



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
Senate Committee on Judiciary and Hawaiian Affairs
Senate Committee on Health

April 04, 2006

by

Howard Todo, Chief Financial Officer

RE: SCR 227 REQUESTING THE AUDITOR TO CONDUCT AN AUDIT TO DETERMINE WHETHER FUNDS ALLOCATED FROM THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND TO THE UNIVERSITY REVENUE-UNDERTAKINGS FUND HAVE BEEN APPROPRIATELY EXPENDED

Chairs Hee, Hanabusa, Baker and Members of the Committees:

Senate Concurrent Resolution 227 requests that the Auditor conduct an audit to determine whether funds allocated from the Hawaii tobacco settlement special fund under section 328L-2, Hawaii Revised Statutes, to the university revenue-undertakings fund established under section 306-10, Hawaii Revised Statutes, have been appropriately expended according to section 328L-2(b)(4), Hawaii Revised Statutes.

The monies received by the University are applied solely to the payment of the principal of and interest on revenue bonds issued by the Board of Regents of the University of Hawaii to finance the cost of construction of the University Health and Wellness Center.

Any funds in excess of the amount required to pay principal of and interest on, and to generate required coverage, if any, for those revenue bonds in any fiscal year are returned to the Department of Health.

The attached sheet is an accounting of the funds allocated since inception. The disbursements comply with applicable laws and excess funds have been returned.

The University respectfully submits that an audit is not necessary and funds for such an audit would be better used for other purposes. The University would be pleased to provide any further information requested by the Legislature.

We request that this measure be held.

Thank you for the opportunity to testify on this measure.

Attachment

UH Wellness Center
Account 0-23006

FY
2004

Received from DOH - Check # S0121248; 06/23/03	11,628,689.00
Interest income FYE 6-30-03	3,378.88
Debt Service; 07/15/03	(7,877,499.00)
Debt Service; 01/15/04	(3,751,190.00)
Interest income FYE 6-30-04	60,931.71
Total	64,310.59
A068536; return excess funds, Check # 026676 11/17/04	(64,310.59)
Balance	0.00

FY
2005

Received from DOH - Check # S0106508; 05/24/04	10,035,536.25
Debt Service; 07/15/04	(6,326,190.00)
Debt Service; 01/15/05	(3,709,346.25)
Interest income FYE 6-30-05	60,387.82
Total	60,387.82
A068622; return excess funds, Check #176219 02/8/06	(60,387.82)
Balance	0.00

FY
2006

Received from DOH - Check # S0110633; 06/07/05	10,012,110.41
Debt Service; 07/15/05	(6,364,346.25)
Debt Service; 01/15/06	(3,673,503.75)
Interest income	58,154.63
Current Balance at 3-21-06	32,415.04