



Office of the Auditor
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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.

Financial Audit of the Stadium Authority

Financial Statements, Fiscal Year Ended June 30, 2014

The primary purpose of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Stadium Authority as of and for the fiscal year ended June 30, 2014. The audit was conducted by KKDLY LLC.

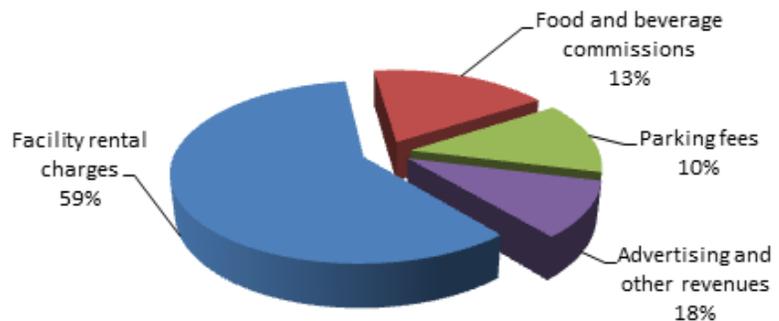
About the Authority

The Stadium Authority was established in 1970 and is responsible for the operation, management and maintenance of Aloha Stadium, located in Honolulu, Hawai'i. The authority functions under the direction of a nine-member board, appointed by the governor. In addition, the president of the University of Hawai'i and the superintendent of education are nonvoting ex-officio members of the board. For administrative purposes, the authority is placed within the State Department of Accounting and General Services.

Financial Highlights

For the fiscal year ended June 30, 2014, the authority reported total operating revenues of \$7.8 million and total operating expenses of \$13.8 million, resulting in an operating loss of \$6 million. Operating revenues primarily consisted of \$4.6 million from facility rental charges and \$1 million from food and beverage concessionaire commissions. Other operating revenues included \$800,000 in parking fees and \$1.4 million in advertising and other revenues. The authority's operating loss was partially offset by \$2.6 million in capital contributions, which represents the portion of Aloha Stadium capital improvement costs that were paid by the State of Hawai'i.

Sources of Revenues





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Auditors' Opinion

Financial Statements: **Unmodified opinion** +

Issues of Concern

Material Weaknesses

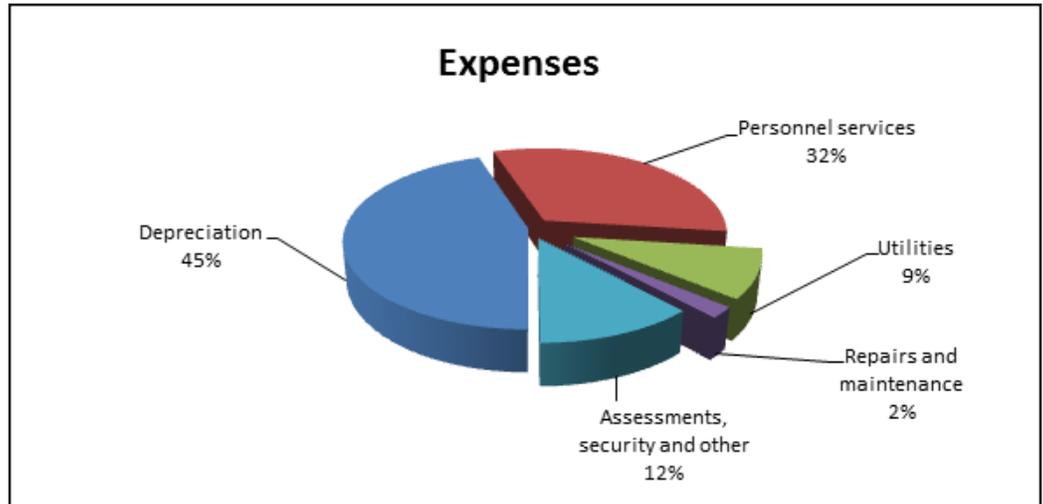
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Significant Deficiencies

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Expenses consisted of \$6.2 million for depreciation, \$4.5 million for personnel services, \$1.2 million for utilities, and \$300,000 for repairs and maintenance. Additional expenses totaled \$1.6 million and included state central services assessments as well as security, professional services, and other costs.



Total assets of the authority exceeded total liabilities by \$79.6 million. Of this amount, approximately \$1.5 million is unrestricted and may be used to meet ongoing expenses and obligations. Total assets of \$83.5 million was comprised of cash of \$5.9 million, receivables of \$700,000, and net capital assets of \$76.9 million. Liabilities totaled \$3.9 million.

Auditors' Opinion

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

Findings

There were no reported deficiencies in internal control over financial reporting that were considered to be material weaknesses and no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

For the complete report and financial statements visit our website at:
http://files.hawaii.gov/auditor/Reports/2014_Audit/Stadium2014.pdf