

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.

# Audit of the Comprehensive Annual Financial Report

Financial Statements, Fiscal Year Ended June 30, 2015

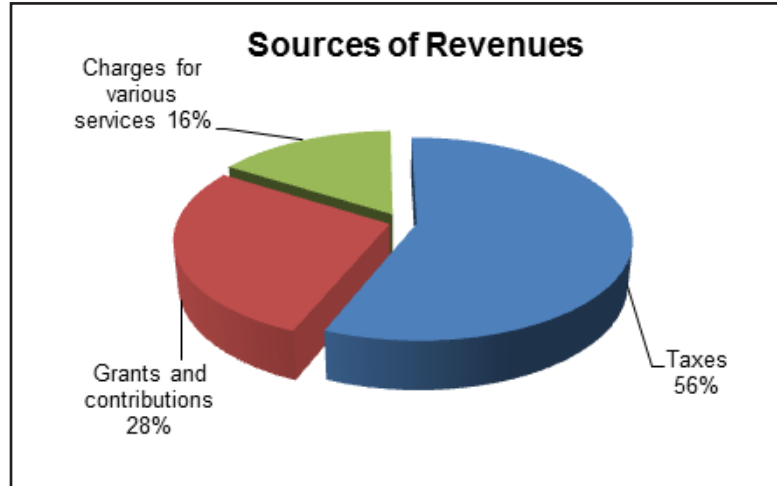
*The primary purpose of our audit was to form an opinion on the fairness of the presentation of the State of Hawai'i's financial statements as presented in the Comprehensive Annual Financial Report (CAFR) for the State of Hawai'i as of and for the fiscal year ended June 30, 2015. The audit was conducted by Accuity LLP.*

## About the State

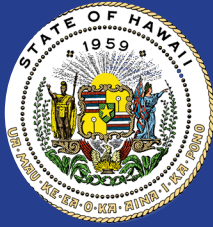
The State provides a full range of services as mandated by statute. These services include, but are not limited to, education (lower and higher), welfare, transportation (highways, airports, and harbors), health, hospitals, public safety, housing, culture and recreation, economic development, and conservation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

## Financial Highlights

For the fiscal year ended June 30, 2015, total revenues were \$10.8 billion and total expenses were \$10.6 billion, resulting in an increase in net assets of \$200 million. Approximately 56 percent of the State's total revenues came from taxes of \$6.1 billion, 28 percent from grants and contributions of \$3 billion, and 16 percent from charges for various goods and services of \$1.7 billion.



Total tax revenues of \$6.1 billion consisted of general excise taxes of \$3 billion or 49 percent, net income taxes of \$2.1 billion or 35 percent, and other taxes of \$1 billion or 16 percent.



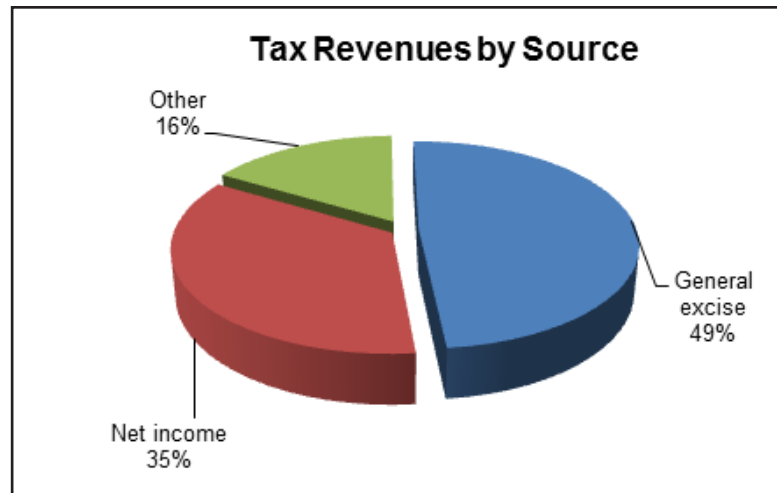
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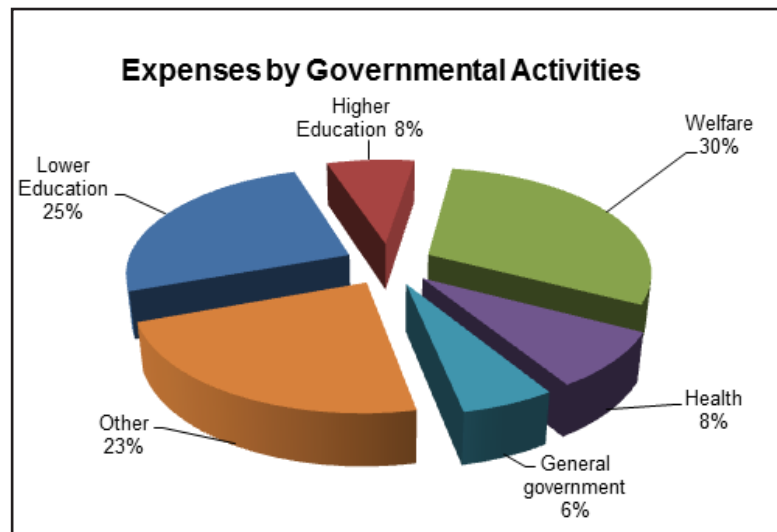
## Auditors' Opinion

Financial Statements: **Unmodified opinion** +

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



The largest expenses were for welfare at \$3.2 billion or 30 percent, lower education at \$2.7 billion or 25 percent, health at \$900 million or 8 percent, higher education at \$700 million or 8 percent, and general government at \$600 million or 6 percent.



At June 30, 2015, the total assets of the State exceeded total liabilities, resulting in a net position of nearly \$900 million. Of this amount, \$4.6 billion was for the State's net investment in capital assets, \$2.7 billion was restricted by parties outside of the State (such as citizens, public interest groups, or the judiciary) and a negative \$6.4 billion in unrestricted assets.

Total assets of approximately \$19.9 billion included net capital assets of \$12.2 billion, investments of \$2.4 billion, cash of \$2 billion, receivables of \$1.5 billion, restricted assets of \$900 million, and other assets of \$900 million. Total liabilities of approximately \$19 billion included general obligation and revenue bonds payable of \$8.4 billion, vacation and retirement benefits of \$8 billion, and other liabilities of \$2.6 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/2015\\_Audit/CAFR2015.pdf](http://files.hawaii.gov/auditor/Reports/2015_Audit/CAFR2015.pdf)