December 14, 2018

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Department of Labor and Industrial Relations (DLIR) Reduced Ignition Propensity Cigarette Program Special Fund Non-General Fund Report for the fiscal year ending June 30, 2018, as required by sections 37-47 and 37-52.3, Hawaii Revised Statues (HRS).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at http://labor.hawaii.gov/find-a-report/.

Sincerely,

Leonard Hoshijo
Director

Enclosure
Report on Non-General Fund Information  
for Submittal to the 2019 Legislature

Department: Labor and Industrial Relations  
Prog ID(s): LBR 902/AA  
Name of Fund: Reduced Ignition Propensity Cigarette Program Spec Fund  
Legal Authority: Section 132C-4, HRS  
Contact Name: Francis Kagawa  
Phone: 586-8897

Intended Purpose: Funds to monitor and ensure only reduced propensity cigarettes be sold in the state.

Source of Revenues: Certification fees from cigarette manufacturers, and interest on investments.

Current Program Activities/Allowable Expenses: Personnel and operating costs to enforce only reduced propensity cigarette are sold in the State.

Purpose of Proposed Ceiling Increase (if applicable): None

Variances: None

<table>
<thead>
<tr>
<th>Financial Data</th>
<th>FY 2015 (actual)</th>
<th>FY 2016 (actual)</th>
<th>FY 2017 (actual)</th>
<th>FY 2018 (actual)</th>
<th>FY 2019 (estimated)</th>
<th>FY 2020 (estimated)</th>
<th>FY 2021 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation Ceiling</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
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<tr>
<td>Beginning Cash Balance</td>
<td>469,952</td>
<td>459,914</td>
<td>486,134</td>
<td>465,934</td>
<td>628,083</td>
<td>528,083</td>
<td>428,083</td>
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<tr>
<td>Revenues</td>
<td>129,907</td>
<td>139,328</td>
<td>157,557</td>
<td>182,621</td>
<td>100,000</td>
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<tr>
<td>Expenditures</td>
<td>139,945</td>
<td>113,108</td>
<td>25,874</td>
<td>20,472</td>
<td>200,000</td>
<td>200,000</td>
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</tr>
</tbody>
</table>

Net Total Transfers

Ending Cash Balance 459,914 486,134 617,817 628,083 528,083 428,083 428,083

Encumbrances 7,284 151,883

Unencumbered Cash Balance 459,914 478,850 465,934 628,083 528,083 428,083 428,083

Additional Information:

<table>
<thead>
<tr>
<th>Amount Req. by Bond Covenants</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount from Bond Proceeds</td>
<td></td>
</tr>
<tr>
<td>Amount Held in CODs, Escrow Accounts, or Other Investments</td>
<td></td>
</tr>
</tbody>
</table>

Form 37-47 (rev. 10/17/14)  12/19/2018 9:23 AM