INSTRUCTIONS
To Complete Forms of Department Financial Information Required for the Preparation of the State of Hawaii's Comprehensive Annual Financial Report (CAFR)

DUE DATE: October 3, 2014

In accordance with Section 40-4, Hawaii Revised Statutes, we are requesting financial information to assist in the preparation of the State of Hawaii's Comprehensive Annual Financial Report (CAFR).

GENERAL INSTRUCTIONS:

New →

1. **Transmittal Memorandum** – Complete the Transmittal Memorandum indicating the schedules that are attached for submission and the schedules that are not applicable (N/A). The Transmittal Memorandum must be signed by the Preparer and the Department Head or the Department Head's authorized designee.

   Scan the signed Transmittal Memorandum and email to suzanne.m.efhan@hawaii.gov. Maintain the original for your records.

   The Transmittal Memorandum will be used to ensure completeness of all submissions. Schedules that are not applicable (N/A) are no longer required to be submitted.

2. **Excel templates** – Use Excel templates provided for all submissions. In order to assure consistency in departmental submissions, do not modify the templates.

   Suggestions for modifications to FY 2015 Excel templates may be emailed to: suzanne.m.efhan@hawaii.gov.

3. **Schedules requested to be prepared by Fund** – For schedules requested to be prepared by Fund, segregate by the following:

   - General
   - Special
   - Bond
   - Trust

   Sub-totals for various categories within funds (i.e. Federal Fund sub-total within Special Fund) are not required, but may be included at the preparer's discretion. Grand totals for General, Special, Bond and Trust, and an overall Grand Total must be included.

4. **Required Schedules** – Vouchers Payable and Accrued Payroll schedules are required to be submitted. All other applicable schedules must also be submitted.

5. **Preparer and Reviewer information** - For each schedule, include the Preparer's and Reviewer's name, title, email address, and telephone number.

DEPARTMENT-SPECIFIC INSTRUCTIONS:

1. **B&F** – Exclude ERS and EUTF.
2. **DBEDT** – Exclude HHFDC, HTA, and HCDA.
3. **DCCA** – Exclude HHRF.
4. **DHS** – Provide separate totals for Med-Quest Special Fund. Exclude HPHA.
5. **DLIR** – Provide separate totals for Unemployment Insurance.
6. **DLNR** – Provide separate totals for Small Boat Special Fund.
7. **DOE** – Provide separate totals for CIP and non-CIP accounts.
8. **DOH** – Exclude Water Pollution Control Revolving Fund, Drinking Water Treatment Revolving Loan Fund, and HHSC.
9. **DOT Highways** – Provide separate totals for CIP and non-CIP accounts.

SCHEDULES REQUESTED:

The following financial information is requested:

1. **Cash Held Outside the State Treasury**

   Financial Institution – Name of the financial institution where the cash is deposited (i.e. Bank of Hawaii).

   Appropriation Acct. No. – Appropriation Account Number where the cash is recorded in FAMIS (i.e. T-999-V1).

   Bank Account No. – Self-explanatory.

   Balance 6/30/14 – Book balance as of 6/30/2014.

   Amount Insured of Collateralized – The dollar amount covered by federal deposit insurance or by collateral.

   Provide detail insurance and collateral (i.e. FDIC).

2. **Investments Held Outside the State Treasury, Including Derivative Instruments**

   Financial Institution – Name of the financial institution where the investments are held (i.e. ABC Fund, LLC).

Appropriation Acct. No. – Appropriation Account Number where the investment is recorded in FAMIS (i.e. S-343-B).

Account No. – The department's account number at the financial institution.

Type of Investment – Provide a brief description of the type of investment (i.e. LLC).

New ➔ Derivative Instrument (Y/N) – Indicate whether the investment is (Y) or is not (N) a derivative instrument. GASB 53 defines a derivative instrument as a financial instrument or contract that has ALL of the following characteristics:

1. Settlement factors – One or more reference rates (e.g. LIBOR, SIFMA, etc.) and two or more notional amounts (e.g. number of currency units, shares, bushels, etc.) or payment provisions, or both.
2. Leverage – Requires no initial net investment or initial net investment lower than expected.
3. Net Settlement – Requires or permits net settlement.

Balance 6/30/14 – Book balance as of 6/30/2014.

Market Value 6/30/14 – Market value as of 6/30/2014.

3. **Inventories (Supplies)**

If the total value of consumable office supplies is greater than $25,000, include a listing of consumable office supplies at 6/30/14. If the total value of consumable office supplies is less than or equal to $25,000, this schedule may be omitted.

Description – description of the supply (i.e. paper, pens, binders, etc.) Do not include furniture and equipment as this information is captured through the inventory system (FAIS), as applicable.

Balance, 6/30/2014 – book value at 6/30/2014.

4. **Prepaid Expenses**

Include expenses paid in advance that have future benefit (i.e. insurance).

Description – Self-explanatory.

Balance 6/30/2013– This amount should agree to your FY 2013 ending balance.

Additions – Amounts paid in advance during FY 2014.

Deletions – Reductions due to benefit realized in FY 2014.

Balance 6/30/2014 – Ending balance = Balance 6/30/13 + Additions – Deletions.

