County Auditor
Lance T. Taguchi

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COUNTY CLERK

OFFICE OF THE COUNTY AUDITOR

COUNTY OF MAUI
2145 WELLS STREET, SUITE 106
WAILUKU, MAUI, HAWAII 96793
http://www.mauicounty.gov/auditor

January 16, 2019

The Honorable Kelly T. King, Chair
and Members of the Council
County of Maui
Wailuku, Hawaii 96793

Dear Chair King and Members:

SUBJECT: **COUNTY OF MAUI COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDED JUNE 30, 2018**

We have received the County of Maui Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year Ended June 30, 2018, submitted by N&K CPAs, Inc., the County's contractor.

Transmitted are 19 copies.

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

Sincerely,

LANCE T. TAGUCHI
County Auditor

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Enclosure

COUNTY COMMUNICATION NO. 19-59

COUNTY OF MAUI

STATE OF HAWAII

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

Prepared by:
DEPARTMENT OF FINANCE
Mark R. Walker, Director of Finance

COUNTY OF MAUI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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COUNTY OF MAUI

INTRODUCTORY SECTION

ALAN M. ARAKAWA
Mayor

MARK R. WALKER
Director

JACK C. KULP
Deputy Director

COUNTY OF MAUI
DEPARTMENT OF FINANCE
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

December 21, 2018

Honorable Mayor Alan M. Arakawa
Honorable Mike White, Chair
and Members of Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Mayor and Chair White and Members:

Pursuant to the requirements of the Charter of the County of Maui, Section 9-13. Audit of Accounts, which 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 evidences 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. (Amended 2012, 1988)",

The Department of Finance has prepared and hereby issues the Comprehensive Annual Financial Report (CAFR) of the County of Maui for the fiscal year (FY) ended June 30, 2018. This report consists of management's representations concerning the finances of the County of Maui. 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 of Maui 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 of Maui'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 of Maui for the fiscal year ended June 30, 2018, 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 significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County of Maui financial statements for the fiscal year ended June 30, 2018 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 fiscal year 2002, the County of Maui has prepared the CAFR 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 (GASB 34). 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 County of Maui is required to comply with the GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27". The primary objective of this Statement was to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

The County of Maui is also required to comply with GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

THE REPORTING ENTITY AND ITS SERVICES

The County consists of the inhabited islands of Maui, Molokai and Lanai, and the uninhabited island of Kahoolawe. The County is the second largest of the four counties in the State of Hawaii, with land area of 1,162 square miles, approximately the size of Rhode Island. According to the Maui County Data Book 2017, the population of the County was estimated to be 166,260 in 2017 growing by 94,660 since 1980. The County comprises an estimated 11.65% of the total population and 18.1% of the total land area of the State of Hawaii.

The County of Maui provides a range of services, including public safety (police, fire and public prosecutor), sanitation, social services, culture and recreation, transportation, planning and zoning, and the construction and maintenance of streets and highways. This CAFR includes all funds of the County of Maui.

The County of Maui has operated under the Mayor - County Council form of government since 1969, which is the same form of government as the counties of Kauai, Hawaii, and 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. The Mayor is the chief executive officer of the County and is responsible for overseeing the day-to-day operations, and for appointing the heads of the various departments. The legislative branch is the County Council, which is composed of nine members who are elected at-large, to serve two-year terms. The County Council appoints the County Clerk. Each of the nine council members has residency requirements, one each from the islands of Lanai and Molokai, and seven from the various districts on the island of Maui. The Council legislates taxes, rates, fees, assessments, borrowing and appropriations for County purposes (County Budget) by ordinance.

In Maui County, as well as in the three other counties within the State, there are no subordinate or separate municipal entities. The State government administers the school system, airport, harbors, hospitals, judicial system, and the State highway system. Most non-Federal taxes are administered and collected by the State under Hawaii's highly centralized tax system. The major sources of State revenue are the general excise tax, and the 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 control. The County Charter requires the Mayor on or before March 25 of each year to submit to the County Council 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 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 County 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 hearings are held with the community by the County Council between March and April in the year of submission. After public hearing, the 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 County Charter provides that the operating budget submitted by the Mayor will be deemed enacted as the operating budget for the ensuing fiscal year. The County 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, and program and/or activity. Every appropriation, except an appropriation for a capital improvement, lapses at the close of the fiscal year to the extent the same has not been expended or encumbered by a written contract. An appropriation for a capital improvement remains in force until the purpose for which it was made has been accomplished or abandoned. Under the current County 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. The County Charter provides that no payment may be authorized or made and no obligation incurred against the County except in accordance with appropriations duly made.

Departments may make transfers of appropriations between indexes and sub-objects within a budgeted program. Upon written request of the Mayor part or all of any unencumbered appropriation balance may be transferred within a department by resolution or from one department to another by ordinance, subject to Council approval. Budget-to-actual comparisons are provided in this report for each required governmental fund for which an appropriated annual budget has been adopted. These comparisons are presented in the Required Supplementary Information and Other Supplemental Information sections of the report. In addition, detailed revenue and appropriation schedules for major and non-major funds are presented in the Other Supplementary Information section of the report.

ECONOMIC CONDITION AND OUTLOOK

Maui's economic outlook remains strong primarily driven by increases in tourist volume, the commencement of new construction projects, and a robust employment environment. In fact, the low unemployment figures could potentially slow Maui's economic expansion while simultaneously applying pressure on employers to raise wages. Nevertheless, the near-term future of Maui's economic wellbeing appears very healthy.

Tourism

The tourism sector continued to grow as visitor arrivals reached a record 2.79 million in 2017, a 4.1% increase over the 2016 results; however, total air seats declined slightly (-0.2%). Visitors arriving from the U.S. west coast continued to dominate Maui's visitor industry with a 49.6% market share followed by those coming from the east coast with 27.3%. All other departure points had less than a 10% share with Canada leading those markets at 9.6%. Noteworthy was the growth in east coast visitors increasing 6.8% versus 3.6% for west coast visitors. Maui's visitor industry exceeded expectations and continued its robust growth in 2017 despite forecasts indicating slower growth in 2017 due to mid-year statistics indicating lower visitor arrivals than experienced in the first half of 2016.

The Hawaii Tourism Authority estimates that visitor spending on Maui Island increased 3.4% in 2017 to $4.68 billion or $212 per visitor per day. The daily expenditure on Maui per visitor exceeded Oahu by $14.00. Maui's average hotel room rate remained the highest in the state in 2017, increasing 6.2% to $353, while occupancy rates increased to 77.1% from 75.8%. In 2017, Maui's daily census of visitors grew 3.3% to 66,506 while visitor days increased 2.9% to 22.58 million second only to Oahu.

Construction

After a significant decline in activity in 2016, private (commercial & residential) building authorizations on Maui reached $478 million, an increase of some $92.8 million or 24.1 percent in 2017. The growth in the construction sector was largely due to the expansion of residential construction but also benefitted from improving numbers in the commercial sector. In 2016, 315 or 26.7% of the 1,178 permits issued resulted in 477 residential units. In 2017, 546 permits representing 40.5% of the total permits issued resulted in 863 residential units indicating a shift toward multi-unit dwellings. Continued growth in the construction industry is projected in 2018 as mid 2018 figures show construction authorizations in the first two quarters grew by more than $48 million or 17.8% over the same period in 2017.

The visitor industry projects 4,272 planned additional units in all categories. Of this total 200 units were estimated to be completed in 2017, 150 units in 2018, and another 388 units in 2019. The types of units include: 778 Timeshare, 217 Condo, 150 Hotel/Condo, 626 Hotel, 125 Bed and Breakfast, 207 Short-term Rentals, 12 Transient Vacation Rentals, 699 Mixed Use, and

308 Mixed Use/Hotel. The projects are spread out among the major visitor industry destinations on Maui with Kihei and Wailea benefitting the most with 2,699 units or 63.2% of the total. With the large number of visitor units planned, the construction industry can expect demand for new visitor accommodations and related construction activities to continue well into the future. As these projects come to fruition and require more employees, the residential construction sector should enjoy continued strong demand to meet the housing needs for employees of the visitor industry.

Construction of the Consolidated Rent-A-Car (Conrac) facility at the Kahului Airport is scheduled for completion in December 2018; however, the car rental firms have until May 2019 to complete their tenant improvements. In addition to the rental car company offices and visitor rental counters, the three level facility will have 3,800 rental cars stalls and 700 employee vehicle stalls. The facility will generate more than 500 jobs with up to 200 people on site. The project also upgrades the outdoor general parking area with new light poles, lighting fixtures, and improved drainage. Additionally, the State legislature approved $24.5 million in other improvements to the terminal, baggage handling system, and an environmental impact statement for the Kahului Airport.

Elsewhere in the County, the State also provided additional funding of $28.8 million for runway repaving and highway improvements to the main access road leading to the Lanai Airport. The Hana Airport received $1.5 million for baseyard building improvement. The Kapalua Airport received $1.5 million for a water tank and other improvements. The Molokai Airport received $6.2 million for terminal improvements. The Kalaupapa Airport received $4.5 million for a new air rescue and fire-fighting garage and other terminal improvements.

