

October 9, 2025

VIA EMAIL

The Honorable Ronald D. Kouchi
Senate President
415 South Beretania Street
Hawai'i State Capitol, Room 409
Honolulu, Hawai'i 96813

VIA EMAIL

The Honorable Nadine K. Nakamura
Speaker, House of Representatives
415 South Beretania Street
Hawai'i State Capitol, Room 431
Honolulu, Hawai'i 96813

Re: *Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism, Report No. 25-10*

Dear President Kouchi and Speaker Nakamura:

Please find attached Report No. 25-10, *Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism*, along with a copy of the Auditor's Summary. Our review of the department's funds and accounts was performed pursuant to Section 23-12, Hawai'i Revised Statutes (HRS), which requires the Auditor to review each state department's special, revolving, and trust funds every five years. Although not mandated by Section 23-12, HRS, we have included trust accounts as part of our review. Trust accounts, like special, revolving, and trust funds, are funded outside of the General Fund appropriation process and, therefore, are generally subject to less legislative scrutiny. We last reported on the Department of Business, Economic Development and Tourism's funds and accounts in 2019.

The report is accessible through our website at:
<http://files.hawaii.gov/auditor/Reports/2025/25-10.pdf>.

The summary is also accessible through our website at:
<http://files.hawaii.gov/auditor/Overviews/2025/25-10AuditorSummary.pdf>.

If you or other Legislators have questions about the report or would like a printed version of the report, please let me know.

Very truly yours,

Leslie H. Kondo
State Auditor

Attachments

cc/attach: Members of the Senate
Members of the House of Representatives
Carol Taniguchi, Senate Chief Clerk
Brian Takeshita, House Chief Clerk

Auditor's Summary

Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Department of Business, Economic Development and Tourism

Report No. 25-10

Three special funds, five revolving funds, one trust fund, and four trust accounts did not meet criteria

OUR REVIEW of 17 special funds, 15 revolving funds, 8 trust funds, and 12 trust accounts of the Department of Business, Economic Development and Tourism (DBEDT) found three special funds, five revolving funds, one trust fund, and four trust accounts did not meet the criteria for special funds, revolving funds, trust funds, and trust accounts, respectively, and should be closed or reclassified.

Section 23-12, Hawai'i Revised Statutes (HRS), requires the Auditor to review all existing special, revolving, and trust funds every five years. Reviews are scheduled so that each department's funds are reviewed once every five years. Although not mandated by statute, we included trust accounts as part of our review. This is our seventh review of DBEDT's revolving funds, trust funds, and trust accounts. It is our third review of the special funds held by DBEDT since Act 130, Session Laws of Hawai'i 2013, amended Section 23-12, HRS, to require review of special funds along with revolving funds and trust funds.

We used criteria developed by the Legislature and by our office based on public finance and accounting literature. For each fund, we present a five-year financial summary, the purpose of the fund, and conclusions about its use. We did not audit the financial data, which is provided for informational purposes. We do not present conclusions about the effectiveness of programs or their management, or whether the programs should be continued.

Reporting shortfall

WE NOTED THAT DBEDT did not file statutorily required reports for non-general funds totaling approximately \$4 million, administratively created non-general funds totaling approximately \$961,000, non-general funds with balances totaling approximately \$27.5 million under the program measures reporting requirement, and non-general funds with balances



FUND TYPES

SPECIAL FUNDS

are used to account for revenues earmarked for particular purposes and from which expenditures are made for those purposes.

REVOLVING FUNDS

such as loan funds, are often established with an appropriation of seed money from the general fund, and must demonstrate the capacity to be self-sustaining.

TRUST FUNDS

such as a pension fund, invoke the State's fiduciary responsibility to care for and use the assets held to benefit those with a vested interest in the assets.

TRUST ACCOUNTS

are typically separate holding or clearing accounts and are often used as accounting devices for crediting or charging state agencies or projects for payroll and other costs.

totaling approximately \$100.3 million under the cost element reporting requirement. Accurate and complete reporting will greatly improve the Legislature's oversight and control of these funds.

Agency response

DBEDT CONCURRED WITH OUR FINDINGS and will take appropriate corrective action as recommended.



Link to the complete report:

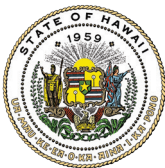
Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism

<https://files.hawaii.gov/auditor/Reports/2025/25-10.pdf>

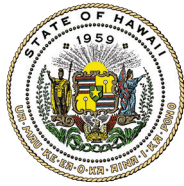
Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism

A Report to the Governor
and the Legislature of
the State of Hawai'i

Report No. 25-10
August 2025



OFFICE OF THE AUDITOR
STATE OF HAWAII



OFFICE OF THE AUDITOR STATE OF HAWAII

Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawai'i State Constitution, the Office of the Auditor shall conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State and its political subdivisions.

The Auditor's position was established to help eliminate waste and inefficiency in government, provide the Legislature with a check against the powers of the executive branch, and ensure that public funds are expended according to legislative intent.

Hawai'i Revised Statutes, Chapter 23, gives the Auditor broad powers to examine all books, records, files, papers and documents, and financial affairs of every agency. The Auditor also has the authority to summon people to produce records and answer questions under oath.

Our Mission

To improve government through independent and objective analyses.

We provide independent, objective, and meaningful answers to questions about government performance. Our aim is to hold agencies accountable for their policy implementation, program management, and expenditure of public funds.

Our Work

We conduct performance audits (also called management or operations audits), which examine the efficiency and effectiveness of government programs or agencies, as well as financial audits, which attest to the fairness of financial statements of the State and its agencies.

Additionally, we perform procurement audits, sunrise analyses and sunset evaluations of proposed regulatory programs, analyses of proposals to mandate health insurance benefits, analyses of proposed special and revolving funds, analyses of existing special, revolving and trust funds, and special studies requested by the Legislature.

We report our findings and make recommendations to the Governor and the Legislature to help them make informed decisions.

For more information on the Office of the Auditor, visit our website:
<https://auditor.hawaii.gov>

Foreword

This is a report of our review of the special funds, revolving funds, trust funds, and trust accounts of the Department of Business, Economic Development and Tourism.

Section 23-12, Hawai‘i Revised Statutes (HRS), requires the Auditor to review all existing special, revolving, and trust funds, once every five years. Although not mandated by statute, we include trust accounts as part of our review. This is our seventh review of the revolving funds, trust funds, and trust accounts of the Department of Business, Economic Development and Tourism. It is our third review of its special funds since Section 23-12, HRS, was amended by Act 130, Session Laws of Hawai‘i 2013, to include reviews of special funds.

We wish to express our appreciation for the cooperation and assistance extended to us by the Department of Business, Economic Development and Tourism.

Leslie H. Kondo
State Auditor

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Chapter 1

Introduction

This review encompasses the special funds, revolving funds, trust funds, and trust accounts administered by the State of Hawai‘i Department of Business, Economic Development and Tourism (DBEDT). Section 23-12, Hawai‘i Revised Statutes (HRS), requires the Auditor to review each state department’s special, revolving, and trust funds every five years. Although not mandated by Section 23-12, HRS, we have included trust accounts as part of our review. Trust accounts, like special, revolving, and trust funds, are funded outside of the General Fund appropriation process and are therefore generally subject to less legislative scrutiny than the State’s General Fund. For each fund and account, our review included:

1. An evaluation of the original intent and purpose of the fund or account, both as expressed by the Legislature and as understood by the expending agency;
2. The degree to which the fund or account achieves its stated and claimed purposes;
3. An evaluation of the fund or account’s performance standards as established by the agency; and
4. A summary statement reflecting total fund transactions in the preceding five fiscal years, including the fund or account balance at the beginning of each fiscal year, total deposits and withdrawals, amount of interest earned, total expenditures made from the fund or account, and the ending balance for each fiscal year.

This is our seventh review of DBEDT’s revolving funds, trust funds, and trust accounts.¹ It is our third review of DBEDT’s special funds, since Act 130, Session Laws of Hawai‘i (SLH) 2013, amended Section 23-12, HRS, to require review of special funds along with revolving funds and trust funds. We last examined these funds and accounts in 2019.

¹ Prior to 2013, Section 23-12, HRS, did not require reviews of departments’ special funds.

Description of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts

Special funds

Section 37-62, HRS, defines a special fund as one that is “dedicated or set aside by law for a specified object or purpose, but excluding revolving funds and trust funds.” According to the State’s *Accounting Manual*, special funds are funds used to account for revenues earmarked for particular purposes and from which expenditures are made for those purposes.

Revolving funds

Section 37-62, HRS, defines a revolving fund as one “from which is paid the cost of goods and services rendered or furnished to or by a state agency and which is replenished through charges made for the goods or services or through transfers from other accounts or funds.” Activities commonly financed through revolving funds include loan programs, which are initially established by general fund seed moneys and are then replenished through the repayment of loans.

Trust funds

Section 37-62, HRS, defines a trust fund as one in which “designated persons or classes of persons have a vested beneficial interest or equitable ownership, or which was created or established by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated objects or purposes.” Trust funds invoke a fiduciary responsibility of state government to care for and use the assets held only for those designated to benefit from the funds. A pension fund is an example of a trust fund. Contributions and payments are to be held for the beneficiaries of the pension fund. Another example is tenants’ security deposits, which are held in trust for the future benefit of tenants and landlords. Until forfeited or returned, deposits are the property of the tenants and should be accounted for accordingly.

Trust accounts

The Department of Accounting and General Services (DAGS) defines a trust account as a separate holding or clearing account for state agencies. Trust accounts also serve as accounting devices to credit or charge agencies or projects for payroll or other costs.

Criteria for Reviewing Special Funds, Revolving Funds, Trust Funds, and Trust Accounts

Special and revolving fund criteria

In 2002, the Legislature set the requirements for establishing and continuing special and revolving funds. Sections 37-52.3 and 37-52.4, HRS, state that special and revolving funds may only be established by statute. The criteria used to review special and revolving funds are the extent to which each fund:

- Serves a need, as demonstrated by: (a) the purpose of the program to be supported by the fund; (b) the scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and (c) an explanation of why the program cannot be implemented successfully under the General Fund appropriation process;
- Reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries, or a clear link between the program and the sources of revenue – as opposed to serving primarily as a means to provide the program or users with an automatic means of support removed from the normal budget and appropriation process;
- Provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and
- Demonstrates the capacity to be financially self-sustaining.

