

# Auditor's Summary

## Financial and Compliance Audit of the Hawai'i Public Housing Authority

Financial Statements, Fiscal Year Ended June 30, 2017



**THE PRIMARY PURPOSE** of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Hawai'i Public Housing Authority (HPHA) as of and for the fiscal year ended June 30, 2017, and to comply with the requirements of Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2, Part 200 (Uniform Guidance), which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by KMH LLP.

### About the Authority

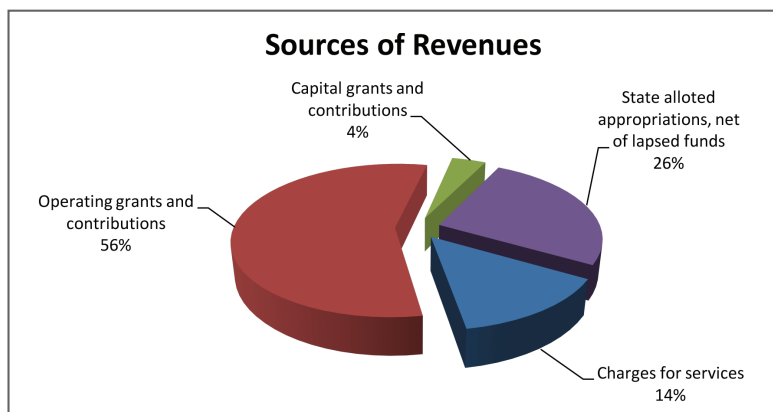
**THE MISSION** of HPHA is to provide safe, decent, and sanitary dwelling for low and moderate-income residents of Hawai'i and to operate its housing programs in accordance with federal and State laws and regulations. Some of HPHA's housing assistance programs are funded by the U.S. Department of Housing and Urban Development (HUD).

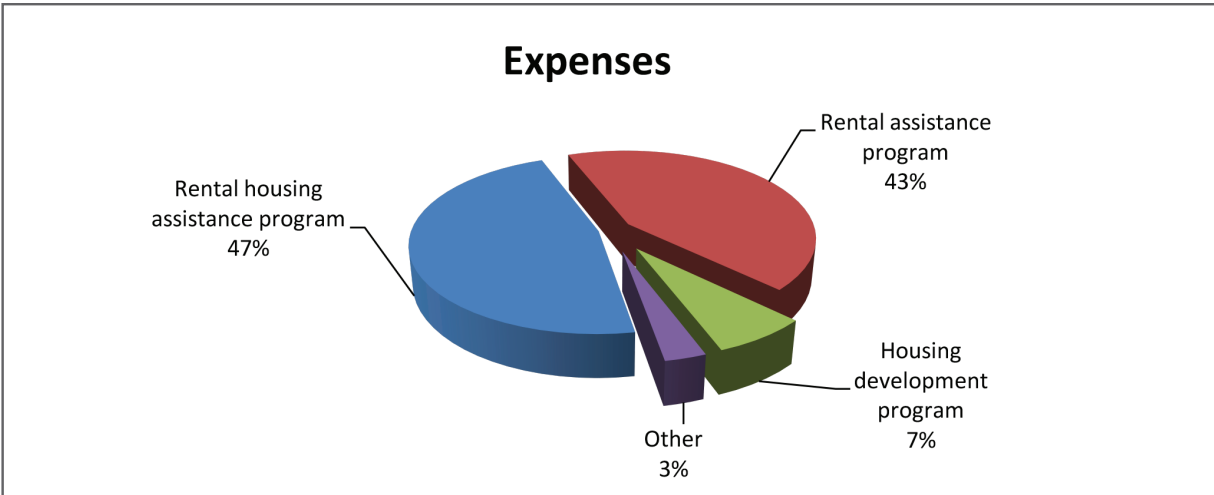
HPHA is administratively attached to the State Department of Human Services (DHS). HPHA operates under the direction of its executive director and board of directors, which consists of eleven members, of whom nine are public members appointed by the Governor. The Director of DHS and the Governor's designee are ex-officio voting members.

### Financial Highlights

**FOR THE FISCAL YEAR** ended June 30, 2017, HPHA reported total revenues of \$160 million and total expenses of \$142 million, resulting in a change in net position of \$18 million.

Total revenues of \$160 million consisted of \$22 million in charges for services, \$90 million in operating grants and contributions, \$6 million in capital grants and contributions, and \$42 million in State allotted appropriations, net of lapsed funds.





Total expenses of \$142 million consisted of \$67 million for the rental housing assistance program, \$60 million for the rental assistance program, \$10 million for the housing development program, and \$5 million for other costs.

As of June 30, 2017, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$487 million. Total assets and deferred outflows of resources of \$563 million were comprised of cash of \$83 million, due from State of \$104 million, other receivables of \$15 million, net capital assets of \$344 million, and other assets of \$17 million. Total liabilities and deferred inflows of resources totaled \$76 million.

## Auditor's Opinions

**HPHA RECEIVED AN UNMODIFIED OPINION** that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. HPHA also received an unmodified opinion on its compliance with major federal programs in accordance with the *Uniform Guidance*.

## 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*. There were no findings that were considered material weaknesses in internal control over compliance in accordance with the *Uniform Guidance*.

For the complete report and financial statements visit our website at:  
[http://files.hawaii.gov/auditor/Reports2017\\_Audit/HPHA2017.pdf](http://files.hawaii.gov/auditor/Reports2017_Audit/HPHA2017.pdf)

---