



Office of the Auditor
465 S. King Street
Rm. 500
Honolulu, HI 96813
Ph. (808) 587-0800

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 O'ahu Metropolitan Planning Organization

Financial Statements, Fiscal Year Ended June 30, 2015

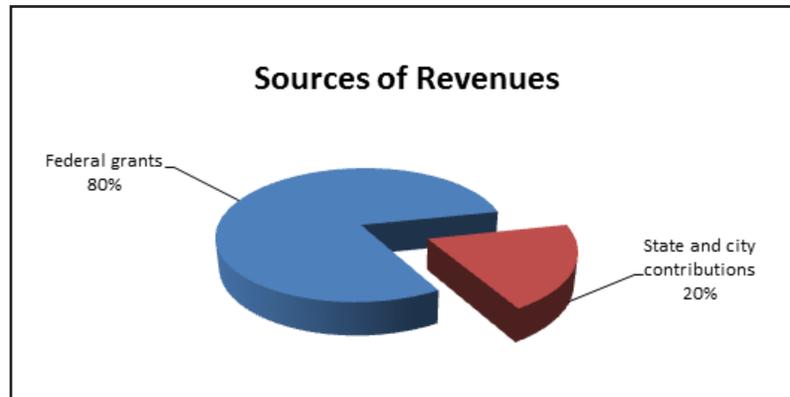
The primary purpose of the audit was to form an opinion on the fairness of the presentation of the financial statements for the O'ahu Metropolitan Planning Organization (OMPO) as of and for the fiscal year ended June 30, 2015, and to comply with the requirements of federal OMB Circular A-133, which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by Gilford Sato & Associates, CPAs, Inc.

About the Organization

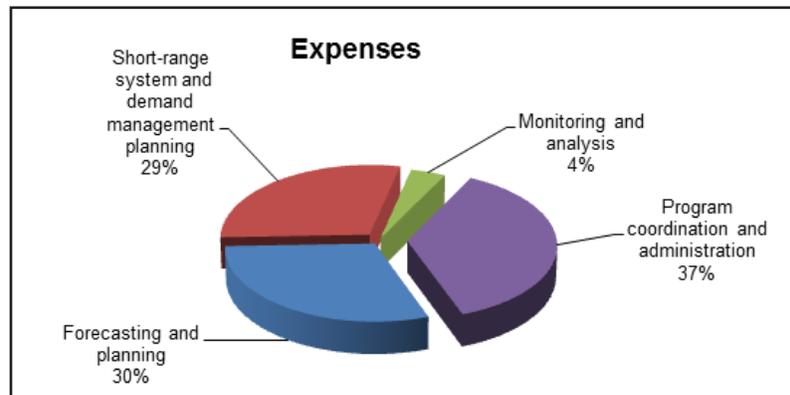
The O'ahu Metropolitan Planning Organization was established in 1975 to serve in an advisory capacity to the State Legislature, the City and County of Honolulu City Council, and appropriate state and county agencies in carrying out continuing, comprehensive, and cooperative transportation planning and programming for the island of O'ahu as required by law.

Financial Highlights

For the fiscal year ended June 30, 2015, OMPO reported total revenues of approximately \$2.2 million and total expenses of \$2.2 million, resulting in no change in net position. Revenues consisted of \$1.76 million from federal grants and \$440,000 from state and city contributions.



Expenses included \$675,000 for transportation forecasting and long-range planning, \$640,000 for short-range transportation system and demand management planning, \$82,000 for transportation monitoring and analysis, and \$805,000 for program coordination and administration.





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Auditors' Opinions

Financial Statements: +
Unmodified opinion

Federal Compliance: -
Qualified opinion

Issues of Concern

Material Weaknesses
1
Significant Deficiencies
7

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

Total assets of the OMPO exceeded total liabilities by \$49,000. Of this amount, \$44,000 is unrestricted and may be used to meet ongoing expenses and obligations. Total assets of \$910,000 included cash of \$470,000, receivables of \$435,000, and net capital assets of \$5,000. Liabilities totaled \$861,000.

Auditors' Opinions

The OMPO received an unmodified opinion that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. The OMPO received a qualified opinion on its compliance with major federal programs in accordance with OMB Circular A-133.

Findings

There were seven significant deficiencies in internal control over financial reporting that are required to be reported under *Government Auditing Standards*:

- OMPO does not have a code of conduct and a conflict of interest policy.
- OMPO did not formalize procedures to identify and document its objectives for the accounting, grants management, and financial reporting areas.
- OMPO's accounting, grant management, and financial reporting policies and procedures were not documented or were outdated. (2)
- OMPO does not maintain appropriate documentation over a key spreadsheet used to summarize the allocation of costs to the appropriate grants.
- OMPO does not have formal procedures over its financial reporting process.
- OMPO does not prepare internally generated financial statements on a periodic basis.

There was one material weakness in internal control over compliance.

- OMPO did not have formalized documentation of the subrecipient monitoring process.

For the complete report and financial statements visit our website at:
http://files.hawaii.gov/auditor/Reports/2015_Audit/DOT_OMPO2015.pdf