

# County of Maui State of Hawaii

**Budget Finance and Economic  
Development Committee  
Presentation  
FYE June 30, 2024**



**N&K CPAs, Inc.**  
ACCOUNTANTS|CONSULTANTS

# Agenda

- Engagement Team Members
- Financial Results
- Summary of Auditor's Results
- Financial Statement and Federal Award Findings
- Questions

# Engagement Team Members

- Dwayne Takeno – Audit Principal
- Christian Hara – Audit Senior Manager
- Mary Joy Butac – Audit Senior Associate

# Financial Results

## STATEMENT OF NET POSITION June 30, 2024 and 2023 (Dollars in Thousands)

|   | Governmental<br>Activities |            | Business-type<br>Activities |            | Total        |            |
|---|----------------------------|------------|-----------------------------|------------|--------------|------------|
|   | FY2024                     | FY2023     | FY2024                      | FY2023     | FY2024       | FY2023     |
| Assets and Deferred Outflows of Resources:          |                            |            |                             |            |              |            |
| Current and other assets                            | \$ 902,057                 | \$ 790,618 | \$ 154,392                  | \$ 149,863 | \$ 1,056,449 | \$ 940,481 |
| Capital assets, net                                 | 1,196,197                  | 1,125,669  | 389,228                     | 386,412    | 1,585,425    | 1,512,081  |
| Total Assets  | 2,098,254                  | 1,916,287  | 543,620                     | 536,275    | 2,641,874    | 2,452,562  |
| Deferred outflows of resources                      | 194,731                    | 131,741    | 16,167                      | 10,085     | 210,898      | 141,826    |
| Total Assets and Deferred Outflows of Resources     | 2,292,985                  | 2,048,028  | 559,787                     | 546,360    | 2,852,772    | 2,594,388  |
| Liabilities and Deferred Inflows of Resources:      |                            |            |                             |            |              |            |
| Long-term liabilities                               | 607,003                    | 629,313    | 56,971                      | 59,775     | 663,974      | 689,088    |
| Other liabilities                                   | 152,470                    | 144,817    | 25,780                      | 30,733     | 178,250      | 175,550    |
| Net pension liability                               | 605,921                    | 528,574    | 49,911                      | 43,776     | 655,832      | 572,350    |
| Net OPEB liability                                  | 124,902                    | 133,103    | 9,978                       | 10,666     | 134,880      | 143,769    |
| Total Liabilities                                   | 1,490,296                  | 1,435,807  | 142,640                     | 144,950    | 1,632,936    | 1,580,757  |
| Deferred inflows of resources                       | 103,356                    | 161,796    | 6,666                       | 8,997      | 110,022      | 170,793    |
| Total Liabilities and Deferred Inflows of Resources | 1,593,652                  | 1,597,603  | 149,306                     | 153,947    | 1,742,958    | 1,751,550  |
| Net Position:                                       |                            |            |                             |            |              |            |
| Net investment in capital assets                    | 740,170                    | 736,549    | 333,247                     | 332,442    | 1,073,417    | 1,068,991  |
| Restricted  | 172,034                    | 127,750    | 44,109                      | 51,248     | 216,143      | 178,998    |
| Unrestricted  | (212,871)                  | (413,874)  | 33,125                      | 8,723      | (179,746)    | (405,151)  |
| Total Net Position                                  | \$ 699,333                 | \$ 450,425 | \$ 410,481                  | \$ 392,413 | \$ 1,109,814 | \$ 842,838 |

# Financial Results

## STATEMENT OF ACTIVITIES For the Fiscal Years Ended June 30, 2024 and 2023 (Dollars in Thousands)

|                                       | Governmental<br>Activities |                | Business-type<br>Activities |               | Total            |                |
|---------------------------------------|----------------------------|----------------|-----------------------------|---------------|------------------|----------------|
|                                       | FY2024                     | FY2023         | FY2024                      | FY2023        | FY2024           | FY2023         |
| <b>Revenues:</b>                      |                            |                |                             |               |                  |                |
| Program Revenues:                     |                            |                |                             |               |                  |                |
| Charges for services                  | \$ 150,704                 | \$ 157,830     | \$ 73,472                   | \$ 68,414     | \$ 224,176       | \$ 226,244     |
| Operating grants and contributions    | 88,953                     | 75,814         | —                           | —             | 88,953           | 75,814         |
| Capital grants and contributions      | 7,321                      | 16,573         | 13,000                      | 16,826        | 20,321           | 33,399         |
| General Revenues:                     |                            |                |                             |               |                  |                |
| Property taxes                        | 510,948                    | 435,406        | —                           | —             | 510,948          | 435,406        |
| Transient accommodations tax          | 64,827                     | 85,845         | —                           | —             | 64,827           | 85,845         |
| General excise tax                    | 34,498                     | —              | —                           | —             | 34,498           | —              |
| Other taxes                           | 36,132                     | 37,104         | —                           | —             | 36,132           | 37,104         |
| Interest and investment earnings, net | 37,277                     | 8,140          | 5,600                       | 1,380         | 42,877           | 9,520          |
| Other revenues                        | 8,404                      | 751            | 4,753                       | 269           | 13,157           | 1,020          |
| Total Revenues                        | <u>939,064</u>             | <u>817,463</u> | <u>96,825</u>               | <u>86,889</u> | <u>1,035,889</u> | <u>904,352</u> |