Trust fund and trust account criteria

Unlike the requirements for special and revolving funds, the law is silent on whether a trust fund or trust account must be established by statute. The criteria used in this report to review trust funds and trust accounts are the extent to which the fund or account:

- Continues to serve the purpose and intent for which it was originally created, and
- Meets the definition of a trust fund or trust account, respectively.

The first criterion is derived from the objectives of Section 23-12, HRS, which requires the Auditor to evaluate the original intent of each fund and account and the degree to which each fund and account achieves its stated purpose. The second criterion assesses whether a fund is held by the State only for the benefit of those with a vested interest in the assets or an account is held as a separate or clearing account.

Objectives of the Review

1. Identify and review all special funds, revolving funds, trust funds, and trust accounts of DBEDT.
2. For each special fund, revolving fund, trust fund, and trust account, determine whether the fund or account meets the respective criteria.
3. Provide a five-year (FY2020 – FY2024) unaudited financial summary for each fund and account of DBEDT.

Scope and Methodology

We reviewed all special funds, revolving funds, trust funds, and trust accounts administered by DBEDT during the five-year period under review (FY2020 – FY2024). Funds and accounts included those established by statute as well as administratively.

To identify funds subject to this review, we used a variety of sources, including our prior reviews, accounting reports from DAGS, non-general fund reports, legislative budget briefing documents, and other records. To gain an understanding of fund operations, we reviewed applicable agency administrative rules and interviewed key fiscal and program personnel, as necessary.

We obtained a summary statement for each fund that reflects total fund transactions in the preceding five fiscal years (July 1, 2019 to June 30, 2024), including beginning fund balances, total revenues, amount of interest earned, total expenditures, transfers, and ending fund balances for each fiscal year. We requested explanations for

discrepancies between ending balances for FY2019 reported in our last review and opening balances reported for FY2020. We did not audit the department's financial data, which we provide for informational purposes only.

Procedures were performed on each fund using relevant criteria as stated above. We reviewed fund information for consistency with the intent of each fund's use and to ascertain the relationship between charges on users and expenditures. We reviewed information on performance standards established for the funds or accounts and performed other procedures as necessary.

Where appropriate, we relied on our prior reports, including Report No. 20-01, *Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism*.

Our review was conducted from October 2024 to June 2025. Recommendations were made where applicable.

Chapter 2

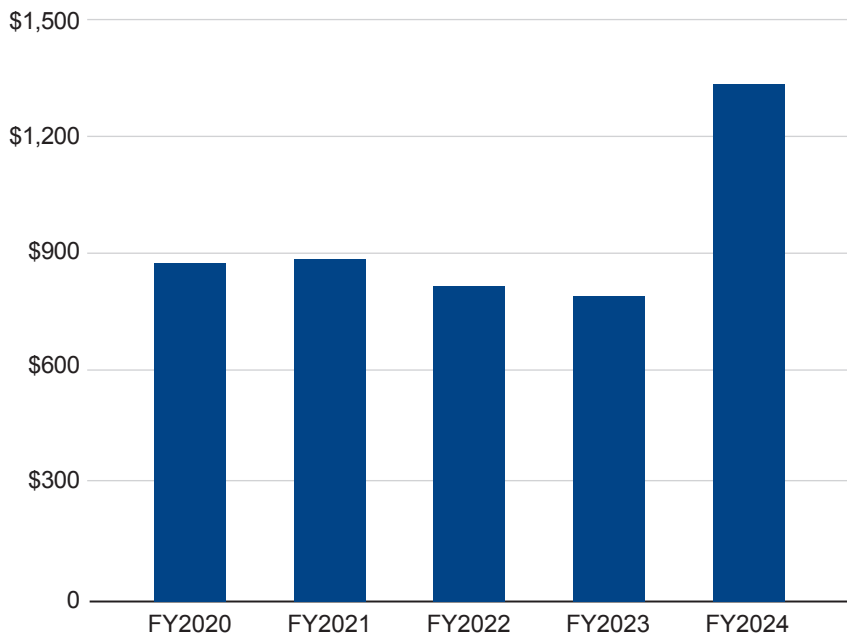
Department of Business, Economic Development and Tourism

This chapter presents the results of our review of 17 special funds, 15 revolving funds, 8 trust funds, and 12 trust accounts. Total fund fiscal year-end balances for DBEDT were at least \$790 million per year during the period reviewed.

Exhibit 2.1 summarizes the totals for these fund balances at the end of each fiscal year.

Exhibit 2.1

**Cash Balances for the Department of Business, Economic Development and Tourism's Non-General Funds
FY2020 – FY2024 (in millions)**



Source: Office of the Auditor

In FY2024, the special funds, revolving funds, trust funds, and trust accounts collected approximately \$768.3 million and spent or transferred approximately \$218.3 million.

Exhibit 2.2 presents totals for the combined revenue and interest, expenses and transfers, and ending fund balances for the different fund types for FY2024.

Exhibit 2.2
Fund and Account Totals by Type, FY2024

Fund Type	Revenue and Interest	Expenses and Transfers	FY2024 End Cash Balance
Special Funds	\$104,378,000	\$50,758,000	\$238,794,000
Revolving Funds	659,891,000	164,325,000	1,088,896,000
Trust Funds/ Trust Accounts	3,989,000	3,248,000	12,636,000
Total	\$768,258,000	\$218,331,000	\$1,340,326,000

Source: Office of the Auditor

For each fund and account, we present a five-year financial summary, the purpose of the fund, and conclusions about its use and whether it meets the definition of the type of fund or account. This review does not include an assessment of the effectiveness of the program or its management. Funds are presented in alphabetical order.

Exhibit 2.3 presents DBEDT funds that did not meet criteria for continuance and should be closed or reclassified.

Exhibit 2.3
Funds Not Meeting Criteria

Fund Name	Fund Type	FY2024 Ending Balance	No longer serves original purpose and/ or does not serve a need	No clear nexus between benefits sought and user charges or a clear link between the program and revenue sources	Inappropriate financing mechanism	Not financially self-sustaining	Does not meet special fund, revolving fund, trust fund, or trust account definition
Agribusiness Development and Research	Special Fund	\$25,780	✓	✓	✓	✓	✓
Brownfields Cleanup Revolving Loan Fund	Revolving Fund	1,549,269					✓
Hawai'i Agricultural Development Revolving Fund	Revolving Fund	2,443,161					✓
Hawai'i Community-Based Development Revolving fund	Revolving Fund	477,470					✓
Hawai'i Green Infrastructure Special Fund (Not in State Treasury)	Special Fund	73,957,963				✓	✓
Hawai'i Strategic Development Corporation Revolving Fund	Revolving Fund	3,067	✓				
Hydrogen Investment Capital Special Fund	Special Fund	12,118	✓				
Kalaheo Facilities	Trust Fund	1,020,449	✓				✓
Private Contributions and Grants Trust Account	Trust Account	0					✓
Rental Assistance Revolving Fund	Revolving Fund	29,903,872				✓	✓
Salary Overpayments – Periodic Deductions	Trust Account	501	✓				
Security Deposits	Trust Account	138,445					✓
Temporary Deposits	Trust Account	2,523,717					✓
Total		\$112,055,812					

Source: Office of the Auditor

ADC Land Performance Bond**Financial Data for Fiscal Years 2022 – 2024 (in thousands)**

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$36
Revenues	0	0	0
Interest	0	0	0
Expenditures	0	0	0
Transfers*	0	36	0
Ending Balance	\$0	\$36	\$36
Encumbrances	\$0	\$0	\$0

*Transfer from the Department of Agriculture pursuant to Act 219 (SLH 2022).

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2015)
Why was it created?	The account was established as a temporary holding account for all Agribusiness Development Corporation (ADC) Land Performance Bonds. The land performance bonds are equal to two times the annual base rental of a land licensee or lessee on ADC-managed or owned land. The bonds provide that, in the event of a breach or default of any of the terms, conditions, or covenants of the license or lease, the full amount of the bond shall be paid to ADC as liquidated and ascertained damages.
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	Not applicable, the fund does not have performance standards.
Revenues	Revenues are from bond payments.
Expenditures	There are no expenditures.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

**Affordable
Homeownership
Revolving Fund**

Section 201H-206, HRS

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$0
Revenues	0	0	5,000
Interest	0	0	0
Expenditures	0	0	0
Transfers	0	0	0
Ending Balance	\$0	\$0	\$5,000
Encumbrances	\$0	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 227 (SLH 2021)
Why was it created?	The fund was established to provide financial support for the development of affordable for-sale housing projects by nonprofit housing development organizations and nonprofit community development financial institutions.
Fund meets criteria?	During the review period, the only financial activity was a deposit of the initial seed money from a general fund appropriation in FY2024. As such, we are unable to determine whether it meets the criteria of a revolving fund. Specifically, because Act 227 provides that revenues can include legislative appropriations as well as private contributions, it is unclear whether the fund is self-sustaining.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues received in FY2024 were the initial seed money from a general fund appropriation. Future revenues may include sums appropriated by the Legislature, private contributions, proceeds from repayment of loans, interest, and other returns.
Expenditures	There have been no disbursements as the program has just started. The money in the fund will be used to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of affordable for-sale housing units.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Agribusiness Development and Research

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$26
Revenues	0	0	0
Interest	0	0	0
Expenditures	0	0	0
Transfers*	0	26	0
Ending Balance	\$0	\$26	\$26
Encumbrances	\$0	\$26	\$26

*Transfer from the Department of Agriculture pursuant to Act 219 (SLH 2022).

