

# County of Maui State of Hawaii

**Budget Finance and Economic  
Development Committee  
Presentation  
FYE June 30, 2025**



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

# Agenda

- Engagement Team Members
- Financial Results
- Summary of Auditor's Results
- Financial Statement 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, 2025 and 2024 (Dollars in Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	FY2025	FY2024 (restated)	FY2025	FY2024 (restated)	FY2025	FY2024 (restated)
<b>Assets and Deferred Outflows of Resources:</b>						
Current and other assets	\$ 1,115,755	\$ 902,057	\$ 152,615	\$ 154,392	\$ 1,268,370	\$ 1,056,449
Capital assets, net	1,306,767	1,196,197	401,903	389,228	1,708,670	1,585,425
Total Assets	2,422,522	2,098,254	554,518	543,620	2,977,040	2,641,874
Deferred outflows of resources	168,630	194,731	13,829	16,167	182,459	210,898
Total Assets and Deferred Outflows of Resources	2,591,152	2,292,985	568,347	559,787	3,159,499	2,852,772
<b>Liabilities and Deferred Inflows of Resources:</b>						
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	49,465	124,902	3,685	9,978	53,150	134,880
Total Liabilities	1,448,520	1,501,258	127,907	143,944	1,576,427	1,645,202
Deferred inflows of resources	111,782	103,356	8,790	6,666	120,572	110,022
Total Liabilities and Deferred Inflows of Resources	1,560,302	1,604,614	136,697	150,610	1,696,999	1,755,224
<b>Net Position:</b>						
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	(141,930)	(223,833)	41,952	31,821	(99,978)	(192,012)
Total Net Position	\$ 1,030,850	\$ 688,371	\$ 431,650	\$ 409,177	\$ 1,462,500	\$ 1,097,548

# Financial Results

**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
<b>Revenues:</b>						
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>

# Financial Results

## 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
<b>Expenses:</b>						
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>

# 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?	None reported
<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>	No

# Major Federal Programs

Assistance Listing Number	Name of Federal Program
14.871	Section 8 Housing Choice Vouchers and Housing Voucher Cluster
10.923	Emergency Watershed Protection Program
66.468	Drinking Water State Revolving Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$2,563,401
Auditee qualified as low-risk auditee?	No

# Financial Statement Findings

Finding	Type	Nature of Finding	Status
2025-001	Material Weakness	Maui TAT tax reconciliation and systems limitations	Repeat 2024-003
2025-002	Material Weakness	Financial reporting controls and staffing	Repeat 2024-002
2025-003	Significant Deficiency	Capital asset controls	Repeat 2023-004

# Questions?



## BFED Committee

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**From:** BFED Committee  
**Sent:** Tuesday, March 31, 2026 11:37 AM  
**To:** BFED Committee  
**Subject:** FW: BFED Annual Audit Review with N&K Presentation for April 1, 2026  
**Attachments:** FY25 Audit Presentation.pptx

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**From:** Christian Hara <chara@nkcpa.com>  
**Sent:** Tuesday, March 31, 2026 10:08 AM  
**Subject:** RE: BFED Annual Audit Review with N&K

Hi Kirsten,

Please see attached for our slides, and let us know if you have any questions.

Thanks,  
Christian