

January 8, 2026

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MEMO TO: BFED-20(23) File

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

SUBJECT: **TRANSMITTAL OF INFORMATIONAL DOCUMENT RELATING TO
DISCUSSION ON BILL 3 (2026), AMENDING FISCAL YEAR 2026
BUDGET: DEPARTMENT OF HOUSING; HOUSING, INTERIM
FINANCING, AND BUY-BACK REVOLVING FUND; KOMOHANA
HALE APARTMENTS REBUILD (BFED-20(23))**

The attached informational document pertains to Item 20(23) on the Committee's agenda.

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Attachment

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

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Total
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	(9,734,866)	(22,648)	(9,757,514)
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.