the first year; followed

by 2.50% for all future years

Life insurance 0.00%

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.

^{*} Blended rates for medical and prescription drugs.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Asset Class		:
Private equity	10.0%	9.66%
U.S. microcap	6.0%	7.85%
U.S. equity	14.0%	6.23%
Non-U.S. equity	16.0%	7.72%
Global options	6.0%	4.65%
Core real estate	10.0%	5.98%
Private credit	6.0%	5.50%
Core bonds	3.0%	0.08%
TIPS	5.0%	0.11%
Long treasuries	6.0%	0.86%
Alternative risk premia	5.0%	1.56%
Trend following	8.0%	2.21%
Reinsurance	5.0%	4.34%
Total investments	100.0%	

Single Discount Rate

The discount rate used to measure the net OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00%. Beginning with the fiscal year 2019 contribution, the State's funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. In July 2020, the Governor's office issued the Tenth Proclamation related to the COVID-19 Emergency, allowing employers of the EUTF to suspend Act 268 contributions for the fiscal year ending June 30, 2021 and instead limit their contribution amounts to the OPEB benefits due. This temporary Act 268 suspension would not derail the plan's long-term funding progress. Even if Act 268 is suspended through fiscal year ending June 30, 2025, the OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Act 229, SLH 2021 suspends the contribution requirement for fiscal years 2022 and 2023. The State made its full Annual Required Contribution in fiscal year 2021 and intends to make contributions for fiscal years 2022 and 2023. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position

The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF's financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF's complete financial statements are available at https://eutf.hawaii.gov/reports/.

Changes in Net OPEB Liability

The following table represents a schedule of changes in the net OPEB liability. The ending balances are as of the measurement date, July 1, 2020.

		Total OPEB Liability	an Fiduciary let Position	Net OPEB Liability		
Beginning balance	\$	8,465,089	\$ 1,487,367	\$	6,977,722	
Service cost Interest on the total OPEB liability Difference between expected		188,421 605,064	Y <u>-</u> 125		188,421 605,064	
and actual experience Changes of assumptions		(553,961) (45,357)	-		(553,961) (45,357)	
Employer contributions Net investment income		-	621,839 33,201		(621,839) (33,201)	
Benefit payments Administrative expense Other		(278,276)	(278,276) (235) 208		235 (208)	
Net changes	8.	(84,109)	376,737		(460,846)	
Ending balance	\$	8,380,980	\$ 1,864,104	\$	6,516,876	

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following table presents the State's net OPEB liability calculated using the discount rate of 7.00%, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate (amounts expressed in thousands):

	1%			Discount		1%
Decrease (6.00%)		Rate (7.00%)		Increase (8.00%)		
State's proportionate share of the net OPEB liability	\$	7,819,763	\$	6,516,876	\$	5,490,207

The following table presents the State's net OPEB liability calculated using the assumed healthcare cost trend rate, as well as what the State's net OPEB liability would be if it were calculated using the trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate (amounts expressed in thousands):

	Healthcare					
		1% Decrease		Cost Trend Rate		1% Increase
State's proportionate share of	(-	
the net OPEB liability	\$	5,443,763	\$	6,516,876	Ş	7,904,935

Payables to the OPEB Plan

The State's employer contributions payable to the EUTF was \$390,000,000 as of June 30, 2021.

12. Commitments and Contingencies

Commitments

General Obligation Bonds

The State has issued general obligation bonds in which repayments, including interest, are reimbursed from specific revenue sources of the Special Revenue Funds with terms corresponding to that of the related general obligation bonds (see Note 4). At June 30, 2021, outstanding commitments to repay general obligation bonds consisted of the following (amounts expressed in thousands):

Special Revenue Funds

\$ 4,624
 31,122
\$ 35,746
\$

Accumulated Sick Leave

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limit but may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a State employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the ERS. At June 30, 2021, accumulated sick leave was approximately \$1,309,816,000.

Intergovernmental Expenditures

In accordance with HRS Section 237D-6.5, as amended by Act 1, SLH Special Session 2017, \$103,000,000 in transient accommodation tax revenues collected are to be distributed annually to the counties. On April 25, 2020, the Governor issued the Sixth Supplementary Proclamation amending and restating prior proclamations and executive orders related to the COVID-19 emergency that suspended the distribution of transient accommodation tax revenues to the counties. In June 2021, the Governor temporarily restarted the distribution of TAT revenues to the counties.

Pursuant to HRS Section 248-2.7, the State has established a mass transit Special Fund. For the period beginning on January 1, 2018 to December 31, 2030, transient accommodations tax and surcharge on state tax revenues allocated to the mass transit special fund pursuant to HRS Sections 237D-2(e), and 248-2.6 shall be deposited into the special fund. As of June 30, 2021, the City and County of Honolulu, Hawaii County, and Kauai County had adopted ordinances for a surcharge.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. These amounts generally will become liabilities in future periods.

Significant encumbrances at June 30, 2021 include (amounts expressed in thousands):

Fund	Type

General	\$	486,547
Capital Projects		1,901,868
Med-Quest Special Revenue		31,065
Administrative Support Special Revenue		18,310
Other Governmental	no.	1,632,919
	\$	4,070,709

Guarantees of Indebtedness

The State is authorized to guarantee indebtedness of others at a maximum amount of approximately \$233,500,000 for aquaculture/agriculture loans, Hawaiian Home Lands loans, various projects involving mortgage loans for rental homes made by private nonprofit corporations or governmental corporations, mortgage loans for housing projects, and rental assistance obligations of Component Units – HHFDC and HPHA. The State has not paid, nor does it expect to pay, any amounts as a result of such guarantees as of June 30, 2021.

Proprietary Fund Type – Enterprise Funds

Construction and Service Contracts

At June 30, 2021, the Enterprise Funds had commitments of approximately \$1,122,092,000 for construction and service contracts.

Contingencies

The State has been named as defendant in numerous lawsuits and claims arising in the normal course of operations. To the extent that the outcome of such litigation has been determined to result in probable financial loss to the State, such loss has been accrued in the basic financial statements. Of the remaining claims, a number of claims may possibly result in adverse judgments against the State. However, such claim amounts cannot be reasonably estimated at this time. The litigation payments relating to the years ended June 30, 2021, 2020 and 2019 approximated \$1,580,000, \$466,000 and \$10,553,000, respectively.

Tobacco Settlement

In November 1998, the State settled its tobacco lawsuit as part of a nationwide settlement involving 46 other states and various tobacco industry defendants. Under the settlement, those tobacco companies that have joined in the Master Settlement Agreement (MSA) will pay the State approximately \$1.3 billion over a 25-year period. The State is to receive proceeds from this settlement in January and April of the subsequent year through 2004 and thereafter on April 15 of each subsequent year. The State received approximately \$37,461,000 during the fiscal year ended June 30, 2021. As of June 30, 2021, the State expects to receive \$20,000,000 for the first six months of fiscal 2022.

The MSA requires the State to diligently enforce certain requirements enacted in the Tobacco Liability Act. Failure may result in a state losing a significant portion of its MSA payments. Participating tobacco manufacturers who have joined in the MSA are challenging whether the State of Hawaii diligently enforced the provisions of the Tobacco Liability Act for the entirety of 2004. Preliminary phases of the 2004 Diligent Enforcement Arbitration commenced, and in March 2018, the State agreed to a multi-million dollar arbitration settlement with the Tobacco Industry to avoid the expense and uncertainty of arbitrating each calendar year from 2004 through and including 2017. During the fiscal year ended June 30, 2018, the State received a lump sum arbitration settlement of approximately \$58,711,000. The settlement was reduced by approximately \$15,875,000 in a "one time" arbitration credit and other arbitration adjustments. The arbitration settlement also resulted in credits over a five-year period, beginning in 2018. The State expects reductions of approximately \$6 million through fiscal year 2022.

Office of Hawaiian Affairs and Ceded Lands

In 1898, the former Republic of Hawaii transferred certain lands to the United States. Upon Hawaii's admission to the Union in 1959, the United States reconveyed title to those lands (collectively, the Ceded Lands) to the State of Hawaii to be held as a public trust for five purposes: (1) public education; (2) betterment of the conditions of native Hawaiians; (3) development of farm and home ownership; (4) making public improvements; and (5) provision of land for public use. On November 7, 1978, the State Constitution was amended expressly to provide that the Ceded Lands, excluding any "available lands" as defined in the Hawaiian Homes Commission Act of 1920, as amended, were to be held as a public trust for native Hawaiians and the general public, and to establish OHA to administer and manage the proceeds and income derived from a pro rata portion of the Ceded Lands as provided by law to better the conditions of native Hawaiians. In 1979, the Legislature adopted HRS Chapter 10 (Chapter 10), which, as amended in 1980, specified, among other things, that OHA expend 20% of the funds derived by the State from the Ceded Lands for the betterment of native Hawaiians. Since then, the State's management of the Ceded Lands and its disposition of the proceeds and income from the Ceded Lands have been challenged by OHA and individual native Hawaiians, Hawaiians and non-Hawaiians. Claims have been made under Article XII, Sections 4 and 6 of the Hawaii Constitution to the effect that the State has breached the public trust, and OHA has not received from the Ceded Lands all of the income and proceeds that it should be receiving. Except for the claims pending in the OHA v. HHA case discussed below, the Legislature, the state and federal courts, and the State's governors have acted to address the concerns raised. However, there can be no assurance that in the future there will not be asserted against the State new claims made under Article XII, Sections 4 and 6 of the Hawaii Constitution that the State has breached the public trust, or that OHA is not receiving from the Ceded Lands all of the income and proceeds that it should be receiving.

In OHA v. HHA, OHA filed suit on July 27, 1995 (OHA v. HHA, et al., Civil No. 95-2682-07 (1st Cir.)) against the Hawaii Housing Authority (the HHA, since succeeded by the Hawaii Public Housing Authority, as described below), the executive director of the HHA, the board members of the HHA, and the Director of Finance to secure additional compensation and an itemized accounting of the sums previously paid to OHA for five specifically identified parcels of Ceded Lands which were transferred to the HHA for its use to develop, construct and manage additional affordable public rental housing units under HRS Chapter 201G. On January 11, 2000, all proceedings in this suit were stayed pending the Hawaii Supreme Court's decision in OHA, et al. v. State of Hawaii, et al., Civil No. 94-0205-01 (1st Cir.). The September 12, 2001 decision of the Hawaii Supreme Court (OHA v. State of Hawaii, 96 Haw. 399 (2001)) includes elements, with which OHA disagrees, that would require dismissal of OHA's claims in OHA v. HHA. On November 20, 2018, State Defendants and the Plaintiffs executed and filed with the First Circuit Court a stipulation for dismissal with prejudice of all claims and parties to this case.

On March 2, 2020, OHA filed a motion for summary judgment regarding the claim for fiduciary duty. On April 20, 2020, the State filed a motion for partial summary judgment with respect to all claims for breach of fiduciary duty brought under Chapter 673, HRS, and with respect to the public-land trust and/or the native Hawaiian public trust. On May 20, 2020, the circuit court orally denied both motions.

On May 22, 2020, the State filed its First Amended Answer to the Complaint. Discovery is ongoing, and there is currently no trial date set.

On March 23, 2021, OHA and the defendants entered into a stipulation dismissing, with prejudice, all claims asserted by OHA for monetary damages. Such stipulation does not affect OHA's pending claims for declaratory and prospective injunctive relief.

The State intends to defend vigorously against OHA's claim in OHA v. HHA and in OHA v. State of Hawaii, UH, DLNR, BLNR. The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. The State is not aware of any other claims OHA may have or assert against the State. Resolution of all claims in favor of OHA and its beneficiaries could have a material adverse effect on the State's financial condition.

Department of Hawaiian Home Lands

In 1991, the Legislature enacted HRS Chapter 674, entitled "Individual Claims Resolution Under the Hawaiian Home Lands Trust," which established a process for individual beneficiaries of the Hawaiian Homes Commission Act of 1920 (HHCA) to file claims to recover actual economic damages they believed they suffered from a breach of trust caused by an act or omission of an official of the State between August 21, 1959, when Hawaii became a state, and June 30, 1988. Claims were required to be filed no later than August 31, 1995. There were 4,327 claims filed by 2,721 individuals.

The process was a three-step process which: (1) began with informal proceedings presided over by the Hawaiian Home Lands Trust Individual Claims Review Panel (the Panel) to provide the Legislature with non-binding findings and advisory opinions for each claim; (2) provided for the Legislature's review and consideration of the Panel's findings and advisory opinions, and appropriations of funds to pay the actual economic damages the Legislature deemed appropriate; and (3) allowed claimants to bring de novo civil actions by December 31, 1999 if they were not satisfied with the Panel's findings and advisory opinions, or the Legislature's response to the Panel's recommendations.

In 1997, the Legislature declared its intent to postpone acting upon the Panel's recommendations until all claims had been reviewed and forwarded to it. Legislation to allow the Panel and the Legislature until September 30, 2000 to act on all claims, and postpone the deadline for unsatisfied claimants to file suit until December 31, 2000, was adopted by the Legislature, but vetoed by the Governor in the 1999 regular session, and the Panel sunsetted on December 31, 1999.

On December 29, 1999, three claimants filed a class action lawsuit in the state circuit court for declaratory and injunctive relief and for general, special and punitive damages for breach of trust or fiduciary duty under HRS Chapters 674 and 673, violation of the due process, equal protection, and native rights clauses of the State Constitution, and breach of contract under HRS Chapter 661.

Kalima et al. v. State of Hawaii et al., Civil No. 99-4771 12VSM (1st Cir.) (Kalima I). Five other claimants filed similar individual claims actions for themselves on or before December 31, 1999. The Plaintiffs in these other actions stipulated to stay all proceedings in their actions pending the resolution of all questions of law in Kalima I that are common to the questions of law presented in their suits. Following the dismissal without prejudice of the actions of four of the five claimants, only one lawsuit, Aguiar v. State of Hawaii, et al., Civil No. 99-612 (3rd Cir.) (Aguiar), is pending and stayed.

On March 30, 2000, the three named plaintiffs in *Kalima I* filed a second class action lawsuit in the state circuit court for declaratory and injunctive relief, and for damages under HRS Chapter 673, for the Panel's and Legislature's alleged failure to remedy their breach of trust claims under HRS Chapter 674.

Kalima et al. v. State of Hawaii, et al., Civil No. 00-1-1041-03 (1st Cir.) (Kalima II). All proceedings in this action were stayed by stipulation, pending the resolution of those questions of law in Kalima I that are common to both Kalima I and Kalima II. Kalima I, Kalima II and Aguiar are collectively referred to under this caption as the "Individual Claims Cases."

The Plaintiffs in *Kalima I* filed a motion for partial summary judgment and asked the circuit court to declare that they were entitled to sue for breach of trust and recover damages under HRS Chapter 674. The State moved to dismiss the complaint and all claims in *Kalima I* for lack of subject matter jurisdiction. The circuit court granted the Plaintiffs' motion and denied the State's motion. The State was permitted to make an interlocutory appeal. In an opinion issued June 30, 2006, the Hawaii Supreme Court affirmed the circuit court's determination that the Plaintiffs were entitled to pursue their claims under HRS Chapter 674, but did not have a right to sue under HRS Chapter 661, and remanded the case back to the trial court for further proceedings.

The Plaintiffs in *Kalima I* have since filed first and second amended complaints to add 11 plaintiffs, and to divide the class into nine subclasses to include those with claims for damages for injuries allegedly suffered by (1) allegedly waiting too long to receive a homestead, (2) being barred from or delayed in receiving a homestead by allegedly ultra vires rules, (3) receiving allegedly uninhabitable homesteads, (4) allegedly lost applications, (5) allegedly defectively constructed homes or infrastructure, (6) allegedly being prevented from or delayed in succeeding to a parent's or spouse's homestead, (7) the manner in which the loans were administered, (8) the manner in which the leases were administered, and (9) other allegedly wrongful conduct. The court granted the Plaintiffs' motion to try the waiting list subclass' claims separately and first, and after a six-week bifurcated trial to determine liability only, the circuit judge for *Kalima II* ruled on November 3, 2009 that the State committed three breaches of trust between 1959 and 1988, and further proceedings were necessary to determine the amount of out-of-pocket damages the waiting list subclass members sustained, if any, as a result of those breaches.

By orders entered on November 24, 2009 and June 6, 2011, respectively, the Waiting List Liability Subclass certified for purposes of determining liability was recertified for the purpose of establishing causation and the fact of damages (over the State's objection), and again as the Waiting List Damages Model Subclass for the purpose of devising a model for use on a classwide basis to determine the amount of damages subclass members may be awarded. Notice to the putative members of the Waiting List Damages Model Subclass of the right to opt out of the Waiting List Damages Model Subclass was mailed to all members of the Waiting List Liability Subclass on May 22, 2012, and published on the DHHL website, and in the DHHL and OHA newsletters.

Multiple motions to establish a damages model were filed and heard between March 2011 and August 31, 2012. Orders were entered on January 24, 2012 and February 14, 2013. After a three-day trial completed on October 3, 2013, the court ruled in a Minute Order that (1) the annual fair market rental values used to calculate damages for claimants who applied for Oahu residential leases be based on 4% of the fee simple value of a 5,000 square foot lot in Maili, obtained from a "best fit" curve derived from actual fee simple Maili valuations from 1959 through July 8, 2013, (2) for damage calculations the rents adjust annually, and (3) that there are no increases for the consumer price index or other present value adjustments. However, to date, no proceeding or procedure has been scheduled or devised to apply the damages model to determine whether and how much each claimant would be awarded in damages. The parties have participated in a private mediation on the matters in controversy in the case, pursuant to the circuit court's order approving the parties' Stipulation to Participate in Private Mediation, etc., filed on September 13, 2013.

On January 20, 2015, the Plaintiffs filed a motion for summary judgment to compute the damages of members of the Waiting List Damages Subclass (none of whom were named plaintiffs) who applied for a residential homestead on Oahu. The motion was heard on June 30, 2015. An order granting and denying the motion in part was entered on July 26, 2017. The court concluded the Plaintiffs' motion was premature, and entered an order which makes certain findings of facts about twelve members of the Waiting List Subclass, and rules on procedural issues raised in the motion.

The parties have agreed to make every effort to facilitate the entry of a final judgment in the case as expeditiously as possible. In furtherance of that effort, the Plaintiffs filed seven motions in June and July of 2016. The State filed cross motions to three of the Plaintiffs' motions, and opposed all the Plaintiffs' motions. The circuit court heard all motions on September 2, 2016, and took them under advisement. The Plaintiffs filed four additional motions and the State filed three additional motions, which were heard on November 4, 2016, December 12, 2016, and January 30, 2017, respectively.

The circuit court has entered orders granting (in whole or in part) eleven of the Plaintiffs' motions and denying (in whole or in part) two of the Plaintiffs' motions. The circuit court entered orders granting (in whole or in part) three of the State's motions and cross motions and denying (in whole or in part) three of the State's motions and cross motions and denying (in whole or in part) four of the State's motions and cross motions.

An HRCP Rule 54(b) Final Judgment was entered on January 9, 2018 in favor of the Waiting List Subclass and against the State, DHHL, the DHHL Trust Individual Claims Review Panel, and the Governor of the State of Hawaii. State Defendants and the Plaintiffs, respectively, filed an appeal and a cross-appeal from the HRCP Rule 54(b) Final Judgment in favor of the Waiting List Subclass and against the State Defendants, in the Intermediate Court of Appeals. The opening briefs in the appeal and cross-appeal were filed through October 4, 2018. The reply briefs were filed on December 28, 2018. Oral arguments and the answering briefs have not yet been scheduled.

The Plaintiffs filed an Application for Transfer to the Supreme Court of Hawaii on December 31, 2018 and State Defendants informed the Supreme Court that they did not oppose the application in a response to the application on January 7, 2019. The case was fully briefed and oral argument was presented in the Supreme Court on August 21, 2019. The case was taken under advisement by the court.

In an opinion issued on June 30, 2020, the Supreme Court of Hawaii ruled as follows:

- The circuit court did not err in adopting a fair market rental value model to determine damages for each Waiting List Subclass member as opposed to requiring each member to prove their out-of-pocket loss individually.
- The circuit court did not err in adopting State Defendant's 'best fit curve" for use in their fair market value model.
- The circuit court did not err in applying the fair market value rental value model, which
 was created using a sample lot on Oahu, to all Waiting List Subclass members, regardless
 of whether they lived on another island.
- All Waiting List Subclass members are entitled to damages under the fair market rental value model, and State Defendants have the burden of establishing any applicable defenses that would reduce those damages.
- Damages for Waiting List Subclass members cannot be adjusted to present value to account for inflation.
- The circuit court erred in ruling that damages for Waiting List Subclass members only begins to accrue six years after DHHL received their homestead applications.
- The circuit court did not err in finding that the State of Hawaii breached its trust duties by failing to recover lands that were withdrawn from the trust corpus by the federal government before Statehood.
- The circuit court did not err in establishing a list of Waiting List Subclass members; each
 member will go through the claims administration process to determine if they have a
 viable claim for damages. The court held that inclusion of a claimant is automatically
 entitled to damages.

The Supreme Court directed that the case be remanded to the Circuit Court for further proceedings consistent with its opinion, and judgment on appeal was entered on July 21, 2020. On July 24, 2020, Plaintiffs' counsel filed motions for attorneys' fees and costs, seeking over a million dollars in lodestar and enhanced fees for their work on the appeal and interim fees. The State opposed the amount requested. The motions were granted in part and denied in part by the Supreme Court of Hawaii, which reduced the total amount to approximately \$370,000. While it is not possible to predict the outcome of this litigation or the scope of damages, if any, the cost to the State could be substantial and could have a material adverse effect on the State's financial condition.

