

Auditor's Summary

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

Financial Statements, Fiscal Year Ended June 30, 2025



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, 2025. The audit was conducted by Plante & Moran, PLLC.

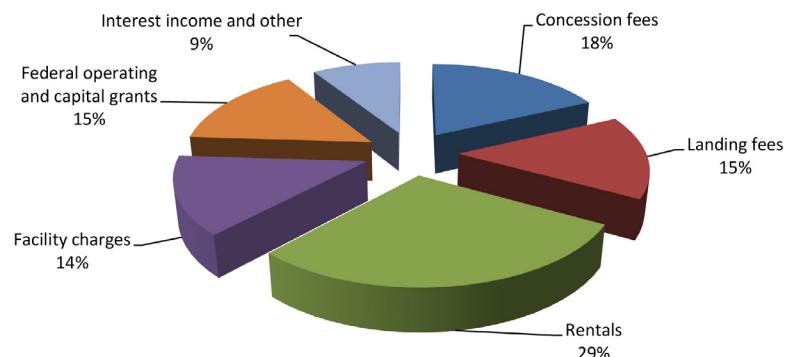
About the Fund

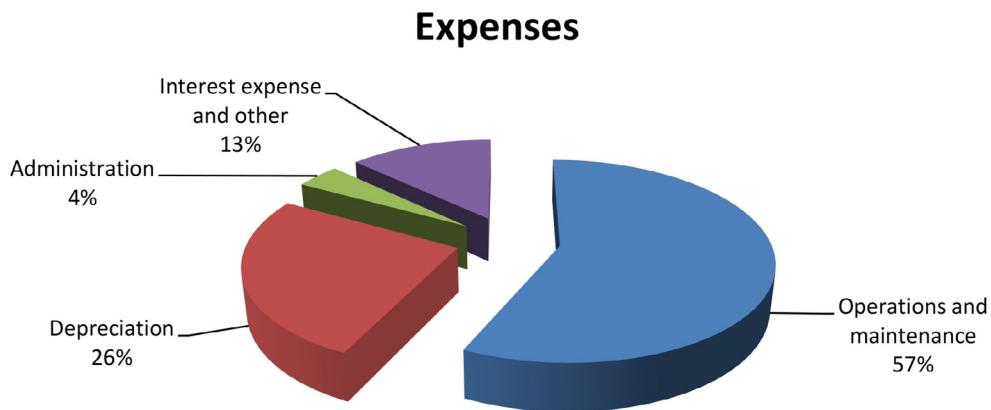
The Department of Transportation, Airports Division (DOT–Airports), operates and maintains 15 airports at various locations within the State of Hawai‘i as a single integrated system for management and financial purposes. Daniel K. Inouye International Airport is the principal airport in the airports 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, 2025, DOT–Airports reported total revenues of \$945 million and total expenses of \$764.8 million, resulting in an increase in net position of \$180.2 million. Revenues consisted of (1) \$172.3 million in concession fees, (2) \$138.7 million in landing fees, (3) \$278.8 million in rentals, (4) \$128.3 million in facility charges, (5) \$145.5 million in federal operating and capital grants, and (6) \$81.4 million in interest and other revenues.

Sources of Revenues





Total expenses of \$764.8 million consisted of (1) \$438.7 million for operations and maintenance, (2) \$202.2 million in depreciation, (3) \$33 million for administration, and (4) \$90.9 million in interest and other expenses.

As of June 30, 2025, the department reported total assets and deferred outflows of resources of \$6.96 billion, comprised of (1) cash of \$1.72 billion, (2) investments of \$341 million, (3) net capital assets of \$4.33 billion, and (4) \$560 million in receivables, other assets, and deferred outflows of resources. Total liabilities and deferred inflows of resources totaled \$3.95 billion, which includes (1) \$2.46 billion in airports system revenue bonds, (2) \$120 million in lease revenue certificates of participation, (3) \$381 million in customer facility charge revenue bonds, and (4) \$986 million in other liabilities and deferred inflows of resources.

Revenue bonds for DOT–Airports are rated as follows:

- Standard & Poor's Corporation: AA-
- Moody's Investors Service: Aa3
- Fitch IBCA, Inc.: AA-1

DOT–Airports has numerous capital projects ongoing statewide; construction-in-progress totaled \$1 billion at the end of the fiscal year.

Auditors' Opinion

DOT–Airports received an unmodified opinion that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.



Link to the complete report:

https://files.hawaii.gov/auditor/Reports/2025_Audit/DOT_Airports_2025.pdf