Other State legislature funded projects on Maui worth mentioning included: $34.6 million for land acquisition and improvements at Kahului Harbor, $14.5 million for land acquisition for the Kula Forest Reserve, $9.3 million of sand replenishment at Kaanapali Beach, $9.2 million for bridge preservation, road repairs, and rock fall mitigation on the Hana Highway, $7.5 million for improvements of the Honoapiilani Highway, $6 million for repairs and upgrades for the Maui Health System, to name a few.

In April 2018, Governor Ige released $92.5 million for the construction of the Kihei high school. The school will be sited on 77 acres mauka of the intersection of Piilani Highway and Kulanihakoi Street and is scheduled to begin its phased opening in 2020.

The construction of the 2.87 megawatt Kuia Solar project on 12 acres near Lahainaluna School was completed in early 2018. A second 2.87 megawatt solar project, South Maui Renewable Resources, is planned for Kihei at the Maui Research and Technology Park. Due to construction delays both projects failed to meet their planned scheduled to begin operations that was originally established for December 2016. As a result of the delayed commissioning, MECO has been levying daily charges for each project in the amount of $318.90 per project per day.

The County of Maui is broke ground at the Maui Business Park II for its new Maui County Service Center in late November. The new center is located at the intersection of Hookele and Alaihi Streets in Kahului and is located on 4 acres. The complex will have 60,000 square feet of office space and 360 parking stalls for the 200 employees and visitors. The project has a budgeted cost of $25 million and an estimated construction period of 18 months with a completion date target of May 2020.

Jobs

Maui's labor market remained robust in 2018 as construction and tourism continue to provide ample opportunities for employment. Changes in Maui's civilian work force mirrored the evolution of Hawaii's overall employment environment. Between 2016 and 2017, the civilian workforce in the State grew by 1,250 people to 685,400 while the number of employed increased by 5,200 to 669,250. Simultaneously unemployment fell 19.60% to 16,200. The U3 unemployment statistic for the state dropped 17.24% to 2.4% which was the lowest U3 value in the United States and the lowest U3 unemployment rate the state has experienced since 1990 when the U3 was 2.7%.

Similarly between 2016 and 2017, Maui's civilian workforce grew by 700 (0.815%) to 86,550 with employment increasing 1,150 to 84,350 for an impressive one-year growth rate of 1.38%. The number of unemployed decreased by 450 to 2,200 equating to a 16.98% decrease. Maui County's U3 unemployment rate declined 19.35% to 2.5% equaling the 2006 rate; both unmatched going back to 1990 when the U3 was 4.6%, the highest in the state.

Per capita income in Maui continued to grow rising to $44, 478 in 2016, a 3.9% increase over 2015. During the same period, household income increased 3.5% to $68,777. These figures indicate the increasing purchasing power of Maui County residents. Statewide wage projections for all jobs in Hawaii indicate a 3.1% increase over 2016 while for the private sector alone the growth rate estimated was 3.3%. It should be noted that the average U.S. wages for 2016 was $53,621 for a 3.3% growth rate. The income differential indicates the continued willingness of the workforce to accept lower wages than their counter parts on the mainland in order to live in Hawaii (2017 per capita data was unavailable at the time of this report .)

Real Estate

According to the Realtors Association of Maui, total sales of single family homes on Maui as of June 2018 increased by $38.9 million over the year-to-date sales figures for 2017. Total value as of June 2018 reached $606.3 million, a 6.9% increase. Year-to-date sales volume increased by 28 units to 575 units with the average selling price increasing $17,092 over the average price for the first half of 2017. The midyear 2018 average selling price grew to $1,054,362; however, the median price single family house price declined $15,000 to $690,000. This data indicates an increase in the number of below median priced home sales while simultaneously indicating a sharp rise in price for the above median priced homes causing the average selling price to increase on a year-to-year basis. The average length of time a unit was offered for sale in the first half of 2018 rose by 6 days reaching 148 days; however, for the month of June 2018, the number of days a unit was on the market was 8 days less than in the same month in 2017.

At midyear 2018, Maui's condominium total sales were $143.1 million greater than in the first half of 2017. The rate of sales growth was an impressive 29.5% and reached $627.6 million in total sales dollars. Mirroring the rate of growth in sales dollars was the rate of growth of condominium units sold in the first half of 2018, increasing by 22.0% reaching a total of 713 units, a 157 unit increase over the same time period in 2017. Average selling price increased $41,846 or 6.2% in a year-to-year comparison reaching $721,323 per unit. The median priced unit followed a similar pattern as the average price increased $20,000 or 4.2% to $495,000 per condo in midyear 2018.

There has been some noteworthy movement in the number of new housing units, affordable and market, on Maui in fiscal year 2018. In December 2017, the first eight of 16 affordable single family homes developed by Lokahi Pacific became available in Happy Valley (Wailuku) with the remaining units being completed in February 2018. Also in February 2018, the Kaiwahine Village project in Kihei switched from a fee-simple housing project to a 100% affordable rental project. The project will include 120 two- and three-bedroom multifamily units. In August 2018, the Maui Planning Commission unanimously recommended a community plan amendment and changes in zoning to move the Waikapu Country Town project forward. The Waikapu Country Town will consist of 1,000 single-family homes, 433 multifamily homes, 146 ohana units, 200,000 square feet of commercial and business space, and a 12-acre elementary school, park, and open space. The Waikapu Country Town will sit on 500 acres and wrap around Maui Tropical Plantation just south of Waikapu. In September 2018, Armstrong Development announced that it had placed the roofs on its Kalama Kai condominium project in Kihei. The Kalama Kai project will have 39 three bedroom units and 1 one bedroom unit and is scheduled for completion in April 2019. In November 2018, the County Council approved a resolution to fast track a 324 unit affordable housing project in Wailuku adjacent to the Longs Drugs in Kehalani on Waiale Drive.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. As mentioned earlier in this letter, the Governmental Accounting Standards Board (GASB) has released GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" – a new accounting standard for public Other Post Employment Benefit (OPEB) plans which replaces GASB 45. This new Statement moves accounting for OPEB to the balance sheet and income statement from the notes disclosure, bringing more focus onto OPEB liabilities and related outflows/inflows. As a result, during Fiscal Year 2018 the County of Maui saw a 96% decrease in the net position of governmental activities, the result of the booking of $291 million in Other Post Employee Benefit (OPEB) obligations as required by this new GASB standard. The County's total revenue increased by 8.1% while total expenditures increased by 3.5%. Revenue increases were due primarily to increased real property tax collections associated with higher property valuations and tax rates for all property classifications. Expenditure increases were principally in the areas of General Government, Public Safety and Social Welfare.

Aligned with the Administration's strategic goal of, *"Suitable Public Infrastructure"*, in the past year the County continued its investment in infrastructure, capital improvements and equipment/equipment upgrades. A sampling of these far ranging initiatives is highlighted below:

- Entered into a $3.8 million contract with MECO to install LED streetlights throughout the County which will save the County a minimum of $750,000 per year and also includes a $400,000 rebate from Hawaii Energy. (*Public Works)*
- Upgraded bus fleet with the purchase of two (2) new 40 ft buses at a cost $1.3 million. Delivery is expected in March of 2019. *(Transportation)*
- Completed drilling of a 1390-foot deep exploratory well in West Maui at a cost of $1.8 million which included the installation of the casing pipe, pump capacity testing, and water quality analyses that was acceptable to the Department of Health-Safe Drinking Water Branch. (*Water)*
- Began expansion of the South Maui Recycled Water System ($7.7 million) with the addition of a 1.0 million gallon tank. (*Environmental Management)*
- The Highways Division resurfaced, slurry sealed, or seal coated over 40 lane miles of County roads using in-house labor and equipment. This will prolong the life of County owned roads significantly, lowering future repair costs. (*Public Works*)
- Completed $6.0 million upgrade of three booster pump stations in Kula which included new motors, pumps and motor control centers (MCCs). These improvements have substantially increased delivery reliability for Upcountry residents. (*Water)*

In keeping with the strategic vision *of "A Strong, Diversified Economy"*, the following innovative economic efforts are cited:

- The 4th annual "Made In Maui County Festival", which showcase's locally made products, garnered $573,000 in merchandise sales during the 2 day event, with local companies securing over 200 new wholesale accounts. There were over 10,000 attendees at the event, including 550 wholesalers. (*Office of Economic Development*)
- The Maui County Film Office assisted in *31* commercials, including Hawaiian Airlines, Chase Bank, United Airlines, Japan Airlines, Japan Travel Assoc., Toyota, Audi, Nissan, Volvo, HydroFlask, Maui Beach Rescue on Bravo and multiple shows on National Geographic Channel and the following productions; Childish Gambino Music Video "The Garden", Feature Zombie film "The Resort', Season 8 of "Hawaii Life" on HGTV, and "Beachfront Bargain Hunt" on Travel Channel. (*Office of Economic Development)*

"A Prepared, Safe and Livable County" is a commitment and priority of the Administration. This responsibility touches many areas and departments of the County government. The following are examples of the continued leadership in this area;

- Graduated 33 new recruits from the Fire Fighter Trainee 33rd and 34th recruit classes. (*Fire)*