Fund Summary

Account Type	Special fund
How was the fund created?	Administratively established (2019)
Why was it created?	The fund was originally established as a subaccount of a Department of Agriculture fund that was repealed in FY2022, but pursuant to Act 219 (SLH 2022) the remaining balance was transferred to DBEDT due to an encumbrance for ADC legal matters.
Fund meets criteria?	This fund does not meet the criteria of a special fund. Section 37-52.3, HRS, effective June 30, 2002, requires that special funds be created by legislative act. As noted above, the fund was created administratively in 2019. <i>The fund was not created by legislative act and should be closed once the encumbrance has been satisfied.</i>
Performance standards	No, the fund does not have performance standards.
Revenues	During our review there were no revenue sources or expenditures.
Expenditures	There were no expenditures during the review period. Expenditures should include legal costs related to ADC.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	No.
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

**Brownfields Cleanup
Revolving Loan
Fund**

Section 201-18, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$1,535	\$1,535	\$1,535	\$1,535	\$1,536
Revenues	0	0	0	0	0
Interest	0	0	0	1	13
Expenditures	0	0	0	0	0
Transfers	0	0	0	0	0
Ending Balance	\$1,535	\$1,535	\$1,535	\$1,536	\$1,549
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 173 (SLH 2002), as amended by Act 20 (SLH 2007) and Act 234 (SLH 2021)
Why was it created?	The fund is used to provide low interest loans and grants for the assessment and cleanup of Brownfields sites where contamination hinders reuse and redevelopment of impaired properties. Act 234 (SLH 2021) amended the statute to allow the fund to also provide grants to eligible public and nonprofit entities for Brownfields sites. The agency stated that now that grants are authorized, the corpus of the fund will be depleted over time. It is anticipated that the fund will be closed once all funds are disbursed as grants.
Fund meets criteria?	After the implementation of Act 234, which provided for grants, this fund does not meet all the criteria of a revolving fund because it functions more like a special fund, but continues to serve the purpose for which it was originally established. <i>The fund should be reclassified as a special fund.</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from fees and the repayment of principal and interest.
Expenditures	Expenditures include loans and grants. During our review period there were no loans or grants issued.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**Convention Center
Enterprise Special
Fund**
Section 201B-8, HRS
Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$23,571	\$26,565	\$36,813	\$32,980	\$34,468
Revenues	20,420	22,541	15,388	12,954	15,226
Interest	979	206	130	777	1,304
Expenditures	(18,405)	(12,486)	(19,351)	(12,243)	(3,243)
Transfers*	0	(13)	0	0	0
Ending Balance	\$26,565	\$36,813	\$32,980	\$34,468	\$47,755
Encumbrances	\$3,035	\$1,262	\$16,012	\$3,769	\$526

*Transfer in FY2021 of \$13,441 to Collective Bargaining Special Fund pursuant to Executive Memorandum No. 20-09.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 253 (SLH 2002)
Why was it created?	The fund is used to manage operations, local sales and marketing, and repairs and maintenance of the Hawai'i Convention Center (HCC).
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from a portion of the Transient Accommodations Tax and from the operations of the convention center, including revenues from food and beverage service, parking facilities, and concessions. Pursuant to Section 237D-6.5, HRS, the fund receives \$11,000,000 from the Transient Accommodations Tax. Prior to FY2020, HCC's management company would remit gross revenues on a monthly basis to the Convention Center Enterprise Special Fund. The agency reported that during the pandemic, the Transient Accommodations Tax remittance was temporarily ceased and the Hawai'i Tourism Authority allowed HCC's management company to retain revenues to support HCC operations.
Expenditures	Expenditures include HCC operations, HCC local sales and marketing, remittances for HCC repairs and maintenance, and annual facility insurance premiums.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

DHHL Entitlement Proceeds – ADC

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$215
Revenues	0	215	281
Interest	0	0	0
Expenditures	0	0	(436)
Transfers	0	0	0
Ending Balance	\$0	\$215	\$60
Encumbrances	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2022)
Why was it created?	The account was established by the Agribusiness Development Corporation (ADC) as a holding account for Department of Hawaiian Home Lands' (DHHL) 30 percent share of revenues generated on ceded lands, which were formerly used to farm sugar cane.
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are 30 percent of the revenue generated on ceded lands held by ADC, including rents, sale of services, and administrative service fees.
Expenditures	Expenditures are transfers of funds to DHHL.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

Dwelling Unit Revolving Fund

Section 201H-191, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$155,634	\$195,381	\$190,641	\$198,618	\$248,479
Revenues	84,674	34,102	43,839	17,320	90,182
Interest	5,270	1,603	2,367	6,342	11,415
Expenditures	(52,020)	(41,899)	(40,228)	(19,906)	(20,378)
Transfers**	1,823	1,454	1,999	46,105	2,665
Ending Balance	\$195,381	\$190,641	\$198,618	\$248,479	\$332,363
Encumbrances	\$27,229	\$31,971	\$14,550	\$13,511	\$15,490

*This fund is the parent account and original source of revenue for four subaccounts. The financial data presented is a consolidation of this fund and its sub-accounts.

**Transfers to the Hawai'i Housing Finance and Development Corporation Fund for administrative expenses and transfers from General Obligation bond funds as authorized by the Legislature.

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006)
Why was it created?	The fund is used to cover the necessary expenses in administering and carrying out the purposes of the housing development programs.
Fund meets criteria?	This fund meets the criteria of a revolving fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from loan repayments, sales of dwelling units, land and other assets, rental income and lease income from dwelling owners, shared-equity appreciation, investment interest, and general obligation bond proceeds appropriated by the Legislature.
Expenditures	Expenditures include the costs of acquiring and maintaining real property, selling expenses, interim construction financing of affordable housing projects, rental project expenses, and administrative costs to administer the programs.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.
Additional Information	Pursuant to Act 164 (SLH 2023), \$50 million was transferred to this fund from the General Fund for affordable housing to address Hawai'i's housing crisis.

Energy Security Special Fund

Section 201-12.8, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$2,279	\$3,237	\$1,768	\$2,719	\$3,573
Revenues	1,377	1,224	1,188	1,207	1,191
Interest	83	18	13	56	115
Expenditures	(502)	(2,711)	(250)	(409)	(1,058)
Transfers	0	0	0	0	0
Ending Balance	\$3,237	\$1,768	\$2,719	\$3,573	\$3,821
Encumbrances	\$150	\$150	\$500	\$1,002	\$37

*This fund is the parent account and original source of revenue for four sub-accounts. The financial data is a consolidation of this fund and its sub-accounts.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 208 (SLH 2008)
Why was it created?	The fund is used to support the Hawai'i Clean Energy Initiative program, and projects that promote and advance dependable, efficient, and economical energy; promote energy self-sufficiency; and provide greater energy security for the state.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the Environmental Response, Energy, and Food Security Tax and any fees, if imposed, collected to cover the costs of administering variances under Section 196-6.5, HRS, the solar water system requirement for new single family residential construction.
Expenditures	Expenditures include funding for projects that ensure dependable, efficient, and economical energy; the renewable energy facilitator and any other positions in the energy division; the greenhouse gas emissions reduction task force; the climate change task force; and grants-in-aid to the economic development boards and agencies of each county.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Foreign-Trade Zones Special Fund

Section 212-9, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$1,552	\$1,482	\$1,273	\$1,406	\$1,587
Revenues	2,268	2,299	2,400	2,605	2,707
Interest	0	0	0	0	0
Expenditures	(2,338)	(2,463)	(2,267)	(2,386)	(2,563)
Transfers*	0	(45)	0	(38)	0
Ending Balance	\$1,482	\$1,273	\$1,406	\$1,587	\$1,731
Encumbrances	\$285	\$326	\$377	\$327	\$330

*Transfers in FY2021 and FY2023 of \$45,116 and \$37,688 to Collective Bargaining Special Fund pursuant to Executive Memorandum Nos. 20-09 and 22-03, respectively.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 93 (SLH 1971), as amended by Act 81 (SLH 1995)
Why was it created?	The fund is used for the operation, capital improvement, and maintenance of the Foreign Trade Zone (FTZ).
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from FTZ warehouse storage fees, warehouse service and handling fees, warehouse equipment rental fees, tenant office lease rents, parking fees at Pier 2, and subzone establishment and administration fees.
Expenditures	Expenditures include personnel costs and costs associated with operating the Pier 2 warehouse and office facility.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**Hawai'i Agricultural
Development
Revolving Fund**

Section 163D-17, HRS

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$2,445
Revenues	0	1,989	1,624
Interest	0	0	0
Expenditures	0	(1,862)	(1,626)
Transfers*	0	2,318	0
Ending Balance	\$0	\$2,445	\$2,443
Encumbrances	\$0	\$1,729	\$2,189

*Transfer from the Department of Agriculture pursuant to Act 219 (SLH 2022).

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 264 (SLH 1994)
Why was it created?	The fund is used to account for revenues and expenditures related to the administration of the Agribusiness Development Corporation (ADC) to carry out the purposes of the corporation.
Fund meets criteria?	This fund does not meet all the criteria of a revolving fund because it functions more like a special fund, but continues to serve the purpose for which it was originally established. <i>The fund should be reclassified as a special fund.</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from land and building rents, administrative service fees, water delivery, and other service charges.
Expenditures	Expenditures include expenses, personnel, and operating costs related to the administration of ADC.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

Hawai'i Community Development Special Fund

Section 206E-16, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$25,141	\$23,729	\$25,888	\$28,746	\$30,964
Revenues	3,541	3,950	6,624	4,908	4,861
Interest	933	135	104	577	1,095
Expenditures	(5,000)	(1,902)	(3,852)	(2,781)	(1,640)
Transfers**	(886)	(24)	(18)	(486)	(1,248)
Ending Balance	\$23,729	\$25,888	\$28,746	\$30,964	\$34,032
Encumbrances	\$2,163	\$1,866	\$1,861	\$2,164	\$1,690

*This fund is the parent account and original source of revenue for one sub-account. The financial data presented is a consolidation of this fund and its sub-account.

**Transfers to the Hawai'i Community Development Authority special fund for payroll and operational expenses. Transfer in FY2020 of \$1,000,000 to the Kalaeloa Community Development District special fund for a Stockpile Project, which was transferred back from the Kalaeloa Community Development District special fund in FY2023 as a reimbursement.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 153 (SLH 1976), as amended by Act 9 (First Special Session 2021)
Why was it created?	The fund is used to support the Hawai'i Community Development Authority's (HCDA) mandate to conduct comprehensive planning activities, administer zoning regulations, and promote economic and community development activities in the Kaka'ako and Kalaeloa Community Development Districts.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from program activities and include assessments, payments/contributions from developers, investment proceeds, rent and lease payments, and other miscellaneous fees.
Expenditures	Expenditures include all operational expenditures of HCDA's Kaka'ako Community Development District, as well as personnel, administrative, and contractual services costs.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.

**Reported pursuant to
Section 37-52.5, HRS**

Not applicable, the fund was established pursuant to an act.

Additional Information

In Report No. 20-01, the Auditor recommended that the fund be reclassified as a special fund, which was done by the Legislature via Act 9 (First Special Session 2021).

