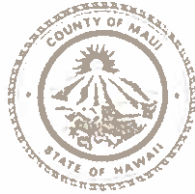


RICHARD T. BISSEN, JR.
Mayor

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

June 30, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 6-30-25
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura and Members:

SUBJECT: COUNTY BOND ISSUANCE FOR CALENDAR YEAR 2025
(BFED-20(9))

Pursuant to your letter dated June 27, 2025, regarding the above-referenced matter, below are the responses to the following questions:

1. An assessment of whether Bill 9 (2025) has any direct or indirect impact on the bond issuance, including potential effects on the bond rating, interest rate, marketability, investor confidence, disclosure requirements, or overall financial strategy. Has this been evaluated, discussed, or modeled? Please explain.

Response: The Administration has fully disclosed Bill 9 (2025) with the rating agencies and it is also explained in our Preliminary Official Statement (POS) [still in draft form but shared with the credit rating agencies]. We have explained that the potential revenue impact could be \$60 million in real property taxes plus \$15 million in GET and TAT (also outlined in the UHERO report) but we believe this to be manageable. Based upon our conversations with the rating agencies we do not believe it will impact our credit ratings relative to the amount of the financial impact to the County as a whole. We also explained to the rating agencies that there are other revenue offsets such as

increased real property tax and GET as a result of the rebuilding of Lahaina and new property tax growth.

2. An assessment of whether the FY 2026 Budget for debt service and bond issuance is sufficient to cover the amount proposed for issuance.

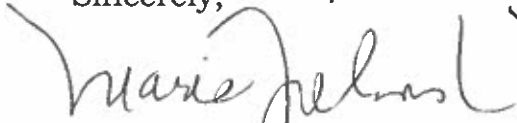
Response: There are sufficient funds for debt service and bond issuance in the FY2026 budget. Only interest is paid in FY2026.

3. An itemized list of the total amount proposed for this issuance, including the project titles and corresponding dollar amounts.

Response: Please see attached.

Should you have any questions, please feel free to contact me at extension 7722.

Sincerely,



MARIA E. ZIELINSKI
Deputy Director of Finance

MEZ

Preliminary Report

COUNTY OF HAVIL										
2025 PROPOSED 00 BOND										
SUPPLEMENT #6 OF 9/21/2025 Updated as of 9/21/2025										
Department	Ordinance	Bond	Initial	Project Title	Appropriation	Fundamental	Fundamental	Fundamental	Fundamental	Total For Addition
						Balance/Amount	Planned	Planned	Planned	
Waterworks	5008	5101	517729	3 West Main Street Water System Expansion	4,521,000.00					4,521,000.00
Waterworks	5217	5218	520008	3 West Main Street Pump Station #1 Renovation	860,000.00					860,000.00
Waterworks	5217	5219	520009	3 West Main Street Pump Station #2 Renovation/Upgrade	2,300,000.00					2,300,000.00
Waterworks	5217	5219	520010	3 Lathrop Water Treatment Facility #1 Process Expansion	11,500,000.00					11,500,000.00
Fire	5217	5219	520021	3 Fire Station #1 Renovation/Expansion	7,700,000.00					7,700,000.00
Fire	5217	5219	520022	3 Fire Station #2 Renovation/Expansion	5,500,000.00					5,500,000.00
Fire	5217	5219	520023	3 Fire Station #3 Renovation/Expansion	5,500,000.00					5,500,000.00
Public Works	5217	5219	520024	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Parks	5217	5219	520025	3 Parks Department Building Renovation	2,200,000.00					2,200,000.00
Parks	5217	5219	520026	3 Parks Department Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520027	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520028	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520029	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520030	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520031	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520032	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520033	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520034	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520035	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520036	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520037	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520038	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520039	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520040	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520041	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520042	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520043	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520044	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520045	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520046	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520047	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520048	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520049	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520050	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520051	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520052	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520053	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520054	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520055	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520056	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520057	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520058	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520059	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520060	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520061	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520062	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520063	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520064	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520065	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520066	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520067	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520068	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520069	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520070	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520071	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520072	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520073	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520074	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520075	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520076	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520077	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520078	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520079	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520080	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520081	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520082	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520083	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520084	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520085	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520086	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520087	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520088	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520089	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520090	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520091	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520092	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520093	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520094	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520095	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520096	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520097	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520098	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520099	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520100	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520101	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520102	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520103	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520104	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520105	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520106	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520107	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520108	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520109	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520110	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520111	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520112	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520113	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520114	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520115	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520116	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520117	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520118	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520119	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520120	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520121	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520122	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520123	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520124	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520125	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520126	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520127	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520128	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520129	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520130	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520131	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520132	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520133	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520134	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520135	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217	5219	520136	3 Public Works Building Renovation	2,200,000.00					2,200,000.00
Public Works	5217									