- The department removed potentially hazardous chlorine gas and feed equipment used in the disinfection process for drinking water, and replaced these with an On-Site Sodium Hypochlorite (dilute bleach) generation system at the Lahaina Water Treatment Plant. This new system uses only salt, softened water and electricity to produce chlorine solution to be used for disinfection at the facility above the Lahainaluna High School, providing a safer and more cost effective alternative to previously used chlorine gas. *(Water)*

In pursuit of its strategic goal of providing, "An Efficient, Effective and Responsive Government", many departments of the County of Maui continued to review their processes and procedures in an effort to improve or expand service delivery. Some of these FY 2018 initiatives and service expansion efforts are highlighted below:

- Successful coordination and execution of the Maui Tropic Care 2018 initiative, which was a joint-service training mission led by the Air National Guard and supported by members of the Air Force, Army, Navy Reserve, and Marine Corps Reserve to provide medical troops and support personnel "hands-on" readiness training to prepare for future deployments while providing direct and lasting benefits to the people of Maui, Molokai, and Lanai at no cost. Clinics where held at Central Maui, Kihei, Lahaina, Hana, Molokai, and Lanai and included physical exams, sports physicals, blood pressure/disease screenings, dental exams, extractions, and fillings, vision screenings, and glasses prescriptions. Maui Tropic Care completed 17,757 procedures with a value of $1.6 million in patient care. (*Mayor's Office)*
- LODGINGRevs, was retained to provide technical support for enforcement of illegal vacation rentals. There system is able to identify properties and advertisements that go undetected by the County because the illegal operators have become more sophisticated and strategic in avoiding enforcement. (*Planning)* Completed the planning and design phases for the new $24 million Maui County Service Center. This critically needed facility that will house numerous operations of the County including DMVL, Treasury, Housing and Human Concerns, and Public Works within its 60,000 square feet. This new facility is anticipated to save the taxpayers of Maui County hundreds of thousands of dollars on an annual basis in lease expenditures. (*Management)*
- In partnership with the Department of Management, the County has undertaken an ambitious goal to replace its ePersonality HRIS system and Payroll's ADP payroll, time and attendance system with an integrated human resources management, payroll and time tracking solution. This upgrade is expected to be completed in early 2019. (*Personnel Services/Finance)*

- Conducted a three day trial run with an all-electric, zero emission bus to begin the transition from an all diesel bus fleet to an all-electric bus fleet. (*Transportation)*
- With the assistance and support of the Dept. of Housing & Human Concerns, a Fast Track Affordable Housing Process was initiated which immediately led to the fast track permitting of the Catholic Charities Affordable Housing project in Kahului. (*Mayor's Office)*

- Delivered 1.2 billion gallons of recycled water to Maui customers. (*Environmental Management)*
- The Special Management Area boundaries for the island of Lanai were amended by the Lanai Planning Commission, making it the first island-wide boundary change in the state since the SMA maps were adopted in the 70s. The changes followed the criteria in the state Coastal Zone Management Act (Chapter 205A, HRS) so that areas identified as needing added protection are now included, and areas that do not warrant additional scrutiny are now excluded. *(Planning)*

For The Future. The County of Maui has a long history of fiscal prudence with a cost of government lower than many comparable municipalities. The County continues to strive towards its goal of long term financial stability and sustainability while maintaining the necessary levels of service for the community. This conservative and responsible approach has paid dividends as the County of Maui's financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii. Having said that, it is a near term goal of the Department of Finance to work with the Administration, the Budget Office and the County Council to pass formal policies as relates to financial health, including a requirement to annually fund the Emergency Fund at an agreed upon minimum level in an attempt to continue to build unrestricted fund balances. It is the policy goal of this Administration to fund its Emergency Fund to a level equal to 20% of annual General Fund expenditures through the prudent management of its fiscal resources. At 6/30/18 the Emergency Fund balance stood at $33.4 million, provided that funds that were spent from the Emergency Fund on the Iao River flood event will be reimbursed by FEMA in the near term. Additionally, the County continued with its responsible reserve strategy by appropriating and funding $6.0 million to the Affordable Housing Fund and $17.0 million to the State of Hawaii Employer-Union Health Benefits Trust Fund (EUTF) in FY 2018.

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.

Starting with the preparation of the FY 2013 budget, the County initiated a transition toward a budget process that focuses on results and adopted a results-based budgeting (RBB) method to more fully integrate budget to programs. RBB uses a practical and common sense approach that communicates why County government departments exist, what work is performed and how well, and the amount of resources that are devoted to services. While the alignment of the County's budget process to a more priority and RBB approach is still in its developmental stages, its goals of making budgetary decisions and the allocation of resources based on key departmental missions, goals and measures that are strategically aligned and forward looking is moving forward.

Allocating resources based on what was done in the past no longer stands as adequate justification for budgetary decisions. The alignment of the County's budget to a more priority and RBB approach led the budget staff and the various departments to prioritize and evaluate programs and operational requirements to assure effective and efficient operations. Budgetary decisions were made with a forward-looking, strategic emphasis in keeping with this administration's focused priority of an "efficient, effective and responsive government," as outlined in the strategic vision.

OTHER FINANCIAL INFORMATION

Debt Management. The County of Maui's debt management policy is a written guideline for the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. An effective debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to taxpayers, rating agencies and the capital markets that a government is well managed and should meet its financial obligations in a timely manner. Maui County's fiscal and debt policies have allowed the County to receive the next-to-highest ratings (AA+ and Aa1) from the three qualified bond-rating agencies. The County's debt policy (revised May 2013) is in compliance with the Hawaii Revised Statutes (Chapter 47) and the County Charter. The general intent of the County's debt policy is that debt is only to be incurred when necessary. The County will confine long-term borrowing to capital assets or equipment that cannot be financed from current financial resources. The County shall borrow only when necessary and utilize pay-as-you-go financing to the extent possible in order to conserve debt capacity. Furthermore, the County does not use debt for operational needs. To ensure accuracy and improve efficiency, beginning in FY 2013, the County of Maui engaged the Bank of New York Mellon to act as its paying agent for debt service payments.

Investment Management. The County of Maui maintains an investment policy (revised October 2018) which governs all financial assets of the County. These funds are accounted for in the County's basic financial statements and include the General Fund, Special Revenue Funds, Capital Improvement Projects Funds, Enterprise Funds, Agency Funds, Debt Service Fund and any new funds unless specifically exempted. The County's Investment Policy key objectives include: 1) Safety – investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio; the objective will be to mitigate credit risk and interest rate risk; 2) Liquidity – the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated; and 3) Yield – the investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risks constraints and liquidity needs. The County's investment policy is in conformance with Hawaii Revised Statutes, Chapter 46-50.

In FY 2018 the Maui County Council passed an ordinance amending Chapter 3.08 of the Maui County Code by adding a section requiring, among other things, the retaining of a third-party investment advisor to manage the non-liquid portion of the County's investment portfolio. A request for proposals was posted and at this writing offers form outside investment advisors are being reviewed. It is expected that a third-party investment advisor will be selected in early calendar 2019.

Cash Management. The primary objectives of the County's cash management and investment program are the safety and preservation of principal, liquidity, and yield. **The County employs multiple portfolio accounts that include the General Investment Account Portfolio (GIAP) and various temporary general obligation bond account portfolios that terminate when the funds are fully expended.** To ensure the most competitive rates in the GIAP, the cash resources of the individual funds are combined to form a pool of cash and investments, which are then invested over a maturity horizon not to exceed five (5) years using a comprehensive cash flow modeling tool developed by the Treasury Division to maximize investment returns. The investment portfolio is composed of obligations of the U.S. government and its agencies, certificates of deposit, and repurchase agreements fully collateralized by obligations of the U.S. government or its agencies, and short-term notes. Interest and investment earnings on a Countywide basis during FY 2018 was just over $5.21 million or roughly $1.4 million more than what was earned in FY 2017. The increase can be attributed in part to the effective cash flow analysis modeling tool which allowed the County to maximize the term of its investments and thus increase its yields without sacrificing needed cash for shorter term obligations. Interest rates increased incrementally during FY 2018 as the County's average annual portfolio yield increased from 1.07% in FY 2017 to 1.29% in FY 2018. The portfolio yield in the last month of FY 2018 was 1.41%.

Real Property Tax. Real property assessed values ($46.0B) increased 4% during FY 2018, while real property tax collections ($310.5M) increased 13.7%, reflecting marginal tax rate increases adopted by the County Council. Maui County's assessed real property values in FY 2018 surpassed the previous peak valuation level experienced during FY 2010, further confirmation that the local economy has fully rebounded from the effects of the economic downturn in 2009.

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 of Maui for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This is the thirty-fifth consecutive year that the County of Maui has received this prestigious award.

To receive the Certificate of Achievement, the government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report 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.

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 Finance Department 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 Arakawa 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 of Maui.

