

Office of the Auditor
465 S. King Street
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Jan K. Yamane
Acting State Auditor
State of Hawai'i

Constitutional Mandate

The Office of the Auditor, pursuant to Article VII, Section 10 of the Hawai'i State Constitution, is required to conduct post-audits of the transactions, accounts, program and performance of departments, offices and agencies of the State and its political subdivisions, and to certify to the accuracy of all financial statements issued by the respective accounting officers.

Audit of the Comprehensive Annual Financial Report

Financial Statements, Fiscal Year Ended June 30, 2014

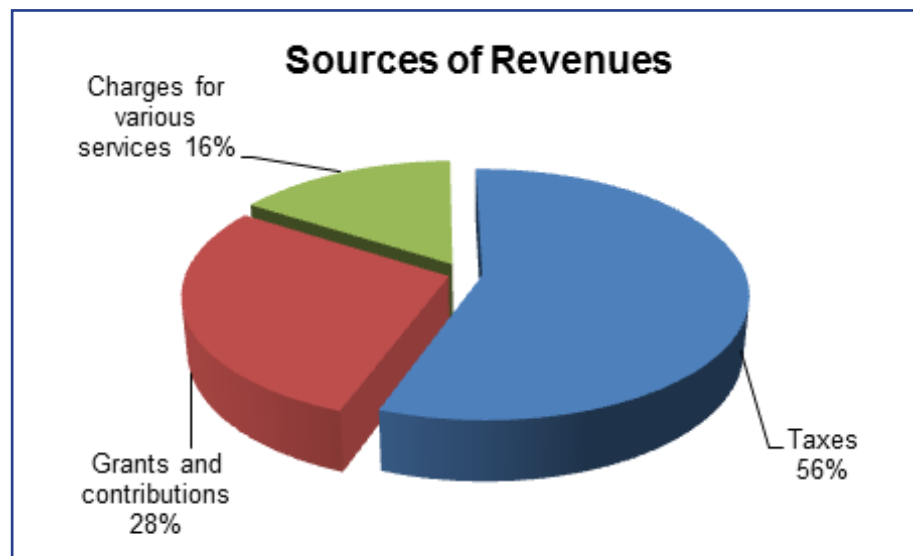
The primary purpose of our audit was to form an opinion on the fairness of the presentation of the State of Hawai'i's financial statements as presented in the Comprehensive Annual Financial Report (CAFR) for the State of Hawai'i as of and for the fiscal year ended June 30, 2014. The audit was conducted by Accuity LLP.

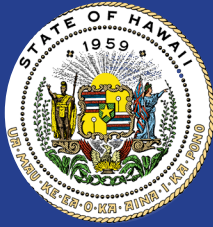
About the State

The State provides a full range of services as mandated by statute. These services include, but are not limited to, education (lower and higher), welfare, transportation (highways, airports, and harbors), health, hospitals, public safety, housing, culture and recreation, economic development, and conservation of natural resources.

Financial Highlights

For the fiscal year ended June 30, 2014, total revenues were \$10.2 billion and total expenses were \$10.3 billion, resulting in a decrease in net assets of \$100 million. Approximately 56 percent of the State's total revenues came from taxes of \$5.7 billion, 28 percent from grants and contributions of \$2.9 billion, and 16 percent from charges for various goods and services of \$1.6 billion.





