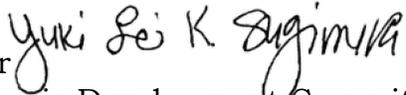


January 21, 2026

MEMO TO: BFED-20(11) File

F R O M: Yuki Lei K. Sugimura, Chair 
Budget, Finance, and Economic Development Committee

SUBJECT: **TRANSMITTAL OF INFORMATIONAL DOCUMENT RELATING TO ANNUAL COMPREHENSIVE FINANCIAL REPORT, SINGLE AUDIT REPORT, AND DEPARTMENT OF WATER SUPPLY'S FINANCIAL AUDIT REPORTS** (BFED-20(11))

The attached informational document pertains to Item 20(11) on the Committee's agenda.

bfed:ltr:020(11)afile03:kes

Attachment



OFFICE OF THE COUNTY AUDITOR

COUNTY OF MAUI
2145 WELLS STREET, SUITE 303
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/auditor>

January 13, 2026

RECEIVED
2026 JAN 13 PM 3:36
OFFICE OF THE
COUNTY CLERK

The Honorable Alice L. Lee, Chair
and Members of the Council
County of Maui
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

**SUBJECT: COUNTY OF MAUI ANNUAL COMPREHENSIVE
FINANCIAL REPORT (ACFR) FOR FISCAL YEAR ENDED
JUNE 30, 2025**

In accordance with Section 3-9.2(1)a and Section 9-13 of the Revised Charter of the County of Maui (1983), as amended, transmitted are 19 bound copies of the County of Maui Annual Comprehensive Financial Report ("ACFR") for the Fiscal Year Ended June 30, 2025, submitted by N&K CPAs, Inc., the County's contractor.

May I request that the ACFR be referred to the appropriate standing committee for discussion and action.

Also attached is a concluding communication letter to you from N&K CPAs, Inc., dated January 13, 2026. The letter relates to the ACFR and is for your information, separate Council action is not required.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lance Taguchi".

LANCE T. TAGUCHI, CPA
County Auditor

i:\financial audit\fy 2025\260113amc01_acfr.docx:cs

Enclosure



RECEIVED

26 JAN 13 10 45

OFFICE OF THE
COUNTY CLERK

999 BISHOP STREET, SUITE 2200
HONOLULU, HAWAII 96813
T (808) 524-2255 F (808) 523-2090

January 13, 2026

To the Council Chair,
and Members of the Council
County of Maui
Wailuku, Maui, Hawai'i

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, State of Hawai'i (County) for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 10, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the County adopted new accounting policies related to compensated absences by adopting Governmental Accounting Standards Board Statement (GASB Statement) No. 101, *Compensated Absences*, in 2025. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the statement of activities. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Allowance for doubtful accounts on customer receivables
- Useful lives of the County's capital assets used to compute depreciation expense
- Liability for the County's net pension liability
- Liability for postretirement benefits other than pensions (OPEB)
- Loss reserves for claims and judgments
- Landfill closure, post-closure care cost liability, and pollution remediation obligation.

Management's estimates were based on the following:

- The allowance for doubtful accounts is based on an analysis of past due accounts, the County's historical experience with the account, and other relevant factors to arrive at an overall assessment of whether the past due accounts will be collected.
- Depreciation recorded on capital assets is based in part on the estimated useful lives of those capital assets.

N&K CPAs, Inc.

ACCOUNTANTS | CONSULTANTS

Honorable Alice Lee, Council Chair

Page 2

- The collective net pension liability, deferred inflows of resources, and deferred outflows of resources of the cost-sharing multiple employer defined pension plan administered by the State of Hawaii's Employee Retirement System was determined by an actuarial valuation. The County's proportionate share of the collective net pension liability, deferred inflows of resources, deferred outflow of resources was based on the County's contributions to the pension plan relative to the contributions of all participating employers during the measurement period.
- The net OPEB liability, deferred inflows of resources, and deferred outflows of resources of the post-retirement benefits other than pensions administered by the Hawai'i Employer - Union Health Benefits Trust Fund (EUTF) was determined by an actuarial valuation. The County's proportionate share of the net OPEB liability, deferred inflows of resources, and deferred inflows of resources was based on the County's contributions to the EUTF.
- The claims and judgments liability is based on the assessment of the County's legal counsel and an analysis of workers' compensation, automobile and general liability insurance claims.
- The landfill closure, post-closure care cost liability, and pollution remediation obligation was determined by the County's engineers and the third-party contractor.

We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. The following material misstatements detected as a result of audit procedures were corrected by management:

General Fund

- The County entered into a \$36 million loan agreement in August 2024 with a developer for the development and construction of a low-income residential housing project. During the fiscal year ended June 30, 2025, the County disbursed approximately \$24.7 million to the developer and recorded a payable of approximately \$4.5 million for amounts expected to be disbursed in the subsequent period.

The County recorded an adjustment to the General Fund to increase assets of approximately \$24.7 million, reduce liabilities of approximately \$4.5 million, and reduce expenses of approximately \$29.2 million.

Honorable Alice Lee, Council Chair
Page 3

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the following, which are required supplementary information (RSI) that supplements the basic financial statements:

- Management's Discussion and Analysis (MD&A),
- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
 - General Fund – Budgetary Basis
 - Highway Fund – Budgetary Basis
 - Grant Fund – Budgetary Basis
 - County Funds – Budgetary Basis
- Notes to the Budgetary Comparison Schedules
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions (Pension)
- Notes to Required Supplementary Information Required by GASB Statement No. 68
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of Contributions (OPEB)
- Notes to Required Supplementary Information Required by GASB Statement No. 75

N&K CPAs, Inc.

ACCOUNTANTS | CONSULTANTS

Honorable Alice Lee, Council Chair

Page 4

Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Combining Statements; as well as Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis for the Debt Service, Liquor Control, Sewer, Solid Waste, and Environmental Protection and Sustainability Funds, Schedule of Revenues – Budget to Actual – Capital Improvements Projects Fund; Schedule of Appropriations and Expenditures - Capital Improvements Projects Fund, and Capital Assets Used in Operations of Governmental Activities, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Chair and Members of the County Council and management of the County of Maui, Hawaii and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

N&K CPAs, Inc.

County of Maui
Summary of Unrecorded Misstatements
June 30, 2025

Major Governmental Funds

					INCREASE (DECREASE)				
General Fund									
PAJE #	Account #	Description	Debit	Credit	Assets	Liabilities	Fund Balance	Revenues	Expenditures
<i>To pass on reversing PY entry to reduce AR and deferred revenue for payments made to the incorrect TA ID.</i>									
201	RV 10-3549-800100	Accrued General revenue Ged Fd-TRANSIENT ACCOMODA	1,867,927				(1,867,927)	(1,867,927)	
	FB 00-2320-100001	General Fund B/S-Unreserved		1,867,927			1,867,927		
Total Passed Adjustments					\$ -	\$ -	\$ -	\$ (1,867,927)	\$ -
Financial Statement Balance					\$ 774,087,282	\$ 92,831,715	\$ 461,654,806	\$ 832,899,789	\$ 479,798,959
Effect of PAJE's on Financial Statement Balance					0.00%	0.00%	0.00%	-0.22%	0.00%

Grant Fund

					INCREASE (DECREASE)				
PAJE #	Account #	Description	Debit	Credit	Assets	Liabilities	Fund Balance	Revenues	Expenditures
<i>To pass on recording interest collected for the State from the Grant Fund to the Fiduciary Fund.</i>									
201	LI 14 2215-126503	HOMEOWNER ASSISTANCE FUND-Deposits Payable	291,564			(291,564)			
	AS 14 1100-126603	HOMEOWNER ASSISTANCE FUND-EQUITY IN POOL		291,564	(291,564)				
Total Passed Adjustments					\$ (291,564)	\$ (291,564)	\$ -	\$ -	\$ -
Financial Statement Balance					\$ 43,803,138	\$ 32,221,819	\$ 9,589,968	\$ 83,657,480	\$ 81,666,129
Effect of PAJE's on Financial Statement Balance					-0.67%	-0.90%	0.00%	0.00%	0.00%

N&K CPAs, Inc.

ACCOUNTANTS | CONSULTANTS

Honorable Alice Lee, Council Chair

Page 6

Fiduciary Fund

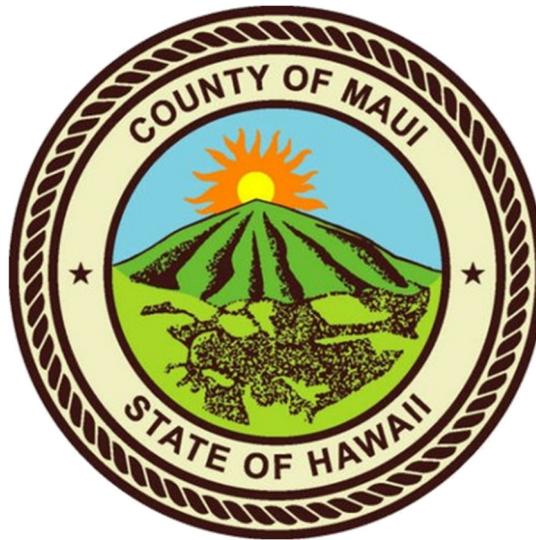
PAJE #	Account #	Description	Debit	Credit	INCREASE (DECREASE)				
					Assets	Liabilities	Net Position	Additions	Deductions
<i>To pass on recording interest collected for the State from the Grant Fund to the Fiduciary Fund.</i>									
201	NK 1100 716000	Homeowner Assistance Fund - Equity in Pool	291,564		291,564				
	NK 2215 716000	Homeowner Assistance Fund - Deposits Payable		291,564		291,564			
Total Passed Adjustments					\$ 291,564	\$ 291,564	\$ -	\$ -	\$ -
Financial Statement Balance					\$ 1,971,028	\$ 1,927,187	\$ 16,757	\$ 21,422,741	\$ 21,395,687
Effect of PAJE's on Financial Statement Balance					14.79%	15.13%	0.00%	0.00%	0.00%

Governmental Activities

PAJE #	Account #	Description	Debit	Credit	INCREASE (DECREASE)				
					Assets	Liabilities	Net Position	Revenues	Expenses
<i>To pass on recording Government-Wide's prior year PAJE #202's current year impact.</i>									
201	5500NK	Net Position	2,978,886				(2,978,886)		
	3205NK	Infrastructure		2,978,886	(2,978,886)				
<i>To pass on properly stating lease assets.</i>									
202	63070NK	Amortization Expense	1,882,028				(1,882,028)		1,882,028
	3210NK	Subscription Assets		1,882,028	(1,882,028)				
Total Passed Adjustments					\$ (4,860,914)	\$ -	\$ (4,860,914)	\$ -	\$ 1,882,028
Financial Statement Balance					\$2,422,520,832	\$1,448,519,181	\$ 688,370,730	\$1,098,942,342	\$ 756,462,892
Effect of PAJE's on Financial Statement Balance					-0.20%	0.00%	-0.71%	0.00%	0.25%

COUNTY OF MAUI

STATE OF HAWAII



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

**Prepared by:
DEPARTMENT OF FINANCE
Marcy Martin, Director of Finance**

**COUNTY OF MAUI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

		<u>Page</u>
PART I	INTRODUCTORY SECTION	
	Director of Finance’s Letter of Transmittal	1
	Certificate of Achievement for Excellence in Financial Reporting	12
	Elected Officials and Appointed Department Heads	13
	Organization Chart	14
	Directory of County Officials	15
PART II	FINANCIAL SECTION	
	Independent Auditor’s Report	17
	Management’s Discussion and Analysis (MD&A)	21
	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position	39
	Statement of Activities	40
	Fund Financial Statements:	
	Balance Sheet - Governmental Funds	41
	Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	42
	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	43
	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	44
	Statement of Net Position - Proprietary Funds	45
	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	47

**COUNTY OF MAUI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
PART II FINANCIAL SECTION (Continued)	
Statement of Cash Flows - Proprietary Funds	48
Statement of Fiduciary Net Position - Fiduciary Funds	49
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	50
Notes to the Basic Financial Statements	51
Required Supplementary Information Other Than MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	101
General Fund - Budgetary Basis	
Highway Fund - Budgetary Basis	
Grant Fund - Budgetary Basis	
County Fund - Budgetary Basis	
Notes to the Budgetary Comparison Schedules	105
Schedule of Proportionate Share of the Net Pension Liability	107
Schedule of Contributions (Pension)	108
Notes to Required Supplementary Information Required by GASB Statement No. 68	109
Schedule of Changes in Net OPEB Liability and Related Ratios	110
Schedule of Contributions (OPEB)	111
Notes to Required Supplementary Information Required by GASB Statement No. 75	112
Other Supplementary Information:	
Non-major Governmental Funds	113
Combining Balance Sheet - Non-major Governmental Funds	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-major Governmental Funds	115
Combining Statement of Fiduciary Net Position - Custodial Funds	116

**COUNTY OF MAUI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
PART II FINANCIAL SECTION (Continued)	
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	117
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund - Budgetary Basis	118
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Liquor Control Fund - Budgetary Basis	119
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund - Budgetary Basis	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Solid Waste Fund - Budgetary Basis	121
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Environmental Protection and Sustainability Fund - Budgetary Basis	122
Schedule of Revenues - Budget and Actual - Capital Improvement Projects Fund	123
Schedule of Appropriations and Expenditures - Capital Improvements Projects Fund	124
Capital Assets Used in Operations of Governmental Activities:	
Comparative Schedule by Type	125
Schedule by Function and Department	126
Schedule of Changes by Function and Department	127
PART III STATISTICAL SECTION (UNAUDITED)	
Table 1 Net Position by Component Last Ten Fiscal Years	129
Table 2 Changes in Net Position Last Ten Fiscal Years	130

**COUNTY OF MAUI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

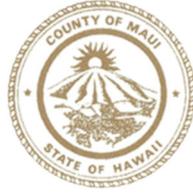
	<u>Page</u>
PART III STATISTICAL SECTION (UNAUDITED) (Continued)	
Table 3 Governmental Activities Tax Revenues by Source Last Ten Fiscal Years	131
Table 4 Fund Balances of Governmental Funds Last Ten Fiscal Years	132
Table 5 Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years	133
Table 6 Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years	134
Table 7 Principal Taxpayers Fiscal Years 2025 and Nine Years Ago	135
Table 8 Property Tax Levies and Collections Last Ten Fiscal Years	136
Table 9 Ratios of Outstanding Debt by Type Last Ten Fiscal Years	137
Table 10 Ratios of General Obligations Bond Debt Outstanding Last Ten Fiscal Years	138
Table 11 Legal Debt Margin Information Last Ten Fiscal Years	139
Table 12 Demographics and Economic Statistics Last Ten Fiscal Years	140
Table 13 Principal Employers - Fiscal Years 2025 and Nine Years Ago	141
Table 14 Full-Time Equivalent County Government Employees by Function Last Ten Fiscal Years	142
Table 15 Operating Indicators by Function Last Ten Fiscal Years	143
Table 16 Capital Asset Statistics by Function Last Ten Fiscal Years	144

COUNTY OF MAUI
INTRODUCTORY SECTION

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7722
www.MauiCounty.gov

December 23, 2025

Honorable Mayor Richard T. Bissen, Jr.
Honorable Alice Lee, Chair
Members of the Maui County Council
and Citizens of Maui County
200 South High Street
Wailuku, Hawaii 96793

Dear Mayor Bissen, Chair Lee, Members of the Maui County Council, and Citizens of Maui County:

Pursuant to the requirements of the Charter of the County of Maui (1983), as amended ("Charter"), Section 9-13. Audit of Accounts, states:

"Within six (6) months after the beginning of each fiscal year, the county auditor shall conduct or cause to be conducted an independent financial audit of the funds, accounts, and other evidence of financial transactions of the county and of all operations for which the county is responsible for the audited fiscal year. The audit shall be conducted by a certified public accountant or firm of certified public accountants who have no personal interest, direct or indirect, in the fiscal affairs of the county or any of its operations. The audit shall include both financial accountability and adequacy of the financial and accounting system. If the State makes such an audit, the county auditor may accept it as satisfying the requirements of this section. The scope of the audit shall be in accordance with the terms of a written contract recommended by the county auditor and signed by the council chair as the contracting officer for the legislative branch, which contract shall encourage recommendations for better financial controls and procedures and shall provide for the completion of the audit within a reasonable time after the close of the previous fiscal year. A copy of the audit reports shall be filed with the county clerk and shall be a public record, unless otherwise provided by law.

In the case of the death, resignation, or removal of the director of finance, the council shall cause an independent audit to be made of the finance director's accounts."

The Annual Comprehensive Financial Report ("ACFR") of the County of Maui ("County") for the Fiscal Year (FY) ended June 30, 2025, is hereby submitted. This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information

presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurances that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

As required by the Charter, the County's financial statements have been audited by a firm of licensed certified public accountants, N&K CPAs, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the FY ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements, assessing the accounting principles used and reasonableness of significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the results of the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Since FY 2002, the County has prepared the ACFR using the financial reporting requirements as prescribed by the Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion & Analysis ("MD&A"). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

The County consists of the inhabited islands of Maui, Moloka'i and Lanai, and the uninhabited island of Kaho'olawe. The County is the second largest of the four counties in the State of Hawai'i, with land area of 1,162 square miles (approximately the size of Rhode Island), or 18% of the land area of the State. Based on U.S. Census data, the County's resident population decreased 0.6% from 164,754 in 2020 to 163,831 in 2025. The small reduction in population is attributable to the 2023 Maui wildfires with some residents moving to other islands or the mainland.

The County provides a broad range of municipal services. These services include public safety (police, fire, emergency management, and public prosecutor), sanitation, social services, culture and recreation, public improvements, transportation, planning and zoning, water supply, general administrative services, and the construction and maintenance of streets and highways. This ACFR includes all funds of the County.

The County has operated under the Mayor - County Council form of government since 1969, which is the same form of government as the counties of Kauai and Hawaii, and the City and County of Honolulu. The executive branch of the County is headed by the Mayor, who is elected on a non-partisan basis for a four-year term, and limited to serving two consecutive full

terms. The Mayor is the chief executive officer of the County, is responsible for overseeing the day-to-day operations, and has the authority to appoint certain County officials, including department heads. The legislative branch is led by the County Council, which is composed of nine members who are elected at-large, to serve concurrent two-year terms and not exceeding more than five consecutive full terms of office. The County Council appoints the County Clerk. Each of the nine council members has residency requirements, one each from the islands of Lanai and Moloka'i, and seven from the various districts on the island of Maui. The County Council is the policy-making body of the County. Its major functions include approval of the County budget, establishment of all fees, rates, assessments, and taxes, appropriation of funds, establishment of development controls including adoption of general plan, community plans and zoning, confirming appointment by Mayor of department heads, and other related functions.

In the County, as well as in the other counties within the State, there are no subordinate or separate municipal entities. The State government administers the school system, airports, harbors, hospitals, judicial system, and the State highway system. Most non-Federal taxes are administered and collected by the State under Hawai'i's highly centralized tax system. The major sources of State revenue are the general excise tax, transient accommodation tax, and corporate and personal income taxes. There are no State personal or property taxes, local levies for school districts, or special assessments.

The annual budget serves as the foundation for the County of Maui's financial planning and expenditures control. The County Charter ("Charter") requires the Mayor to submit to the County Council, on or before March 25 of each year, an operating budget for the ensuing fiscal year, a capital program, and an accompanying message. The operating budget and the capital program are prepared by the Mayor and Budget Director with the assistance of the Department of Finance. The operating budget presents a complete financial plan for the current operations of the County and its departments. The capital program contains capital improvements pending or proposed to be undertaken within the ensuing fiscal year and ensuing five fiscal years, together with the estimated cost of each improvement and pending or proposed method of financing. Chapter 46, Hawaii Revised Statutes was amended in 1993 to permit counties to prepare budgets on a one or two-year period. The Charter provides for one-year budgets.

The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget ordinance approved by the County Council. Activities of the General Fund, special revenue funds, grant revenue, debt service fund, and capital projects fund are included in the annual budget ordinance.

The Mayor holds community meetings to receive input from citizens in the eight community plan areas throughout the County prior to preparing the Mayor's Proposed Budget for the ensuing fiscal year. Upon submission of the proposed budget in March, additional public meetings and hearings are held with the community by the County Council between March and April in the year of submission. The proposed operating budget and capital program are subject to review and amendment by the County Council. If, however, the County Council fails to adopt an operating budget on or before June 10 of a given year, the Charter provides that the operating budget submitted by the Mayor will be deemed enacted as the operating budget for the ensuing fiscal year. The Charter further states that the estimated revenues, proposed expenditures and total appropriations for the ensuing fiscal year shall be equal in amount.

The appropriated budget is prepared by fund, function, department, program, and/or activity. Every appropriation, except for capital improvement projects and grants, lapses at the close of the fiscal year. An appropriation for a capital improvement remains in force until the purpose for which it was made has been accomplished or abandoned. Pursuant to the Charter, an appropriation for a capital improvement will be deemed abandoned six months after the close of the fiscal year to the extent that it has not been expended or encumbered by a written contract. Appropriations for grants based on grant revenue remains in force until the end of the grant performance period as dictated by a grant agreement. The Charter provides that no payment may be authorized or made and no obligation incurred against the County except in accordance with appropriations duly made.

Budgets are monitored at varying levels of classification detail. However, as a budgetary control policy, expenditures cannot exceed total appropriations at the program and cost category levels for budgeted funds. The budget is controlled at the following levels:

- Unless otherwise provided by the General Budget Provisions, operating appropriations for each program are disbursed for the following categories of use: (a) salaries, premium pay, or reallocation pay; (b) operations or services and equipment. These cost categories are the legal level of budgetary control for the County's operating appropriations.
- Unless otherwise provided by the General Budget Provisions, capital improvement projects are appropriated by fund at the project level and as described in Appendix C of the annual budget ordinance. Capital improvement project funding may not be used for any purpose other than as described in Appendix C. The total amount appropriated for a project may be used for the work phases provided in the project description in Appendix C. A budget amendment is needed if the total amount appropriated will be insufficient to complete all work phases set forth in the project description or if the project description does not clearly represent the work to be performed in Appendix C. This is the legal level of budgetary control for the County's capital improvements projects.
- County Council must authorize by resolution any transfer of appropriations from one cost category to another and/or one program to another within the department.
- County Council must authorize all budget amendments that alter the total appropriations of a particular program, line-item provision, or cost category from one program to another not within the department, by ordinance.

Budget-to-actual comparisons for each required governmental fund for which an appropriated annual budget has been adopted are provided in this report under the Required Supplementary Information (RSI) and Other Supplemental Information (OSI) sections. Detailed revenue and appropriation schedules for major and non-major funds are presented in the Other Supplementary Information section of the report. Additionally, the County has prepared a separate Supplemental Information to the ACFR Report, which contain amounts traceable to the related amounts in the schedules presented in the RSI and OSI sections of the ACFR, at the legal level of budgetary control. The Supplemental Information to the ACFR Report is accessible through the County's website, <https://mauicounty.gov/1827/Annual-Comprehensive-Financial-Report-AC>.

ECONOMIC CONDITION AND OUTLOOK

While Maui County's economy is somewhat diversified and driven by several different sectors of employment, the primary economic drivers are visitor industry related. Government employment, however, also serves as a key economic driver.

Maui Wildfires

Over the past year the County of Maui has focused on rebuilding and recovering from the devastating wildfires of August 2023. During fiscal year 2025, after bolstering emergency preparedness and response, the County transitioned from crisis management to long-term recovery. Under the County Department of Management, the Office of Recovery serves a crucial role in coordinating County, State, Federal and private sector resources to streamline and accelerate recovery efforts all while keeping community driven priorities at the forefront.

In January 2025 the County of Maui received notice of funding in the amount of \$1.639 billion in Community Development Block Grant – Disaster Relief ("CDBG-DR") funding from the U.S. Department of Housing and Urban Development. The use of these funds, which are critical for rebuilding Lahaina, will be guided by the Lahaina Recovery Plan and the CDBG-DR Action Plan (approved in June 2025). This will ensure that Federal resources are distributed equitably with a clear vision, strong community input and strategic investments that will enable future generations to thrive.

As of June 2025, 429 building permits have been issued with 327 more in process. Of the 429 issued permits, 265 are actively under construction and 22 have been completed.

Tourism

Tourism is the primary driver of Maui County's economy which was significantly impacted by the August 2023 wildfires. While the visitor metrics for Maui County have not returned to pre-wildfire levels, there has been improvement since the disaster.

According to preliminary statistics from the Department of Business, Economic Development and Tourism, twenty-two months after the Maui Wildfires, there were 229,940 visitors to Maui in June 2025 compared to 221,703 visitors in June 2024 and 302,190 visitors in June 2019 (pre-COVID). Visitor spending was \$510.6 million in June 2025 as compared to \$451.7 million in June 2024 and \$296.4 million in June 2019 (pre-COVID). In the first six months of 2025, total visitor spending was \$2.97 billion compared to \$2.66 billion in the first six months of 2024 and \$2.60 billion in the first six months of 2019.

Construction

Construction remains one of the strongest sectors of the County's economy. Building permit valuations increased by \$78.2 million or 10.3% from \$756.3 million in FY2024 to \$834.5 million in FY2025. This follows a 2.3% decrease in permit valuations between FY2023 and FY2024. The construction industry anticipates continued growth due to rebuilding necessitated by the Maui wildfires.

Significant construction projects currently in progress (in varying phases of development) include the following:

Private Sector Projects

Makena Beach Club & Resort
Hope Chapel Senior Housing
Lipoa Business Hotel
Hilton Grand Vacation
Kaiāulu O Kūku'ia Apartments
Hale O Pi'ikea – Phases I, II, III
Kilohana Makai
Liloa Hale Senior Housing
Hoku'ula
Hoku'ao, Lanai

Public Sector Projects

County of Maui – War Memorial Complex
Catholic Charities – Hale Pilina
County of Maui – Lahaina Wastewater
Reclamation Facility (“WWRF”)
County of Maui – Maui Community
Correctional Center
Department of Hawaiian Home Lands –
Ho'olehua Veteran and Homestead
Center
County of Maui – Halau of Oiwi Art
Community Center
Kaiaulu O Kukuia
Kaiaulu O Kupuohi

Jobs and Wages

While Maui County's economy is diversified and driven by several different sectors of employment, the primary economic sectors are visitor industry-related followed by government employment. The County's unemployment rate (seasonally adjusted) of 3.6% as of June 2025 was higher than the 2.8% unemployment rate for the State. The County's unemployment rate of 3.6% was 1.1% lower than the 4.8% at the same time last year. At the State level, the unemployment rate in June 2025 was 2.8%, which is down from 4.1% at the same time last year.

Real Estate

As of June 2025, according to the Realtors Association of Maui, Inc., the median sale price for single-family homes in the County was \$1.315 million, representing a 5.7% decrease as compared to June 2024 and the median sale price for condominiums was \$700,000 reflecting a decrease of 28.6% compared to June 2024.

Also as of June 2025, new listings for single-family homes decreased 23.9% and new listings for condominiums decreased 8.6% from the previous year. Single-family homes were on the market for 143 days as compared to 118 days in June 2024 representing an increase of 21.2% or 25 days. Likewise, the median days on the market for condominium homes were 125 days in June 2025 representing an increase of 5.9% or 7 days from 118 days in June 2024.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. During FY2025, the County saw a 49.7% increase in the net position of governmental activities mainly due to revenue increases of \$160.8 million from FY2024. Real property taxes increased \$78.9 million due to market value increases and revenue from the general excise tax surcharge increased \$53.5 million.

Below are the County's achievements in FY 2025 as aligned to the Administration's three key priorities: Kama'aina Housing, Recovery and Well-Being, and Cultural and Natural Resources.

Kama'aina Housing. Housing remains one of the most urgent challenges for Maui. With the support of a newly structured Department of Housing, the County is working to expedite affordable housing projects. The Affordable Housing Fund, which is mandated to receive an allocation of a minimum of 3% of certified real property tax revenue, is dedicated to creating affordable housing and improving living conditions for low-income residents.

Recognizing the ongoing need for affordable housing, the Administration allocated approximately 10.5% of certified real property tax revenue in fiscal year 2025 and is allocating approximately 7% in fiscal year 2026. These funds will help support the development of affordable housing units. Developers can leverage this funding to secure tax credits and additional financing thereby reducing housing costs for kama'aina. Additionally, many affordable housing projects may also be eligible for funding through the CDBG-DR funds that the County has been awarded.

Beyond addressing the housing shortage, the County is focused on ensuring housing stability for the future. The Department of Housing will continue to administer the First Time Homebuyers Program and the 'Ohana Assistance Program to help Maui County residents remain in Maui.

Recovery and Well-Being. Recovery and well-being extend far beyond the individuals and communities directly affected by the August 8, 2023 wildfires. At its core, recovery is about unity, support and a commitment to all residents. The County has provided funding for a Safe Parking Program under the Department of Human Concerns which will provide a secure environment for residents living in their vehicles. The Office of the Mayor and Department of Human Concerns will continue their efforts to support the houseless community through outreach and assistance.

In addition to direct assistance, the County continues to support and provide funding for non-profit organizations that assist the Maui community through services in health, human services, education, youth programs, senior support, food security, safety, culture, transportation, and the arts.

Cultural and Natural Resources. Recognizing that cultural and natural resources are integral to Maui's identity, sustainability and future, the Administration continues to focus on sustainability for future generations. Some of these initiatives are discussed below.

In partnership with the University of Hawai'i Sea Grant, the County secured a National Oceanic and Atmospheric Administration (NOAA) grant to potentially acquire up to 423 acres to connect Pohakea to the Ocean, supporting conservation efforts, stormwater management, reef restoration, and climate adaptation.

The County is developing a One Water Strategy for Lahaina which is a comprehensive water management plan that integrates drinking water, wastewater and stormwater systems while addressing the unique challenges of post-fire recovery. This strategy will ensure Lahaina's long-term sustainability and serve as a model for the rest of Maui County.

In collaboration with the Ma'alaea Village Association, the Administration is planning a state-of-the-art regional wastewater system to reduce reliance on injection wells thereby

addressing failing wastewater infrastructure in the area while mitigating the impacts of climate change.

Recognizing that protecting Maui's agricultural resources is essential to its self-sufficiency and economic stability, the County's Department of Agriculture has made significant progress in supporting local farming, food security and sustainability through grants for agriculture and animal management.

For The Future. The County is committed to exercising fiscal prudence as evidenced by its long-term financial stability, resilience and sustainability while maintaining the necessary levels of service for the community. This conservative and responsible approach has paid dividends as the County's financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii, despite the economic downturn due to the COVID-19 pandemic and the August 2023 wildfires.

The Administration, as well as the County Council, has supported initiatives relating to contingency planning as it relates to emergencies and unforeseen events even before the 2023 wildfires. The County's goal has been to fund its Emergency Fund to a level equal to 20.0% of annual General Fund revenues through the prudent management of its fiscal resources. As of June 30, 2025, the Emergency Fund balance was \$90.5 million, 10.9% of the General Fund revenues. Additionally, the County continued with its responsible strategy through its appropriation of \$61.4 million to the Affordable Housing Fund and \$2.6 million to the State of Hawaii Employer-Union Health Benefits Trust Fund (EUTF) for the Other Post-Employment Obligations (OPEB) in FY2025.

In consideration of the County's current and future needs, strategic and long-range plans are being developed and continue to be reviewed and modified as required. Many factors are evaluated in the development of these plans, including revenue forecasting, rate of growth, inflationary factors, debt levels and costs, aging infrastructure replacement and expanding community needs.

The County's annual budget continues to focus on performance measures and the alignment of department strategies and program activities with the Strategic Vision. The objectives and measures outlined in the departments' program descriptions state the specific contributions each department will make towards accomplishing its mission and goals for the ensuing fiscal year. Program goals and objectives are reviewed and updated annually by departments in consultation with the Department of Management and in response to changing community needs and the availability of resources.

OTHER FINANCIAL INFORMATION

Debt Management. In addition to the practices required by State law, the County has a comprehensive Debt Management Policy, that among other things, requires unassigned fund balance and emergency reserves to be maintained at 20% or higher of General Fund expenditures, limits the ratio of annual governmental debt service to general governmental expenditures to not more than 12%, the ratio of net bonded debt to assessed property value to not more than 3%, the ratio of total debt outstanding to not exceed 150% of Governmental revenues, and requires the County maintain a 10 year debt principal pay down ratio of 50%.

These policies may be amended at any time and the County may decide to take actions that are exceptions to such policies. The County also requires the County Treasurer to prepare an annual Debt Report to confirm compliance with the Debt Management Policy. Quarterly financial reports are also provided to the County Council.

The County Debt Management Policy also allows for temporary interfund loans or transfers from the County General Fund to the Bond Fund to fund approved capital improvement projects if financially advantageous to the County with the following limitations: actual expenditures up to \$175 million until August 31, 2025 and up to \$100 million beginning September 1, 2025 shall be reimbursed or repaid from future bond proceeds within eighteen months after the later of the date of the transfer or the date that the public improvement funded by the transfer or loan was placed in service, but in no event later than three years after the expenditure has been made. The amount of such temporary transfers or loans will not exceed the amount of general obligation bonds or notes authorized but not issued.

The County's fiscal and debt policies have allowed the County to maintain its financial stability. The County issued General Obligation Bonds on August 13, 2025 in the amount of \$300.16 million due on September 1, 2045. Fitch Global Ratings and S&P Global Ratings assigned ratings of AA+ (stable outlook) in July 2025, while Moody's Investor Service assigned a rating of Aa2 (stable outlook) in July 2025. The County's debt policy is compliant with the Hawaii Revised Statutes (Chapter 47) and the Maui County Charter. The general intent of the County's debt policy is that debt is only incurred when necessary. The County confines long-term borrowing to capital assets or equipment that cannot be financed from current financial resources.

Investment Management. The County maintains an investment policy which, among other things, limits investment maturities to no more than five years. HRS 46-50 authorizes the County to invest in obligations of the U.S. Treasury and U.S. government agencies, municipal securities, auction rate securities collateralized by student loan bank repurchase agreements, commercial paper, bankers' acceptances, and money market funds. The County's investment policy limits investments in municipal securities, U.S. Treasury securities, negotiable time certificates of deposit, U.S. government agency obligations, repurchase agreements, commercial paper, bankers' acceptances, money market funds, and auction rate securities collateralized by student loans maintaining a Triple-A rating. Furthermore, the Investment Policy requires that all approved security types be limited by both allocation type and issuer concentration; with the exception of U.S. Treasury securities where there is no limitation. Meeder Public Funds provides investment advisory and management services for the County. Additionally, the County has retained The Bank of New York Mellon Trust Company, N.A. as bank custodian for the safekeeping of its securities.

Cash Management. The primary objectives of the County's cash management and investment programs are to (1) ensure the safety and preservation of principal, (2) ensure adequate liquidity to service obligations in a timely manner, and (3) generate returns comparable to the earnings of short-term Treasury market securities. The County employs multiple bank accounts with several institutions to facilitate receiving funds, satisfying obligations, and investing in securities. As of June 30, 2025, the County had approximately \$252.7 million cash in its operating bank accounts and \$858.2 million in its investment account. At June 2025 the cash utilization rate was \$80.2 million per month and the available cash on hand as of June 30, 2025 was sufficient to pay the County's obligations for more than two months. Revenues, in months without real property tax receipts such as June 2025, were roughly \$49.2 million.