Hawai'i Community-Based Development Revolving Fund

Section 210D-4, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$448	\$629	\$612	\$498	\$481
Revenues	315	14	17	84	164
Interest	0	0	0	8	12
Expenditures	(134)	(31)	(131)	(109)	(180)
Transfers	0	0	0	0	0
Ending Balance	\$629	\$612	\$498	\$481	\$477
Encumbrances	\$25	\$30	\$18	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 111 (SLH 1990), as amended by Act 9 (First Special Session 2021)
Why was it created?	The fund is used to provide loans to small businesses in economically-challenged areas of the state and grants to non-profits that work in community-based economic development.
Fund meets criteria?	This fund does not meet all the criteria of a revolving fund because it functions more like a special fund, but continues to serve the purpose for which it was originally established. <i>In Report No. 20-01, the Auditor recommended that the fund be reclassified as a special fund, which was done by the Legislature via Act 9 (First Special Session 2021). The fund has not been reclassified as a special fund by the department. Our recommendation has not changed based on the department's description of the fund. The fund should be reclassified as a special fund in accordance with Section 210D-4, HRS, as amended by Act 9 (First Special Session 2021).</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from principal and interest paid back into the fund for small business loans.
Expenditures	Expenditures include loans made to small businesses, loan servicing and underwriting expenses, and grants to non-profits.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the account was established pursuant to an act.

**Hawai'i Film and
Creative Industries
Development Special
Fund**

Section 201-113, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$19	\$49	\$43	\$18	\$185
Revenues	0	0	0	167	189
Interest	0	0	0	0	0
Expenditures	0	(36)	(25)	0	(125)
Transfers*	30	30	0	0	0
Ending Balance	\$49	\$43	\$18	\$185	\$249
Encumbrances	\$30	\$22	\$0	\$12	\$0

*Transfers from the Hawai'i Tourism Authority for repairs and maintenance of the Hawai'i Film Studio at Diamond Head.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 285 (SLH 2000), as amended by Act 228 (SLH 2019) and Act 193 (SLH 2022)
Why was it created?	The fund is used to provide seed capital for film, media, electronic sports, and creative industries intellectual property development projects for export. The fund is also used for programs that expand the skills of the State's resident workforce in the film, media, and creative industries as well as for repairs, maintenance, and related costs of public facilities managed by the department that support media and entertainment.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from rental fees collected from use of Kalaeloa Stages Studio and other DBEDT-managed facilities, except the Hawai'i Film Studio at Diamond Head, as well as a 0.2 percent share of the Film Tax Credit rebate from production companies.
Expenditures	Expenditures include repairs and maintenance of the facilities and insurance.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

***Hawai'i Green
Infrastructure Bond
Fund (Not in State
Treasury)***

Section 196-67, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$5,030	\$8,665	\$11,993	\$8,769	\$7,776
Revenues	16,988	10,028	16,892	12,188	10,930
Interest	75	1	4	181	300
Expenditures	(13,428)	(6,701)	(20,120)	(13,362)	(13,321)
Transfers	0	0	0	0	0
Ending Balance	\$8,665	\$11,993	\$8,769	\$7,776	\$5,685
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Special fund
How was the fund created?	Act 211 (SLH 2013)
Why was it created?	The fund is used to service the debt of the Green Energy Market Securitization (GEMS) bond, including related expenses under any ancillary agreement, and other financing costs.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the green infrastructure fee paid by ratepayers of the Hawaiian Electric Companies.
Expenditures	Expenditures include the debt service (principal and interest) of the GEMS bond and related expenses.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**Hawai'i Green
Infrastructure Special
Fund (Not in State
Treasury)**

Section 196-65, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$114,593	\$94,112	\$84,093	\$79,064	\$76,807
Revenues	10,278	3,310	8,926	5,573	1,481
Interest	1,239	510	970	2,590	298
Expenditures	(31,998)	(13,813)	(14,925)	(10,403)	(4,628)
Transfers**	0	(26)	0	(17)	0
Ending Balance	\$94,112	\$84,093	\$79,064	\$76,807	\$73,958
Encumbrances	\$350	\$324	\$0	\$4	\$18

*This fund is the parent account and original source of revenue for two sub-accounts. The financial data presented is a consolidation of this fund and its sub-accounts.

**Transfers in FY2021 and FY2023 of \$25,542 and \$17,574 to the Collective Bargaining revolving fund pursuant to Executive Memorandum Nos. 20-09 and 22-03, respectively.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 211 (SLH 2013)
Why was it created?	The fund is used to make green infrastructure loans under the Hawai'i Green Infrastructure Authority's (HGIA) financing programs and to pay for administrative and associated costs of the financing programs.
Fund meets criteria?	This fund does not meet all the criteria of a special fund because it functions more like a revolving fund, but continues to serve the purpose for which it was originally established. <i>The fund should be reclassified as a revolving fund.</i> In addition, the fund is not financially self-sustaining. However, according to the department, the fund has the capacity to be financially self-sustaining if it did not need to transfer loan repayments to the Public Utilities Commission.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from interest and dividends earned on deposits and program fees. All repaid principal and interest earned from loans are transferred to the Public Utilities Commission.
Expenditures	Expenditures include infrastructure loans and administrative and other costs related to the financing programs.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Hawai'i State Energy Office**Financial Data for Fiscal Years 2020 – 2024 (in thousands)**

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$230	\$512	\$1,040	\$979
Revenues	268	331	623	0	3
Interest	1	1	1	16	32
Expenditures	(39)	(50)	(96)	(77)	(79)
Transfers	0	0	0	0	0
Ending Balance	\$230	\$512	\$1,040	\$979	\$935
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2018)
Why was it created?	The fund was created to pay administrative expenses associated with implementing environmental mitigation projects designed to reduce nitrogen oxides emissions from mobile sources in Hawai'i.
Fund meets criteria?	This fund meets the criteria of a trust fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the Volkswagen Settlement Environmental Mitigation Trust.
Expenditures	Expenditures include personnel costs, other administrative expenses, and costs for approved activities outlined in the Beneficiary Mitigation Plan.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	No.

**Hawai'i Strategic
Development
Corporation Revolving
Fund**

Section 211F-5, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$459	\$423	\$473	\$2	\$3
Revenues	65	50	2	1	0
Interest	0	0	0	0	0
Expenditures	(101)	0	0	0	0
Transfers*	0	0	(473)	0	0
Ending Balance	\$423	\$473	\$2	\$3	\$3
Encumbrances	\$0	\$0	\$0	\$0	\$0

*Transfer to the Strategic Development Programs Revolving Fund pursuant to Act 56 (SLH 2019).

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 110 (SLH 1990)
Why was it created?	The fund was created to support the Hawai'i Strategic Development Corporation.
Fund meets criteria?	The fund does not meet the criteria of a revolving fund because it no longer serves the purpose for which it was originally established as the program it supported was repealed in 2019. <i>The fund should be closed and the remaining balance should be transferred to the Strategic Development Programs Revolving Fund pursuant to Act 56 (SLH 2019).</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues were from repayments of loans, investment earnings, moneys received pursuant to a venture agreement, royalties, and premiums or fees charged.
Expenditures	Expenditures include incentives provided for private investment activity, coinvesting in private financial organizations, and providing various types of financial assistance.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

He'eia Community Development Special Fund

Section 206E-204, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$31	\$26	\$19	\$10	\$13
Revenues	3	2	0	3	3
Interest	2	0	0	0	1
Expenditures	(10)	(9)	(9)	0	0
Transfers	0	0	0	0	0
Ending Balance	\$26	\$19	\$10	\$13	\$17
Encumbrances	\$15	\$9	\$0	\$0	\$0

*In FY2022, the fund was reclassified from a revolving fund to a special fund as recommended by the Auditor in Report No. 20-01. Therefore, financial activity for FY2022 is a consolidation of the revolving fund and special fund, and the transfer of funds between fund types is not presented.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 210 (SLH 2011), as amended by Act 9 (First Special Session 2021)
Why was it created?	The fund is used to receive all revenue from government agencies or private organizations, funds from the Legislature, and investment earnings to fund the He'eia Community Development District activities.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from lease rent from Kāko'o 'Ōiwi, a community-based nonprofit conducting agricultural and wetland restoration programs.
Expenditures	Expenditures include personnel costs for HCDA to monitor the lease to Kāko'o 'Ōiwi.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Housing Finance Revolving Fund

Section 201H-80, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$8,332	\$9,864	\$10,172	\$11,945	\$16,745
Revenues	3,752	2,592	3,843	6,355	5,193
Interest	292	66	48	250	581
Expenditures	(1,613)	(1,612)	(1,570)	(1,856)	(2,281)
Transfers**	(899)	(738)	(548)	51	(583)
Ending Balance	\$9,864	\$10,172	\$11,945	\$16,745	\$19,655
Encumbrances	\$628	\$1,117	\$815	\$447	\$745

*This fund is the parent account and original source of revenue for one sub-account. The financial data presented is a consolidation of this fund and its sub-account.

**Transfers to the Hawai'i Housing Finance and Development Corporation fund (a sub-account of the Dwelling Unit Revolving Fund) for administrative expenses. Transfer in FY2023 from the Rental Housing System program for administrative expenses previously paid by this fund upon closure of the program.

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006)
Why was it created?	The fund is used for the long-term and special financing activities of the Hawai'i Housing Finance and Development Corporation (HHFDC) as well as the administrative expenses of its housing finance programs.
Fund meets criteria?	This fund meets the criteria of a revolving fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from program and administrative fees, repayments on loans, and investment interest.
Expenditures	Expenditures include administrative and financing costs to administer the various financing programs.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**Housing Loan Program
Revenue Bond
Revolving Fund –
Rental Housing System
(Not in State Treasury)**

Section 201H-80, HRS

Financial Data for Fiscal Years 2020 – 2022 (in thousands)

	FY2020	FY2021	FY2022
Beginning Balance	\$17,909	\$4,029	\$5,439
Revenues	286,384	1,770	0
Interest	0	0	0
Expenditures	(300,264)	(360)	(5,439)
Transfers	0	0	0
Ending Balance	\$4,029	\$5,439	\$0
Encumbrances	\$0	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006), as amended by Act 237 (SLH 2015)
Why was it created?	The fund was used to account for the housing projects or systems of housing projects financed from the proceeds of bonds, secured under the same trust indenture as the bond activity of the Hawai'i Rental Housing System Revenue Bonds.
Fund meets criteria?	The fund was closed in FY2022 after the sale of the last underlying property and reconciliations were completed. All bonds were defeased and properties sold. The remaining assets (land) were transferred to the Dwelling Unit Revolving Fund.

