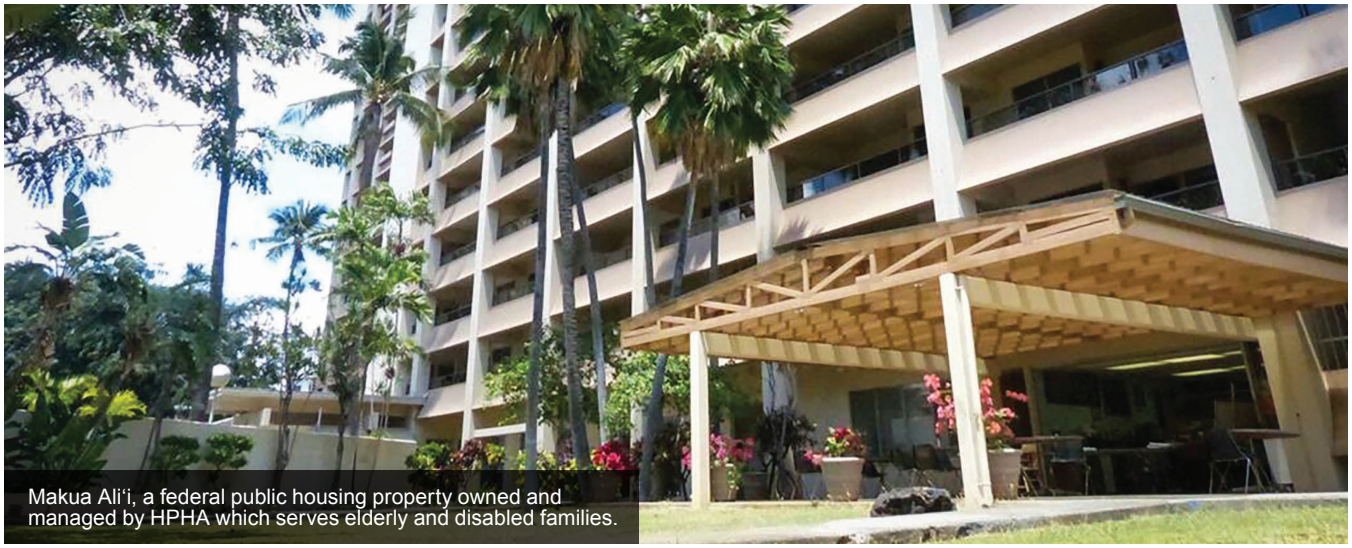
Auditor's Summary

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

Financial Statements, Fiscal Year Ended June 30, 2020



Makua Ali'i, a federal public housing property owned and managed by HPHA which serves elderly and disabled families.

PHOTO: HAWAI'I PUBLIC HOUSING AUTHORITY

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 as of and for the fiscal year ended June 30, 2020, 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

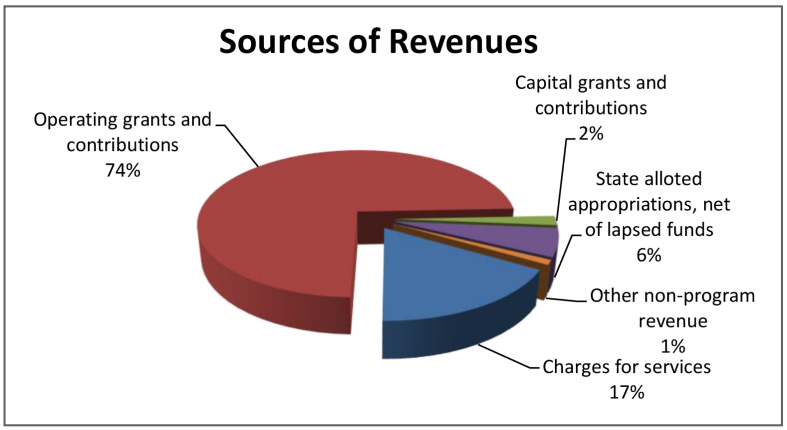
The mission of the Hawai'i Public Housing Authority (HPHA) is to provide safe, decent, and sanitary dwelling for low and moderate-income residents of Hawai'i and to operate its housing programs in accordance with federal and State laws and regulations. Some of HPHA's housing assistance programs are funded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

