

February 28, 2024

**VIA EMAIL**

The Honorable Ronald D. Kouchi  
Senate President  
415 South Beretania Street  
Hawai'i State Capitol, Room 409  
Honolulu, Hawai'i 96813

**VIA EMAIL**

The Honorable Scott K. Saiki  
Speaker, House of Representatives  
415 South Beretania Street  
Hawai'i State Capitol, Room 431  
Honolulu, Hawai'i 96813

**RE: Financial Audit of the State of Hawai'i Annual Comprehensive Financial Report**

Dear President Kouchi and Speaker Saiki:

The audit report on the financial statements of the State of Hawai'i Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023, was issued on January 29, 2024. The Office of the Auditor retained Accuity LLP to perform the financial audit. For your information, we are attaching a copy of the two-page Auditor's Summary of the financial audit report.

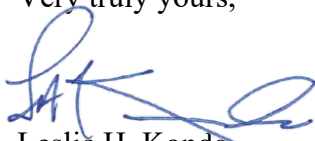
You may view the financial audit report and Auditor's Summary on our website at:

[https://files.hawaii.gov/auditor/Reports/2023\\_Audit/ACFR2023.pdf](https://files.hawaii.gov/auditor/Reports/2023_Audit/ACFR2023.pdf); and

[https://files.hawaii.gov/auditor/Reports/2023\\_Audit/ACFR\\_Summary\\_2023.pdf](https://files.hawaii.gov/auditor/Reports/2023_Audit/ACFR_Summary_2023.pdf).

If you have any questions about the report, please contact me.

Very truly yours,



Leslie H. Kondo  
State Auditor

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Attachment

ec/attach (Auditor's Summary only): Members of the Senate

Members of the House of Representatives  
Carol Taniguchi, Senate Chief Clerk  
Brian Takeshita, House Chief Clerk

# Auditor's Summary

## Financial Audit of the Annual Comprehensive Financial Report of the State of Hawai'i

Financial Statements, Fiscal Year Ended June 30, 2023



***THE PRIMARY PURPOSE** of the audit was to form an opinion on the fairness of the presentation of the State of Hawai'i's financial statements, as presented in the Annual Comprehensive Financial Report (ACFR) for the State of Hawai'i, as of and for the fiscal year ended June 30, 2023. The audit was conducted by Accuity LLP. The ACFR was issued on January 29, 2024.*

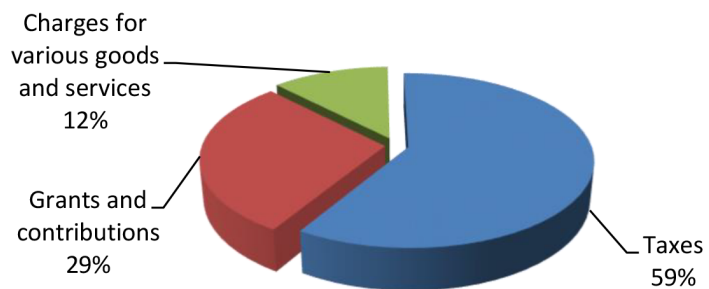
### About the State

The State of Hawai'i is mandated by statute to provide a range of services in the areas of education (both lower and higher), welfare, transportation (including highways, airports, and harbors), health, hospitals, public safety, housing, culture and recreation, economic development, and conservation of natural resources.

