

Auditor's Summary

Financial and Compliance Audit of the Department of the Attorney General

Financial Statements, Fiscal Year Ended June 30, 2025



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 the Attorney General, as of and for the fiscal year ended June 30, 2025, and 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 KKDLY LLC.

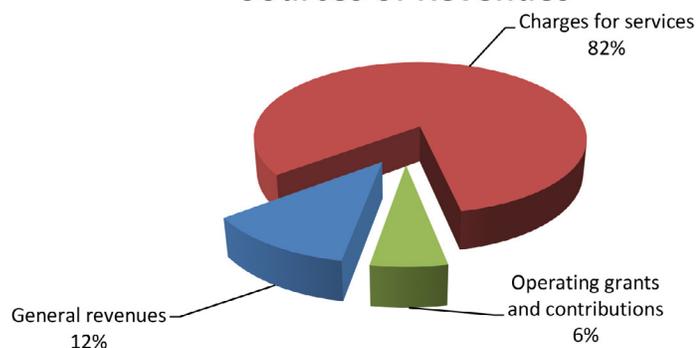
About the Department

The Department of the Attorney General (AG) provides legal services to the executive, legislative, and judicial branches of Hawai'i State government, including furnishing formal and informal legal opinions to the Governor, Legislature, and heads of Hawai'i State departments and offices and approving documents relating to the acquisition of lands and interests by the State. AG also maintains criminal justice information, conducts investigations, operates crime prevention programs, and represents the State of Hawai'i in legal proceedings. AG's Child Support Enforcement Agency provides assistance to children by locating parents, establishing paternity and support obligations, and enforcing those obligations.

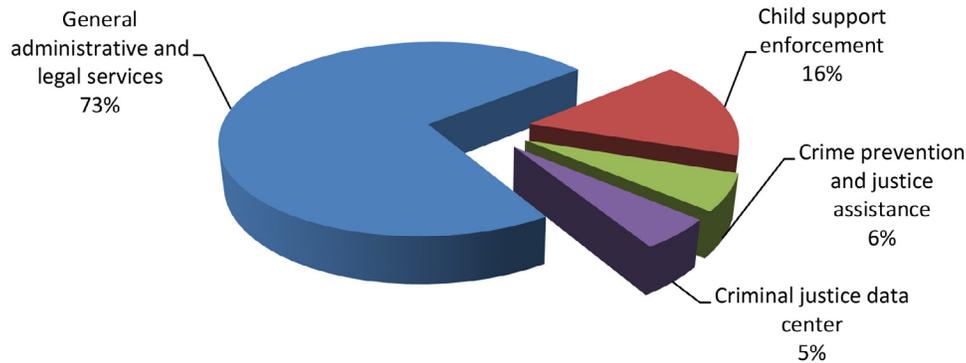
Financial Highlights

For the fiscal year ended June 30, 2025, AG reported total revenues of \$728.5 million and total expenses of \$149.3 million, resulting in an increase in net position of approximately \$579.2 million. Revenues include general revenues of \$88.4 million, primarily state appropriations; program revenues consisting of charges for services of \$599 million; and operating grants and contributions of \$41.1 million. In June 2025, AG received net proceeds of \$556.7 million pursuant to a settlement agreement between the

Sources of Revenues



Expenses



State and Bristol-Myers Squibb and Sanofi over the prescription drug Plavix, which is included in program revenues. However, there is no state statute or court order to direct the use of the moneys and therefore, the funds will be transferred to the General Fund in fiscal year 2026. Program revenues excluding settlement funds total \$38.3 million.

Expenses of \$149.3 million consisted of (1) \$108.7 million for general administrative and legal services; (2) \$23.3 million for child support enforcement; (3) \$9.4 million for crime prevention and justice assistance; and (4) \$7.9 million for criminal justice data center activities.

Auditors' Opinion

AG received an unmodified opinion that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. AG also received an unmodified opinion on its compliance with major federal programs in accordance with the *Uniform Guidance*.

Findings

There were no material weaknesses in internal control over financial reporting that was required to be reported under *Government Auditing Standards*.

There were no findings that were considered material weaknesses in internal control over compliance in accordance with the *Uniform Guidance*. However, the auditors identified three significant deficiencies in internal control over compliance that were required to be reported under the *Uniform Guidance*. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. The significant deficiencies are described on pages 70 to 75 of the report.



Link to the complete report:

https://files.hawaii.gov/auditor/Reports/2025_Audit/AG2025.pdf