

Auditor's Summary

Financial Audit of the Department of Commerce and Consumer Affairs

Financial Statements, Fiscal Year Ended June 30, 2024



PHOTO: OFFICE OF THE AUDITOR

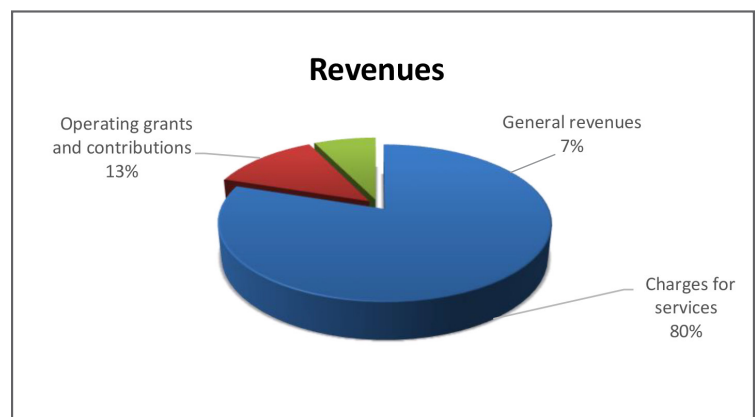
THE PRIMARY PURPOSE of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Department of Commerce and Consumer Affairs, as of and for the fiscal year ended June 30, 2024. The audit was conducted by KMH LLP.

About the Department

The Department of Commerce and Consumer Affairs (DCCA) serves the public through a variety of functions, including regulating and licensing more than 140,000 professionals, monitoring the financial solvency of local banks and insurance companies, and investigating complaints of fraudulent and unfair business practices. The DCCA is made up of nine divisions: Business Registration Division, Cable Television Division, Division of Consumer Advocacy, Division of Financial Institutions, Insurance Division, Office of Administrative Hearings, Office of Consumer Protection, Professional and Vocational Licensing Division, and Regulated Industries Complaints Office.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2024, the DCCA reported total revenues of \$76.6 million and total expenses of \$79.4 million resulting in a decrease in net position of \$2.8 million. Revenues consisted of (1) charges for services of \$61.4 million, (2) operating grants and contributions of \$9.7 million, and (3) general revenues of \$5.5 million.





Total expenses of \$79.4 million consisted of (1) \$39.8 million for regulation of services, (2) \$19.4 million for enforcement of fair business practices, and (3) \$20.2 million for general support.

As of June 30, 2024, total assets of \$175.8 million exceeded total liabilities of \$14.8 million, resulting in a net position of \$161 million. Total assets included (1) cash of \$159.4 million, (2) interest receivable of \$500,000, (3) net capital assets of \$11.8 million, and (4) other assets of \$4.1 million.

Auditors' Opinions

DCCA 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 REPORTED DEFICIENCIES in internal control over financial reporting that were considered to be material weaknesses and no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Link to the complete report:

Financial Audit

https://files.hawaii.gov/auditor/Reports/2024_Audit/DCCA2024.pdf