**Housing Loan
Program Revenue
Bond Revolving Fund —
Single Family (Not In
State Treasury)**

Section 201H-80, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Revenues	53	25	10	5	0
Interest	1,596	1,202	897	1,146	1,371
Expenditures	(1,649)	(1,227)	(907)	(1,151)	(1,371)
Transfers	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$0	\$0
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006), as amended by Act 237 (SLH 2015)
Why was it created?	The fund is used to account for bond proceeds from Single Family Mortgage Purchase Revenue Bonds.
Fund meets criteria?	This fund meets the criteria of a revolving fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from principal and interest payments, on loans made to first time homebuyers of lower- and moderate income, and investment income.
Expenditures	Expenditures include interest expense for bonds, repayments of bonds, and administrative expenses of the program.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

***Housing Project Bond
Revolving Fund –
Multi-Family (Not In
State Treasury)***

Section 201H-80, HRS

Financial Data for Fiscal Years 2020 – 2022 (in thousands)

	FY2020	FY2021	FY2022
Beginning Balance	\$0	\$0	\$0
Revenues	224,670	315,131	190,142
Interest	13,664	14,790	16,048
Expenditures	(238,334)	(329,921)	(206,190)
Transfers	0	0	0
Ending Balance	\$0	\$0	\$0
Encumbrances	\$0	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006), as amended by Act 237 (SLH 2015)
Why was it created?	The fund is used to account for bond proceeds from Multi-Family Housing Revenue Bonds.
Fund meets criteria?	As of July 1, 2022, the Hawai'i Housing Finance and Development Corporation (HHFDC) discontinued reporting non-cash conduit bond activities (i.e., revenues and expenditures) in accordance with GASB Statement No. 91 (Conduit Debt Obligations) and approved by the Department of Accounting and General Services. These conduit bonds are special limited obligations of HHFDC, payable solely from, and collateralized by, a pledge of payments on the mortgage-backed securities. Neither HHFDC, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

Hydrogen Investment Capital Special Fund

Section 211F-5.7, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$12	\$13	\$12	\$12	\$12
Revenues	1	0	0	0	0
Interest	0	0	0	0	0
Expenditures	0	(1)	0	0	0
Transfers	0	0	0	0	0
Ending Balance	\$13	\$12	\$12	\$12	\$12
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Special fund
How was the fund created?	Act 240 (SLH 2006)
Why was it created?	The fund was created to support the Hawai'i Renewable Hydrogen Program.
Fund meets criteria?	This fund does not meet the criteria of a special fund because the program it supported was repealed in 2019. The fund was repealed pursuant to Act 56 (SLH 2019) and abolished pursuant to Act 9 (First Special Session 2021); however, the department has not closed the fund. <i>The fund should be closed and the unencumbered balance returned to the General Fund pursuant to Act 9 (First Special Session 2021).</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues were from legislative appropriations, contributions from public or private partners, and interest.
Expenditures	Expenditures include seed capital for, and venture capital investments in, private sector and federal projects for research, development, testing, and implementation of the Hawai'i Renewable Hydrogen Program.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**Kaka‘ako Sandbox
Improvement and
Maintenance Trust
Fund**

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$1,000	\$944	\$944	\$872
Revenues	1,000	0	0	0	0
Interest	0	0	0	0	0
Expenditures	0	(56)	0	(72)	(55)
Transfers	0	0	0	0	0
Ending Balance	\$1,000	\$944	\$944	\$872	\$817
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2020)
Why was it created?	The fund is used for the betterment of, and improvements to, the Hawai‘i Technology Development Corporation’s Entrepreneurs Sandbox, a facility for Hawai‘i’s startup and tech entrepreneur community.
Fund meets criteria?	This fund meets the criteria of a trust fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenue was a \$1 million donation from a private co-work firm in 2019 when the Entrepreneurs Sandbox opened.
Expenditures	Expenditures include improvements to the Entrepreneurs Sandbox facility and costs related to the betterment of the facility.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.
Additional Information	The department reported that, once the funds are used, the fund will be closed.

**Kalaeloa Community
Development Special
Fund**

Section 206E-195, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$758	\$1,204	\$1,608	\$1,810	\$878
Revenues	306	622	459	369	445
Interest	34	5	6	29	34
Expenditures	(894)	(223)	(281)	(196)	(274)
Transfers**	1,000	0	18	(1,134)	0
Ending Balance	\$1,204	\$1,608	\$1,810	\$878	\$1,083
Encumbrances	\$223	\$41	\$49	\$50	\$137

*This fund is the parent account and original source of revenue for one sub-account. The financial data presented is a consolidation of this fund and its sub-account. In FY2022, the fund was reclassified from a revolving fund to a special fund as recommended by the Auditor in Report No. 20-01. Therefore, financial activity for FY2022 is a consolidation of the revolving fund and special fund, and the transfer of funds between fund types is not presented.

**Transfer in FY2020 of \$1,000,000 from Hawai'i Community Development Special Fund for a Stockpile Project, which was transferred back to Hawai'i Community Development Special Fund in FY2023 as a reimbursement. Transfers to Hawai'i Community Development Authority for payroll expenses.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 184 (SLH 2002), as amended by Act 9 (First Special Session 2021)
Why was it created?	The fund is used to support the redevelopment activities of the Hawai'i Community Development Authority within the Kalaeloa Community Development District.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the supported program activities and include assessments, payments/contributions from developers, investment proceeds, rent and lease payments, and other miscellaneous fees.
Expenditures	Expenditures include personnel costs, administrative expenses, and contractual services.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Kalaeloa Facilities**Financial Data for Fiscal Years 2020 – 2024 (in thousands)**

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$132	\$307	\$661	\$955	\$1,020
Revenues	182	354	312	65	0
Interest	0	0	0	0	0
Expenditures	(7)	0	(18)	0	0
Transfers	0	0	0	0	0
Ending Balance	\$307	\$661	\$955	\$1,020	\$1,020
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2018)
Why was it created?	The fund was used for accounting of security deposits, collections and disbursement of moneys associated with managing the Kalaeloa Film Studio property and to cover the cost of utilities, maintenance, and any improvements or enhancements of the current facilities at Kalaeloa.
Fund meets criteria?	This fund does not meet the criteria of a trust fund because it functions more like a special fund and no longer serves the purpose for which it was originally established. <i>The fund should be closed and the remaining balance transferred to the Hawai'i Film and Creative Industries Development Special Fund.</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues were from Kalaeloa Stages Studio rentals and miscellaneous rental uses of the property. Pursuant to Act 193 (SLH 2022), effective July 1, 2022, funds from DBEDT-managed state facilities are now deposited into the Hawai'i Film and Creative Industries Development Special Fund.
Expenditures	Expenditures included repair and maintenance, security, and insurance paid to the Department of Accounting and General Services. Pursuant to Act 193 (SLH 2022), effective July 1, 2022, all repairs, maintenance, and related costs of the department's management of public facilities that support media and entertainment are paid from the Hawai'i Film and Creative Industries Development Special Fund.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.
Additional Information	This fund was previously analyzed as a trust account in Report No. 20-01; at the time, we recommended it be reclassified as a special fund.

**Marsh Insurance
Company Proceeds**

Financial Data for Fiscal Years 2021 – 2024 (in thousands)

	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$1,388	\$1,686	\$20
Revenues	1,388	298	3,103	79
Interest	0	0	0	0
Expenditures	0	0	(4,769)	0
Transfers	0	0	0	0
Ending Balance	\$1,388	\$1,686	\$20	\$99
Encumbrances	\$0	\$19	\$0	\$0

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2021)
Why was it created?	The fund is used to hold insurance proceeds and Federal Emergency Management Agency (FEMA) grants until they are disbursed to replace building assets that were destroyed by the 2018 Kilauea volcano eruption.
Fund meets criteria?	This fund meets the criteria of a trust fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from insurance proceeds and FEMA grants.
Expenditures	Expenditures include payments to purchase a building.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.

**Natural Energy
Laboratory of Hawai'i
Authority Special Fund**

Section 227D-5, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$508	\$527	\$2,105	\$1,914	\$1,543
Revenues	4,604	5,945	4,407	4,930	4,494
Interest	9	2	7	37	50
Expenditures	(4,594)	(4,297)	(4,605)	(5,100)	(4,663)
Transfers*	0	(72)	0	(238)	(221)
Ending Balance	\$527	\$2,105	\$1,914	\$1,543	\$1,203
Encumbrances	\$178	\$1,116	\$1,051	\$575	\$407

*Transfers in FY2021 and FY2023 of \$72,404 and \$47,101 to Collective Bargaining Special Fund pursuant to Executive Memorandum Nos. 20-09 and 22-03, respectively. Transfer in FY2023 of \$191,393 to Federal Emergency Management Agency to return an improper reimbursement. Transfer in FY2024 of \$221,319 to Hawai'i Housing Finance and Development Corporation at the conclusion of a project.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 224 (SLH 1990)
Why was it created?	The fund is used for the operational costs, maintenance, and management of the parks, projects, facilities, services, and publications of the Natural Energy Laboratory of Hawai'i Authority.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the Hawai'i Ocean Science and Technology Park, including rental fees and the sale of seawater.
Expenditures	Expenditures include personnel costs, seawater system operating costs, utilities, grounds maintenance and security, environmental monitoring, administration costs, ceded lands payments, central and administrative services assessments, and special projects related to the receipt of grant moneys.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**OHA Ceded Lands
Proceeds (ADC)**

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$142
Revenues	0	142	200
Interest	0	0	0
Expenditures	0	0	(312)
Transfers	0	0	0
Ending Balance	\$0	\$142	\$30
Encumbrances	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2022)
Why was it created?	The account was established as a holding account for the Office of Hawaiian Affairs's (OHA) 20 percent share of all revenue funds received by the Agribusiness Development Corporation (ADC) from ceded lands.
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are 20 percent of all revenues from ceded lands received by ADC.
Expenditures	Expenditures are payments to OHA for their 20 percent share of ceded land revenues.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

**OHA Ceded Lands
Proceeds (FTZ)****Financial Data for Fiscal Years 2020 – 2024 (in thousands)**

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$2	\$2	\$5	\$6
Revenues	6	8	11	22	22
Interest	0	0	0	0	0
Expenditures	(4)	(8)	(8)	(21)	(22)
Transfers	0	0	0	0	0
Ending Balance	\$2	\$2	\$5	\$6	\$6
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2003)
Why was it created?	The account is used as a holding account for ceded land proceeds from foreign trade zone tenants prior to having funds transferred to the Office of Hawaiian Affairs (OHA).
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are from 20 percent of rents from foreign trade zone tenants leasing property on ceded lands.
Expenditures	Expenditures are payments to OHA for their 20 percent share of revenues earned on ceded lands.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.