Respectfully Submitted,

MARK R. WALKER
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Maui

Hawaii

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS
June 30, 2018

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor
Alan M. Arakawa

LEGISLATIVE

Councilpersons

Council Chair
Mike White

Council Vice-Chair
Robert Carroll

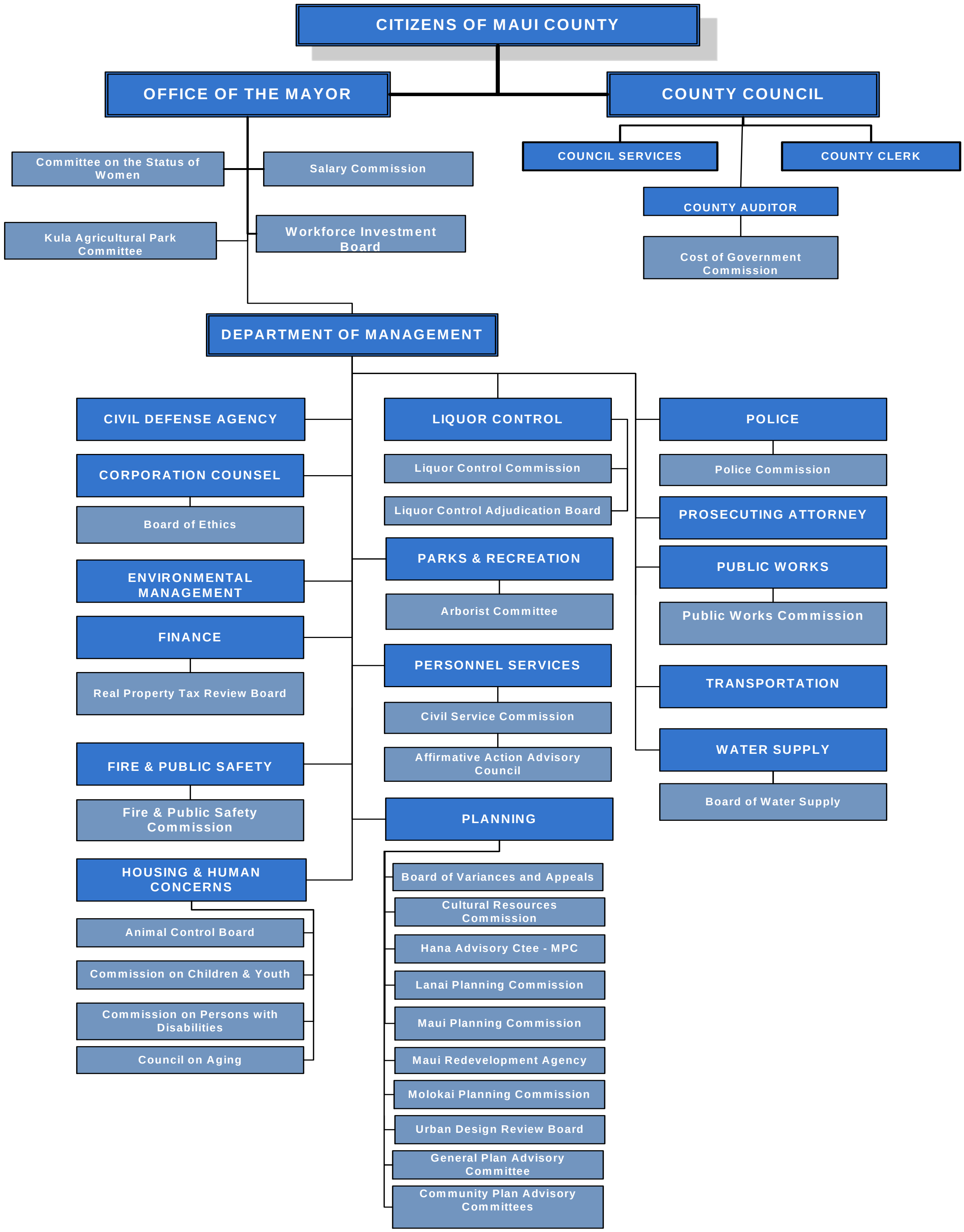
Stacy Crivello
Presiding Officer Pro Tempore

Alika Atay	Riki Hokama
Elle Cochran	Kelly King
Don Guzman	Yuki Lei Sugimura

APPOINTED DEPARTMENT HEADS

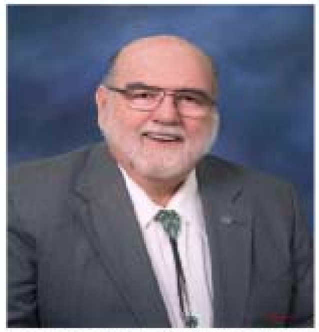
Director of Council Services	Maria Zielinski
County Clerk	Danny Mateo
Managing Director	Keith A. Regan
Corporation Counsel	Patrick K. Wong
Prosecuting Attorney	John D. Kim
Director of Finance	Mark Walker
Director of Environmental Management	Stewart Stant
Director of Public Works	David C. Goode
Director of Parks & Recreation	Kaala Buenconsejo
Fire Chief	Jeffrey A. Murray
Planning Director	William R. Spence
Director of Personnel Services	David Underwood
Director of Housing & Human Concerns	Vacant
Director of Transportation	Don Medeiros
Director of Water Supply	David Taylor
Chief of Police	Tivoli Faaumu
Director of Liquor Control	Glen Mukai
County Auditor	Lance Taguchi

ORGANIZATION CHART



Dept. of MANAGEMENT
KEITH REGAN
Managing Director
ALAN ARAKAWA
Mayor
Office of the MAYOR
LYNN ARAKI-REGAN
Chief of Staff
COUNTY OF MAUI
STATE OF HAWAII
MAYORS EXECUTIVE ASSISTANTS
ANTHONY ARAKAKI
DONALD COUCH
ZEKE KALUA
MIKE MOLINA
RANDY PILTZ
JOCK YAMAGUCHI
Deputy Managing Director
SANDY BAZ
Budget Director
TEENA RASMUSSEN
Economic Development Director
JOE PONTANILLA
CDBG Coordinator
ROD ANTONE
Communication Director
RYAN PIROS
Asst. Communication Director
ROB PARSONS
Environmental Coordinator
HERMAN ANDAYA
Emergency Management Officer
Dept. of the CORPORATION COUNSEL
PATRICK WONG
Corp. Counsel
EDWARD KUSHI
First Deputy
Dept. of ENVIRONMENTAL MANAGEMENT
STEWART STANT
Director
MICHAEL MIYAMOTO
Deputy Director
Dept. of FINANCE
MARK WALKER
Director
VACANT
Dept. of FIRE & PUBLIC SAFETY
JEFF MURRAY
Chief
LIONEL MONTALVO
Deputy Chief
Dept. of HOUSING & HUMAN CONCERNS
VACANT
JAN SHISHIDO
Deputy Director
Dept. of LIQUOR CONTROL
GLEN MUKAI
Director
GEORGETTE TYAU
Deputy Director
Dept. of PARKS AND RECREATION
KAALA BUENCONSEJO
Director
BRIANNE SAVAGE
Deputy Director
Dept. of PERSONNEL SERVICES
DAVID UNDERWOOD
Director
CYNTHIA RAZO
Deputy Director
Dept. of PLANNING
WILL SPENCE
Director
MICHELLE MCLEAN
Deputy Director
Dept. of POLICE
TIVOLI FAAUMU
Chief
DEAN RICKARD
Deputy Chief
Dept. of the PROSECUTING ATTORNEY
JD KIM
Prosecutor
ROBERT RIVERA
First Deputy
Dept. of PUBLIC WORKS
DAVID GOODE
Director
ROWENA ANDAYA
Deputy Director
Dept. of TRANSPORTATION
DON MEDEIROS
Director
JOHN BUCK
Deputy Director
Dept. of WATER SUPPLY
DAVID TAYLOR
Director
GLADYS BAISA
Deputy Director

MIKE WHITE
Council Chair



ROBERT CARROLL
Vice-Council Chair

STACY CRIVELLO
Presiding Officer Pro Tempore

ALIKA ATAY
Councilmember

ELLE COCHRAN
Councilmember

DON GUZMAN
Councilmember

RIKI HOKAMA
Councilmember

KELLY KING
Councilmember

YUKI LEI SUGIMURA
Councilmember

Office of Council Services
Maria Zielinski
Director

County Auditor
Lance Taguchi
County Auditor

County Clerk
Danny Mateo
County Clerk

Josiah Nishita
Deputy County Clerk

COUNTY OF MAUI

FINANCIAL SECTION

N&K CPAs, Inc.
ACCOUNTANTS | CONSULTANTS

AMERICAN SAVINGS BANK TOWER
1001 BISHOP STREET, SUITE 1700
HONOLULU, HAWAII 96813-3696
T (808) 524-2255 F (808) 523-2090

INDEPENDENT AUDITOR'S REPORT

Honorable Mike White, Chair
and the Members of the Council
County of Maui
Wailuku, Hawaiʻi

Report on the Financial Statements

We have audited the accompanying 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 Hawaiʻi (County), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 for the County of Maui, State of Hawaii, as of June 30, 2018, 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.

Emphasis of Matters

Adoption of New Accounting Principle and Correction of Errors

As discussed in Note 15 to the financial statements, the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and net position has been restated to correct errors for accounting for certain transactions. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 23 through 38), the budgetary comparison schedules for the general fund, highway fund and sewer fund (pages 95 through 97), and the schedules of proportionate share of the net pension liability (page 99), contributions (pension) (page 100), changes in the net OPEB liability and related ratios (page 102), and contributions (OPEB) (page 103) be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other 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 introductory section, the other supplementary information section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018 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 21, 2018

This discussion 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, 2018. 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 $353.0 million (*net position*).