Liquidating the investment portfolio in June 2025 would have resulted in approximately \$1.05 billion in cash. Combining that amount with the bank account balances would have resulted in 13.1 months of liquidity assuming no other revenues were collected.

Having over one year of liquid or highly liquid assets available to pay obligations (assuming no additional revenues) enables the County to be resilient to fluctuations in its tourist economy.

Real Property Tax. Real Property Tax is the most significant revenue source for the County and is the largest revenue component of the General Fund. Unlike many other states, Hawai'i State law allows for the counties to retain 100 percent of the real property tax levied in their jurisdiction. Real Property Tax is based on valuations applied to real property with tax rates assigned to each of the twelve classifications. Real property assessed values in FY2025 was \$73.3 billion due to an increase of \$3.0 billion from the FY2024 assessed value of \$70.3 billion. For FY2025, Real Property Tax recorded approximately \$589.8 million in revenue, which is an increase of \$78.9 million from the prior fiscal year.

The destruction and damage to properties caused by the August 8, 2023 wildfires reduced real property tax revenue for FY2025 by \$35.4 million.

AWARDS AND ACKNOWLEDGMENTS

Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR for the fiscal year ended June 30, 2024. This is the forty-second consecutive year that the County has received this prestigious award.

To receive the Certificate of Achievement, the government entity must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We have ensured that the GFOA standards have been adhered to and believe that the current report, which will be submitted to the GFOA, continues to conform to the Certificate of Achievement Program requirements.

The Real Property Assessment Division recertified their Certificate of Excellence in Assessment Administration ("CEAA") designation from the International Association of Assessing Officers ("IAAO") in September 2024. The CEAA recognizes jurisdictions that use the best appraisal and assessment practices in their office.

Acknowledgements. The preparation of this report could not have been accomplished without the commitment and dedicated service of the entire staff of the Department of Finance, and the cooperation of the other County agencies and departments. I wish to express my appreciation to all members of the Department of Finance and to the auditors, N&K CPAs, Inc. who assisted and contributed to its efficient preparation and extensive compilation. We also thank the Honorable Mayor Richard T. Bissen, Jr. and the Maui County Council for their interest, trust, and support in the progressive strategic planning and conduct of the financial operations of the County.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Marcy Martin', with a long horizontal flourish extending to the right.

MARCY MARTIN
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Maui
Hawaii**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS
As of June 30, 2025

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor

Richard T. Bissen, JR.

LEGISLATIVE

County Council

Council Chair
Alice L. Lee

Council Vice-Chair
Yuki Lei Sugimura

Presiding Officer Pro Tempore
Natalie "Tasha" Kama

Councilmember Tom Cook
Councilmember Gabe Johnson
Councilmember Tamara A.M. Paltin

Councilmember Keani N.W. Rawlins-Fernandez
Councilmember Shane M. Sinenci
Councilmember Nohe U'u-Hodgins

Director of Council Services
County Auditor
County Clerk

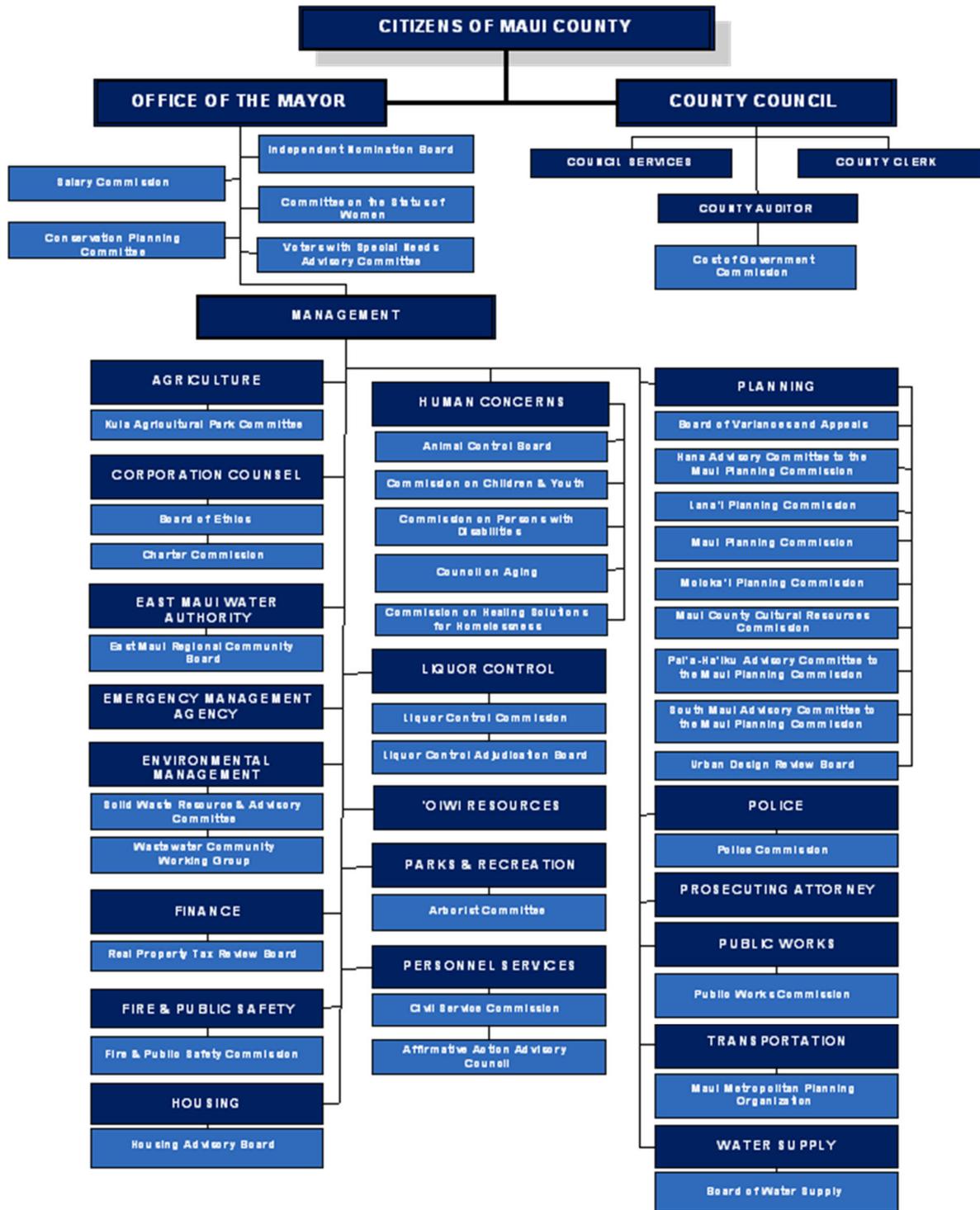
David Raatz
Lance Taguchi
Moana M. Lutey

APPOINTED DEPARTMENT HEADS

Managing Director
Corporation Counsel
Prosecuting Attorney
Director of Finance
Director of Environmental Management
Director of Public Works
Director of Parks & Recreation
Fire Chief
Planning Director
Director of Personnel Services
Director of Human Concerns
Director of Housing
Director of 'Ōiwi Resources
Director of Transportation
Director of Water Supply
Chief of Police
Director of Liquor Control
Director of Agriculture
Director of East Maui Water Authority

Josiah Nishita
Victoria J. Takayesu
Andrew Martin
Marcy Martin
Shayne Agawa
Jordan Molina
Patrick Mccall
Bradford Ventura
Kate Blystone
Cynthia Razo-Porter
Lori Tshako
Richard E. Mitchell
Kapono'ai Molitau
Marc Takamori
John Stufflebean
John Pelletier
Layne Silva
Rogerene Arce
Gina M. Young

ORGANIZATION CHART



DIRECTORY OF COUNTY OFFICIALS



RICHARD T. BISSEN, JR.
Mayor



JOSIAH NISHITA
Managing Director



CYNTHIA LALLO
Chief of Staff



LAKSMI ABRAHAM
Director of Communications and Government Affairs



MAHINA MARTIN
Director of Public Affairs



ERIN WADE
Deputy Managing Director



LESLEY MILNER
Budget Director



LOIS WHITNEY
Deputy Director of Communications and Government Affairs



AMOS LONOKAILUA-HEWETT
Mauí Emergency Management Agency Administrator



JOHN SMITH
Recovery Administrator

Department of Housing	Department of Agriculture	Department of the Corporation Counsel	Department of Environmental Management	Department of Finance	Department of Fire and Public Safety	Department of Human Concerns	Department of Liquor Control	Department of Parks and Recreation
-----------------------	---------------------------	---------------------------------------	--	-----------------------	--------------------------------------	------------------------------	------------------------------	------------------------------------



RICHARD MITCHELL
Director



ROGERENE ARCE
Director



VICTORIA J. TAKAYESU
Corporation Counsel



SHAYNE AGAWA P.E.
Director



MARCY MARTIN
Director



BRADFORD VENTURA
Fire Chief



LORI TSUHAKO
Director



LAYNE SILVA
Director



PATRICK McCALL
Director



SAUMALU MATAAFA
Deputy Director



KOA HEWAHEWA
Deputy Director



MIMI DESJARDINS
First Deputy



MICHAEL PETERSEN
Deputy Director



MARIA ZIELINSKI
Deputy Director



GAVIN FUJIOKA
Deputy Fire Chief



JESSICA CROUSE
Deputy Director



JARETT KAHO'OHANOHANO
Deputy Director



SHANE DUDOIT
Deputy Director

Department of Ōiwi Resources	Department of Personnel Services	Department of Planning	Department of Police	Department of the Prosecuting Attorney	Department of Public Works	Department of Transportation	Department of Water Supply	East Maui Water Authority
------------------------------	----------------------------------	------------------------	----------------------	--	----------------------------	------------------------------	----------------------------	---------------------------



KAPONO'AI MOLITAU
Director



CYNTHIA RAZO-PORTER
Director



KATE BLYSTONE
Director



JOHN PELLETIER
Police Chief



ANDREW MARTIN
Prosecuting Attorney



JORDAN MOLINA
Director



MARC TAKAMORI
Director



JOHN STUFFLEBEAN
Director



GINA YOUNG
Director



KEKAI ROBINSON
Deputy Director



KAINEA AIWOHI-ALO
Deputy Director



ANA LILLIS
Deputy Director



WADE MAEDA
Deputy Police Chief



SHELLY C. MIYASHIRO
First Deputy



PAUL BARANY
Deputy Director



DIANE YOGI
Deputy Director



JAMES LANDGRAF
Deputy Director



**ALICE L. LEE
COUNCIL CHAIR
WAILUKU DISTRICT**



**YUKI LEI SUGIMURA
VICE CHAIR
PUKALANI-KULA-ULUPALAKUA
DISTRICT**



**TASHA KAMA
PRESIDING OFFICER PRO TEMPORE
KAHULUI DISTRICT**



**TOM COOK
COUNCILMEMBER
SOUTH MAUI DISTRICT**



**GABE JOHNSON
COUNCILMEMBER
LANAI DISTRICT**



**TAMARA PALTIN
COUNCILMEMBER
WEST MAUI DISTRICT**



**KEANI N. W. RAWLINS-
FERNANDEZ
COUNCILMEMBER
MOLOKAI DISTRICT**



**SHANE M. SINENCI
COUNCILMEMBER
EAST MAUI DISTRICT**



**NOHE U'U-HODGINS
COUNCILMEMBER
MAKAWAO-PAIA-HAIKU DISTRICT**

OFFICE OF COUNCIL SERVICES
David Raatz, Director
Richelle Kawasaki, Deputy Director

OFFICE OF THE COUNTY AUDITOR
Lance Taguchi, County Auditor

OFFICE OF THE COUNTY CLERK
Moana M. Lutey, County Clerk
Richelle M. Thomson, Deputy County Clerk

COUNTY OF MAUI
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Alice L. Lee, Chair
and the Members of the Council
County of Maui
Wailuku, Hawai'i

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, State of Hawai'i (County), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 17, the County adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. Implementation of GASB 101 required the County to change its method of accounting for compensated absences and to restate the beginning balances of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 21 through 37), the budgetary comparison schedules for the general fund, highway fund, grant fund, and county funds (pages 101 through 106), and the schedules of proportionate share of the net pension liability (page 107), contributions (pension) (page 108), changes in net OPEB liability and related ratios (page 110), and contributions (OPEB) (page 111) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

N&K CPAs, Inc.

Honolulu, Hawai'i
December 23, 2025

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This management's discussion and analysis (MD&A) and analysis of the County of Maui's (the County) basic financial statements provides a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements, and the accompanying notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1.5 billion (*net position*).
- The County's total net position increased by \$365.0 million during the current fiscal year.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$904.8 million, an increase of \$175.3 million or 24.0% from prior year.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$351.6 million, 73.3% of total General Fund expenditures.
- The County's total amount of General Obligation (GO) bonds and State Revolving Fund (SRF) loans decreased by \$33.5 million during the current fiscal year. This decrease is reflective of the \$24.8 million decrease in GO Bonds and the decrease of \$8.7 million in SRF loans, net of principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

Basic Financial Statements

Government-Wide Financial Statements. The two government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. They provide a financial overview of the County from the economic resources measurement focus using the accrual basis of accounting.

The ***Statement of Net Position*** presents information on all of the County's assets (including capital assets) and deferred outflows of resources and liabilities (including long-term obligations) and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, sanitation, social welfare, highways and streets, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply and the Housing, Interim Financing, and Buy-Back Revolving Fund.

These government-wide financial statements can be found in the first section of the basic financial statements.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. These funds are reported using an accounting method called modified accrual.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

The County accounts for fund balance classifications in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes five fund balance classifications based upon the extent to which a governmental entity is bound to honor constraints on the specific purposes for which amounts in that fund can be spent. The fund balance categories are nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance includes amounts that are subject to constraint imposed or legally enforceable by external parties. Funds with restrictions imposed by the Hawaii Revised Statutes and the Maui County Charter are examples of such funds of the County. Committed fund balance includes amounts that are subject to constraint created by the County and can only be changed by the County's highest level of formal action. Assigned fund balance includes amounts constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. Lastly, unassigned fund balance includes amounts that have no constraints whatsoever and are available for spending at the County's discretion.

GASB Statement No. 54 also states that governments should discontinue reporting a special revenue fund and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Most of the County's basic services are reported in the governmental funds. The County maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for General, Highway, County, Grant, Debt Service, and Capital Improvement Projects, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data from each of these non-major governmental funds is provided in the form of combining statements in the other supplementary information section.

The governmental funds financial statements are located immediately after the government-wide financial statements in the basic financial statements section. The two fund financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances of the governmental funds.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

Proprietary funds. Services for which the County operates similar to a business-type activity are generally reported in proprietary funds. These proprietary funds provide the same type of financial information (long and short-term) as the government-wide financial statements, only in more detail. The County's *enterprise funds* (one type of proprietary fund) are the same as its *business-type activities* reported in the government-wide financial statements.

The financial statements of the two proprietary funds include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The proprietary fund financial statements provide separate information for the Department of Water Supply (DWS) and the Housing, Interim Financing, and Buy-Back Revolving Funds.

The proprietary funds financial statements are the second set of fund financial statements and follow governmental funds financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary net position and the statement of changes in fiduciary net position of the custodial funds are the last of the fund financial statements and are found after the proprietary fund financial statements.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are the last section of the basic financial statements.

Required Supplementary Information (RSI)

The Required Supplementary Information to the Annual Comprehensive Financial Report provides detailed support for the budgetary schedules presented as required supplementary information in the Annual Comprehensive Financial Report for the General Fund, Highway Fund, County Fund, and Grant Fund. For the County of Maui, the level of legal control is at the program and category level unless otherwise provided by the General Budget Provisions. Due to the County's large number of appropriated line items, the budgetary schedules presented in the Annual Comprehensive Financial Report are displayed at a summary level.

The County is a participating employer in a cost-sharing multi-employer pension plan providing pension benefits to all qualified employees administered by the State of Hawaii Employees' Retirement System. A schedule of the County's proportionate share of the net pension liability and a schedule of contributions (pension) is provided for this pension obligation.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

The County is a participating employer in an agent, multiple-employer defined benefit plan providing health care and insurance benefits to all qualified employees and retirees. As described in Note 10, legislation has been enacted to set up an irrevocable trust for the Employer-Union Health Benefits Trust Fund. A schedule of changes in the net other postemployment benefits other than pensions liability (OPEB) and related ratios and schedule of contributions (OPEB) is provided for this postemployment obligation.

These schedules are presented as RSI, which follows the basic financial statements section.

Other Supplementary Information (OSI)

This section follows the RSI and displays the individual fund data of the six other non-major governmental funds in combining statements for the balance sheet and statement of revenues, expenditures, and changes in fund balances. These non-major governmental funds are the Liquor Control, Sewer, Bikeway, Solid Waste, Environmental Protection and Sustainability, and Other Assessment Funds. The total of these six non-major funds is included in the *Other Governmental Funds* column in both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the governmental funds, which are the first two fund financial statements of the basic financial statements section.

Included in the OSI section is the combining statements of fiduciary position - custodial funds and changes in fiduciary net position - custodial funds. In addition, the OSI section includes the budgetary comparison schedule for the Debt Service Fund, Liquor Control Fund, Sewer Fund, Solid Waste Fund, and Environmental Protection and Sustainability Fund, as well as the detail fund schedules of revenues - budget and actual and schedules of appropriations, expenditures, and encumbrances for the Capital Improvement Projects Fund.

The last part of the OSI section includes three schedules relating to capital assets used in governmental activities. The first schedule is by type of capital assets and the next two schedules provide details of capital assets and changes in capital assets by function and department.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

**STATEMENT OF NET POSITION
June 30, 2025 and 2024
(Dollars in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	FY2025	FY2024 (restated)	FY2025	FY2024 (restated)	FY2025	FY2024 (restated)
Assets and Deferred Outflows of Resources:						
Current and other assets	\$ 1,115,755	\$ 902,057	\$ 152,615	\$ 154,392	\$ 1,268,370	\$ 1,056,449
Capital assets, net	<u>1,306,767</u>	<u>1,196,197</u>	<u>401,903</u>	<u>389,228</u>	<u>1,708,670</u>	<u>1,585,425</u>
Total Assets	2,422,522	2,098,254	554,518	543,620	2,977,040	2,641,874
Deferred outflows of resources	<u>168,630</u>	<u>194,731</u>	<u>13,829</u>	<u>16,167</u>	<u>182,459</u>	<u>210,898</u>
Total Assets and Deferred Outflows of Resources	<u>2,591,152</u>	<u>2,292,985</u>	<u>568,347</u>	<u>559,787</u>	<u>3,159,499</u>	<u>2,852,772</u>
Liabilities and Deferred Inflows of Resources:						
Long-term liabilities	613,241	617,965	54,426	58,275	667,667	676,240
Other liabilities	185,920	152,470	20,797	25,780	206,717	178,250
Net pension liability	599,894	605,921	48,999	49,911	648,893	655,832
Net OPEB liability	<u>49,465</u>	<u>124,902</u>	<u>3,685</u>	<u>9,978</u>	<u>53,150</u>	<u>134,880</u>
Total Liabilities	1,448,520	1,501,258	127,907	143,944	1,576,427	1,645,202
Deferred inflows of resources	<u>111,782</u>	<u>103,356</u>	<u>8,790</u>	<u>6,666</u>	<u>120,572</u>	<u>110,022</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,560,302</u>	<u>1,604,614</u>	<u>136,697</u>	<u>150,610</u>	<u>1,696,999</u>	<u>1,755,224</u>
Net Position:						
Net investment in capital assets	859,072	740,170	351,119	333,247	1,210,191	1,073,417
Restricted	313,708	172,034	38,579	44,109	352,287	216,143
Unrestricted	<u>(141,930)</u>	<u>(223,833)</u>	<u>41,952</u>	<u>31,821</u>	<u>(99,978)</u>	<u>(192,012)</u>
Total Net Position	<u>\$ 1,030,850</u>	<u>\$ 688,371</u>	<u>\$ 431,650</u>	<u>\$ 409,177</u>	<u>\$ 1,462,500</u>	<u>\$ 1,097,548</u>

During fiscal year 2025, the County implemented GASB Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 was applied retroactively, resulting in a restatement of beginning net position as of July 1, 2024, as reported in the basic financial statements. Accordingly, the condensed Statement of Net Position as of June 30, 2024 presented in this MD&A has been restated to reflect the implementation of GASB 101. The condensed Statement of Activities for fiscal year 2024 presented in this MD&A has not been restated, as the implementation of GASB 101 did not affect the County's operating results for that fiscal year. As a result, certain fiscal year 2024 amounts presented may not be directly comparable to the fiscal year 2025 amounts. Additional information regarding this accounting change is presented in Note 17 to the basic financial statements.

At the end of the current fiscal year, the County reported positive balances in two of the three categories of net position both for the government as a whole, as well as for its governmental activities. Business-type activities reported positive balances in all three categories of net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, net position was \$1.5 billion at the close of the current fiscal year. This compares with the net position of \$1.1 billion from the prior year. Total net position increased by \$365.0 million during the current fiscal year. The governmental activities reflected an increase in net position of \$342.5 million. The business-type activities increased net position by \$22.5 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

By far, the largest portion of the County's net position is its net investment in capital assets, which is comprised of the County's capital assets (e.g., land, buildings, machinery, equipment, lease assets and subscription assets) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to service these liabilities.

An additional portion of the County's net position, 24.1%, represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to a deficit of \$100.0 million at the end of the current fiscal year, with a deficit of \$141.9 million derived from governmental activities and a positive \$42.0 million from business-type activities. The County's unrestricted net position increased by \$92.0 million as compared to last year.

The County's net capital assets increased by \$123.2 million mainly due to an increase in capital assets of \$220.7 million offset by an increase in accumulated depreciation and amortization for these assets of \$97.4 million. Further discussion on the County's capital assets is provided in the *Capital Assets* within this section.

The County's total amount of GO bonds and SRF loans outstanding decreased by \$33.5 million during the current fiscal year. The decrease is reflective of a \$24.8 million decrease in GO bonds, excluding unamortized premiums and deferrals and a decrease of \$8.7 million in SRF loans, net of principal payments.

Other long-term obligations decreased by \$51.7 million, from \$888.0 million in fiscal year 2024, as restated, to \$836.3 million in fiscal year 2025 for governmental activities, and increased by \$15.5 million from \$64.7 million in the prior fiscal year, as restated, to \$80.2 million in fiscal year 2025 for business-type activities. The increase in governmental activities is primarily due to increases of \$36.6 million in accrued OPEB liability, \$27.8 million in claims and judgments, \$4.5 million in compensated absences, \$1.4 million in arbitrage, and \$1.9 million in landfill closure and post closure costs, offset by decreases of \$6.0 million in net pension liability, \$2.8 million in subscription liability, \$2.2 million in financed purchases, and \$0.8 million in lease liability.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

STATEMENT OF ACTIVITIES
For the Fiscal Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Revenues:						
Program Revenues:						
Charges for services	\$ 172,659	\$ 150,704	\$ 83,496	\$ 73,472	\$ 256,155	\$ 224,176
Operating grants and contributions	87,592	88,953	20	--	87,612	88,953
Capital grants and contributions	7,281	7,321	15,488	13,000	22,769	20,321
General Revenues:						
Property taxes	589,821	510,948	--	--	589,821	510,948
Transient accommodations tax	72,228	64,827	--	--	72,228	64,827
General excise tax	88,047	34,498	--	--	88,047	34,498
Other taxes	36,523	36,132	--	--	36,523	36,132
Interest and investment earnings, net	45,119	37,277	6,618	5,600	51,737	42,877
Other revenues	601	8,404	1,095	4,753	1,696	13,157
Total Revenues	<u>1,099,871</u>	<u>939,064</u>	<u>106,717</u>	<u>96,825</u>	<u>1,206,588</u>	<u>1,035,889</u>
Expenses:						
Governmental Activities:						
General government	272,745	259,821	--	--	272,745	259,821
Public safety	140,718	119,893	--	--	140,718	119,893
Social welfare	96,186	69,478	--	--	96,186	69,478
Sanitation	103,213	95,131	--	--	103,213	95,131
Highways and streets	82,581	72,478	--	--	82,581	72,478
Culture and recreation	41,013	44,068	--	--	41,013	44,068
Legislative	9,577	8,146	--	--	9,577	8,146
Interest on long-term debt	10,430	11,941	--	--	10,430	11,941
Business-type Activities:						
Water supply	--	--	83,703	79,846	83,703	79,846
Housing	--	--	1,471	8,111	1,471	8,111
Total Expenses	<u>756,463</u>	<u>680,956</u>	<u>85,174</u>	<u>87,957</u>	<u>841,637</u>	<u>768,913</u>
Increase in Net Position						
Before Transfers	343,408	258,108	21,543	8,868	364,951	266,976
Transfers	<u>(929)</u>	<u>(9,200)</u>	<u>929</u>	<u>9,200</u>	<u>--</u>	<u>--</u>
Change in Net Position	342,479	248,908	22,472	18,068	364,951	266,976
Net Position - Beginning of Year, as previously reported	699,333	450,425	410,481	392,413	1,109,814	842,838
Restatement due to change in accounting principle	<u>(10,962)</u>	<u>--</u>	<u>(1,303)</u>	<u>--</u>	<u>(12,265)</u>	<u>--</u>
Net Position - Beginning of Year, as restated	688,371	450,425	409,178	392,413	1,097,549	842,838
Net Position - End of Year	<u>\$ 1,030,850</u>	<u>\$ 699,333</u>	<u>\$ 431,650</u>	<u>\$ 410,481</u>	<u>\$ 1,462,500</u>	<u>\$ 1,109,814</u>

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

Governmental Activities. Governmental activities increased the County's net position by \$342.5 million. The increase of \$93.6 million of change in net position over last year is primarily attributable to revenue increases of \$160.8 million offset by an increase of \$75.5 million in governmental activities expenses.

Tax revenues for the year increased \$140.2 million due to increased real property tax revenue of \$78.9 million, which grew because of various tax rate increases for certain classes of property, as well as an overall 3.7% increase in taxable property values driven by increased local real estate market values. General excise tax revenues increased \$53.5 million this year as the County surcharge took effect January 1, 2024, the second half of the prior year. Also contributing to the increase in tax revenues was the \$7.4 million increase in transient accommodation tax revenue which is mainly due to a steady increase in visitor count since the August 2023 wildfires.

Governmental activities expenses increased in the social welfare category by \$26.7 million primarily due to an increase in grant subsidies to non-profits and developers to address the housing crisis made worse by the August 2023 wildfires. Public safety expenses increased \$20.8 million primarily due to the replacement of vehicles and equipment totaling \$11.1 million and bargaining unit salary increases of \$8.7 million and general government expenses increased \$12.9 million mainly due to increases of \$2.6 million in accrued sick leave due to the implementation of GASB 101, \$2.5 million in depreciation and amortization expense, \$2.0 million in salaries and wages, and \$2.0 million in operations and equipment.

Business-type Activities. The business-type activities increased the County's net position by \$22.5 million, compared with last year's increase of net position by \$16.8 million, as restated. The increase of \$4.4 million of change in net position over last year is primarily attributable to increases in charges for service of \$10.0 million, \$2.5 million in capital grants and contributions, \$1.0 million in interest and investment earnings, and a decrease of \$2.8 million in expenses; offset by decreases of \$3.7 million in other revenues and \$8.3 million in transfers in.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$904.8 million, representing an increase of \$175.3 million or 24.0% as compared to the prior year. The increase in the governmental funds balance can be attributed to increases in the General Fund by \$192.3 million, County Fund by \$44.1 million, Other Governmental Funds by \$22.1 million, and Grant Fund by \$2.0 million, offset by decreases in the Capital Improvement Project Fund by \$81.1 million and Highway Fund by \$4.2 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

Approximately \$351.6 million or 38.9.0% of the total fund balances of the governmental funds is comprised of unassigned funds. Included in unassigned funds is the Emergency Fund balance of \$90.5 million. The remainder of total governmental fund balances of \$553.2 million is comprised of \$319.0 million in restricted funds, \$130.3 million in committed funds, and \$103.9 million in assigned funds. There was a total of \$600.0 million in encumbered governmental funds comprised of \$582.1 million in the major funds and \$18.0 million in the non-major funds.

General Fund. The General Fund is the chief operating fund for the County. At the end of the current fiscal year, the fund balance of the General Fund was \$653.9 million, which included \$220.6 million in restricted funds, \$1.0 million in committed, \$80.7 million in assigned, and \$351.6 million in unassigned funds. The unassigned fund balance represents 73.3% of total General Fund expenditures, while the total fund balance of the General Fund represents 136.3% of the expenditures. There was a total of \$179.2 million in encumbrances in the General Fund at the end of fiscal year 2025.

The fund balance for the General Fund increased by \$192.3 million during the current fiscal year. This compares with an increase of \$88.0 million during the prior year. Key factors for the increase of \$192.3 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$155.0 million or 22.9% from prior year, largely reflective of increased revenues from taxes of \$134.9 million, and \$11.1 million from interest and investment earnings.
- Total expenditures increased by \$8.0 million or 1.7% from prior year. The increase is largely due to increased expenditures of \$18.5 million in social welfare due to an increase in grant subsidies to non-profits and developers to address the housing crisis and \$15.7 million in public safety mainly due to an increase in bargaining unit salary increases and the replacement of emergency vehicles; offset by the decrease in expenditures of \$28.1 million in general government expenditures largely due to the August 2023 wildfires.
- Other financing sources net decreased by \$42.8 million from the prior year primarily due to increases in transfers out to County Fund of \$60.0 million and Capital Improvement Projects Fund of \$11.9 million, and a decrease in insurance recoveries of \$9.2 million; offset by an increase in transfers in from Capital Improvement Project Fund of \$7.3 million and a decrease in transfer out to Proprietary Funds of \$9.2 million.

Revenues from taxes increased by \$134.9 million from \$619.9 million in fiscal year 2024 to \$754.8 million in fiscal year 2025.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$587.5 million represents 53.8% of all the revenues for the County governmental funds. This year's collection increased by \$78.5 million or 15.4% from last year's collection of \$508.9 million. The increase in real property tax collection in fiscal year 2025 was primarily due to the increase in assessed gross valuation.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

The property tax valuations for tax rate purposes (tax base) increased from \$70.3 billion in fiscal year 2024 to \$73.3 billion in fiscal year 2025, representing an increase of 4.2%. The rates in the Owner-occupied classification were adjusted in FY2025 from \$1.90 to \$1.80 in value-based tier <= \$1,000,000 and from \$2.75 to \$3.25 in > \$3,000,000. The three valued-based tiers in the Non-owner-occupied classification were adjusted to <= \$1,000,000, \$1,000,001 - \$3,000,000, and > \$3,000,000. The rates in each tier were increased from \$5.85, \$8.00, and \$12.50 to \$5.87, \$8.50, and \$14.00, respectively. The TVR-STRH classification was adjusted from a single rate of \$11.85 to a three-tiered values and rates of <= \$1,000,000 at \$12.50, \$1,000,001 - \$3,000,000 at \$13.50, and > \$3,000,000 at \$15.00. The Commercialized Residential classification was also adjusted from a single rate of \$4.40 to a three-tiered values and rates of <= \$1,000,000 at \$4.00, \$1,000,001 - \$3,000,000 at \$5.00, and > \$3,000,000 at \$8.00.

All other rate classifications remained unchanged from the prior year.

Tax rate classifications are codified in Maui County Code 3.48.305. Currently there are twelve tax rate classifications. Per Maui County Code 3.48.561, any classification can have three value based tiered tax rates. Each year, the County of Maui Council establishes tax rates and tiers. For fiscal year 2024-25, five of the tax rate classifications had three-tiered tax rates.

Included in the Taxes category for the General Fund is the County surcharge on general excise tax. Maui County enacted Ordinance No. 5551 which authorizes the imposition of a county surcharge on general excise tax at the rate of 0.5%, effective January 1, 2024. Collection for the General Excise Tax was \$88.0 million in 2025.

Also included in the Taxes category for the General Fund is the Maui County Transient Accommodations Tax (MCTAT). Act 1, 1st Special Session 2021 (House Bill 862, H.D. 2, S.D. 2, C.D. 1), which became law on July 8, 2021, authorizes the four Hawaii counties to establish and administer their own transient accommodations tax (TAT) at a maximum rate of 3 percent. MCTAT collections increased from \$67.0 million in fiscal year 2024 to \$70.2 million in fiscal year 2025.

Public service company tax is also included in the Taxes category for the General Fund. This tax, which is levied against public utilities, provides for a tax of 1.885% of the gross income in lieu of real property tax. Collections for the Public Service Company tax was \$9.1 million, representing a decrease of \$0.4 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was \$33.8 million, of which the entire amount was restricted. A total of \$10.4 million in the Highway Fund was encumbered at the end of fiscal year 2025.

The revenues in the Highway Fund were primarily derived from the fuel tax (\$16.6 million), franchise tax (\$10.8 million), motor vehicle weight tax (\$28.4 million), and public transit bus fare (\$1.0 million) which collectively made up 5.2% (\$56.8 million) of the revenues in the governmental funds. The fiscal year 2025 revenue collection was \$3.0 million more than the previous year primarily due to increased revenues from fuel tax of \$1.1 million, public transit fares of \$0.4 million, motor vehicle weight tax of \$0.7 million, and other revenues of \$1.1 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

The expenditures of \$56.8 million for the Highway Fund was an increase of \$5.0 million or 9.6% from the prior fiscal year primarily due to the increase in Maui Bus transportation services and vehicle and equipment purchases

The total other financing sources (uses) for the Highway Fund decreased from \$4.3 million in fiscal year 2024 to (\$5.0) million in fiscal year 2025. With a beginning fund balance of \$38.0 million, the Highway Fund ended with a fund balance of \$33.8 million, a decrease in fund balance of \$4.2 million.

Grant Fund. Total revenue for the Grant Fund was \$83.7 million, representing a decrease of \$5.5 million over last year. The revenue decrease is primarily attributable to COVID-19 related aid under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and the Homeowner Assistance Fund under the American Rescue Plan Act of 2021 (ARPA).

The Grant Fund expenditures in the current fiscal year increased by \$3.9 million compared to the prior year primarily due to prior year wildfire expenditures that were obligated by FEMA in FY2025.

Capital Improvement Projects Fund. At the end of the current fiscal year, the fund balance of the Capital Improvement Projects (CIP) Fund was \$23.2 million, of which the entire amount was assigned. A total of \$311.0 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

Expenditures for capital improvement projects for fiscal year 2025 were \$153.6 million. This amount, compared with last year's expenditures of \$123.9 million (excluding bond issuance costs), represents an increase of \$29.8 million or 24.0%.