**OHA Ceded Lands
Proceeds (HCDA)**

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Revenues	176	91	108	97	117
Interest	0	0	0	0	0
Expenditures	(176)	(91)	(108)	(97)	(117)
Transfers	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$0	\$0
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2003)
Why was it created?	The account is used as a holding account for funds received by the Hawai'i Community Development Authority (HCDA) from permit, license, or lease agreements for the use of ceded lands.
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are 20 percent of the revenue generated from permit, license, or lease agreements for ceded lands within the Kaka'ako Community Development District.
Expenditures	Expenditures are payments to OHA for their 20 percent share of revenues earned on ceded lands.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.

OHA Ceded Lands Proceeds (HCDCH)**Financial Data for Fiscal Years 2020 – 2024 (in thousands)**

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$2	\$8	\$0
Revenues	38	97	73	64	75
Interest	0	0	0	0	0
Expenditures	(38)	(95)	(67)	(72)	(75)
Transfers	0	0	0	0	0
Ending Balance	\$0	\$2	\$8	\$0	\$0
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2014)
Why was it created?	The account is used as a holding account for receipts from the use of ceded lands by the Hawai'i Housing Finance and Development Corporation (HHFDC) that are transferred to the Office of Hawaiian Affairs (OHA) after the close of every quarter.
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are a portion of receipts collected by HHFDC for the use of ceded lands for purposes other than to provide affordable housing, such as utility facilities and commercial tenants.
Expenditures	Expenditures are payments to OHA for their portion of receipts earned on ceded lands.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Yes.

**OHA Ceded Lands
Proceeds (NELHA)**

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$127	\$118	\$135
Revenues	405	423	476	469	469
Interest	0	0	0	0	0
Expenditures	(405)	(296)	(485)	(452)	(499)
Transfers	0	0	0	0	0
Ending Balance	\$0	\$127	\$118	\$135	\$105
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2003)
Why was it created?	The account is used as a holding account for ceded land proceeds from the Hawai'i Ocean Science and Technology Park pending transfer to the Office of Hawaiian Affairs (OHA).
Account meets criteria?	This account meets the criteria of a trust account and continues to serve the purpose for which it was originally established.
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are 20 percent of the rental revenue from the Hawai'i Ocean Science and Technology Park.
Expenditures	Expenditures are payments to OHA for their 20 percent share of revenues earned on ceded lands.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Yes.

Pisces Basalt Concrete Project**Financial Data for Fiscal Year 2020 (in thousands)**

FY2020	
Beginning Balance	\$3
Revenues	0
Interest	0
Expenditures	(3)
Transfers	0
Ending Balance	\$0
Encumbrances	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2015)
Why was it created?	The account was used for a study to evaluate a prototype cement alternative for sidewalks.
Account meets criteria?	This account was closed in FY2020, and there was no remaining balance.

**Private Contributions
and Grants Trust
Account**

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$91	\$91	\$91	\$91	\$47
Revenues	0	0	0	0	0
Interest	0	0	0	0	0
Expenditures	0	0	0	(44)	(47)
Transfers	0	0	0	0	0
Ending Balance	\$91	\$91	\$91	\$47	\$0
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (1980)
Why was it created?	The account is used to receive funds from private contributions and grants.
Account meets criteria?	This account does not meet all the criteria of a trust account because it functions more like a trust fund, but continues to serve the purpose for which it was originally established. <i>The account should be reclassified as a trust fund.</i>
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are from private contributions and grants.
Expenditures	Expenditures include an energy specialist position in the Hawai'i State Energy Office.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.

Rental Assistance Revolving Fund

Section 201H-123, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$28,898	\$28,507	\$31,869	\$30,447	\$29,883
Revenues	845	4,061	110	110	111
Interest	738	1,023	133	655	1,099
Expenditures	(1,736)	(1,492)	(1,414)	(1,088)	(916)
Transfers*	(238)	(230)	(251)	(241)	(273)
Ending Balance	\$28,507	\$31,869	\$30,447	\$29,883	\$29,904
Encumbrances	\$0	\$0	\$0	\$0	\$0

*Transfers to the Hawai'i Housing Finance and Development Corporation for administrative costs.

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006)
Why was it created?	The fund is used to make payments under rental assistance contracts, subsidize tenants' rents in eligible projects, and to provide interim construction financing to qualified sponsors or to the Hawai'i Housing Finance and Development Corporation (HHFDC) for the development of affordable rental housing.
Fund meets criteria?	This fund does not meet all the criteria of a revolving fund because it functions more like a special fund, but continues to serve the purpose for which it was originally established. The fund should be reclassified as a special fund.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from investment income, interest on interim loans and repayment of loan proceeds, and funding of rental assistance program contracts.
Expenditures	Expenditures include rent subsidies and administrative costs for HHFDC to administer the rental assistance programs.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Rental Housing Revolving Fund

Section 201H-202, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$362,740	\$395,117	\$403,857	\$366,730	\$286,379
Revenues	35,425	48,530	48,071	42,947	41,449
Interest	14,387	4,179	3,229	9,121	13,565
Expenditures	(91,749)	(93,332)	(87,227)	(86,432)	(136,598)
Transfers*	74,314	49,363	(1,200)	(45,987)	479,912
Ending Balance	\$395,117	\$403,857	\$366,730	\$286,379	\$684,707
Encumbrances	\$0	\$0	\$0	\$0	\$0

*Transfers to Hawai'i Housing Finance and Development Corporation fund for administrative expenses and transfers from General Obligation bond funds as authorized by the Legislature. Transfers in FY2024 of \$300 million from the General Fund pursuant to Act 236 (SLH 2022), as amended by Act 35 (SLH 2023), and \$100 million from the General Fund pursuant to Act 164 (SLH 2023).

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 180 (SLH 2006), as amended by Act 237 (SLH 2015)
Why was it created?	The fund is used to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. The fund may also be used for planning, design, land acquisition, costs of options, agreements of sale, down payments, equity financing, and capacity building for nonprofit housing developers and other housing development services.
Fund meets criteria?	This fund meets the criteria of a revolving fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues include 50 percent of conveyance tax receipts (up to an annual cap of \$38 million), loan interest, repayment of loan proceeds, investment income, private contributions, and transfers from other funds.
Expenditures	Expenditures include the funding of loans and administrative costs for HHFDC to administer the program.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**Research and
Development Special
Fund**

**Section 206M-15.3,
HRS**

Financial Data for Fiscal Year 2020 (in thousands)

FY2020	
Beginning Balance	\$950
Revenues	0
Interest	0
Expenditures	(950)
Transfers	0
Ending Balance	\$0
Encumbrances	\$0

Fund Summary

Account Type	Special fund
How was the fund created?	Act 141 (SLH 2018)
Why was it created?	The fund was used to award research and development grants.
Fund meets criteria?	This fund was closed in FY2020 after all of the appropriated funds were issued as grants, and it was repealed pursuant to Act 9 (First Special Session 2021).

Salary Overpayments – Periodic Deductions

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$1	\$1	\$1	\$1	\$1
Revenues	0	0	0	0	0
Interest	0	0	0	0	0
Expenditures	0	0	0	0	0
Transfers	0	0	0	0	0
Ending Balance	\$1	\$1	\$1	\$1	\$1
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2013)
Why was it created?	The account was used to temporarily hold repayments of salary overpayments until the full amount was recovered. According to the department, salary overpayments are now handled automatically through the Hawai'i Information Portal.
Account meets criteria?	This account meets the criteria of a trust account, but no longer serves the purpose for which it was originally established. There has been no activity in the account for at least the past 10 years. The department reported that the account will be closed and the balance will be returned to the State Treasury.
Performance standards	No, the account does not have performance standards.
Revenues	During our review period, there were no revenues.
Expenditures	During our review period, there were no expenditures.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.

Security Deposits

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$124
Revenues	0	0	14
Interest	0	0	0
Expenditures	0	0	0
Transfers*	0	124	0
Ending Balance	\$0	\$124	\$138
Encumbrances	\$0	\$0	\$0

*Transfer from the Department of Agriculture pursuant to Act 219 (SLH 2022).

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2004)
Why was it created?	The account is used as a holding account for security deposits for leases, licenses, and revocable permits for the Agribusiness Development Corporation's real property. Upon termination of the tenancy and satisfactory condition of the premises, the security deposit is returned to the tenant.
Account meets criteria?	This account does not meet all the criteria of a trust account because it functions more like a trust fund, but continues to serve the purpose for which it was originally established. <i>The account should be reclassified as a trust fund.</i>
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are security deposits from leases, licenses, and revocable permits.
Expenditures	Expenditures include reimbursements upon successful termination of agreements.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

**Stadium Authority's
Account – Not in State
Treasury**

Section 109-6, HRS

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$296
Revenues	0	406	494
Interest	0	0	0
Expenditures	0	(372)	(526)
Transfers*	0	262	0
Ending Balance	\$0	\$296	\$264
Encumbrances	\$0	\$0	\$0

*Transfer from Department of Accounting and General Services pursuant to Act 220 (SLH 2022).

Fund Summary

Account Type	Trust fund
How was the fund created?	Act 73 (SLH 1978)
Why was it created?	The fund is used to hold all receipts collected by the Stadium Authority from the sale of admission tickets for events held at Aloha Stadium, including any money deposited with the Stadium Authority by a licensee to assure the payment of charges for the use of the stadium.
Fund meets criteria?	This fund meets the criteria of a trust fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the sale of admission tickets for events held at Aloha Stadium, including any money deposited with the Stadium Authority by a licensee to assure the payment of charges for the use of the stadium.
Expenditures	Expenditures include disbursements to stadium licensees in connection with the settlement of accounts and refund of deposits, and for payments to the Stadium Development Special Fund for amounts due to the Stadium Authority.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.
Additional Information	Pursuant to Act 220 (SLH 2022), Stadium Authority is attached to DBEDT, effective July 1, 2022.

Stadium Development Special Fund

Section 109-3.5, HRS

Financial Data for Fiscal Years 2022 – 2024 (in thousands)*

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$6,287
Revenues	0	6,588	56,134
Interest	0	77	125
Expenditures	0	(4,799)	(4,546)
Transfers**	0	4,421	(2,714)
Ending Balance	\$0	\$6,287	\$55,286
Encumbrances	\$0	\$853	\$1,315

*This fund is the parent account and original source of revenue for one sub-account. The financial data presented is a consolidation of this fund and its sub-account.