Preliminary Report

COUNTY OF PALM											
2025 PROPOSED BUDGET											
BUDGETARY AS OF 6/30/2025 updated as of 6/26/2025											
Department	Outstanding	Bond	Sub	Project Title	Appropriation	Encumbrance	Encumbrance Memo	Revised 2025	New Money	Total For Inclusion	
Public Works	340203	340203	3	Lake Broward Improvement				84,373.80	156,875.75		
Public Works	340208	340208	3	Lakeview Park Lakes				538,222.72	230,808.84		
Public Works	340217	340217	3	Trinity Community Park				480,486.17			
Public Works	340218	340218	3	Holmesville Water Treatment					8,816.40		
Public Works	340221	340221	3	Holmesville Water Treatment				187,898.00			
Public Works	340231	340231	3	Water and Wastewater for Reclamation of Windy Tree (Ship Building) Regor				217,317.70			
Public Works				Total CW DWP Reclamation Facilities						8,975,844.80	
Public Works	340236	340236	3	CW Facility Maintenance Program	4,250,000.00						
Public Works	340239	340239	3	Florida O-Plan Facility Regor Project				2,837,124.76	316,380.92		
Public Works	340239	340239	3	Orlando Tree Bar Erosion					53,581.78		
Public Works	340239	340239	3	Design Services for Above-Ground Fuel Storage Tank					78,543.12		
Public Works	340239	340239	3	Building Services				210,136.34	262,541.21		
Public Works	340239	340239	3	Design Services for Hazard Materials Assessment and Risk Assessment for Old City Courthouse Bldg					785,064.17		
Public Works				Total CW Facility Maintenance Programs						6,945,296.42	
Public Works	340239	340239	3	CW Drainage Reclamation Program	5,000,000.00						
Public Works	340239	340239	3	Water and Wastewater Current Assessment				532,966.24	220,376.76		
Public Works	340239	340239	3	Central and West Main Drainage Regor				3,000.00	3,381,876.90		
Public Works	340239	340239	3	South Main Drainage Regor				138,765.00	229,731.00		
Public Works	340239	340239	3	S. Seminole Drainage					1,881,797.00		
Public Works				Total CW Drainage Reclamation Programs						8,996,680.80	
Public Works	340239	340239	3	CW Road Resurfacing and Pavement Rehabilitation	8,816,800.00						
Public Works	340239	340239	3	Pavement Roadway Rehabilitation					3,851,861.80		
Public Works	340239	340239	3	Pavement Rehabilitation Program				873,668.00	18,528.00		
Public Works	340239	340239	3	Pavement Rehabilitation and Repairs				381,873.67	1,637,884.91		
Public Works				Total CW Road Resurfacing and Pavement Rehabilitation						6,514,275.80	
Public Works	340239	340239	3	East Main Road & Erosion Regor	3,800,000.00						
Public Works	340239	340239	3	Emergency Main Street Regor at Avenue				5,341,736.00			
Public Works	340239	340239	3	Polanco Hwy Street Rehabilitation				80,277.80	314,777.11		
Public Works	340239	340239	3	Avenue Recreational Parking Replacement - Construction Management					268,000.00		
Public Works										8,941,736.80	
Transportation	340239	340239	3	Bus Stops and Shelters	800,000.00						
Transportation	340239	340239	3	Central Main Transit Hub				30,400.00	46,484.70		
Transportation	340239	340239	3	Main Bus Stop Ph 1				66,127.80	189,307.51		
Transportation				Total Bus Stops and Shelters						306,892.20	
Agriculture	340239	340239	3	State Agricultural Ph 1 Eri	10,000,000.00				4,137,877.43	4,137,877.22	
Wastewater	340239	340239	3	North Lake Florida Trans	6,000,000.00				588,580.00	588,580.00	
Wastewater	340239	340239	3	North Lake Florida Dam Eri	1,500,000.00						
Wastewater	340239	340239	3	Reclamation Ph 1 Regor	3,000,000.00						
Wastewater	340239	340239	3	Florida Ph 1 of Lake Ph 1 at Eri	1,000,000.00						
Wastewater	340239	340239	3	North Lake Ph 1 Rehabilitation	5,500,000.00				814,324.00	814,324.00	
Wastewater	340239	340239	3	North Lake Ph 1 Rehabilitation	14,500,000.00						
Public Works	340239	340239	3	Front Street Improvements	668,800.00				668,800.00	668,800.00	
Wastewater	340239	340239	3	CW Ph 1 Compliance Ph	2,700,000.00						
