
Auditor's Summary

Financial and Compliance Audit of the Department of Education

Financial Statements, Fiscal Year Ended June 30, 2024



PHOTO: OFFICE OF THE AUDITOR

***THE PRIMARY PURPOSE** of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Department of Education, as of and for the fiscal year ended June 30, 2024, and to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by Accuity LLP.*

About the Department

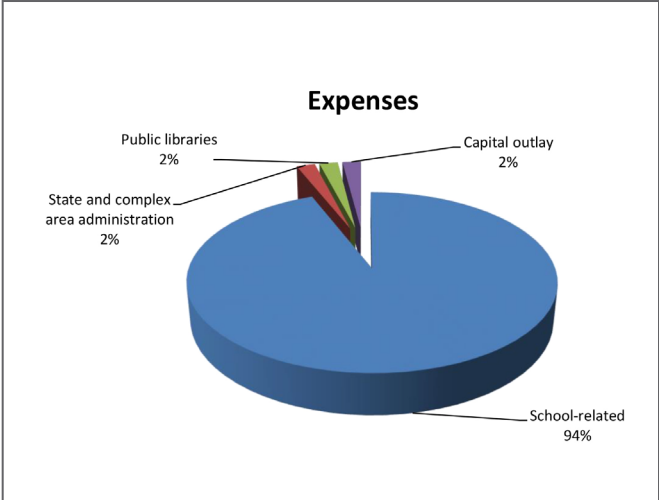
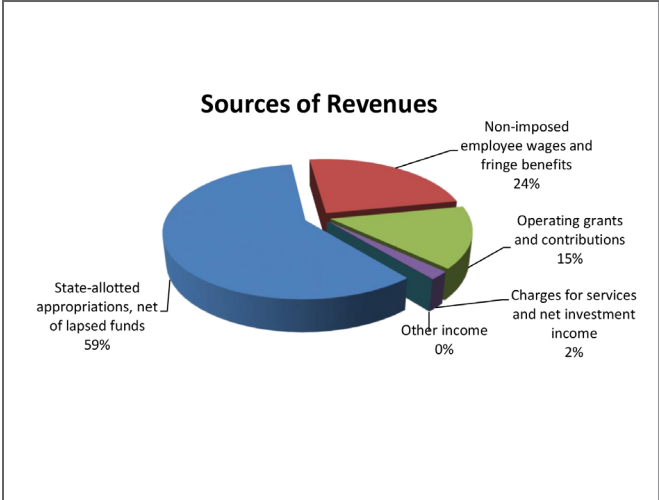
The Department of Education (DOE) administers the statewide system of public schools and public libraries. DOE is also responsible for administering state laws regarding regulation of private school operations through a program of inspection and licensing and the professional certification of all teachers for every academic and noncollege type of school. DOE's financial statements are comprised of the assets and liabilities and financial activities of DOE, the Hawai'i State Public Library System (Public Library System), and the Hawai'i State Public Charter Schools (Public Charter Schools). The fiscal and oversight authority for DOE, Public Library System, and Public Charter Schools are managed independently. DOE relies on certain Public Charter Schools financial information which has been audited by other auditors and coordinated by Public Charter Schools. Federal grants received to support public school and public library systems are administered by DOE on a statewide basis; the federal expenditures of Public Charter Schools are separately audited and excluded from the Schedule of Expenditures of Federal Awards.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2024, DOE reported total revenues of \$4.13 billion and total expenses of \$4.32 billion, resulting in a decrease in net position of \$183.2 million.

Total revenues of \$4.13 billion consisted of (1) \$2.46 billion in state-allotted appropriations, net of lapsed funds, (2) \$973.8 million in non-imposed employee wages and fringe benefits, (3) \$603.4 million in operating grants and contributions, (4) \$94.4 million in charges for services, and (5) \$4.2 million in other income.

Total expenses of \$4.32 billion consisted of (1) \$4.06 billion for school-related costs, (2) \$99.3 million for state and school complex area administration, (3) \$63.2 million for public libraries, and (4) \$96.5 million for capital outlay.



As of June 30, 2024, total assets exceeded total liabilities by \$3.96 billion. Of this amount, \$1.41 billion is unrestricted and may be used to meet ongoing expenses and obligations. Total assets of \$4.83 billion were comprised of (1) cash of \$2.07 billion, (2) receivables of \$110.1 million, and (3) net capital assets of \$2.64 billion. Total liabilities of \$869.4 million were comprised of (1) vouchers and contracts payable of \$236.4 million, (2) accrued wages and employee benefits of \$312 million, (3) accrued compensated absences of \$90.9 million, (4) workers’ compensation claims reserve of \$151.6 million, (5) amount due to the state general fund of \$5 million, (6) notes payable of \$29.9 million, (7) lease liability of \$30.8 million, (8) subscription liability of \$12.5 million, and (9) other liabilities of \$300,000.

Auditors’ Opinion

DOE RECEIVED AN UNMODIFIED OPINION that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. DOE 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 controls over financial reporting that were considered to be material weaknesses and no instance of noncompliance or other matters 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*.



Link to the complete report:

Financial and Compliance Audit

https://files.hawaii.gov/auditor/Reports/2024_Audit/DOE2024.pdf