**Transfer in FY2023 from the Department of Accounting and General Services (DAGS) pursuant to Act 220 (SLH 2022). Transfer in FY2024 to DAGS for the swap meet relocation to the upper Halawa lot project.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 146 (SLH 2021)
Why was it created?	The fund is used to support the management and maintenance of the stadium development district.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the activities of the stadium development district, including but not limited to agreements or actions generating revenue related to stadium operations, lease or rental of facilities or land, concessions, food and beverage, parking, sponsorship and advertising, utilities and infrastructure, and development. Pursuant to Act 248 (SLH 2022), the fund received \$49,500,000 from the General Fund for operations, maintenance, and contract costs to developers of the stadium.
Expenditures	Expenditures include costs arising from any and all use, operation, repair, maintenance, alteration, improvement, or development of the stadium development district.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**State Disaster
Revolving Loan Fund**

Section 209-34, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$281	\$281	\$281	\$281	\$281
Revenues	0	0	0	0	0
Interest	0	0	0	0	0
Expenditures	0	0	0	0	0
Transfers	0	0	0	0	0
Ending Balance	\$281	\$281	\$281	\$281	\$281
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 205 (SLH 1976)
Why was it created?	The fund was created to provide loans to small businesses and individuals affected by natural disasters.
Fund meets criteria?	This fund does not meet the criteria of a revolving fund and no longer serves the purpose for which it was originally established. The department reported that the fund has been inactive for at least 10 years as the State has relied on federal funds from the Federal Emergency Management Agency and the Small Business Association to provide loans to small businesses and individuals affected by natural disasters. In addition, according to the department, the fund is not financially self-sustaining, depends on general fund appropriations to fulfill its intended purpose, and can be supported by the general fund appropriation process. <i>The fund should be closed.</i>
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from loan repayments and interest. During our review period, there were no revenues.
Expenditures	Expenditures include loan disbursements. During our review period, there were no expenditures.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Strategic Development Programs Revolving Fund

Section 206M-62, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$6	\$112	\$87	\$4,677	\$5,589
Revenues	114	7	4,193	991	5,236
Interest	0	0	0	0	0
Expenditures	(8)	(32)	(76)	(79)	(106)
Transfers*	0	0	473	0	0
Ending Balance	\$112	\$87	\$4,677	\$5,589	\$10,719
Encumbrances	\$0	\$0	\$531	\$220	\$279

*Transfer from the Hawai'i Strategic Development Corporation pursuant to Act 56 (SLH 2019).

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 56 (SLH 2019)
Why was it created?	The fund is used to support investment activities of the development corporation, to encourage economic development and diversification and promote the welfare of state citizens in cooperation with private enterprises.
Fund meets criteria?	This fund received General Fund appropriations to assist with program set up in FY2024 and has not yet established the program the fund is to support. As such, we are unable to determine whether it meets the criteria of a revolving fund.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are returns from investments made by the former Hawai'i Strategic Development Corporation (HSDC). The initial investment funding made by HSDC was from a federal program called the State Small Business Credit Initiative Capital Program. The federal funds received are placed into a separate fund and the only funds placed into this revolving fund are the returns on the investments. The fund received a \$5,000,000 general fund appropriation in FY2024 to assist with program set up. Future revenues may include loan repayments, moneys received pursuant to a venture agreement, royalties, and premiums or fees charged by the Hawai'i Technology Development Corporation.
Expenditures	Expenditures include costs in support of investing activities, such as legal services, managerial, and administrative fees.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.
Additional Information	Pursuant to Act 56 (SLH 2019), HSDC was repealed and all resources, duties, and responsibilities of HSDC were transferred to the Hawai'i Technology Development Corporation effective July 1, 2019.

Technology Special Fund

Section 206M-15.5, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$463	\$339	\$410	\$368	\$393
Revenues	304	258	405	481	489
Interest	0	0	0	0	0
Expenditures	(428)	(187)	(447)	(456)	(590)
Transfers	0	0	0	0	0
Ending Balance	\$339	\$410	\$368	\$393	\$292
Encumbrances	\$151	\$160	\$58	\$86	\$45

Fund Summary

Account Type	Special fund
How was the fund created?	Act 274 (SLH 1989), as amended by Act 69 (SLH 2017)
Why was it created?	The fund is used for the operation, maintenance, and management of the Hawai'i Technology Development Corporation's (HTDC) economic zones, projects, facilities, services and publications, and to pay HTDC's expenses to administer its special purpose revenue bonds and carry out its project agreements.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from land leases, facility operations, and federal grant reimbursements.
Expenditures	Expenditures include the costs of operations, maintenance, and management of projects.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.
Additional Information	Pursuant to Section 206M-15.5, HRS, the total amount of money in the fund shall not exceed \$300,000 at the end of any fiscal year. The department confirmed that any unencumbered funds over \$300,000 would be lapsed to the General Fund. We note that, in FY2022 and FY2023, the unencumbered balances are above the maximum amount allowed under Section 206M-15.5, HRS.

Temporary Deposits**Financial Data for Fiscal Years 2020 – 2024 (in thousands)**

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$650	\$615	\$646	\$730	\$992
Revenues	119	94	94	346	1,960
Interest	0	0	0	0	0
Expenditures	(154)	(63)	(10)	(84)	(428)
Transfers	0	0	0	0	0
Ending Balance	\$615	\$646	\$730	\$992	\$2,524
Encumbrances	\$23	\$1	\$1	\$201	\$191

Fund Summary

Account Type	Trust account
How was the account created?	Administratively established (2007)
Why was it created?	The account is used to hold temporary rental deposits and donations for DBEDT divisions.
Account meets criteria?	This account does not meet all the criteria of a trust account because it functions more like a trust fund, but continues to serve the purpose for which it was originally established. <i>The account should be reclassified as a trust fund.</i>
Performance standards	No, the account does not have performance standards.
Revenues	Revenues are from temporary deposits for rentals and private donations for DBEDT divisions.
Expenditures	Expenditures include refunds of the deposits and the use of private funds for event and program costs.
Reported pursuant to Section 37-47, HRS	No.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Yes.
Additional Information	The balance of the fund has increased substantially over the past 2 years due to deposits from additional programs such as sponsor funds for the Festival of Pacific Arts & Culture and donations from Japan for the Maui wildfires.

**Temporary Deposits –
HHFDC**

Financial Data for Fiscal Years 2020 – 2022 (in thousands)

	FY2020	FY2021	FY2022
Beginning Balance	\$0	\$0	\$179
Revenues	0	7,000	0
Interest	0	0	0
Expenditures	0	(6,821)	(179)
Transfers	0	0	0
Ending Balance	\$0	\$179	\$0
Encumbrances	\$0	\$0	\$0

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2020)
Why was it created?	The fund supported the Rental Assistance and Mediation Program that assisted renters and landlords impacted by the COVID-19 pandemic with rental and mediation services to avoid eviction.
Fund meets criteria?	This fund was closed in FY2022 and there was no remaining balance.

**Tourism Emergency
Special Fund (Not in
State Treasury)**

Section 201B-10, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Revenues	0	0	0	0	237
Interest	0	0	0	0	0
Expenditures	0	0	0	0	0
Transfers	0	0	0	0	0
Ending Balance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,237
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Special fund
How was the fund created?	Act 201 (SLH 2007), as amended by Act 237 (SLH 2015)
Why was it created?	The fund is used to develop and implement emergency measures to respond to any tourism emergency pursuant to Section 201B-9, HRS, including providing emergency assistance to tourists during the tourism emergency.
Fund meets criteria?	This fund meets the criteria of a special fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are deposits from the Transient Accommodations Tax such that the balance of the fund will be maintained at \$5,000,000.
Expenditures	During our review period, there were no expenditures from this fund. Expenditures include costs exclusively for the development and implementation of emergency measures to respond to any tourism emergency which includes providing emergency assistance to tourists during the tourism emergency.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

Tourism Special Fund

Section 201B-11, HRS

Financial Data for Fiscal Years 2020 – 2024 (in thousands)*

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$70,915	\$72,129	\$62,759	\$26,317	\$15,663
Revenues	66,937	23,033	202	37	(5)**
Interest	1,826	471	380	846	673
Expenditures	(67,519)	(32,705)	(37,024)	(11,537)	(7,923)
Transfers***	(30)	(169)	0	0	0
Ending Balance	\$72,129	\$62,759	\$26,317	\$15,663	\$8,408
Encumbrances	\$31,764	\$53,869	\$20,988	\$9,291	\$959

*This fund is the parent account and is the original source of revenue for one sub-account. The financial data presented is a consolidation of this fund and its sub-account.

**Negative revenues in FY2024 represent a journal entry to close out the Hawai'i Tourism Authority's petty cash account, which was deposited to the General Fund.

***Transfer in FY2020 and FY2021 of \$30,000 each year to Hawai'i Film and Creative Industries Development Special Fund for repair and maintenance for Hawai'i Film Studies. Transfer in FY2021 of \$138,968 to Collective Bargaining Special Fund pursuant to Executive Memorandum No. 20-09.

Fund Summary

Account Type	Special fund
How was the fund created?	Act 156 (SLH 1998)
Why was it created?	The fund is used to support operations of the Hawai'i Tourism Authority.
Fund meets criteria?	Pursuant to Act 1 (First Special Session 2021), this fund was repealed in FY2022. The department reported that the remaining balance was left in the fund while contract encumbrances are being spent down. The fund should be closed pursuant to Act 1 (First Special Session 2021).
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are primarily from the Transient Accommodation Tax, investment pool interest, and reimbursements from vendors for unspent contractual funds.
Expenditures	Expenditures were paid to support Hawai'i Tourism Authority operations. These costs include contract costs, and other general and administrative expenditures.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	No.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.

**U.S. Climate Alliance
Grant Program –
Vehicle Miles Traveled**

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$264	\$169
Revenues	311	0	0
Interest	0	0	0
Expenditures	(47)	(95)	(4)
Transfers	0	0	0
Ending Balance	\$264	\$169	\$165
Encumbrances	\$0	\$2	\$2

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2022)
Why was it created?	The fund is used by the Hawai'i State Energy Office to support the identification and implementation of strategies for Vehicle Miles Traveled reduction and assist with state fleet conversion.
Fund meets criteria?	This fund meets the criteria of a trust fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the U.S. Climate Alliance Climate Leadership Grant.
Expenditures	Expenditures include administrative expenditures, the O'ahu multi-modal assessments, and the O'ahu State Government employee transportation demand management study.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	No.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Yes.