- The County's total net position increased by $30.3 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 $201.4 million, which is an increase of $10.3 million or 5.4% from prior year.

- At the end of the current fiscal year, the unassigned fund balance of the General Fund was $75.4 million, or 26.2% of total General Fund expenditures.

- The County's total amount of General Obligation (GO) bonds, State Revolving Fund (SRF) loans and other long-term debt outstanding increased by $2.1 million during the current fiscal year. The increase is reflective of $24.9 million increase in SRF loans, offset by a decrease of $22.9 million in GO Bonds, 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.

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, highways and streets, sanitation, social welfare, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply, the Housing, Interim Financing, and Buy-Back Revolving Fund, and the Golf Course Special 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.

The County has adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes five new 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.

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 eleven 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 the General, Highway, Sewer, Grant, Debt Service, and Capital Improvement Projects, all of which are considered to be major funds. Data from the other five 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.

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 three proprietary funds include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These proprietary funds financial statements provide separate information for the Department of Water Supply (DWS), the Housing, Interim Financing, and Buy-Back Revolving Fund, and the Golf Course Special Fund, all of which are considered to be major funds of the County.

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 of the agency funds is the last of the fund financial statements and is 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 County adopts an annual appropriated budget for the General Fund, the Highway Fund, and the Sewer Fund. Budgetary comparison schedules have been provided for all these funds to demonstrate compliance with this budget.

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.

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

These schedules are presented as required supplementary information (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 five 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, County, Bikeway, Solid Waste, and Other Assessment Funds. The total of these five 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 statement of changes in assets and liabilities for the Agency Funds. In addition, the OSI section includes the budgetary comparison schedule for the Debt Service Fund, as well as the detail fund schedules of revenues - budget and actual and schedules of appropriations, expenditures, and encumbrances for the General, Highway, Sewer, Grant, Solid Waste, Liquor Control, and Capital Improvement Projects Funds.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION
June 30, 2018 and 2017
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	FY2018	FY2017 (restated)	FY2018	FY2017 (restated)	FY2018	FY2017 (restated)
Assets and Deferred Outflows of Resources:						
Current and other assets	$ 255,809	$ 241,766	$ 97,268	$ 85,246	$ 353,077	$ 327,012
Capital assets	817,493	795,613	378,912	346,588	1,196,405	1,142,201
Total Assets	1,073,302	1,037,379	476,180	431,834	1,549,482	1,469,213
Deferred outflows of resources	197,657	238,906	13,729	16,671	211,386	255,577
Total Assets and Deferred Outflows of Resources	1,270,959	1,276,285	489,909	448,505	1,760,868	1,724,790
Liabilities and Deferred Inflows of Resources:						
Long-term liabilities	345,117	360,373	70,917	57,804	416,034	418,177
Other liabilities	47,443	44,964	7,796	7,864	55,239	52,828
Net pension liability	556,282	550,327	42,181	42,052	598,463	592,379
Net OPEB liability	291,475	294,264	26,084	26,333	317,559	320,597
Total Liabilities	1,240,317	1,249,928	146,978	134,053	1,387,295	1,383,981
Deferred inflows of resources	19,297	16,595	1,368	1,564	20,665	18,159
Total Liabilities and Deferred Inflows of Resources	1,259,614	1,266,523	148,346	135,617	1,407,960	1,402,140
Net Position:						
Net investment in capital assets	585,828	545,878	313,510	295,171	899,338	841,049
Restricted	49,599	51,730	20,212	16,924	69,811	68,654
Unrestricted	(624,082)	(587,846)	7,841	793	(616,241)	(587,053)
Total Net Position	$ 11,345	$ 9,762	$ 341,563	$ 312,888	$ 352,908	$ 322,650

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 type 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 $353.0 million at the close of the current fiscal year. This compares with the net position of $322.7 million from the prior year. Total net position increased by $30.3 million during the current fiscal year. The governmental activities reflected an increase in net position of $1.6 million. The business-type activities increased net position by $28.7 million.

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, and equipment) 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 its 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 liquidate these liabilities.

An additional portion of the County's net position (19.8%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to $-616.2 million at the end of the current fiscal year, with $-624.1 million derived from governmental activities and $7.8 million from business-type activities. The County's unrestricted net position decreased by $29.2 million as compared to last year.

The County's net capital assets increased by $54.2 million due to capital improvement projects completed by the County during the current fiscal year. Further discussion on the County's capital assets is provided in the C*apital Assets* within this section.

The County's total amount of GO bonds, and SRF loans, outstanding increased by $2.1 million during the current fiscal year. The increase is reflective of a $24.9 million increase in SRF loans, offset by a decrease of $22.9 million in GO bonds, net of principal payments.

Other long-term obligations increased by $3.1 million, from $941.3 million in fiscal year 2017 to $944.4 million in fiscal year 2018 for governmental activities, and decreased by $1.4 million from $72.7 million in prior fiscal year to $71.3 million in fiscal year 2018 for business-type activities. The increase in governmental activities is due to a $3.2 million increase in accrued OPEB and pension costs, a $0.5 million increase in accrued vacation and CTO, and a $2.2 million increase in claims and judgments, offset by a decrease of $2.2 million in accrued pollution remediation and a $0.6 million decrease in postclosure costs.

CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2018 and 2017
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	FY2018	FY2017 (restated)	FY2018	FY2017 (restated)	FY2018	FY2017 (restated)
Revenues:						
Program Revenues:						
Charges for services	$ 125,669	$ 115,181	$ 65,920	$ 64,967	$ 191,589	$ 180,148
Operating grants and contributions	33,967	41,470	--	--	33,967	41,470
Capital grants and contributions	6,212	9,607	11,866	11,366	18,078	20,973
General Revenues:						
Real property taxes	310,499	272,989	--	--	310,499	272,989
Other taxes	54,901	54,549	--	--	54,901	54,549
Interest and investment earnings (losses), net	(265)	2,940	(223)	803	(488)	3,743
Other revenues	6,235	313	--	--	6,235	313
Total Revenues	537,218	497,049	77,563	77,136	614,781	574,185
Expenses:						
Governmental Activities:						
General government	144,002	133,763	--	--	144,002	133,763
Public safety	137,158	125,407	--	--	137,158	125,407
Highway and streets	58,656	53,976	--	--	58,656	53,976
Sanitation	77,892	74,741	--	--	77,892	74,741
Social welfare	47,479	59,429	--	--	47,479	59,429
Culture and recreation	37,165	37,626	--	--	37,165	37,626
Legislative	7,861	7,408	--	--	7,861	7,408
Interest on long-term debt	6,230	6,867	--	--	6,230	6,867
Business-Type Activities:						
Water Supply	--	--	63,437	62,208	63,437	62,208
Housing	--	--	813	193	813	193
Golf Course Special Fund	--	--	3,830	3,883	3,830	3,883
Total Expenses	516,443	499,217	68,080	66,284	584,523	565,501
Increase (Decrease) in Net Position Before Transfers	20,775	(2,168)	9,483	10,852	30,258	8,684
Transfers	(19,192)	(2,385)	19,192	2,385	--	--
Change in Net Position	1,583	(4,553)	28,675	13,237	30,258	8,684
Net Position - Beginning of Year, as previously stated	269,126	273,679	336,602	323,365	605,728	597,044
Restatement adjustment	(259,364)	(259,364)	(23,714)	(23,714)	(283,078)	(283,078)
Net Position - Beginning of Year, as restated	9,762	14,315	312,888	299,651	322,650	313,966
Net Position - End of Year	$ 11,345	$ 9,762	$ 341,563	$ 312,888	$ 352,908	$ 322,650

Governmental Activities. Governmental activities increased the County's net position by $1.6 million. The increase of $6.1 million of change in net position over last year is primarily attributable to an increase in governmental activities expenses of $17.2 million, decrease in capital grants and contributions of $3.4 million and a decrease in operating grants and contributions of $7.5 million, offset by an increase in charges for services of $10.5 million, real property taxes of $37.5 million, and other revenues of $5.9 million.

The increase in revenues from real property taxes was primarily due to higher certified values. The real property tax rates in fiscal year 2018 were increased in all classifications.

Business-Type Activities. The three business-type activities increased the County's net position by $28.7 million, compared with last year's increase of net position by $13.2 million. The increase of $15.4 million in change in net position over last year is primarily attributable to an increase in total revenues by $0.4 million, offset by an increase in total expenses of $1.8 million.

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 $201.4 million, representing an increase of $10.3 million or 5.4% as compared to the prior year. The increase in the governmental funds balance can be attributed to an increase in the General Fund by $31.8 million, Highway Fund by $8.9 million, Sewer Fund by $1.8 million, Grant Fund by $0.9 million, and Other Governmental Funds by $1.0 million; offset by a decrease in the Capital Improvement Fund by $34.1 million.

Approximately $75.4 million or 37.5% of the total fund balances of the governmental funds is comprised of unassigned funds. For the current fiscal year, the Emergency Fund balance of $33.4 million was reclassified from committed funds to unassigned funds as it did not qualify as committed funds for reporting purposes. The remainder of total governmental fund balances of $126.0 million is comprised of $53.6 million in restricted funds, $32.9 million in committed funds, and $39.5 million in assigned funds. There was a total of $162.7 million in encumbered governmental funds comprised of $154.8 million in the major funds and $7.9 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 $113.5 million, which included $4.7 million in restricted funds, $0.2 million in committed $33.2 million in assigned, and $75.4 million in unassigned funds. The unassigned fund balance represents 26.2% of total General Fund expenditures, while the total fund balance of the General Fund represents 39.5% of the expenditures. There was a total of $17.0 million in encumbrances in the General Fund at the end of fiscal year 2018.

