UNIVERSITY OF HAWAI‘I SYSTEM
ANNUAL REPORT

REPORT TO THE 2013 LEGISLATURE

Annual Report on
University of Hawai‘i Risk Management Special Fund
(This report provides the revenue and expenditures for the Risk Management
Special Fund during the fiscal year ending June 30, 2012)

HRS 304A-2151
(Act 186, SLH 2003)

December, 2012
Report to the 2013 Legislature on
University of Hawai‘i Risk Management Special Fund

December, 2012

Act 186, SLH 2003 amended Chapter 304, Hawai‘i Revised Statutes, by:
   (a) creating the University of Hawai‘i risk management special fund (RMSF); and
   (b) providing the Board of Regents with the authority to approve the indemnification of
persons, companies, and government entities, as necessary, to receive research and
other funds for educational purposes.

Act 186, SLH 2003 authorized the creation of the University of Hawai‘i risk
management special fund (“RMSF”) effective July 1, 2003. During the fiscal year which
ended June 30, 2012, the University of Hawai‘i, Office of Risk Management assessed
each campus based on numerous factors such as number of students, number of
employees, number of automobiles, and square footage of buildings and collected a
total of $1,956,112.00. The University also received $774,649.52 in reimbursements
and -$117.88 in interest income. These assessments, reimbursements and income
were added to the remaining balance of $2,776,907.46 from FY 2011 for total available
funds of $5,507,551.10 for FY 2012. Total expenditures from the RMSF for FY 2012
were $2,120,479.13. Payments were made for legal settlements ($828,526.81),
insurance premiums ($646,024.00), legal expenses ($415,933.39), replenishment of
the Worker’s Compensation escrow account ($168.49) and fire-related expenses
resulting from the February 2012 Financial Management Office fire ($229,826.44).
**UNIVERSITY OF HAWAII**  
**RISK MANAGEMENT SPECIAL FUND**  
**FY 2012**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance, 07/01/2011</strong></td>
<td>$ 2,776,907.46</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$ 1,956,112.00</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>$ 773,527.87</td>
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<tr>
<td>Fringe Reserve Reimbursement</td>
<td>$ 1,121.65</td>
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<tr>
<td>Interest Income</td>
<td>$(117.88)</td>
</tr>
<tr>
<td><strong>Total Available Funds for FY12</strong></td>
<td>$ 5,507,551.10</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
</tr>
<tr>
<td>Settlements</td>
<td>$ 828,526.81</td>
</tr>
<tr>
<td>Insurance Premiums</td>
<td>$ 646,024.00</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>$ 415,933.39</td>
</tr>
<tr>
<td>Workers’ Compensation Replenishment</td>
<td>$ 168.49</td>
</tr>
<tr>
<td>FMO Fire-Related Expenses</td>
<td>$ 229,826.44</td>
</tr>
<tr>
<td><strong>Expenditure Subtotal</strong></td>
<td>$ 2,120,479.13</td>
</tr>
<tr>
<td><strong>Ending Cash Balance, 06/30/2012</strong></td>
<td>$ 3,387,071.97</td>
</tr>
</tbody>
</table>