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# Auditor's Summary

## Financial Audit of the Stadium Authority

Financial Statements, Fiscal Year Ended June 30, 2018



PHOTO: ALOHA STADIUM

**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 (Authority), as of and for the fiscal year ended June 30, 2018. The audit was conducted by KKDLY LLC.

### About the Authority

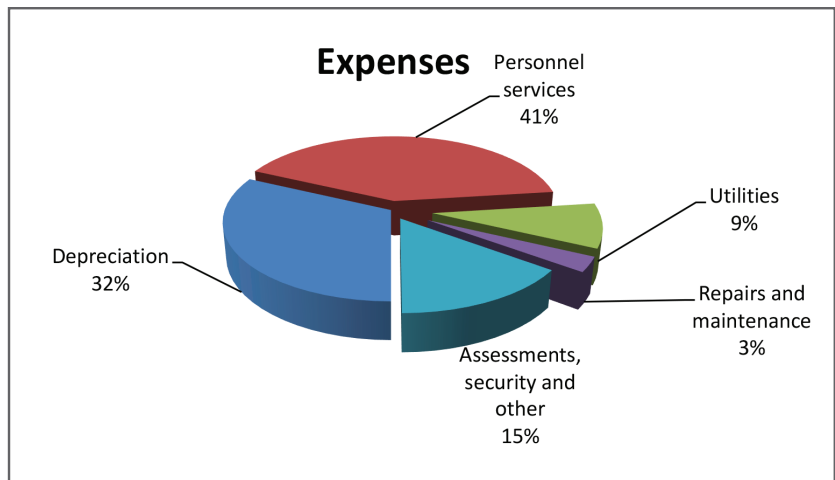
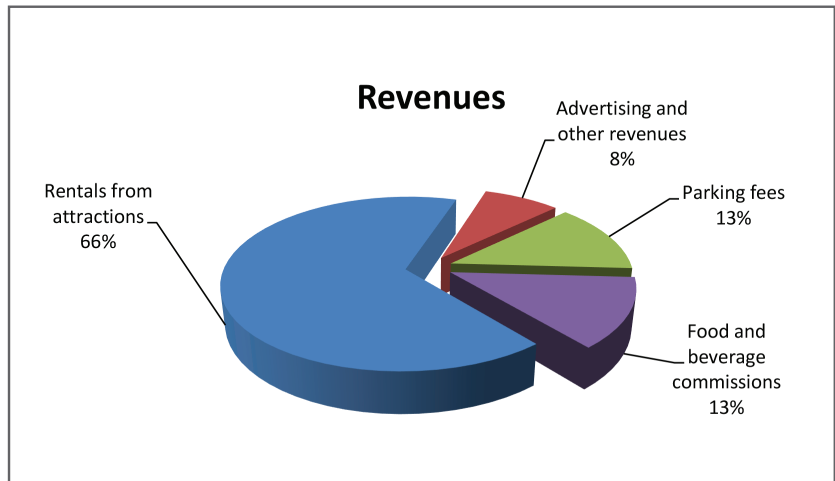
**THE AUTHORITY** was established in 1970 and is responsible for the operation, management, and maintenance of Aloha Stadium, located in Honolulu, Hawai'i. The Authority functions under the direction of a nine-member board, appointed by the Governor. In addition, the president of the University of Hawai'i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

### Financial Highlights

**FOR THE FISCAL YEAR** ended June 30, 2018, the Authority reported total revenues of \$7.6 million and total expenses of \$11.9 million, resulting in a net loss of \$4.3 million. Revenues consisted of \$5 million from rentals from attractions, \$1 million from food and beverage concessionaire commissions, \$1 million in parking fees, and \$600,000 in advertising and other revenues. The Authority's net loss was partially offset by \$5.4 million in capital contributions, which represents the portion of Aloha Stadium capital improvement costs that were paid by the State of Hawai'i.

Expenses consisted of \$3.8 million for depreciation, \$4.9 million for personnel services, \$1.1 million for utilities, and \$400,000 for repairs and maintenance. Additional expenses totaled \$1.7 million and included State central services assessments as well as security, professional services, and other costs.

As of June 30, 2018, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources resulting in a net position of \$79.6 million. Of this amount, \$87 million was for investment in capital assets, \$100,000 was restricted, and an unrestricted net deficit of \$7.5 million. Total assets and deferred outflows of resources of \$94.4 million were comprised of cash of \$4.9 million, receivables and other assets of \$2.5 million, and net capital assets of \$87 million. Total liabilities and deferred inflows of resources of \$14.8 million were comprised of net pension liability of \$5.9 million, vacation and other retirement payable of \$7 million, and other liabilities of \$1.9 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/2018\\_Audit/Stadium2018.pdf](http://files.hawaii.gov/auditor/Reports/2018_Audit/Stadium2018.pdf)