# Financial Results

## STATEMENT OF ACTIVITIES For the Fiscal Years Ended June 30, 2024 and 2023 (Dollars in Thousands)

|                                  | Governmental<br>Activities |                   | Business-type<br>Activities |                   | Total               |                   |
|----------------------------------|----------------------------|-------------------|-----------------------------|-------------------|---------------------|-------------------|
|                                  | FY2024                     | FY2023            | FY2024                      | FY2023            | FY2024              | FY2023            |
| <b>Expenses:</b>                 |                            |                   |                             |                   |                     |                   |
| Governmental Activities:         |                            |                   |                             |                   |                     |                   |
| General government               | 259,821                    | 182,455           | --                          | --                | 259,821             | 182,455           |
| Public safety                    | 119,893                    | 90,054            | --                          | --                | 119,893             | 90,054            |
| Social welfare                   | 69,478                     | 90,612            | --                          | --                | 69,478              | 90,612            |
| Sanitation                       | 95,131                     | 88,572            | --                          | --                | 95,131              | 88,572            |
| Highways and streets             | 72,478                     | 68,357            | --                          | --                | 72,478              | 68,357            |
| Culture and recreation           | 44,068                     | 35,841            | --                          | --                | 44,068              | 35,841            |
| Legislative                      | 8,146                      | 7,747             | --                          | --                | 8,146               | 7,747             |
| Capital outlay                   | --                         | 11,356            | --                          | --                | --                  | 11,356            |
| Interest on long-term debt       | 11,941                     | 12,005            | --                          | --                | 11,941              | 12,005            |
| Business-type Activities:        |                            |                   |                             |                   |                     |                   |
| Water supply                     | --                         | --                | 79,846                      | 71,971            | 79,846              | 71,971            |
| Housing                          | --                         | --                | 8,111                       | 1,543             | 8,111               | 1,543             |
| Total Expenses                   | <u>680,956</u>             | <u>586,999</u>    | <u>87,957</u>               | <u>73,514</u>     | <u>768,913</u>      | <u>660,513</u>    |
| <br>Increase in Net Position     |                            |                   |                             |                   |                     |                   |
| Before Transfers                 | 258,108                    | 230,464           | 8,868                       | 13,375            | 266,976             | 243,839           |
| Transfers                        | <u>(9,200)</u>             | <u>70</u>         | <u>9,200</u>                | <u>(70)</u>       | <u>--</u>           | <u>--</u>         |
| Change in Net Position           | 248,908                    | 230,534           | 18,068                      | 13,305            | 266,976             | 243,839           |
| Net Position - Beginning of Year | <u>450,425</u>             | <u>219,891</u>    | <u>392,413</u>              | <u>379,108</u>    | <u>842,838</u>      | <u>598,999</u>    |
| Net Position - End of Year       | \$ <u>699,333</u>          | \$ <u>450,425</u> | \$ <u>410,481</u>           | \$ <u>392,413</u> | \$ <u>1,109,814</u> | \$ <u>842,838</u> |

# Summary of Auditor's Results

| <b><u>Financial Statements</u></b>                           |            |
|--|------------|
| <b>Type of auditor's report issued</b>                       | Unmodified |
| <b>Internal control over financial reporting</b>             |            |
| Material weakness(es)  | Yes        |
| Significant deficiency(ies)                                  | Yes        |
| <b>Noncompliance material to financial statements noted?</b> | No         |



# Summary of Auditor's Results

| <b><u>Federal Awards</u></b>  |            |
|---|------------|
| <b>Internal control over major federal programs:</b>  |            |
| Material weakness(es) identified?   | No         |
| Significant deficiency(ies) identified?   | Yes        |
| <b>Type of auditor's report issued on compliance for major federal programs:</b>                                  | Unmodified |
| <b>Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?</b> | Yes        |





# Major Federal Programs

| Assistance Listing Number  | Name of Federal Program                                      |
|--|--|
| 20.205   | Highway Planning and Construction                            |
| 21.023   | COVID-19 - Emergency Rental Assistance Program               |
| 21.026   | Homeowner Assistance Fund                                    |
| 21.027   | COVID-19 - Coronavirus State and Local Fiscal Recovery Funds |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$2,895,404  |
| Auditee qualified as low-risk auditee?                                   | No   |



# Financial Statement Findings

| Finding No. | Internal Control Findings   | Status             |
|-------------|---|--------------------|
| 2024-001    | Improve Controls over Preparation of the Schedule of Expenditures of Federal Awards | New                |
| 2024-002    | Improve Controls over Financial Reporting   | Repeat<br>2023-001 |
| 2024-003    | Maui County Transient Accommodations Tax  | Repeat<br>2023-003 |
| 2024-004    | Internal Control Policies and Procedures over Capital Assets                        | New                |



# Federal Award Findings

| Finding No.            | Internal Control Findings | Status                           |
|------------------------|---------------------------|----------------------------------|
| 2024-005<br>ALN 21.027 | Subrecipient Monitoring   | Repeat<br>2023-005<br>ALN 16.575 |

# Questions?



## BFED Committee

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**From:** Christian Hara <chara@nkcpa.com>  
**Sent:** Tuesday, June 24, 2025 8:49 AM  
**To:** BFED Committee  
**Cc:** Dwayne S. Takeno; Mary Joy Butac  
**Subject:** FY24 Audit Presentation - N&K Slides  
**Attachments:** FY24 Audit Presentation.pptx

**Categories:** Processed

You don't often get email from chara@nkcpa.com. [Learn why this is important](#)

Hi,

Please see attached slides we will be using for our presentation of the County's FY24 ACFR and Single Audit.

Feel free to let me know if you have any questions.

Thanks,  
Christian

**Christian Hara**  
Senior Manager  
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