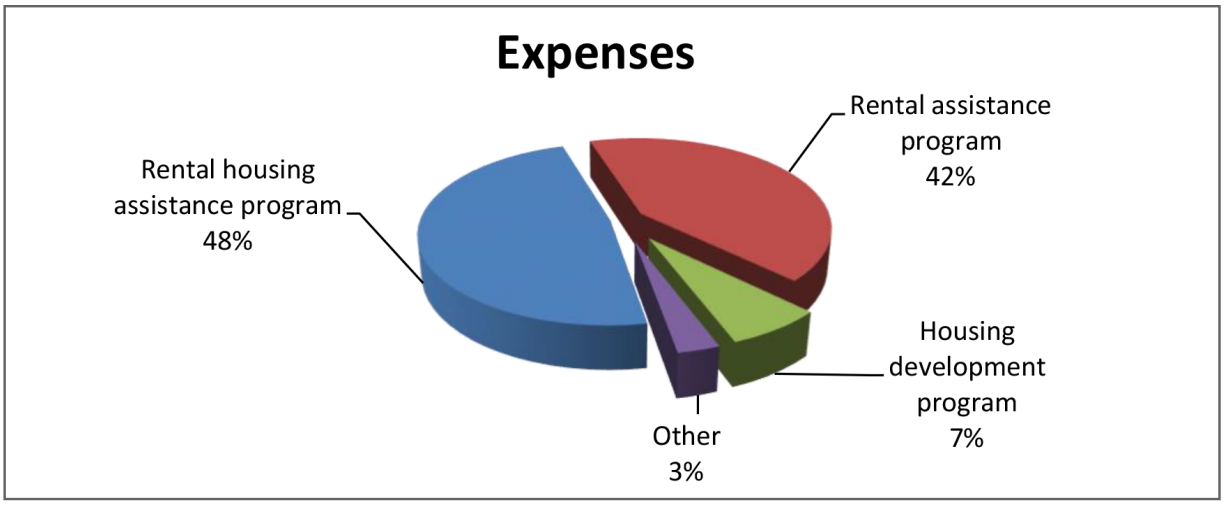
HPHA is administratively attached to the Hawai'i Department of Human Services (DHS). HPHA operates under the direction of its Executive Director and Board of Directors, which consists of eleven board members, nine of whom are appointed by the Governor. The Director of DHS and the Governor's designee are ex-officio members.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2020, HPHA reported total revenues of $146 million and total expenses of $166 million, resulting in a decrease in net position of $20 million.

Total revenues of $146 million consisted of (1) $25 million in charges for services and other revenues, (2) $108 million in operating grants and contributions, (3) $3 million in capital grants and contributions, (4) $9 million in State allotted appropriations, net of lapsed funds, and (5) $1 million in other non-program revenue.





Total expenses of $166 million consisted of (1) $80 million for the rental housing assistance program, (2) $70 million for the rental assistance program, (3) $11 million for the housing development program, and (4) $5 million for other costs.

As of June 30, 2020, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $467 million. The agency reported total assets and deferred outflows of resources of $565 million which were comprised of (1) cash of $105 million, (2) amounts due from State of $57 million, (3) notes and other receivables of $10 million, (4) net capital assets of $381 million, and (5) other assets and deferred outflows or resources of $12 million. The agency also reported total liabilities and deferred inflows of resources of $98 million which were comprised of (1) net pension liability of $40 million, (2) net other postemployment benefits other than pensions of $40 million, (3) accounts payable and accrued expenses of $12 million, and (4) other liabilities and deferred inflows of resources of $6 million.

Auditor's Opinions

HPHA RECEIVED AN UNMODIFIED OPINION that its 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 MATERIAL WEAKNESSES in internal control over financial reporting that were 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/Reports/2020_Audit/HPHA2020.pdf
http://files.hawaii.gov/auditor/Reports/2020_Audit/HPHA_SA2020.pdf