The largest expenditures were reflected in the Sewer Systems category of \$33.0 million or 21.5% of the total expenditures in the CIP Fund. Major projects in this category were the Lahaina R-1 Process Expansion in the amount of \$8.5 million, West Maui Recycled Water System Expansion in the amount of \$4.3 million, Kihei R-1 Waterline Replacement in the amount of \$3.1, Kihei No. 3 Force Main Replacement in the amount of \$1.7 million, Wailuku Pumpstation Electrical Upgrade in the amount of \$1.7 million, Central Maui Regional Wastewater Reclamation Facility in the amount of \$1.6 million, Lanai Wastewater Reclamation Facility Pond Upgrades in the amount of \$1.5 million, Lahaina Wastewater Reclamation Facility Sludge and Dewatering System Upgrades in the amount of \$1.3 million, and Kaunakakai Gravity Sewer Rehabilitation in the amount of \$1.1 million.

Expenditures in the Parks category of \$31.7 million comprised 20.7% of the total expenditures in the CIP Fund. Major projects in this category were the War Memorial Gym improvements in the amount of \$11.6 million, Lanai Youth Center and Skate Park in the amount of \$4.6 million, Lahaina Civic Center rehabilitation project in the amount of \$3.5 million, Lihikai School Park improvements in the amount of \$1.8 million, Helene Hall improvements in the amount of \$1.8 million, and Fifth Street Courts improvements in the amount of \$1.2 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

The Roads category had expenditures of \$23.5 million or 15.4% of total expenditures of the CIP Fund. The major projects under this category primarily consisted of various road resurfacing projects in the amount of \$7.9 million, various traffic and safety improvements in the amount of \$2.4 million, Kulanihakoi Stream Sediment Removal in the amount of \$2.4 million, Alele Slope Repair in the amount of \$2.1 million, Waiale Road Extension in the amount of \$1.9 million, and the Kahana Nui Bridge Replacement in the amount of \$1.4 million.

Expenditures in the Other Projects category of \$22.7 million comprised 14.8% of the total expenditures in the CIP Fund. The major projects in this category were the Von Tempsky Kula Property acquisition in the amount of \$14.0 million, Halau of Oiwi Arts project in the amount of \$3.7 million, and multiple roadway connectivity land acquisitions in the amount of \$1.9 million.

The Government Facilities category had expenditures of \$21.2 million, which comprised 13.8% of the total CIP Fund expenditures. Major projects under this category include acquisition of 220 Lalo St. property in the amount of \$7.3 million, 60 South Church St. Building renovations in the amount of \$3.4 million, various base yard facility improvements in the amount of \$3.2 million, and various improvements at the Kalana O Maui building in the amount of \$2.4 million.

Expenditures in the Drainage category of \$11.7 million comprised 7.6% of the total expenditures in the CIP Fund. The Kulanihakoi Stream Sediment Removal in the amount of \$3.8 million and the Iao Stream Flood Control in the amount of \$3.5 million were the major projects in this category.

Expenditures in the Solid Waste category of \$9.9 million comprised 6.4% of the total expenditures in the CIP Fund. The major projects in this category were the Central Maui Landfill Phase IIIB Lateral Expansion in the amount of \$6.6 million, and the land acquisition adjacent to the Central Maui Landfill in the amount of \$1.5 million.

County Fund. At the end of the current fiscal year, the fund balance of the County Fund was \$118.8 million, which included \$45.7 million in restricted funds and \$73.1 million in committed funds. There was a total of \$26.8 million in encumbrances in the County Fund at the end of fiscal year 2025.

Total revenues for the County Fund was \$9.7 million which are primarily derived from Vehicle disposal fees of \$4.5 million, Plan review fees of \$2.3 million, and Highway beautification fees of \$1.7 million.

Total expenditures for the County Fund were \$24.6 million, which represents an increase of \$19.7 million or 396.5% compared to prior fiscal year. The increase is primarily due to the acquisition and construction of the wildfire permanent disposal site of \$11.8 million, and Lahaina emergency sewer repairs of \$4.3 million.

The other financing sources for the County Fund increased from \$31.1 million in fiscal year 2024 to \$59.1 million in fiscal year 2025. The other financing sources are transfers from the General Fund and transfers out to the Proprietary Funds.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

BUDGETARY HIGHLIGHTS

There were positive budget variances for revenues (final amended budget vs actual amounts) in the General Fund for taxes of \$41.2 million, interest and investment of \$40.3 million, \$12.5 million in other revenues, \$3.1 million in fines and forfeitures, \$2.7 million in license and permits, and \$1.5 million in charges for current services.

The major positive budget variance for expenditures in the General Fund was in the General government category of \$44.3 million substantially due to \$12.9 million savings for Countywide costs budgeted within the Finance Department, \$14.9 million in Public safety due to operational savings in the Police Department of \$5.5 million, the Fire Department of \$5.4 million, Emergency Management of \$2.3 million, and Prosecuting Attorney of \$1.7 million; \$14.8 million in Social Welfare, \$3.9 million in Legislative, and \$3.9 million in Culture and recreation.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025

CAPITAL ASSETS
(Dollars in Thousands)

	Governmental		Business-type		Total	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Non-Depreciable Assets:						
Land	\$ 240,743	\$ 213,272	\$ 19,951	\$ 19,076	\$ 260,694	\$ 232,348
Construction in progress	<u>240,427</u>	<u>237,508</u>	<u>57,197</u>	<u>47,538</u>	<u>297,624</u>	<u>285,046</u>
	<u>481,170</u>	<u>450,780</u>	<u>77,148</u>	<u>66,614</u>	<u>558,318</u>	<u>517,394</u>
Depreciable Assets:						
Buildings and systems	316,064	309,504	224,960	221,095	541,024	530,599
Improvements other than buildings	243,455	198,483	--	--	243,455	198,483
Machinery and equipment	252,501	230,074	503,996	489,406	756,497	719,480
Infrastructure	1,546,304	1,461,335	14,152	12,940	1,560,456	1,474,275
Lease assets	10,476	9,323	412	412	10,888	9,735
Subscription assets	<u>10,353</u>	<u>10,354</u>	<u>--</u>	<u>--</u>	<u>10,353</u>	<u>10,354</u>
	<u>2,379,153</u>	<u>2,219,073</u>	<u>743,520</u>	<u>723,853</u>	<u>3,122,673</u>	<u>2,942,926</u>
Accumulated Depreciation	<u>(1,540,877)</u>	<u>(1,465,662)</u>	<u>(418,490)</u>	<u>(401,033)</u>	<u>(1,959,367)</u>	<u>(1,866,695)</u>
Accumulated Amortization	<u>(12,679)</u>	<u>(7,994)</u>	<u>(275)</u>	<u>(206)</u>	<u>(12,954)</u>	<u>(8,200)</u>
Total Capital Assets, Net	\$ <u>1,306,767</u>	\$ <u>1,196,197</u>	\$ <u>401,903</u>	\$ <u>389,228</u>	\$ <u>1,708,670</u>	\$ <u>1,585,425</u>

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounted to \$1.7 billion (net of accumulated depreciation of \$2.0 billion, and accumulated amortization of \$13.0 million). This investment of capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure (roadway systems, bridges, landfills and sewer systems) construction in progress, lease assets, and subscription-based information technology arrangements.

During fiscal year 2025, capital assets relating to governmental activities reflected additions of \$373.6 million, depreciation expense of \$76.3 million, amortization expense of \$4.7 million and transfers/retirements of \$182.0 million (net), resulting in capital assets, net of \$1.3 billion. Capital assets relating to business-type activities reflected additions of \$38.6 million, depreciation expense of \$17.5 million, amortization expense of \$0.07 million and transfers/retirements of \$8.4 million (net) resulting in capital assets, net of \$401.9 million.

Capital asset additions relating to governmental activities were primarily attributable to road, bikeway and bridge improvements, sewer and solid waste infrastructures, and government facilities. Capital assets additions related to business-type activities were primarily attributable to DWS infrastructure projects (waterlines, reservoirs, and replacement of pumping equipment).

Contractual commitments for capital assets at June 30, 2025 for the governmental and business-type activities amounted to \$311.0 million and \$33.4 million, respectively.

Additional information on the County's capital assets can be found in Note 6 to the basic financial statements of this report.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025**

**LONG-TERM DEBT
(Dollars in Thousands)**

	Governmental		Business-type		Total	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
General Obligation Bonds (excluding unamortized premiums and deferrals)	\$ 312,846	\$ 336,158	\$ 12,574	\$ 14,007	\$ 325,420	\$ 350,165
State Revolving Fund Loans from direct borrowings	<u>80,478</u>	<u>86,914</u>	<u>35,823</u>	<u>38,112</u>	<u>116,301</u>	<u>125,026</u>
Total Long-Term Debt	<u>\$ 393,324</u>	<u>\$ 423,072</u>	<u>\$ 48,397</u>	<u>\$ 52,119</u>	<u>\$ 441,721</u>	<u>\$ 475,191</u>

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$441.7 million (\$393.3 million related to governmental activities and \$48.4 million related to business-type activities). Of this amount, \$325.4 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$116.3 million represents SRF loans. The SRF loans are used for construction of wastewater facilities and projects relating to compliance with drinking water standards, and protection of public health and environment.

The County's total GO bonds and SRF loans decreased by \$33.5 million during the current fiscal year. The decrease is reflective of a \$24.7 million decrease in GO bonds and \$8.7 million decrease in SRF loans.

The State Constitution limits the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the County of Maui is \$10.9 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2025, the County's current outstanding debt applicable to the limit of \$426.3 million represents only 3.91% of the County's debt limitation.

Additional information on the County's long-term debt can be found in Note 7 in the notes to the basic financial statements.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

After the August 2023 wildfires, the three qualified bond-rating agencies of Moody's Investors Service, Standard & Poor's, and Fitch Ratings highlighted Maui County's rebound of tourism, strong financial management and proactive reduction of long-term liabilities. All three agencies reflected a rating outlook of Stable with ratings of Aa2 by Moody's Investor Service and AA+ by both Standard & Poor's and Fitch Ratings.

The real property tax base for fiscal year 2025 of \$73.3 billion is an increase of \$3.0 billion or 4.3% from the fiscal year 2024. The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2025 increased for four classifications of property and remained the same for the other classifications. The budgeted real property tax levy of \$586.6 million for fiscal year 2025 is an increase of \$52.0 million or 9.7% from fiscal year 2024.

The fiscal year 2026 budget appropriated \$2.6 million to satisfy the annual required contribution towards its health benefits for its unfunded actuarial liability.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, 200 South High Street, Wailuku, Hawaii 96793.

This page has been intentionally left blank

**COUNTY OF MAUI
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Unrestricted:			
Equity in pooled cash and investments held in County Treasury and cash with fiscal agent (Notes 2 and 16)	\$ 949,927,458	\$ 88,093,240	\$ 1,038,020,698
Receivables (Note 4):			
Property taxes	20,105,075	--	20,105,075
Transient accommodations taxes, net	14,619,430	--	14,619,430
Trade accounts, net	15,105,425	13,652,354	28,757,779
State of Hawaii	62,836,001	--	62,836,001
Notes	29,862,723	--	29,862,723
Other	664,075	--	664,075
Internal Balances (Note 5)	22,627,681	(22,627,681)	--
Inventory	--	1,935,642	1,935,642
Other assets	5,992	618,928	624,920
Restricted:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 16)	--	70,942,870	70,942,870
Capital assets (Note 6):			
Non-depreciable assets	481,169,510	77,147,901	558,317,411
Depreciable assets	2,358,324,263	743,107,817	3,101,432,080
Lease assets	10,475,723	411,852	10,887,575
Subscription assets	10,353,549	--	10,353,549
Accumulated depreciation and amortization	<u>(1,553,556,073)</u>	<u>(418,764,813)</u>	<u>(1,972,320,886)</u>
Total capital assets, net	<u>1,306,766,972</u>	<u>401,902,757</u>	<u>1,708,669,729</u>
Total Assets	<u>2,422,520,832</u>	<u>554,518,110</u>	<u>2,977,038,942</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions (Note 12)	128,837,971	10,717,444	139,555,415
Deferred outflows related to other postemployment benefits other than pensions (OPEB) (Note 12)	39,439,602	3,092,712	42,532,314
Unamortized loss on advanced refunding	<u>352,843</u>	<u>18,998</u>	<u>371,841</u>
Total Deferred Outflows of Resources	<u>168,630,416</u>	<u>13,829,154</u>	<u>182,459,570</u>
Total Assets and Deferred Outflows of Resources	<u>2,591,151,248</u>	<u>568,347,264</u>	<u>3,159,498,512</u>
LIABILITIES:			
Accounts payable and accrued liabilities	92,621,421	8,501,830	101,123,251
Unearned revenue	35,811,938	85,042	35,896,980
Advanced collections	4,066,565	602,516	4,669,081
Interest payable	4,101,976	304,225	4,406,201
Deposits payable	26,278,551	--	26,278,551
Refundable deposits	23,038,703	--	23,038,703
Long-term obligations (Note 7):			
Due within one year	76,307,384	6,232,804	82,540,188
Due in more than one year	536,933,927	48,193,342	585,127,269
Net pension liability (Note 12)	599,893,613	48,998,778	648,892,391
Net OPEB liability (Note 12)	<u>49,465,103</u>	<u>3,685,313</u>	<u>53,150,416</u>
Total Liabilities	<u>1,448,519,181</u>	<u>116,603,850</u>	<u>1,565,123,031</u>
Restricted:			
Construction contracts payable, including retainages	--	2,387,261	2,387,261
Customer deposits	--	6,635,376	6,635,376
Refundable advances	--	<u>2,280,779</u>	<u>2,280,779</u>
	<u>--</u>	<u>11,303,416</u>	<u>11,303,416</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions (Note 12)	34,675,970	2,483,452	37,159,422
Deferred inflows related to OPEB (Note 12)	75,821,771	6,306,338	82,128,109
Deferred inflows - nonexchange transactions (Note 4)	<u>1,284,146</u>	<u>--</u>	<u>1,284,146</u>
Total Deferred Inflows of Resources	<u>111,781,887</u>	<u>8,789,790</u>	<u>120,571,677</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,560,301,068</u>	<u>136,697,056</u>	<u>1,696,998,124</u>
NET POSITION:			
Net investment in capital assets	859,072,388	351,118,736	1,210,191,124
Restricted for:			
Water and other assessments (Note 16)	77,886,516	38,578,967	116,465,483
Highways and streets	33,813,915	--	33,813,915
Affordable housing	178,346,126	--	178,346,126
Open space and resources	23,661,126	--	23,661,126
Unrestricted	<u>(141,929,891)</u>	<u>41,952,505</u>	<u>(99,977,386)</u>
Total Net Position	<u>\$ 1,030,850,180</u>	<u>\$ 431,650,208</u>	<u>\$ 1,462,500,388</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF MAUI
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General government	\$ 272,744,810	\$ 33,933,305	\$ 23,730,231	\$ 2,594,038	\$ (212,487,236)	\$ --	\$ (212,487,236)
Public safety	140,718,478	1,207,477	8,472,828	--	(131,038,173)	--	(131,038,173)
Social welfare	96,186,003	2,577,359	50,898,629	--	(42,710,015)	--	(42,710,015)
Sanitation	103,212,578	101,850,957	--	3,899,830	2,538,209	--	2,538,209
Highways and streets	82,581,495	30,549,878	4,394,568	759,764	(46,877,285)	--	(46,877,285)
Culture and recreation	41,013,087	2,489,061	--	27,823	(38,496,203)	--	(38,496,203)
Legislative	9,576,416	50,907	95,820	--	(9,429,689)	--	(9,429,689)
Interest on long-term debt	10,430,025	--	--	--	(10,430,025)	--	(10,430,025)
Total Governmental Activities	<u>756,462,892</u>	<u>172,658,944</u>	<u>87,592,076</u>	<u>7,281,455</u>	<u>(488,930,417)</u>	<u>--</u>	<u>(488,930,417)</u>
Business-type Activities:							
Department of Water Supply	83,703,263	82,473,555	--	11,996,114	--	10,766,406	10,766,406
Housing, Interim Financing and Buy-Back Revolving Fund	<u>1,470,749</u>	<u>1,022,907</u>	<u>--</u>	<u>3,511,785</u>	<u>--</u>	<u>3,063,943</u>	<u>3,063,943</u>
Total Business-type Activities	<u>85,174,012</u>	<u>83,496,462</u>	<u>--</u>	<u>15,507,899</u>	<u>--</u>	<u>13,830,349</u>	<u>13,830,349</u>
	\$ <u>841,636,904</u>	\$ <u>256,155,406</u>	\$ <u>87,592,076</u>	\$ <u>22,789,354</u>	\$ <u>(488,930,417)</u>	\$ <u>13,830,349</u>	\$ <u>(475,100,068)</u>
General Revenues:							
Taxes:							
Property taxes					589,820,886	--	589,820,886
Transient accommodations tax					72,227,567	--	72,227,567
Fuel taxes					16,645,181	--	16,645,181
Franchise tax					10,771,930	--	10,771,930
Public service company tax					9,105,803	--	9,105,803
General excise tax					88,047,102	--	88,047,102
Interest and investment earnings, net					45,118,946	6,618,401	51,737,347
Other					601,771	1,094,671	1,696,442
Transfers (Note 5)					(929,319)	929,319	--
Total General Revenues and Transfers					<u>831,409,867</u>	<u>8,642,391</u>	<u>840,052,258</u>
				Change in Net Position	<u>342,479,450</u>	<u>22,472,740</u>	<u>364,952,190</u>
Net Position - Beginning of Fiscal Year, as previously reported					699,332,932	410,481,144	1,109,814,076
Restatement due to change in accounting principle (Note 17)					(10,962,202)	(1,303,676)	(12,265,878)
Net Position - Beginning of Fiscal Year, as restated					<u>688,370,730</u>	<u>409,177,468</u>	<u>1,097,548,198</u>
Net Position - End of Fiscal Year					\$ <u>1,030,850,180</u>	\$ <u>431,650,208</u>	\$ <u>1,462,500,388</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Highway Fund	County Funds	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:								
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 565,676,070	\$ 35,723,327	\$ 108,795,398	\$ 9,127,467	\$ --	\$ 131,004,141	\$ 58,687,006	\$ 909,013,409
Cash with fiscal agent	--	--	--	--	--	40,914,049	--	40,914,049
Receivables (Note 4):								
Property taxes	20,105,075	--	--	--	--	--	--	20,105,075
Transient accommodations taxes, net	14,619,430	--	--	--	--	--	--	14,619,430
Trade accounts, net	--	231,382	--	--	--	--	14,874,043	15,105,425
State of Hawaii	22,589,616	1,411,461	--	34,132,391	--	4,702,533	--	62,836,001
Notes	29,862,723	--	--	--	--	--	--	29,862,723
Other	--	--	--	543,280	--	120,795	--	664,075
Prepaid items	5,992	--	--	--	--	--	--	5,992
Due from other funds (Note 5)	121,228,376	--	22,627,681	--	--	--	--	143,856,057
Total Assets	\$ 774,087,282	\$ 37,366,170	\$ 131,423,079	\$ 43,803,138	\$ --	\$ 176,741,518	\$ 73,561,049	\$ 1,236,982,236
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	\$ 35,410,698	\$ 3,102,954	\$ 11,878,640	\$ 2,796,369	\$ --	\$ 20,188,932	\$ 3,458,116	\$ 76,835,709
Contract retentions payable	5,933	--	702,793	124,536	--	5,305,811	520	6,139,593
Deposits payable	25,951,552	--	32,325	291,564	--	--	3,110	26,278,551
Due to other funds (Note 5)	--	--	--	--	--	121,228,376	--	121,228,376
Unearned revenues	--	--	--	29,009,350	--	6,802,588	--	35,811,938
Refundable deposits	23,038,703	--	--	--	--	--	--	23,038,703
Accrued wages payable	8,424,829	449,301	52,730	--	--	--	719,259	9,646,119
Advance collections	--	--	--	--	--	--	4,066,565	4,066,565
Total Liabilities	92,831,715	3,552,255	12,666,488	32,221,819	--	153,525,707	8,247,570	303,045,554
Deferred Inflows of Resources:								
Deferred inflows - unavailable revenues (Note 4)	26,260,824	--	--	--	--	--	1,612,027	27,872,851
Deferred inflows - nonexchange	1,053,146	--	--	--	--	--	231,000	1,284,146
Total Deferred Inflows of Resources	27,313,970	--	--	--	--	--	1,843,027	29,156,997
Fund Balances (Note 15):								
Restricted	220,651,438	33,813,915	45,662,665	11,581,319	--	--	7,255,931	318,965,268
Committed	1,000,091	--	73,093,926	--	--	--	56,214,521	130,308,538
Assigned	80,670,868	--	--	--	--	23,215,811	--	103,886,679
Unassigned	351,619,200	--	--	--	--	--	--	351,619,200
Total Fund Balances	653,941,597	33,813,915	118,756,591	11,581,319	--	23,215,811	63,470,452	904,779,685
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 774,087,282	\$ 37,366,170	\$ 131,423,079	\$ 43,803,138	\$ --	\$ 176,741,518	\$ 73,561,049	\$ 1,236,982,236

The notes to the financial statements are an integral part of this statement.

COUNTY OF MAUI
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
JUNE 30, 2025

Fund Balances - Governmental Funds		\$ 904,779,685
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,306,766,972
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities.		27,872,851
Interest payable is not reported in the governmental funds.		(4,101,976)
Deferred amounts on refunding are reported as deferred outflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		352,843
Deferred amounts related to pensions reported as deferred outflows and inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		94,162,001
Deferred amounts related to OPEB reported as deferred outflows and inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		(36,382,169)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. These liabilities consist of:		
Landfill closure and post-closure costs	(56,782,539)	
Compensated absences	(58,022,476)	
Claims and judgments	(38,168,871)	
Net pension liability	(599,893,613)	
Net OPEB liability	(49,465,103)	
General obligation bonds	(345,835,185)	
SRF loans from the State of Hawaii	(80,478,252)	
Financed purchase	(23,409,010)	
Lease liability	(4,494,347)	
Subscription liability	(2,175,560)	
Arbitrage liability	<u>(3,875,071)</u>	
Total Long-term Liabilities		<u>(1,262,600,027)</u>
Net Position of Governmental Activities		\$ <u>1,030,850,180</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MAUI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Highway Fund	County Funds	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes								
Property taxes	\$ 587,471,500	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 587,471,500
Transient accommodations tax	70,211,212	--	--	--	--	--	--	70,211,212
Fuel tax	--	16,645,180	--	--	--	--	--	16,645,180
Franchise tax	--	10,771,930	--	--	--	--	--	10,771,930
Public service company tax	9,105,803	--	--	--	--	--	--	9,105,803
General excise tax	88,047,102	--	--	--	--	--	--	88,047,102
Licenses and permits	11,693,799	28,374,218	124,626	--	--	--	2,374,531	42,567,174
Intergovernmental revenues	69,772	--	22,930	83,052,999	--	7,582,937	--	90,728,638
Charges for current services	4,095,236	986,934	4,458,352	--	--	--	95,859,904	105,400,426
Fines and forfeitures	5,146,951	--	56,732	--	--	--	--	5,203,683
Interest and investment income, net	43,720,856	--	--	228,201	--	1,496,476	--	45,445,533
Other	13,337,558	804,704	5,041,422	376,280	--	--	16,836	19,576,800
Assessments	--	--	--	--	--	--	136,702	136,702
Total Revenues	<u>832,899,789</u>	<u>57,582,966</u>	<u>9,704,062</u>	<u>83,657,480</u>	<u>--</u>	<u>9,079,413</u>	<u>98,387,973</u>	<u>1,091,311,683</u>
EXPENDITURES:								
Current:								
General government	213,004,192	--	2,014,650	19,627,782	--	--	--	234,646,624
Public safety	149,506,296	--	538,209	8,328,410	--	--	--	158,372,915
Social welfare	45,902,596	--	410,695	49,085,472	--	--	3,012,401	98,411,164
Sanitation	527,953	--	2,262,484	--	--	--	74,410,731	77,201,168
Highways and streets	10,846,323	56,775,621	286,049	772,302	--	--	--	68,680,295
Culture and recreation	39,057,371	--	--	163,320	--	--	--	39,220,691
Legislative	10,766,411	--	--	--	--	--	--	10,766,411
Capital outlay	5,465,256	--	19,023,477	3,411,140	--	153,641,078	--	181,540,951
Debt Service:								
Principal	4,154,011	9,929	71,984	242,191	32,544,212	--	325,546	37,347,873
Interest and other issuance cost	568,550	1,748	28,012	35,512	14,498,070	--	53,917	15,185,809
Total Expenditures	<u>479,798,959</u>	<u>56,787,298</u>	<u>24,635,560</u>	<u>81,666,129</u>	<u>47,042,282</u>	<u>153,641,078</u>	<u>77,802,595</u>	<u>921,373,901</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>353,100,830</u>	<u>795,668</u>	<u>(14,931,498)</u>	<u>1,991,351</u>	<u>(47,042,282)</u>	<u>(144,561,665)</u>	<u>20,585,378</u>	<u>169,937,782</u>
OTHER FINANCING SOURCES (USES):								
Insurance recoveries	122,445	--	--	--	--	--	4,909	127,354
Issuance of debt (Note 7):								
State revolving funds	--	--	--	--	--	4,932,204	--	4,932,204
Leases	1,016,944	--	--	--	--	--	176,883	1,193,827
Transfers in (Note 5)								
General Fund	--	19,009,983	60,000,000	--	47,042,282	50,150,147	23,840,790	200,043,202
Highway Fund	8,321,330	--	--	--	--	17,650,000	--	25,971,330
Capital Improvement Projects Fund	12,466,729	1,902,453	--	--	--	--	12,054,223	26,423,405
Other Governmental Funds	17,301,715	61,633	--	--	--	17,176,000	2,375,563	36,914,911
Transfers out (Note 5)								
General Fund	--	(8,321,330)	--	--	--	(12,466,729)	(17,301,715)	(38,089,774)
Highway Fund	(19,009,983)	--	--	--	--	(1,902,453)	(61,633)	(20,974,069)
County Funds	(60,000,000)	--	--	--	--	--	--	(60,000,000)
Capital Improvement Projects Fund	(50,150,147)	(17,650,000)	--	--	--	--	(17,176,000)	(84,976,147)
Other Governmental Funds	(23,840,790)	--	--	--	--	(12,054,223)	(2,375,563)	(38,270,576)
Proprietary Funds	--	--	(929,319)	--	--	--	--	(929,319)
Debt Service Fund	(47,042,282)	--	--	--	--	--	--	(47,042,282)
Total Other Financing Sources (Uses)	<u>(160,814,039)</u>	<u>(4,997,261)</u>	<u>59,070,681</u>	<u>--</u>	<u>47,042,282</u>	<u>63,484,946</u>	<u>1,537,457</u>	<u>5,324,066</u>
Net Change in Fund Balances	192,286,791	(4,201,593)	44,139,183	1,991,351	--	(81,076,719)	22,122,835	175,261,848
Fund Balances, Beginning of Fiscal Year, as previously presented	461,654,806	38,015,508	--	9,589,968	--	104,292,530	115,965,025	729,517,837
Change within financial reporting entity (Note 18)	--	--	74,617,408	--	--	--	(74,617,408)	--
Fund Balances, Beginning of Fiscal Year, as restated	<u>461,654,806</u>	<u>38,015,508</u>	<u>74,617,408</u>	<u>9,589,968</u>	<u>--</u>	<u>104,292,530</u>	<u>41,347,617</u>	<u>729,517,837</u>
Fund Balances, End of Fiscal Year	\$ <u>653,941,597</u>	\$ <u>33,813,915</u>	\$ <u>118,756,591</u>	\$ <u>11,581,319</u>	\$ <u>--</u>	\$ <u>23,215,811</u>	\$ <u>63,470,452</u>	\$ <u>904,779,685</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MAUI
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN
THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net change in Fund Balances - Total Governmental Funds	\$		175,261,848
Amounts reported for governmental activities in the statement of activities are different due to:			
Governmental funds report capital outlays as expenditures and do not report depreciation expense. However, in the statement of activities the cost of those assets are depreciated over their estimated useful lives as depreciation expense.			
Capitalized capital outlay expenditures and other miscellaneous items involving capital assets to increase net position			191,591,673
Depreciation expense			(76,336,718)
For leases and subscription-based information technology arrangements (SBITAs) in which the County is the lessee, an expenditure is recorded in the governmental funds for the amount of the present value of the future lease and subscription payments (PVFLP). However, in the statement of activities, the PVFLP is recognized as an intangible asset and amortized over the lease term.			
			(4,684,786)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources:			
This is the amount by which bond principal payments exceed bond proceeds.			23,312,039
This is the amount by which principal payments exceed loan proceeds.			6,436,021
Certain expenses reported in the statement of activities are not current financial resources and, therefore, are not expenditures in the governmental funds:			
Change in landfill closure accrual.			(1,917,302)
Change in compensated absences.			(4,516,775)
Change in claims and judgments accrual.			(27,821,203)
Change in lease liability			772,643
Change in subscription liability			2,837,193
Change in financed purchases liability			2,244,987
Change in arbitrage liability			(1,384,688)
Net pension activity			5,760,598
Net OPEB activity			41,578,219
Interest payable reported is an expense in the statement of activities but not reported as an expenditure in the governmental funds.			245,723
Unavailable revenues are recognized in the statement of activities which differs from the current financial resource measurement of the governmental funds.			4,641,677
Bond premiums are deferred and amortized in the government-wide financial statement but recorded as bond proceeds when received in the governmental funds. This is the current year deferrals, net of current year amortization of bond premiums.			4,761,413
Losses on early retirement of bonds outstanding are capitalized and amortized in the statement of activities over the life of the debt. This is the current year additions, net of current year amortization of losses on early retirement of bonds.			(303,112)
Change in Net Position of Governmental Activities	\$		<u>342,479,450</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF MAUI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	<u>Department of Water Supply</u>	<u>Housing, Interim Financing, and Buy-Back Revolving Fund</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Unrestricted:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 16)	\$ 79,291,232	\$ 8,802,008	\$ 88,093,240
Restricted:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 16)	27,220,644	--	27,220,644
Trade accounts, net (Note 4)	13,588,411	63,943	13,652,354
Inventory	1,935,642	--	1,935,642
Other assets	3,667	615,261	618,928
Total Current Assets	<u>122,039,596</u>	<u>9,481,212</u>	<u>131,520,808</u>
Noncurrent Assets:			
Restricted:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 16)	43,722,226	--	43,722,226
Capital assets (Note 6):			
Non-depreciable assets	66,519,082	10,628,819	77,147,901
Depreciable assets	721,856,808	21,251,009	743,107,817
Lease asset	411,852	--	411,852
Accumulated depreciation and amortization	<u>(415,428,191)</u>	<u>(3,336,622)</u>	<u>(418,764,813)</u>
Total capital assets, net	<u>373,359,551</u>	<u>28,543,206</u>	<u>401,902,757</u>
Total Noncurrent Assets	<u>417,081,777</u>	<u>28,543,206</u>	<u>445,624,983</u>
Total Assets	<u>539,121,373</u>	<u>38,024,418</u>	<u>577,145,791</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions (Note 12)	10,717,444	--	10,717,444
Deferred outflows related to OPEB (Note 12)	3,092,712	--	3,092,712
Unamortized loss on advanced refunding	18,998	--	18,998
Total Deferred Outflows of Resources	<u>13,829,154</u>	<u>--</u>	<u>13,829,154</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 552,950,527</u>	<u>\$ 38,024,418</u>	<u>\$ 590,974,945</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MAUI
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
JUNE 30, 2025

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Total
LIABILITIES:			
Current Liabilities:			
Unrestricted:			
Accounts payable and accrued liabilities	\$ 8,454,872	\$ 46,958	\$ 8,501,830
Unearned revenue	--	85,042	85,042
Advanced collections	602,516	--	602,516
Interest payable	304,225	--	304,225
Bonds payable - current portion (Note 7)	1,493,221	--	1,493,221
Notes payable - current portion (Note 7)	2,852,979	--	2,852,979
Claims and judgments - current portion (Note 7 and 13)	121,569	--	121,569
Compensated absences - current portion (Note 7)	1,667,352	--	1,667,352
Lease liability - current portion (Note 7 and 8)	76,108	--	76,108
Financed purchase - current portion (Note 7 and 10)	21,575	--	21,575
	<u>15,594,417</u>	<u>132,000</u>	<u>15,726,417</u>
Restricted:			
Construction contracts payable, including retainages	2,387,261	--	2,387,261
Due to other fund - current portion (Note 5)	6,505,233	--	6,505,233
Customer deposits	90,610	--	90,610
Refundable advances	2,280,779	--	2,280,779
	<u>11,263,883</u>	<u>--</u>	<u>11,263,883</u>
Total Current Liabilities	<u>26,858,300</u>	<u>132,000</u>	<u>26,990,300</u>
Noncurrent Liabilities:			
Bonds payable - less current portion (Note 7)	12,263,718	--	12,263,718
Notes payable - less current portion (Note 7)	32,969,851	--	32,969,851
Compensated absences - less current portion (Note 7)	2,143,248	--	2,143,248
Net pension liability (Note 12)	48,998,778	--	48,998,778
Net OPEB liability (Note 12)	3,685,313	--	3,685,313
Due to other fund - less current portion (Note 5)	16,122,448	--	16,122,448
Lease liability - less current portion (Note 7 and 8)	81,704	--	81,704
Financed purchase - less current portion (Note 7 and 10)	734,821	--	734,821
	<u>116,999,881</u>	<u>--</u>	<u>116,999,881</u>
Restricted:			
Customer deposits	6,544,766	--	6,544,766
Total Noncurrent Liabilities	<u>123,544,647</u>	<u>--</u>	<u>123,544,647</u>
Total Liabilities	<u>150,402,947</u>	<u>132,000</u>	<u>150,534,947</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions (Note 12)	2,483,452	--	2,483,452
Deferred inflows related to OPEB (Note 12)	6,306,338	--	6,306,338
Total Deferred Inflows of Resources	<u>8,789,790</u>	<u>--</u>	<u>8,789,790</u>
Total Liabilities and Deferred Inflows of Resources	<u>159,192,737</u>	<u>132,000</u>	<u>159,324,737</u>
NET POSITION:			
Net investment in capital assets	322,575,530	28,543,206	351,118,736
Restricted - water (Note 16)	38,578,967	--	38,578,967
Unrestricted	32,603,293	9,349,212	41,952,505
Total Net Position	<u>\$ 393,757,790</u>	<u>\$ 37,892,418</u>	<u>\$ 431,650,208</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF MAUI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Department of Water Supply</u>	<u>Housing, Interim Financing, and Buy-Back Revolving Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 82,473,555	\$ 1,022,907	\$ 83,496,462
Total Operating Revenues	<u>82,473,555</u>	<u>1,022,907</u>	<u>83,496,462</u>
Operating Expenses:			
Salaries and personnel services	25,285,840	--	25,285,840
Other operating expenses	40,657,155	820,681	41,477,836
Depreciation and amortization (Note 6)	<u>16,876,258</u>	<u>650,068</u>	<u>17,526,326</u>
Total Operating Expenses	<u>82,819,253</u>	<u>1,470,749</u>	<u>84,290,002</u>
Operating Loss	<u>(345,698)</u>	<u>(447,842)</u>	<u>(793,540)</u>
Nonoperating Revenues (Expenses):			
Interest and investment revenue	6,320,849	297,552	6,618,401
Interest expense	(884,010)	--	(884,010)
Other income	<u>1,063,906</u>	<u>30,765</u>	<u>1,094,671</u>
Total Nonoperating Revenues	<u>6,500,745</u>	<u>328,317</u>	<u>6,829,062</u>
Income (Loss) Before Capital Contributions and Transfers	6,155,047	(119,525)	6,035,522
Capital Contributions	11,996,114	3,511,785	15,507,899
Transfers in - County Funds (Note 5)	<u>929,319</u>	<u>--</u>	<u>929,319</u>
Change in Net Position	<u>19,080,480</u>	<u>3,392,260</u>	<u>22,472,740</u>
Net Position			
Beginning of fiscal year, as previously reported	375,980,986	34,500,158	410,481,144
Restatement due to change in accounting principle (Note 17)	<u>(1,303,676)</u>	<u>--</u>	<u>(1,303,676)</u>
Beginning of fiscal year, as restated	<u>374,677,310</u>	<u>34,500,158</u>	<u>409,177,468</u>
End of fiscal year	<u>\$ 393,757,790</u>	<u>\$ 37,892,418</u>	<u>\$ 431,650,208</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF MAUI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and others	\$ 73,058,475	\$ 1,021,622	\$ 74,080,097
Payments to suppliers for goods and services	(39,004,164)	(837,088)	(39,841,252)
Payments to employees	(27,637,881)	--	(27,637,881)
Refunds of utility construction advances	(387,829)	--	(387,829)
Net cash provided by operating activities	<u>6,028,601</u>	<u>184,534</u>	<u>6,213,135</u>
Cash Flows from Capital and Related Financing Activities:			
Cash paid for the acquisition and construction of capital assets	(22,675,845)	(14,122)	(22,689,967)
Insurance recoveries	--	30,765	30,765
Principal paid on lease liability	(70,799)	--	(70,799)
Principal paid on financed purchase	(156,863)	--	(156,863)
Principal paid on bonds and notes payable	(4,236,689)	--	(4,236,689)
Proceeds from bonds and notes payable	1,278,033	--	1,278,033
Cash received from capital contributions and other	8,298,838	--	8,298,838
Interest paid on bonds and notes payable	(1,073,493)	--	(1,073,493)
Transfers from other funds	23,557,000	--	23,557,000
Net cash provided by capital and related financing activities	<u>4,920,182</u>	<u>16,643</u>	<u>4,936,825</u>
Cash Flows from Investing Activities:			
Interest and investment income, net	6,319,831	297,552	6,617,383
Net cash provided by investing activities	<u>6,319,831</u>	<u>297,552</u>	<u>6,617,383</u>
Net Increase in Cash and Cash Equivalents	17,268,614	498,729	17,767,343
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>132,965,488</u>	<u>8,303,279</u>	<u>141,268,767</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 150,234,102</u>	<u>\$ 8,802,008</u>	<u>\$ 159,036,110</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position*			
Unrestricted	\$ 79,291,232	\$ 8,802,008	\$ 88,093,240
Restricted	70,942,870	--	70,942,870
	<u>\$ 150,234,102</u>	<u>\$ 8,802,008</u>	<u>\$ 159,036,110</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating Loss	\$ (345,698)	\$ (447,842)	\$ (793,540)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization	16,876,258	650,068	17,526,326
Provision for doubtful accounts	489,028	--	489,028
Net (increase) decrease in receivables, inventory, other current assets, and deferred outflows	(1,256,121)	4,956	(1,251,165)
Net decrease in accounts payable, compensated absences other liabilities, and deferred inflows	<u>(9,734,866)</u>	<u>(22,648)</u>	<u>(9,757,514)</u>
Net Cash Provided by Operating Activities	<u>\$ 6,028,601</u>	<u>\$ 184,534</u>	<u>\$ 6,213,135</u>
Noncash Capital and Financing Activities			
Capital contributions	\$ 3,998,979	\$ 3,511,785	\$ 7,510,764
Forgiveness of debt	\$ 763,221	\$ --	\$ 763,221
Amortization of deferred loss on refunding	\$ 16,284	\$ --	\$ 16,284
Amortization of bond premium	\$ 177,261	\$ --	\$ 177,261

* Includes all equity pooled in cash and investments held in County Treasury.