The fund balance for the General Fund increased by $31.8 million during the current fiscal year. This compares with a decrease of $3.3 million from the prior year. Key factors for the increase of $31.8 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by $42.0 million or 13.1% from prior year, largely reflective of increased revenues from taxes of $37.8 million, other revenues of $5.5 million, licenses of $1.4 million, charges for services of $0.2 million, and fines and forfeitures of $0.1 million; offset by decreased interest and investment earnings of $3.1 million, when compared to prior year.

- Total expenditures increased by $4.4 million or 1.6% from prior year. The increase is due to expenditures of $10.8 million in General Government, $3.7 million in Public Safety, $0.3 million in Legislative, and $0.1 million in Social Welfare; offset by a decrease of expenditures of $8.7 million in Culture and Recreation, and $1.7 million in Highways and Streets.

- Other Financing Uses, net decreased $2.4 million from prior year, due primarily to a decrease in transfers out to the Debt Service Fund of $1.4 million, Capital Improvement Projects of $1.0 million, and Proprietary funds of $0.5 million; offset by an increase in the transfers out to Other Governmental funds of $3.7 million, and an increase in the transfers in from the Special Revenue funds of $1.4 million; offset by transfers in from the Lapse from Capital Improvement Projects of $2.1 million, Other Governmental funds of $0.8 million, and Proprietary funds of $0.2 million. The $2.4 million decrease in Other Financing Uses, offset by an increase of $37.5 million in revenues over expenditures resulted in an increase of $35.1 million in the net change in fund balance from the prior year.

Revenues from taxes increased by $37.8 million, from $280.3 million in fiscal year 2017 to $318.1 million in fiscal year 2018.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of $310.5 million represents 57.7% of all the revenues for the County governmental funds. This year's collection increased by $37.5 million or 13.7% from last year's collection of $273.0 million. The increase in real property tax collection in fiscal year 2018 was due to increased property tax valuations and tax rate for all property classifications.

The property tax valuations for tax rate purposes (tax base) increased from $44.4 billion in fiscal year 2017 to $46.0 billion in fiscal year 2018, representing an increase of 4%. The tax rates in 2018 increased for all the classifications: Residential from $5.30 to $5.54, Apartment from $6.00 to $6.32, Commercial from $6.60 to $7.28, Industrial from $6.69 to $7.49, Agricultural from $5.66 to $6.01, Conservation from $5.80 to $6.37, Hotel and Resort from $8.71 to $9.37, Time share from $14.31 to $15.43, Homeowner from $2.70 to $2.86, and Commercialized Residential from $4.35 to $4.56.

The Maui County Code allows for twenty different tax rates; one for land and one for improvements for each of the ten different classifications of property. The County however, has been utilizing one rate for both land and improvements. Within the ten classifications of property, ten different tax rates are used.

Included in the Taxes category for the General Fund is the public service company tax. 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 were $7.0 million, representing a decrease of $0.7 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was $19.6 million, of which the entire amount was restricted. A total of $3.1 million in the Highway Fund was encumbered at the end of fiscal year 2018.

The revenues in the Highway Fund primarily derived from the fuel tax ($16.4 million), franchise tax ($8.0 million), and motor vehicle weight tax ($24.0 million), classified as licenses and permits, and public transit bus fare ($2.5 million) collectively made up 9.5% ($51.0 million) of the revenues in the governmental funds. The fiscal year 2018 revenue collection was $3.6 million more than the previous year due to increased revenues from motor vehicle license $2.6 million, Fuel tax $0.8 million, and Franchise tax $0.3 million; offset by a decrease of revenue from Permit fees of $0.1 million.

The expenditures of $32.3 million for the Highway Fund was an increase of $2.6 million or 8.8% from the prior fiscal year.

The total other financing sources (uses) for the Highway Fund decreased from ($16.7) million in fiscal year 2017 to ($9.7) million in fiscal year 2018. With a beginning fund balance of $10.6 million, the Highway Fund ended with a fund balance of $19.6 million, an increase in fund balance of $8.9 million.

Sewer Fund. At the end of the current fiscal year, the fund balance of the Sewer Fund was $13.8 million which represented committed funds. A total of $1.6 million in the Sewer Fund was encumbered at the end of fiscal year 2018.

The Sewer Fund revenues of sewer and cesspool fees of $54.3 million reflect an increase of $2.3 million or 4.4% from last year's revenue collection of $52.0 million.

The Sewer Fund expenditures of $28.5 million increased $1.2 million or 4.6% from the prior fiscal year, primarily due to a decrease in operating expenditures as it relates to waste water reclamation. With a beginning fund balance of $12.0 million, the Sewer Fund ended with a fund balance of $13.8 million, an increase in fund balance of $1.8 million from fiscal year 2017 to fiscal year 2018.

Grant Fund. Total revenue for the Grant Fund was $33.8 million, representing a decrease of $6.2 million or 15.6% over last year.

The Grant Fund expenditures in the current fiscal year decreased by $6.6 million or 16.7% compared to the prior year.

Capital Improvement Projects Fund. At the end of the current fiscal year, the fund balance of the Capital Improvement Projects (CIP) Fund was $6.3 million, of which the entire amount was assigned. A total of $126.3 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 2018 were $87.1 million (excluding bond issuance costs). This amount, compared with last year's expenditures of $48.1 million, represents an increase of $38.9 million or 80.9%.

The largest expenditures were reflected in the Sewer Systems category of $34.0 million, which comprised 39.1% of the total CIP expenditures. Capital projects under this category consisted primarily of the Lahaina Wastewater Reclamation Facility Modifications Stage 1A in the amount of $18.4 million, Kihei Force Main No. 16 Replacement in the amount of $3.6 million, and Lahaina Wastewater Pump Station No. 3 Modifications in the amount of $1.6 million.

The Roads category had expenditures of $17.5 million or 20.1% of total expenditures of the Capital Improvements Projects Fund. The Kahekili Highway Improvement in the amount of $3.6 million, Baldwin Avenue Pavement Rehabilitation in the amount of $2.4 million, and Kuikahi Drive Pavement Rehabilitation in the amount of $2.4 million were the major projects under this category.

Expenses in the Parks category had expenditures of $14.1 million or 16.2% of the total expenditures in the Capital Improvements Projects Fund. The South Maui Park Recreation Center in the amount of $6.4 million, West Maui Parks System in the amount of $2.5 million, and Upcountry Skate Park in the amount of $1.2 million were the major projects in this category.

Expenditures in the Government Facilities category of $7.8 million comprised 9.0% of the total expenditures in the Capital Improvement Projects Fund. The projects in this category were the Wailuku Redevelopment Municipal Parking and Events in the amount of $4.4 million and Kalana O Maui Electrical Upgrades in the amount of $0.7 million.

Expenditures in the Solid Waste Facilities category of $6.2 million comprised 7.1% of the total expenditures in the Capital Improvement Projects Fund. The Hana Landfill Makai Berm Waste in the amount of $1.5 million, and Makani Landfill Site Restoration in the amount of $1.3 million were the major projects in this category.

Expenditures in the Drainage category of $4.6 million comprised 5.3% of the total expenditures in the Capital Improvement Projects Fund. The major projects in this category were South Kihei Road Culvert Replacement in the amount of $1.9 million and Waiehu Drainline Repairs in the amount of $0.6 million.

BUDGETARY HIGHLIGHTS

The General Fund budget amendments for fiscal year 2018 primarily consisted of $2.5 million for the Countywide Costs under the Department of Finance and $1.5 million for the Department of Fire and Public Safety.

The major negative budget variance for revenues (final amended budget and actual amounts) in the General Fund was due to the public service company tax. It reflected a negative variance, with actual revenues of $7.0 million, $1.54 million below budget.

The major positive budget variance for expenditures in the General Fund was in General Government of $17.6 million, followed by Legislative of $2.5 million, Public Safety of $2.3 million, and Culture and Recreation of $2.0 million. Savings from the Countywide Costs Program in the General Government category, Council Services Program in the Legislative category, Investigative Service Program and Technical and Support Services Program in the Public Safety category, and Recreation and Support Services Program in the Culture and Recreation category primarily contribute to the positive variance in the expenditures for the General Fund.

CAPITAL ASSETS
(Dollars in Thousands)

	Governmental		Business-type		Total	
	FY2018	(restated)	FY2018	FY2017	FY2018	(restated)
Non-Depreciable Assets:						
Land	$ 179,451	$ 180,956	$ 14,563	$ 10,708	$ 194,014	$ 191,664
Construction in progress	89,180	72,268	48,842	34,854	138,022	107,122
	268,631	253,224	63,405	45,562	332,036	298,786
Depreciable Assets:						
Buildings and systems	167,253	164,636	184,873	166,170	352,126	330,806
Improvements other than buildings	150,423	146,556	2,972	2,972	153,395	149,528
Machinery and equipment	159,570	153,137	426,466	415,423	586,036	568,560
Infrastructure	1,201,636	1,163,565	11,792	11,431	1,213,428	1,174,996
	1,678,882	1,627,894	626,103	595,996	2,304,985	2,223,890
Accumulated Depreciation	(1,130,020)	(1,085,504)	(310,596)	(294,970)	(1,440,616)	(1,380,474)
Total Capital Assets, Net	$ 817,493	$ 795,614	$ 378,912	$ 346,588	$ 1,196,405	$ 1,142,202

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to $1.2 billion (net of accumulated depreciation of $1.4 billion). 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) and construction in progress.