Nelson – In the First Amended Complaint filed on October 19, 2007 in Nelson et al., v. Hawaiian Homes Commission, et al., Civil No. 07-1-1663-08 BIA (1st Cir.) (Nelson), the Plaintiffs allege all defendants breached their duties under Article XII, Sections 1 and 2 of the Hawaii Constitution by not providing sufficient funds to DHHL to place as many beneficiaries on residential, agricultural and pastoral homesteads within a reasonable period of time, and provide a fully functioning farm, ranch and aquaculture support program to maximize utilization of the homestead lands. They also allege that the Hawaiian Homes Commission and its members are in breach of the Hawaiian Home Lands trust for failing to obtain sufficient funds from the Legislature, and otherwise enforcing the provisions of Article XII, Sections 1 and 2 of the Hawaii Constitution, including filing suit against the State. Further, they allege that DHHL and the Hawaiian Homes Commission and its members have violated the Hawaiian Homes Commission Act (HHC Act) by leasing Hawaiian home lands solely to generate revenue and for commercial developments that are unrelated to actual homesteading programs, and without adhering to the requirements of Section 207(a) of the HHC Act.

As beneficiaries of the Hawaiian Home Lands trust and the HHC Act, the *Nelson* Plaintiffs asked the court to issue a mandatory injunction requiring DHHL and the Hawaiian Homes Commission and its members to seek, and the State to provide, sufficient funds for DHHL to place as many beneficiaries on the land within a reasonable period of time. On January 21, 2009, the court granted the defendants' motion for entry of summary judgment rejecting all claims that are based on the theory that the Hawaii State Legislature, the State of Hawaii, or any State agency or employee, is required to appropriate, request or otherwise provide or secure particular amounts of money for DHHL and its programs now and in the future. The court concluded that the political question doctrine barred it from deciding those claims because initial policy determinations that the court lacked authority to make were needed to resolve the parties' dispute over the definition and determination of "sufficient sums" as that term is used in Article XII, Section 1 of the Hawaii Constitution.

A final judgment in favor of the State was filed on September 23, 2009, and the Plaintiffs appealed. On January 12, 2011, the Intermediate Court of Appeals concluded that the political question doctrine did not preclude the courts from deciding the Plaintiffs' claims, and vacated the judgment and remanded the case to the circuit court for further proceedings. On May 4, 2011, the State and Director of Finance filed an application for writ of certiorari in the Hawaii Supreme Court to reverse the Intermediate Court of Appeals' judgment on appeal, and affirm the circuit court's final judgment. In the Hawaii Supreme Court, DHHL and the Hawaiian Homes

Commission and its members changed their position, and no longer supported the political question doctrine defense.

On May 9, 2012, the Hawaii Supreme Court concluded that there are no judicially manageable standards for determining "sufficient sums" for purposes of (1) developing lots, (2) loans, and (3) rehabilitation projects, which are the first three items listed in Article XII, Section 1. The Hawaii Supreme Court thus held the Plaintiffs' claims with respect to those items should have been rejected on political question grounds, and the Intermediate Court of Appeals erred in not so concluding. However, the Hawaii Supreme Court did uphold the Intermediate Court of Appeals as to item (4) of Article XII, Section 1, concluding that there are judicially manageable standards to determine what constitutes sufficient sums for "administrative and operating expenses." Determination of this amount awaits further litigation in the circuit court on remand. Pursuant to the Judgment on Appeal issued on July 25, 2013, the case was remanded to the circuit court for further proceedings.

On November 27, 2015, the circuit court issued its Findings of Fact, Conclusions of Law, and Order, which declared and ordered (1) the State has failed to provide sufficient funds to DHHL for its administrative and operating budget (budget) in violation of the State's constitutional duty, (2) the State must fulfill its constitutional duty by appropriating sufficient general funds to DHHL for its budget so that DHHL does not need to use or rely on revenue from general leases, and (3) although what is "sufficient" will change over the years, the sufficient sums that the legislature is constitutionally obligated to appropriate in general funds for DHHL's budget (not including significant repairs) is more than \$28 million for fiscal year 2016. The circuit court also ruled that prior to 2012, DHHL breached its trust duties by failing to take all reasonable efforts, including filing suit, to obtain all the funding it needs for its budget, and shall prospectively fulfill its constitutional duties and trust responsibilities and are enjoined from violating these obligations.

On December 21, 2015, after judgment was entered, the State filed a motion for reconsideration or to alter or amend the judgment and order, which the court granted in part and denied in part. The court rejected the State's position that (1) the legislature, not the courts, has the exclusive prerogative to decide what is a "sufficient sum" for DHHL's budget under Article XII, Section 1, and (2) there was insufficient evidence to support the court's conclusion that the "sufficient sum" for DHHL's budget is more than \$28 million for fiscal year 2016. The court granted reconsideration with the State's position that the judicial courts lack the authority, under the separation of powers doctrine, to order the legislative branch to appropriate any particular amount of funds to DHHL. The court amended its original Order to state that \$9,632,000 is not sufficient and that the State is required to fund DHHL's expenses by making sufficient general funds available to DHHL for fiscal year 2016.

The Plaintiffs filed a motion for reconsideration which the court denied. The State filed a notice of appeal and the Plaintiffs filed a notice of cross-appeal, both filed in the Intermediate Court of Appeals. Briefing in both appeals is completed, and on February 23, 2017, the Legislature was allowed, and filed an amicus curiae brief in support of the State's positions. On March 8, 2017, in response to the DHHL's application for transfer, the Hawaii Supreme Court transferred the appeal and cross-appeal from the Intermediate Court of Appeals to the Hawaii Supreme Court.

The Hawaii Supreme Court heard oral arguments in the appeal and cross-appeal on July 6, 2017. By its decision filed on February 9, 2018, the Hawaii Supreme Court vacated and remanded the case to the circuit court after holding that the circuit court is to use a baseline of \$1,300,000 to \$1,600,000, adjusted for inflation, to determine whether the State provided sufficient sums for DHHL's administrative and operating budget. The case has been assigned to the circuit court, and the court set a status conference for December 16, 2019. On remand, the circuit court directed, and the parties filed motions that set out their positions on how the court should proceed in response to the *Nelson II* decision. The motions were heard on June 1, 2020, and denied in a Minute Order filed on June 23, 2020 which provides that the circuit court will hold an evidentiary hearing, applying the Hawaii Rules of Evidence, to complete the task the court was given on remand: to determine the administrative and operating budget for the fiscal year 2016 budget by using the 1978 baseline of \$1,300,000 to \$1,600,000 adjusted for inflation.

A two-day evidentiary hearing was held on September 9 and 10, 2020, at which each of the parties presented differing expert testimony for adjusting the 1978 baseline of \$1,300,000 to \$1,600,000 for inflation, and determining whether the Legislature had provided sufficient sums for DHHL's fiscal year 2016 administrative and operating budget. On December 18, 2020, the circuit court entered its Findings of Fact, Conclusions of Law, and Order in favor of the State Defendants. The court found that, by appropriating over \$17,000,000 for fiscal year 2016, the State Defendants provided "sufficient sums" for DHHL's administrative and operating budget for fiscal year 2016. Final judgment was entered on May 25, 2021. DHHL filed a notice of appeal on June 23, 2021, and the Plaintiffs filed a notice of cross-appeal on June 24, 2021. The appeal is currently pending in the Hawaii Intermediate Court of Appeals.

The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. Resolution of the Plaintiffs' claims in the Individual Claims Cases, and some of the Plaintiffs' claims in Nelson, in the respective Plaintiffs' favor, could have a material adverse effect on the State's financial condition.

Land Use Commission

On February 23, 2017, the Plaintiff filed a regulatory-taking suit in the Circuit Court of the First Circuit, claiming that the Land Use Commission's (LUC) April 25, 2011 order reverting certain property from an urban classification to an agricultural classification resulted in a regulatory taking under the federal and State constitutions. The Complaint was removed to the U.S. District Court for the District of Hawaii. On June 13, 2017, the District Court dismissed the Complaint as barred by a two-year statute of limitations. The Plaintiff appealed to the Ninth Circuit, which, in turn, certified the question of which statute of limitations applied to a regulatory-taking claim brought under the State constitution to the Hawaii Supreme Court. On December 17, 2020, the Hawaii Supreme Court ruled that the statute of limitations for a regulatory-taking claim brought under the State constitution is six years. On January 25, 2021, the Ninth Circuit vacated the District Court's judgment and remanded the case to the District Court for further proceedings.

On April 12, 2021, the Plaintiff served their Initial Disclosures upon the State, claiming \$360 million in damages.

Trial is set for October 18, 2022, with discovery cut-off on August 22, 2022. The litigation is currently in the discovery phase. The State is vigorously defending against the Plaintiff's claims.

Hawaii Employer-Union Health Benefits Trust Fund

In June 2006, certain retired public employees (Plaintiffs) filed a class action lawsuit in the First Circuit Court, State of Hawaii, against the State, all of the counties of the State, the EUTF, and the EUTF's Board of Trustees (collectively, the Defendants). See Marion Everson, et al. v. State of Hawaii, et al., Civil No. 06-1-1141-06, First Circuit Court, State of Hawaii (Civil No. 06-1-1141-06). In relevant part, the Plaintiffs claimed that Defendants violated their constitutional, contractual and statutory rights under Article XVI, Section 2 of the Hawaii Constitution and HRS Chapters 87 and 87A by not providing healthcare benefits to retirees and their dependents that are equivalent to those provided to active employees and their dependents.

Following a related proceeding that commenced in 2007, the Hawaii Supreme Court held that health benefits for retired state and county employees constitute "accrued benefits" pursuant to Article XVI, Section 2 of the Hawaii Constitution, but that HRS Chapter 87A (particularly HRS Section 87A-23) did not require that retiree health benefits reasonably approximate those provided to active employees. *See Everson v. State*, 122 Hawai'i 401, P.3d 282 (2010). The Hawaii Supreme Court did not decide when retiree health benefits "accrued" so as to be protected under Article XVI, Section 2 of the Hawaii Constitution nor did it decide whether the enactment of any part of HRS Chapter 87A violated Article XVI, Section 2 of the Hawaii Constitution.

In December 2010, the Plaintiffs filed a Second Amended Complaint in Civil No. 06-1-1140-06 (nka James Dannenberg, et al. v. State of Hawaii, et al.) claiming that Defendants have violated their constitutional, contractual and statutory rights under Article XVI, Section 2 of the Hawaii Constitution and HRS Chapter 87 by failing to provide them and other State and county retirees with: (a) healthcare benefits that are equivalent to those provided to State and county active employees; and/or (b) healthcare benefits that are equivalent to benefits provided to other employee-beneficiaries and dependent-beneficiaries, regardless of age. The Second Amended Complaint also claims that State and county employees, who retired prior to July 1, 2001, are contractually entitled to have their employers pay for all their health plan premiums despite the contribution caps in Sections 87A-33 through 87A-36, HRS. The Second Amended Complaint also claims that the EUTF was negligent in failing to properly interpret constitutional, statutory and contractual requirements when it created retiree health plans. Plaintiffs seek declaratory and injunctive relief and monetary damages. The monetary damages sought are: (1) the amount that retirees and their dependents have had to personally pay for healthcare because Defendants refused or failed to provide them with the health benefits that they were constitutionally or contractually entitled to; (2) damages for healthcare that retirees and their dependents have foregone because Defendants refused or failed to provide them with the health benefits that they were constitutionally or contractually entitled to; and (3) damages for pain and suffering. In January 2011, the Defendants filed an answer denying the substantive allegations of the Second Amended Complaint.

On August 29, 2013, the First Circuit Court entered an Order Granting Plaintiffs' Motion for Class Action Certification. The class certified is all employees (and their dependent-beneficiaries) who began working for the Territory of Hawaii, State of Hawaii, or any political subdivision thereof, before July 1, 2003, and who have accrued or will accrue a right to post-retirement health benefits as a retiree or dependent-beneficiary of such a retiree. This includes: (a) those who have not yet received any post-retirement health benefits from Defendants as a retiree or dependent-beneficiary of such a retiree; and (b) those who have received any post-retirement health benefits from Defendants since July 1, 2003 as a retiree or dependent-beneficiary of such a retiree. For purposes of damages only, if any, the class shall also include the estates and heirs of any deceased retiree or deceased dependent-beneficiary of a retiree who is or was a member of the class.

On December 10, 2012, the Plaintiffs filed Plaintiffs' Motion for Partial Summary Judgment seeking judgment in their favor and against Defendants on the liability issues in the lawsuit, i.e., that the Plaintiffs be granted their requested declaratory and injunctive relief, and that Defendants be found liable for monetary damages in an amount to be determined later. On July 25, 2013, State Defendants filed State Defendants' Motion for Partial Summary Judgment seeking judgment in their favor and against the Plaintiffs on all of the Plaintiffs' claims that are based on the allegations that: (1) State Defendants have violated the constitutional, contractual and statutory rights of the Plaintiffs by not providing healthcare benefits for retirees and their dependents that are equivalent to those provided to active employees and their dependents; (2) State Defendants have violated the constitutional and contractual rights of the Plaintiffs by not providing healthcare benefits to retirees and their dependents that are equivalent to those provided to other employee-beneficiaries and dependent-beneficiaries, regardless of age; and (3) State Defendants were negligent in providing health benefits to retirees and their dependents. Both motions were heard by the First Circuit Court on October 30, 2013, and taken under advisement. On October 16, 2014, the Court issued an Order Denying Plaintiffs' Motion for Partial Summary Judgment and Order Granting State Defendants' Motion for Partial Summary Judgment (Order). The Court ruled that the Plaintiffs' accrued health benefits have not been reduced, diminished or impaired inasmuch as the health benefits that retirees received under the Hawaii Public Employees Health Fund. The Plaintiffs filed a motion for reconsideration of the Order or alternatively for an interlocutory appeal. On November 13, 2014, the Court issued a Minute Order denying the motion. On State Defendants' motion, the case was transferred to the Hawaii Supreme Court. Briefing was completed in October 2015. In October 2016, the Hawaii Supreme Court issued an opinion affirming the circuit court's decision in the State's favor, but also ruled that the State was not entitled to judgment as a matter of law, and remanded the case to the trial court. The Plaintiffs filed their Third Amended Complaint on December 28, 2017. Since that time, the parties have conducted discovery and have filed several motions, including motions related to the purported class of plaintiffs. The State's motion to decertify the class was granted. On December 3, 2018, the Plaintiffs consequently filed a Motion for Recertification of the Class and for Certification of a Damages Subclass. On February 6, 2019, the Court granted the Plaintiffs' Motion for Recertification and an Order granting the Plaintiffs' Motion for Recertification was filed on June 21, 2019.

A trial date was set commencing October 26, 2021 and the State intends to vigorously defend all claims brought against the State, the EUTF, and the EUTF Board in the case. The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. Resolution of the Plaintiffs' claims in their favor in this case could have a material adverse effect on the State's financial condition.

The State has been vigorously defending this case, having conducted extensive discovery and filed and defended numerous motions in court, and continues to do so. Trial commenced on November 3, 2021, and phase one of the trial was completed on November 30, 2021. The parties will be submitting Findings of Facts and Conclusions of Law for the Court to review and rule upon in January 2022. The next phase of the trial will commence sometime thereafter.

Tax Foundation of Hawaii

On October 21, 2015, the Tax Foundation of Hawaii filed a class action lawsuit against the State of Hawaii seeking a judicial determination that the 10% withheld from the County Surcharge on State General Excise Tax under Section 248-2.6(a), HRS, is unconstitutional because it exceeds the actual cost for the State to assess, collect and distribute the County Surcharges to the City and County of Honolulu (*Tax Foundation of the State of Hawaii v. State of Hawaii, Case No. 15-a-2020-10, 1st Cir.*). Since 2007, the Department of Budget and Finance has transferred \$228.4 million from County Surcharge Proceeds into the General Fund (through December 31, 2018). The circuit court entered a final judgment in favor of the State on June 1, 2016, and the plaintiff has appealed that ruling to the State Intermediate Court of Appeals and that ruling is pending. On January 13, 2017, the case was transferred to the Hawaii Supreme Court. On July 6, 2017, the case was argued and the Court took the case under advisement. On March 21, 2019, the Hawaii Supreme Court issued an opinion in the State's favor concluding that the withholding of 10% of the County Surcharge was permitted by statute. The case was remanded back to the circuit court with instructions to grant the State's motion for summary judgment.

The State intends to vigorously defend against all claims brought against the State in this case. The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. Resolution of the plaintiff's claim in their favor in this case could have a material adverse on the State's financial condition.

13. Risk Management

The State records a liability for risk financing and insurance related losses if it is determined that a loss has been incurred and the amount can be reasonably estimated. The State retains various risks and insures certain excess layers with commercial insurance companies. The excess layers insured with commercial insurance companies are consistent with the prior fiscal year. Settled claims have not exceeded the coverage provided by commercial insurance companies in any of the past ten fiscal years. A summary of the State's underwriting risks is as follows:

Property Insurance

The State has an insurance policy with various insurers for property coverage. The limit of loss per occurrence is \$200,000,000, except for terrorism losses, which has a \$100,000,000 per occurrence limit. There are two different types of deductibles for the property coverage. The

deductible for losses such as hurricanes, floods and earthquakes are 3% of the replacement costs to the property subject to a \$1,000,000 per occurrence minimum. The deductible for all other perils such as a fire is \$1,000,000. The deductible for terrorism coverage is \$1,000,000.

Crime Insurance

The State also has a crime insurance policy for various types of coverages with a limit of loss of \$10,000,000 per occurrence with a \$500,000 deductible per occurrence, except for claims expense coverage, which has a \$100,000 limit per occurrence and a \$1,000 deductible. Losses under the deductible amount are paid by the Risk Management Office of the Department of Accounting and General Services and losses not covered by insurance are paid from legislative appropriations of the State's General Fund.

General Liability (Including Torts)

Liability (tort and auto) claims up to \$25,000 are handled by the Risk Management Office. All other claims are handled by the Department of the Attorney General. The State has personal injury and property damage liability, including automobile and public errors and omissions, employment liability, and employee benefits liability insurance policy in force with a \$5,000,000 self-insured retention per occurrence. The annual per occurrence limit is \$7,500,000 for wrongful action and \$12,500,000 for Products/Completed Operations, Error & Omission and Employee Benefits Liability, and for crime loss, \$10,000,000 with no aggregate limit. Losses under the deductible amount but over the Risk Management Office authority or over the aggregate limit are typically paid from legislative appropriations of the State's General Fund.

Cyber Liability Insurance

The State is insured for various types of cyber-related activities with a loss limit of \$50,000,000 with a deductible of \$1,000,000 per occurrence. This policy includes (with sub-limits) system failure business interruption, dependent business interruption system failure, and Payment Card Industry – Data Security Standard coverage.

Medical Insurance

The State's community hospitals included in the HHSC are insured by a comprehensive hospital professional liability policy. The policy provides coverage for professional and general liability claims. This primary policy covers losses up to a limit of \$1,000,000 per claim and \$5,000,000 in annual aggregate. HHSC also purchased additional excess insurance with a \$34,000,000 per claim and aggregate limit.

Self-Insured Risks

The State generally self-insures its automobile no-fault and workers' compensation losses. Automobile losses up to \$25,000 are administered by the Risk Management Office. The State administers its workers' compensation losses.

Reserve for Losses and Loss Adjustment Costs

A liability for workers' compensation and general liability claims is established if information indicates that a loss has been incurred as of June 30, 2021, and the amount of the loss can be reasonably estimated. The liability also includes an estimate for amounts incurred but not reported. The amount of the estimated loss is recorded in the accompanying statement of net

position, as those losses will be liquidated with future expendable resources. The estimated losses are generally paid from legislative appropriations of the State's General Fund.

The following table represents changes in the amount of the estimated losses and the loss adjustment costs for governmental activities at June 30, 2021 and 2020, respectively (amounts expressed in thousands):

		2021		2020
Unpaid losses and loss adjustment costs Beginning of the fiscal year	\$	270,641	\$	276,493
Incurred losses and loss adjustment costs Provision for insured events of current fiscal year Change in provision for insured events of prior fiscal years		62,608 (854)	7	47,698 (15,226)
Total incurred losses and loss adjustment costs	82	61,754		32,472
Payments Losses and loss adjustment costs attributable to insured events of current fiscal year Losses and loss adjustment costs attributable to		(5,715)		(17,536)
insured events of prior fiscal year		(36,117)		(20,788)
Total payments	247 	(41,832)		(38,324)
Unpaid losses and loss adjustment costs End of the fiscal year	\$	290,563	\$	270,641

14. Subsequent Events

As of June 2021, the State received approximately \$1.79 billion in funding from the American Rescue Plan Act. The balance will be applied to fiscal year 2022 eligible expenses.

On October 12, 2021, the State issued general obligations bonds as follows:

- \$700,000,000 of taxable general obligations bonds Series GD.
- \$200,000,000 of taxable general obligation refunding bonds Series GE.
- \$25,800,000 of taxable general obligation refunding bonds Series GF.
- \$83,750,000 of taxable general obligation refunding bonds Series GG.
- \$138,700,000 of taxable general obligation refunding bonds Series GH.
- \$105,000,000 of taxable general obligation refunding bonds Series GI.
- \$629,705,000 of taxable general obligation refunding bonds Series GJ.

The bonds within Series GD and GE that mature on or after August 1, 2031 are subject to optional redemption with restrictions.