The notes to the financial statements are an integral part of this statement.

**COUNTY OF MAUI
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	Custodial Funds
ASSETS:	
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ <u>1,971,028</u>
Total Assets	<u>1,971,028</u>
LIABILITIES:	
Due to other governments	<u>1,927,217</u>
Total Liabilities	<u>1,927,217</u>
NET POSITION:	
Restricted for:	
Other governments	28,574
Organizations	<u>15,237</u>
Total Net Position	\$ <u><u>43,811</u></u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF MAUI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Custodial Funds
ADDITIONS:	
Taxes and fees collected for other governments	\$ 21,287,063
Fees collected for organizations	135,678
Total Additions	21,422,741
 DEDUCTIONS:	
Payments of taxes and fees to other governments	21,260,009
Payments of fees to organizations	135,678
Total Deductions	21,395,687
Change in Net Position	27,054
Net Position - Beginning of Fiscal Year	16,757
Net Position - End of Fiscal Year	\$ 43,811

The notes to the financial statements are an integral part of this statement.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Maui, State of Hawaii (the County) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the financial reporting entity, financial statement presentation and the more significant accounting policies.

The Financial Reporting Entity -

County of Maui - The County is a municipal corporation governed by an elected mayor and a nine-member County Council. The County operates under the Charter of the County of Maui that was last amended in 2025.

The accompanying basic financial statements present all operations of the County as the primary government. The County's governmental activities are organized by the following general functions: general government, public safety, social welfare, sanitation, highways and streets, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply (Department) and the Housing, Interim Financing, and Buy-Back Revolving Fund.

State of Hawaii agencies assume full responsibility for the administration of several major functions usually performed by local governments such as education, welfare, health, and judicial functions. These agencies are not dependent on the County, and therefore are not included in these basic financial statements. There are no separate city, county, or township governments nor any school district, special districts, authorities, public corporations, or component units for which the County is financially accountable.

Financial Statement Presentation -

Accounting Standards Applied - The financial statements of the County have been prepared in conformity with GAAP. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County follows all applicable GASB pronouncements.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balances, net position, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. For example, the direct expenses charged based on actual use are not eliminated, whereas indirect expense allocations made in the funds are eliminated. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities, which is included in the government-wide financial statements, presents a comparison between the direct expenses and program revenues for each business-type activity of the County and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a business-type activity or function. Program revenues include 1) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are instead presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category, such as governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements are on the major governmental and enterprise funds of the County and are reported separately in the accompanying financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental Fund Financial Statements - Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balances.

The following is a brief summary of the County's major governmental funds -

General Fund - This is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Highway Fund - This fund accounts for operations and maintenance of the County's highways and streets. Funding is provided by the County's fuel tax, public utility franchise tax, and the motor vehicle weight tax. These taxes must be used for highway-related purposes.

County Funds - These funds were established to account for various county purposes, including animal management, public emergency, and land conservation. For external reporting purposes these funds are considered a single fund rather than multiple funds.

Grant Fund - This fund accounts for the administration of various Federal and State of Hawaii grants.

Debt Service Fund - This fund accounts for the accumulation of resources for, and the payment of general long-term principal and interest and related costs.

Capital Improvement Projects Fund - This fund accounts for the financial resources to be used for the acquisition or construction of various major capital facilities.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental funds are accounted for using a "*current financial resources*" measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Fund balance is considered a measure of expendable available financial resources. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) as a net increase or decrease in the respective fund balance.

Proprietary Fund Financial Statements - Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The following is a brief summary of the County's major proprietary funds:

Department of Water Supply - The Department was created to develop adequate water sources, storage, and transmission for both urban and agricultural uses for the County.

Housing, Interim Financing, and Buy-Back Revolving Fund - This fund was established to account for the developing and selling of housing units on land acquired by the County to moderate and low-income residents, and to account for financing and operation of low-income rental projects developed by the County.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund Financial Statements - Fiduciary fund financial statements include a statement of fiduciary net position and statement of changes in fiduciary net position. The County's fiduciary funds are used to account for monies collected, held and disbursed in a custodial capacity for other governments and organizations. Motor vehicle registration fees collected on behalf of the State of Hawaii account for majority of assets included within the fiduciary fund financial statements. The custodial funds are accounted for under the accrual basis of accounting as are the proprietary funds explained above.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies -

Measurement Focus and Basis of Accounting - The basis of accounting determines when transactions are reported on the financial statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes recognized in the fiscal year for which the taxes are levied. Revenues from sales and use, transient occupancy, and utility user tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus. This focus is on the determination of, and changes in financial resources, and generally only current assets and current liabilities are included in the balance sheet. All governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are real property taxes, transient accommodations tax, general excise tax, fuel and franchise taxes, assessments, rents and concessions, sewer charges, landfill usage charges, certain state and federal grants, and interest from investments. Licenses and permits, forfeitures, penalties, and other miscellaneous revenues are not susceptible to accrual, because they are not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, landfill closure and post-closure costs, claims and judgments, and arbitrage which are recorded only when payment is due.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the County's policy to first apply restricted cost-reimbursement grant resources to such programs, followed by restricted categorical block grants, and then by unrestricted general revenues.

Cash and Investments - Cash balances of the County's funds are pooled and invested by the County Treasury unless otherwise dictated by legal or contractual requirements. Income and losses arising from the investment activity of pooled cash are allocated to participating funds on a periodic basis, based on their proportionate shares of the average cash balances.

Cash includes amounts in demand and time deposits primarily with various financial institutions in Hawaii, with fiscal agents, and in imprest and change funds. Cash on deposit with financial institutions are collateralized in accordance with State statutes (see Note 2).

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For purposes of the statement of cash flows, the proprietary funds consider all equity in pooled cash and investments held in County Treasury (including restricted cash) to be cash equivalents.

Investments in negotiable time certificates of deposits and repurchase agreements, U.S. Treasury obligations and U.S. government agency obligations, are carried at fair value.

Real Property Taxes - Real property taxes are assessed and billed annually. The County's real property taxes, which are levied on July 1st and billed by July 20th of each year based on assessed valuations as of January 1st, are due in two equal installments on the following August 20th and February 20th. Accordingly, real property tax receivables at June 30, 2025 are delinquent and amounts, if not collected within sixty days after fiscal year-end, are reported as deferred inflows in the General Fund. A lien for real property tax is attached as of July 1st of each year.

Real Property Tax Abatement Programs - The County provides various tax abatement programs under Maui County Code, Chapter 3.48, Real Property Tax. However, the Dedicated Lands tax abatement program, under section 3.48.350, accounts for approximately 99% of tax abatements in both number and dollars.

Dedicated Lands - Section 3.48.350 of the Maui County Code provides an abatement to encourage the dedication of land for a specific ranching or other agricultural use. Taxpayers must file a petition providing for a dedication request with the Director of Finance and the Director must approve such petition to receive the abatement. The abatement for dedicated lands for a specific ranching or other agricultural use provides for land taxed at its assessed value in this use or fifty percent of its assessed value for ten or twenty years, respectively. The amount of the abatement is shown as a reduction of the assessed value of the property, and the property tax is calculated based on the net taxable value of the property. Dedication of land is for a minimum of either ten or twenty years. The petition is automatically renewable indefinitely, subject to varying cancellations under the ten-and twenty-year dedications. Changes in dedication of land use must also be approved by the Director of Finance.

The gross amount by which the County tax revenues were reduced during the year because of the Dedicated Lands tax abatement program was approximately \$2.5 million.

Inventory - Inventory is stated at weighted average cost (which approximates the first-in, first-out method).

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment and an estimated useful life in excess of one year. For capital improvement projects, capital assets are defined as capital improvements with initial, individual costs of more than \$250,000, while cost for improvements to existing capital improvement projects greater than \$100,000 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets or donated works of art and similar items are reported at their estimated acquisition value at the date of donation. Capital assets received in service concession arrangements are reported at acquisition value.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized but charged to operations as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Bridges	50 - 75 years
Building and land improvements	20 - 45 years
Drainage systems	50 years
Equipment	5 - 10 years
Landfill infrastructure	5 years
Roadway systems	15 - 20 years
Sewer systems	20 - 50 years
Transportation and construction equipment	5 - 10 years

Sales and retirements of depreciable property are recorded by removing the related cost and accumulated depreciation from the accounts. Gains or losses on sales and retirements of property are reflected in the statement of activities and proprietary funds' statement of revenues, expenses, and changes in net position.

Leases - A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

Lessee:

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases. The County's estimated incremental borrowing rate is based on historical market data and credit spread based on market data points compared to the lease commencement date.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Financed purchase:

Leases that substantially transfer all risks and benefits of ownership are accounted for as a financed purchase. Financed purchases are included in capital assets and, where appropriate, are amortized over the shorter of their economic useful lives or lease terms. The related financed purchase assets are reported with capital assets, and lease liabilities are reported as long-term obligations in the government-wide statement of net position.

Deferred Outflows of Resources and Deferred Inflows of Resources - Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense or expenditure) until that time. The County reports the deferred loss on advanced refunding and deferred items related to pensions and other postemployment benefits other than pensions (OPEB) as deferred outflows of resources in its statement of net position.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The County reports real property taxes, transient accommodations tax, fees and other non-exchange transactions received in the current fiscal year for the ensuing fiscal year as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources for items related to pensions and OPEB.

Internal Balances - Significant transfers of financial resources between departments and activities included within the same fund, which are recorded as revenues by the transferee and expenditures or expenses by the transferor, have been eliminated. Transfers of revenues from funds authorized to receive them to funds authorized to expend them have been recorded as transfers in the fund financial statements.

All interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for those amounts due between governmental and business-type activities, which are presented as internal balances.

Long-Term Debt - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type financial statements.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For advanced refunding resulting in the defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt is deferred. The amount deferred is reported as a deferred inflow of resources or outflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - In the governmental fund financial statements, vacation pay and compensatory time off (CTO) are recorded as expenditures when liquidated with expendable available financial resources. Vested or accumulated vacation leave, sick, and CTO of proprietary funds and in the government-wide financial statements are recorded as an expense and liability of those funds and activities as the benefits accrue to employees.

Vacation benefits accrue at one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year. Unused vacation benefits are converted to pay upon termination.

Employees earn sick leave at the rate of one and-three quarters working days for each month of service and may accumulate without limit. Unused sick leave is forfeited upon separation from government service, however, upon retirement, certain employees who retire or leave government service in good standing with a minimum of sixty or more accumulated sick leave may apply such leave toward service credit for the purpose of computing retirement benefits.

Employees earn CTO at the rate of one and a half hours for each hour of overtime worked. Unused compensatory time off is converted to pay upon termination of employment.

Claims and Judgments - Liabilities for claims and judgments are estimated by a combination of case-by-case review of all claims and the application of historical experience to the outstanding claims. The County's policy is to record claims and judgments as expenditures in its governmental fund financial statements when they are due and payable.

Liabilities for claims and judgments are accrued and expensed in the government-wide and proprietary fund financial statements based on the County's exposure to loss.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position - The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - This is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding debt related to these assets.

Restricted Net Position - Restricted net position has third party (statutory, bond covenant or granting agency) limitations on its use or has restrictions imposed by law through enabling legislation and includes unspent proceeds of bonds issued to acquire or construct assets. The County's policy is generally to use restricted net position first, as appropriate opportunities arise.

Unrestricted Net Position - Unrestricted net position represents all other net position not accounted for in the two categories noted above.

Fund Balance Policies - Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances for government funds are comprised of the following:

Nonspendable Fund Balance - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - includes amounts that are subject to constraints imposed or legally enforceable by external parties. Funds with restrictions imposed by the Hawaii Revised Statutes and the Maui County Charter are examples of such funds of the County.

Committed Fund Balance - includes amounts that are subject to constraints created by the County and can only be changed by the County's highest level of formal action. The County Council and the Mayor of the County of Maui act in concert as the County's highest decision-making authorities. Bills passed by the County Council and approved by the Mayor are designated as ordinances and become part of the Maui County Code.

Assigned Fund Balance - includes fund balances that have been encumbered for purchasing commitments by the Chief Procurement Officer or delegate in accordance with the Finance and Budget policies and are considered neither restricted nor committed.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative unassigned fund balance is reported.

The County has established a policy relative to the order of the allocation of expenditures. The County's policy is to use resources in all funds in the following order: (1) Restricted, (2) Committed, (3) Assigned and (4) Unassigned.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii (ERS) and additions to/deductions from the ERS's fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, employer and employee contributions are recognized in the period in which the contributions are legally due and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at their fair value.

Postemployment Benefits Other Than Pensions - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") and additions to/deductions from EUTF's fiduciary net position have been determined on the same basis as they are reported by EUTF. For this purpose, EUTF recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for investments in commingled and money market funds, which are reported at net asset value (NAV). The NAV is based on the fair value of the underlying assets held by the respective fund less its liabilities.

Use of Estimates - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures or expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements - The GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - REPORTING ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. The requirements of this Statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management has adopted the applicable requirements of the new standard as presented in the County's financial statements.

Subsequent Events - On August 13, 2025, the County issued approximately \$300.2 million of Series 2025 general obligations bonds with interest rates ranging from 4.63% to 6.00%, maturing annually from September 1, 2026 through 2045. Bonds maturing on or after September 1, 2036, are subject to redemption at the option of the County. The bond proceeds will be used to pay or reimburse the costs of various capital improvements and to pay certain costs of issuance in connection with the issuance and sale of the bonds.

NOTE 2 - CASH, DEPOSITS, AND INVESTMENTS

Pooled Cash and Investments Held in County Treasury

Total County and fiduciary funds cash, deposits, and investments as of June 30, 2025, at fair value, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Fair Value</u>
Equity in pooled cash and investments	\$ 949,927,458	\$ 88,093,240	\$ 1,971,028	\$ 1,039,991,726
Restricted investments - equity in pooled cash and investments	<u> --</u>	<u> 70,942,870</u>	<u> --</u>	<u> 70,942,870</u>
Total equity in pooled cash and investments	<u>\$ 949,927,458</u>	<u>\$ 159,036,110</u>	<u>\$ 1,971,028</u>	<u>\$ 1,110,934,596</u>
			Cash on hand and deposits	\$ 252,725,432
			Investments	<u>858,209,164</u>
			Total equity in pooled cash and investments	<u>\$ 1,110,934,596</u>

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the accompanying statement of net position and balance sheets as "Equity in pooled cash and investments held in County Treasury."

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 - CASH, DEPOSITS, AND INVESTMENTS (Continued)

County's Investment Policy

The County's investment policy conforms with the State of Hawaii statutes (Chapter 46, Section 50), which authorize the County to invest in obligations of the U.S. Treasury and U.S. government agencies, negotiable time certificates of deposits, municipal securities, auction rate securities collateralized by student loans maintaining Triple-A rating, bank repurchase agreements, commercial paper, bankers' acceptances, and money market funds.

Specific requirements under the County's investment policy are as follows:

- With the exception of U.S. Treasury securities and bank certificates of deposit fully insured by the Federal Deposit Insurance Corporation (FDIC) not to exceed \$250,000 per banking institution, no more than 70% of the County's investment portfolio may be allocated to Federal Agency securities, and no more than 30% of the County's investment portfolio will be invested in a single type of security, a single issuer, or financial institution.
- Investment maturities are not to exceed five years.

Investment Risk - The investments are subject to certain types of risk, including interest rate risk, credit quality risk, concentration of credit risk, and custodial credit risk.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal investment policy that follows State of Hawaii statutes, which limits investment maturities to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Quality Risk - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligation. The County's investment policy limits investments in municipal securities, U.S. Treasury securities, negotiable time certificates of deposit, U.S. government agency obligations, repurchase agreements, commercial paper, bankers' acceptances, money market funds, and auction rate securities collateralized by student loans maintaining a Triple-A rating.

The bond ratings for the County's investments in U.S. agency obligations (government sponsored enterprises) at June 30, 2025 was as follows:

	<u>Rating</u>
AA+	\$ 837,436,888
Not rated	<u>20,772,276</u>
	<u>\$ 858,209,164</u>

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investments in a single issuer or investment. The County diversifies its investments to minimize such risk and with the exception of U.S. Treasury securities, no more than 30% of the investment portfolio can be invested in a single type of security, single issuer, or financial institution.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 - CASH, DEPOSITS, AND INVESTMENTS (Continued)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of failure of the counterparty to an investment, the County would not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All of the County's investments are either insured or held by an agent in the name of the County, including the investment collateral underlying the repurchase agreements.

Custodial credit risk for bank depository accounts is the risk that in the event of a bank failure, the County's deposits may not be returned. It is the County's policy to place its bank deposits with State of Hawaii high credit quality financial institutions that are able to meet the collateral requirements for the County's deposits. As of June 30, 2025, substantially all of the County's cash on hand and deposits balance of approximately \$252.7 million was insured or collateralized.

Investments

As of June 30, 2025, the County and fiduciary fund's investments were as follows:

Type of Investment	% Yield	Maturity				Premiums (Discounts)	Fair Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years		
Federal National Mortgage Association Coupon Notes	0.61 - 3.82	\$ --	\$ 14,300,000	\$ --	\$ 10,000,000	\$ (768,473)	\$ 23,531,527
Federal Home Loan Bank Notes	0.81 - 4.72	--	15,000,000	10,000,000	110,900,000	(5,244,040)	130,655,960
Federal Farm Credit Bank Notes	3.21 - 4.96	--	28,200,000	20,000,000	115,300,000	(1,366,310)	162,133,690
Federal Agricultural Mortgage Corporation Notes	0.88 - 1.77	--	21,200,000	--	--	(427,724)	20,772,276
Federal Home Loan Mortgage Corporation Notes	0.70 - 4.81	--	10,000,000	--	6,400,000	(349,064)	16,050,936
U.S. Treasury Notes	0.60 - 5.06	--	44,800,000	97,000,000	367,650,000	(4,385,225)	505,064,775
Total investments and certificates of deposit		\$ --	\$ 133,500,000	\$ 127,000,000	\$ 610,250,000	\$ (12,540,836)	858,209,164
						Cash on hand and deposits	252,725,432
						Total equity in pooled cash and investments	\$ 1,110,934,596

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for an asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a level 2 input must be observable for most of the full term of the asset or liability. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in markets that are not active,
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs are unobservable for an asset or liability.

Following is a description of the valuation techniques used by the County to measure fair value:

U.S. Treasury notes: Valued using quoted prices in active markets for identical assets.

U.S. government agency notes: Valued using quoted prices for identical or similar assets in markets that are not active.

The following table sets forth by level, within the fair value hierarchy, assets measured at fair value on a recurring basis as of June 30, 2025.

	Total	Level 1	Level 2	Level 3
U.S. Treasury obligations	\$ 505,064,775	\$ 505,064,775	\$ --	\$ --
U.S. government agency obligations	<u>353,144,389</u>	<u>--</u>	<u>353,144,389</u>	<u>--</u>
	<u>\$ 858,209,164</u>	<u>\$ 505,064,775</u>	<u>\$ 353,144,389</u>	<u>\$ --</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2025, for the County's governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Grant Fund</u>	<u>Capital Improvement Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables, net:						
Property taxes	\$ 20,105,075	\$ --	\$ --	\$ --	\$ --	\$ 20,105,075
Transient accommodations tax	19,140,585	--	--	--	--	19,140,585
Trade accounts	--	231,382	--	--	16,880,703	17,112,085
State of Hawaii	22,589,616	1,411,461	34,132,391	4,702,533	--	62,836,001
Notes	29,862,723	--	--	--	--	29,862,723
Other	--	--	543,280	120,795	--	664,075
Less: allowance for uncollectible accounts	<u>(4,521,155)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,006,660)</u>	<u>(6,527,815)</u>
Total Receivables, net:	<u>\$ 87,176,844</u>	<u>\$ 1,642,843</u>	<u>\$ 34,675,671</u>	<u>\$ 4,823,328</u>	<u>\$ 14,874,043</u>	<u>\$ 143,192,729</u>

Receivables included in the County's proprietary funds as of June 30, 2025 were as follows:

	<u>Department of Water Supply</u>	<u>Housing, Interim Financing, and Buy-Back Revolving Fund</u>	<u>Total Business-type Activities</u>
Receivables, net:			
Customer receivables	\$ 14,145,655	\$ 63,943	\$ 14,209,598
Less: allowance for uncollectible accounts	<u>(557,244)</u>	<u>--</u>	<u>(557,244)</u>
Total Receivables, net:	<u>\$ 13,588,411</u>	<u>\$ 63,943</u>	<u>\$ 13,652,354</u>

The General Fund has two note receivables that provided financing to a nonprofit organization and a private entity for housing development purposes. These loans generally carry below-market interest rates and may include provisions for deferred payments. Interest rates range from 0% to 0.25%.

The only receivables without an allowance not expected to be collected within one year are the General Fund notes receivable totaling approximately \$29.9 million, which are due to the County on various dates through 2099.

Governmental funds report unearned revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds report unearned revenue in connection with resources that have been received but not yet earned.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 - RECEIVABLES (Continued)

At June 30, 2025, the various components of deferred inflows of resources were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent real property and transient accommodations tax receivables not collected within 60 days of year end (General Fund)	\$ 26,260,824	\$ --
Real property tax collections received in advance (General Fund)	--	1,053,146
Sewer and landfill fees not collected within 60 days of year (Non-Major Funds)	1,612,027	--
Fees collected in advance for liquor licenses (Non-Major Fund)	<u> --</u>	<u>231,000</u>
	\$ <u>27,872,851</u>	\$ <u>1,284,146</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS BALANCES

Amounts due from and due to other funds as of June 30, 2025 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 121,228,376	\$ --
Capital Improvement Project Fund	--	121,228,376
County Funds	22,627,681	--
Department of Water Supply	<u> --</u>	<u>22,627,681</u>
	\$ <u>143,856,057</u>	\$ <u>143,856,057</u>

Pursuant to Budget Ordinance, the General Fund advances funds for bond-funded projects for which proceeds have not yet been received. These amounts are intended to be repaid in one year.

During the fiscal year ended June 30, 2025, the County loaned \$23,557,000 from the County Funds to the Department of Water Supply to subsidize expenditures related to appropriated water-related projects. The funds are restricted to housing infrastructure, including water, drainage, sewer, water reuse, waste disposal, and waste treatment systems that connect to the infrastructure of the County. Any unspent funds are due back to the County Funds upon the conclusion of the projects. During the fiscal year ended June 30, 2025, the Department of Water Supply spent \$929,319 of the transferred funds.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS BALANCES (Continued)

A summary of the interfund transfers for the fiscal year ended June 30, 2025 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 38,089,774	\$ 200,043,202
Highway Fund	20,974,069	25,971,330
County Funds	60,000,000	929,319
Debt Service Fund	47,042,282	--
Capital Improvement Project Fund	84,976,147	26,423,405
Department of Water Supply	929,319	--
Non-Major Governmental Funds	<u>38,270,576</u>	<u>36,914,911</u>
	<u>\$ 290,282,167</u>	<u>\$ 290,282,167</u>

The County routinely transfers amounts from the General Fund to the Debt Service Fund, Open Space Revolving Fund, and Affordable Housing Fund in accordance with the annual budget ordinance appropriations. The amounts transferred to the Solid Waste Fund and Environmental Protection and Sustainability Fund are required to balance the fund's revenues and expenditures. The transfer to the Capital Improvements Projects Fund is for various construction projects and major equipment purchases. Most transfers into the General Fund relate to allocations of debt service for bond-funded projects, employee benefit costs from special revenue funds, and affordable housing funds from other governmental funds.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity during the fiscal year ended June 30, 2025, was as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions/ Retirements</u>	<u>Balance June 30, 2025</u>
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 213,272,469	\$ 27,839,365	\$ (369,030)	\$ 240,742,804
Construction in progress	237,507,871	181,540,951	(178,622,116)	240,426,706
	<u>450,780,340</u>	<u>209,380,316</u>	<u>(178,991,146)</u>	<u>481,169,510</u>
Depreciable assets:				
Buildings and systems	309,504,651	9,893,082	(3,333,789)	316,063,944
Improvements other than buildings	198,483,225	44,971,834	--	243,455,059
Machinery and equipment	230,073,873	23,214,549	(787,092)	252,501,330
Infrastructure	1,461,334,802	84,969,128	--	1,546,303,930
	<u>2,199,396,551</u>	<u>163,048,593</u>	<u>(4,120,881)</u>	<u>2,358,324,263</u>
Accumulated depreciation:				
Buildings and systems	(147,236,409)	(11,804,804)	334,733	(158,706,480)
Improvements other than buildings	(132,822,226)	(7,890,960)	--	(140,713,186)
Machinery and equipment	(187,700,686)	(18,058,094)	787,091	(204,971,689)
Infrastructure	(997,902,829)	(38,582,860)	--	(1,036,485,689)
	<u>(1,465,662,150)</u>	<u>(76,336,718)</u>	<u>1,121,824</u>	<u>(1,540,877,044)</u>
Lease assets:				
Land	267,916	--	--	267,916
Buildings and systems	8,148,294	1,055,917	--	9,204,211
Machinery and equipment	906,546	97,050	--	1,003,596
	<u>9,322,756</u>	<u>1,152,967</u>	<u>--</u>	<u>10,475,723</u>
Accumulated amortization:				
Land	(70,545)	(23,486)	--	(94,031)
Buildings and systems	(3,898,342)	(1,798,276)	--	(5,696,618)
Machinery and equipment	(418,344)	(174,073)	--	(592,417)
	<u>(4,387,231)</u>	<u>(1,995,835)</u>	<u>--</u>	<u>(6,383,066)</u>
Subscription assets	10,353,549	--	--	10,353,549
Accumulated amortization	(3,607,012)	(2,688,951)	--	(6,295,963)
	<u>6,746,537</u>	<u>(2,688,951)</u>	<u>--</u>	<u>4,057,586</u>
Total Governmental Activities - Capital Assets, Net	\$ 1,196,196,803	\$ 292,560,372	\$ (181,990,203)	\$ 1,306,766,972

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 - CAPITAL ASSETS (Continued)

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions/ Retirements</u>	<u>Balance June 30, 2025</u>
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 19,075,811	\$ 875,363	\$ --	\$ 19,951,174
Construction in progress	46,624,451	18,023,225	(7,450,949)	57,196,727
Financed Purchase	913,259	--	(913,259)	--
	<u>66,613,521</u>	<u>18,898,588</u>	<u>(8,364,208)</u>	<u>77,147,901</u>
Depreciable assets:				
Buildings and systems	221,095,361	3,864,272	--	224,959,633
Machinery and equipment	489,406,058	14,590,392	--	503,996,450
Infrastructure	12,940,047	1,211,687	--	14,151,734
	<u>723,441,466</u>	<u>19,666,351</u>	<u>--</u>	<u>743,107,817</u>
Accumulated depreciation:				
Buildings and systems	(105,233,602)	(4,732,295)	--	(109,965,897)
Machinery and equipment	(289,664,263)	(12,459,133)	--	(302,123,396)
Infrastructure	(6,134,696)	(266,256)	--	(6,400,952)
	<u>(401,032,561)</u>	<u>(17,457,684)</u>	<u>--</u>	<u>(418,490,245)</u>
Lease asset:				
Buildings and systems	411,852	--	--	411,852
Accumulated amortization:				
Buildings and systems	(205,926)	(68,642)	--	(274,568)
	<u>205,926</u>	<u>(68,642)</u>	<u>--</u>	<u>137,284</u>
Business-type Activities - Capital Assets, Net	\$ <u>389,228,352</u>	\$ <u>21,038,613</u>	\$ <u>(8,364,208)</u>	\$ <u>401,902,757</u>

Depreciation and amortization expense for the fiscal year ended June 30, 2025 was charged to functions of the primary government as follows:

Governmental Activities:	
General government	\$ 11,510,363
Public safety	10,123,789
Social welfare	936,342
Sanitation	29,852,839
Highways and streets	19,202,053
Culture and recreation	9,349,896
Legislative	<u>46,222</u>
Total Depreciation and Amortization Expense - Governmental Activities	\$ <u>81,021,504</u>
Business-type Activities:	
Department of Water Supply	\$ 16,876,258
Housing, Interim Financing, and Buy-Back Revolving Fund	<u>650,068</u>
Total Depreciation and Amortization Expense - Business-type Activities	\$ <u>17,526,326</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 - CAPITAL ASSETS (Continued)

Construction in progress is comprised of the following as of June 30, 2025:

	Project Authorized (Appropriated)	Expended to June 30, 2025	Committed (Encumbered)
Governmental Activities:			
Government facilities	\$ 165,274,666	\$ 27,726,303	\$ 42,024,217
Roadway systems	305,521,200	66,792,847	100,774,775
Sewer systems	263,051,545	44,128,092	60,802,880
Sanitation	47,030,978	4,846,113	6,914,214
Parks and recreation	163,893,654	49,384,296	38,786,284
Drainage	75,654,808	16,032,735	20,565,775
Other	<u>156,970,748</u>	<u>31,516,320</u>	<u>84,365,851</u>
Total	\$ <u>1,177,397,599</u>	\$ <u>240,426,706</u>	\$ <u>354,233,996</u>
Business-type Activities:			
Department of Water Supply	\$ <u>121,320,135</u>	\$ <u>57,196,727</u>	\$ <u>7,903,051</u>

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

A summary of long-term debt activity during the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 373,908,637	\$ --	\$ 28,073,452	\$ 345,835,185	\$ 23,026,779
State revolving fund loans from direct borrowings	<u>86,914,273</u>	<u>4,932,204</u>	<u>11,368,225</u>	<u>80,478,252</u>	<u>7,678,922</u>
Total	\$ <u>460,822,910</u>	\$ <u>4,932,204</u>	\$ <u>39,441,677</u>	\$ <u>426,313,437</u>	\$ <u>30,705,701</u>
Business-type Activities:					
General obligation bonds	\$ 15,367,161	\$ --	\$ 1,610,222	\$ 13,756,939	\$ 1,493,221
Notes payable from direct borrowings	<u>38,111,746</u>	<u>1,278,033</u>	<u>3,566,949</u>	<u>35,822,830</u>	<u>2,852,979</u>
Total	\$ <u>53,478,907</u>	\$ <u>1,278,033</u>	\$ <u>5,177,171</u>	\$ <u>49,579,769</u>	\$ <u>4,346,200</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

Governmental Activities - General Obligation Bonds

General Obligation Bonds

The County issues general obligation bonds for the construction of major capital facilities. General obligation bonds are direct obligations of the County for which its full faith and credit are pledged. Debt service is paid from the Debt Service Fund.

