

Auditor's Summary

Financial and Compliance Audit of the Department of Transportation, Airports Division

Financial Statements, Fiscal Year Ended June 30, 2022



PHOTO: HAWAII DOT AIRPORTS DIVISION

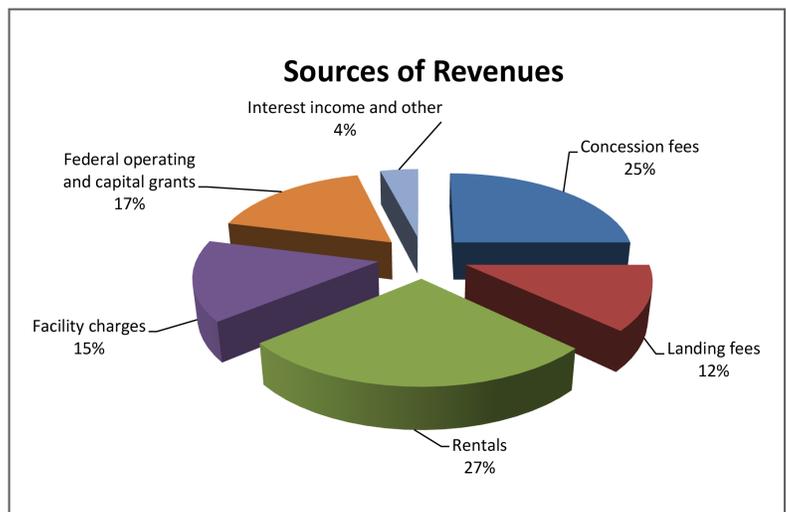
THE PRIMARY PURPOSE of the audit was to form an opinion on the fairness of the presentation of the financial statements of the Department of Transportation, Airports Division, as of and for the fiscal year ended June 30, 2022. The audit was conducted by KPMG LLP.

About the Division

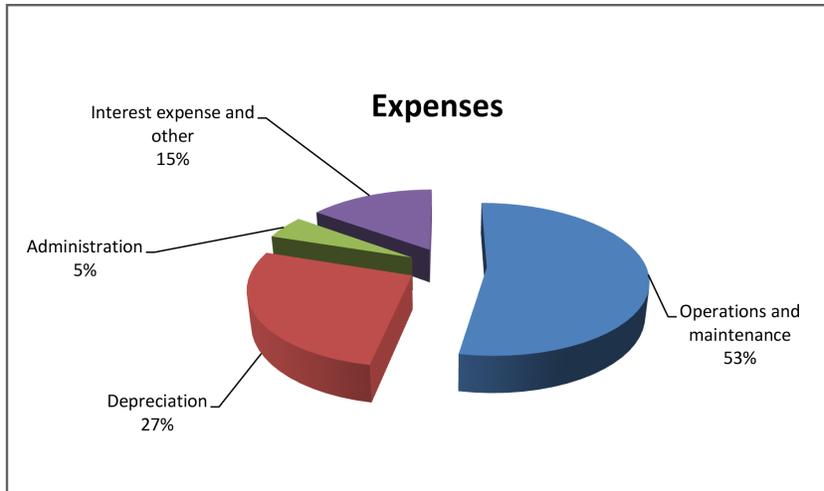
The Department of Transportation, Airports Division (DOT-Airports), operates and maintains 15 airports at various locations within the State of Hawai'i as a single integrated system for management and financial purposes. Daniel K. Inouye International Airport is the principal airport in the airports system, providing facilities for interisland flights, domestic overseas flights, and international flights to destinations in the Pacific Rim. DOT-Airports is authorized to impose and collect rates and charges for the airports system services and properties to generate revenues to fund operating expenses. The Capital Improvements Program is primarily funded by airports system revenue bonds and lease revenue certificates of participation issued by DOT-Airports, federal grants, passenger facility charges, customer facility charges, and DOT-Airports revenues.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2022, DOT-Airports reported total revenues of \$666 million and total expenses of \$623 million, resulting in an increase in net position of \$43 million. Revenues consisted of (1) \$169 million in concession fees, (2) \$81 million in landing fees, (3) \$179 million in rentals, (4) \$99 million in facility charges, (5) \$111 million in federal operating and capital grants, and (6) \$27 million in interest and other revenues.



Total expenses of \$623 million consisted of (1) \$330 million for operations and maintenance, (2) \$167 million in depreciation, (3) \$29 million for administration, and (4) \$97 million in interest and other expenses.



As of June 30, 2022, the department reported total assets and deferred outflows of resources of \$6.14 billion, comprised of (1) cash of \$1.28 billion, (2) investments of \$229 million, (3) net capital assets of \$4 billion, and (4) \$633 million in receivables, other assets, and deferred outflows of resources. Total liabilities and deferred inflows of resources totaled \$3.57 billion, which includes \$1.91 billion in airports system revenue bonds and \$1.66 billion in other liabilities and deferred inflows of resources.

Revenue bonds for DOT-Airports are rated as follows:

- Standard & Poor's Corporation: A+
- Moody's Investors Service: A1
- Fitch IBCA, Inc.: A+

DOT-Airports has numerous capital projects ongoing state-wide; construction-in-progress totaled \$690 million at the end of the fiscal year.

Auditors' Opinions

DOT-AIRPORTS RECEIVED AN UNMODIFIED OPINION that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Findings

THERE WERE NO MATERIAL WEAKNESSES in internal control over financial reporting that were required to be reported under *Government Auditing Standards*.

For the complete report and financial statements visit our website at:
https://files.hawaii.gov/auditor/Reports/2022_Audit/DOT_Airports_2022.pdf