



April 12, 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: Single Audit of Federal Financial Assistance Programs of the Department of Transportation, Airports Division

Dear President Kouchi and Speaker Saiki:

The single audit report on Federal Financial Assistance Programs of the Department of Transportation, Airports Division for the fiscal year ended June 30, 2023, was issued on February 16, 2024. The Office of the Auditor retained Plante & Moran, PLLC to perform the single audit. For your information, we are attaching a copy of the two-page Auditor's Summary of the single audit report.

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

https://files.hawaii.gov/auditor/Reports/2023_Audit/DOT_Airports_Single_Audit_2023.pdf; and

https://files.hawaii.gov/auditor/Reports/2023_Audit/DOT_Airports_SASummary_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

Single Audit of Federal Financial Assistance Programs of the Department of Transportation, Airports Division

Financial Statements, Fiscal Year Ended June 30, 2023



PHOTO: HAWAII DOT AIRPORTS DIVISION

THE PRIMARY PURPOSE of the Department of Transportation, Airports Division, Single Audit for the fiscal year ended June 30, 2023, was 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 Plante & Moran, PLLC.

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.

About the Report

SINGLE AUDITS provide assurance to the federal government that state agencies and programs receiving federal funds are expending those funds properly. This report includes the total federal expenditures and findings related to the DOT–Airports’ Federal Financial Assistance Programs for the fiscal year ended June 30, 2023.

Auditors’ Opinion

DOT-AIRPORTS RECEIVED AN UNMODIFIED OPINION on its compliance with major federal programs in accordance with the *Uniform Guidance*.

Findings

THERE WAS A MATERIAL WEAKNESS in internal control over financial reporting that was required to be reported under *Government Auditing Standards*. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will

not be prevented or detected and corrected on a timely basis. The material weakness is described on page 11 of the single audit report.

There was a material weakness in internal control over compliance that was required to be reported in accordance with the *Uniform Guidance*. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. The material weakness is described on page 12 of the single audit report.



Link to the complete reports:

Single Audit

https://files.hawaii.gov/auditor/Reports/2023_Audit/DOT_Airports_Single_Audit_2023.pdf



Financial Audit

https://files.hawaii.gov/auditor/Reports/2023_Audit/DOT_Airports_2023.pdf