Act 001, Special Session 2021, amended specific provisions of law. Included were Sections 237D 6.5, HRS, distribution of the transient accommodation tax (TAT). Effective July 1, 2021, the State discontinued TAT distributions to the counties.

Act 229, SLH 2021, amended specific provisions of law. Included were Sections 87A-42, HRS, other postemployment benefits trust. Effective July 1, 2021, annual required contributions to the employer union health benefits trust fund are suspended through fiscal year 2023. The provisions under this Act shall be repealed on June 30, 2023.

In November 2021, the U.S. Congress passed and the President signed an approximately \$1.2 trillion package that would deliver funding for infrastructure spending over five years on roads, bridges, and other projects. The State will use the funds for transportation, broadband, energy, water, recycling, and other eligible expenses.

In December 2021, the State Department of Health issued an emergency order to the United States Department of the Navy to suspend operations at the Red Hill Bulk Fuel Storage Facility in order to take measures to treat contaminated drinking water at the Red Hill shaft and safely remove fuel from the 20 underground storage tanks. The extent of damages to the State, if any, are not known at this time.

HHSC

In June 2021, provisions under HRS Section 323F-2, Hawaii Health Systems Corporation, were amended by Act 212, SLH 2021 which initiated the transition of the HHSC Oahu Region into the State Department of Health. The transfer is required to be completed no later than December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

State of Hawaii Required Supplementary Information Other Than Management's Discussion and Analysis (Unaudited)

General Fund – Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – Year Ended June 30, 2021

Med-Quest Special Revenue Fund – Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – Year Ended June 30, 2021

Administrative Support Special Revenue Fund – Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – Year Ended June 30, 2021

Notes to Required Supplementary Information – Budgetary Control – Year Ended June 30, 2021

Major Governmental Funds – Reconciliation of the Budgetary to GAAP Basis – Year Ended June 30, 2021

Schedule of the Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years

Schedule of Pension Contributions – Last Ten Fiscal Years

Schedule of the Proportionate Share of the Net OPEB Liability - Last Ten Fiscal Years

Schedule of OPEB Contributions – Last Ten Fiscal Years

State of Hawaii
General Fund
Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) (Unaudited)
Year Ended June 30, 2021
(Amounts in thousands)

		Original Budget		Final Budget		Actual (Budgetary Basis)		riance With al Budget – ive (Negative)
Revenues	250		<u> </u>					, , ,
Taxes								
General excise tax	\$	3,807,433	\$	2,995,542	\$	3,054,356	\$	58,814
Net income tax		52 HEREN (1887) 1417		no are venera		474274274474		0.200252020
Corporations		157,049		181,906		186,347		4,441
Individuals		2,776,598		2,640,953		3,354,561		713,608
Inheritance and estate tax		21,611 53,585		47,778 29,705		31,275 45,178		(16,503)
Liquor permits and tax Public service companies tax		136,572		136,917		125,201		15,473
Tobacco tax		76,058		73,899		72,747		(11,716) (1,152)
Tax on premiums of insurance companies		178,000		155,000		185,570		30,570
Franchise tax (banks and other financial institutions)		32,718		37,153		3,079		(34,074)
Transient accommodations tax		418,986		166,515		149,647		(16,868)
Other taxes, primarily conveyances tax		52,378		45,739		42,485		(3,254)
Total taxes		7,710,988		6,511,107		7,250,446	70	739,339
	8	7,7.20,500	·	0,511,107	200	,,230,110		, 55,555
Non-taxes Interest and investment income		10.026		11 220		14.025		2 905
Charges for current services		10,026 376,620		11,230 270,198		14,035 292,332		2,805 22,134
Intergovernmental		11,471		11,316		9,711		(1,605)
Rentals		827		829		292		(537)
Fines, forfeitures and penalties		21,868		16,799		19,329		2,530
Licenses and fees		1,034		624		741		117
Revenues from private sources		3,001		3,000		8,876		5,876
Debt service requirements		6,519		6,519		6,519		-
Other		314,036		1,067,454		1,151,757		84,303
Total non-taxes	-	745,402	0	1,387,969	6	1,503,592		115,623
Total revenues	9	8,456,390	-	7,899,076	-	8,754,038	-	854,962
Expenditures					-			
Department								
Accounting and General Services		105,890		109,396		98,273		11,123
Agriculture		15,203		16,116		13,135		2,981
Attorney General		36,187		38,287		34,024		4,263
Budget and Finance		3,936,396		3,901,883		3,741,877		160,006
Business, Economic Development and Tourism		30,543		11,124		26,199		(15,075)
Commerce and Consumer Affairs								
Defense		23,101		23,746		16,722		7,024
Education		1,807,588		1,855,336		1,739,671		115,665
Governor		3,914		4,279		3,602		677
Hawaiian Home Lands		15,523		16,202		14,007		2,195
Health		652,738		665,275		635,322		29,953
Human Resources Development		19,801		20,345		17,980		2,365
Human Services		1,315,244		1,313,794		1,251,104		62,690
Judiciary Labor and Industrial Relations		162,964 22,007		167,520 23,152		166,649 20,850		871 2,302
Land and Natural Resources		64,407		67,134		61,914		5,220
Legislature		41,064		41,064		15,880		25,184
Lieutenant Governor		928		983		932		51
Public Safety		265,992		274,394		267,859		6,535
Taxation		29,885		32,218		27,999		4,219
Transportation – Highways				7,000		6,999		1
University of Hawaii		531,935		552,307		533,244		19,063
Total expenditures	100	9,081,310	9	9,141,555		8,694,242	-	447,313
Excess (deficiency) of expenditures	-	-,,	-	3,2 .2,000	-	-,,	-	,520
over (under) revenues		(624,920)		(1,242,479)		59,796		1,302,275
Other financing sources		40,490		182,862		896,635		713,773
Excess (deficiency) of expenditures and	-	,	-		_	,		
other sources over (under) revenues	\$	(584,430)	\$	(1,059,617)	\$	956,431	\$	2,016,048

State of Hawaii Med-Quest Special Revenue Fund Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) (Unaudited) Year Ended June 30, 2021 (Amounts in thousands)

	Original Budget		Final Budget		Actual (Budgetary Basis)		Variance With Final Budget – Positive (Negative	
Revenues – non-taxes			15	- 12	12		898	
Intergovernmental	\$	-	\$	-	\$	86	\$	86
Revenues from private sources		(-)		Ξ.		77,736		77,736
Other		750				3,707		3,707
Total revenues - non-taxes	-	(m)			(2)	81,529		81,529
Total revenues	<u></u>	-			9	81,529	-	81,529
Expenditures								
Department								
Human Services		118,705		118,705		92,005		26,700
Total expenditures		118,705		118,705		92,005		26,700
Excess of expenditures over revenues	\$	(118,705)	\$	(118,705)	\$	(10,476)	\$	108,229

State of Hawaii
Administrative Support Special Revenue Fund
Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) (Unaudited)
Year Ended June 30, 2021
(Amounts in thousands)

	_	Original Budget	Final Budget		Actual (Budgetary Basis)		Variance With Final Budget Positive (Negative)	
Revenues								
Taxes								
Tobacco tax	\$	1,752	\$	1,702	\$	1,647	\$	(55)
Transient accommodations tax	_	63,542	_	18,002		19,935		1,933
Total taxes		65,294		19,704		21,582	8 00-	1,878
Non-taxes								
Interest and investment income		3,331		3,401		1,744		(1,657)
Charges for current services		51,064		62,451		96,835		34,384
Rentals		4,351		4,351		3,591		(760)
Fines, forfeitures and penalties		225		156		78		(78)
Licenses and fees		200		225		303		78
Revenues from private sources		1,675		1,675		1,720		45
Other	-	11,759	-	11,037	92	258,666	× 3	247,629
Total non-taxes	5	72,605		83,296		362,937		279,641
Total revenues		137,899		103,000		384,519	V. 18	281,519
Expenditures	3.		8		8		8 7/	
Department								
Accounting and General Services		80,042		80,457		58,388		22,069
Attorney General		28,421		29,339		22,643		6,696
Budget and Finance		403,760		388,319		247,751		140,568
Human Resources Development		5,861		5,867		480		5,387
Governor		36,867		36,867		131		36,736
Taxation	-	3,545		3,570		1,737		1,833
Total expenditures		558,496		544,419	N-	331,130		213,289
Excess (deficiency) of expenditures over (under) revenues	\$	(420,597)	\$	(441,419)	\$	53,389	\$	494,808

State of Hawaii

Notes to Required Supplementary Information – Budgetary Control (Unaudited) Year Ended June 30, 2021

The budget of the State is a detailed operating plan identifying estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, services and activities to be provided during the fiscal year; (2) the estimated revenues available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process through which policy decisions are made, implemented and controlled. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated periodically during the fiscal year. Amounts reflected as budgeted revenues in the General Fund Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) are those estimates as compiled by the Council on Revenues and the Director of Finance. Budgeted expenditures are derived primarily from the General Appropriations Act of 2019 (Act 113, SLH 2019) and from other authorizations contained in the State Constitution, the HRS, and other specific appropriations acts in various SLH. During July 2020, Act 7, SLH 2020 and Act 9, SLH 2020 retroactively amended certain budgeted expenditures from the General Appropriations Act of 2019.

All expenditures of appropriated funds have been made pursuant to the appropriations in the fiscal 2019–2021 biennial budget and executive supplemental budget.

The General Fund and Special Revenue Funds have legally appropriated annual budgets. The Capital Projects Fund's appropriated budgets are for projects that may extend over several fiscal years.

The final legally adopted budgets in the accompanying General Fund and Special Revenue Funds Schedules of Revenues and Expenditures – Budget and Actual (Budgetary Basis) represent the original appropriations, transfers, and other legally authorized legislative and executive changes.

The legal level of budgetary control for expenditures is maintained at the appropriation line item level by department, program, and source of funds as established in the appropriations acts. The Governor is authorized to transfer appropriations between programs within the same department and source of funds; however, transfers of appropriations between departments generally require legislative authorization. Records and reports reflecting the detailed level of control are maintained by and are available at the Department of Accounting and General Services. During the fiscal year ended June 30, 2021, there were no expenditures in excess of appropriations in the individual funds.

To the extent not expended or encumbered, General Fund and Special Revenue Funds appropriations subject to budgetary control generally lapse at the end of the fiscal year for which the appropriations are made. The State Legislature specifies the lapse dates and any other contingencies, which may terminate the authorizations for other appropriations.

Budgets adopted by the State Legislature for the General Fund and Special Revenue Funds are presented in the General Fund and Special Revenue Funds schedules of revenues and expenditures – budget and actual (budgetary basis). The State's annual budget is prepared on the cash basis of accounting except for the encumbrance of purchase order and contract obligations (basis difference), which is a departure from GAAP.

State of Hawaii Major Governmental Funds Reconciliation of the Budgetary to GAAP Basis (Unaudited) Year Ended June 30, 2021 (Amounts in thousands)

A reconciliation of the budgetary to GAAP basis operating results for the fiscal year ended June 30, 2021 follows (amounts expressed in thousands):

	General Fund				15.2.70	ninistrative Support cial Revenue Fund
Deficiency of revenues and other sources under expenditures – actual (budgetary basis)	\$	956,431	\$	(10,476)	\$	53,389
Transfers		(587,225)		87,068		1,039,111
Reserve for encumbrances at fiscal year end*		415,043		2,456		6,123
Expenditures for liquidation of prior fiscal year encumbrances		(519,909)		(642,269)	(1,586,140)
Revenues and expenditures for unbudgeted programs and capital projects accounts, net		(1,147)		634,861		2,806,857
Tax refunds payable		42,372		52		2
Accrued liabilities		47,948		(8,085)		(315,909)
Accrued revenues	-	(164,952)	_	14,298	(1,785,138)
Excess of revenues over expenditures – GAAP basis	\$	188,561	\$	77,853	\$	218,293

^{*} Amount reflects the encumbrance balances (included in continuing appropriations) for budgeted programs only.

State of Hawaii Schedule of the Proportionate Share of the Net Pension Liability (Unaudited) Last Ten Fiscal Years* (Amounts in millions)

		2021	2020	2019	2018	2017		2016	2015	2014
State of Hawaii, excluding UH**	-						onie.			
State's proportion of the net pension liability		55.839%	55.749%	56.090%	56.607%	56.600%		57.238%	58.483%	57.638%
State's proportionate share of the net pension liability	\$	8,510	\$ 7,865	\$ 7,438	\$ 7,331	\$ 7,567	\$	4,999	\$ 4,689	\$ 5,148
State's covered payroll	\$	2,689	\$ 2,616	\$ 2,540	\$ 2,559	\$ 2,496	\$	2,424	\$ 2,341	\$ 2,177
State's proportionate share of the net pension liability as a percentage of its covered payroll		316.5%	300.6%	292.8%	286.5%	303.2%		206.2%	200.3%	236.5%
Plan fiduciary net position as a percentage of total net pension liability		53.2%	54.9%	55.5%	54.8%	51.3%		62.4%	63.9%	58.0%
UH										
Proportion of the net pension liability		12.344%	12.641%	12.732%	12.730%	12.750%		13.110%	13.600%	13.750%
Proportionate share of the net pension liability	\$	1,889	\$ 1,791	\$ 1,696	\$ 1,649	\$ 1,704	\$	1,145	\$ 1,090	\$ 1,228
Covered payroll	\$	606	\$ 603	\$ 592	\$ 587	\$ 569	\$	565	\$ 551	\$ 518
Proportionate share of the net pension liability as a percentage of its covered payroll		311.7%	297.0%	286.5%	280.9%	299.5%		202.7%	197.8%	237.1%
Plan fiduciary net position as a percentage of total net pension liability		53.2%	54.9%	55.5%	54.8%	51.3%		62.4%	63.9%	58.0%

^{*} Information for 2012–2013 is unavailable.

^{**} Amounts consist of the primary government and discretely presented component units other than UH.

State of Hawaii Schedule of Pension Contributions (Unaudited) Last Ten Fiscal Years* (Amounts in millions)

	2021	2020	2019	2018	 2017	2016	2015	 2014
State of Hawaii, excluding UH**								
Statutorily required contribution	\$ 692	\$ 606	\$ 508	\$ 470	\$ 445	\$ 432	\$ 410	\$ 380
Contributions in relation to the contractually required contribution	692	606	 508	470	445	432	410	380
Contribution deficiency (excess)	\$ - +	\$ -	\$ 	\$ -	\$ - 1	\$ -	\$	\$ - 2
State's covered payroll	\$ 2,813	\$ 2,689	\$ 2,616	\$ 2,540	\$ 2,559	\$ 2,496	\$ 2,424	\$ 2,341
Contributions as a percentage of covered payroll	24.6%	22.5%	19.4%	18.5%	17.4%	17.3%	16.9%	16.2%
UH								
Statutorily required contribution	\$ 147	\$ 134	\$ 115	\$ 111	\$ 99	\$ 97	\$ 94	\$ 88
Contributions in relation to the contractually required contribution	147	134	115	111	99	97	94	88
Contribution deficiency (excess)	\$	\$ (+)	\$ -	\$ -	\$ 20	\$ 2	\$ ====	\$ - 2
Covered payroll	\$ 606	\$ 606	\$ 603	\$ 592	\$ 587	\$ 569	\$ 565	\$ 551
Contributions as a percentage of covered payroll	24.3%	22.1%	19.1%	18.8%	16.9%	17.0%	16.6%	16.0%

^{*} Information for 2012–2013 is unavailable.

^{**} Amounts consist of the primary government and discretely presented component units other than UH.

State of Hawaii Schedule of the Proportionate Share of the Net OPEB Liability (Unaudited) Last Ten Fiscal Years*

(Amounts in thousands)

		2021		2020		2019		2018
Total OPEB liability								
Service cost	\$	246,846	\$	236,384	\$	229,157	\$	220,828
Interest		792,683		745,104		709,522		670,530
Differences between expected and actual experience		(725,733)		(6,204)		(209,802)		
Changes of assumptions or other inputs		(59,421)		59,886		126,979		
Benefit payments		(364,565)		(356,827)		(345,476)		(331,522)
Net change in total OPEB liability	12	(110,190)	(0	678,343	6	510,380	10	559,836
Total OPEB liability – beginning		11,382,909		10,704,566		10,194,186		9,634,350
Total OPEB liability – ending	\$	11,272,719	\$	11,382,909	\$	10,704,566	\$	10,194,186
Plan fiduciary net position								
Employer contributions	\$	814,659	\$	787,110	\$	682,605	\$	659,271
Net investment income		43,497		71,563		78,648		66,007
Benefit payments		(364,565)		(356,827)		(345,476)		(331,522)
Administrative expense		(307)		(492)		(258)		(169)
Other	_	273	_	165,770			_	5,300
Net change in plan fiduciary net position		493,557		667,124		415,519		398,887
Plan fiduciary net position – beginning	_	1,962,159	_	1,295,035	_	879,516	_	480,629
Plan fiduciary net position – ending	\$	2,455,716	\$	1,962,159	\$	1,295,035	\$	879,516
Net OPEB liability – ending	\$	8,817,003	\$	9,420,750	\$	9,409,531	\$	9,314,670
Plan fiduciary net position as a percentage of total OPEB liability		27.85%		20.83%		13.76%		9.44%
Covered payroll	\$	2,688,865	\$	2,615,866	\$	2,539,755	\$	2,559,162
Net OPEB liability as a percentage of covered payroll		327.91%		360.14%		370.49%		363.97%

Note: Amounts include all component units and the Office of Hawaiian Affairs.

^{*} Information for 2012–2017 is unavailable.

State of Hawaii Schedule of OPEB Contributions (Unaudited) Last Ten Fiscal Years*

Contributions in relation to the actuarially determined contribution

Actuarially determined contribution

Contribution deficiency (excess)

Covered payroll

Contributions as a percentage of covered payroll	44% 29% 31% 27%
Actuarial valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Amortization method**	Level percent, closed
Remaining amortization period	24 years
Asset valuation method	Market
Actuarial assumptions	
Investment rate of return	7.0%
Projected salary increases	3.5%
Healthcare inflation rates	
PPO***	10.0% initial, 4.86% after 13 years
HMO***	10.0% initial, 4.86% after 13 years
Dental	5% initial rate for first three years, declining to 4.0% for all future years
Vision	0.0% initial rate for first three years, then 2.5% for all future years
Medicare Part B	4.0% and 5.0% initial, 4.7% after 12 years

2021

842,456

(390,932)

1,233,388

\$ 2,813,167

2020

\$ 2,688,865

814,659

780,200

34,459

2019

\$ 2,615,866

787,110

816,763

(29,653)

2018

770,297

682,605

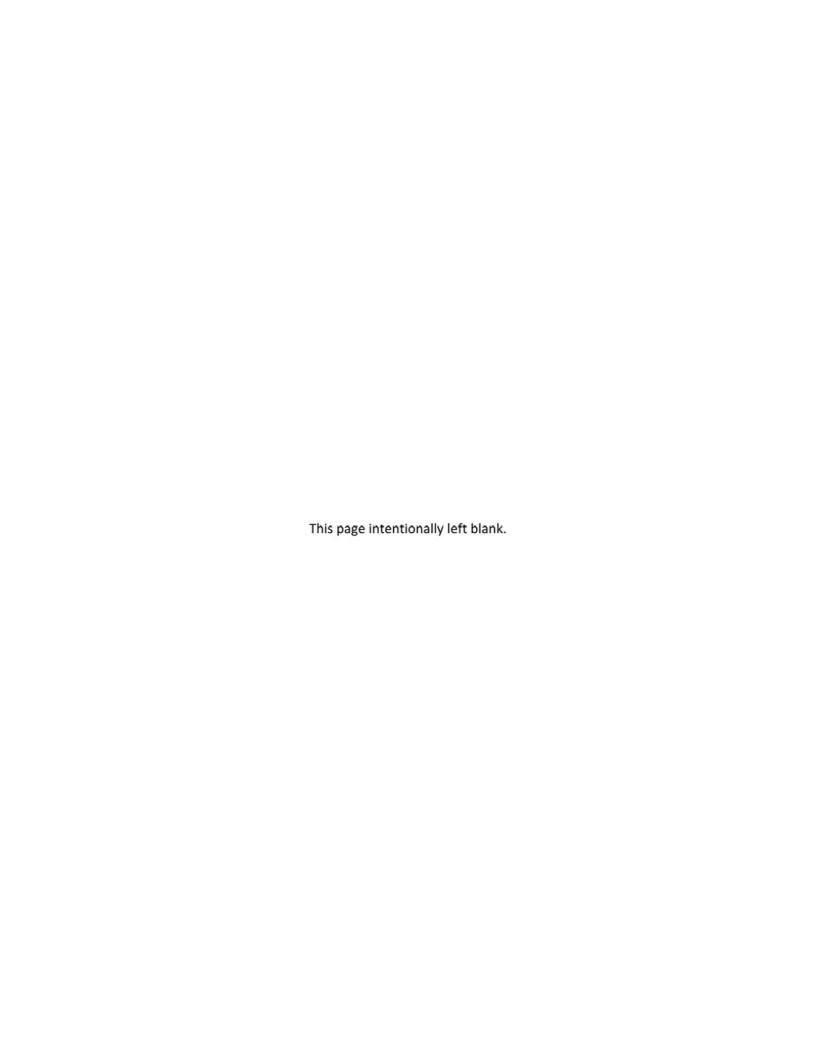
87,692

2,539,755

^{*} Information for 2012-2017 is unavailable.

^{**} Closed bases are established at each valuation for new unfunded liabilities.

^{***} Blended rates for medical and prescription drugs.



SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes. Certain Special Revenue Funds are presented separately in the accompanying combining financial statements, with the remainder grouped as a single entity. The Special Revenue Funds are as follows:

- Highways Accounts for programs related to maintaining and operating land transportation facilities.
- Natural Resources Accounts for programs related to the conservation, development and utilization of agriculture, aquaculture, water, land and other natural resources of the State.
- Health Accounts for programs related to mental health, nutrition services, communicable disease, and for other public health services.
- Human Services Accounts for social service programs, which include public welfare, eligibility and disability determination, and housing assistance.
- Education Accounts for programs related to instructional education, school food services, and student driver education.
- Economic Development Accounts for programs related to the development and promotion of industry and international commerce, energy development and management, economic research and analysis, and the utilization of resources.
- Employment Accounts for programs related to employment and training, disability compensation, placement services, and occupational safety and health.
- Regulatory Accounts for programs related to consumer protection, business registration, and cable television regulation.
- Hawaiian Programs Accounts for programs related to the betterment of the conditions of native Hawaiians.
- All Other Accounts for programs related to water recreation, inmate stores, and driver training and education.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bonds serviced by the General Fund and general obligation bonds and revenue bonds serviced by the Special Revenue Funds.

State of Hawaii Nonmajor Governmental Funds Combining Balance Sheet June 30, 2021

										Speci	al Rev	venue Fund
				Natural				Human				conomic
		lighways	F	Resources	-	Health	_	Services	_	ducation	De	velopment
Assets												
Cash and cash equivalents	\$	73,151	\$	64,023	\$	50,755	\$	15,315	\$	184,799	\$	113,644
Notes and loans receivable, net		65		21,165				70		659		62,530
Due from federal government		200		75.5				37,856				5
Due from other funds		*		36								
Investments	2	248,660		138,219	0.02	170,766	-	50,659	- 25	141,287	1	11,003
Total assets	\$	321,811	\$	223,407	\$	221,521	\$	103,830	\$	326,086	\$	187,177
Liabilities and Fund Balances Liabilities												
Vouchers and contracts payable	\$	38,162	\$	2,385	\$	19,021	\$	16,149	\$	11,008	\$	1,143
Other accrued liabilities		6,722		2,268	.00	11,503		540		23,595		438
Due to other funds		_		4,890				78,179				
Payable from restricted assets -				20000000								
Matured bonds and interest payable		100		37.0		-		2.		1076		
Total liabilities	7-5	44,884	85 <u>-</u>	9,543		30,524	Ξ	94,868		34,603		1,581
Fund balances												
Restricted		545		121		2		10		545		22
Committed		924		-		112,480		2		945		2
Assigned		276,927		213,864		78,517		8,962		291,483		185,596
Total fund balances	50	276,927		213,864	102	190,997	24	8,962	2	291,483	0E Ne	185,596
Total liabilities and fund balances	\$	321,811	\$	223,407	\$	221,521	\$	103,830	\$	326,086	\$	187,177

Em	ployment	R	egulatory		Hawaiian Programs		All Other		Total		Debt Service Fund		Service		Service		Total Nonmajor overnmental Funds
\$	39,699 - - - - 34,340	\$	36,625 - - - 107,508	\$	67,152 61,246 - - 262,138	\$	42,610 - - - 84,566	\$	687,773 144,941 37,856 - 1,249,146	\$	335 - - 247	\$	688,108 144,941 37,856 247 1,249,146				
\$	74,039	\$	144,133	\$	390,536	\$	127,176	\$	2,119,716	\$	582	\$	2,120,298				
\$	5,268 3,042	\$	554 3,248	\$	5,166	\$	23,167 2,983 110	\$	122,023 54,339 83,179	\$	3 32 5	\$	122,023 54,339 83,179				
	8,310	<i>y</i>	3,802	-	5,166	_	26,260	500	259,541		335 335		335 259,876				
	65,729 65,729		85,257 55,074 140,331	-	385,370 385,370	_	100,916 100,916		197,737 1,662,438 1,860,175		247	_	247 197,737 1,662,438 1,860,422				
\$	74,039	\$	144,133	\$	390,536	\$	127,176	\$	2,119,716	\$	582	\$	2,120,298				

State of Hawaii Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended June 30, 2021

		Natural		Human	эрссі	ial Revenue Funds Economic	
	Highways	Resources	Health	Services	Education	Development	
Revenues	0. 30	3.4	Vs. S	52. 36	. 12		
Taxes							
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Tobacco and liquor taxes		-	21,950	-	8 * 2		
Liquid fuel tax	67,674	204		*:	(·		
Tax on premiums of insurance companies	n **	343	2	20	940	2	
Vehicle weight and registration tax	137,526	-	5,716	48		2	
Rental motor/tour vehicle surcharge tax	32,201	2	-	25	72	<u>~</u>	
Other	-	9,949	1,117		-	1,210	
Total taxes	237,401	10,153	28,783			1,210	
Interest and investment income	1,297	1,747	1,479	13	356	809	
Charges for current services	4,402	35,994	47,849	231	6,275	15,228	
Intergovernmental	145,454	24,866	136,191	1,255,790	338,234	13,649	
Rentals	1.252	9,623		-,,	398	1,430	
Fines, forfeitures and penalties	4,680	276	1,459	9	-	-,	
Licenses and fees	2,125	686	2,713	62	1	14	
Revenues from private sources	-,	26	37,145	34	8,250	1,699	
Other	128,930	2,022	-	1,997	15,336	8,511	
Total revenues	525,541	85,393	255,619	1,258,127	368,850	42,550	
Expenditures							
Current		0.276	72.262	4.550	44400	75.040	
General government	(T)	8,376	73,263	4,650	14,100	75,049	
Public safety	242.445	1,941		59	*	.5	
Highways	312,415	57.240		+3			
Conservation of natural resources	-	57,248	242.024	-0	-	-	
Health	2.0		242,921	4 226 265			
Welfare	2000		-	1,236,365	402.770	-	
Lower education	-	-	-	42.017	493,770	-	
Other education	-	9,840	- 5	13,817	2.052	÷	
Culture and recreation		9,040		1,379	2,652	5	
Urban redevelopment and housing Economic development and assistance		2,825	- 5	1,379		57,365	
Other	911	2,825	5,558	109		37,303	
Debt service	911		3,336		3.4		
	242.225			4.255.400	540 522	422.444	
Total expenditures	313,326	80,230	321,742	1,256,400	510,522	132,414	
Excess (deficiency) of revenues over (under) expenditures	212,215	5,163	(66,123)	1,727	(141,672)	(89,864)	
Other financing sources (uses)	-		V				
Issuance of GO and refunding GO bonds – par		2.5	8	-		2	
Payment to refunded bond escrow agent			9	-		ĝ	
Transfers in	53	3,111	41,988	18,488	145,512	108,957	
Transfers out	(115,487)	(37,423)	(50,107)	(22,311)	(2,009)	(16,141)	
Total other financing sources (uses)	(115,434)	(34,312)	(8,119)	(3,823)	143,503	92,816	
Net change in fund balances	96,781	(29,149)	(74,242)	(2,096)	1,831	2,952	
Fund balances							
Beginning of year	155,486	168.884	238,313	5,641	191,276	171,388	
Adjustment for change in accounting principle	24,660	74,129	26,926	5,417	98,376	11,256	
Beginning of year, as restated	180,146	243,013	265,239	11,058	289,652	182,644	
End of year	\$ 276,927	\$ 213,864	\$ 190,997	\$ 8,962	\$ 291,483	\$ 185,596	
cha or year	\$ 210,321	7 213,004	7 130,337	7 0,502	7 231,403	2 103,330	

ă.					Debt	Total Nonmajor
Employment	Regulatory	Programs Programs	All Other	Total	Service Fund	Governmental Funds
\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000
	370			21,950		21,950
	-	-	1,473	69,351		69,351
G+3	2,659			2,659	S#4	2,659
3+3	350	19	=	143,242	199	143,242
-	(- 3)	9	₩.	32,201		32,201
1,273	- 121			13,549	<u> </u>	13,549
1,273	4,659		1,473	284,952	85	284,952
18	622	5,263	177	11,781	5.5	11,781
2,363	29,096	2,412	34,776	178,626	200	178,626
47,236	36	4,938	76,257	2,042,651	2,000	2,042,651
*	500000	16,565	1,562	30,830		30,830
2	4,456		1,801	12,674		12,674
-	34,999		933	41,533	(4)	41,533
-	-	3,000	34	50,188	3.2	50,188
	1,061	11,004	35,985	204,846		204,846
50,892	74,929	43,182	152,998	2,858,081		2,858,081
	12,884		25,017	213,339		213,339
1,828	46,513		174,913	225,195	320	225,195
			420.000	312,415	5.00	312,415
-	123	2	2	57,248		57,248
	-			242,921		242,921
			1,393	1,237,758	-	1,237,758
100	850	2	5	493,770	173	493,770
058				13,817	(5)	13,817
3870	(5)	namen of	15,851	28,343	3.50	28,343
2225	(9)	53,140	7	54,519	3.00	54,519
80,558	A#1		+	140,937	-	140,937
3,495	3.40	-	-	9,964	052 522	9,964
					853,533	853,533
85,881	59,397	53,140	217,174	3,030,226	853,533	3,883,759
(34,989)	15,532	(9,958)	(64,176)	(172,145)	(853,533)	(1,025,678)
746	020	2	2	23	400,000	400,000
	121	-	-		(400,000)	(400,000)
24,809	1,016		104,279	448,213	853,628	1,301,841
(345)	(4,785)	(3,001)	(1,860)	(253,469)		(253,469)
24,464	(3,769)	(3,001)	102,419	194,744	853,628	1,048,372
(10,525)	11,763	(12,959)	38,243	22,599	95	22,694
17,014	107,462	393,280	42,207	1,490,951	152	1,491,103
59,240	21,106	5,049	20,466	346,625		346,625
76,254	128,568	398,329	62,673	1,837,576	152	1,837,728
\$ 65,729	\$ 140,331	\$ 385,370	\$ 100,916	\$ 1,860,175	\$ 247	\$ 1,860,422

State of Hawaii Nonmajor Special Revenue Funds Combining Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) Year Ended June 30, 2021

				Highways	E		Natural Resources						
	Fin Bud			Actual udgetary Basis)	Fir	iance With al Budget ve (Negative)		Final Budget	Actual (Budgetary Basis)		Fin	ance With al Budget /e (Negative)	
Revenue													
Taxes													
Liquid fuel tax - Highways	\$ 83	3.972	Ś	67,674	\$	(16,298)	\$	250	\$	204	\$	(46)	
Vehicle registration fee tax	W 555	5,712	5 m.s	49,380	*	2,668			0,000	1,473		1,473	
State vehicle weight tax		1,908		88,146		3,238		-		-		-	
Rental/tour vehicle surcharge tax		3,573		32,201		(26,372)		-		-		-	
Employment and training fund assessment		,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		4-4-1		- 2		25		-	
Tobacco tax		32		-		2				2		2	
Conveyances tax		2		1.00		3		6,800		5,100		(1,700)	
Environmental response tax		2		-		2		3,800		3,349		(451)	
Transient accommodations tax						~		4,500		1,500		(3,000)	
Franchise tax				1.75				4,500		1,500		(3,000)	
Tax on premiums of insurance companies													
			_	227.404	9	(26.764)	ē	45.350	·	** ***	3	(2.724)	
Total taxes		1,165	_	237,401	-	(36,764)	-	15,350	_	11,626	_	(3,724)	
Non-taxes													
Interest and investment income	1	2,786		1,264		(1,522)		1,244		1,344		100	
Charges for current services	50	0,204		39,603		(10,601)		37,635		49,697		12,062	
Intergovernmental		-		1,336		1,336		2		36		36	
Rentals	8	1,000		1,252		252		8,827		11,185		2,358	
Fines, forfeitures and penalties		4,733		4,680		(53)		82		351		269	
Licenses and fees		2,153		2,125		(28)		829		689		(140)	
Revenues from private sources								336		26		(310)	
Other		56		22,954		22,898		3,770		11,710		7,940	
Total non-taxes	- 60	0,932	-	73,214		12,282		52,723		75,038		22,315	
Total revenues	335	5,097		310,615	1.5	(24,482)	1.5	68,073	18 00	86,664	247	18,591	
Expenditures	15												
Department													
Agriculture		30		1.00		2		34,634		24,418		10,216	
Business, Economic Development								34,034		24,410		10,210	
and Tourism		- 6		25						2			
Commerce and Consumer Affairs		- 0		1.70		- 5		- 2		Ω.			
Defense		- 5		-						71			
Education		-										-	
Hawaiian Home Lands								-		-		-	
Health						*							
24000 Pet 3		-		-		-				-			
Human Services						-		-				-	
Judiciary		-				-		~		_		-	
Labor and Industrial Relations				*									
Land and Natural Resources		7.				€.		69,181		47,922		21,259	
Public Safety		- 7						100		7.		7	
Legislature								-		*:		-	
Transportation – Highways	363	3,045	-	251,875	12	111,170	-		_			1+	
Total expenditures	36	3,045		251,875		111,170		103,815		72,340		31,475	
Excess (deficiency) of revenues					177					(V)			
over (under) expenditures	\$ (2)	7,948)	5	58,740	\$	86,688	\$	(35,742)	\$	14,324	\$	50,066	

Final Budget Budget (Budgetary Basis) Final Budget Positive (Negative) Final Budget Budget (Budgetary Basis) Final Budget Positive (Negative) \$		Health		Human Services									
5,745 5,716 (29) 23,906 21,950 (1,956) 1,291 1,116 (175) 30,942 28,782 (2,160) 5,765 997 (4,768) 12 1 96,138 89,094 (7,044) 305 231 (7 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 27,335 22,689 4,64		(Budgetary	Final Budget		(Budgetary	Variance With Final Budget Positive (Negative							
23,906 21,950 (1,956) 1,291 1,116 (175) 30,942 28,782 (2,160) 5,765 997 (4,768) 12 1 96,138 89,094 (7,044) 305 231 (7 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71				\$ -	\$ -	\$ -							
1,291 1,116 (175)	3,743	3,710	(23)	8	254	5							
1,291 1,116 (175)		-	585		(**)								
1,291 1,116 (175)	-		(*)	-	E(=0	-							
30,942 28,782 (2,160)	23,906	21,950	(1,956)	€	(1 4 8								
30,942 28,782 (2,160)	***	6 <u>-</u>		2	925	2							
5,765 997 (4,768) - 12 1 96,138 89,094 (7,044) 305 231 (7 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71 - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 27,335 22,689 4,64 228,759 198,260 30,499 27,335 22,689 4,64	1,291	1,116	(175)	2	94	2							
5,765 997 (4,768) - 12 1 96,138 89,094 (7,044) 305 231 (7 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71 - - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 27,335 22,689 4,64	12:	1	020	2	72	2							
5,765 997 (4,768) - 12 1 96,138 89,094 (7,044) 305 231 (7 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71 - - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 27,335 22,689 4,64					-								
5,765 997 (4,768) - 12 1 96,138 89,094 (7,044) 305 231 (7 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71 - - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 27,335 22,689 4,64					- 100								
96,138 89,094 (7,044) 305 231 (7,044) 24,860 4,508 (20,352) 240 749 50 1,388 1,459 71	30,942	28,782	(2,160)		341								
24,860 4,508 (20,352) 240 749 50 1,388 1,459 71 - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 - - - 228,759 198,260 30,499 - - - 228,759 198,260 30,499 27,335 22,689 4,64	5,765	997	(4,768)		12	12							
1,388 1,459 71 - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (6 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 - - - 228,759 198,260 30,499 27,335 22,689 4,64 228,759 198,260 30,499 27,335 22,689 4,64	96,138	89,094	(7,044)	305	231	(74)							
1,388 1,459 71 - - 3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (1 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 - - 228,759 198,260 30,499 - - 228,759 198,260 30,499 27,335 22,689 4,64 228,759 198,260 30,499 27,335 22,689 4,64	24,860	4,508	(20,352)	240	749	509							
3,753 2,713 (1,040) 128 62 (6 36,030 37,145 1,115 35 34 (4 46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 - - - 228,759 198,260 30,499 - - - - 228,759 198,260 30,499 27,335 22,689 4,64 - - - - - - - -		-	•		-	-							
36,030 37,145 1,115 35 34 6,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499	1,388	1,459	71	2	921	2							
46,190 3,444 (42,746) 1,000 1,138 13 214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 228,759 198,260 30,499 27,335 22,689 4,64 228,759 198,260 30,499 27,335 22,689 4,64 228,759 198,260 30,499 27,335 22,689 4,64		2,713				(66)							
214,124 139,360 (74,764) 1,708 2,226 51 245,066 168,142 (76,924) 1,708 2,226 51 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -						(1)							
245,066 168,142 (76,924) 1,708 2,226 51 - - - - - - - - - - - - - - - - - - 228,759 198,260 30,499 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td>46,190</td> <td>3,444</td> <td>(42,746)</td> <td>1,000</td> <td></td> <td>138</td>	46,190	3,444	(42,746)	1,000		138							
228,759 198,260 30,499 27,335 22,689 4,64 228,759 198,260 30,499 27,335 22,689	214,124	139,360	(74,764)	1,708	2,226	518							
27,335 22,689 4,64 27,335 22,689 4,64	245,066	168,142	(76,924)	1,708	2,226	518							
27,335 22,689 4,64 27,335 22,689 4,64 27,335 22,689 4,64 27,335 22,689 4,64		·		×	()	=							
27,335 22,689 4,64 27,335 22,689 4,64		-	540		949								
27,335 22,689 4,64 27,335 22,689 4,64	100	-	(34)	2	040								
27,335 22,689 4,64 27,335 22,689	-	21	725	2	-	2							
27,335 22,689 4,64 27,335 22,689		2	-	2	-								
27,335 22,689 4,64 27,335 22,689			13. To	5	1778	5							
228,759 198,260 30,499 27,335 22,689 4,64	228,759	198,260	30,499	121110220		400 mar 5							
	-	17	0.00	27,335	22,689	4,646							
				-	3973	*							
			(*)	~		*							
	2=3		3.45	*	6 - 6	*							
		5-	0.€0	-	10 -0 0	-							
			-		101								
	228,759	198,260	30,499	27,335	22,689	4,646							
16,307 \$ (30,118) \$ (46,425) \$ (25,627) \$ (20,463) \$ 5,16	16 307	\$ (30,118)	5 (46.425)	\$ (25,627)	\$ (20,463)	\$ 5,164							

(continued)

State of Hawaii Nonmajor Special Revenue Funds Combining Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) Year Ended June 30, 2021

		Education	1	Economic Development					
	Final Budget	Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)	Final Budget	Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)			
Revenue									
Taxes									
Liquid fuel tax – Highways	\$ -	\$ -	\$ -	\$ -	\$ -	\$ =			
Vehicle registration fee tax					*	-			
State vehicle weight tax	-	-	¥.		65	-			
Rental/tour vehicle surcharge tax	2	1.0	9	-	20	-			
Employment and training fund assessment	2		₽	9	Ų.				
Tobacco tax	2		2	2	2	0			
Conveyances tax				2	8				
Environmental response tax	-			1,300	1,210	(90)			
Transient accommodations tax	-			-		-			
Franchise tax	-		-	-		-			
Tax on premiums of insurance companies	×		*		-				
Total taxes				1,300	1,210	(90)			
				1,300		(30)			
Non-taxes									
Interest and investment income	185	179	(6)	2,799	786	(2,013)			
Charges for current services	44,638	5,615	(39,023)	16,626	15,228	(1,398)			
Intergovernmental	150	4,478	4,328		5,118	5,118			
Rentals	90	398	308	2,076	1,430	(646)			
Fines, forfeitures and penalties	*	18							
Licenses and fees		1	1	5	13	8			
Revenues from private sources	75	75	<u> </u>	3,032	1,699	(1,333)			
Other	2,452	6,512	4,060	3,476	5,126	1,650			
Total non-taxes	47,590	17,258	(30,332)	28,014	29,400	1,386			
Total revenues	47,590	17,258	(30,332)	29,314	30,610	1,296			
Expenditures									
Department									
Agriculture					7:				
Business, Economic Development									
and Tourism	-	180	-	227,966	149,821	78,145			
Commerce and Consumer Affairs	2		2	CHARLES .					
Defense	2		€		25	2			
Education	106,572	25,218	81,354	2	2	2			
Hawaiian Home Lands			3.50		2				
Health	-	150	-	-	-	-			
Human Services				-	-				
Judiciary	-				-	-			
Labor and Industrial Relations	_				2	_			
Land and Natural Resources			2						
Public Safety	85		2	2	2	E C			
Legislature	ē.	78	2	5	8	9			
Transportation – Highways	2		2		2				
Total expenditures	106,572	25,218	81,354	227,966	149,821	78,145			
Excess (deficiency) of revenues					2.0,022				
over (under) expenditures	\$ (58,982)	\$ (7,960)	\$ 51,022	\$ (198,652)	\$ (119,211)	\$ 79,441			