General obligation bonds payable reported in the governmental activities column of the statement of net position at June 30, 2025 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2025
2012	Series A,B and D GO and Refunding	2.00%-5.00%	\$ 70,250,000	2032	\$ 16,931,607
2014	Series A,B,D and E GO and Refunding	2.00%-5.00%	68,670,000	2034	21,610,000
2015	Series A,B,C and D GO and Refunding	3.00%-5.00%	60,155,000	2036	18,090,312
2018	Series A,B,D and E GO and Refunding	3.00%-5.00%	106,315,000	2039	70,150,000
2020	Series A and B GO and Refunding	2.00%-5.00%	74,420,000	2040	63,508,677
2021	Series A GO	2.00%-5.00%	84,740,000	2041	72,850,000
2022	Series A GO	5.00%	60,875,000	2042	49,705,513
	Total general obligation bonds		\$ <u>525,425,000</u>		312,846,109
	Unamortized premium				<u>32,989,076</u>
	Net general obligation bonds outstanding				\$ <u>345,835,185</u>

In the government-wide financial statements, bond discounts and premiums, and the difference between the reacquisition price and the carrying amount of old debt in advance of refunding resulting in a defeasance of debt, are deferred and amortized.

Governmental Activities - State Revolving Fund

State Revolving Fund Loans

The State Revolving Fund (SRF) Loans are for the construction of necessary water treatment works, and for wastewater reclamation projects. The notes' original issue amounted to approximately \$158.6 million and outstanding principal amounted to approximately \$80.5 million at June 30, 2025, and bear interest between 0.25% and 0.50%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2044. The County has 36 projects funded with these SRF loans.

The SRF Loans from direct borrowings are direct obligations which are secured by the County's full faith and credit, including a pledge of the County's general taxing power. Repayments of principal and interest shall be a first charge on the County's General Fund.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

The schedule below shows the State Revolving Fund Loans outstanding as of June 30, 2025:

Year	Description	Loan Number	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2025
State Revolving Fund Loans:					
2004	Lahaina Pump Station Nos. 5 & 6	C150054-12	\$ 3,300,000	2026	\$ 178,973
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	186,138
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	1,598,150
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2029	371,868
2009	Lahaina Wastewater Pump Station No. 1	C150054-06	7,050,000	2029	1,332,909
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,502,173	2029	654,962
2009	Islandwide EPA Consent Decree	C150052-31	8,438,770	2029	1,587,850
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,241,038	2029	702,796
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2029	99,931
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	460,196
2010	Countywide Pump Station Renovations	C150052-28	928,608	2029	197,545
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2032	337,765
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2033	446,115
2013	West Maui Recycled Water	C150054-23	3,205,090	2033	524,452
2012	Wailuku-Kahului Force Main Replacement	C150052-35	3,621,040	2034	1,617,975
2012	Countywide Pump Station Renovations	C150054-34	4,023,751	2034	1,907,658
2010	Central Operations and Maintenance Facility	C150052-33	500,000	2034	221,131
2013	Lahaina No. 3 Force Main Replacement	C150054-28	4,719,007	2034	2,102,165
2013	Lahaina Wastewater Pump Station No. 2	C150054-10	4,478,103	2034	2,028,346
2013	South Maui Recycled Water Distribution System	C150077-17	2,543,970	2035	1,258,690
2015	Paia Force Main Replacement	C150052-48	1,734,738	2036	1,018,742
2014	Kihei Force Main Replacement	C150077-22	1,620,000	2036	952,190
2016	Kahului-Wailuku Wastewater Reclamation Facility Filter Modification	C150052-61	4,594,179	2037	2,816,482
2017	Waiehu Wastewater Pump Station Force Main Replacement	C150052-50	827,136	2037	527,730
2017	Kulanihakoi Street Recycled Water Line Extension	C150077-25	1,473,064	2037	947,003
2017	Lahaina Wastewater Reclamation Facility Modifications, Stage 1A	C150054-22	49,520,832	2039	37,209,374
2017	Central Maui Landfill (CML) Phase V Gas Collection System Expansion	NPS0052-62	1,683,238	2037	1,045,182
2017	Hawaiian Homes Force Main Replacement	C150054-31	2,240,000	2037	1,442,182
2017	Wailuku Kahului WWRF Solids Bldg Renovation	C150052-60	657,606	2040	501,596
2016	Kihei No. 16 Pump Station Rehabilitation	C150077-24	5,409,243	2040	4,143,183
2018	South Maui Recycled Water System 2nd Tank	C150077-16	5,023,000	2041	2,877,694
2018	CML Phase V-B Extension	NPS0052-64	3,337,611	2039	2,451,793
2024	Kihei No. 8 Force Main Replacement	C150077-28	2,125,000	2042	1,928,266
2024	Kihei No. 7 Force Main Replacement	C150077-32	2,096,575	2042	1,928,424
2024	Napili Wastewater Pump Station No. 4 Modifications	C150054-48	4,576,400	2043	2,475,424
2025	West Maui Recycled Water System Expansion	C150054-46	4,197,853	2044	397,372
			<u>\$ 158,635,725</u>		<u>\$ 80,478,252</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

Annual debt service requirements to maturity for the general obligation bonds and the State Revolving Fund Loans at June 30, 2025, were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities - General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 23,026,779	\$ 12,626,283	\$ 35,653,062
2027	20,564,643	11,661,333	32,225,976
2028	18,660,111	10,814,652	29,474,763
2029	19,481,581	9,984,276	29,465,857
2030	20,342,721	9,108,421	29,451,142
2031-2035	101,153,744	32,550,219	133,703,963
2036-2040	95,451,004	12,204,547	107,655,551
2041-2042	<u>14,165,526</u>	<u>739,084</u>	<u>14,904,610</u>
Total	\$ <u>312,846,109</u>	\$ <u>99,688,815</u>	\$ <u>412,534,924</u>

<u>Year Ending June 30,</u>	<u>Governmental Activities - SRF Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,678,922	\$ 784,912	\$ 8,463,834
2027	7,557,160	713,730	8,270,890
2028	7,516,512	643,088	8,159,600
2029	6,439,117	573,428	7,012,545
2030	5,689,550	513,339	6,202,889
2031-2035	26,916,537	1,715,351	28,631,888
2036-2040	17,475,527	487,904	17,963,431
2041-2044	<u>1,204,927</u>	<u>26,744</u>	<u>1,231,671</u>
Total	\$ <u>80,478,252</u>	\$ <u>5,458,496</u>	\$ <u>85,936,748</u>

Some of the general obligation bonds may be subject to early redemption at the option of the County during specific years at 100% of their face value.

Business-type Activities - General Obligation Bonds

The Department issues general obligation bonds for the construction of major capital facilities. These general obligation bonds are considered reimbursable bonds to be repaid from the net revenues of the Department, and accordingly, are excluded from funded debt pursuant to the State Constitution.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

General obligation bonds payable reported in the business-type activities column of the statement of net position at June 30, 2025 are comprised of the following individual issues:

Year	Description	Interest Rates	Final Maturity	Outstanding Balance June 30, 2025
2012	Series B and C GO and Refunding	3.00%	6/1/2032	\$ 1,813,392
2014	Series C GO Bonds	3.00%-4.00%	6/1/2034	3,695,000
2015	Series B and D GO Refunding Bonds	3.00%	9/1/2027	854,688
2018	Series C GO Bonds	3.00%-5.00%	9/1/2032	2,475,000
2020	Series B GO Refunding Bonds	5.00%	3/1/2030	221,323
2022	Series B GO Refunding Bonds	5.00%	3/1/2042	<u>3,514,487</u>
	Total general obligation bonds			12,573,890
	Unamortized premium			<u>1,183,049</u>
	Net general obligation bonds outstanding			\$ <u><u>13,756,939</u></u>

In the government-wide and proprietary fund financial statements, bond discounts and premiums, and the difference between the reacquisition price and the carrying amount of old debt in advance refunding resulting in a defeasance of debt, are deferred and amortized.

Annual debt service requirements to maturity for these general obligation bonds and at June 30, 2025, were as follows:

Year Ending June 30,	Business-type Activities - General Obligation Bonds		
	Principal	Interest	Total
2026	\$ 1,493,221	\$ 495,273	\$ 1,988,494
2027	1,555,357	436,024	1,991,381
2028	1,164,889	381,779	1,546,668
2029	1,213,418	335,880	1,549,298
2030	1,262,279	287,885	1,550,164
2031-2035	4,081,256	804,419	4,885,675
2036-2040	1,223,996	334,428	1,558,424
2041-2042	<u>579,474</u>	<u>43,816</u>	<u>623,290</u>
Total	\$ <u><u>12,573,890</u></u>	\$ <u><u>3,119,504</u></u>	\$ <u><u>15,693,394</u></u>

Some of the general obligation bonds may be subject to early redemption at the option of the County during specific years at 100% of their face value.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

Business-type Activities - Notes Payable - State Revolving Fund Loans -

At June 30, 2025, notes payable from direct borrowings reported in the business-type activities column of the statement of net position consisted of the following:

	Amount
Notes payable to State of Hawaii, Department of Health	
18 notes payable to State Revolving Loan Fund for capital improvement projects, payable in semi-annual installments of principal, with interest at rates ranging from 0.00% to 1.15%, loan fee rates ranging from 1.00% to 1.50%, and maturities ranging from 2032 to 2044.	\$ 35,822,830
Less current portion	(2,852,979)
	\$ 32,969,851

In fiscal year 2025, a gain of \$763,221 from the forgiveness of debt on a note payable to the State of Hawaii, Department of Health, Drinking Water State Revolving Fund was recognized in the business-type activities and included as other income. The forgiveness was granted under the terms of the loan agreement upon satisfaction of certain compliance criteria.

As of June 30, 2025, future principal and interest payments from direct borrowings for notes payable related to business-type activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,852,979	\$ 480,174	\$ 3,333,153
2027	2,881,819	441,370	3,323,189
2028	2,911,048	402,138	3,313,186
2029	2,940,786	362,354	3,303,140
2030	2,970,826	322,226	3,293,052
2031-2035	13,576,008	1,009,063	14,585,071
2036-2040	7,502,783	235,856	7,738,639
2041-2044	186,581	5,016	191,597
Total	\$ 35,822,830	\$ 3,258,197	\$ 39,081,027

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

Line of Credit

The County has a line of credit agreement with a bank with a total authorized balance of \$1 million. There were no outstanding balances as of June 30, 2025. The line of credit agreement requires interest-only payments at 90% of the bank's prime rate (7.50% at June 30, 2025), with all unpaid principal due at the maturity date. The line of credit expired on July 30, 2025, and the County is in the process of renewing the agreement.

Legal Debt Limit and Margin

The County's legal debt limit and margin (as defined in Chapter 47, Hawaii Revised Statutes) as of June 30, 2025, are approximately \$426.3 million and \$10.5 billion, respectively.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebate liabilities are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations to determine the rebate liabilities for the tax-exempt bond issues listed above. Based on these calculations, arbitrage rebate liability totaled \$3,875,071 as of June 30, 2025.

Refunded Bonds

In prior years, the County issued refunding bonds, namely the 2010B, 2012A, 2012C, 2012D, 2014E, 2015C, 2015D, 2018C, 2020B and 2020C general obligation bonds, which proceeds were placed in an irrevocable redemption fund, to repay all future debt service payments on the 1998A, 2001A, 2001C, 2002C, 2005A, 2006B, 2006C, 2008A, 2010A, and 2010B general obligation bonds and other long-term debt. As of June 30, 2025, the outstanding balance of the unpaid defeased debt was approximately \$23.6 million. Accordingly, the assets of the irrevocable fund and the liability for the defeased bonds are not included in the County's basic financial statements.

Other Obligations

Other long-term general obligations consist of accrued landfill closure and post-closure care costs, compensated absences, claims and judgements, and arbitrage liability. The accrued landfill closure and post-closure care costs liability is typically liquidated by the Capital Improvement Projects and Other Governmental Funds. Claims and judgments liability is typically liquidated by the General Fund.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

A summary of long-term debt and other general obligations activity for the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024 as restated	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:					
Accrued landfill closure					
and postclosure costs (Note 11)	\$ 54,865,237	\$ 2,642,555	\$ 725,253	\$ 56,782,539	\$ 668,258
Compensated absences	53,505,701	4,516,775 *	--	58,022,476	20,417,072
Claims and judgments (Note 13)	10,347,668	33,338,113	5,516,910	38,168,871	20,168,872
Arbitrage liability	2,490,383	1,384,688	--	3,875,071	--
Total Other General Obligations	121,208,989	41,882,131	6,242,163	156,848,957	41,254,202
Long-term debt	460,822,910	4,932,204	39,441,677	426,313,437	30,705,701
Lease liability (Note 8)	5,266,990	1,193,826	1,966,469	4,494,347	2,194,514
Subscription liability (Note 9)	5,012,753	--	2,837,193	2,175,560	1,485,259
Financed purchase (Note 10)	25,653,997	--	2,244,987	23,409,010	667,708
Total Long-Term Obligations	\$ 617,965,639	\$ 48,008,161	\$ 52,732,489	\$ 613,241,311	\$ 76,307,384
Business-type Activities:					
Compensated absences	\$ 3,489,956	\$ 320,644	* \$ --	\$ 3,810,600	\$ 1,667,352
Claims and judgments (Note 13)	164,323	230,573	273,327	121,569	121,569
Due to other fund (Note 5)	--	23,557,000	929,319	22,627,681	6,505,233
Total Other General Obligations	3,654,279	24,108,217	1,202,646	26,559,850	8,294,154
Long-term debt	53,478,907	1,278,033	5,177,171	49,579,769	4,346,200
Lease liability (Note 8)	228,611	--	70,799	157,812	76,108
Financed purchase (Note 10)	913,259	--	156,863	756,396	21,575
Total Long-Term Obligations	\$ 58,275,056	\$ 25,386,250	\$ 6,607,479	\$ 77,053,827	\$ 12,738,037

* Change in compensated absences liability is presented as a net change.

NOTE 8 - LEASE LIABILITY

The County has entered into lease agreements for land, building space and equipment use. Principal and interest payments to maturity for governmental activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,194,514	\$ 213,886	\$ 2,408,400
2027	1,548,629	103,107	1,651,736
2028	360,856	41,148	402,004
2029	232,397	17,683	250,080
2030	25,870	7,042	32,912
2031-2035	80,681	23,917	104,598
2036-2040	51,400	3,395	54,795
Total	\$ 4,494,347	\$ 410,178	\$ 4,904,525

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 - LEASE LIABILITY (Continued)

Principal and interest payments to maturity for business-type activities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 76,108	\$ 4,964	\$ 81,072
2027	<u>81,704</u>	<u>1,794</u>	<u>83,498</u>
Total	\$ <u>157,812</u>	\$ <u>6,758</u>	\$ <u>164,570</u>

NOTE 9 - SUBSCRIPTION LIABILITY

The County has entered into subscription-based information technology arrangements (SBITA) involving the following: a geospatial technology system, various desktop and server software subscriptions, cloud back up services software, computer-aided dispatch software and payroll and human resources software.

Principal and interest payments to maturity for governmental activities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,485,259	\$ 186,483	\$ 1,671,742
2027	346,996	59,183	406,179
2028	<u>343,305</u>	<u>29,518</u>	<u>372,823</u>
Total	\$ <u>2,175,560</u>	\$ <u>275,184</u>	\$ <u>2,450,744</u>

NOTE 10 - FINANCED PURCHASE

During 2023 the County entered into an equipment lease purchase agreement (Agreement) with a financial institution for financing energy efficient improvements in various buildings, with an interest rate of 3.83%. The County will own the assets at the end of the Agreement for a purchase price of \$1 after the final payment is made, and there is no termination option.

Principal and interest payments to maturity for governmental activities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 667,708	\$ 896,565	\$ 1,564,273
2027	776,993	870,992	1,647,985
2028	886,318	841,233	1,727,551
2029	999,375	807,287	1,806,662
2030	1,115,831	769,011	1,884,842
2031-2035	7,632,928	3,103,335	10,736,263
2036-2040	<u>11,329,857</u>	<u>1,327,611</u>	<u>12,657,468</u>
Total	\$ <u>23,409,010</u>	\$ <u>8,616,034</u>	\$ <u>32,025,044</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 - FINANCED PURCHASE (Continued)

Principal and interest payments to maturity for business-type activities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 21,575	\$ 28,970	\$ 50,545
2027	25,106	28,144	53,250
2028	28,639	27,182	55,821
2029	32,292	26,085	58,377
2030	36,055	24,848	60,903
2031-2035	246,636	100,275	346,911
2036-2040	<u>366,093</u>	<u>42,898</u>	<u>408,991</u>
Total	\$ <u>756,396</u>	\$ <u>278,402</u>	\$ <u>1,034,798</u>

NOTE 11 - SOLID WASTE LANDFILL CLOSURE, POST-CLOSURE CARE COSTS AND POLLUTION REMEDIATION OBLIGATION

The County recognizes closure and post-closure care costs over the life of the landfill. The County owns and operates four active landfills. State and federal laws require the County to monitor and maintain each site for thirty years after the facility is closed. Although the closure and post-closure care costs will be paid only near and after the date that the landfill stops accepting waste, the County recognizes a portion of the closure and post-closure care costs in each operating period. The liability for these costs is included in the governmental activities column of the government-wide financial statements. The amount recognized each year is based on the landfill capacity used as of the statement of net position date.

Approximately \$56.8 million in accrued landfill closure and post-closure care costs at June 30, 2025 represents the cumulative amount reported to date based on the estimated capacity used at each landfill. The County will recognize the remaining estimated cost of closure and post-closure care cost of approximately \$39.5 million as the remaining estimated capacity of each landfill is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2025. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 - SOLID WASTE LANDFILL CLOSURE, POST-CLOSURE CARE COSTS AND POLLUTION REMEDIATION OBLIGATION (Continued)

The capacity used to date and the estimated remaining life of each landfill is as follows:

<u>Landfill</u>	<u>Capacity Used</u>	<u>Remaining Life (Years)</u>
Central Maui Phase I and II	100%	0.00
Central Maui Phase III	34%	5.90
Central Maui Phase IV	100%	0.00
Central Maui Phase V	100%	0.00
Central Maui Phase VII	0%	8.96
Hana	45%	49.90
Molokai	87%	4.90
Lanai	79%	15.60

Federal regulations require owners and operators of landfills to demonstrate financial assurance for the costs of closure and post-closure care. Under the proposed federal rules for financial assurance mechanism available to local governments, the County's current investment grade bond ratings of "Aa1", "AA+", and "AA+" by Moody's, Standard & Poor's and Fitch, respectively, exceed the required rating.

NOTE 12 - RETIREMENT BENEFITS

Pension Plan

Pension Plan Description - Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at ERS' website: <https://www.ers.ehawaii.gov>.

Benefits Provided - The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% or 2.00%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling (2.5% of the original retirement allowance the first year, 5.0% the second year, 7.5% the third year, etc.). Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling (1.5% of the original retirement allowance the first year, 3.0% the second year, 4.5% the third year, etc.).

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - RETIREMENT BENEFITS (Continued)

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

Retirement Benefits - General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with 10 years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. 10 years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least 10 years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and dependent children (up to age 18) receive a benefit equal to a percentage of member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

Contributory Class for Employees Hired Prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with 5 years of credited service are eligible to retire at age 55.

Police and firefighters' retirement benefits are determined using the benefit multiplier of 2.5% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with five years of credited service are eligible to retire at age 55. Police officers and firefighters with 25 years of credited service are eligible to retire at any age, provided the last five years is service credited in these occupations.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. 10 years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - RETIREMENT BENEFITS (Continued)

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Employees Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with 10 years of credited service are eligible to retire at age 60.

Police officers and firefighters' retirement benefits are determined using the benefit multiplier of 2.25% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with 10 years of credited service are eligible to retire at age 60. Police officers and firefighters with 25 years of credited service are eligible to retire at age 55, provided the last five years is service credited in these occupations.

Disability and Death Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. 10 years of credited service is required for ordinary disability.

For police officers and firefighters, ordinary disability benefits are 1.75% of average final compensation for each year of service and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

Hybrid Class for Employees Hired Prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. 10 years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - RETIREMENT BENEFITS (Continued)

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Class for Employees Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with 10 years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers, and emergency medical technicians may retire with 25 years of credited service at age 55.

Disability and Death Benefits - Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least 10 years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, plus a percentage multiplied by 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributions - Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate has been a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. Contributions to the pension plan from the County were \$70,439,145 for the fiscal year ended June 30, 2025. The contribution rates for fiscal year 2025 were 41% for police officers and firefighters and 24% for all other employees.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012, are required to contribute 7.8% of their salary and police officers and firefighters are required to contribute 12.2% of their salary. Contributory members hired after June 30, 2012, are required to contribute 9.8% of their salary, except for police officers and firefighters who are required to contribute 14.2% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the County reported a liability of \$648,892,391, for the County's proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2024, the County's proportion was 4.5862% which was a decrease of 0.1665% from its proportion measured as of June 30, 2023. The County's pension liability is liquidated by the County's General Fund and the Department of Water Supply.

There were no other changes between the measurement date, June 30, 2024, and the reporting date, June 30, 2025, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the fiscal year ended June 30, 2025, the County recognized pension expense of \$65,901,176. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,800,048	\$ 11,692,194
Net difference between projected and actual earnings on pension plan investments	18,048,622	--
Changes in proportion and difference between County contributions and proportionate share of contributions	34,435,206	23,283,185
Changes in assumptions	832,394	2,184,043
County contributions subsequent to the measurement date	70,439,145	--
	\$ 139,555,415	\$ 37,159,422

The \$70,439,145 reported as deferred outflows of resources related to pensions as of June 30, 2025 resulting from contributions made subsequent to the measurement date of the net pension liability will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows
2026	\$ (10,593,655)
2027	24,100,973
2028	16,858,318
2029	1,591,212
	\$ 31,956,848

Actuarial Assumptions - The total pension liability in the June 30, 2024 actuarial valuation were based on the results of an experience study as of June 30, 2024. The following actuarial assumptions were used in the June 30, 2024 actuarial valuation:

	Amount
Inflation	2.50%
Investment rate of return, including inflation	7.00%
Salary increases, including inflation	
Police and fire employees	5.00% to 6.00%
General employees	3.75% to 6.75%
Teachers	3.75% to 6.75%
Cost of living adjustments (COLAs)	
Membership date prior to July 1, 2012	2.50%
Membership date after to June 30, 2012	1.50%

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Mortality rates used in the actuarial valuation as of June 30, 2024 were based on the following:

Active members - Multiples of the Pub-2010 mortality table for active employees based on the occupation of the member.

Healthy retirees - The 2022 Public Retirees of Hawaii mortality tables. The rates are projected on a fully generational basis by Scale MP from the year 2022 (with immediate convergence) and with multiplier and setbacks based on plan and group experience.

Disabled retirees - Base Table for healthy retirees' occupation, set forward three years, generational projection using the MP projection table from the year 2022 with immediate convergence. Minimum mortality rate of 3.5% for males and 2.5% for females.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

The long-term expected rate of return on pension plan investments was determined using a “top down approach” of the Client Constrained Simulation-based Optimization Model (a statistical technique known as “re-sampling with replacement” that directly keys in on specific plan-level risk factors as stipulated by the ERS Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return (real returns and inflation) by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Strategic Allocation (Risk-Based Classes)	Target Allocation	Expected Long-Term Geometric Average Return*
Broad growth	70.00%	8.40%
Diversifying Strategies	30.00%	4.40%
	100.00%	

* Uses an expected inflation of 2.40% for 2025

Discount Rate - The discount rate used to measure the net pension liability at June 30, 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County’s proportionate share of the net pension liability as of June 30, 2025 calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ <u>893,487,430</u>	\$ <u>648,892,391</u>	\$ <u>446,294,193</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - RETIREMENT BENEFITS (Continued)

Pension Plan Fiduciary Net Position

The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS's financial statements are prepared using the accrual basis of accounting under which expenses are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. ERS' complete financial statements are available at <https://www.ers.ehawaii.gov>.

Payables to the Pension Plan

As of June 30, 2025, the County had \$11,972,603 payable to the pension plan.

Postemployment Benefits Other Than Pensions (OPEB)

Plan description - The State provides certain health care and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees and their dependents. The EUTF issues an annual financial report that is available to the public that can be obtained on EUTF's website at <https://eutf.hawaii.gov/reports>.

For employees hired before July 1, 1996, the County pays the entire base monthly contribution for employees retiring with 10 years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than 10 years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than 10 years of service, the County makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the County pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the County pays 75% of the base monthly contribution. For those retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. A retiree can elect a family plan to cover dependents.

For employees hired after on or after July 1, 2001, and who retire with fewer than 10 years of service, the County makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the County pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the County pays 75% of the base monthly contribution. For those retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - RETIREMENT BENEFITS (Continued)

Employees Covered by Benefit Terms - At July 1, 2024, the following number of plan members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,890
Inactive plan members entitled to but not yet receiving benefits	268
Active plan members	<u>2,547</u>
Total	<u>4,705</u>

Contributions - Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the County totaled \$40,651,147 for the fiscal year ended June 30, 2025. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2025, the County reported a net OPEB liability of \$53,150,416. The net OPEB liability was measured as of July 1, 2024, and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's OPEB liability is liquidated by the County's General Fund.

There were no changes between the measurement date, July 1, 2024, and the reporting date, June 30, 2025, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2025, the County recognized OPEB expense of \$4,193,082. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,449,398	\$ 72,930,220
Net difference between projected and actual earnings on OPEB plan investments	--	193,787
Changes in assumptions	431,769	9,004,102
County contributions subsequent to the measurement date	<u>40,651,147</u>	--
	<u>\$ 42,532,314</u>	<u>\$ 82,128,109</u>

The \$40,651,147 reported as deferred outflows of resources related to OPEB as of June 30, 2025 resulting from contributions made subsequent to the measurement date of the net OPEB liability will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Net Deferred Inflows
2026	\$ (27,505,177)
2027	(14,051,484)
2028	(16,988,742)
2029	(13,588,213)
2030	(4,670,731)
Thereafter	<u>(3,442,595)</u>
	<u>\$ (80,246,942)</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

Actuarial assumptions - The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, based on the 2022 actuarial experience study conducted for ERS as of June 30, 2021:

Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.75% to 6.75%, including inflation
Demographic assumptions	Based on the 2022 Hawaii ERS Actuarial Experience Study, as conducted June 30, 2021 for the ERS.
Mortality	System-specific mortality tables utilizing ultimate scale MP 2021 to project generational mortality improvement
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the base monthly contribution (BMC). Healthcare participation rates of 25%, 65%, and 90% for retirees that receive 0%, 50%, or 75% of the BMC, respectively. 100% for life insurance and 98% for Medicare Part B.
Healthcare cost trend rates	
PPO*	Initial rates of 6.20%, declining to a rate of 4.25% after 20 years
HMO**	Initial rates of 6.20%; declining to a rate of 4.25% after 20 years
Part B & Base Monthly Contribution (BMC)	Initial rates of 5.00%; declining to a rate of 4.25% after 20 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drugs

** Includes prescription drug assumptions

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of July 1, 2024 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	30.00%	6.00%
Private equity	15.00%	10.10%
Real assets	12.00%	5.00%
Private credit	10.00%	7.80%
Trend following	10.00%	2.40%
Reinsurance	5.50%	5.10%
Long treasuries	5.00%	2.60%
Alternative risk premia	5.00%	3.80%
U.S. microcap	3.00%	8.30%
TIPS	2.50%	2.10%
Tail risk / long volatility	2.00%	-1.30%
	<u>100.00%</u>	

Single Discount rate - The discount rate used to measure the total OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00% and the municipal bond rate of 3.97% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-year municipal GO AA Index). Beginning with the fiscal year 2019 contribution, the funding policy of the County of Maui is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. The EUTF's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the EUTF's investments was applied to all periods of projected benefits payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position - The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF's financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF's complete financial statements are available at <https://eutf.hawaii.gov>.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

Changes in the Net OPEB Liability

The following schedule presents the changes in the net OPEB liability for the fiscal year ended June 30, 2025. The ending balances are as of the measurement date, July 1, 2024.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2024	\$ <u>608,261,356</u>	\$ <u>473,380,376</u>	\$ <u>134,880,980</u>
Changes for the fiscal year:			
Service cost	12,653,649	--	12,653,649
Interest on the total OPEB liability	42,263,785	--	42,263,785
Differences between expected and actual experience	(32,424,749)	--	(32,424,749)
Employer contributions	--	58,627,767	(58,627,767)
Net investment income	--	45,501,102	(45,501,102)
Benefit payments	(21,639,637)	(21,639,637)	--
Administrative expense	--	(46,776)	46,776
Other	--	141,156	(141,156)
Net changes	<u>853,048</u>	<u>82,583,612</u>	<u>(81,730,564)</u>
Balance at June 30, 2025	\$ <u>609,114,404</u>	\$ <u>555,963,988</u>	\$ <u>53,150,416</u>

Payables to the OPEB Plan

At June 30, 2025, the County had no payables to the EUTF.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB liability	\$ <u>145,804,353</u>	\$ <u>53,150,416</u>	\$ <u>(20,637,604)</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 - RETIREMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
County's proportionate share of the net OPEB liability	\$ <u>(24,172,421)</u>	\$ <u>53,150,416</u>	\$ <u>151,733,342</u>

Deferred Compensation Plan

The County participates in a deferred compensation plan established by the State of Hawaii in accordance with Internal Revenue Code Section 457. The plan is available to all the County employees and permits employees to defer a portion of their salary until future years by contributing to a fund managed by a plan administrator. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All plan assets are held in a trust fund to protect them from claims of general creditors and from diversion to any uses other than paying benefits to participants and beneficiaries. The County has no responsibility for loss due to the investment or failure of investment of funds and assets in the plan but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, in accordance with GASB Statement No.32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, deferred compensation plan assets are not reported in the accompanying basic financial statements.

NOTE 13 - CLAIMS AND JUDGMENTS

The County is self-insured for workers' compensation based on a \$500,000 self-insured retention. Thereafter, an excess workers' compensation policy takes effect. In addition, the County also has insurance for errors and omissions and employer's practice liability, with a \$500,000 deductible per occurrence up to \$25 million in the aggregate. Further, the County is afforded bodily injury and property damage coverage for third party claims in excess of the aforementioned retention on a per occurrence basis. Property policies are layered providing \$100 million in total for building and any form of structures.

Settled claims have not exceeded these coverages in any of the past three fiscal years. The estimated total liability of the County of approximately \$38.3 million, with respect to claims and judgments, including claims incurred but not reported and related loss adjustment expenses by the claimant and settled claims is presented on the statement of net position on the government-wide financial statements.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 - CLAIMS AND JUDGMENTS (Continued)

Claim liabilities are calculated and periodically re-evaluated taking into consideration the effect of inflation, recent claim settlement trends, including frequency and amount of compensation subject to settlements, and other economic and social factors. Changes in the claims and judgments liability account for the fiscal years ended June 30, 2025 and 2024 were as follows:

	Balance July 1, 2024	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2025	Due Within One Year
Governmental Activities	\$ 10,347,668	\$ 33,338,113	\$ 5,516,910	\$ 38,168,871	\$ 20,168,872
Business-type Activities	<u>164,323</u>	<u>230,573</u>	<u>273,327</u>	<u>121,569</u>	<u>121,569</u>
	<u>\$ 10,511,991</u>	<u>\$ 33,568,686</u>	<u>\$ 5,790,237</u>	<u>\$ 38,290,440</u>	<u>\$ 20,290,441</u>
	Balance July 1, 2023	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2024	Due Within One Year
Governmental Activities	\$ 19,688,696	\$ 17,944,515	\$ 27,285,543	\$ 10,347,668	\$ 10,347,668
Business-type Activities	<u>741,171</u>	<u>172,362</u>	<u>749,210</u>	<u>164,323</u>	<u>164,323</u>
	<u>\$ 20,429,867</u>	<u>\$ 18,116,877</u>	<u>\$ 28,034,753</u>	<u>\$ 10,511,991</u>	<u>\$ 10,511,991</u>

The estimated total liability has been determined through case-by-case analysis and from historical experience performed by the County's risk management division. Those historical results, combined with the evaluation of pending claims against the County by the County's Corporation Counsel, aid in this evaluation. Estimated expenditures for such claims are appropriated annually in the General Fund with the exception of workers' compensation for injured workers within the Department of Water Supply. Because of the inherent uncertainties in estimating future projected liabilities of claims and judgments, it is at least reasonably possible that the estimates used may change within the near term.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Contractual Commitments

Contractual commitments for capital projects, expenditures, and supplies for the governmental funds amounted to approximately \$600 million at June 30, 2025. Contractual commitments for the proprietary funds amounted to approximately \$33.4 million at June 30, 2025.

Claims

Numerous claims and lawsuits have been filed against the County in the normal course of its operations. Although the outcome of the various claims and lawsuits is not presently determinable, in the opinion of the County's Corporation Counsel, the resolution of such matters will not have a material adverse effect on the financial condition of the County.

In August 2024, Governor Green announced a Global Settlement (GS) to resolve all tort claims arising from the Maui wildfires that occurred in August 2023. The County is a party to the Individual Settlement Agreement and Class Settlement Agreement (Settlement Agreements) which would result in a GS intending to resolve all tort claims arising from the Maui wildfires.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

In compliance with the terms of the Settlement Agreement, the parties reserved questions to the Hawaii Supreme Court concerning how subrogation claims arising from the Maui wildfires should be handled. The Hawaii Supreme Court held that for cases that have been settled (i.e. all cases subject to the GS), the sole remedy for Subrogating Insurers is the statutory lien process pursuant to HRS Section 663-10. Accordingly, Defendants will pay a total amount slightly in excess of \$4 billion in exchange for liability releases in all current lawsuits and future claims from plaintiffs who have filed, who could have filed, or who will join the class action lawsuit. Subrogating Insurers must then separately resolve any claims they assert through negotiation or through the statutory lien process. The County is not expected to incur any additional liability from these Settlement Agreements.

The Settlement Agreements anticipate the possibility that a claimant may decide to opt-out of the class action and refuse to release claims through the Individual Settlement Agreement. These opt-outs, if any, may file additional lawsuits, and a certain amount of money is currently earmarked to address those cases. To the extent the resolution of claims from these opt-outs exceeds the money currently earmarked to address those cases, the County's responsibility for such amounts cannot be estimated with reasonable certainty at this time.

Federal Financial Assistance Programs

The County participates in a number of federally assisted grant programs, primarily with the Department of Housing and Urban Development, the Department of Transportation, the Department of Interior, the Department of Labor, and the Department of Justice. These programs are subject to program compliance audits by the grantors or their representatives.

Although the County's grant programs will be subject to be audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the fiscal year ended June 30, 2025, these programs are still subject to financial and compliance audits by federal auditors. In the opinion of management of the County, disallowed costs, if any, would not be material.