Management/Utilities	340239	340239	3	Pump Station Regor	5,000,000.00						
Management/Utilities	340239	340239	3	Road/Highway Regor Aug 23 Eri	5,000,000.00						
Management/Utilities	340239	340239	3	Highway Regor Ph 1 and Eri	8,000,000.00						
Management/Utilities	340239	340239	3	Highway Regor Ph 1 and Eri				1,887,886.30		1,887,886.30	
Management/Utilities	340239	340239	3	Storm Drain/Storm Water Ph 1	5,000,000.00						
Public Works	340239	340239	3	CW Drainage Regor Street Ph 1	5,000,000.00						
Public Works				Central and West Main Drainage Regor (TV 2024)					3,584,070.00	3,584,070.00	
Public Works	340239	340239	3	CW DWP Reclamation Facilities	7,800,000.00						
Public Works	340239	340239	3	Less Street Property Acquisition					4,280,000.00	4,280,000.00	
Public Works	340239	340239	3	CW Reclamation & Erosion Regor	2,400,000.00						
Public Works	340239	340239	3	Emergency Main Street Regor at Avenue (Ph 1 Eri)					78,472.48		
Public Works	340239	340239	3	Reclamation Highway Drainage & Storm Regor at Vicinity of Highway 14 Eri					588,580.00		
Public Works	340239	340239	3	Reclamation Highway Drainage & Storm Regor at Vicinity of Highway 14 Eri					588,580.00		
Public Works				TOTAL CW Reclamation & Erosion Regor						1,841,918.80	
Public Works	340239	340239	3	Central Main Landfill Land Acq	2,800,000.00			1,848,171.81	13,788.00	1,861,961.81	
Public Works	340239	340239	3	CW Reclamation and Erosion Regor	16,476,000.00						
Public Works	340239	340239	3	High Street, Pavement Rehabilitation					348,200.00		
Public Works	340239	340239	3	Lower Main Street Roadway Rehabilitation					6,248,883.12		
Public Works	340239	340239	3	Main Street Improvements (Main Street Rehabilitation School for Main Street Ave)					182,914.24		
Public Works	340239	340239	3	Ph 1 Ph 1 Bridge				10,274.18			
Public Works				Total CW Federal Aid Program						7,997,873.84	
Public Works	340239	340239	3	CW Reclamation/Pavement Rehabilitation	1,700,000.00						
Transportation	340239	340239	3	CW Bus Stops & Shelters	800,000.00						
Transportation	340239	340239	3	Main County Bus Stops, Phase 6					82,332.00		
Transportation										82,332.00	
Management	340239	340239	3	Van Inventory Data Project	5,000,000.00			5,000,000.00		5,000,000.00	
Management	340239	340239	3	Van Inventory Data Project	2,000,000.00					2,000,000.00	
Management	340239	340239	3	Main County Bus Stops, Phase 6	1,000,000.00					1,000,000.00	
Management	340239	340239	3	Less Wastewater Treatment Plant Rehabilitation	1,500,000.00					1,500,000.00	
Public Works	340239	340239	3	Water Road Reclamation	83,214,720.00					83,214,720.00	
Public Works	340239	340239	3	Central Main Landfill Phase 1B Interface Development	1,000,000.00					1,000,000.00	
Public Works	340239	340239	3	Central Main Landfill Gas System Expansion	1,000,000.00					1,000,000.00	
Public Works	340239	340239	3	Central Main Landfill Phase 1B Part 1 Closure	800,000.00					800,000.00	
Public Works	340239	340239	3	Water-City Wastewater Pump Station Rehabilitation	3,500,000.00					3,500,000.00	
Public Works	340239	340239	3	Main Ph 1 PDR Main Rehabilitation	4,500,000.00					4,500,000.00	
Public Works	340239	340239	3	Main Ph 2 PDR Main Rehabilitation	1,500,000.00					1,500,000.00	
Public Works	340239	340239	3	Water-City Wastewater Pump Station Rehabilitation	6,584,102.00					6,584,102.00	
Public Works	340239	340239	3	2025 N. Main Street Property Acquisition	3,240,000.00					3,240,000.00	
Public Works				TOTAL LOANS FROM GENERAL FUND	435,887,288.81			7,711,701.80	1,088,000.00	94,185,757.80	189,879,388.60
Public Works	340239	340239	3	Five Five Project to Water Sys	5,000,000.00						5,000,000.00
Public Works				TOTAL LOANS FROM DWS REVENUE FUND							5,000,000.00
Public Works				TOTAL LOANS							435,887,288.81
Public Works				TOTAL LOANS FROM DWS REVENUE FUND							5,000,000.00