Final Budget Actual (Budgetary Budget) Variance With Final Budget Final Budget Actual (Budgetary Basis) Variance With Final Budget \$ <th></th> <th>Employme</th> <th>nt</th> <th colspan="5">Regulatory</th>		Employme	nt	Regulatory				
1,349 1,292 (57) 2,000 2,000 2,500 2,662 1 1,349 1,292 (57) 4,500 4,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084		(Budgetary	Final Budget		(Budgetary	Variance With Final Budget Positive (Negative		
2,000 2,000 2,500 2,662 1 1,349 1,292 (57) 4,500 4,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 1,084 1,084 - 1 1,981 1,980 2,850 7,704 4,8 - 36,574 35,846 (7 - 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 38,910 23,225 15,685 3,000 2,000 2,662 1 1,3450 4,662 1 1,500 49 (11,451) 314 769 4 4,662 1 1,084 769 4 4,87 769 4 4,88 7,875 7,004 4,88 7 7,004 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2,000 2,000 2,500 2,662 1 1,349 1,292 (57) 4,500 4,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 1,084 1,084 - 1 1,981 1,980 2,850 7,704 4,8 1 1,981 1,980 2,850 7,704 4,8 1 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 38,910 23,225 15,685	-	-	((*))	-	(*)	-		
2,000 2,000 2,500 2,662 1 1,349 1,292 (57) 4,500 4,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 1,084 1,084 1 1,981 1,980 2,850 7,704 4,8 1 1,981 1,980 2,850 7,704 4,8 1 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 38,910 23,225 15,685	340	O4		8	240			
2,000 2,000 - 2,500 2,662 1 1,349 1,292 (57) 4,500 4,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084			(57)	-	3040	-		
1,349 1,292 (57) 4,500 2,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 - - - 36,574 35,846 (7 -	1,349	1,292	(57)	i i	-	-		
1,349 1,292 (57) 4,500 2,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 - - - 36,574 35,846 (7 -				_		_		
1,349 1,292 (57) 4,500 2,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 - - - 36,574 35,846 (7 -		-		-	- 1	-		
1,349 1,292 (57) 4,500 2,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 - - 36,574 35,846 (7 - - 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	3.00		253		5 7 0			
1,349 1,292 (57) 4,500 2,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 (7 - - 36,574 35,846 (7 (7 (2,1 (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 1,9 15,8 - <t< td=""><td>200</td><td>-</td><td></td><td>2 000</td><td>2 000</td><td></td></t<>	200	-		2 000	2 000			
1,349 1,292 (57) 4,500 4,662 1 11,500 49 (11,451) 314 769 4 2,230 2,357 127 27,623 26,966 (6 - 1,084 1,084 - - 1 1,981 1,980 2,850 7,704 4,8 - - 36,574 35,846 (7 - - 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - <td< td=""><td>-</td><td></td><td></td><td></td><td></td><td>162</td></td<>	-					162		
11,500	1 240	1 202	(57)			162		
2,230 2,357 127 27,623 26,966 (6 1 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 - - 36,574 35,846 (7 - - - 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9	1,549	1,292	(37)	4,300	4,002	162		
2,230 2,357 127 27,623 26,966 (6 1 1,084 1,084 - - - 1 1,981 1,980 2,850 7,704 4,8 - - - 36,574 35,846 (7 - - - 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9	11 500	49	(11.451)	314	769	455		
- 1,084 1,084						(657)		
1 1,981 1,980 2,850 7,704 4,8 2,121 (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 87,875 72,023 15,8				27,025	20,500	(037)		
		1,001	2,001		(4)	2		
	1	1.981	1.980	2.850	7.704	4,854		
- 2,121 - (2,1 13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 87,875 72,023 15,8 87,875 72,023 15,8			-,			(728)		
13,731 5,471 (8,260) 69,482 71,285 1,8 15,080 6,763 (8,317) 73,982 75,947 1,9 -		5		-	-	,		
15,080 6,763 (8,317) 73,982 75,947 1,9	454		97/	2,121	571	(2,121)		
38,910 23,225 15,685	13,731	5,471	(8,260)	69,482	71,285	1,803		
38,910 23,225 15,685	15,080	6,763	(8,317)	73,982	75,947	1,965		
38,910 23,225 15,685		:-	Sec	~	540	*		
38,910 23,225 15,685	100	8	3520	9	2023	23		
38,910 23,225 15,685				87 875	72 023	15,852		
	222	ea -	2220 23 2 0	07,075	72,023	13,032		
	100	-		-	000	0		
		-	1.00		9.41			
		64			040	*		
	120	52	12	2		2		
	100	2	(40)	2	121	2		
	38,910	23,225	15,685					
38,910 23,225 15,685 87,875 72,023 15,8	(5)			-	0.73	5		
38,910 23,225 15,685 87,875 72,023 15,8	:55		528	-	1981			
38,910 23,225 15,685 87,875 72,023 15,8	3.00	97	1. The state of th		0.00	5		
38,910 23,225 15,685 87,875 72,023 15,8		·	2 196 p					
	38,910	23,225	15,685	87,875	72,023	15,852		
5 (23,830) \$ (16,462) \$ 7,368 \$ (13,893) \$ 3,924 \$ 17,8	(23,830)	S (16,462)	\$ 7,368	\$ (13,893)	\$ 3,924	\$ 17,817		

(continued)

State of Hawaii Nonmajor Special Revenue Funds Combining Schedule of Revenues and Expenditures – Budget and Actual (Budgetary Basis) Year Ended June 30, 2021

		Hawaiian Prog	grams		All Other	
	Final Budget	Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)	Final Budget	Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative
Revenue						
Taxes						
Liquid fuel tax - Highways	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle registration fee tax					=	-
State vehicle weight tax	~	0.60	8	i-	-	=
Rental/tour vehicle surcharge tax	~		-		20	
Employment and training fund assessment		100	9	12	2	9
Tobacco tax	2	10	2	2	23	1
Conveyances tax	្ន	2	2	-	2	2
Environmental response tax	-	-		-	5	-
Transient accommodations tax	-	185				-
Franchise tax	-			-	-	-
Tax on premiums of insurance companies	-					
Total taxes	-	-				
	9 8 - 59		167	(d) (d)		h r 3 2
Non-taxes						(-1
Interest and investment income	80	187	107	46	43	(3)
Charges for current services	-	12	12	8,719	20,816	12,097
Intergovernmental				586	1,675	1,089
Rentals	16,938	15,346	(1,592)			
Fines, forfeitures and penalties				2,181	1,723	(458)
Licenses and fees	3			948	930	(18)
Revenues from private sources	700000	3,000	3,000	36	34	(2)
Other	3,610	7,856	4,246	5,462	11,546	6,084
Total non-taxes	20,628	26,401	5,773	17,978	36,767	18,789
Total revenues	20,628	26,401	5,773	17,978	36,767	18,789
Expenditures						
Department						
Agriculture		1.75				
Business, Economic Development						
and Tourism	-	*	*		*	
Commerce and Consumer Affairs			*			
Defense	~			61,000	51,667	9,333
Education	2	192	2			
Hawaiian Home Lands	30,345	24,192	6,153	2	23	2
Health	-2244		7.67	2	2	2
Human Services			9	2	2	9
Judiciary	- 02		-	16,785	9,971	6,814
Labor and Industrial Relations		-	-	20,703	-	-
Land and Natural Resources						
Public Safety				25,230	16,569	8,661
Legislature		20		7,121	6,688	433
Transportation – Highways			2	,,121	0,000	733
Total expenditures	30.345	24,192	6,153	110.136	84,895	25,241
Excess (deficiency) of revenues		27,132	- 0,133			23,241
over (under) expenditures	\$ (9,717)	\$ 2,209	\$ 11,926	\$ (92,158)	\$ (48,128)	\$ 44,030

Final Budget	Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
\$ 84,22	500 0 - 15 mm - 1916 1916 1916 19	\$ (16,344)
52,45	아니	4,112
84,90		3,238
58,57		(26,372)
1,34		(57)
23,90		(1,956)
6,80		(1,700)
6,39		(716)
4,50		(3,000)
2,00		120
2,50	0 2,662	162
327,60	6 284,973	(42,633)
24,71	9 5,630	(19,089)
284,11	8 249,619	(34,499)
25,83	6 18,984	(6,852)
28,93	1 29,611	680
11,23		6,663
44,39		(2,011)
39,54		2,469
68,13		2,149
526,91	0 476,420	(50,490)
854,51	6 761,393	(93,123)
34,63	4 24,418	10,216
227,96	6 149,821	78,145
87,87	5 72,023	15,852
61,00	0 51,667	9,333
106,57	2 25,218	81,354
30,34	5 24,192	6,153
228,75	9 198,260	30,499
27,33	5 22,689	4,646
16,78	5 9,971	6,814
38,91		15,685
69,18	1 47,922	21,259
25,23		8,661
7,12		433
363,04	5 251,875	111,170
1,324,75	8 924,538	400,220
\$ (470,24	2) \$ (163,145)	\$ 307,097

(concluded)

State of Hawaii Nonmajor Special Revenue Funds Reconciliation of the Budgetary to GAAP Basis Year Ended June 30, 2021 (Amounts in thousands)

Accrued revenues

Excess of revenues and other sources over expenditures – actual (budgetary basis) \$ (163,145)

Reserve for encumbrance at year end* 159,425

Expenditures for liquidation of prior fiscal year encumbrances (667,369)

Expenditures for unbudgeted programs, principally expenditures for capital projects accounts and revolving funds 283,687

Transfers 212,284

Accrued liabilities (984,500)

987,473

(172, 145)

Excess of expenditures over revenues - GAAP basis

^{*} Amount reflects the encumbrance balances (included in continuing appropriations) for budgeted programs only.

State of Hawaii Nonmajor Proprietary Funds Combining Statement of Fund Net Position June 30, 2021

	Employer- Union Trust Fund	Water Pollution Control Revolving Fund	Drinking Water Treatment Revolving Loan Fund	Total Nonmajor Proprietary Funds
Assets				
Current assets	¢ 25.74.6	ć 07.140	ć 24.024	ć 122.002
Cash and cash equivalents Investments	\$ 25,716	\$ 87,143	\$ 21,024	\$ 133,883
Receivables	141,532		-	141,532
Accounts and accrued interest	-	373	189	562
Promissory note receivable		38,993	14.432	53.425
Federal government		-	220	220
Premiums	67,869	525	121	67,869
Other	24,872	1,319	822	27,013
Prepaid expenses and other assets	5,320	<u> </u>	(%)	5,320
Total current assets	265,309	127,828	36,687	429,824
Capital assets	15,627	702	2,763	19,092
Less: Accumulated depreciation	(10,420)	(386)	(2,284)	(13,090)
Net capital assets	5,207	316	479	6,002
Promissory note receivable	*	446,159	205,401	651,560
Total noncurrent assets	5,207	446,475	205,880	657,562
Total assets	270,516	574,303	242,567	1,087,386
Deferred outflows of resources	**************************************		-	-
Deferred outflows on net pension liability	1,301	913	453	2,667
Deferred outflows on net other postemployment benefits liability	531	233	161	925
Total deferred outflows of resources	\$ 1,832	\$ 1,146	\$ 614	\$ 3,592
Liabilities				
Current liabilities				
Vouchers and contracts payable	\$ 749	\$ 163	\$ 538	\$ 1,450
Other accrued liabilities	917	340		917
Benefits claims payable	6,021			6,021
Accrued vacation, current portion	131	75	50	256
Premiums payable	46,411	. <u> </u>	127	46,411
Total current liabilities	54,229	238	588	55,055
Noncurrent liabilities	***		2.20	***
Accrued vacation	468	224	143	835
Net pension liability Net other postemployment benefits liability	7,096 6,963	4,397 3,515	2,859 2,653	14,352 13,131
Total noncurrent liabilities	14,527	8,136	5,655	28,318
Total liabilities	68,756	8,374	6.243	83,373
Deferred inflows of resources		- 0,577		
Deferred inflows or resources Deferred inflows on net pension liability	26	10	361	397
Deferred inflows on net other postemployment benefits liability	663	277	214	1,154
Total deferred inflows of resources	689	287	575	1,551
Net position				
Net investment in capital assets	5.207	316	479	6,002
Restricted for bond requirements and other	-,40-	566,472	235,884	802,356
Unrestricted	197,696			197,696
			<u> </u>	

State of Hawaii Nonmajor Proprietary Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Year Ended June 30, 2021

	Employer- Union Control Trust Fund Revolving Fund		Drinking Water Treatment Revolving Loan Fund	Total Nonmajor Proprietary Funds
Operating revenues				
Administrative fees	\$ -	\$ 3,190	\$ 2,486	\$ 5,676
Premium revenue – self insurance	96,082	3.8	(*)	96,082
Experience refunds, net	36,505		R ± 2	36,505
Other	891	1,374	627	2,892
Total operating revenues	133,478	4,564	3,113	141,155
Operating expenses				
Personnel services	6,119	1,794	1,189	9,102
Depreciation	105	138	222	465
Repairs and maintenance	197	-	142	339
General administration	3,011	999	1,090	5,100
Claims	81,523		(4)	81,523
Other	384	9	1,540	1,933
Total operating expenses	91,339	2,940	4,183	98,462
Operating income (loss)	42,139	1,624	(1,070)	42,693
Nonoperating revenues				
Interest and investment income	2,219	605	149	2,973
Other		180	14	14
Total nonoperating revenues	2,219	605	163	2,987
Income (loss) before capital contributions	44,358	2,229	(907)	45,680
Capital contributions		14,793	13,817	28,610
Change in net position	44,358	17,022	12,910	74,290
Net position	2.2%	Oh 3/4	25	10 36
Beginning of year	158,545	549,766	223,453	931,764
End of year	\$ 202,903	\$ 566,788	\$ 236,363	\$ 1,006,054

State of Hawaii Nonmajor Proprietary Funds Combining Statement of Cash Flows Year Ended June 30, 2021

		mployer- Union rust Fund		er Pollution Control Olving Fund	Tr R	king Water eatment evolving oan Fund		al Nonmajor roprietary Funds
Cash flows from operating activities								
Cash received from employers and employees								
for premiums and benefits	\$	675,114	\$	-	\$	-	Ś	675,114
Cash paid to suppliers	-	(2.857)		(118)		(1.318)		(4,293)
Cash paid to employees		(4,997)		(2,238)		(1,516)		(8,751)
Cash paid for premiums and benefits payable		(618,575)		-				(618,575)
Net cash provided by (used in) operating activities		48,685	-	(2,356)	-	(2,834)	_	43,495
Cash flows from capital financing activities			-		_		_	
Purchase of equipment		(5,016)				-		(5,016)
Proceeds from federal, state and capital grants and contributions		(0,020)		14,792		14,068		28,860
Net cash provided by (used in) capital financing activities		(5,016)	1	14,792	-	14,068	-	23,844
Cash flows from investing activities			-		-		-	
Purchase of investments		(54,398)				1,3		(54,398)
Principal repayments on notes receivable		-		37,034		13,247		50,281
Disbursement of notes receivable proceeds		3		(65,079)		(30,464)		(95,543)
Interest income from notes receivable		-		1,358		557		1,915
Administrative loan fees		-		3,064		2,444		5,508
Interest received from investments		2		572		157		729
Net cash used in investing activities		(54,398)	3	(23,051)	-	(14,059)		(91,508)
Net decrease in cash and cash equivalents		(10,729)	-	(10,615)		(2,825)		(24,169)
Cash and cash equivalents, including restricted amounts	100		1/2	28	107	U.	30	
Beginning of year		36,445	in!	97,758	-	23,849		158,052
End of year	\$	25,716	\$	87,143	\$	21,024	\$	133,883
Reconciliation of operating income (loss) to net cash								
provided by (used in) operating activities								
Operating income (loss)	\$	42,139	\$	1,624	\$	(1,070)	Ś	42,693
Adjustments to reconcile operating income (loss) to	4	42,133	7	1,024	7	(1,070)	~	42,033
net cash provided by (used in) operating activities								
Depreciation		105		138		222		465
Principal forgiveness of loan		103		130		949		949
Interest income from loans				(1,373)		(627)		(2,000)
Administrative loan fees				(3,190)		(2,486)		(5,676)
Non-imposed fringe benefits		6		23		12		35
Premium reserves held by insurance companies		3,961		-		-		3,961
Change in assets, deferred outflows, liabilities		3,301						3,301
and deferred inflows								
Receivables		(1,138)		(13)		-		(1,151)
Prepaid and other expenses		(39)		(15)		624		(39)
Net deferred outflows/inflows of resources		717		264		247		1,228
Vouchers and contracts payable		390		46		(94)		342
Net pension liability		727		352		177		1,256
Other postemployment benefits liability		(537)		(227)		(164)		(928)
Other accrued liabilities		1,691		(227)		(204)		1,691
Benefits claim payable		669						669
Net cash provided by (used in) operating activities	Ś	48,685	\$	(2,356)	\$	(2,834)	Ś	43,495
Her cash provided by fused in operating activities	7	10,000	<u>~</u>	(2,550)	7	(2,034)	-	45,455

State of Hawaii Fiduciary Funds Combining Statement of Fiduciary Net Position – Custodial Funds June 30, 2021

	Co	Tax ollections	17	Custodial d Clearance		Other	_	Total Custodial Funds
Assets	- 2		9		25		121	
Cash and cash equivalents	\$	7,100	\$	80%	\$	591,461	\$	598,561
Receivables – taxes		, -		-		8,810		8,810
Investments	100	22,611		26,126		1,836		50,573
Total assets	\$	29,711	\$	26,126	\$	602,107	\$	657,944
Liabilities								
Vouchers payable	\$	20,624	\$	17	\$	4,621	\$	25,262
Due to individuals, businesses and counties		3384		105,950		(40)		105,950
Total liabilities	2	20,624		105,967	1 2	4,621		131,212
Net position	\$	9,087	\$	(79,841)	\$	597,486	\$	526,732

State of Hawaii **Fiduciary Funds**

Combining Statement of Changes in Fiduciary Net Position – Custodial Funds Year Ended June 30, 2021

		Tax ollections	Custodial and Clearance		Other			Total Custodial Funds
Additions								
Tax collections	\$	406,216	\$	1.00 m	\$	170	\$	406,216
Custodial collections		2 5		263,075		·		263,075
Other collections	10.	58		880	VV2	717,760	<u> </u>	717,760
Total additions		406,216		263,075		717,760	_	1,387,051
Deductions								
Tax disbursements		416,014		67.6		150		416,014
Custodial disbursements				126,789		-		126,789
Other disbursements	<u> </u>	15		150		451,579	_	451,579
Total deductions		416,014		126,789		451,579		994,382
Change in net position		(9,798)		136,286		266,181	_	392,669
Net position								
Beginning of year, as previously reported		-		(i+)		-		-
Adjustment for change in accounting principle		18,885		(216,127)		331,305	_	134,063
Beginning of year, as restated	32	18,885	10	(216,127)	72	331,305	8	134,063
End of year	\$	9,087	\$	(79,841)	\$	597,486	\$	526,732

PART III: STATISTICAL SECTION (UNAUDITED)

State of Hawaii Statistical Section (Unaudited) June 30, 2021

This Part of the State's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information on the State's overall financial health.

Contents	Page(s)
Financial Trends Information: These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.	162-171
Revenue Capacity Information: These schedules contain information to help the reader assess the State's most significant local revenue sources, the general excise tax and net income tax.	172-179
Debt Capacity Information: These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.	180-186
Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.	187–189
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services provided and the activities performed by the State.	190–195

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

State of Hawaii Financial Trends Information Net Position by Component (Accrual Basis of Accounting) (Unaudited) Ten Years Ended June 30, 2021 (Amounts in thousands)

	0:			THE PERSON NAMED IN COLUMN 1 AND	r Ended June 30,
	2021	2020	2019	2018	2017
Governmental activities					
Net investment in capital assets	\$ 1,147,118	\$ 2,478,200	\$ 2,459,159	\$ 2,661,730	\$ 2,787,289
Restricted	2,755,923	2,345,000	2,089,246	2,028,259	1,799,903
Unrestricted	(12,136,654)	(12,518,653)	(11,830,687)	(11,381,725)	(7,996,567)
Total governmental activities net position	\$ (8,233,613)	\$ (7,695,453)	\$ (7,282,282)	\$ (6,691,736)	\$ (3,409,375)
Business-type activities					
Net investment in capital assets	\$ 2,637,031	\$ 2,629,344	\$ 2,459,973	\$ 2,183,188	\$ 2,022,844
Restricted	1,721,912	1,639,488	1,580,020	1,444,009	1,309,392
Unrestricted	(381,773)	251,266	1,018,193	1,075,059	1,141,536
Total business-type activities net position	\$ 3,977,170	\$ 4,520,098	\$ 5,058,186	\$ 4,702,256	\$ 4,473,772
Primary government					
Net investment in capital assets	\$ 3,784,149	\$ 5,107,544	\$ 4,919,132	\$ 4,844,918	\$ 4,810,133
Restricted	4,477,835	3,984,488	3,669,266	3,472,268	3,109,295
Unrestricted	(12,518,427)	(12,267,387)	(10,812,494)	(10,306,666)	(6,855,031)
Total primary government net position	\$ (4,256,443)	\$ (3,175,355)	\$ (2,224,096)	\$ (1,989,480)	\$ 1,064,397

Notes: Amounts prior to fiscal 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal 2015 have not been restated for GASB Statements No. 68 and No. 71.

Amounts prior to fiscal 2017 have not been restated for GASB Statement No. 82.

Amounts prior to fiscal 2018 have not been restated for GASB Statement No. 75.

Amounts prior to fiscal 2021 have not been restated for GASB Statement No. 84.

