



December 30, 2021

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 and Compliance Audit of the Hawai'i Public Housing Authority

Dear President Kouchi and Speaker Saiki:

The audit report on the financial statements and compliance of the Hawai'i Public Housing Authority for the fiscal year ended June 30, 2021, was issued on December 16, 2021. The Office of the Auditor retained KMH LLP to perform the financial and compliance audit. For your information, we are attaching a copy of the two-page Auditor's Summary of the financial and compliance audit report.

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

https://files.hawaii.gov/auditor/Reports/2021_Audit/HPHA2021.pdf; and

https://files.hawaii.gov/auditor/Reports/2021_Audit/HPHA_Summary_2021.pdf.

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

Very truly yours,

Leslie H. Kondo
State Auditor

LHK:LYK:emo

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 Hawai'i Public Housing Authority

Financial Statements, Fiscal Year Ended June 30, 2021



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, 2021. The audit was conducted by KMH LLP.

About the Authority

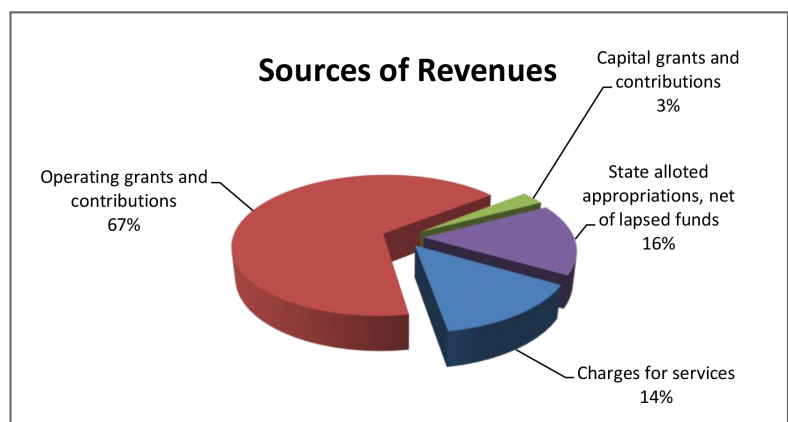
The mission of the Hawai'i Public Housing Authority (HPHA) is to provide safe, decent, and sanitary dwelling for low and moderate-income residents of Hawai'i and to operate its housing programs in accordance with federal and State laws and regulations. Some of HPHA's housing assistance programs are funded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

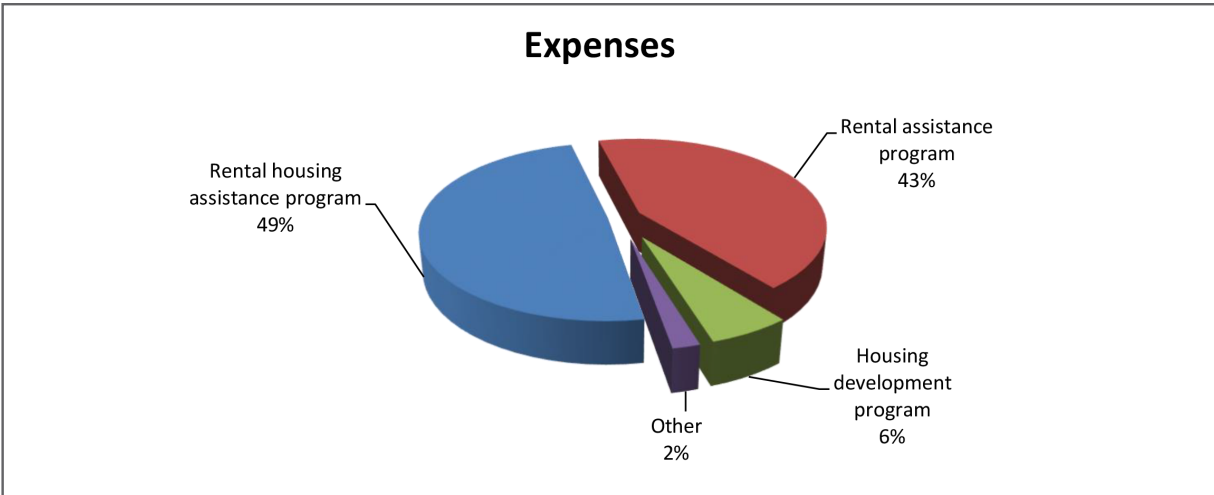
HPHA is administratively attached to the Hawai'i Department of Human Services (DHS). HPHA operates under the direction of its Executive Director and Board of Directors, which consists of eleven board members, nine of whom are appointed by the Governor. The Director of DHS and the Governor's designee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

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2021, HPHA reported total revenues of \$178 million and total expenses of \$187 million, resulting in a decrease in net position of \$9 million.

Total revenues of \$178 million consisted of (1) \$25 million in charges for services and other revenues, (2) \$119 million in operating grants and contributions, (3) \$6 million in capital grants and contributions, and (4) \$28 million in State allotted appropriations, net of lapsed funds.





Total expenses of \$187 million consisted of (1) \$91 million for the rental housing assistance program, (2) \$80 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, 2021, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$458 million. The agency reported total assets and deferred outflows of resources of \$558 million which were comprised of (1) cash of \$98 million, (2) amounts due from State of \$64 million, (3) notes and other receivables of \$10 million, (4) net capital assets of \$375 million, and (5) other assets and deferred outflows or resources of \$11 million. The agency also reported total liabilities and deferred inflows of resources of \$100 million which were comprised of (1) net pension liability of \$44 million, (2) net other postemployment benefits other than pensions of \$38 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.

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/2021_Audit/HPHA2021.pdf