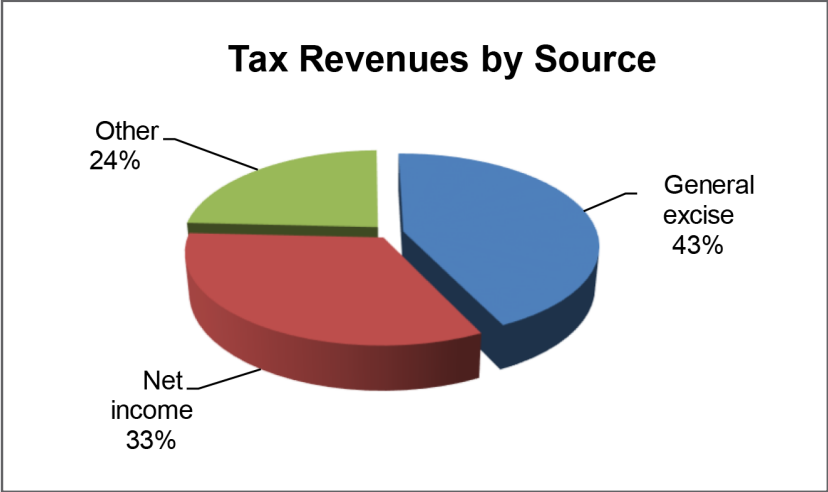
### Financial Highlights

**FOR THE FISCAL YEAR** ended June 30, 2023, total revenues were \$18.9 billion and total expenses were \$15.2 billion, resulting in an increase in net position of \$3.7 billion. Approximately 59 percent of the State of Hawai'i's total revenues came from taxes of \$11.1 billion, 29 percent from grants and contributions of \$5.4 billion, and 12 percent from charges for various goods and services of \$2.4 billion.

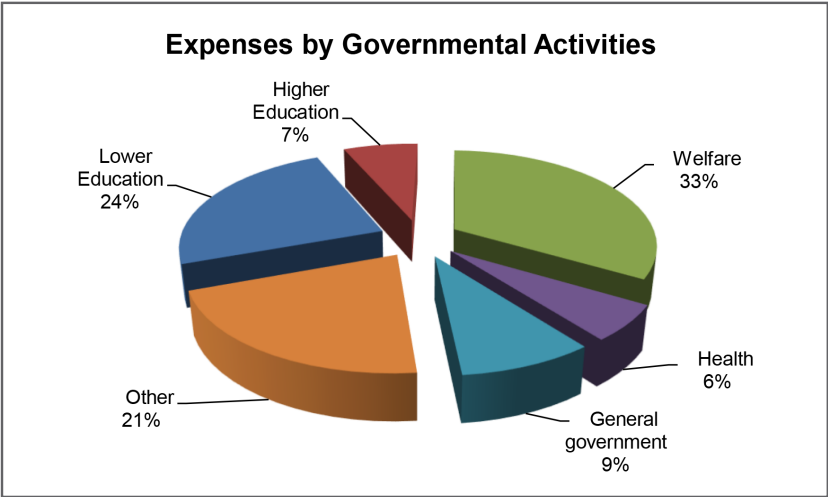
### Sources of Revenues



Total tax revenues of \$11.1 billion consisted of general excise taxes of \$4.8 billion, net income taxes of \$3.6 billion, and other taxes of \$2.7 billion.



The largest expenses were for welfare at \$5 billion, lower education at \$3.6 billion, higher education at \$1.1 billion, health at \$1 billion, and general government at \$1.3 billion. Other expenses totaled \$3.2 billion.



As of June 30, 2023, total assets and deferred outflows of resources of \$32.5 billion exceeded total liabilities and deferred inflows of resources of \$31 billion, resulting in a net position of \$1.5 billion. Of this amount, \$3.9 billion was for the State's net investment in capital assets, \$5.1 billion was restricted for specific programs, and a negative \$7.4 billion was unrestricted assets.

As of June 30, 2023, total assets and deferred outflows of resources of \$32.5 billion were comprised of (1) net capital assets of \$15.8 billion, (2) investments of \$7.7 billion, (3) cash of \$2.3 billion, (4) receivables of \$2.1 billion, (5) restricted assets of \$1.3 billion, and (6) other assets and deferred outflows of resources of \$3.3 billion. Total liabilities and deferred inflows of resources of \$31 billion were comprised of (1) general obligation and revenue bonds payable of \$12.4 billion, (2) vacation and retirement benefits of \$11.9 billion, and (3) other liabilities and deferred inflows of resources of \$6.7 billion.

## Auditors' Opinion

**THE STATE OF HAWAI'I RECEIVED AN UNMODIFIED OPINION** that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.



For the complete report and financial statements visit our website at  
[https://files.hawaii.gov/auditor/Reports/2023\\_Audit/ACFR2023.pdf](https://files.hawaii.gov/auditor/Reports/2023_Audit/ACFR2023.pdf)