During fiscal year 2018, capital assets relating to governmental activities reflected additions of $145.1 million, depreciation expense of $47.7 million, and transfers/retirements of $75.5 million (net), resulting in capital assets, net of $817.5 million. Capital assets relating to business-type activities reflected additions of $56.2 million, depreciation expense of $15.8 million, and transfers/retirements of $8.1 million (net) resulting in capital assets, net of $378.9 million.

Capital asset additions relating to governmental activities were primarily attributable to road, bikeway and bridge improvements, sewer infrastructure, 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, 2018 for the governmental and business-type activities amounted to $162.7 million and $20.6 million, respectively.

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

LONG-TERM DEBT
(Dollars in Thousands)

	Governmental		Business-type		Total	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
General Obligation Bonds (excluding unamortized premiums and deferrals)	$ 175,573	$ 196,001	$ 19,672	$ 22,119	$ 195,245	$ 218,120
State Revolving Fund and USDA Loans	62,121	54,137	46,123	29,168	108,244	83,305
Total Long-Term Debt	$ 237,694	$ 250,138	$ 65,795	$ 51,287	$ 303,489	$ 301,425

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of $303.5 million ($237.7 million related to governmental activities and $65.8 million related to business-type activities). Of this amount, $195.2 million is comprised of debt backed by the full faith and credit of the government GO bonds, while $108.2 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 loans increased by $2.1 million during the current fiscal year. The increase is reflective of a $24.9 million increase in SRF loans, offset by a decrease of $22.9 million in GO bonds.

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 $6.9 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2018, the County's current outstanding debt applicable to the limit of $283.8 million represents only 4.12% 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Like the State of Hawaii, the growth of Maui County's economy, now in its eight year of expansion, is beginning to slow despite record tourist arrivals and very low unemployment numbers. This is the consequence of a flattening construction path and the natural effects of the tightening labor markets. Despite the aforementioned, the near term outlook for Maui County's economy remains positive based largely on the continued strength of the tourism sector.

The real property tax base for fiscal year 2019 of $48.8 billion is an increase of $2.9 billion or 6.3% from the fiscal year 2018.

The real property tax rates (per $1,000 assessed valuation) for fiscal year 2019 slightly decreased for all classifications except for Hotel & Resort, and the addition of a Short-Term Rental classification. The following were the decreases in each category: Residential from $5.54 to $5.52, Apartment from $6.32 to $6.31, Commercial from $7.28 to $7.25, Industrial from $7.49 to $7.45, Agricultural from $6.01 to $6.00, Conservation from $6.37 to $6.35, Homeowner from $2.86 to $2.85, Time share from $15.43 to $15.41, Commercial Residential from $4.56 to $4.55, Hotel and Resort remain the same rate at $9.37 and the addition of a Short-Term Rental set for $9.28. The budgeted real property tax levy of $321.5 million for fiscal year 2019 is an increase of $18.3 million or 6.0% from fiscal year 2018, largely as a result of the higher tax rates.

The fiscal year 2019 budget appropriated $18.1 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 Office of the Director of Finance, 200 South High Street, Wailuku, Hawaii 96793.

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COUNTY OF MAUI
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	$ 227,275,320	$ 87,831,083	$ 315,106,403
Receivables (Note 4):			
Trade accounts, net	4,912,148	7,248,005	12,160,153
State of Hawaii	9,385,728	--	9,385,728
Property taxes	8,186,193	--	8,186,193
Note	5,927,156	--	5,927,156
Federal government	122,228	--	122,228
Inventory	--	1,698,198	1,698,198
Other assets	--	489,654	489,654
Capital assets (Note 6):			
Non-depreciable assets	268,630,586	63,405,507	332,036,093
Depreciable assets	1,678,881,762	626,103,229	2,304,984,991
Accumulated depreciation	(1,130,019,904)	(310,596,430)	(1,440,616,334)
Total capital assets, net	817,492,444	378,912,306	1,196,404,750
Total Assets	1,073,301,217	476,179,246	1,549,480,463
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions (Note 10)	162,701,792	10,935,628	173,637,420
Deferred outflows related to other postemployment benefits other than pensions (OPEB) (Note 10)	31,307,606	2,660,638	33,968,244
Unamortized loss on advanced refunding	3,648,022	132,986	3,781,008
Total Deferred Outflows of Resources	197,657,420	13,729,252	211,386,672
Total Assets and Deferred Outflows of Resources	1,270,958,637	489,908,498	1,760,867,135
LIABILITIES:			
Accounts payable and accrued liabilities	35,873,294	5,502,391	41,375,685
Unearned revenue	5,981,740	62,723	6,044,463
Advanced collections	3,979,493	1,179,886	5,159,379
Interest payable	1,604,741	373,350	1,978,091
Deposits	4,440	677,427	681,867
Long-term obligations (Note 7):			
Due within one year	67,680,909	6,049,720	73,730,629
Due in more than one year	277,435,803	64,867,326	342,303,129
Net pension liability (Note 10)	556,281,646	42,180,864	598,462,510
Net OPEB liability (Note 10)	291,475,249	26,083,771	317,559,020
Total Liabilities	1,240,317,315	146,977,458	1,387,294,773
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions (Note 10)	13,620,960	1,058,294	14,679,254
Deferred inflows related to OPEB (Note 10)	3,465,761	310,147	3,775,908
Deferred inflows - nonexchange transactions (Note 4)	2,209,997	--	2,209,997
Total Deferred Inflows of Resources	19,296,718	1,368,441	20,665,159
Total Liabilities and Deferred Inflows of Resources	1,259,614,033	148,345,899	1,407,959,932
NET POSITION:			
Net investment in capital assets	585,828,000	313,509,784	899,337,784
Restricted for:			
Water and other assessments (Note 14)	8,563,411	20,211,812	28,775,223
Highways and streets	19,567,598	--	19,567,598
Affordable housing	16,799,582	--	16,799,582
Open space and resources	4,668,590	--	4,668,590
Unrestricted	(624,082,577)	7,841,003	(616,241,574)
Total Net Position	$ 11,344,604	$ 341,562,599	$ 352,907,203

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, 2018

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	$ 144,002,136	$ 15,763,588	$ 3,655,109	$ 6,458	$ (124,576,981)	$ --	$ (124,576,981)
Public safety	137,158,297	615,576	5,972,306	--	(130,570,415)	--	(130,570,415)
Sanitation	77,891,730	78,989,289	109,390	406,329	1,613,278	--	1,613,278
Social welfare	47,478,975	2,575,667	23,297,363	--	(21,605,945)	--	(21,605,945)
Highways and streets	58,656,388	26,959,627	831,972	4,956,672	(25,908,117)	--	(25,908,117)
Culture and recreation	37,164,582	740,590	101,063	842,530	(35,480,399)	--	(35,480,399)
Legislative	7,861,212	24,437	--	--	(7,836,775)	--	(7,836,775)
Interest on long-term debt	6,230,395	--	--	--	(6,230,395)	--	(6,230,395)
Total Governmental Activities	516,443,715	125,668,774	33,967,203	6,211,989	(350,595,749)	--	(350,595,749)
Business-type Activities:							
Department of Water Supply	63,436,972	64,297,392	--	11,865,652	--	12,726,072	12,726,072
Housing, Interim Financing and Buy-Back Revolving Fund	812,378	550,601	--	--	--	(261,777)	(261,777)
Golf Course Special Fund	3,830,442	1,071,934	--	--	--	(2,758,508)	(2,758,508)
Total Business-type Activities	68,079,792	65,919,927	--	11,865,652	--	9,705,787	9,705,787
	$ 584,523,507	$ 191,588,701	$ 33,967,203	$ 18,077,641	$ (350,595,749)	$ 9,705,787	$ (340,889,962)
General Revenues:							
Taxes:							
Property taxes					310,499,340	--	310,499,340
Transient accommodation tax					23,484,000	--	23,484,000
Fuel taxes					16,449,820	--	16,449,820
Franchise tax					8,009,005	--	8,009,005
Public service company tax					6,957,982	--	6,957,982
Interest and investment losses, net (Note 2)					(264,871)	(223,135)	(488,006)
Other					6,235,346	--	6,235,346
Transfers (Note 5)					(19,191,776)	19,191,776	--
Total General Revenues and Transfers					352,178,846	18,968,641	371,147,487
Change in Net Position					1,583,097	28,674,428	30,257,525
Net Position - Beginning of Year, as previously stated					269,125,306	336,602,241	605,727,547
Restatement adjustment (Note 15)					(259,363,799)	(23,714,070)	(283,077,869)
Net Position - Beginning of Year, as restated					9,761,507	312,888,171	322,649,678
Net Position - End of Year					$ 11,344,604	$ 341,562,599	$ 352,907,203

