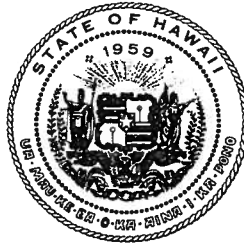


STATE OF HAWAII
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DEPT. COMM. NO. 9

November 8, 2006

The Honorable Robert Bunda
President of the Senate
State Capitol, Room 003
Honolulu, Hawaii'i 96813

Dear Mr. President:

I transmit to you a copy of our report, *Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the Governor, Office of the Lieutenant Governor, Department of Education and Hawaii'i State Public Library System, and Office of Hawaiian Affairs.*

Section 23-12, Hawaii'i Revised Statutes, requires the State Auditor to review all existing revolving and trust funds every five years. This report presents a five-year financial summary for each fund or account, evaluates the original intent and purpose of each fund or account, and determines the degree to which each fund or account achieves its stated and claimed purpose. We reviewed a total of 33 funds and accounts: 10 revolving funds, 15 trust funds, and 8 trust accounts.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Thursday, November 9, 2006.

Sincerely,

Marion M. Higa
State Auditor

Enclosure

c: ✓ Paul Kawaguchi, Senate Clerk