2016	is.	2015	2014	2013		2012
\$ 2,727,055 1,591,701 (7,190,837)	\$	2,826,649 1,445,824 (7,379,890)	\$ 2,772,220 1,128,678 (3,096,065)	\$	2,863,379 1,051,548 (2,669,391)	\$ 2,794,481 930,294 (2,394,874)
\$ (2,872,081)	\$	(3,107,417)	\$ 804,833	\$	1,245,536	\$ 1,329,901
\$ 1,871,554 1,305,799 1,058,108	\$	1,773,613 1,227,441 995,207	\$ 1,653,902 1,160,551 1,050,981	\$	1,599,483 1,068,146 899,740	\$ 1,560,267 966,042 649,583
\$ 4,235,461	\$	3,996,261	\$ 3,865,434	\$	3,567,369	\$ 3,175,892
\$ 4,598,609 2,897,500 (6,132,729)	\$	4,600,262 2,673,265 (6,384,683)	\$ 4,426,122 2,289,229 (2,045,084)	\$	4,462,862 2,119,694 (1,769,651)	\$ 4,354,748 1,896,336 (1,745,291)
\$ 1,363,380	\$	888,844	\$ 4,670,267	\$	4,812,905	\$ 4,505,793

State of Hawaii
Financial Trends Information
Changes in Net Position (Accrual Basis of Accounting) (Unaudited)
Ten Years Ended June 30, 2021

(Amounts in thousands)

	2021	2020	2019	2018	r Ended June 30, 2017
	2021	2020	2019	2016	2017
Expenses					
Governmental activities			* 1212231222		nar vesserasser
General government	\$ 1,867,701		\$ 1,054,935	\$ 920,547	\$ 631,052
Public safety	772,470		675,663	639,888	552,671
Highways	531,130		552,741	614,847	457,374
Conservation of natural resources	115,658		224,266	118,637	161,924
Health	891,325		1,019,160	874,898	889,216
Welfare	4,579,544		3,379,304	3,542,771	3,481,679
Lower education	3,299,413		3,527,097	3,404,645	3,157,517
Higher education	984,734		950,253	950,843	899,199
Other education	20,593		18,376	23,827	27,248
Culture and recreation	374,727		110,711	89,647	106,875
Urban redevelopment and housing	449,870		179,794	392,921	245,819
Economic development and assistance	403,426		174,629	170,200	161,077
Interest expense	257,218	244,994	251,294	311,340	212,042
Total governmental activities expenses	14,547,809	12,544,473	12,118,223	12,055,011	10,983,693
Business-type activities					
Airports	600,867	559,374	469,321	429,884	408,517
Harbors	107,371	98,998	85,007	92,978	101,180
Unemployment compensation	4,005,272	2,147,598	165,134	177,009	173,735
Nonmajor proprietary funds	98,462	108,798	103,954	96,548	110,907
Total business-type activities expenses	4,811,972		823,416	796,419	794,339
Total primary government expenses	\$ 19,359,781	\$ 15,459,241	\$ 12,941,639	\$ 12,851,430	\$ 11,778,032
D	93		7		,
Program revenues Governmental activities					
Charges for services					
General government	\$ 229,268	\$ 292,428	\$ 302,275	\$ 319,043	\$ 289,116
Health	140.442		138,013	126,046	143,363
Other	334,200		393,958	479,847	357,034
Operating grants and contributions	5,030,769		3,082,678	3,154,479	3,068,752
Capital grants and contributions	5,030,769	3,397,822	3,082,678	3,134,479	3,066,752
Total governmental activities program revenues	5,734,679	4,395,811	3,916,924	4,079,415	3,858,265
Business-type activities	3	7 · · · · · · · · · ·			-
Charges for services					
Airports	328,629	475,064	562,436	587,602	511.018
Unemployment compensation	239,096	1,391,747	193,093	186,239	176,212
Others	323,230		296,920	283,586	269,694
Operating grants and contributions	3,206,169	3.775			
Capital grants and contributions	83,411		78,010	37,956	51,091
Total business-type activities program revenues	4,180,535		1,130,459	1,095,383	1,008,015
Total primary government program revenues	\$ 9,915,214	· ·	\$ 5,047,383	\$ 5,174,798	\$ 4,866,280
(44) (505) 3 E				0.5	
Net (expense) revenue					
Governmental activities	\$ (8,813,130) \$ (8,148,662)	\$ (8,201,299)	\$ (7,975,596)	\$ (7,125,428)
Business-type activities	(631,437	(622,954)	307,043	298,964	213,676
Total primary government net expenses	\$ (9,444,567	\$ (8,771,616)	\$ (7,894,256)	\$ (7,676,632)	\$ (6,911,752)
. 1986 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 1985 - 198					

Notes: Amounts prior to fiscal 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal 2015 have not been restated for GASB Statements No. 68 and No. 71.

Amounts prior to fiscal 2017 have not been restated for GASB Statement No. 82.

Amounts prior to fiscal 2018 have not been restated for GASB Statement No. 75.

·	2016	(1)	2015	0 4	2014	_	2013	W	2012
\$	688,394	\$	595,278	\$	567,941	\$	531,839	\$	552,788
	485,985		504,343		533,727		451,946		502,002
	399,997		426,142		554,039		490,091		516,924
	107,740		89,176		101,587		52,208		96,349
	878,610		871,563		849,493		813,190		773,288
	3,343,392		3,196,602		2,879,813		2,798,053		2,464,582
	2,840,782		2,729,789		2,685,037		2,592,125		2,598,444
	673,217		761,837		693,292		654,611		672,716
	23,379		21,664		21,766		20,086		16,753
	106,511		84,265		104,303		94,679		111,628
	122,981		115,653		137,160		173,677		23,888
	163,935		179,485		166,455		172,602		209,460
_	210,204	·	247,059	=	239,760	-	241,677	_	243,938
-	10,045,127	8 -	9,822,856		9,534,373	_	9,086,784		8,782,760
	377,393		350,041		346,699		366,918		353,541
	93,088		87,031		89,327		90,548		84,826
	144,481		186,893		244,947		336,931		468,610
	112,323		112,209		87,031		66,119		169,166
	727,285		736,174	Ξ	768,004		860,516		1,076,143
\$	10,772,412	\$	10,559,030	\$	10,302,377	\$	9,947,300	\$	9,858,903
\$	209,598	\$	248,915	\$	223,066	\$	267,081	\$	266,878
	136,429		136,547		130,338		56,963		32,339
	371,823		314,099		287,937		170,603		121,928
	2,986,842		2,809,460		2,660,770		2,589,537		2,370,437
	113,006		139,977		97,290		96,184		97,322
_	3,817,698	<u> </u>	3,648,998	_	3,399,401	_	3,180,368	_	2,888,904
	459,269		434,489		404,442		431,708		343,279
	187,215		239,375		353,546		507,096		533,963
	218,552		238,852		203,979		215,243		272,317
	90 173		72 140		00 620		64 212		95 900
2	80,173	ÿ.	72,140		98,628	-	1 219 260	91	85,899
\$	945,209	\$	984,856	\$	1,060,595	\$	1,218,360	\$	1,235,458
Þ	4,762,907	2	4,633,854	2	4,459,996	÷.	4,398,728	Þ	4,124,362
\$	(6,227,429) 217,924	\$	(6,173,858) 248,682	\$	(6,134,972) 292,591	\$	(5,906,416) 357,844	\$	(5,893,856) 159,315
\$	(6,009,505)	\$	(5,925,176)	\$	(5,842,381)	\$	(5,548,572)	\$	(5,734,541)

(continued)

State of Hawaii Financial Trends Information Changes in Net Position (Accrual Basis of Accounting) (Unaudited) Ten Years Ended June 30, 2021

(Amounts in thousands)

		2021		2020		2019		2018		2017
General revenues and other changes in net position	- 8		36	-	100		0			
Governmental activities										
Taxes	0.0		27		100		ů.			
General excise tax	\$	3,438,088	\$	3,667,538	\$	3,794,587	\$	3,553,975	\$	3,189,599
Net income tax – corporations and individuals		3,254,330		2,661,618		2,728,991		2,407,338		2,330,408
Public service companies tax		125,201		134,639		126,691		117,641		122,159
Transient accommodations tax		195,410		304,012		356,670		304,521		299,712
Tobacco and liquor tax		141,522		150,065		151,438		157,988		160,906
Liquid fuel tax		69,351		79,187		85,146		85,211		84,933
Tax on premiums of insurance companies		188,229		183,563		176,420		162,318		166,836
Vehicle weight and registration tax		143,242		125,119		136,142		135,080		132,974
Rental motor/tour vehicle surcharge tax		32,206		72,502		57,994		54,846		53,189
Franchise tax		5,079		35,271		26,808		15,712		11,174
Other tax		106,457		157,623		156,632		145,861		103,204
Interest and investment income		30,759		164,354		40,141		36,527		30,676
Other		100		: 000-010-110-1100), 		(2,797)		4,538		-
Assumption agreement with State, net		-		2073				(250,697)		-
Debt cancellation with State		-				(224,110)		-		; -
Total governmental activities	-	7,729,874		7,735,491	_	7,610,753		6,930,859		6,685,770
Business-type activities	8		27				0.7			
Interest and investment income		88,509		84.866		48,887		27,352		25,324
Other		-		S-0		-		-		-
Total business-type activities	-	88,509		84,866	_	48,887		27,352		25,324
Total primary government	\$	7,818,383	\$	7,820,357	\$	7,659,640	\$	6,958,211	\$	6,711,094
Changes in net position										
Governmental activities	\$	(1,083,256)	\$	(413,171)	\$	(590,546)	\$	(1,044,737)	\$	(439,658)
Business-type activities		(542,928)	5350	(538,088)	7.500	355,930	*	326,316	55	239,000
Total primary government	5	(1,626,184)	Ś	(951,259)	Ś	(234,616)	\$	(718,421)	Ś	(200,658)

Notes: Amounts prior to fiscal 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal 2015 have not been restated for GASB Statements No. 68 and No. 71.

Amounts prior to fiscal 2017 have not been restated for GASB Statement No. 82.

Amounts prior to fiscal 2018 have not been restated for GASB Statement No. 75.

	2016	(e)	2015	5	2014	oğ.	2013	sý.	2012
120		9		¥.		121		Œ.	
\$	3,192,469	\$	3,021,418	\$	2,816,346	\$	2,991,792	\$	2,774,636
	2,160,872		2,073,015		1,840,890		1,795,683		1,633,085
	152,760		163,481		166,179		163,930		150,528
	233,082		202,345		188,721		186,377		138,529
	161,239		165,137		155,990		161,066		170,824
	89,702		88,449		88,707		87,645		88,842
	154,690		147,767		139,074		133,585		119,472
	130,051		125,113		124,686 121,605			98,187	
	54,873		51,941		42,853		52,112		106,417
	14,691		19,930		38,983		22,673		7,229
	109,072		76,222		96,131		80,081		70,873
	22,564		16,024		13,163		25,502		5,347
	(13,300)		-		-		-		ě
	27.1		<u> </u>		171		177		5
_		-		_		_		-	-
_	6,462,765	-	6,150,842	-	5,711,723	200	5,822,051	8	5,363,969
	21,276		17,567		12,805		14,633		4,164
	34		÷.,		1941,		19,000		-
	21,276		17,567	_	12,805	_	33,633	_	4,164
\$	6,484,041	\$	6,168,409	\$	5,724,528	\$	5,855,684	\$	5,368,133
\$	235,336 239,200	\$	(23,016) 266,249	\$	(423,249) 305,396	\$	(84,365) 391,477	\$	(529,887) 163,479
\$	474,536	\$	243,233	\$	(117,853)			Ś	(366,408)
7	474,550	7	243,233	4	(117,033)	7	307,112	7	(300,400

(concluded)

State of Hawaii

Financial Trends Information

Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting) (Unaudited) Ten Years Ended June 30, 2021

	4				Fiscal Yea	r En	ded June 30,
		2021	2020	2019	2018	_	2017
General Fund Assigned Unassigned	\$	390,666 1,169,873	\$ 479,071 789,518	\$ 475,242 1,147,073	\$ 503,201 974,719	\$	400,529 1,305,542
Total General Fund	\$	1,560,539	\$ 1,268,589	\$ 1,622,315	\$ 1,477,920	\$	1,706,071
All other governmental funds							
Restricted	\$	247	\$ 16,018	\$ 22,006	\$ 25,653	\$	110,750
Committed		667,104	1,041,570	823,958	805,502		688,980
Assigned		2,092,883	1,316,396	1,267,999	1,226,984		1,117,520
Unassigned		(183,242)	(362,148)	(210,972)	(68,660)		(116,880)
Total all other governmental funds	\$	2,576,992	\$ 2,011,836	\$ 1,902,991	\$ 1,989,479	\$	1,800,370

77	2016	J.	2015		2014		2013		2012
\$	394,581 1,400,783	\$	205,242 1,384,053	\$	256,483 1,079,180	\$	271,020 1,154,253	\$	236,779 570,659
\$	1,795,364	\$	1,589,295	\$	1,335,663	\$	1,425,273	\$	807,438
\$	15,557 401,313 1,199,080 (340,671)	\$	25,370 449,290 1,009,503 (576,980)	\$	27,145 497,932 739,279 (588,405)	\$	21,854 486,240 612,762 (611,097)	\$	109 518,374 532,466 (408,575)
\$	1,275,279	\$	907,183	\$	675,951	\$	509,759	\$	642,374

State of Hawaii
Financial Trends Information
Changes in Fund Balances – Governmental Funds (Unaudited)
(Modified Accrual Basis of Accounting)
Ten Years Ended June 30, 2021
(Amounts in thousands)

				Fiscal Yea	r Ended June 30,
	2021	2020	2019	2018	2017
Revenues					
Taxes					
General excise tax	\$ 3,437,755	\$ 3,632,630	\$ 3,794,585	\$ 3,553,975	\$ 3,189,599
Net income tax – corporations and individuals	3,233,174	2,657,551	2,718,654	2,456,674	2,286,017
Public service companies tax	125,201	134,639	126,691	117,641	122,159
Transient accommodations tax	194,095	303,176	356,670	304,521	299,712
Tobacco and liquor tax	141,522	150,065	151,438	157,988	160,906
Liquid fuel tax	69,351	79,187	85,146	85,211	84,933
Tax on premiums of insurance companies	188,229	183,563	176,420	162,318	166,836
Vehicle weight and registration tax	143,242	125,119	136,142	135,080	132,974
Rental motor/tour vehicle surcharge tax	32,206	72,502	57,994	54,846	53,189
Franchise tax	5,079	35,271	26,808	15,712	11,174
Other	106,457	157,591	156,632	145,861	103,204
Total taxes	7,676,311	7,531,294	7,787,180	7,189,827	6,610,703
Interest and investment income	30,759	164,354	40,141	36,527	30,676
Charges for current services	401,403	495,009	518,531	477,717	460,211
Intergovernmental	4,741,176	3,333,396	2,783,538	2,878,717	2,938,557
Rentals	31,316	35,035	38,031	35,466	35,530
Fines, forfeitures and penalties	32,081	28,579	37,513	38,767	39,203
Licenses and fees	42,577	45,763	47,965	47,066	46,893
Revenues from private sources	138,520	128,401	122,017	184,661	105,857
Other	356,653	329,624	369,425	428,066	248,389
Total revenues	13,450,796	12,091,455	11,744,341	11,316,814	10,516,019
Expenditures					
Current					
General government	1,708,337	1,137,274	1,007,554	807,032	701,083
Public safety	746,822	612,091	634,120	579,980	531,545
Highways	448,647	500,212		609,538	461,523
Conservation of natural resources	137,459	167,383	145,383	157,639	180,697
Health	1,040,285	1,096,444	1,009,545	827,592	873,703
Welfare	4,599,447	3,653,210		3,495,974	3,442,279
Lower education	3,451,175	3,351,308	3,334,110	3,226,275	2,973,583
Higher education	984,734	1,050,582		950,843	899,199
Other education	20,593	16,936		23,827	27,248
Culture and recreation	377,419	143,739		104,964	104,655
Urban redevelopment and housing	89,826	78,061	원	124,292	63,807
Economic development and assistance	238,956	166,387		167,614	179,127
Housing	355,350	153,411		256,386	133,010
Other	20,144	13,293	13,691	12,388	10,613
Debt service					
Principal Interest and others	522,640 330,893	564,222 332,279		464,518 321,150	484,274 296,482
Total expenditures	15,072,727	13,036,832		12,130,012	11,362,828
Excess of expenditures over revenues	(1,621,931)			(813,198)	(846,809)
Other financing sources (uses)	(1,021,931)	(343,377	(313,323)	(813,130)	(840,803)
Proceeds from borrowing and refunding	2,333,941	700,496	644,962	1,200,004	2,161,677
Payments to escrow agent	(400,000)		(69,730)	(424,887)	(879,070)
Transfers in	2,632,432	1,324,903		1,291,815	1,444,931
Transfers out	(2,632,432)			(1,291,815)	(1,444,931)
Other	(2,032,432)	(2,52-1,505	(1,402)	(961)	(2,444,552)
Total other financing sources	1,933,941	700,496	573,830	774,156	1,282,607
Net change in fund balances	\$ 312,010	\$ (244,881	\$ 57,907	\$ (39,042)	\$ 435,798
Total debt service as a percent of noncapital expenditures (1)	6.1%	7.79	6 7.5%	7.0%	7.3%
A A A A		. :			

(1) Total debt service as a percent of noncapital expenditures is computed by debt service principal plus debt service interest and others divided by total expenditures less capital outlay.

	2016	-	2015		2014	2013		-	2012
\$	3,192,469	\$	3,021,418	\$	2,816,346	\$	2,991,792	\$	2,774,636
	2,157,879		2,047,327		1,840,963		1,804,409		1,633,412
	152,760		163,481		166,179		163,930		150,528
	233,082		202,345		188,721		186,377		138,529
	161,239		165,137		155,990		161,066		170,824
	89,702		88,449		88,707		87,645		88,842
	154,690		147,767		139,074		133,585		119,472
	130,051		125,113		124,686		121,605		98,187
	54,873		51,941		42,853		52,112		106,417
	14,691		19,930		38,983		22,673		7,229
_	109,072	-	76,222	-	96,131	_	80,079	-	70,873
_	6,450,508	·-	6,109,130	_	5,698,633	_	5,805,273	·	5,358,949
	22,564		16,024		13,163		25,502		5,347
	431,181		384,380		363,791		369,269		337,765
	2,995,768		2,803,989		2,650,876		2,372,480		2,238,639
	32,371		31,127		31,846		28,633		25,421
	35,738		37,201		33,087		36,802		35,083
	45,738		42,463		47,209		46,839		46,390
	126,450		121,366		112,916		104,670		65,085
	169,533	-	9,737,152	100	9,125,004		9,024,984		152,091 8,264,770
			2,, 2,, 1222		3,223,001	_		(e)	-,20 ,,
	673,236		573,820		543,129		408,538		487,596
	479,047		484,960		519,954		432,024		454,957
	389,744		455,563		403,559		418,991		414,629
	181,563		145,516		108,703		92,601		98,428
	876,820		855,797		828,088		779,755		729,841
	3,349,414		3,192,807		2,945,370		2,773,241		2,443,936
	2,828,013		2,619,156		2,603,774		2,358,763		2,330,130
	673,217		761,837		693,292		654,611		672,716
	23,379		21,664		21,766		20,086		16,753
	101,351		96,676		107,846		107,940		109,974
	54,446		71,384		65,228		66,243		48,484
	159,483		176,919		158,379		157,468		147,445
	58,381		48,565		63,683		112,614		46,133
	20,193		15,179		29,818		32,716		12,108
	444,791		444,791		458,983		399,382		313,721
	315,321		289,524		278,315		288,267		274,039
	10,628,399		10,254,158		9,829,887		9,103,240		8,600,890
_	(318,548)		(517,006)	_	(704,883)		(78,256)	_	(336,120)
	1 025 677		1 510 700		049 100		1 066 040		1 600 200
	(989 950)		1,518,709		948,190		1,066,848		1,600,308
	(989,950)		(516,839)		(185,560)		(503,372)		(565,801)
	1,276,279 (1,276,279)		1,171,272		1,066,780 (1,066,780)		1,033,917		950,717
	46,986		(1,171,272)		18,835		(1,033,917)		(950,717)
-	892,713	·-	1 001 970	-	781,465	_	563,476	·	1 034 507
\$	574,165	\$	1,001,870 484,864	\$	76,582	\$	485,220	\$	1,034,507 698,387
~	7.6%	<u>*</u>	7.7%	-	7.9%	*	8.0%	*	7.2%
_	7.0%	-	1.170		7.370	_	0.0%		7.270

State of Hawaii Revenue Capacity Information Personal Income by Industry (Unaudited) Ten Years Ended June 30, 2021 (Amounts in millions)

	2021	2021 2020			2019		2018		d June 30, 2017
Farm earnings	\$ 286	\$	249	\$	271	\$	284	\$	274
Nonfarm wage and salary worker	~			2 00					
Goods-producing industries									
Forestry, fishing-related activities, and other	94		90		97		94		87
Mining	27		32		31		35		35
Construction	4,786		4,531		4,538		4,372		4,391
Manufacturing – durable and nondurable goods	976	-	948		975	_	959		921
Subtotal goods - producing industries	5,883	01	5,601		5,641	_	5,460	9	5,434
Service-producing industries									
Transportation, communication and utilities	2,965		4,802		3,064		2,965		2,714
Trade	4,784		3,170		4,841		4,659		4,574
Information	865		830		893		766		711
Finance, insurance and real estate	4,216		3,714		3,626		3,373		3,192
Service	20,480		21,500		21,964		21,051		19,595
State and local government	7,601		7,313		7,235		6,907		6,970
Federal government	8,746		9,219		8,990		8,505		8,491
Subtotal service-producing industries	 49,657	7/2	50,548		50,613		48,226	~	46,247
Total nonfarm wage and salary worker	55,540		56,149	_	56,254	_	53,686	_	51,681
Other (1)	29,613		27,963		23,638		22,506		21,042
Total personal income	\$ 85,439	\$	84,361	\$	80,163	\$	76,476	\$	72,997
Total direct income tax rate (2)	N/A		N/A		N/A		N/A		N/A

- (1) Includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.
- (2) The total direct rate for personal income is not available.