State Grants

The County has received state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the County, disallowed costs, if any, would not be material.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 - FUND BALANCES

The County's General Fund classifications of fund balance are listed below with the June 30, 2025 balances:

<u>Fund Balance</u>	
Restricted	
Affordable Housing Fund	\$ 178,346,125
Homeowner programs revolving fund	6,644,187
Open space, natural resources, cultural resources, and scenic views preservation fund	23,661,126
Managed retreat	12,000,000
Committed	
Agriculture	60,400
Economic development fund	939,691
Assigned	80,670,868
Unassigned	<u>351,619,200</u>
	<u>\$ 653,941,597</u>

Affordable housing fund - This classification is to fund the provision, protection, and expansion of affordable housing and suitable living environments for persons of very low to gap income, as defined by ordinance. In adopting each fiscal year's budget and capital program, the Council appropriates a minimum of three percent of the certified real property tax revenues to the affordable housing fund. Any unencumbered balance in this fund at the end of each fiscal year shall not lapse, but shall remain in the fund, and accumulate from year to year.

Homeowner programs revolving fund - This classification is to fund opportunities that maintain and expand existing homeowner programs and to create new programs to meet the housing opportunity needs of Maui County residents. Additions to this fund are appropriated by the County Council, granted or donated to the County, or repaid by previous recipients of homeowner programs. Any balance remaining in this fund at the end of the fiscal year does not lapse, but shall remain in the fund, and accumulates from year to year.

Open space, natural resources, cultural resources, and scenic views preservation fund - This classification is to fund acquiring lands or property entitlements for land conservation. In adopting each fiscal year's budget and capital program, the Council appropriates a minimum of one percent of the certified real property tax revenues to the open space, natural resources, cultural resources, and scenic views preservation fund. Any balance remaining in this fund at the end of the fiscal year does not lapse, but shall remain in the fund, and accumulates from year to year.

Managed retreat fund - This classification is to fund projects and initiatives to move people, buildings, and other assets away from areas that are vulnerable to natural hazards and climate change along the coastlines. In adopting each fiscal year's budget and capital program, the Council appropriates a minimum of twenty percent of the Maui County transient accommodations tax to the managed retreat fund. Any balance remaining in this fund at the end of the fiscal year does not lapse, but shall remain in the fund, and accumulates from year to year.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - FUND BALANCES (Continued)

Agricultural fund - This classification provides funding for various agricultural programs.

Economic development fund - This classification provides funds for economic development programs.

Emergency fund - This classification is to fund a public emergency threatening life, health, property, or economic viability of the County. Additions to this fund are appropriated by the County Council. Any balance remaining in this fund at the end of the fiscal year does not lapse but shall remain in the fund. The balance of the emergency fund reported as part of the unassigned fund balance as of June 30, 2025 was \$90,529,417. The available balance of the Emergency Fund is subject to change based on final determinations of allowable expenditures and reimbursements from the Federal Emergency Management Agency.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 - FUND BALANCES (Continued)

Fund balances for all the major and other governmental funds as of June 30, 2025, are distributed as follows:

	General Fund	Highway Fund	County Funds	Grant Fund	Capital Improvements Project Fund	Other Governmental Funds	Total
Restricted for:							
Administrative	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Capital improvement projects	--	--	45,627,821	--	--	--	45,627,821
Bikeway service	--	--	--	--	--	256,583	256,583
Environmental protection and sustainability	--	--	--	84,715	--	--	84,715
Fire control	--	--	--	1,200,134	--	--	1,200,134
Highway and transportation services	--	33,813,915	--	432,528	--	--	34,246,443
Housing and human concerns	184,990,312	--	--	9,863,942	--	--	194,854,254
Liquor control	--	--	34,844	--	--	832,103	866,947
Open space preservation	23,661,126	--	--	--	--	--	23,661,126
Other expenditures	12,000,000	--	--	--	--	42,850	12,042,850
Parks and recreation	--	--	--	--	--	4,060,344	4,060,344
Wastewater services	--	--	--	--	--	2,064,051	2,064,051
Subtotal	<u>220,651,438</u>	<u>33,813,915</u>	<u>45,662,665</u>	<u>11,581,319</u>	<u>--</u>	<u>7,255,931</u>	<u>318,965,268</u>
Committed to:							
Agriculture	60,400	--	26,200,595	--	--	--	26,260,995
Countywide Costs	--	--	393,676	--	--	--	393,676
Economic development	939,691	--	--	--	--	--	939,691
Environmental services	--	--	18,441,149	--	--	8,961,230	27,402,379
Fire control	--	--	2,012,598	--	--	--	2,012,598
Highway and transportation services	--	--	9,402,074	--	--	--	9,402,074
Housing and human concerns	--	--	539,011	--	--	--	539,011
Parks and recreation	--	--	1,942,390	--	--	--	1,942,390
Planning	--	--	1,807,134	--	--	--	1,807,134
Police services	--	--	675,861	--	--	--	675,861
Solid waste services	--	--	1,759,665	--	--	24,768,332	26,527,997
Wastewater services	--	--	9,919,773	--	--	22,484,959	32,404,732
Subtotal	<u>1,000,091</u>	<u>--</u>	<u>73,093,926</u>	<u>--</u>	<u>--</u>	<u>56,214,521</u>	<u>130,308,538</u>
Assigned to:							
Administrative	26,613,981	--	--	--	--	--	26,613,981
Agriculture	7,045,806	--	--	--	--	--	7,045,806
Capital improvement projects	--	--	--	--	23,215,811	--	23,215,811
Civil defense	3,111,230	--	--	--	--	--	3,111,230
Countywide costs	1,758,389	--	--	--	--	--	1,758,389
Economic development	15,413,364	--	--	--	--	--	15,413,364
Environmental services	375,802	--	--	--	--	--	375,802
Fire control	1,334,708	--	--	--	--	--	1,334,708
Highway and transportation services	3,101,042	--	--	--	--	--	3,101,042
Housing and human concerns	7,661,656	--	--	--	--	--	7,661,656
Legislative	1,367,510	--	--	--	--	--	1,367,510
Parks and recreation	2,253,215	--	--	--	--	--	2,253,215
Personnel	51,399	--	--	--	--	--	51,399
Planning	1,155,072	--	--	--	--	--	1,155,072
Police services	7,101,800	--	--	--	--	--	7,101,800
Public works	2,325,894	--	--	--	--	--	2,325,894
Subtotal	<u>80,670,868</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>23,215,811</u>	<u>--</u>	<u>103,886,679</u>
Unassigned	<u>351,619,200</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>351,619,200</u>
Total	\$ 653,941,597	\$ 33,813,915	\$ 118,756,591	\$ 11,581,319	\$ 23,215,811	\$ 63,470,452	\$ 904,779,685

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 - FUND BALANCES (Continued)

Encumbrances

Encumbrance accounting is employed in the governmental funds. Under this method, purchase orders, contracts, and other commitments outstanding at year-end do not constitute expenditures or liabilities. Encumbrances of balances within the General Fund are classified as assigned. Encumbrances of the other governmental funds are classified as restricted, committed, or assigned.

These encumbrances at June 30, 2025 are not separately classified in the financial statements, and are summarized as follows:

Encumbrances

General Fund	\$	179,178,283
Highway Fund		10,369,798
County Funds		26,759,985
Grant Fund		54,750,533
Capital Improvement Projects Fund		311,001,260
Non-Major Governmental Funds		<u>17,970,208</u>
	\$	<u>600,030,067</u>

NOTE 16 - PROPRIETARY FUND - DEPARTMENT OF WATER SUPPLY

The Charter of the County of Maui provides that the Department is a regular County of Maui agency subject to the Mayor's executive management and Council's legislative oversight.

Unrestricted Cash and Investments

Unrestricted cash, cash equivalents, and investments at June 30, 2025 include funds for the following purposes:

Board-designated		
Capital improvements	\$	24,149,038
Debt service		<u>2,214,855</u>
Total board-designated		26,363,893
Undesignated		<u>52,927,339</u>
Total	\$	<u>79,291,232</u>

At June 30, 2025, construction contract payables, including retentions, to be paid with board-designated funds were approximately \$1.1 million. Construction contract commitments as of June 30, 2025, to be paid with board-designated funds, aggregated approximately \$14.7 million.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 16 - PROPRIETARY FUND - DEPARTMENT OF WATER SUPPLY (Continued)

Restricted Cash and Investments

Restricted cash and investments consisted of the following at June 30, 2025:

Water system development fee	\$ 22,881,034
General excise tax funds	22,627,681
State funds	11,983,339
Federal funds	3,287,615
Customer deposits	6,635,376
Bond funds	3,172,002
Special assessment fund for storage	273,829
Source development fund assessments	<u>81,994</u>
Total	\$ <u>70,942,870</u>

At June 30, 2025, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$2.4 million. Construction contract commitments as of June 30, 2025, to be paid with restricted assets, aggregated approximately \$16.3 million.

Restricted Net Position

At June 30, 2025, restricted net position consisted of the following:

Water system development fee	\$ 22,881,034
Federal funds	3,287,615
Special assessment fund for storage	273,829
Source development fund assessments	81,993
Other restricted funds	<u>12,054,496</u>
Total	\$ <u>38,578,967</u>

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE

The County adopted GASB Statement No. 101 during the fiscal year ended June 30, 2025. As a result of applying the requirements of GASB Statement No. 101, the beginning balances of net position and compensated absences were restated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Beginning net position, as previously reported	\$ 699,332,932	\$ 410,481,144
Adjustment for increase in compensated absences	<u>(10,962,202)</u>	<u>(1,303,676)</u>
Beginning net position, as restated	\$ <u>688,370,730</u>	\$ <u>409,177,468</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 - CHANGE WITHIN THE FINANCIAL REPORTING ENTITY

The County changed the presentation of the County Funds after it met the quantitative threshold for major fund reporting in the current fiscal year.

The effects of the County's change within the reporting entity are as follows:

Other Governmental Funds

Beginning fund balance, as previously presented	\$ 115,965,025
Change within financial reporting entity (non-major to major fund)	<u>(74,617,408)</u>
Beginning fund balance, as restated	\$ <u><u>41,347,617</u></u>

County Funds

Beginning net position, as previously presented	\$ --
Change within financial reporting entity (non-major to major fund)	<u>74,617,408</u>
Beginning fund balance, as restated	\$ <u><u>74,617,408</u></u>

COUNTY OF MAUI
REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information	<u>Pages</u>
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual	101 - 104
- General Fund - Budgetary Basis	
- Highway Fund - Budgetary Basis	
- Grant Fund - Budgetary Basis	
- County Fund - Budgetary Basis	
Notes to the Budgetary Comparison Schedules	105 - 106
Schedule of Proportionate Share of the Net Pension Liability	107
Schedule of Contributions (Pension)	108
Notes to Required Supplementary Information Required by GASB Statement No. 68	109
Schedule of Changes in Net OPEB Liability and Related Ratios	110
Schedule of Contributions (OPEB)	111
Notes to Required Supplementary Information Required by GASB Statement No. 75	112

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES:				
Taxes	\$ 713,611,511	\$ 713,611,511	\$ 754,835,617	\$ 41,224,106
Licenses and permits	9,022,000	9,022,000	11,693,799	2,671,799
Intergovernmental revenues	50,000	50,000	69,772	19,772
Charges for services	2,615,000	2,615,000	4,095,877	1,480,877
Fines and forfeitures	2,000,000	2,000,000	5,146,950	3,146,950
Interest and investment earnings, net	3,436,500	3,436,500	43,726,017	40,289,517
Other revenues	831,500	831,500	13,331,757	12,500,257
Total Revenues	<u>731,566,511</u>	<u>731,566,511</u>	<u>832,899,789</u>	<u>101,333,278</u>
EXPENDITURES:				
Current:				
General government	265,818,502	268,560,249	224,294,163	44,266,086
Public safety	168,491,846	168,800,596	153,873,384	14,927,212
Highways and streets	11,505,136	11,602,596	11,380,599	221,997
Sanitation	1,467,656	1,467,656	818,141	649,515
Social welfare	111,685,957	100,304,223	85,554,902	14,749,321
Culture and recreation	53,877,855	42,869,587	39,015,653	3,853,934
Legislative	14,267,609	14,267,609	10,340,623	3,926,986
Capital outlay	--	--	(3,065,039)	3,065,039
Debt service	--	--	4,722,561	(4,722,561)
Total Expenditures	<u>627,114,561</u>	<u>607,872,516</u>	<u>526,934,987</u>	<u>80,937,529</u>
Excess of Revenues over Expenditures	<u>104,451,950</u>	<u>123,693,995</u>	<u>305,964,802</u>	<u>182,270,807</u>
OTHER FINANCING SOURCES (USES):				
Other revenues:				
Insurance recoveries	--	--	122,445	122,445
Issuance of debt:				
Other Loans	--	--	1,016,944	1,016,944
Transfers in:				
Capital Improvement Projects Fund	12,466,729	12,466,729	12,466,729	--
Other Governmental Funds	25,623,045	25,623,045	25,623,045	--
Transfers out:				
Highway Fund	(75,000)	(75,000)	(19,009,983)	(18,934,983)
Debt Service Fund	(47,042,282)	(47,042,282)	(47,042,282)	--
Capital Improvement Projects Fund	(50,150,147)	(50,150,147)	(50,150,147)	--
Other Governmental Funds	(102,775,773)	(102,775,773)	(83,840,790)	18,934,983
Total Other Financing Uses	<u>(161,953,428)</u>	<u>(161,953,428)</u>	<u>(160,814,039)</u>	<u>1,139,389</u>
Net Change in Fund Balance	<u>\$ (57,501,478)</u>	<u>\$ (38,259,433)</u>	<u>\$ 145,150,763</u>	<u>\$ 183,410,196</u>
RECONCILIATION TO GAAP BASIS:				
Non-GAAP budgetary basis - net change in fund balances			\$ 145,150,763	
Add adjustments for expenditures related to certain funds included in the General Fund GAAP basis financial statements, but included in special revenue funds for budgetary purposes (fund perspective difference)			29,132,325	
Less encumbrances of budgeted funds June 30, 2024			(161,174,580)	
Add encumbrances of budgeted funds June 30, 2025			179,178,283	
GAAP basis - net change in fund balances			<u>\$ 192,286,791</u>	

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
HIGHWAY FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 24,500,000	\$ 24,500,000	\$ 27,417,110	\$ 2,917,110
Licenses and permits	26,775,485	26,775,485	28,374,218	1,598,733
Charges for services	500,000	500,000	986,934	486,934
Other revenues	--	--	804,704	804,704
Total Revenues	<u>51,775,485</u>	<u>51,775,485</u>	<u>57,582,966</u>	<u>5,807,481</u>
EXPENDITURES:				
Current:				
Highways and streets	62,329,771	62,329,771	55,623,688	6,706,083
Debt service	--	--	11,677	(11,677)
Total Expenditures	<u>62,329,771</u>	<u>62,329,771</u>	<u>55,635,365</u>	<u>6,694,406</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,554,286)</u>	<u>(10,554,286)</u>	<u>1,947,601</u>	<u>12,501,887</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	19,009,983	19,009,983	19,009,983	--
Capital Improvement Projects Fund	--	--	1,902,453	1,902,453
Other Governmental Funds	150,000	150,000	61,633	(88,367)
Transfers out:				
General Fund	(8,321,393)	(8,321,393)	(8,321,330)	63
Capital Projects Fund	--	--	(17,650,000)	(17,650,000)
Total Other Financing Sources (Uses)	<u>10,838,590</u>	<u>10,838,590</u>	<u>(4,997,261)</u>	<u>(15,835,851)</u>
Net Change in Fund Balance	<u>\$ 284,304</u>	<u>\$ 284,304</u>	<u>\$ (3,049,660)</u>	<u>\$ (3,333,964)</u>
RECONCILIATION TO GAAP BASIS:				
Non-GAAP budgetary basis - net change in fund balances			\$ (3,049,660)	
Less encumbrances of budgeted funds June 30, 2024			(11,521,731)	
Add encumbrances of budgeted funds June 30, 2025			<u>10,369,798</u>	
GAAP basis - net change in fund balances			<u>\$ (4,201,593)</u>	

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GRANT FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 14,531,613	\$ 1,701,203,619	\$ 83,052,999	\$ (1,618,150,620)
Interest and investment earnings	--	--	402,572	402,572
Other revenues	222,000	232,109	201,909	(30,200)
Total Revenues	14,753,613	1,701,435,728	83,657,480	(1,617,778,248)
EXPENDITURES:				
Current:				
General government	6,763,744	1,664,444,959	33,001,093	1,631,443,866
Public safety	8,525,807	10,676,443	9,482,399	1,194,044
Highways and streets	15,000	3,676,559	3,131,194	545,365
Sanitation	--	200,000	--	200,000
Social welfare	432,070	8,664,145	57,792,606	(49,128,461)
Culture and recreation	150,000	174,371	163,320	11,051
Debt service	--	--	277,703	(277,703)
Economic development	--	478,007	--	478,007
Total Expenditures	15,886,621	1,688,314,484	103,848,315	1,584,466,169
Excess (Deficiency) of Revenues over Expenditures	(1,133,008)	13,121,244	(20,190,835)	(33,312,079)
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Special Revenue Funds	--	26,305,005	26,249,549	(55,456)
Transfers out:				
Special Revenue Funds	--	(26,183,192)	(26,249,549)	(66,357)
Total Other Financing Uses	--	121,813	--	(121,813)
Net Change in Fund Balance	\$ (1,133,008)	\$ 13,243,057	\$ (20,190,835)	\$ (33,433,892)
RECONCILIATION TO GAAP BASIS:				
Non-GAAP budgetary basis - net change in fund balances			\$ (20,190,835)	
Less encumbrances of budgeted funds June 30, 2024			(32,568,347)	
Add encumbrances of budgeted funds June 30, 2025			54,750,533	
GAAP Basis - net change in fund balances			\$ 1,991,351	

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COUNTY FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		(Negative)
REVENUES:				
Licenses and permits	\$ 100,421	\$ 117,921	\$ 140,096	\$ 22,175
Charges for services	2,977,764	2,977,764	4,458,352	1,480,588
Interest & investment	--	--	56,732	56,732
Other revenues	3,310,963	3,310,963	5,048,882	1,737,919
Total Revenues	6,389,148	6,406,648	9,704,062	3,297,414
EXPENDITURES:				
Current:				
General government	10,144,824	80,962,824	42,379,785	38,583,039
Public safety	741,701	741,908	544,238	197,670
Highways and streets	347,083	347,083	46,049	301,034
Sanitation	3,856,351	3,856,351	3,169,406	686,945
Social welfare	738,180	746,475	411,510	334,965
Culture and recreation	384,322	384,322	(52,522)	436,844
Debt Service	--	--	99,996	(99,996)
Total Expenditures	16,212,461	87,038,963	46,598,462	40,440,501
Deficiency of Revenues over Expenditures	(9,823,313)	(80,632,315)	(36,894,400)	(37,143,087)
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	60,000,000	60,000,000	60,000,000	--
Transfers out:				
Proprietary Funds	--	--	(929,319)	929,319
Total Other Financing Sources (Uses)	60,000,000	60,000,000	59,070,681	929,319
Net Change in Fund Balance	\$ 50,176,687	\$ (20,632,315)	\$ 22,176,281	\$ (36,213,768)
RECONCILIATION TO GAAP BASIS:				
Non-GAAP budgetary basis - net change in fund balances			\$ 22,176,281	
Less encumbrances of budgeted funds June 30, 2024			(4,797,083)	
Add encumbrances of budgeted funds June 30, 2025			26,759,985	
GAAP Basis - net change in fund balances			\$ 44,139,183	

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting - On or before March 25th, the Mayor submits to the County Council a proposed operating budget and capital program for the fiscal year commencing the following July 1st. Upon submission, the budget and capital program are available as public record in the Office of the County Clerk for open inspection. A public hearing is held by the County Council between April 1st and 30th in the year of submission. After the public hearing, the County Council shall pass the budget by ordinance with or without amendment on or before June 10th. If the Council fails to do so, the budget, as submitted by the Mayor, is deemed legally enacted as the budget for the ensuing fiscal year.

Budgets are monitored at varying levels of classification detail. However, as a budgetary control policy, expenditures cannot exceed total appropriations at the program and cost category levels for budgeted funds. The budget is controlled at the following levels:

- Unless otherwise provided by the General Budget Provisions, operating appropriations for each program are disbursed for the following categories of use: (a) salaries, premium pay, or reallocation pay; (b) operations or services and equipment. These cost categories are the legal level of budgetary control for the County's operating appropriations.
- Unless otherwise provided by the General Budget Provisions, capital improvement projects are appropriated by fund at the project level and as described in Appendix C of the annual budget ordinance. Capital improvement projects funding may not be used for any purpose other than as described in Appendix C. The total amount appropriated for a project may be used for the work phases provided in the project description in Appendix C. A budget amendment is needed if the total amount appropriated will be insufficient to complete all work phases set forth in the project description or if the project description does not clearly represent the work to be performed in Appendix C. This is the legal level of budgetary control for the County's capital improvements projects.
- As provided by the General Budget Provisions, Grant Fund revenues that include revenues from grants and revenues with restricted uses, are appropriated in the amounts set forth in Part I of Appendix A to the programs and uses identified in the budget ordinance. This is the legal level of budgetary control for the County's grant appropriations. Additionally, grant revenues are subject to the following conditions:
 - The Administration must be in receipt of notification from the grantor:
 - providing a grant award or a statement that the grant award will be forthcoming; and
 - that the County is authorized to incur costs in accordance with the grant award; and
 - The Administration must provide written notice to the County Council, attaching a copy of the notification from the grantor.

Budgets for grant appropriations and revenues are updated when the preceding conditions are met.

- County Council must authorize by resolution any transfer of appropriations from one cost category to another and/or one program to another within the department.
- County Council must authorize all budget amendments that alter the total appropriations of a particular program, line-item provision, or cost category from one program to another not within the department, by ordinance.

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Legally adopted budgets include the General Fund, Highway Fund, Grant Fund, County Fund, Sewer Fund, Debt Service Fund, Capital Improvement Projects Fund, Liquor Control Fund, Sewer Fund, Solid Waste Fund, Environmental Protection and Sustainability Fund, and the Department of Water Supply.

Appropriations - The appropriated budget is prepared by fund, function, department, program, and/or activity. Every appropriation, except for capital improvement projects and grants, lapses at the close of the fiscal year. An appropriation for a capital improvement remains in force until the purpose for which it was made has been accomplished or abandoned. An appropriation for a capital improvement will be deemed abandoned six months after the close of the fiscal year to the extent that it has not been expended or encumbered by a written contract. Appropriations for grants based on grant revenue remains in force until the end of the grant performance period as dictated by a grant agreement.

Formal budgetary integration is employed as a management control device during the year. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of American (GAAP basis); except that encumbrances are treated as budgetary expenditures in the year commitments were made; and reporting differences for the treatment of funds budgeted as special revenue funds that may not qualify under GAAP. The required supplementary information reflects the budgeted and actual amounts (non-GAAP budgetary basis) for the General Fund and major Special Revenue Funds that have legally adopted annual operating budgets. Due to the County's large amount of appropriated line items, the budgetary schedules presented in the Annual Comprehensive Financial Report are displayed at a summary level. A separate Supplemental Information to the Annual Comprehensive Financial Report provides detail support for the budgetary schedules presented as required supplementary information and other supplementary information and is available on the County's website; <https://www.mauicounty.gov/1827/Annual-Comprehensive-Financial-Report-AC>.

COUNTY OF MAUI
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

Measurement Period Ended	Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a %age of Covered Payroll	Plan Fiduciary Net Position as a %age of the Total Pension Liability
June 30, 2024	4.59%	\$ 648,892,391	\$ 207,878,931	312.15%	62.62%
June 30, 2023	4.75%	\$ 655,832,887	\$ 199,115,175	329.37%	61.91%
June 30, 2022	4.41%	\$ 572,349,949	\$ 180,843,264	316.49%	62.76%
June 30, 2021	4.80%	\$ 546,192,128	\$ 186,710,021	360.88%	64.25%
June 30, 2020	4.67%	\$ 715,237,490	\$ 177,926,729	239.84%	53.18%
June 30, 2019	4.58%	\$ 648,357,345	\$ 174,530,259	371.49%	54.87%
June 30, 2018	4.48%	\$ 597,668,394	\$ 177,312,000	337.07%	55.48%
June 30, 2017	4.62%	\$ 598,462,510	\$ 173,094,000	345.74%	54.80%
June 30, 2016	4.43%	\$ 592,379,381	\$ 164,147,000	360.88%	51.28%
June 30, 2015	4.37%	\$ 381,379,245	\$ 159,017,000	239.84%	62.42%

See accompanying notes to required supplementary information.

**COUNTY OF MAUI
SCHEDULE OF CONTRIBUTIONS (PENSION)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a %age of Covered Payroll
June 30, 2025	\$ 70,439,145	\$ 70,439,145	\$ --	\$ 214,902,185	32.78%
June 30, 2024	\$ 69,439,662	\$ 69,439,662	\$ --	\$ 207,878,931	33.40%
June 30, 2023	\$ 64,348,892	\$ 64,348,892	\$ --	\$ 199,115,175	32.32%
June 30, 2022	\$ 54,137,841	\$ 54,137,841	\$ --	\$ 180,843,264	29.94%
June 30, 2021	\$ 55,845,893	\$ 55,845,893	\$ --	\$ 186,710,021	29.91%
June 30, 2020	\$ 48,426,238	\$ 48,426,238	\$ --	\$ 177,926,729	27.22%
June 30, 2019	\$ 40,882,584	\$ 40,882,584	\$ --	\$ 174,530,259	23.42%
June 30, 2018	\$ 37,124,777	\$ 37,124,777	\$ --	\$ 177,312,000	20.94%
June 30, 2017	\$ 33,722,504	\$ 33,722,504	\$ --	\$ 173,094,000	19.48%
June 30, 2016	\$ 32,454,694	\$ 32,454,694	\$ --	\$ 164,147,000	19.77%

See accompanying notes to required supplementary information.

COUNTY OF MAUI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
REQUIRED BY GASB STATEMENT NO. 68
FISCAL YEAR ENDED JUNE 30, 2025

NOTE A - CHANGES OF ASSUMPTIONS

There were no changes of assumptions or other inputs that significantly affected the measurement of the total pension liability since the measurement period ended June 30, 2021.

Amounts reported in the schedule of the proportionate share of the net pension liability as of the measurement period ended June 30, 2021 (fiscal year ended June 30, 2022) were significantly impacted by the following changes of actuarial assumptions:

- Mortality rates generally decreased due to the continued improvements in using a fully generational
- Pre-retirement mortality rates increased for Police and Firefighters
- Retiree mortality is updated to the 2022 Public Retirees of Hawaii mortality tables. The rates are projected on a fully generational basis by the long-term rates of scale UMP from the year 2022 and with multiplier and setbacks based on plan and group experience.

Amounts reported in the schedule of the proportionate share of the net pension liability as of the measurement period ended June 30, 2019 (fiscal year ended June 30, 2020) were significantly impacted by the following changes of actuarial assumptions:

- Mortality rates generally decreased due to the continued improvements in using a fully generational approach and Scale BB.
- The rates of disability of active employees increased for all General Employees and Teachers, and for Police and Firefighters from duty-related reasons.
- There were minor increases in the retirement rates for members in certain groups based on age, employment group and/or membership class.

Amounts reported in the schedule of the proportionate share of the net pension liability as of the measurement period ended June 30, 2016 (fiscal year ended June 30, 2017) were significantly impacted by the following changes of actuarial assumptions:

- The investment return assumption decreased from 7.65% to 7.00%
- Mortality assumptions were modified to assume longer life expectancies as well as to reflect continuous mortality improvement

Prior to the measurement period ended June 30, 2016 (fiscal year ended June 30, 2017), there were no other factors, including the use of different assumptions that significantly affect trends reported in these schedules.

COUNTY OF MAUI
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 12,653,649	\$ 11,778,440	\$ 12,929,059	\$ 12,653,194	\$ 12,967,049	\$ 12,498,568	\$ 12,226,377	\$ 12,045,593
Interest on the total OPEB liability	42,263,785	40,041,773	42,478,059	41,329,165	41,302,904	38,555,038	36,426,483	34,318,637
Difference between expected and actual experience of the total OPEB liability	(32,424,749)	1,384,420	(54,117,123)	(18,720,890)	(31,423,659)	3,671,170	(7,224,043)	--
Change of assumptions	--	--	(14,754,349)	--	(3,522,434)	2,834,167	6,374,906	--
Benefit payments	<u>(21,639,637)</u>	<u>(22,158,770)</u>	<u>(19,370,062)</u>	<u>(18,603,206)</u>	<u>(18,980,360)</u>	<u>(18,095,542)</u>	<u>(16,968,244)</u>	<u>(15,716,815)</u>
Net change in total OPEB liability	853,048	31,045,863	(32,834,416)	16,658,263	343,500	39,463,401	30,835,479	30,647,415
Total OPEB liability - Beginning	<u>608,261,356</u>	<u>577,215,493</u>	<u>610,049,909</u>	<u>593,391,646</u>	<u>593,048,146</u>	<u>553,584,745</u>	<u>522,749,266</u>	<u>492,101,851</u>
Total OPEB liability - Ending	\$ <u>609,114,404</u>	\$ <u>608,261,356</u>	\$ <u>577,215,493</u>	\$ <u>610,049,909</u>	\$ <u>593,391,646</u>	\$ <u>593,048,146</u>	\$ <u>553,584,745</u>	\$ <u>522,749,266</u>
Plan fiduciary net position								
Contributions - employer	\$ 58,627,767	\$ 41,344,000	\$ 44,547,000	\$ 41,984,000	\$ 43,849,711	\$ 37,446,930	\$ 33,968,244	\$ 31,888,815
Net investment income (loss)	45,501,102	20,647,219	(8,234,718)	86,585,392	5,569,609	10,346,671	15,676,708	17,298,733
Benefit payments	(21,639,637)	(22,158,770)	(19,370,062)	(18,603,206)	(18,980,360)	(18,095,542)	(16,968,244)	(15,716,815)
Administrative expense	(46,776)	(31,122)	(36,607)	(44,523)	(44,376)	(78,401)	(47,981)	(39,167)
Other	<u>141,156</u>	<u>133,408</u>	<u>38,887</u>	<u>104,209</u>	<u>73,932</u>	<u>8,568,122</u>	<u>--</u>	<u>254,535</u>
Net change in plan fiduciary net position	82,583,612	39,934,735	16,944,500	110,025,872	30,468,516	38,187,780	32,628,727	33,686,101
Plan fiduciary net position - Beginning	<u>473,380,376</u>	<u>433,445,641</u>	<u>416,501,141</u>	<u>306,475,269</u>	<u>276,006,753</u>	<u>237,818,973</u>	<u>205,190,246</u>	<u>171,504,145</u>
Plan fiduciary net position - Ending	\$ <u>555,963,988</u>	\$ <u>473,380,376</u>	\$ <u>433,445,641</u>	\$ <u>416,501,141</u>	\$ <u>306,475,269</u>	\$ <u>276,006,753</u>	\$ <u>237,818,973</u>	\$ <u>205,190,246</u>
Net OPEB liability	\$ <u>53,150,416</u>	\$ <u>134,880,980</u>	\$ <u>143,769,852</u>	\$ <u>193,548,768</u>	\$ <u>286,916,377</u>	\$ <u>317,041,393</u>	\$ <u>315,765,772</u>	\$ <u>317,559,020</u>
Plan fiduciary net position as a percentage of the total OPEB liability	91.27%	77.83%	75.09%	68.27%	51.65%	46.54%	42.96%	39.25%
Covered-employee payroll	\$ 228,215,446	\$ 222,237,865	\$ 193,249,475	\$ 198,129,232	\$ 189,482,744	\$ 185,844,166	\$ 178,910,519	\$ 174,479,679
Net OPEB Liability as a Percentage of Covered-Employee Payroll	23.29%	60.69%	74.40%	97.69%	151.42%	170.60%	176.49%	182.00%

* The schedule is intended to present information for ten years for each respective fiscal year. Additional years will be built prospectively as information becomes available.

**COUNTY OF MAUI
SCHEDULE OF CONTRIBUTIONS (OPEB)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a %age of Covered-Employee Payroll
June 30, 2025	\$ 38,085,000	\$ 40,651,147	\$ (2,566,147)	\$ 234,555,736	17.33%
June 30, 2024	\$ 38,399,000	\$ 58,627,767	\$ (20,228,767)	\$ 228,215,446	25.69%
June 30, 2023	\$ 38,344,000	\$ 41,344,000	\$ (3,000,000)	\$ 222,237,965	18.60%
June 30, 2022	\$ 38,547,000	\$ 44,547,000	\$ (6,000,000)	\$ 193,249,475	23.05%
June 30, 2021	\$ 36,984,000	\$ 41,984,000	\$ (5,000,000)	\$ 198,129,232	21.19%
June 30, 2020	\$ 35,732,000	\$ 43,849,711	\$ (8,117,711)	\$ 189,482,744	23.14%
June 30, 2019	\$ 34,967,000	\$ 37,446,930	\$ (2,479,930)	\$ 185,844,166	20.15%
June 30, 2018	\$ 32,891,000	\$ 33,968,244	\$ (1,077,244)	\$ 178,910,519	18.99%
June 30, 2017	\$ 31,778,000	\$ 31,911,818	\$ (133,818)	\$ 174,164,911	18.32%
June 30, 2016	\$ 29,229,000	\$ 29,108,882	\$ 120,118	\$ 165,059,718	17.64%

See accompanying notes to required supplementary information.

COUNTY OF MAUI
OTHER SUPPLEMENTARY INFORMATION

	<u>Pages</u>
Other Supplementary Information	113 - 128

COUNTY OF MAUI
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Liquor Control Fund - The liquor control fund receives revenues from all liquor license fees. Fund revenues are expended for the operation and administration of the Liquor Control Commission, Liquor Control Adjudication Board, and the Department of Liquor Control.

Sewer Fund - This fund accounts for the operations and maintenance of the County's sewer system. Funding is provided by sewer assessment fees.

Bikeway Fund - The bikeway fund was established to collect revenue from bicycle licenses. The revenue is expended for bikeway construction and maintenance.

Solid Waste Fund - The solid waste fund was established to receive all refuse collection fees and landfill disposal charges. The fund is used for the operation and maintenance of the County's collections and disposal program as well as for diversion programs such as resource recovery and recycling programs.

Environmental Protection and Sustainability Fund - The environmental protection and sustainability fund was established to account for the funding efforts by the environmental protection and sustainability division of the department of environment management to optimize opportunities for environmental and natural resource protection, sustainability, conservation, and restoration.

Other Assessment Funds - These funds were established to account for special assessments to developers and others for which the funds are to be used for sewer and park improvements in a designated community or district, as well as to account for road assessments. For external financial reporting purposes these funds are considered a single fund rather than multiple funds.