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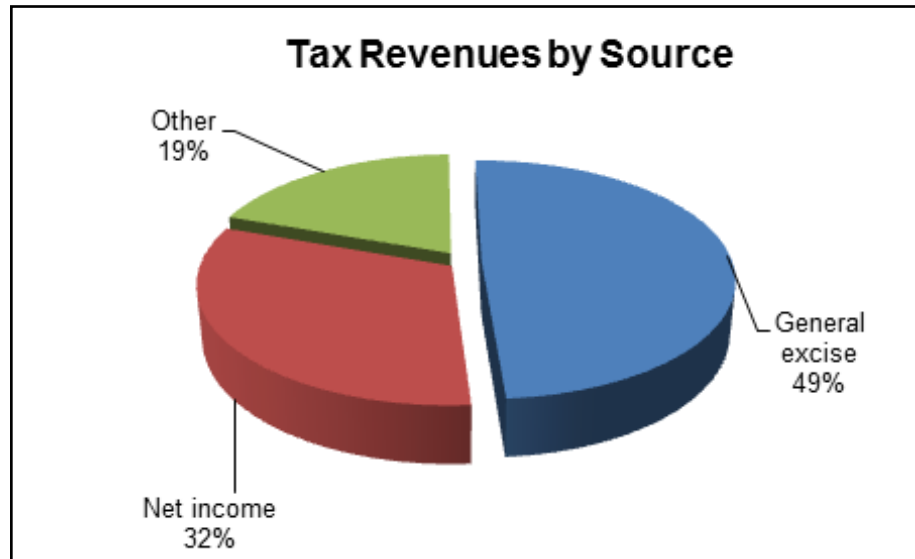
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Auditors' Opinion

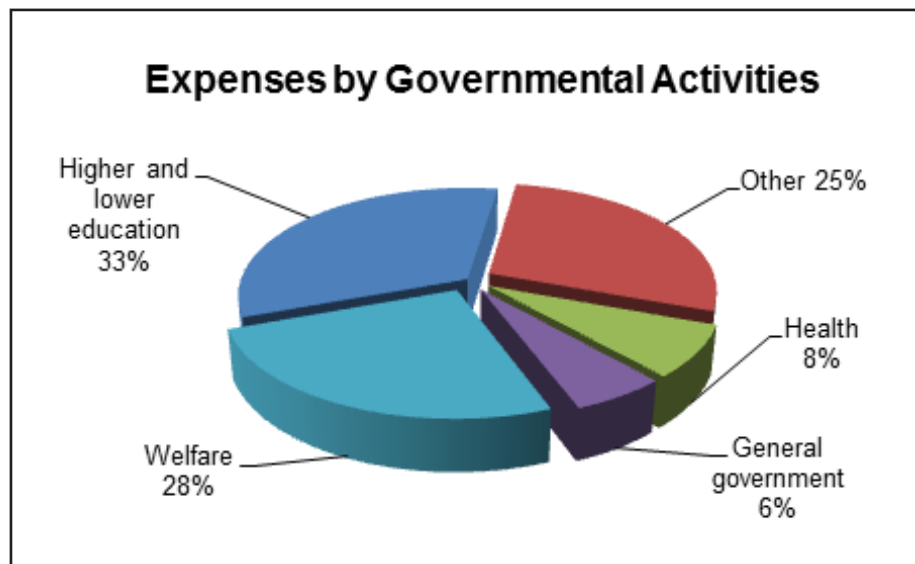
Financial Statements: +
Unmodified opinion

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<http://auditor.hawaii.gov/>

Total tax revenues of \$5.7 billion consisted of general excise taxes of \$2.8 billion or 49 percent, net income taxes of \$1.8 billion or 32 percent, and other taxes of \$1.1 billion or 19 percent.



The largest expenses were for higher and lower education at \$3.4 billion or 33 percent, welfare at \$2.9 billion or 28 percent, health at \$800 million or 8 percent, and general government at \$600 million or 6 percent.



At June 30, 2014, the total assets of the State exceeded total liabilities, resulting in a net position of nearly \$4.7 billion. Of this amount, \$4.4 billion was for the State's net investment in capital assets, \$2.3 billion was restricted by parties outside of the State (such as citizens, public interest groups, or the judiciary) and a negative \$2 billion in unrestricted net assets.

Total assets of approximately \$18.2 billion included net capital assets of \$11.7 billion, investments of \$2.2 billion, cash of \$1.6 billion, receivables of \$1.3 billion, restricted assets of \$1 billion, and other assets of \$400 million. Total liabilities of approximately \$13.5 billion included general obligation and revenue bonds payable of \$7.5 billion, vacation and retirement benefits of \$3.6 billion, and other liabilities of \$2.4 billion.

Auditors' Opinion

The State received an unmodified opinion that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

For the complete report and financial statements visit our website at:
http://files.hawaii.gov/auditor/Reports/2014_Audit/CAFR2014.pdf