Source: State of Hawaii Department of Business, Economic Development and Tourism –
Data Book and Quarterly Statistical and Economic Report (QSER)
Bureau of Economic Analysis – SQ5N Personal Income by major source and earnings by major NAICS industry.

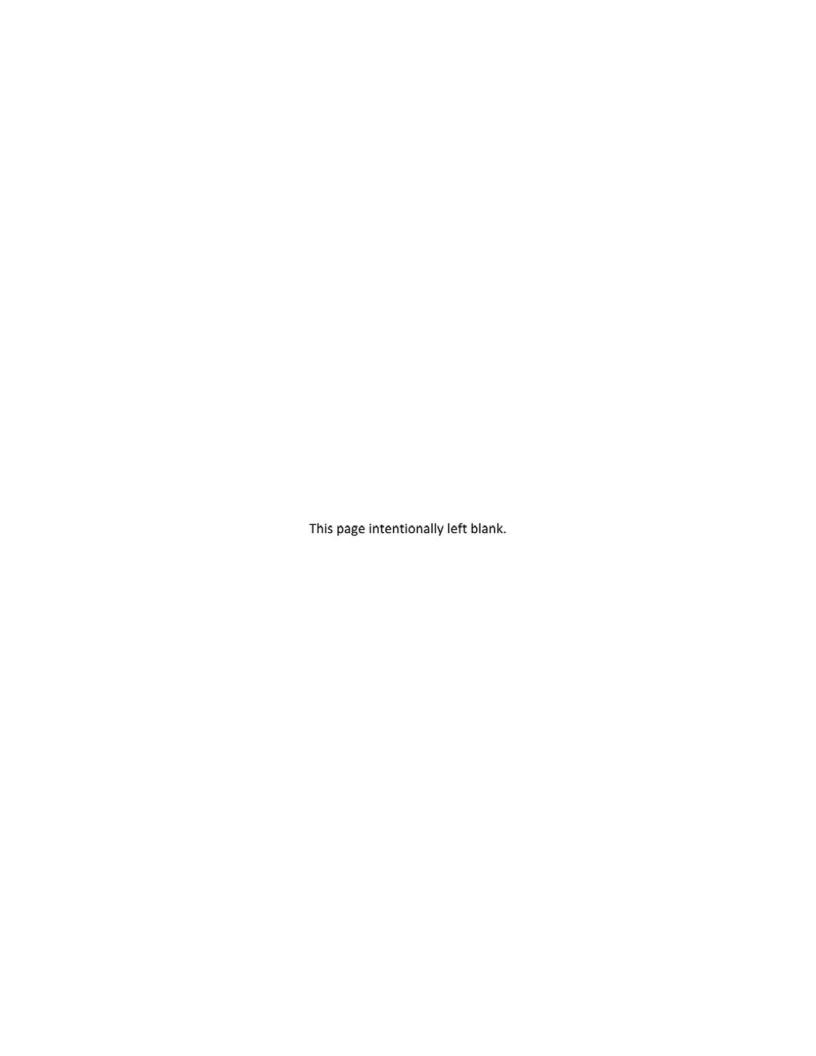
2016		2015	62	2014	3 32	2013		2012
\$ 284	\$	318	\$	349	\$	243	\$	288
76		76		66		60		60
39		41		37		39		35
4,038		3,542		3,328		3,236		3,046
918	_	878	60	833	_	804	_	767
5,071	_	4,537	-	4,264	-	4,139	_	3,908
2,639		2,424		2,316		2,178		1,889
4,419		4,130		4,089		3,929		3,768
742		718		711		692		645
3,051		3,110		3,267		2,752		2,329
19,087		17,608		17,126		16,423		15,438
6,949		6,426		6,089		5,873		5,425
 8,614	_	8,400		8,139	_	8,507	_	10,094
45,501		42,816	74	41,737		40,354		39,588
50,572		47,353	25	46,001		44,493	_	43,496
19,814		19,092		18,270		18,473		16,144
\$ 70,670	\$	66,763	\$	64,620	\$	63,209	\$	59,928
N/A		N/A		N/A		N/A		N/A

Top Income Tax Rate is Applied to Taxable Income in Excess of

				Married		
Year	Top Rate	Single	Top Rate	Filing Jointly	Top Rate	Head of Household
2021	11.00% + \$16,379	\$ 200,000	11.00% + \$32,757	\$ 400,000	11.00% + \$24,568	\$ 300,000
2020	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2019	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2018	8.25% + \$3,214	48,000	8.25% + \$6,427	96,000	8.25% + \$4,820	72,000
2017	8.25% + \$3,214	48,000	8.25% + \$6,427	96,000	8.25% + \$4,820	72,000
2016	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2015	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2014	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2013	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2012	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000

Source: State of Hawaii, Department of Taxation.

174



State of Hawaii Revenue Capacity Information Taxable Sales by Industry (Unaudited) Ten Years Ended June 30, 2021 (Amounts in millions)

						F	iscal Year E	nded	June 30,
		2021	_	2020	 2019		2018		2017
Taxable sales by activities									
Retailing	\$	33,368	\$	35,679	\$ 36,801	\$	35,454	\$	30,747
Services		15,345		16,750	16,927		16,375		14,162
Contracting		10,029		9,541	9,706		8,914		8,418
Hotel rentals		1,989		5,215	5,669		5,527		4,898
All other rentals		7,533		8,667	8,564		8,171		6,669
All other (4%)		4,493		5,893	6,543		6,545		5,918
Subtotal	0	72,757		81,745	 84,210	- ST	80,986	-	70,812
Producing		342		303	296		359		324
Manufacturing		522		561	596		640		731
Wholesaling		16,837		17,417	18,062		17,590		14,462
Use (0.5%)		6,512		6,886	7,280		7,640		6,799
Services (intermediary)		865		1,007	1,005		903		870
Insurance solicitors	14	664		702	 754	0	650	- 50	495
Subtotal		25,742		26,876	27,993		27,782		23,681
Total all activities	\$	98,499	\$	108,621	\$ 112,203	\$	108,768	\$	94,493

General excise and use tax is imposed on the gross income received by the business, as follows:

- 4% of sales of tangible personal property, services, contracting, theater amusement and broadcasting, commissions, transient accommodation rentals, other rentals, interest, and other business activities.
- 0.5% of sales from wholesaling, manufacturing, producing, wholesale services, and imports for resale.
- 0.15% on insurance producer commissions.

Source: State of Hawaii, Department of Taxation - Monthly Tax Collection Reports.

_	2016	G	2015	18-	2014	-	2013	2012
\$	29,498	\$	29,987	\$	31,152	\$	29,636	\$ 29,095
	13,667		13,361		13,795		12,985	12,696
	8,185		7,322		7,046		7,547	6,253
	4,442		4,328		4,279		3,871	3,431
	6,474		6,544		6,472		6,377	6,154
	5,407		5,486		5,683		5,337	5,160
	67,673	8	67,028		68,427		65,753	62,789
	295		321		436		399	401
	734		716		1,876		639	681
	13,864		14,294		14,675		14,430	14,442
	7,354		7,127		6,489		8,867	8,005
	708		716		1,096		628	653
	485		489		485		464	477
	23,440		23,663		25,057		25,427	24,659
\$	91,113	\$	90,691	\$	93,484	\$	91,180	\$ 87,448

State of Hawaii Revenue Capacity Information Sales Tax Revenue Payers by Industry (Unaudited) Ten Years Ended June 30, 2021

(Amounts in thousands)

	20	21	20	20	20	19	20	18	20	17
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Retailing	\$ 1,334,715	43.3%	\$ 1,427,180	41.5%	\$ 1,472,039	41.5%	\$ 1,418,176	41.8%	\$ 1,229,860	38.0%
Services	613,791	19.9%	670,010	19.5%	677,082	19.1%	655,007	19.3%	566,466	17.5%
Contracting	401,141	13.0%	381,641	11.1%	388,249	11.0%	356,576	10.5%	336,717	10.4%
Theater, amusement, etc.	8,537	0.3%	16,661	0.5%	19,978	0.6%	19,182	0.6%	17,248	0.5%
Interest	83,679	2.7%	127,396	3.7%	141,903	4.0%	142,359	4.2%	134,441	4.2%
Commissions	51,715	1.7%	51,076	1.5%	54,981	1.6%	55,832	1.6%	49,209	1.5%
Hotel rentals	79,578	2.6%	208,581	6.1%	226,764	6.4%	221,084	6.5%	195,919	6.0%
All other rentals	301,321	9.8%	346,685	10.1%	342,572	9.7%	326,823	9.6%	266,758	8.2%
Use (4%)	35,784	1.2%	40,580	1.2%	44,847	1.3%	44,390	1.3%	35,845	1.1%
All other (4%)	3.0	0.0%	1.2200.000	0.0%		0.0%	*	0.0%		0.0%
Producing	1,712	0.1%	1,514	0.1%	1,480	0.0%	1,794	0.1%	1,619	0.1%
Manufacturing	2,612	0.1%	2,807	0.1%	2,981	0.1%	3,201	0.1%	3,657	0.1%
Wholesaling	84,183	2.7%	87,088	2.5%	90,308	2.6%	87,952	2.6%	72,309	2.2%
Use (0.5%)	32,560	1.1%	34,428	1.0%	36,398	1.0%	38,201	1.1%	33,996	1.0%
Services (Intermediary)	4,324	0.1%	5,033	0.1%	5,026	0.1%	4,514	0.1%	4,352	0.1%
Insurance solicitors	996	0.0%	1,053	0.0%	1,131	0.0%	975	0.0%	743	0.1%
Unallocated collections	43,546	1.4%	34,405	1.0%	35,650	1.0%	19,500	0.6%	290,086	9.0%
Total	\$ 3,080,194	100.0%	5 3,436,138	100.0%	\$ 3,541,389	100.0%	\$ 3,395,566	100.0%	\$ 3,239,225	100.0%

Source: State of Hawaii, Department of Taxation – Monthly Tax Collection Reports.

Note: Information for number of filers is not available.

20:	16	20	15	20	14	20	13	20	12
Tax Liability	Percentage of Total								
\$ 1,179,911	36.8%	\$ 1,199,488	39.4%	\$ 1,246,061	43.3%	\$ 1,185,446	40.3%	\$ 1,163,805	43.1%
546,684	17.1%	534,442	17.5%	551,784	19.2%	519,419	17.6%	507,864	18.9%
327,394	10.2%	292,874	9.6%	281,839	9.8%	301,875	10.3%	250,122	9.3%
15,931	0.5%	15,955	0.5%	15,619	0.5%	15,986	0.5%	15,776	0.6%
1	0.0%	1	0.0%	3	0.0%	3	0.0%	4	0.0%
44,777	1.4%	45,619	1.5%	45,125	1.6%	42,064	1.4%	38,848	1.4%
177,671	5.5%	173,100	5.7%	171,162	5.9%	154,837	5.3%	137,222	5.1%
258,977	8.1%	261,743	8.6%	258,886	9.0%	255,074	8.7%	246,151	9.1%
35,620	1.1%	39,884	1.3%	40,277	1.4%	41,015	1.4%	41,797	1.5%
119,948	3.7%	118,014	3.9%	126,306	4.4%	114,396	3.9%	109,989	4.1%
1,473	0.0%	1,605	0.1%	2,181	0.1%	1,997	0.1%	2,004	0.1%
3,670	0.1%	3,581	0.1%	9,380	0.3%	3,194	0.1%	3,402	0.1%
69,322	2.2%	71,471	2.3%	73,373	2.5%	72,149	2.4%	72,210	2.7%
36,872	1.2%	35,634	1.2%	32,446	1.1%	44,337	1.5%	40,026	1.5%
3,539	0.1%	3,578	0.1%	5,480	0.2%	3,139	0.1%	3,265	0.1%
728	0.0%	733	0.0%	728	0.0%	697	0.0%	716	0.0%
383,736	12.0%	250,484	8.2%	19,893	0.7%	188,859	G.4%	64,750	2.4%
\$ 3,206,254	100.0%	\$ 3,048,206	100.0%	\$ 2,880,543	100.0%	\$ 2,944,487	100.0%	\$ 2,697,951	100.0%

State of Hawaii Debt Capacity Information Ratios of Outstanding Debt by Type (Unaudited) Ten Years Ended June 30, 2021

(Amounts in thousands except per capita data)

						Fiscal Yea	r Er	ided June 30,
	2021		2020	2019		2018	_	2017
Governmental activities								
General obligation bonds	\$ 8,870,454	\$	7,294,070	\$ 7,914,382	\$	7,912,206	\$	7,635,827
Revenue bonds	753,505		623,120	571,306		633,073		692,742
Capital leases	108,665		115,147	122,922		129,897		143,622
Total governmental activities	 9,732,624	_	8,032,337	8,608,610	Ξ	8,675,176		8,472,191
Business-type activities								
General obligation bonds	16,239		18,690	21,026		23,255		25,377
Revenue bonds	2,519,961		2,093,075	1,968,315		1,567,305		1,375,442
Lease revenue certificates of participation	210,803		224,375	236,147		244,979		252,806
Loan payable	* 90j		-	76,000		76,000		76,000
Total business-type activities	 2,747,003		2,336,140	 2,301,488		1,911,539		1,729,625
Total primary government	\$ 12,479,627	\$	10,368,477	\$ 10,910,098	\$	10,586,715	\$	10,201,816
Hawaii total personal income	\$ 85,439,000	\$	84,361,000	\$ 80,163,000	\$	76,476,000	\$	72,997,000
Debt as a percentage of personal income	14.6%		12.3%	13.6%		13.8%		14.0%
Hawaii population	1,455		1,416	1,422		1,435		1,428
Amount of debt per capita	\$ 8,577	\$	7,322	\$ 7,672	\$	7,378	\$	7,144

Note: Details regarding the State's outstanding debt can be found in the notes to basic financial

statements.

Source: State of Hawaii, Annual Comprehensive Financial Reports.

State of Hawaii, Department of Business, Economic Development and Tourism - QSER.

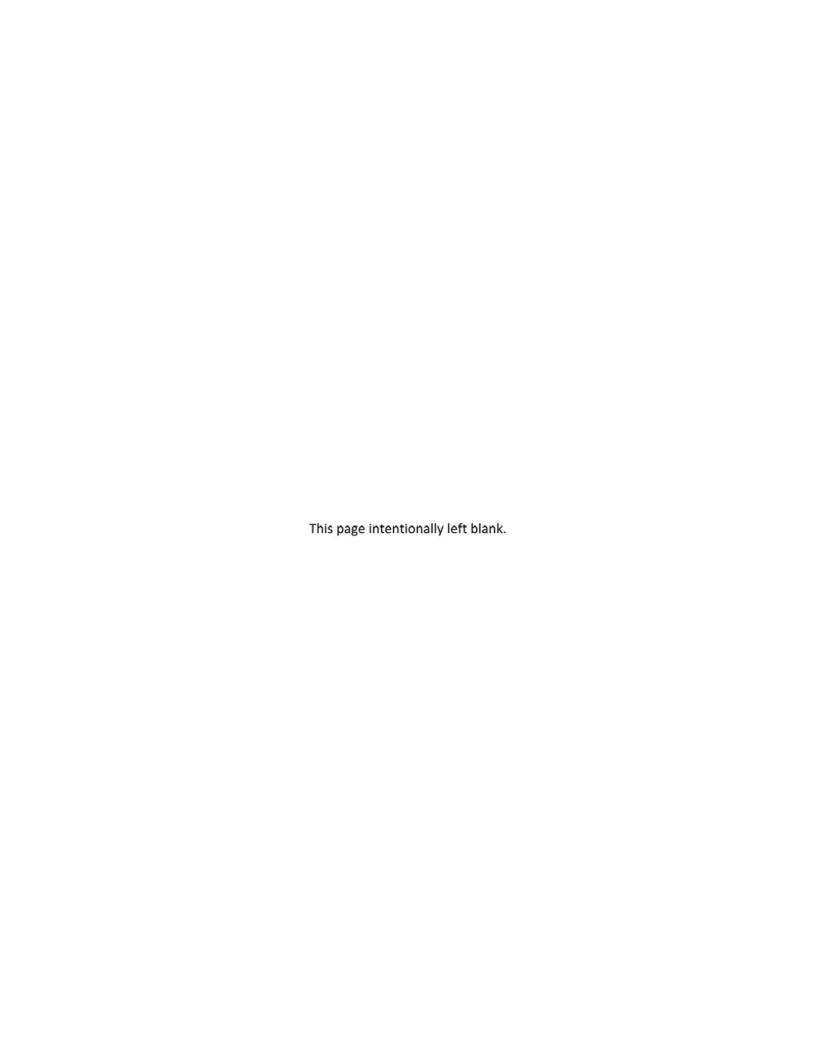
	2016		2015	2	2014		2013		2012
\$	6,953,431	\$	6,503,281	\$	5,784,139	\$	5,534,921	\$	5,475,348
	615,120 149,477		666,202 96,175		412,725 102,622		441,150 89,879		468,180 95,340
-	7,718,028	_	7,265,658	_	6,299,486	_	6,065,950	_	6,038,868
	27,400		29,332		31,176		32,934		34,611
	1,429,980		1,218,943		1,278,137		1,326,112		1,370,314
	179,985		172,864		173,771				-
	34,910		34,910	_			-		
	1,672,275		1,456,049		1,483,084		1,359,046		1,404,925
\$	9,390,303	\$	8,721,707	\$	7,782,570	\$	7,424,996	\$	7,443,793
\$	71,767,000	\$	66,763,000	\$	64,620,000	\$	63,209,000	\$	59,928,000
	13.1%		13.1%		12.0%		11.7%		12.4%
	1,429		1,432		1,420		1,404		1,392
\$	6,571	\$	6,091	\$	5,481	\$	5,288	\$	5,348

State of Hawaii Debt Capacity Information Ratios of Net General Bonded Debt Outstanding (Unaudited) Ten Years Ended June 30, 2021

(Amounts in thousands except ratio data)

Fiscal Year	Taxable Sales (1)	Population (2)	General Obligation Bonded Debt (3)(4)	Servic	s: Debt es Monies lable (3)	0	let General Obligation onded Debt	Percentage of Taxable Sales	Net General Obligation Bonded Debt Per Capita
2021	\$ 98,499,000	1,455	\$ 8,886,693	\$	247	\$	8,886,446	9.0%	6,108
2020	108,621,000	1,416	7,312,760		152		7,312,608	6.7%	5,164
2019	112,203,000	1,422	7,935,408		19 4 3		7,935,408	7.1%	5,580
2018	108,768,000	1,435	7,935,461		12		7,935,461	7.3%	5,530
2017	94,493,000	1,428	7,661,204		35		7,661,169	8.1%	5,365
2016	91,113,000	1,429	6,980,831		35		6,980,796	7.7%	4,885
2015	90,691,000	1,432	6,532,613		35		6,532,578	7.2%	4,562
2014	93,484,000	1,420	5,815,315		35		5,815,280	6.2%	4,095
2013	91,181,000	1,404	5,567,855		63		5,567,792	6.1%	3,966
2012	87,448,000	1,392	5,509,959		64		5,509,895	6.3%	3,958

- (1) Source: State of Hawaii, Department of Taxation.
- (2) **Source:** State of Hawaii, Department of Business, Economic Development and Tourism Census Data.
- (3) Source: State of Hawaii, Department of Accounting and General Services, Accounting Division.
- (4) Excludes Component Unit.



State of Hawaii **Debt Capacity Information Legal Debt Margin Information (Unaudited)** Ten Years Ended June 30, 2021 (Amounts in thousands)

								Fiscal Year	End	led June 30,
		2021		2020		2019		2018	_	2017
Average general fund revenues of the three preceding fiscal years	\$	7,930,471	\$	7,732,620	\$	7,637,553	\$	7,359,330	\$	6,997,106
Constitutional debt limit percentage		18.5%		18.5%		18.5%		18.5%		18.5%
Constitutional debt limit for total principal and interest payable in a current or future year		1,467,137	-	1,430,535	15:	1,412,947		1,361,476		1,294,465
Less: Total principal and interest payable on outstanding general obligation bonds in highest debt service year		(917,238)	_	(753,610)		(836,170)		(792,143)		(739,852)
Legal debt margin	\$	549,899	\$	676,925	\$	576,777	\$	569,333	\$	554,613
Legal debt margin as a percentage of the debt limit	-	37.5%		47.3%	_	40.8%	_	41.8%	_	42.8%

The formula for the legal debt limit is contained in Article VII, Section 13 of the State Constitution.