**COUNTY OF MAUI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Liquor Control Fund	Sewer Fund	Bikeway Fund	Solid Waste Fund	Environmental Protection and Sustainability Fund	Other Assessment Funds	Total Non-Major Governmental Funds
ASSETS:							
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 1,138,495	\$ 20,004,791	\$ 256,583	\$ 21,346,324	\$ 9,773,568	\$ 6,167,245	\$ 58,687,006
Trade accounts, net (Note 4)	--	4,042,204	--	10,100,946	730,893	--	14,874,043
Total Assets	<u>\$ 1,138,495</u>	<u>\$ 24,046,995</u>	<u>\$ 256,583</u>	<u>\$ 31,447,270</u>	<u>\$ 10,504,461</u>	<u>\$ 6,167,245</u>	<u>\$ 73,561,049</u>
LIABILITIES:							
Accounts payable	\$ 13,764	\$ 942,867	\$ --	\$ 963,850	\$ 1,537,635	\$ --	\$ 3,458,116
Contract retentions payable	--	520	--	--	--	--	520
Deposits payable	3,110	--	--	--	--	--	3,110
Accrued wages payable	58,518	348,409	--	306,735	5,597	--	719,259
Advance collections	--	--	--	4,066,565	--	--	4,066,565
Total Liabilities	<u>75,392</u>	<u>1,291,796</u>	<u>--</u>	<u>5,337,150</u>	<u>1,543,232</u>	<u>--</u>	<u>8,247,570</u>
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflows - unavailable revenues (Note 4)	--	270,240	--	1,341,787	--	--	1,612,027
Deferred inflows - nonexchange	231,000	--	--	--	--	--	231,000
Total Deferred Inflows of Resources	<u>231,000</u>	<u>270,240</u>	<u>--</u>	<u>1,341,787</u>	<u>--</u>	<u>--</u>	<u>1,843,027</u>
FUND BALANCES (NOTE 15):							
Restricted	832,103	--	256,583	--	--	6,167,245	7,255,931
Committed	--	22,484,959	--	24,768,333	8,961,229	--	56,214,521
Total Fund Balances	<u>832,103</u>	<u>22,484,959</u>	<u>256,583</u>	<u>24,768,333</u>	<u>8,961,229</u>	<u>6,167,245</u>	<u>63,470,452</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,138,495</u>	<u>\$ 24,046,995</u>	<u>\$ 256,583</u>	<u>\$ 31,447,270</u>	<u>\$ 10,504,461</u>	<u>\$ 6,167,245</u>	<u>\$ 73,561,049</u>

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Liquor Control Fund	Sewer Fund	Bikeway Fund	Solid Waste Fund	Environmental Protection and Sustainability Fund	Other Assessment Funds	Total Non-Major Governmental Funds
REVENUES:							
Licenses and permits	\$ 2,286,333	\$ 40,165	\$ 48,033	\$ --	\$ --	\$ --	\$ 2,374,531
Charges for current services	--	59,505,528	--	32,509,709	3,844,667	--	95,859,904
Other	--	30	--	16,806	--	--	16,836
Assessments	--	--	--	--	--	136,702	136,702
Total Revenues	<u>2,286,333</u>	<u>59,545,723</u>	<u>48,033</u>	<u>32,526,515</u>	<u>3,844,667</u>	<u>136,702</u>	<u>98,387,973</u>
EXPENDITURES:							
Sanitation	--	35,919,251	--	26,418,416	12,073,064	--	74,410,731
Social welfare	3,012,401	--	--	--	--	--	3,012,401
Debt service							
Principal	5,808	145,699	--	133,920	40,119	--	325,546
Interest and other issuance cost	1,092	20,149	--	18,466	14,210	--	53,917
Total Expenditures	<u>3,019,301</u>	<u>36,085,099</u>	<u>--</u>	<u>26,570,802</u>	<u>12,127,393</u>	<u>--</u>	<u>77,802,595</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(732,968)</u>	<u>23,460,624</u>	<u>48,033</u>	<u>5,955,713</u>	<u>(8,282,726)</u>	<u>136,702</u>	<u>20,585,378</u>
OTHER FINANCING SOURCES (USES):							
Insurance recoveries	--	--	--	4,909	--	--	4,909
Issuance of debt (Note 7):							
Leases	9,775	10,501	--	10,930	145,677	--	176,883
Transfers In (Note 5):							
General Fund	--	--	--	9,895,011	13,945,779	--	23,840,790
Capital Improvement Projects Fund	--	6,343,148	77,479	3,733,597	--	1,899,999	12,054,223
Other Governmental Funds	--	--	--	1,602,389	773,174	--	2,375,563
Transfers Out (Note 5):							
General Fund	--	(10,697,673)	--	(6,604,042)	--	--	(17,301,715)
Highway Fund	--	--	--	(61,633)	--	--	(61,633)
Capital Improvement Projects Fund	--	(14,300,000)	--	(2,600,000)	--	(276,000)	(17,176,000)
Other Governmental Funds	--	(1,804,073)	--	--	(571,490)	--	(2,375,563)
Total Other Financing Sources (Uses)	<u>9,775</u>	<u>(20,448,097)</u>	<u>77,479</u>	<u>5,981,161</u>	<u>14,293,140</u>	<u>1,623,999</u>	<u>1,537,457</u>
Net Change in Fund Balances	(723,193)	3,012,527	125,512	11,936,874	6,010,414	1,760,701	22,122,835
Fund Balance - Beginning of Fiscal Year	<u>1,555,296</u>	<u>19,472,432</u>	<u>131,071</u>	<u>12,831,459</u>	<u>2,950,815</u>	<u>4,406,544</u>	<u>41,347,617</u>
Fund Balance - End of Fiscal Year	<u>\$ 832,103</u>	<u>\$ 22,484,959</u>	<u>\$ 256,583</u>	<u>\$ 24,768,333</u>	<u>\$ 8,961,229</u>	<u>\$ 6,167,245</u>	<u>\$ 63,470,452</u>

**COUNTY OF MAUI
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2025**

	<u>Tax Collections</u>	<u>Custodial and Clearance</u>	<u>Total Custodial Funds</u>
Assets:			
Equity in pooled cash and investments held in County Treasury	\$ <u>1,906,713</u>	\$ <u>64,315</u>	\$ <u>1,971,028</u>
Total Assets	\$ <u>1,906,713</u>	\$ <u>64,315</u>	\$ <u>1,971,028</u>
Liabilities:			
Due to other governments	\$ <u>1,878,139</u>	\$ <u>49,078</u>	\$ <u>1,927,217</u>
Total Liabilities	<u>1,878,139</u>	<u>49,078</u>	<u>1,927,217</u>
Net Position:			
Restricted for other governments	28,574	--	28,574
Restricted for organizations	<u>--</u>	<u>15,237</u>	<u>15,237</u>
Total Net Position	<u>28,574</u>	<u>15,237</u>	<u>43,811</u>
Total Liabilities and Net Position	\$ <u>1,906,713</u>	\$ <u>64,315</u>	\$ <u>1,971,028</u>

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Tax Collections</u>	<u>Custodial and Clearance</u>	<u>Total Custodial Funds</u>
Additions:			
Taxes and fees collected for other governments	\$ 21,287,063	\$ --	\$ 21,287,063
Fees collected for organizations	<u>--</u>	<u>135,678</u>	<u>135,678</u>
Total Additions	21,287,063	135,678	21,422,741
Deductions:			
Payments of taxes and fees to other governments	21,260,009	--	21,260,009
Payments of fees to organizations	<u>--</u>	<u>135,678</u>	<u>135,678</u>
Total Deductions	21,260,009	135,678	21,395,687
Change in Net Position	<u>27,054</u>	<u>--</u>	<u>27,054</u>
Net Position - Beginning of Fiscal Year	<u>1,520</u>	<u>15,237</u>	<u>16,757</u>
Net Position - End of Fiscal Year	\$ <u><u>28,574</u></u>	\$ <u><u>15,237</u></u>	\$ <u><u>43,811</u></u>

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
Principal payments	\$ 32,544,212	\$ 32,544,212	\$ 32,544,212	\$ --
Interest and other issuance cost	<u>14,498,070</u>	<u>14,498,070</u>	<u>14,498,070</u>	<u>--</u>
Total Expenditures	<u>47,042,282</u>	<u>47,042,282</u>	<u>47,042,282</u>	<u>--</u>
Deficiency of Revenues over Expenditures	<u>(47,042,282)</u>	<u>(47,042,282)</u>	<u>(47,042,282)</u>	<u>--</u>
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	<u>47,042,282</u>	<u>47,042,282</u>	<u>47,042,282</u>	<u>--</u>
Total Other Financing Sources	<u>47,042,282</u>	<u>47,042,282</u>	<u>47,042,282</u>	<u>--</u>
Net Change in Fund Balance	\$ <u> --</u>	\$ <u> --</u>	\$ <u> --</u>	\$ <u> --</u>

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LIQUOR CONTROL FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and permits	\$ 2,847,847	\$ 2,847,847	\$ 2,286,333	\$ (561,514)
Total Revenues	<u>2,847,847</u>	<u>2,847,847</u>	<u>2,286,333</u>	<u>(561,514)</u>
EXPENDITURES:				
Current:				
Social welfare	3,702,468	3,702,468	2,991,899	710,569
Debt service	--	--	6,900	(6,900)
Total Expenditures	<u>3,702,468</u>	<u>3,702,468</u>	<u>2,998,799</u>	<u>703,669</u>
Deficiency of Revenues over Expenditures	<u>(854,621)</u>	<u>(854,621)</u>	<u>(712,466)</u>	<u>142,155</u>
OTHER FINANCING SOURCES:				
Issuance of debt:				
Lease asset financing	--	--	9,775	9,775
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>9,775</u>	<u>9,775</u>
Net Change in Fund Balance	\$ <u>(854,621)</u>	\$ <u>(854,621)</u>	\$ <u>(702,691)</u>	\$ <u>151,930</u>
RECONCILIATION TO GAAP BASIS:				
GAAP basis - net change in fund balances			\$ (723,193)	
Add encumbrances of budgeted funds June 30, 2024			<u>20,502</u>	
Non-GAAP budgetary basis - Net change in fund balances			<u>(702,691)</u>	

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEWER FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and permits	\$ --	\$ --	\$ 40,165	\$ 40,165
Charges for current services	63,074,500	63,074,500	59,488,981	(3,585,519)
Interest and investment	--	--	16,577	16,577
Total Revenues	<u>63,074,500</u>	<u>63,074,500</u>	<u>59,545,723</u>	<u>(3,528,777)</u>
EXPENDITURES:				
Current:				
Sanitation	45,334,390	45,334,390	35,700,713	9,633,677
Debt service	--	--	165,848	(165,848)
Total Expenditures	<u>45,334,390</u>	<u>45,334,390</u>	<u>35,866,561</u>	<u>9,467,829</u>
Excess of Revenues over Expenditures	<u>17,740,110</u>	<u>17,740,110</u>	<u>23,679,162</u>	<u>5,939,052</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt:				
Lease asset financing	--	--	10,501	10,501
Transfers in:				
Capital Improvement Projects Fund	--	--	6,343,148	6,343,148
Transfers out:				
General Fund	(11,626,602)	(11,626,602)	(10,697,673)	928,929
Capital Improvement Projects Fund	--	--	(14,300,000)	(14,300,000)
Other Governmental Funds	(2,043,000)	(2,043,000)	(1,804,073)	238,927
Total Other Financing Sources (Uses)	<u>(13,669,602)</u>	<u>(13,669,602)</u>	<u>(20,448,097)</u>	<u>(6,778,495)</u>
Net Change in Fund Balance	<u>\$ 4,070,508</u>	<u>\$ 4,070,508</u>	<u>\$ 3,231,065</u>	<u>\$ (839,443)</u>
RECONCILIATION TO GAAP BASIS:				
GAAP basis - net change in fund balances			\$ 3,012,527	
Less encumbrances of budgeted funds June 30, 2025			(4,480,305)	
Add encumbrances of budgeted funds June 30, 2024			<u>4,698,843</u>	
Non-GAAP budgetary basis - Net change in fund balances			<u>\$ 3,231,065</u>	

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SOLID WASTE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for current services	\$ 24,421,300	\$ 24,421,300	\$ 32,509,709	\$ 8,088,409
Other revenues	--	--	16,806	16,806
Total Revenues	<u>24,421,300</u>	<u>24,421,300</u>	<u>32,526,515</u>	<u>8,105,215</u>
EXPENDITURES:				
Current:				
Sanitation	30,018,346	30,018,346	28,594,900	1,423,446
Debt service	--	--	152,386	(152,386)
Total Expenditures	<u>30,018,346</u>	<u>30,018,346</u>	<u>28,747,286</u>	<u>1,271,060</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,597,046)</u>	<u>(5,597,046)</u>	<u>3,779,229</u>	<u>9,376,275</u>
OTHER FINANCING SOURCES (USES):				
Other revenues:				
Insurance recoveries	--	--	4,909	4,909
Issuance of debt:				
Lease asset financing	--	--	10,930	10,930
Transfers in:				
General Fund	9,895,011	9,895,011	9,895,011	--
Highway Fund	1,743,000	1,743,000	--	(1,743,000)
Capital Improvement Projects Fund	--	--	3,733,597	3,733,597
Other Governmental Funds	--	--	1,602,389	1,602,389
Transfers out:				
General Fund	(6,604,042)	(6,604,042)	(6,604,042)	--
Highway Fund	(50,000)	(50,000)	(61,633)	(11,633)
Capital Improvement Projects Fund	--	--	(2,600,000)	(2,600,000)
Other Governmental Funds	(100,000)	(100,000)	--	100,000
Total Other Financing Sources (Uses)	<u>4,883,969</u>	<u>4,883,969</u>	<u>5,981,161</u>	<u>1,097,192</u>
Net Change in Fund Balance	<u>\$ (713,077)</u>	<u>\$ (713,077)</u>	<u>\$ 9,760,390</u>	<u>\$ 10,473,467</u>
RECONCILIATION TO GAAP BASIS:				
GAAP basis - net change in fund balances			\$ 11,936,874	
Less encumbrances of budgeted funds June 30, 2025			(7,659,753)	
Add encumbrances of budgeted funds June 30, 2024			<u>5,483,269</u>	
Non-GAAP budgetary basis - Net change in fund balances			<u>\$ 9,760,390</u>	

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ENVIRONMENTAL PROTECTION AND SUSTAINABILITY FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for current services	\$ 2,544,604	\$ 2,544,604	\$ 3,844,667	\$ 1,300,063
Total Revenues	<u>2,544,604</u>	<u>2,544,604</u>	<u>3,844,667</u>	<u>1,300,063</u>
EXPENDITURES:				
Current:				
Sanitation	17,710,934	17,710,934	17,052,097	658,837
Debt service	--	--	54,329	(54,329)
Total Expenditures	<u>17,710,934</u>	<u>17,710,934</u>	<u>17,106,426</u>	<u>604,508</u>
Deficiency of Revenues over Expenditures	<u>(15,166,330)</u>	<u>(15,166,330)</u>	<u>(13,261,759)</u>	<u>1,904,571</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt:				
Lease asset financing	--	--	145,677	145,677
Transfers in:				
General Fund	13,945,779	13,945,779	13,945,779	--
Highway Fund	900,000	900,000	--	(900,000)
Other Governmental Funds	--	--	773,174	773,174
Transfers out:				
Highway Fund	(600,000)	(600,000)	--	600,000
Other Governmental Funds	--	--	(571,490)	(571,490)
Total Other Financing Sources (Uses)	<u>14,245,779</u>	<u>14,245,779</u>	<u>14,293,140</u>	<u>47,361</u>
Net Change in Fund Balance	<u>\$ (920,551)</u>	<u>\$ (920,551)</u>	<u>\$ 1,031,381</u>	<u>\$ 1,951,932</u>
RECONCILIATION TO GAAP BASIS:				
GAAP basis - net change in fund balances			\$ 6,010,414	
Less encumbrances of budgeted funds June 30, 2025			(5,830,150)	
Add encumbrances of budgeted funds June 30, 2024			851,117	
Non-GAAP budgetary basis - Net change in fund balances			<u>\$ 1,031,381</u>	

**COUNTY OF MAUI
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Source of Revenues</u>	<u>Original Estimate</u>	<u>Amendments and Transfers</u>	<u>Final Estimate</u>	<u>Actual Revenues</u>	<u>Revenues Over or (Under) Estimate</u>
Intergovernmental revenue:					
Capital improvement projects:					
Federal grants	\$ --	\$ 3,983,450	\$ 3,983,450	\$ 2,479,135	\$ (1,504,315)
State grants	--	1,250,000	1,250,000	4,499,211	3,249,211
Federal grants passed through the state	--	<u>7,791,091</u>	<u>7,791,091</u>	<u>604,591</u>	<u>(7,186,500)</u>
Total - Intergovernmental revenues	--	<u>13,024,541</u>	<u>13,024,541</u>	<u>7,582,937</u>	<u>(5,441,604)</u>
Interest and investment earnings:					
General revenue:					
Interest on investments	--	--	--	1,902,597	1,902,597
Capital improvement projects:					
Interest on investments	--	--	--	<u>(406,121)</u>	<u>(406,121)</u>
Total - Interest and investment earnings	--	--	--	<u>1,496,476</u>	<u>1,496,476</u>
Total Capital Improvement Projects					
Fund Revenues	\$ --	\$ <u>13,024,541</u>	\$ <u>13,024,541</u>	\$ <u>9,079,413</u>	\$ <u>(3,945,128)</u>

**COUNTY OF MAUI
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CAPITAL IMPROVEMENT PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
EXPENDITURES:				
Capital outlay:				
Drainage	\$ 9,612,546	\$ 11,692,165	\$ 21,304,711	\$ 49,955,287
Other projects	17,459,516	22,710,931	40,170,447	76,574,686
Government facilities	75,596,143	21,155,088	96,751,231	72,123,091
Parks and recreation	30,122,161	31,660,780	61,782,941	84,702,253
Roads	50,376,735	23,541,868	73,918,603	150,710,312
Solid waste facilities	17,987,368	9,880,144	27,867,512	32,345,000
Wastewater facilities	41,043,252	33,000,102	74,043,354	119,864,094
Other expenditures	<u>347,870</u>	<u>--</u>	<u>347,870</u>	<u>--</u>
Total Expenditures	\$ <u>242,545,591</u>	\$ <u>153,641,078</u>	\$ <u>396,186,669</u>	\$ <u>586,274,723</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Governmental activities capital assets:		
Land	\$ 240,742,804	\$ 213,272,469
Construction in progress	240,426,706	237,507,871
Buildings and systems	316,063,944	309,504,651
Improvements other than buildings	243,455,059	198,483,225
Machinery and equipment	252,501,330	230,073,873
Infrastructure	1,546,303,930	1,461,334,802
Lease assets	10,475,723	9,322,756
Subscription assets	10,353,549	10,353,549
Accumulated depreciation and amortization	<u>(1,553,556,073)</u>	<u>(1,473,656,393)</u>
Total governmental activities capital assets	\$ <u>1,306,766,972</u>	\$ <u>1,196,196,803</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2025

Function and Department	Land	Improvements			Infrastructure	Construction in Progress	Lease Assets	Subscription Assets	Accumulated Depreciation	Accumulated Amortization	Total
		Buildings and Systems	Other Than Buildings	Machinery and Equipment							
General government:											
County Council	\$ --	\$ --	\$ 877,324	\$ --	\$ --	\$ --	\$ 8,874	\$ --	\$ (73,110)	\$ (1,570)	\$ 811,518
Office of the Mayor	29,535,436	1,743,672	1,800,722	453,177	--	2,307,427	627,901	--	(1,993,844)	(327,105)	34,147,386
Management	25,042,192	87,887,175	554,600	9,064,550	--	24,495,950	1,530,894	6,373,710	(17,716,619)	(4,399,019)	132,833,433
Corporation Counsel	--	--	--	180,640	--	--	52,250	--	(145,963)	(31,306)	55,621
Prosecuting Attorney	554,239	1,045,760	1,526,578	--	--	--	423,071	--	(504,550)	(252,226)	2,792,872
Finance	2,072,938	6,330,981	206,400	737,609	--	5,772,016	1,770,941	299,628	(2,259,449)	(1,618,882)	13,312,182
Personnel Services	--	--	--	--	--	--	28,001	--	--	(14,045)	13,956
Planning	2,070,394	--	--	814,819	--	--	2,008,346	247,546	(628,282)	(1,319,714)	3,193,109
Parks and Recreation	2,893,700	306,302	--	--	--	--	--	--	(269,289)	--	2,930,713
Environmental Management	--	--	--	--	--	--	--	--	--	(7,009)	(7,009)
Public Works	17,959,330	25,308,016	21,355,528	1,261,027	--	10,327,867	940	547,172	(28,399,129)	(175,985)	48,184,766
Transportation	--	--	--	--	--	85,931	11,041	--	--	(2,221)	94,751
County Auditor	--	--	--	7,400	--	--	--	--	(7,400)	--	--
Agriculture	--	--	--	186,062	--	--	23,811	247,546	(46,485)	(15,066)	395,868
East Maui Water Authority	--	--	--	--	--	--	106,373	--	--	(10,637)	95,736
Total for General government	80,128,229.00	122,621,906.00	26,321,152.00	12,705,284.00	--	42,989,191.00	6,592,443.00	7,715,602.00	(52,044,120.00)	(8,174,785.00)	238,854,902.00
Public safety:											
Management	--	--	--	--	25,546,859	--	--	--	(11,166,845)	--	14,380,014
Prosecuting Attorney	--	--	136,392	247,670	--	--	84,834	--	(187,972)	(49,002)	231,922
Police	1,318,642	56,463,868	11,145,866	39,978,882	--	265,801	408,906	2,014,338	(75,942,901)	(1,619,566)	34,033,836
Fire and Public Safety	1,489,597	39,585,926	8,546,762	38,842,400	--	2,740,815	20,728	247,546	(67,643,650)	(55,754)	23,774,370
Emergency Management Agency	--	--	--	615,435	--	--	7,597	128,517	(496,133)	(61,046)	194,370
Total for Public safety	2,808,239	96,049,794	19,829,020	79,684,387	25,546,859	3,006,616	522,065	2,390,401	(155,437,501)	(1,785,368)	72,614,512
Highways and streets:											
Management	--	--	--	--	--	179,843	--	--	--	--	179,843
Public Works	63,336,514	--	1,827,055	45,139,419	784,081,902	86,338,311	39,989	--	(594,379,843)	(14,919)	386,368,428
Transportation	--	10,127,421	--	25,469,526	--	82,508	87,367	--	(24,075,032)	(67,077)	11,624,713
Total for Highways and streets	63,336,514	10,127,421	1,827,055	70,608,945	784,081,902	86,600,662	127,356	--	(618,454,875)	(81,996)	398,172,984
Sanitation:											
Environmental Management	10,539,846	1,927,524	1,188,201	68,038,865	736,675,169	54,778,197	2,018,498	247,546	(522,011,076)	(1,335,635)	352,067,135
Total for Sanitation	10,539,846	1,927,524	1,188,201	68,038,865	736,675,169	54,778,197	2,018,498	247,546	(522,011,076)	(1,335,635)	352,067,135
Social welfare:											
Liquor Control	--	--	--	538,241	--	--	31,672	--	(406,958)	(14,695)	148,260
Housing	3,750,000	4,826,212	--	97,360	--	34,291	375,014	--	(1,083,325)	(588,052)	7,411,500
Human Concerns	--	10,809,693	1,506,606	2,199,179	--	--	306,897	--	(12,629,679)	(379,010)	1,813,686
Total for Social welfare	3,750,000	15,635,905	1,506,606	2,834,780	--	34,291	713,583	--	(14,119,962)	(981,757)	9,373,446
Culture and recreation:											
Parks and Recreation	80,179,976	69,701,394	192,783,025	18,390,733	--	53,017,749	137,443	--	(178,601,337)	(104,858)	235,504,125
Total for Culture and recreation	80,179,976	69,701,394	192,783,025	18,390,733	--	53,017,749	137,443	--	(178,601,337)	(104,858)	235,504,125
Legislative:											
County Council	--	--	--	144,851	--	--	364,335	--	(114,688)	(214,630)	179,868
County Clerk	--	--	--	93,485	--	--	--	--	(93,485)	--	--
Total for Legislative	--	--	--	238,336	--	--	364,335	--	(208,173)	(214,630)	179,868
Cost of capital assets used by governmental funds	\$ 240,742,804	\$ 316,063,944	\$ 243,455,059	\$ 252,501,330	\$ 1,546,303,930	\$ 240,426,706	\$ 10,475,723	\$ 10,353,549	\$ (1,540,877,044)	\$ (12,679,029)	\$ 1,306,766,972

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Function and Department</u>	<u>Governmental Capital Assets July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Capital Assets June 30, 2025</u>
General government:				
County Council	\$ 901,795	\$ 861,727	\$ (877,324)	\$ 886,198
Office of the Mayor	39,815,230	1,828,196	(5,175,091)	36,468,335
Management	127,776,247	53,037,891	(25,865,067)	154,949,071
Corporation Counsel	232,890	--	--	232,890
Prosecuting Attorney	3,522,907	159,920	(133,179)	3,549,648
Finance	18,203,825	1,980,733	(2,994,045)	17,190,513
Personnel Services	11,200	16,801	--	28,001
Planning	5,079,193	61,912	--	5,141,105
Parks and Recreation	21,267,726	--	(18,067,724)	3,200,002
Public Works	59,952,358	27,354,244	(10,546,722)	76,759,880
Transportation	3,750	93,222	--	96,972
County Auditor	7,400	--	--	7,400
Agriculture	357,276	100,143	--	457,419
East Maui Water Authority	--	106,373	--	106,373
Total for General government	<u>277,131,797</u>	<u>85,601,162</u>	<u>(63,659,152)</u>	<u>299,073,807</u>
Public safety:				
Management	25,025,410	521,449	--	25,546,859
Prosecuting Attorney	270,519	198,377	--	468,896
Police	105,686,545	9,545,167	(3,635,409)	111,596,303
Fire and Public Safety	88,566,196	5,199,865	(2,292,287)	91,473,774
Emergency Management Agency	751,549	--	--	751,549
Total for Public safety	<u>220,300,219</u>	<u>15,464,858</u>	<u>(5,927,696)</u>	<u>229,837,381</u>
Highways and streets:				
Management	--	1,887,840	(1,707,997)	179,843
Public Works	937,511,375	82,488,762	(39,236,947)	980,763,190
Transportation	34,807,921	8,481,610	(7,522,709)	35,766,822
Total for Highways and streets	<u>972,319,296</u>	<u>92,858,212</u>	<u>(48,467,653)</u>	<u>1,016,709,855</u>
Sanitation:				
Environmental Management	815,619,848	104,036,436	(44,242,438)	875,413,846
Total for Sanitation	<u>815,619,848</u>	<u>104,036,436</u>	<u>(44,242,438)</u>	<u>875,413,846</u>
Social welfare:				
Liquor Control	519,131	50,782	--	569,913
Housing	5,560,663	6,622,216	(3,100,002)	9,082,877
Human Concerns	14,550,910	933,731	(662,266)	14,822,375
Total for Social welfare	<u>20,630,704</u>	<u>7,606,729</u>	<u>(3,762,268)</u>	<u>24,475,165</u>
Culture and recreation:				
Parks and Recreation	363,297,669	67,965,472	(17,052,821)	414,210,320
Total for Culture and recreation	<u>363,297,669</u>	<u>67,965,472</u>	<u>(17,052,821)</u>	<u>414,210,320</u>
Legislative:				
County Council	460,179	49,007	--	509,186
County Clerk	93,485	--	--	93,485
Total for Legislative	<u>553,664</u>	<u>49,007</u>	<u>--</u>	<u>602,671</u>
Cost of capital assets used by governmental funds	2,669,853,197	373,581,876	(183,112,028)	2,860,323,045
Less accumulated depreciation and amortization	<u>(1,473,656,394)</u>	<u>(81,021,504)</u>	<u>1,121,825</u>	<u>(1,553,556,073)</u>
Capital assets net of accumulated depreciation and amortization	<u>\$ 1,196,196,803</u>	<u>\$ 292,560,372</u>	<u>\$ (181,990,203)</u>	<u>\$ 1,306,766,972</u>

This page has been intentionally left blank

COUNTY OF MAUI

Statistical Section (Unaudited)

The statistical section is included to provide financial statement users with additional historical perspective, context, and detail for use in evaluating the information contained in the basic financial statements, notes to the basic financial statements, and required supplementary information with the goal of providing the user a better understanding of the County's economic condition.

Contents	Tables
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	1 - 5
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	6 - 8
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	9 - 11
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	12 - 14
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial statements relates to the services the County provides and the activities it performs.	15 - 16

TABLE 1
COUNTY OF MAUI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities										
Net investment in capital assets	\$ 498,764	\$ 545,878	\$ 585,828	\$ 571,528	\$ 700,382	\$ 708,138	\$ 676,478	\$ 736,549	\$ 740,170	\$ 859,072
Restricted	63,422	51,730	49,599	50,942	66,766	78,118	100,860	127,750	172,034	313,708
Unrestricted	<u>(288,507)</u>	<u>(587,846)</u>	<u>(624,083)</u>	<u>(554,605)</u>	<u>(650,220)</u>	<u>(674,668)</u>	<u>(557,447)</u>	<u>(413,874)</u>	<u>(212,871)</u>	<u>(141,930)</u>
Total governmental activities net position	\$ <u>273,679</u>	\$ <u>9,762</u>	\$ <u>11,344</u>	\$ <u>67,865</u>	\$ <u>116,928</u>	\$ <u>111,588</u>	\$ <u>219,891</u>	\$ <u>450,425</u>	\$ <u>699,333</u>	\$ <u>1,030,850</u>
Business-type activities										
Net investment in capital assets	\$ 291,052	\$ 295,171	\$ 313,510	\$ 314,194	\$ 312,838	\$ 314,569	\$ 319,993	\$ 332,442	\$ 333,247	\$ 351,119
Restricted	14,825	16,924	20,212	32,156	33,108	34,547	34,339	51,248	44,109	38,579
Unrestricted	<u>17,489</u>	<u>793</u>	<u>7,841</u>	<u>15,170</u>	<u>23,439</u>	<u>24,731</u>	<u>24,776</u>	<u>8,723</u>	<u>33,125</u>	<u>41,952</u>
Total business-type activities net position	\$ <u>323,366</u>	\$ <u>312,888</u>	\$ <u>341,563</u>	\$ <u>361,520</u>	\$ <u>369,385</u>	\$ <u>373,847</u>	\$ <u>379,108</u>	\$ <u>392,413</u>	\$ <u>410,481</u>	\$ <u>431,650</u>
Primary government										
Net investment in capital assets	\$ 789,816	\$ 841,049	\$ 899,338	\$ 885,722	\$ 1,013,220	\$ 1,022,707	\$ 996,471	\$ 1,068,991	\$ 1,073,417	\$ 1,210,191
Restricted	78,247	68,654	69,811	83,098	99,874	112,665	135,199	178,998	216,143	352,287
Unrestricted	<u>(271,018)</u>	<u>(587,053)</u>	<u>(616,242)</u>	<u>(539,435)</u>	<u>(626,781)</u>	<u>(649,937)</u>	<u>(532,671)</u>	<u>(405,151)</u>	<u>(179,746)</u>	<u>(99,978)</u>
Total primary government net position	\$ <u>597,045</u>	\$ <u>322,650</u>	\$ <u>352,907</u>	\$ <u>429,385</u>	\$ <u>486,313</u>	\$ <u>485,435</u>	\$ <u>598,999</u>	\$ <u>842,838</u>	\$ <u>1,109,814</u>	\$ <u>1,462,500</u>

¹ Beginning in fiscal year 2025, the County implemented GASB Statement No. 101, Compensated Absences. Prior-year amounts presented in this Statistical Section reflect data as originally reported and have not been restated.