**VW Environmental
Mitigation –
Non-administrative
Expenses**

Financial Data for Fiscal Years 2020 – 2024 (in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$1,507	\$3,389	\$6,738	\$6,841
Revenues	1,500	1,876	3,537	3	20
Interest	7	6	7	100	224
Expenditures	0	0	(195)	0	(649)
Transfers	0	0	0	0	0
Ending Balance	\$1,507	\$3,389	\$6,738	\$6,841	\$6,436
Encumbrances	\$0	\$0	\$0	\$0	\$0

Fund Summary

Account Type	Trust fund
How was the fund created?	Administratively established (2019)
Why was it created?	The fund is used to hold Hawai'i's allocation from the Volkswagen (VW) Settlement Environmental Mitigation Trust. The money is used to fund eligible mitigation projects designed to reduce nitrogen oxides emissions from mobile sources in Hawai'i.
Fund meets criteria?	This fund meets the criteria of a trust fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from the Volkswagen Settlement Environmental Mitigation Trust.
Expenditures	Expenditures include personnel costs, other administrative expenses, and costs for approved activities outlined in the Beneficiary Mitigation Plan.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Yes.

Waiāhole Water System Revolving Fund

Section 163D-15.5, HRS

Financial Data for Fiscal Years 2022 – 2024 (in thousands)

	FY2022	FY2023	FY2024
Beginning Balance	\$0	\$0	\$1,510
Revenues	0	1,053	1,376
Interest	0	0	0
Expenditures	0	(1,065)	(1,091)
Transfers*	0	1,522	0
Ending Balance	\$0	\$1,510	\$1,795
Encumbrances	\$0	\$10	\$5

*Transfer from the Department of Agriculture pursuant to Act 219 (SLH 2022).

Fund Summary

Account Type	Revolving fund
How was the fund created?	Act 111 (SLH 1998), as amended by Act 219 (SLH 2022)
Why was it created?	The fund is used to support all operations of the Waiāhole Water System.
Fund meets criteria?	This fund meets the criteria of a revolving fund and continues to serve the purpose for which it was originally established.
Performance standards	No, the fund does not have performance standards.
Revenues	Revenues are from fees charged for water delivery.
Expenditures	Expenditures include personnel, the cost of repairs and equipment rentals, equipment and vehicles, the cost of materials and supplies, and debt service repayment of principal and interest on government obligation bonds.
Reported pursuant to Section 37-47, HRS	Yes.
Reported pursuant to Section 37-48, HRS	Yes.
Reported pursuant to Section 37-49, HRS	Yes.
Reported pursuant to Section 37-52.5, HRS	Not applicable, the fund was established pursuant to an act.
Additional Information	Pursuant to Act 219 (SLH 2022), the Agribusiness Development Corporation is attached to DBEDT, effective July 1, 2022.

Chapter 3

Observations on Reporting and Accounting for Funds

Special, revolving, and other types of non-general funds are not subject to the same level of legislative scrutiny as the General Fund. Accurate and complete reporting of all funds, as required by law, would greatly improve the Legislature's oversight and control of these funds and provide increased budgetary flexibility. Fund reports are one of the primary means through which the Legislature tracks non-general funds. The reports are used to monitor fund balances and identify excess moneys for possible transfer to the General Fund.

Non-General Funds Were Not Reported as Required by Law

Section 37-47, HRS, requires departments to submit to the Legislature an annual report of each non-general fund account, including information such as the intended purpose of the fund, current program activities supported by the fund, and financial data. The Director of Finance annually issues a memorandum requesting all departments complete and submit Form 37-47, *Report on Non-General Fund Information*, to the Department of Budget and Finance for each of their non-general funds. The Department of Budget and Finance compiles a report of all non-general fund accounts and submits it to the Legislature prior to the start of each legislative session.

Section 37-48, HRS, enacted by the Legislature through Act 87 in 2021, requires departments to submit to the Legislature an annual program measures report of each non-general fund account, including information such as program objectives, program activities, metrics for target population, and metrics for assessing effectiveness over the ensuing six fiscal years. The report must be filed no later than October 1 annually.

Section 37-49, HRS, also enacted by the Legislature through Act 87 in 2021, requires departments to submit to the Legislature an annual cost element report of each non-general fund account, including information such as budget details by cost element and non-general fund names and account codes for each item or object code. The report must be filed no later than October 1 annually.

Section 37-52.5, HRS, requires the Judiciary and any department that administratively establishes a new fund or account to submit a report to the Legislature. The report must be filed within 30 working days of a fund or account's creation and should include a justification for the

fund or account and identification of its sources of revenue. In addition, prior to the start of each legislative session, the law also requires each department to submit to the Legislature a listing of all administratively established funds or accounts along with a statement of their revenues, expenditures, encumbrances, and ending balances for each fund or account. This report is separate from the non-general fund report required under Section 37-47, HRS.

During our review, we noted noncompliance with statutory requirements to report financial activity and balances, as required by Section 37-47, HRS, program measures, as required by Section 37-48, HRS, cost elements, as required by Section 37-49, HRS, as well as fund information for administratively established funds and accounts under Section 37-52.5, HRS.

As shown in Exhibit 3.1, DBEDT had administratively created non-general funds with balances totaling approximately \$961,000 that were not reported to the Legislature as required by Section 37-52.5, HRS; non-general funds with balances totaling approximately \$4 million that were not reported to the Legislature as required by Section 37-47, HRS; non-general funds with balances totaling \$27.5 million that were not reported to the Legislature as required by Section 37-48, HRS; and non-general funds with balances totaling \$100.3 million that were not reported to the Legislature as required by Section 37-49, HRS.

Exhibit 3.1

Non-General Funds and Administratively Created Funds Not Reported to the Legislature

Fund Name	Fund Type	HRS 37-47 (Non-General)	FY2024 Ending Balance (rounded)	HRS 37-48 (Non-General Program Measures)	FY2024 Ending Balance (rounded)	HRS 37-49 (Non-General Cost Element)	FY2024 Ending Balance (rounded)	HRS 37-52.5 (Admin Created)	FY2024 Ending Balance (rounded)
ADC Land Performance Bond	Trust Account	✓	\$35,000	✓	\$35,000	✓	\$35,000		
Affordable Homeownership Revolving Fund	Revolving Fund			✓	5,000,000				
Agribusiness Development and Research	Special Fund	✓	26,000	✓	26,000	✓	26,000	✓	\$26,000
DHHL Entitlement Proceeds – ADC	Trust Account	✓	60,000	✓	60,000	✓	60,000		
Foreign-Trade Zone Special Fund	Special Fund					✓	1,732,000		
Hawai'i Green Infrastructure Bond Fund (Not in State Treasury)	Special Fund					✓	5,685,000		
Hawai'i Green Infrastructure Special Fund (Not in State Treasury)	Special Fund					✓	73,958,000		
Hawai'i State Energy Office	Trust Fund			✓	935,000			✓	935,000
Hawai'i Strategic Development Corporation Revolving Fund	Revolving Fund	✓	3,000	✓	3,000	✓	3,000		
Hydrogen Investment Capital Special Fund	Special Fund	✓	12,000	✓	12,000	✓	12,000		
Kaka'ako Sandbox Improvement and Maintenance Trust Fund	Trust Fund	✓	817,000	✓	817,000	✓	817,000		
Kalaeloa Facilities	Trust Fund			✓	1,020,000	✓	1,020,000		
Marsh Insurance Company Proceeds	Trust Fund	✓	99,000	✓	99,000	✓	99,000		

Chapter 3: Observations on Reporting and Accounting for Funds

Fund Name	Fund Type	HRS 37-47 (Non-General)	FY2024 Ending Balance (rounded)	HRS 37-48 (Non-General Program Measures)	FY2024 Ending Balance (rounded)	HRS 37-49 (Non-General Cost Element)	FY2024 Ending Balance (rounded)	HRS 37-52.5 (Admin Created)	FY2024 Ending Balance (rounded)
OHA Ceded Lands Proceeds (ADC)	Trust Account	✓	30,000	✓	30,000	✓	30,000		
OHA Ceded Lands Proceeds (FTZ)	Trust Account			✓	6,000	✓	6,000		
OHA Ceded Lands Proceeds (HCDA)	Trust Account			✓	0	✓	0		
OHA Ceded Lands Proceeds (HCDCH)	Trust Account			✓	0				
OHA Ceded Lands Proceeds (NELHA)	Trust Account			✓	105,000				
Private Contributions and Grants Trust Account	Trust Account	✓	0	✓	0	✓	0		
Salary Overpayments – Periodic Deductions	Trust Account	✓	0	✓	0	✓	0		
Security Deposits	Trust Account	✓	138,000	✓	138,000	✓	138,000		
Stadium Authoritys' Account – Not in State Treasury	Trust Fund			✓	264,000	✓	264,000		
State Disaster Revolving Loan Fund	Revolving Fund	✓	281,000	✓	281,000	✓	281,000		
Strategic Development Programs Revolving Fund	Revolving Fund			✓	10,719,000				
Temporary Deposits	Trust Account	✓	2,524,000	✓	2,524,000	✓	2,524,000		
Tourism Emergency Special Fund (Not in State Treasury)	Special Fund			✓	5,237,000	✓	5,237,000		
Tourism Special Fund	Special Fund					✓	8,408,000		
U.S. Climate Alliance Grant Program-Vehicle Miles Traveled	Trust Fund			✓	165,000				
Total			\$4,025,000		\$27,476,000		\$100,335,000		\$961,000

Source: Office of the Auditor

Office of the Auditor's Response on the Department of Business, Economic Development and Tourism's Response

Comments on Agency Response

WE MET WITH the Department of Business, Economic Development and Tourism (DBEDT) director and his staff to discuss the draft report. DBEDT subsequently provided written comments to the draft report, agreeing with the findings and saying that it will take appropriate corrective action as recommended. DBEDT's comments are attached in their entirety as Attachment 1.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
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September 18, 2025

Mr. Leslie Kondo
State Auditor
Office of the Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813

Dear Mr. Kondo:

SUBJECT: Review of Special Funds, Revolving Funds, Trust Funds, and Trust
Accounts of the Department of Business Economic Development and
Tourism

Thank you for the opportunity to respond to the auditor's findings identified in Report No. 25-10 Draft Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism dated September 4, 2025. The Department agrees with the findings and will take the appropriate corrective action as recommended in your findings. If you have any questions, please contact Sayuri Sugimoto, Administrative Services Officer at (808) 586-2433 or sayuri.sugimoto@hawaii.gov.

Sincerely,

James Kunane Tokioka
DBEDT Director

c: Sayuri Sugimoto