1	2016	,-	2015	4	2014		2013		2012
\$	6,577,966	\$	6,294,642	\$		\$	5,659,152	\$	
_	18.5%	_	18.5%	-	18.5%	-	18.5%	-	18.5%
	1,216,924		1,164,509		1,107,743		1,046,943		961,546
	(712,592)		(693,934)	10	(693,677)	00	(693,592)	32	(667,041)
\$	504,332	\$	470,575	\$	414,066	\$	353,351	\$	294,505
	41.4%		40.4%		37.4%		33.8%		30.6%

State of Hawaii Debt Capacity Information Pledge Revenue Coverage (Unaudited) Ten Years Ended June 30, 2021

(Amounts in thousands)

									F	iscal Year Er	nde	d June 30,								
		2021		2020	_	2019		2018		2017	Ξ	2016		2015		2014		2013		2012
Revenue bonds – Airports Gross revenue (1) Less: Operating expenses (2)	\$	403,145 364,439	\$	486,117 339,043	\$	495,315 316,905	\$	466,317 299,799	\$	431,726 288,644	\$	381,404 259,223	\$	355,948 253,581	\$	341,155 246,982	\$	385,841 244,328	\$	319,542 230,224
Net available revenue		38,706	_	147,074	_	178,410	_	166,518	_	143,082	_	122,181	_	102,367	_	94,173	_	141,513	_	89,318
Debt services Principal Interest (3)		430 53,947		44,690 51,751		42,585 47,423		40,755 46,454		38,935 45,182		37,290 42,532		35,725 41,671		34,210 23,414		40,305 40,705		30,579 34,440
Total debt services		54,377		96,441		90,008		87,209		84,117		79,822		77,396		57,624	2	81,010		65,019
Coverage (4)	1	71%	=	153%	Ξ	198%	_	191%	_	170%	_	153%	Ξ	132%	_	163%	_	175%	<u> </u>	137%
Revenue bonds – Harbors Gross revenue (5) Less: Operating expenses (6)	\$	48,491	\$	183,623 48,834	\$	47,461	\$	170,560 53,543	\$	140,052 53,396	\$	131,858 47,133	\$	124,663 43,132	\$	122,379 43,837	\$	114,640 44,048	\$	41,202
Net available revenue		135,247		134,789		151,144		117,017		86,656		84,725		81,531		78,542		70,592		63,476
Debt services	-	28,350	-	28,940	-	28,936	:-	29,114	-	31,176	-	31,187	-	31,176	-	31,528	-	31,531	-	27,770
Coverage (4)	9	477%	-	466%	_	522%	8	402%		278%	-	272%	-	262%	_	249%	-	224%	100	229%
Revenue bonds – Highways Gross revenue Less: Operating expenses		N/A N/A		N/A N/A		N/A N/A	_	N/A N/A		N/A N/A	_	N/A N/A		N/A N/A	\$	255,431 205,872	\$	256,102 184,696	\$	232,543 173,811
Net available revenue		N/A	_	N/A	_	N/A	_	49,559	_	71,406	_	58,732								
Debt services Principal Interest	_	30,695 20,382	_	29,845 17,630	_	42,735 19,299	_	40,765 21,186	_	37,790 19,320	_	34,920 20,571	_	31,890 19,402	_	28,825 19,036	_	27,170 20,245	_	22,465 18,906
Total debt services		51,077	_	47,475	_	62,034	_	61,951	_	57,110	_	55,491	_	51,292	_	47,861	_	47,415	_	41,371
Coverage (7)	-	N/A	_	N/A		N/A	_	N/A	_	N/A	_	N/A	_	N/A	_	104%	_	151%	_	142%
Revenue bonds – Department of Hawaiian Home Lands Revenue Less: Operating expenses	\$	15,922	\$	16,434	\$	17,361	\$	17,564	\$	15,867	\$	14,730	\$	15,230	\$	15,763	\$	12,585	\$	12,078
Net available revenue		15,922	_	16,434	_	17,361	_	17,564	_	15,867	_	14,730	_	15,230	_	15,763	_	12,585	_	12,078
Debt services Principal Interest	, -	1,695 1,306		1,655 1,372	·-	1,575 1,435		1,100	_	850 2,163	_	810 2,201	_	775 2,237		740 2,270	_	710 2,301	_	680 2,328
Total debt services		3,001	=	3,027	5	3,010		1,987	Ξ	3,013	Ξ	3,011	<u> </u>	3,012	=	3,010	=	3,011	=	3,008
Coverage (4)		531%		543%	9	577%		884%	3	527%		489%		506%		524%	-	418%	-	402%

- Total operating revenues plus interest income and federal operating grants, exclusive of interest earned on investment in financing leases.
- (2) Total operating expenses other than depreciation less (plus) excess of actual disbursements over (under) required reserve for major maintenance, renewal and replacement plus amounts required to be paid into the General Fund for general obligation bond requirements.
- (3) For purposes of calculating the debt service requirement, interest payment for Airports system revenue bonds exclude the amortization of the deferred loss on refunding and original issue discount and premium, which are reported as interest expense for financial statement reporting purposes.

For fiscal years 2016, 2015 and 2014, Airports transferred \$4,000,000, \$18,500,000 and \$19,000,000, respectively, of available funds from the Prepaid Airport Use Charge Fund into the Airport Revenue Fund for credit to the interest account in the current year to reduce the amount required to be deposited to the interest account, pursuant to the provisions of Section 6.01 in the "Certificate of the Director of Transportation Providing for the Issuance of State of Hawaii Airports System Revenue Bonds."

- (4) Revenue bond indentures require a minimum debt service coverage percentage of 125%.
- (5) Total operating and nonoperating revenues exclusive of interest income on investment in financing leases and special facility construction fund and revenue fund investments.
- (6) Total operating expenses other than depreciation, less State of Hawaii surcharge for central service expenses.
- (7) Highways revenue bond indentures require a minimum debt service coverage percentage of 100% during a routine year, 200% during the year bonds are issued, and 135% is required for any year Highways' funds are transferred out (i.e., General Fund).

N/A Not available.

Coverage equals net available revenue divided by debt services.

Source:

Airports Audited Financial Statements and Schedules of the State of Hawaii, Department of Transportation, Airports Division. Harbors Financial Statements and Schedules of the State of Hawaii, Department of Transportation, Harbors Division. Highways Financial Statements and Schedules of the State of Hawaii, Department of Transportation, Highways Division. DHHL Audited Financial Statements and Schedules of the State of Hawaii, Department of Hawaiian Home Lands.

State of Hawaii Demographic and Economic Information Demographic and Economic Statistics (Unaudited) Ten Years Ended June 30, 2021

										Fiscal Year E	nde	June 30,								
	Ξ	2021		2020		2019	_	2018	- 2	2017		2016	_	2015	-	2014		2013		2012
Population (in thousands)						1771-04-04-04-04												1 77 7 87 14 5 1		11
State		1,455		1,416		1,422		1,435		1,428		1,429		1,432		1,420		1,404		1,392
Percentage change		2.75%		(0.42%)		(0.91%)		0.49%		(0.07%)		(0.21%)		0.85%		1.14%		0.86%		5.77%
National		332,473		329,872		331,884		327,734		325,719		323,128		321,419		318,857		316,129		313,914
Percentage change		0.79%		(0.61%)		1.27%		0.62%		0.80%		0.53%		0.80%		0.86%		0.71%		0.75%
Total personal income (in millions)																				
State	5	85,439	\$	84,361	\$	80,163	5	76,476	\$	72,997	\$	70,670	5	66,763	\$	64,620	\$	63,209	\$	59,928
Percentage change		1.28%		5.24%		4.82%		4.77%		3.29%		5.85%		3.32%		2.23%		5.47%		3.34%
National	\$1	8,670,430	\$1	17,829,250	\$1	17,855,326	5	17,189,635	\$1	6,152,011	\$1	15,725,128	\$1	4,991,944	\$1	14,420,041	\$1	3,904,502	\$1	3,150,560
Percentage change		4.72%		(0.15%)		3.87%		6.42%		2.71%		4.89%		3.97%		3.71%		5.73%		3.62%
Per capita personal income (in thousands)																				
State	\$	58,721	\$	59,577	\$	56,373	5	53,293	\$	51,118	\$	49,454	\$	46,622	\$	45,507	\$	45,021	\$	43,052
Percentage change		(1.44%)		5.68%		5.78%		4.25%		3.36%		6.07%		2.45%		1.08%		4.57%		1.84%
National	\$	56,156	\$	54,049	\$	53,890	\$	52,450	\$	49,589	\$	48,665	\$	46,643	\$	45,224	\$	43,984	\$	41,892
Percentage change		3.90%		0.30%		2.75%		5.77%		1.90%		4.34%		3.14%		2.82%		4.99%		2.85%
Resident civilian labor force and employment																				
Civilian labor force employed		576,163		612,221		656,546		669,642		672,675		660,942		645,092		624,638		615,546		615,333
Unemployed		70,075		45,125		18,013		14,508		19,800		22,563		27,729		30,142		33,913		43,321
Unemployment rate		7.10%		6.86%		2.70%		2.10%		2.90%		3.30%		4.10%		4.60%		5.20%		6.60%

Note: The Per Capita Personal Income amount is computed by dividing Personal Income by

Population, multiplied by 1,000.

Source: State of Hawaii, Department of Business, Economic Development and Tourism - QSER.

Bureau of Economic Analysis – Regional Economic Accounts.

State of Hawaii, Department of Labor and Industrial Relations –

Hawaii Workforce Infonet (HWI).

State of Hawaii Demographic and Economic Information Ten Largest Private Sector Employers (Unaudited) June 30, 2021 and June 30, 2012

2021			201	2	
Employer	Employees	Percentage of Total State Employment	Employer	Employees	Percentage of Total State Employment
Bank of Hawaii Corp	1,991	0.3%	Alexander & Baldwin, Inc.	2,100	0.3%
First Hawaiian Bank	2,139	0.3%	Bank of Hawaii Corp	2,451	0.4%
Hawai'i Pacific Health	7,102	1.1%	Hawai'i Pacific Health	5,728	0.9%
Hawaiian Airlines	6,751	1.0%	Hawaiian Airlines	4,314	0.7%
Hawaiian Electric Industries, Inc.	3,702	0.6%	Hawaiian Electric Industries, Inc	3,654	0.6%
L&L Hawaii	1,955	0.3%	Kaiser Permanente Hawaii	4,478	0.7%
Securitas Security Services USA Inc.	2,261	0.4%	Kamehameha Schools	2,300	0.5%
Servco Pacific Inc.	2,058	0.3%	Kyo-ya Co., Ltd	3,410	0.5%
TD Food Group Inc.	2,055	0.3%	Outrigger Enterprise Group	2,918	0.4%
The Queen's Health Systems	7,913	1.2%	The Queen's Health Systems	5,176	0.8%

Note: Total Annual Average Employment for Hawaii for fiscal year 2021 – 646,000 and for

fiscal year 2012 - 656,000.

Listed alphabetically.

Source: Hawaii Business, Annual August Issue.

State of Hawaii, Department of Labor and Industrial Relations - HWI - Labor

(Total State Employees).

State of Hawaii Demographic and Economic Information State Employees by Function (Unaudited) Ten Years Ended June 30, 2021

				Fi	scal Year Er	nded June 3	0,			
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	4,160	4,478	4,533	4,517	4,538	4,537	4,571	4,572	4,419	4,394
Public safety	3,094	3,161	3,207	3,265	3,336	3,316	3,197	3,175	2,981	2,903
Transportation	2,228	2,258	2,210	2,229	2,234	2,263	2,295	2,254	2,275	2,202
Conservation of natural resources	1,058	1,144	1,079	1,051	1,008	1,015	1,007	1,007	972	929
Health	5,103	5,204	5,246	5,325	5,127	6,544	6,731	6,813	7,136	6,919
Welfare	1,859	1,915	1,948	1,957	1,940	1,913	1,927	1,941	1,940	1,800
Lower education	21,581	21,995	22,122	22,016	21,531	21,841	21,707	21,797	21,976	21,909
Higher education	8,269	8,633	8,660	8,647	8,620	8,746	8,802	9,080	8,978	8,795
Other education	452	497	493	508	486	496	488	492		454
Urban redevelopment and housing	124	136	138	132	130	118	123	127	116	127
Economic development and assistance	810	698	702	814	730	749	761	759	781	815
Total	48,738	50,119	50,338	50,461	49,680	51,538	51,609	52,017	51,574	51,247

Source: State of Hawaii, Department of Human Resources Development.

State of Hawaii
Operating Information
Operating Indicators by Function (Unaudited)
Ten Years Ended June 30, 2021

				Fiscal Year En	ded June 30.
	2021	2020	2019	2018	2017
General government	17	Ar To	·	N -52	74
Tax Commission					
Total individual net income returns Number of individual net income	883,260	693,152	838,441	808,183	704,250
returns filed electronically Percentage of individual net income	687,282	543,820	579,720	552,464	536,273
returns transmitted electronically	77.81%	78.46%	69.14%	68.36%	76.15%
Public safety					
Inmate population					
In-state facilities	2,981	3,326	3,991	4,017	4,052
Out-of-state facilities	1,189	1,199	1,507	1,460	1,617
Total	4,170	4,525	5,498	5,477	5,669
Conservation and natural resources Parks and Recreation					
Number of state-owned parks	50	50	51	52	54
Health					
Environmental health					
Air quality sites monitored	20	21	20	20	14
Water quality stations	197	197	197	187	169
Revolving loan funds	214	208	200	192	186
Mental health					
Adult consumers served	7,792	7,990	7,124	8,328	9,295
Individuals with developmental					
disabilities served	3,424	3,548	3,251	2,956	2,863
Welfare					
Temporary assistance to needy families recipients/temporary assistance to other needy families recipients (TANF/TAONF)					
Families per-month average	6,782	4,569	4,362	4,813	5,750
Average time on assistance	24.0	16.7	19.7	18.1	18.1
Monthly benefits paid for the month of July (in millions)	\$ 4.15	\$ 2.71	\$ 2.48	\$ 2.26	\$ 2.98
General assistance					
Individuals per month	6,529	5,634	5,396	5,575	5,651
Food stamp program					
Number of persons participating	176,513	154,669	154,161	164,788	170,850
Number of households participating	97,382	79,811	79,702	84,297	85,491
Benefits issued (in millions)	\$ 57.32	\$ 37.07	\$ 36.89	\$ 39.78	\$ 40.26
Medicaid programs Med-Quest enrollment	428,580	361,912	336,202	353,058	352,991

	2016		2015		2014		2013		2012
	-	ė				100	,	0.5	
	700 201	-	45 700		727 205		(12.272		702.262
	768,261	/	15,706		737,205		612,373		703,262
	529,527	5	09,409		483,817		397,178		430,421
	68.93%		71.18%		65.63%		64.86%		61.20%
	UB.3.37n		71.10/0		03.0376		04.8076		01.2076
	4,584		4,683		4,456		4,438		4,396
_	1,386		1,341	-	1,363	_	1,415	.	1,677
_	5,970		6,024	_	5,819		5,853		6,073
									_2
	54		52		51		53		53
	14		14		13		14		12
	160		161		173		173		193
	176		159		149		133		120
	7.020		0.202		10 100		10 720		11.002
	7,828		8,282		10,408		10,728		11,062
	2,738		2,705		2,615		2,599		2,558
	6,918		8,102		8,927		10,075		10,300
	18.1		17.5		N/A		14.6		13.5
\$	3.90	\$	3.60	\$	4.10	\$	5.47	\$	6.42
7	3.50	~	3.00	~	4.10	~	3.47	~	0.42
	5,676		5,699		5,598		5,687		5,633
	172 700	4	01.010		102 565		107.062		172 676
	173,780		91,918		193,565		187,062		172,676
\$	87,636 40.23	\$	96,502 49.90	ć	98,440 43.39	\$	94,649 40.33	ć	86,418 37.18
Þ	40.23	Ş	49.90	Þ	43.39	Þ	40.53	Þ	37.18
	350,358	3	32,197		325,510		292,423		287,902

(continued)

			j	Fiscal Year Ended June 30,			
	2021	2020	2019	2018	2017		
Lower education	(E) (E)		\$5	\$ 70 L			
Number of schools	294	293	292	292	290		
Number of students	176,441	181,088	181,278	180,837	181,550		
Staff							
Classroom teachers	12,136	12,221	12,132	12,033	11,782		
Librarians	114	126	135	143	149		
Counselors	659	660	660	653	634		
Administrators	1,095	1,093	1,056	1,036	995		
Other support staff	9,246	9,236	9,194	9,277	9,039		
Total	23,250	23,336	23,177	23,142	22,599		
Higher education							
Enrollment							
Number of credit students	49,773	49,594	49,977	51,063	51,674		
Degrees earned							
Certificates/Associate Degrees/Advanced	4,801	4,800	5,191	4,912	5,102		
Professional certificates							
Bachelor's degrees	4,558	4,473	4,681	4,693	4,735		
Master's degrees/Professional diploma	905	1,031	868	1,035	1,040		
Doctor's degrees/First Professional	443	489	479	513	482		
Other	56	54_	80	62	49		
Total	10,763	10,847	11,299	11,215	11,408		
Degrees by campus/college	-						
University of Hawaii at Manoa	4,461	4,519	4,551	4,726	4,712		
University of Hawaii at Hilo	775	801	895	942	955		
University of Hawaii at West Oahu	706	709	643	613	623		
Hawaii Community College	530	552	587	586	576		
Honolulu Community College	756	922	906	778	900		
Kapiolani Community College	1,084	1,100	1,212	1,276	1,356		
Kauai Community College	307	290	343	211	258		
Leeward Community College	1,293	1,087	1,135	1,102	1,019		
Maui Community College	572	593	701	638	668		
Windward Community College	279	274	326	343	341		
Total	10,763	10,847	11,299	11,215	11,408		

N/A Not available.

Source: General Government – State of Hawaii, Department of Taxation.

Public Safety - State of Hawaii, Department of Public Safety.

Conservation of Natural Resources – State of Hawaii, Department of Land and Natural

Resources.

Health - State of Hawaii, Department of Health.

Welfare - State of Hawaii, Department of Human Services.

Lower Education - State of Hawaii, Department of Education.

Higher Education - University of Hawaii.

2016	2015	2014	2013	2012
290	289	288	286	286
181,995	182,384	185,273	183,251	181,213
101,555	102,304	103,273	103,231	101,213
11,747	11,663	11,781	11,632	11,458
160	173	185	192	199
634	623	625	629	627
943	914	833	823	806
9,113	9,052	9,014	8,987	8,975
22,597	22,425	22,438	22,263	22,065
53,418	55,756	57,052	58,941	60,295
5,192	4,830	5,158	4,097	3,638
4,841	4,599	4,408	4,236	4,055
1,126	1,035	1,179	1,095	1,287
472	579	467	508	494
49	61	66	65	154
11,680	11,104	11,278	10,001	9,628
5,104	4,923	4,949	4,737	4,767
893	905	806	809	915
474	439	352	349	301
693	569	669	552	452
886	725	683	551	565
1,383	1,335	1,513	1,193	987
248	264	203	216	196
1,057	1,000	1,090	770	721
594	575	660	601	560
348	369	353	223	164
11,680	11,104	11,278	10,001	9,628

(concluded)

State of Hawaii Operating Information Capital Assets Statistics by Function (Unaudited) Ten Years Ended June 30, 2021

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Department of Accounting and General Services										
Buildings	84	79	79	79	79	81	79	78	74	74
Vehicles	677	692	675	644	644	673	650	650	608	600
Department of the Attorney General										
Buildings	6	6	6	6	6	6	6	6	5	5
Vehicles	8	4	3	3	3	4	3	3	3	3
The Judiciary										
Buildings	19	19	19	19	19	19	19	19	19	18
Vehicles		_			18	18	18	18	18	18
Other departments										
Buildings	19	21	21	21	21	21	23	23	22	24
Vehicles	4	3	3	3	3	3	3	4	4	4
Public safety										
Department of Public Safety										
Buildings and correction facilities	83	76	76	76	76	76	77	75	74	74
Vehicles	367	370	354	353	290	302	306	279	274	277
Department of Defense										
Buildings	63	99	99	99	99	99	99	98	98	97
Vehicles	126	126	128	121	108	104	96	128	118	112
Department of Commerce and Consumer Affairs										
Buildings	4	4	4	4	4	4	4	4	4	4
Highways										
Department of Transportation										
Highway lane miles	2,477	2,478	2,497	2,489	2,489	2,487	2,477	2,488	N/A	N/A
Highway bridges	752	752	752	752	752	752	752	752	N/A	N/A
Buildings	41	40	40	40	40	40	39	37	36	36
Vehicles	1,065	1,063	1,077	1,101	1,043	989	971	982	984	951

(continued)

N/A Not available.

Source: Buildings and Vehicles – State of Hawaii, Department of Accounting and General Services.

Lane Miles - State of Hawaii, Department of Transportation.

Land Area and Highway Bridges - State of Hawaii, Data Book 2021.

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Conservation of natural resources										
Department of Land and Natural Resources										
Land area (in square miles)	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423
Buildings	102	97	97	97	97	97	97	96	94	93
Vehicles	968	982	969	927	886	855	824	785	788	756
Department of Agriculture										
Buildings	35	33	33	33	33	33	33	32	32	32
Vehicles	158	164	165	163	159	161	164	166	167	170
Health										
Department of Health										
Buildings	71	73	73	73	73	74	74	74	74	74
Vehicles	270	272	278	269	258	241	230	227	238	252
Welfare										
Department of Human Services										
Buildings	20	18	18	18	18	18	18	18	18	18
Vehicles	95	93	94	95	99	99	104	116	110	107
Lower education										
Department of Education										
Buildings	9	8	8	8	8	8	8	8	8	8
Other education										
Department of Education – libraries										
Buildings	40	39	39	38	38	39	38	38	38	34
Vehicles	27	31	33	33	29	29	29	25	27	28
Urban redevelopment and housing										
Department of Hawaiian Home Lands										
Buildings	21	19	19	19	19	19	18	18	18	18
Vehicles	50	50	46	47	42	39	36	33	37	33
Economic development and assistance										
Department of Business, Economic										
Development and Tourism										
Buildings	38	33	33	32	32	32	32	32	32	33
Vehicles	26	29	32	32	30	32	32	28	30	32
Department of Labor and Industrial Relations										
Buildings	8	8	8	8	8	8	8	8	8	8
Vehicles	2	2	2	2	2	2	2	2	2	2

(concluded)