New ➔ 5. **Impaired Assets**

GASB 42 defines impaired assets as assets where BOTH of the following criteria are met:

1. The magnitude of the decline is significant AND
2. The decline in service utility is unexpected

Include the following per MDB 902:

Asset Type (i.e. Building)
Description
Maint Control No.
Year Acquired
Cost
Accumulated Depreciation

Calculate Net Book Value = Cost – Accumulated Depreciation

Reason Asset is Considered Impaired – Include a brief statement regarding why the asset is considered impaired. DAGS and/or the auditors may contact you for further details.

6a. **Vouchers Payable**

Include vendor invoices not paid as of June 30, 2014 for goods received or services rendered prior to July 1, 2014.

Trans Code – Transaction Code per FAMIS (i.e. 221)

F-FY-ACCT – F-FY-ACCT per FAMIS (i.e. S-14-325)

Object Code – Object Code per FAMIS (i.e. 3200)

Amounts

Payment – include total payment amount (i.e. $100)

Encumbered/Unencumbered – Use these columns for **General Fund vouchers only.**

If the payment was encumbered (i.e. Trans Code 231, 241) as of 6/30/14, include the voucher amount ($100) in the "Encumbered" column.

- Do not include F-FY-Acct = X-15-YYY vouchers in the "Encumbered" column as these vouchers were not encumbered as of 6/30/14.

If the voucher was unencumbered (i.e. Trans Code 221) as of 6/30/14, include the voucher amount ($100) in the "Unencumbered" column.

Vendor Name – Per FAMIS, self-explanatory

Invoice No. – Per FAMIS, self-explanatory

Invoice Date – Per FAMIS, self-explanatory

Comptroller Voucher No. – Per FAMIS, self-explanatory

Dept Voucher No. - Per FAMIS, self-explanatory

Processing Date – Per FAMIS. Note all processing dates must be 7/1/2014 or later.

Prior to submitting the information departments should identify and provide explanations for large fluctuations from the prior year.

Departments are also requested to report any amounts identified after the initial submission.

6b. **Accrued Payroll**

Include wages and salaries by Fund earned as of June 30, 2014 but paid after June 30, 2014. For the General Fund only, indicate whether amounts were encumbered or unencumbered.

Include dollar amounts in cells highlighted in blue for:

- Regular salaries paid on July 3, 2014 for all employees.
- Regular salaries paid on July 19, 2013 for "after-the-fact" employees. "After-the-fact" employees are salaried employees hired after June 30, 1998 not belonging to bargaining units 5 and 7 as well as temporary and part-time employees.
- Overtime and other pay types for pay periods ending on/prior to June 30, 2014 but paid after June 30, 2014.

Do not include imposition of Special Fund "fringe benefits" (e.g. 42.04%).

Details supporting the information being submitted should be maintained by the departments and be made available to the auditors if requested.

6c. **Other Accrued Liabilities by Fund**

Type of Liability – Self-explanatory.

Description – Provide a brief description of the liability.

Amount – Provide amount that should be accrued as of 6/30/14.

6d. **Revenue Bonds Payable**

Include Revenue Bonds Payable as of June 30, 2014 and debt service requirements for principal and interest for Fiscal Years 2015 – 2019 and in five-year increments thereafter.

7a. **Rental Expenditures by Category**

Include rent expenditures for operating leases paid in the fiscal year ending June 30, 2014 (major objects 55XX and 56XX). Sort and sub-total by the following categories – DAGS Managed Facilities, Other Facilities, Photocopiers, and Other.

Description – Self-explanatory

Dates – lease term – from XX/XX/XXXX through XX/XX/XXXX

Amount – Amount paid for the fiscal year ending June 30, 2014

7b. **Future Minimum Lease Commitments for Noncancelable Operating Leases**

Include future minimum lease commitments for noncancelable operating leases for Fiscal Years 2015 – 2019 and in five-year increments thereafter. Exclude amounts related to lease commitments for DAGS managed facilities as these amounts are recorded based on reports provided by the DAGS Leasing Branch.

7c. **Future Minimum Lease Commitments for Capital Leases**

Include future minimum lease commitments for capital leases including Certificates of Participation and Equipment Financing Agreements (not included in 7b above) for Fiscal Years 2015 – 2019 and in five-year increments thereafter.

New ➔ 8. **Service Concession Arrangements**

GASB No. 60 defines Service Concession Arrangements between a transferor (government) and an operator (government or non-government) in which all of the following criteria are met:

- The transferor conveys to the operator, the right and related obligation to provide public services through the use and operation of a capital asset in exchange for significant considerations.
- The operator collects and is compensated by fees from a third party.
- The transferor determines or has the ability to modify and approve what services the operator is required to provide, to whom the services are provided, and the price rates that can be charged for the services.
- The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.

Transferor – Government entity that conveys right and related obligation to the operator.

Operator – Government or non-government entity that collects and is compensated by fees from a third party.

Capital Asset/Facility – Self-explanatory.

Description of Arrangement – Provide a brief description of the arrangement. DAGS and/or the auditors may contact you for further details.

Information on accounts, notes and loans receivable, accrued vacation and sick leave, petty cash balances, and capital assets will be requested for separately.

All financial information must be received by October 3, 2014. If you have any questions, please call Wayne Horie, Accounting System Administrator, at 586-0600.