**TABLE 2
COUNTY OF MAUI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Expenses	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025²
Governmental activities:										
General government	\$ 116,872	\$ 133,763	\$ 144,002	\$ 144,051	\$ 176,002	\$ 189,498	\$ 189,053	\$ 182,455	\$ 259,821	\$ 272,745
Public safety	97,558	125,407	137,158	132,971	136,360	143,286	103,302	90,054	119,893	140,718
Social welfare	46,333	59,429	47,479	59,449	65,313	130,745	83,789	90,612	69,478	96,186
Sanitation	69,022	74,741	77,892	82,425	84,487	89,006	91,582	88,572	95,131	103,213
Highways and streets	49,842	53,976	58,656	61,255	62,061	62,313	58,459	68,357	72,478	82,581
Culture and recreation	34,896	37,626	37,165	36,298	38,937	39,907	40,857	35,841	44,068	41,013
Legislative	6,416	7,408	7,861	8,173	7,728	9,363	7,297	7,747	8,146	9,576
Capital outlay	--	--	--	--	--	--	5,344	11,356	--	--
Interest on long-term debt	7,563	6,867	6,230	7,559	8,713	8,930	10,521	12,005	11,941	10,430
Total governmental activities expenses	\$ 428,502	\$ 499,217	\$ 516,443	\$ 532,181	\$ 579,601	\$ 673,048	\$ 590,204	\$ 586,999	\$ 680,956	\$ 756,462
Business-type activities:										
Department of Water Supply	\$ 62,275	\$ 62,208	\$ 63,437	\$ 63,551	\$ 70,158	\$ 71,734	\$ 72,475	\$ 71,971	\$ 79,846	\$ 83,703
Housing, Interim Financing and Buy-Back Revolving Fund	208	193	813	947	931	1,057	1,281	1,543	8,111	1,471
Golf Course Special Fund	3,500	3,884	3,830	3,312	--	--	--	--	--	--
Total business-type activities expenses	65,983	66,285	68,080	67,810	71,089	72,791	73,756	73,514	87,957	85,174
Total primary government expenses	\$ 494,485	\$ 565,502	\$ 584,523	\$ 599,991	\$ 650,690	\$ 745,839	\$ 663,960	\$ 660,513	\$ 768,913	\$ 841,636
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 14,287	\$ 14,066	\$ 15,788	\$ 16,954	\$ 18,497	\$ 17,766	\$ 21,537	\$ 23,770	\$ 24,489	\$ 33,933
Public safety	839	454	616	630	490	518	856	769	888	1,207
Social welfare	2,161	2,558	2,576	2,594	2,504	2,859	2,686	2,688	2,945	2,577
Sanitation	64,857	73,004	78,989	87,369	93,260	82,338	88,138	95,626	91,926	101,851
Highways and streets	23,914	24,488	26,960	29,049	28,459	30,201	29,885	31,270	28,365	30,550
Culture and recreation	673	611	741	590	1,231	1,433	1,976	3,703	2,087	2,489
Legislative	--	--	--	--	--	--	6	4	4	51
Operating grants and contributions	34,426	41,470	33,967	44,669	48,687	118,905	81,249	75,814	88,953	87,592
Capital grants and contributions	14,092	9,607	6,212	16,799	12,007	6,917	10,163	16,573	7,321	7,281
Total governmental activities program revenues	\$ 155,249	\$ 166,258	\$ 165,849	\$ 198,654	\$ 205,135	\$ 260,937	\$ 236,496	\$ 250,217	\$ 246,978	\$ 267,531
Business-type activities:										
Charges for services:										
Department of Water Supply	\$ 60,544	\$ 63,633	\$ 64,297	\$ 64,460	\$ 68,185	\$ 67,166	\$ 69,677	\$ 67,198	\$ 72,432	\$ 82,474
Housing, Interim Financing and Buy-Back Revolving Fund	180	226	551	764	802	893	1,067	1,216	1,040	1,023
Golf Course Special Fund	1,163	1,108	1,072	869	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--	--	--	--
Capital grants and contributions	6,465	11,366	11,866	14,276	6,245	9,086	6,987	16,826	13,001	15,508
Total business-type program revenues	68,352	76,333	77,786	80,369	75,232	77,145	77,731	85,240	86,473	99,005
Total primary government program revenues	\$ 223,601	\$ 242,591	\$ 243,635	\$ 279,023	\$ 280,367	\$ 338,082	\$ 314,227	\$ 335,457	\$ 333,451	\$ 366,536
Net (expense)/revenue										
Governmental activities	\$ (273,253)	\$ (332,959)	\$ (350,594)	\$ (333,527)	\$ (374,466)	\$ (412,111)	\$ (353,708)	\$ (336,782)	\$ (433,978)	\$ (488,931)
Business-type activities	2,369	10,048	9,706	12,559	4,143	4,354	3,975	11,726	(1,484)	13,831
Total primary government net expense	\$ (270,884)	\$ (322,911)	\$ (340,888)	\$ (320,968)	\$ (370,323)	\$ (407,757)	\$ (349,733)	\$ (325,056)	\$ (435,462)	\$ (475,100)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 249,658	\$ 272,989	\$ 310,498	\$ 320,887	\$ 358,902	\$ 376,137	\$ 386,623	\$ 435,406	\$ 510,948	\$ 589,821
Transient accommodation tax	23,446	23,484	23,484	23,484	19,570	--	56,874	85,845	64,827	72,227
Fuel tax	12,522	15,655	16,450	16,430	15,207	13,549	16,434	16,691	15,558	16,645
Franchise tax	8,962	7,747	8,009	8,996	9,646	7,837	8,854	11,615	11,038	10,772
Public service corporation tax	9,264	7,662	6,958	7,821	8,284	7,639	7,186	8,798	9,534	9,106
General excise tax	--	--	--	--	--	--	--	--	34,498 ¹	88,047 ¹
Interest and investment earnings (losses)	2,402	2,940	(265)	13,231	12,192	1,290	(11,704)	8,140	37,277	45,119
Other	108	313	6,235	2,141	129	318	1,326	750	8,404	602
Transfers	(2,810)	(2,385)	(19,192)	(2,942)	(401)	--	(3,583)	70	(9,200)	(929)
Total governmental activities	\$ 303,552	\$ 328,405	\$ 352,177	\$ 390,048	\$ 423,529	\$ 406,770	\$ 462,010	\$ 567,315	\$ 682,885	\$ 831,410
Business-type activities:										
Interest and investment earnings	\$ 625	\$ 804	(223)	3,982	3,319	108	(2,817)	1,380	5,600	6,618
Others	--	--	--	474	--	--	521	269	4,753	1,095
Transfers	2,810	2,385	19,192	2,942	401	--	3,583	(70)	9,200	929
Total business-type activities	3,435	3,189	18,969	7,398	3,720	108	1,287	1,579	19,553	8,642
Total primary government	\$ 306,987	\$ 331,594	\$ 371,146	\$ 397,446	\$ 427,249	\$ 406,878	\$ 463,297	\$ 568,894	\$ 702,438	\$ 840,052
Change in Net Position										
Governmental activities	\$ 30,299	\$ (4,554)	\$ 1,583	\$ 56,521	\$ 49,063	\$ (5,341)	\$ 108,302	\$ 230,533	\$ 248,907	\$ 342,479
Business-type activities	5,804	13,237	28,675	19,957	7,863	4,462	5,262	13,305	18,069	22,473
Total primary government	\$ 36,103	\$ 8,683	\$ 30,258	\$ 76,478	\$ 56,926	\$ (879)	\$ 113,564	\$ 243,838	\$ 266,976	\$ 364,952

¹ Ordinance No. 5551, went into effect on Jan. 1, 2024, and ends Dec. 31, 2030. GET is levied on the gross receipts of a business, including amounts that are passed on and collected as GET from customers. To account for this, the maximum rate that may be passed on to customers is higher than the statutory rate of 4.5% (4% GET + 0.5% Maui County surcharge). However, a seller is prohibited by consumer protection law from visibly collecting more than the actual amount owed. Thus, the maximum rate that may be visibly passed on in Maui County is 4.712%.

² Beginning in fiscal year 2025, the County implemented GASB Statement No. 101, Compensated Absences. Prior-year amounts presented in this Statistical Section reflect data as originally reported and have not been restated.

**TABLE 3
COUNTY OF MAUI
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Fiscal Year	Property Tax	Transient Accommodation Tax	Public Service Corporation Tax	Franchise Tax	Fuel Tax	General Excise Tax	Total
2016	\$ 249,658	\$ 23,446	\$ 9,264	\$ 8,962	\$ 12,522	\$ --	\$ 303,852
2017	272,989	23,484	7,662	7,747	15,655	--	327,537
2018	310,499	23,484	6,958	8,009	16,450	--	365,400
2019	320,887	23,484	7,821	8,996	16,430	--	377,618
2020	358,902	19,570	8,284	9,646	15,207	--	411,609
2021	376,137	--	7,639	7,837	13,549	--	405,162
2022	386,623	56,874	7,186	8,854	16,434	--	475,971
2023	435,406	85,845	8,798	11,615	16,691	--	558,355
2024	510,948	64,827	9,534	11,038	15,558	34,498 ¹	646,403
2025	589,821	72,228	9,106	10,772	16,645	88,047 ¹	786,619

¹ Ordinance No. 5551, went into effect on Jan. 1, 2024, and ends Dec. 31, 2030. GET is levied on the gross receipts of a business, including amounts that are passed on and collected as GET from customers. To account for this, the maximum rate that may be passed on to customers is higher than the statutory rate of 4.5% (4% GET + 0.5% Maui County surcharge). However, a seller is prohibited by consumer protection law from visibly collecting more than the actual amount owed. Thus, the maximum rate that may be visibly passed on in Maui County is 4.712%.

TABLE 4
COUNTY OF MAUI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General fund										
Restricted	\$ 10,752	\$ 3,987	\$ 4,669	\$ 7,582	\$ 10,099	\$ 48,529	\$ 72,099	\$ 93,149	\$ 145,129	\$ 220,651
Committed	31,696	34,401	190	190	220	449	3,032	1,311	1,180	1,000
Assigned	19,859	18,247	33,204	24,345	31,139	34,472	40,640	56,723	71,055	80,671
Unassigned	<u>22,708</u>	<u>25,062</u>	<u>75,440</u>	<u>118,370</u>	<u>149,902</u>	<u>152,594</u>	<u>165,918</u>	<u>222,433</u>	<u>244,290</u>	<u>351,619</u>
Total general fund	\$ <u>85,015</u>	\$ <u>81,697</u>	\$ <u>113,503</u>	\$ <u>150,487</u>	\$ <u>191,360</u>	\$ <u>236,044</u>	\$ <u>281,689</u>	\$ <u>373,616</u>	\$ <u>461,654</u>	\$ <u>653,941</u>
All other governmental funds										
Restricted	\$ 59,937	\$ 43,590	\$ 48,910	\$ 53,485	\$ 68,979	\$ 36,235	\$ 49,578	\$ 50,878	\$ 56,793	\$ 98,314
Committed	20,839	26,938	32,699	35,738	35,192	59,357	75,984	74,021	106,778	129,308
Assigned	26,510	38,919	6,298	78,869	37,557	38,263	87,594	129,505	104,293	23,216
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(80)</u>	<u>(4,052)</u>	<u>(1,463)</u>	<u>--</u>	<u>--</u>
Total all other governmental funds	\$ <u>107,286</u>	\$ <u>109,447</u>	\$ <u>87,907</u>	\$ <u>168,092</u>	\$ <u>141,728</u>	\$ <u>133,775</u>	\$ <u>209,104</u>	\$ <u>252,941</u>	\$ <u>267,864</u>	\$ <u>250,838</u>

**TABLE 5
COUNTY OF MAUI
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS -
UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Taxes	\$ 280,825	\$ 303,701	\$ 342,520	\$ 353,226	\$ 389,890	\$ 403,304	\$ 465,475	\$ 556,545	\$ 646,539	\$ 782,253
Licenses and permits	30,460	32,032	36,117	37,281	37,915	39,017	41,567	43,049	40,931	42,567
Intergovernmental revenues	69,037	70,996	61,917	81,101	75,430	125,069	89,887	85,699	95,981	90,728
Charges for current services	70,575	76,902	82,657	92,115	94,412	87,711	97,271	100,471	94,420	105,400
Fines and forfeitures	2,537	2,226	2,379	2,606	3,031	2,037	3,611	4,362	4,977	5,204
Interest and investment earnings (losses)	2,592	3,120	(44)	13,305	12,347	1,526	(11,371)	8,469	37,607	45,445
Other revenues	5,140	6,042	10,999	8,545	6,598	6,801	8,743	12,739	10,978	19,577
Assessments	2,345	1,742	1,249	2,339	2,355	316	778	343	37	137
Total revenues	463,511	496,761	537,794	590,518	621,978	665,781	695,961	811,677	931,470	1,091,311
EXPENDITURES										
Current:										
General government	115,623	126,512	132,344	143,301	162,918	175,237	183,814	215,474	267,759	234,647
Social welfare	45,920	57,125	46,012	58,013	64,246	128,852	84,539	91,619	71,618	98,411
Public safety	92,811	99,701	103,913	106,070	107,890	113,215	110,351	116,774	139,211	158,373
Capital outlay	65,147	48,112	87,052	118,260	100,948	105,142	102,047	130,510	132,557	181,541
Sanitation	52,454	54,842	58,256	58,567	61,627	61,390	62,714	66,878	70,165	77,201
Highways and streets	39,827	40,032	40,898	46,114	47,833	51,149	47,913	57,915	61,763	68,680
Culture and recreation	28,912	38,325	29,505	28,510	31,182	30,969	36,862	34,644	43,332	39,221
Legislative	6,493	6,523	6,796	7,442	6,941	8,459	8,162	9,225	9,704	10,766
Debt service:										
Lease asset	--	--	--	--	--	--	1,530	4,649	4,002	4,804
Principal	20,825	26,150	25,686	25,507	31,568	23,172	29,597	30,109	29,701	32,544
Interest and other issuance costs	9,607	9,174	8,277	9,744	10,856	10,136	13,744	15,554	16,443	15,186
Total expenditures	477,619	506,496	538,739	601,528	626,009	707,721	681,273	773,351	846,255	921,374
Excess (deficiency) of revenues over expenditures	(14,108)	(9,735)	(945)	(11,010)	(4,031)	(41,940)	14,688	38,326	85,215	169,937
OTHER FINANCING SOURCES (USES)										
Insurance recoveries	--	--	--	--	--	--	--	--	9,283	127
Issuance of debt:										
General obligation bond proceeds	15,185	--	--	95,010	--	58,885	84,740	56,855	--	--
General obligation refunding bonds	39,542	--	--	7,265	--	15,182	--	--	--	--
Net premiums received	7,489	--	--	7,034	--	17,637	17,573	8,229	--	--
State revolving fund loan proceeds	3,750	10,962	13,244	29,416	17,139	5,893	389	--	10,357	4,932
Lease asset financing	--	--	--	--	--	--	5,636	32,284	7,306	1,194
Use of debt:										
Payment to escrow for bond refunding	(45,356)	--	--	(7,604)	--	(18,926)	--	--	--	--
Transfers in:										
General Fund	61,428	69,955	65,376	62,590	74,250	47,609	88,632	112,254	150,465	200,043
Special Revenue Funds	38,848	43,350	42,971	47,673	51,317	24,619	12,869	16,810	17,226	25,971
Capital Improvements Projects Fund	5,841	6,866	4,850	3,408	6,703	10,873	4,466	6,752	68,309	26,423
Other Governmental Funds	7,878	7,437	19,026	9,436	7,546	44,856	34,119	55,771	12,682	36,915
Proprietary Funds	240	382	231	230	1,436	--	--	--	--	--
Transfers out:										
Special Revenue Funds	(4,677)	(3,495)	(9,159)	(1,951)	(5,641)	(11,344)	(2,463)	(2,459)	(6,035)	(20,974)
General Fund	(21,833)	(31,077)	(23,752)	(22,319)	(29,514)	(49,701)	(21,242)	(27,837)	(30,593)	(38,090)
Capital Improvements Projects Fund	(34,039)	(34,926)	(39,605)	(47,733)	(38,562)	(25,029)	(37,083)	(66,003)	(83,791)	(84,976)
County Funds	--	--	--	--	--	--	--	--	--	(60,000) ¹
Other Governmental Funds	(23,368)	(22,784)	(25,745)	(16,628)	(23,675)	(8,713)	(37,724)	(49,973)	(82,996)	(38,270)
Debt Service Fund	(30,078)	(35,325)	(33,963)	(34,475)	(42,424)	(33,170)	(41,574)	(45,315)	(45,267)	(47,042)
Proprietary Funds	(3,050)	(2,767)	(2,263)	(3,172)	(35)	--	(3,583)	69	(9,200)	(929)
Total financing sources, net	17,800	8,578	11,211	128,180	18,540	78,671	104,755	97,437	17,746	5,324
Net Change in Fund Balances	\$ 3,692	\$ (1,157)	\$ 10,266	\$ 117,170	\$ 14,509	\$ 36,731	\$ 119,443	\$ 135,763	\$ 102,961	\$ 175,261
Capital outlays reported in the CIP fund and other funds	70,811	61,836	69,664	118,839	105,329	118,644	111,355	150,107	143,404	191,592
Debt service as a percentage of noncapital expenditures	7.48%	7.94%	7.24%	7.30%	8.15%	5.65%	7.87%	8.07%	7.13%	7.20%
Total expenditures less capital outlays	406,808	444,660	469,075	482,689	520,680	589,077	569,918	623,244	702,851	729,782
Debt service (payments)	30,432	35,324	33,963	35,251	42,424	33,308	44,871	50,312	50,146	52,534

¹ Beginning in fiscal year 2025, the County Fund met the criteria to be reported as a major governmental fund. Prior years presented reflect the fund classifications as originally reported.

**TABLE 6
COUNTY OF MAUI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Fiscal Year Ended June 30	Classification											
	Non-Owner-Occupied		Apartment		Commercial		Industrial		Agricultural		Commercial Residential	
	Taxable Assessed Value	Tax Rate ¹										
2016	\$ 6,226,697	5.40	\$ 5,793,112	6.00	\$ 2,824,233	6.60	\$ 1,750,774	6.85	\$ 3,536,472	5.75	\$ 120,166	4.35
2017	6,759,362	5.30	6,134,056	6.00	3,224,554	6.60	2,053,224	6.69	3,772,117	5.66	163,441	4.35
2018	7,153,681	5.54	6,443,531	6.32	3,233,112	7.28	2,026,784	7.49	3,924,967	6.01	172,476	4.56
2019	7,721,680	5.52	6,544,442	6.31	2,911,448	7.25	2,132,863	7.45	4,330,328	6.00	197,032	4.55
2020	8,061,546	5.60	6,503,522	6.31	2,832,416	7.39	2,083,169	7.48	4,357,942	5.94	207,502	4.60
2021	18,497,670	5.89	373,361	5.55	2,830,069	6.29	2,129,757	7.20	1,187,254	5.94	241,936	4.40
2022	15,930,314	6.13	355,348	5.55	2,633,773	6.29	2,067,234	7.20	1,241,743	5.94	238,270	4.40
2023	15,536,933	7.07	377,822	3.50	2,669,120	6.05	2,074,671	7.05	1,310,192	5.74	231,435	4.40
2024	17,674,367	7.22	516,863	3.50	2,890,934	6.05	2,282,247	7.05	1,643,754	5.74	286,817	4.40
2025	17,664,373	8.01	595,055	3.50	2,419,886	6.05	2,240,513	7.05	1,742,187	5.74	286,823	4.85

Fiscal Year Ended June 30	Classification													
	Conservation		Hotel & Resort		Time Share		Owner-Occupied		Short Term Rental		Long Term Rental		Total	
	Taxable Assessed Value	Tax Rate ¹	Taxable Assessed Value	Direct Tax Rate ¹	Taxable Assessed Value	Direct Tax Rate ¹								
2016	\$ 406,824	5.90	\$ 9,296,145	8.85	\$ 1,693,560	14.55	\$ 9,063,738	2.75	\$ --	--	\$ --	--	\$ 40,711,721	6.24
2017	424,471	5.80	9,745,148	8.71	1,896,669	14.31	10,190,495	2.70	--	--	--	--	44,363,537	6.12
2018	427,198	6.37	10,009,936	9.37	1,943,561	15.43	10,628,945	2.86	--	--	--	--	45,964,191	6.53
2019	438,828	6.35	2,309,315	9.37	2,242,684	15.41	11,454,863	2.85	8,565,108 ²	9.28	--	--	48,848,591	6.53
2020	457,633	6.43	2,934,709	11.00	2,441,153	14.40	11,852,614	2.90	9,436,249	10.75	--	--	51,168,455	6.95
2021	225,172	6.43	3,091,738	10.70	2,768,776	14.40	13,134,122	2.52	10,279,135	11.08	--	--	54,758,990	6.83
2022	216,742	6.43	2,492,610	11.75	2,578,459	14.60	13,568,904	2.44	12,791,760	11.13	--	--	54,115,157	7.08
2023	312,646	6.43	3,704,722	11.75	2,812,982	14.60	15,102,919	2.03	13,455,886	11.85	1,110,523 ²	3.31	58,699,851	7.34
2024	322,875	6.43	4,345,299	11.75	3,745,183	14.60	16,800,844	1.94	17,931,359	11.85	1,901,523	3.32	70,342,065	7.58
2025	317,376	6.43	4,383,911	11.75	3,905,411	14.60	18,754,560	1.88	18,696,744	13.17	2,261,799	3.44	73,268,638	7.99

¹ Tax rates per \$1,000 of net taxable assessed valuation for each class of property. Assessed valuation base is 100% of appraised fair market value.

² First year of tax.

**TABLE 7
COUNTY OF MAUI
PRINCIPAL TAXPAYERS
FISCAL YEARS 2024 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Taxpayer	Type of Business	2025 ¹			2016 ²		
		Percentage of Total Tax			Percentage of Total Tax		
		Taxes	Levy	Rank	Taxes	Levy	Rank
Ocean Resort Villas Vacation Owners Ass'n., VSE Pacific, Inc., SVO Pacific, Inc.	Time Share	\$ 21,369	3.61%	1			
HMC Maui LP, HMC Kea Lani LP, HMC Maui LLC, HHR AMW LLC, HHR Maui Golf LLC	Hotel (Kea Lani, Hyatt Regency, Andaz), Golf Course	13,404	2.27%	2			
Bre Iconic GWR Owner LLC, Bre RC Maui Kapalua, LLC, Brea RC Maui Steeple House LLC	Hotel (Grand Wailea, Ritz-Carlton)	11,403	1.93%	3			
Marriott Ownership Resorts	Time Share	11,239	1.90%	4			
Lanai Resorts LLC, Lanai Developers LLC	Koele), Golf Course, DevelopmentHotel (Kaanapali Beach Club, Maui Bay Villas)	6,536	1.11%	5			
West Maui Resort Partners LP, Kupono Partners LLC	Time Share, Hotel (Kaanapali Beach Club, Maui	6,430	1.09%	6			
Maui Beach, Maui Banyan, Gardens at West Maui, Hono Koa, Kahana Beach, Sands of Kahana, Kahana Villa Vacation Clubs	Timeshare	5,203	0.88%	7			
HV Global Management Corp., Maui Timeshare Venture LLC,	Time Share (Hyatt)	4,444	0.75%	8			
3900 WA Associates LLC	Hotel (Four Seasons)	4,046	0.68%	9			
WM Lessee LLC (Leasehold)	Hotel (Westin)	3,841	0.65%	10			
Westin Maui Corp (Leasehold), SVO Pacific, Inc, Ocean Resort Villas Vacation Owners Ass'n.	Hotel (Westin) / Time Share				\$ 10,196	3.92%	1
Marriott Ownership Resorts	Time Share				6,214	2.39%	2
HMC Maui LP, HMC Kea Lani LLC	Hotel (Kea Lani & Hyatt)				3,830	1.47%	3
Alexander & Baldwin, A & B, East Maui Irrigation	Sugar, Development, Property Management				3,031	1.17%	4
GWR Wailea Property LLC	Hotel (Grand Wailea)				2,849	1.10%	5
West Maui Resort Partners LP	Time Share/Hotel (Kaanapali Beach Club Time Share)				2,426	0.93%	6
Lanai Resorts LLC	Hotel, Golf Course				2,320	0.89%	7
Island Acquisitions Kapalua LLC	Time Share, Hotel (Montage)				2,110	0.81%	8
3900 WA Associates LLC	Hotel (Four Seasons Resort)				1,451	0.56%	9
Kyo-Ya Hotels & Resorts LP	Hotel (Sheraton)				1,270	0.49%	10
TOTALS		\$ 87,916	14.87%		\$ 35,698	13.73%	

¹ Fiscal Year 2025 taxes were calculated from the January 1, 2024 assessment. The taxes levied are for the year July 1, 2024 through June 30, 2025.

² Fiscal Year 2016 taxes were calculated from the January 1, 2015 assessment. The taxes levied are for the fiscal year July 1, 2015 through June 30, 2016.

**TABLE 8
COUNTY OF MAUI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustments ¹	Adjusted Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 260,047	\$ (1,764)	\$ 258,283	\$ 255,692	99.0%	\$ (11)	\$ 255,681	99.0%
2017	277,570	(3,824)	273,746	271,201	99.1%	823	272,024	99.4%
2018	305,705	(1,687)	304,018	301,119	99.0%	15	301,134	99.1%
2019	324,771	(1,737)	323,034	315,593	97.7%	(55)	315,538	97.7%
2020	362,187	(3,325)	358,862	354,148	98.7%	266	354,414	98.8%
2021	379,948	(1,937)	378,011	371,606	98.3%	--	371,606	98.3%
2022	386,449	8 ²	386,457	381,718	98.8%	--	381,718	98.8%
2023	439,925	280	440,205	436,116	99.1%	--	436,116	99.1%
2024	540,705	(21,582)	519,123	512,229	98.7%	--	512,229	98.7%
2025	592,749	(1,651)	591,098	582,742	98.6%	--	582,742	98.6%

¹ Adjustments include appeals.

² Error correction from prior year.

**TABLE 9
COUNTY OF MAUI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Fiscal Year	Government Activities					Business-type Activities				Total Primary Government		
	General Obligation Bonds	Notes Payable ¹	Leases	SBITAs	Financed Purchases	General Obligation Bonds	Notes Payable ¹	Leases	Financed Purchases	Total Outstanding Debt	Percentage of Personal Income ²	Per Capita ²
2016	\$ 235,318	46,801	--	--	--	27,285	22,260	--	--	331,664	4.43%	2,006
2017	209,578	54,137	--	--	--	24,531	29,168	--	--	317,414	4.03%	1,910
2018	186,355	62,122	--	--	--	21,719	46,123	--	--	316,319	3.86%	1,894
2019	263,904	87,517	--	--	--	23,419	45,398	--	--	420,238	5.12% ²	2,510
2020	234,688	98,264	--	--	--	20,113	45,574	--	--	398,639	4.86% ²	2,381 ⁵
2021	288,319	97,387	--	--	--	17,659	43,778	--	--	447,143	5.45% ²	2,714 ⁶
2022	364,696	90,900	6,187	--	--	15,175	41,662	355	--	518,975	6.03% ³	3,150 ⁶
2023	401,375	83,965	4,785 ⁸	7,184 ⁸	20,462	16,915	39,774	294 ⁸	--	574,754	5.98% ⁴	3,495 ⁷
2024	373,909	86,914	5,267	5,013	25,654	15,367	38,112	229	913	551,378	5.73% ⁴	3,353 ⁷
2025	345,835	80,478	4,494	2,176	23,409	13,757	35,823	158	756	506,886	5.27% ⁴	3,083 ⁷

¹ Total Personal Income and Total Resident Population data can be found in the Schedule of Demographic and Economic Statistics on Table 12

² Based on 2018 personal income, updated data not available at time of publication

³ Based on 2019 personal income, updated data not available at time of publication. Source: Maui County Data Book 2020.

⁴ Based on 2021 census data.

⁵ Based on 2019 census data.

⁶ Based on 2020 census data.

⁷ Maui County Data Book 2022, Used estimates for July 1 of each respective year

⁸ Correction made in FY2023 to include Lease payable due to implementation of GASB 87 - Leases in FY22.

TABLE 10
COUNTY OF MAUI
RATIOS OF GENERAL OBLIGATIONS BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT - UNAUDITED)

<u>Fiscal Year</u>	<u>General Obligation Bonds ⁴</u>	<u>Percentage of Estimated Actual Taxable Value of Property ¹</u>	<u>Per Capita ²</u>
2016	\$ 262,603	0.645%	\$ 2,544
2017	234,109	0.528%	1,407
2018	208,074	0.453%	1,244
2019	287,324	0.588%	1,718
2020	254,801	0.498%	1,545
2021	305,978	0.559%	1,861 ³
2022	379,871	0.702%	2,310 ³
2023	418,290	0.713%	2,544 ³
2024	389,276	0.553%	2,367 ³
2025	359,592	0.491%	2,187 ³

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 6.

² Population data can be found in the Schedule of Demographic and Economic Statistics on Table 12.

³ 2021 - 2025 population data not available at the time of publication; Based on 2020 census data.

⁴ Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

**TABLE 11
COUNTY OF MAUI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit ¹	\$ 6,106,758	\$ 6,654,531	\$ 6,894,629	\$ 7,327,289	\$ 7,675,268	\$ 8,213,849	\$ 8,117,274	\$ 8,804,978	\$ 10,551,310	\$ 10,903,828
Debt applicable to limit	<u>265,325</u>	<u>250,137</u>	<u>237,695</u>	<u>336,374</u>	<u>320,702</u>	<u>358,849</u>	<u>415,671</u>	<u>418,290</u>	<u>336,158</u>	<u>426,313</u>
Legal debt margin ²	\$ <u>5,841,433</u>	\$ <u>6,404,394</u>	\$ <u>6,656,934</u>	\$ <u>6,990,915</u>	\$ <u>7,354,566</u>	\$ <u>7,855,000</u>	\$ <u>7,701,603</u>	\$ <u>8,386,688</u>	\$ <u>10,215,152</u>	\$ <u>10,477,515</u>
Debt applicable to the limit as a percentage of debt limit	4.34%	3.76%	3.45%	4.59%	4.18%	4.37%	5.12%	4.75%	3.19%	3.91%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessor's net taxable income	\$ 73,268,638
Less: 50% of valuation on appeal	<u>(576,454)</u>
Valuation for tax rate purpose	\$ <u>72,692,184</u>
Debt limit (15% of total assessed value)	\$ 10,903,828
Debt applicable to limit	<u>426,313</u>
Legal debt margin	\$ <u>10,477,515</u>

Notes:

¹ State finance statutes limit the County's outstanding general debt to no more than 15 percent of the net assessed value of property.

² The legal debt margin is the County's available borrowing authority under the state finance statutes and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

**TABLE 12
COUNTY OF MAUI
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)**

Fiscal Year	Population	Personal Income (x\$1,000)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	165,350 ¹	7,489 ¹	45,194 ¹	41.0 ³	21,010	3.00%
2017	166,146 ¹	7,879 ¹	47,322 ¹	41.0 ³	21,105	2.60% ¹
2018	166,972 ¹	8,204 ¹	49,040 ¹	41.0 ³	21,001	2.40% ¹
2019	167,417 ¹	8,600 ¹	51,348 ¹	41.0 ⁴	21,051	2.60% ¹
2020	164,754 ¹	8,827 ²	53,586 ²	N/A	20,366	18.00% ¹
2021	164,898 ²	9,615 ²	58,520 ²	N/A	19,833	N/A
2022	164,433 ²	N/A	N/A	N/A	19,482	7.30% ²
2023	N/A	N/A	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A	N/A	N/A
2025	N/A	N/A	N/A	N/A	N/A	N/A

¹ Maui County Data Book 2020

² Maui County Data Book 2022, Used estimates for July 1 of each respective year

³ U.S. Census Bureau; Median Age for 2014-2018

⁴ U.S. Census Bureau

N/A = Not Available

**TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2025 AND NINE YEARS AGO - (UNAUDITED)**

EMPLOYER ¹	2025			2016 ³		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Hawaii	5,300 ¹	1	6.29%	6,400	1	7.90%
County Government	2,579 ²	2	3.06%	2,419	2	2.98%
Grand Wailea-Waldorf Astoria	1,400	3	1.66%	1,400	4	1.73%
Ritz-Carlton-Kapalua	1,000	4	1.19%	1,000	5	1.23%
Federal Government	880 ¹	5	1.04%	800	6	0.99%
Maui Memorial Medical Center	800	6	0.95%	800	6	0.99%
Four Seasons Resort Maui	800	6	0.95%	800	6	0.99%
Fairmont Kea Lani	700	7	0.83%	600	8	0.74%
Four Seasons Resort Lanai	700	7	0.83%	700	7	0.86%
Westin Maui Resort & Spa on Kaanapali Beach	700	7	0.83%	700	7	0.86%
Kea Lani Maui Restaurant	600	8	0.71%			
Adult Day Health By Hale Makua	500	9	0.59%			
Kaanapali Beach Club	500	9	0.59%	500	10	0.62%
Montage Kapalua Bay	500	9	0.59%			
Walmart	500	9	0.59%	500	10	0.62%
Royal Lahaina Resort	500	9	0.59%	500	10	0.62%
Wailea Beach Resort Marriott	420	10	0.50%			
Town Realty of Hawaii				2,001	3	2.47%
Hyatt Regency				600	8	0.74%
Maui Brand Sugar				800	6	0.99%
Makena Beach & Golf Resort				518	9	0.64%
Total	18,379		21.81%	21,038		25.96%

¹ Hawaii Department of Business, Economic Development & Tourism, Monthly Economic Indicators. Data rounded to nearest 10. Average based on June 2024 to July 2025 period. <https://dbedt.hawaii.gov/economic/mei/>.

² County of Maui actual employee count from Table 14.

³ County of Maui, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2016, Table 13 Principal Employers Fiscal 2016, pg. 155.

TABLE 14
COUNTY OF MAUI
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
(LAST TEN FISCAL YEARS - UNAUDITED)

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	527	525	538	590	552	562	552	549	580	616
Public safety										
Police										
Officers	371	370	356	337	332	321	302	297	303	311
Civilians	111	108	105	106	91	105	102	95	87	105
Fire and public safety										
Firefighters and officers	293	288	284	292	295	297	290	297	301	306
Civilians	14	76	77	77	77	76	79	93	105	109
Highways and streets										
Engineering	30	30	33	16	26	30	34	34	32	32
Maintenance	214	220	224	185	223	225	235	238	253	257
Sanitation	97	99	101	96	103	106	110	115	109	109
Social welfare	108	111	103	100	108	106	113	100	104	100
Culture and recreation	348	282	293	293	293	297	305	315	319	331
Sewer	110	116	113	110	118	115	112	113	110	112
Department of Water Supply	196	205	196	200	199	196	192	194	196	191
Total	<u>2,419</u>	<u>2,430</u>	<u>2,423</u>	<u>2,402</u>	<u>2,417</u>	<u>2,436</u>	<u>2,426</u>	<u>2,440</u>	<u>2,499</u>	<u>2,579</u>

Source: Annual Government Survey submitted by Payroll.

**TABLE 15
COUNTY OF MAUI
OPERATING INDICATORS BY FUNCTION
(LAST TEN FISCAL YEARS - UNAUDITED)**

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Physical arrests	9,672	9,631	9,533	8,662	7,532	7,552	7,996	6,407	5,103	5,194
Parking violations	2,743	12,331	12,277	10,371	9,436	8,117	12,412	11,366	4,702	3,498
Fire										
Number of calls answered	10,931	11,275	12,167	12,740	12,088	12,033	13,778	14,788	17,399	17,497
Inspections	557	610	567	724	830	1,280	1,173	1,727	1,611	1,915
Highways and streets										
Street resurfacing (miles)	25	19	16	23	17	19	22	7	10	15
Sanitation										
Refuse collected (tons/day)	507	570	597	614	650	757	811	794	784	778
Recyclables collected (tons/day)	283	314	178	187	137	57 ²	26	25 ²	28	74
Culture and recreation										
Athletic field permits issued	719	424	463	516	358	340 ¹	363	390	393	308
Camping center permits issued	1,978	994	848	891	912	-- ¹	337	584	429	49
Community center permits issued	2,094	2,412	1,804	1,910	1,358	240 ¹	472	1,629	1,613	1,591
Water										
New connections	107	154	250	104	350	109	164	88	72	118
Water main breaks	147	40	164	206	308	287	259	331	77	261
Average daily consumption (thousands of gallons)	32,289	31,962	32,870	31,045	33,190	33,390	34,135	32,468	31,579	31,579
Wastewater										
Average daily sewage treatment (thousands of gallons)	13,309	14,047	14,119	13,848	13,431	12,791	13,968	14,287	13,301	13,304

Sources: Various County departments.

¹ The pandemic created unprecedented facility closures, cancellations, and process modifications to permit processing - all which have resulted in significant manpower hours not reflected in the totals.

² Number decreased due to temporarily stopped diverting green waste.

**TABLE 16
COUNTY OF MAUI
CAPITAL ASSET STATISTICS BY FUNCTION
(LAST TEN FISCAL YEARS - UNAUDITED)**

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety:										
Police:										
Stations	6	6	6	6	6	6	6	6	6	6
Patrol units	6	6	26 ¹	28 ¹						
Fire stations	14	14	14	14	14	14	14	14	14	14
Sanitation:										
Collection trucks	34	34	32	32	38	35	34	32	31	27
Highways and streets:										
Streets (miles)	569	570	570	577	577	577	577	579	580	580
Street lights	4,954	4,894	4,912	4,959	4,963	4,960	4,960	4,994	5,007	5,007
Traffic signals	35	35	35	35	35	35	35	38	38	38
Culture and recreation:										
Parks acreage	2,212	2,506	2,545	2,547	2,543	2,586	2,637	2,635	2,635	2,635
(includes underdeveloped parks)	148	150	159	158	159	160	161	163	162	162
Parks	9	9	9	9	9	8	8	8	8	8
Swimming pools	53	53	53	49	48	46	44	46	46	46
Tennis courts	22	22	22	21	21	21	21	20	20	20
Community centers										
Other enterprise:										
Golf course	1	1	1	1	1	1	1	1	1	1
Water:										
Fire hydrants/stand pipes										
Maximum daily capacity	7,366	7,443	7,317	7,362	7,418	7,441	7,440	7,515	7,554	7,614
(thousands of gallons)	59,890	60,100	60,098	57,791	54,098	54,484	51,383	52,933	51,732	56,530
Sewer:										
Sanitary sewers (miles)	259.5	261.1	258.9	259.2	264.7	251.4	261.9	262.3	266.6	268.1
Maximum daily treatment capacity	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700
(thousands of gallons)										

Source: Various County departments.

¹ Patrol beats.