BFED Committee

From: Estrelita B. Dahilig <Estrelita.B.Dahilig@co.maui.hi.us>
Sent: Monday, June 30, 2025 5:05 PM
To: BFED Committee; Maria E. Zielinski; Marcy L. Martin; Stacey M. Vinoray
Cc: Josiah K. Nishita; Erin A. Wade; Cynthia E. Sasada; Cynthia D. Lallo; Kelii P. Nahooikaika
Subject: TRANSMITTALS: Annual Comprehensive Financial Report, Single Audit Reports, and Department of Water Supply's Financial Audit Reports (BFED-20(11) and COUNTY BOND ISSUANCE FOR CALENDAR YEAR 2025
Attachments: MT#11108.BFED.Chair.Sugimura.Lei.pdf; MT#11109.BFED.Sugimura.Leipdf.pdf

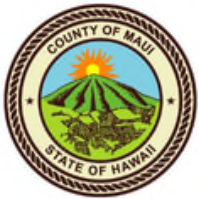
Aloha,

Please see attached transmittals from Deputy Director of Finance, Maria E. Zielinski regarding the above subject matters.

Thank you and have a great day!

Mahalo,

Lita



Lita B. Dahilig

Secretary

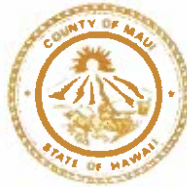
County of Maui
Office of the Mayor
808-270-7855

estrelita.b.dahilig@co.maui.hi.us

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
www.mauicounty.gov

June 30, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL



Mayor 6-30-25
Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

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

Pursuant to your letter dated June 23, 2025, regarding the Annual Comprehensive Financial Report, Single Audit Reports, and Department of Water Supply's Financial Audit Reports, below are the responses to the following:

1. The corrective action plan identifies staffing as a primary cause of the repeat material weaknesses.
 - a. Are staffing limitations the sole cause or have other underlying issues been identified?

Response: Regarding the FY2024 Financial Statement Findings and the County's only, non-repeat material weakness, staffing is currently the main cause. Once hired,

the Countywide Grant Compliance Manager will be able to assist with the review of grant compliance issues and related financial transactions which will increase the accuracy of the Single Audit.

- b. What specific actions have been taken to correct these deficiencies?

Response: Additional time for more thorough reviews of year-end entries will be implemented.

- c. What is the plan and timeline to resolve staffing concerns?

Response: The Division has been actively recruiting for any vacant positions and will evaluate staffing needs to ensure areas of concerns are addressed. Additionally, the Division is in the process of hiring interns to assist with the workload for the short-term.

2. Are there other training, procedural, or structural challenges contributing to the recurring deficiencies?

Response: Staffing plays a large part in the recurring deficiencies as we currently do not have the capability to give divisional training and procedures the attention it deserves. Additionally, there has been more emphasis placed on financial reporting with more considerations and governmental standards (Governmental Accounting Standards Board) to implement.

3. Please describe how the corrective action plan is being monitored and what milestones are in place to track progress.

Response: Periodic reviews are conducted, to the extent possible, throughout the year. However, most of the review and analysis is completed during the audit process.

4. Do you anticipate similar findings in the FY2025 audit? Why or why not?

Response: While the division strives to minimize audit findings, the division anticipates findings similar (or repeat) to

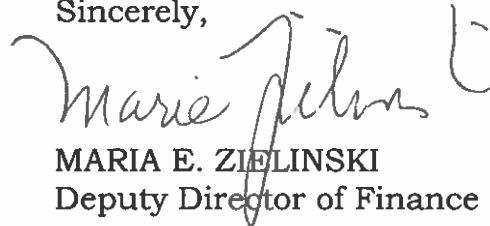
2024-002 Improve Controls over Financial Reporting. This is a broad finding and can encompass all recorded financial transactions.

5. How were unresolved weaknesses factored into the FY 2026 Budget and operating plan.

Response: The Department budgeted for TAT software that will address the issues identified in 2024-003. A Request for Proposal was sent in April 2025 and a vendor has now been selected. Given that filling vacant positions is our priority, there were no additional budget considerations factored into the FY 2026 budget and operating plan. However, the division plans to evaluate appropriate staffing levels and consider hiring consultants to assist in areas contributing to the weaknesses (i.e. training, policies and procedures, etc.).

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at extension 7722.

Sincerely,



MARIA E. ZIELINSKI
Deputy Director of Finance

MEZ:mms