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

COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Highway Fund	Sewer Fund	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)	$ 69,979,406	$ 20,192,087	$ 12,292,003	$ 238,961	$ --	$ 72,767,553	$ 50,319,911	$ 225,789,921
Cash with fiscal agent	--	--	--	--	--	1,485,399	--	1,485,399
Receivables (Note 4):								
Trade accounts, net	--	--	2,645,237	--	--	--	2,266,911	4,912,148
State of Hawaii	--	1,407,016	--	6,357,961	--	1,620,751	--	9,385,728
Property taxes	8,186,193	--	--	--	--	--	--	8,186,193
Note	5,927,156	--	--	--	--	--	--	5,927,156
Federal government	--	--	--	122,228	--	--	--	122,228
Due from other funds (Note 5)	55,090,401	--	--	--	--	--	--	55,090,401
Total Assets	$ 139,183,156	$ 21,599,103	$ 14,937,240	$ 6,719,150	$ --	$ 75,873,703	$ 52,586,822	$ 310,899,174
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ 12,868,688	$ 1,789,553	$ 808,899	$ 343,441	$ --	$ 8,636,177	$ 2,300,844	$ 26,747,602
Accrued wages payable	5,624,251	241,952	257,966	--	--	--	279,595	6,403,764
Contracts retentions payable	29,717	--	26,642	--	--	2,662,821	2,748	2,721,928
Unearned revenues	--	--	--	2,795,083	--	3,186,657	--	5,981,740
Advanced collections	--	--	--	--	--	--	3,979,493	3,979,493
Deposits payable	--	--	--	--	--	--	4,440	4,440
Due to other funds (Note 5)	--	--	--	--	--	55,090,401	--	55,090,401
Total Liabilities	18,522,656	2,031,505	1,093,507	3,138,524	--	69,576,056	6,567,120	100,929,368
Deferred Inflows of Resources:								
Deferred inflows - nonexchange	1,943,937	--	--	--	--	--	266,060	2,209,997
Deferred inflows - unavailable revenues	5,213,171	--	86,830	--	--	--	1,049,773	6,349,774
Total Deferred Inflows of Resources	7,157,108	--	86,830	--	--	--	1,315,833	8,559,771
Fund Balances (Note 13):								
Restricted	4,668,590	19,567,598	--	3,580,626	--	--	25,761,933	53,578,747
Committed	190,000	--	13,756,903	--	--	--	18,941,936	32,888,839
Assigned	33,204,652	--	--	--	--	6,297,647	--	39,502,299
Unassigned	75,440,150	--	--	--	--	--	--	75,440,150
Total Fund Balances	113,503,392	19,567,598	13,756,903	3,580,626	--	6,297,647	44,703,869	201,410,035
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 139,183,156	$ 21,599,103	$ 14,937,240	$ 6,719,150	$ --	$ 75,873,703	$ 52,586,822	$ 310,899,174

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, 2018

Fund Balances - Governmental Funds		$ 201,410,035
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.		817,492,444
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities.		6,349,774
Interest payable is not reported in the governmental funds.		(1,604,741)
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.		3,648,022
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.		149,080,832
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.		27,841,845
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/post-closure costs	(36,291,611)	
Accrued vacation	(33,200,446)	
Claims and judgments	(21,342,956)	
Accrued compensatory time off	(3,295,455)	
Accrued pollution remediation	(2,509,886)	
Net pension liability	(556,281,646)	
Net OPEB liabilities	(291,475,249)	
General obligation bonds	(186,354,535)	
SRF loans from the State of Hawaii	(62,121,823)	
Total Long-term Liabilities		(1,192,873,607)
Net Position of Governmental Activities		$ 11,344,604

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

COUNTY OF MAUI
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	$ 318,060,711	$ 24,458,825	$ --	$ --	$ --	$ --	$ --	$ 342,519,536
Charges for current services	2,730,013	2,478,159	54,303,814	--	--	--	23,145,130	82,657,116
Intergovernmental revenues	23,624,956	--	--	33,335,770	--	4,956,671	--	61,917,397
Licenses and permits	9,484,211	24,039,058	33,855	--	--	--	2,559,367	36,116,491
Fines and forfeitures	2,288,512	--	--	--	--	--	90,548	2,379,060
Interest and investment earnings (losses), net (Note 2)	(49,145)	--	--	(5,343)	--	10,461	--	(44,027)
Assessments	--	--	--	--	--	--	1,248,859	1,248,859
Other revenues	6,808,389	--	21,712	452,451	--	--	3,716,082	10,998,634
Total Revenues	362,947,647	50,976,042	54,359,381	33,782,878	--	4,967,132	30,759,986	537,793,066
EXPENDITURES:								
Current:								
General government	127,478,858	--	--	3,695,488	--	--	1,168,567	132,342,913
Public safety	97,562,885	--	--	6,050,083	--	--	300,323	103,913,291
Sanitation	563,199	--	28,520,285	109,390	--	--	29,063,517	58,256,391
Social welfare	18,423,227	--	--	22,113,873	--	--	5,474,922	46,012,022
Highways and streets	7,386,579	32,309,118	--	831,972	--	--	370,367	40,898,036
Culture and recreation	29,274,169	--	--	101,063	--	--	129,426	29,504,658
Legislative	6,795,864	--	--	--	--	--	--	6,795,864
Capital outlay	--	--	--	--	--	87,052,215	--	87,052,215
Debt Service:								
Principal	--	--	--	--	25,686,138	--	--	25,686,138
Interest and other issuance cost	--	--	--	--	8,277,006	--	--	8,277,006
Total Expenditures	287,484,781	32,309,118	28,520,285	32,901,869	33,963,144	87,052,215	36,507,122	538,738,534
Excess (Deficiency) of Revenues Over Expenditures	75,462,866	18,666,924	25,839,096	881,009	(33,963,144)	(82,085,083)	(5,747,136)	(945,468)
OTHER FINANCING SOURCES (USES):								
Issuance of Debt (Note 7):								
SRF and USDA loans	--	--	--	--	--	13,243,678	--	13,243,678
Transfers In (Note 5)								
General Fund	--	75,000	--	10,000	33,963,144	10,312,137	21,016,216	65,376,497
Special Revenue Funds	17,336,173	--	--	--	--	21,432,013	4,202,971	42,971,157
Other Governmental Funds	4,710,362	192,981	6,262,207	--	--	7,860,276	--	19,025,826
Capital Improvement Projects Fund	1,704,905	2,122,247	496,470	--	--	--	526,174	4,849,796
Proprietary Funds	231,022	--	--	--	--	--	--	231,022
Transfers Out (Note 5)								
Capital Improvement Projects Fund	(10,312,137)	(5,838,541)	(15,593,472)	--	--	--	(7,860,276)	(39,604,426)
Debt Service Fund	(33,963,144)	--	--	--	--	--	--	(33,963,144)
Other Governmental Funds	(21,016,216)	--	(4,202,971)	--	--	(526,174)	--	(25,745,361)
General Fund	--	(6,295,327)	(11,040,846)	--	--	(1,704,906)	(4,710,362)	(23,751,441)
Special Revenue Funds	(85,000)	--	--	--	--	(2,618,715)	(6,455,188)	(9,158,903)
Proprietary Funds	(2,263,414)	--	--	--	--	--	--	(2,263,414)
Total Other Financing Sources (Uses)	(43,657,449)	(9,743,640)	(24,078,612)	10,000	33,963,144	47,998,309	6,719,535	11,211,287
Net Change in Fund Balances	31,805,417	8,923,284	1,760,484	891,009	--	(34,086,774)	972,399	10,265,819
Fund Balances, Beginning of Year	81,697,975	10,644,314	11,996,419	2,689,617	--	40,384,421	43,731,470	191,144,216
Fund Balances, End of Year	$ 113,503,392	$ 19,567,598	$ 13,756,903	$ 3,580,626	$ --	$ 6,297,647	$ 44,703,869	$ 201,410,035

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, 2018

Net change in Fund Balances - Total Governmental Funds	$	10,265,819
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 However, in the statement of activities the cost of those assets are depreciated over their estimated useful lives as depreciation expense.		
Capital outlays reported in the Capital Improvement Project Fund and other funds, net of retirements		69,578,450
Depreciation expense		(47,700,047)
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.		20,427,643
This is the amount by which loan proceeds exceed loan principal payments.		(7,985,185)
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.		585,463
Change in vacation accrual.		(69,667)
Change in claims and judgments accrual.		(2,223,376)
Change in compensatory time off accrual.		(430,965)
Change in pollution remediation accrual.		2,157,304
Net pension activity		(45,855,881)
Net OPEB activity		1,361,418
Accrued interest reported is an expense in the statement of activities but not reported as an expenditure in the governmental funds.		239,768
Unavailable revenues are recognized in the statement of activities which differs from the current financial resource measurement of the governmental funds.		(574,490)
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.		2,795,700
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.		(988,857)
Change in Net Position of Governmental Activities	$	1,583,097

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

COUNTY OF MAUI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
ASSETS:				
Current Assets:				
Unrestricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	$ 62,131,066	$ 1,736,664	$ 838,328	$ 64,706,058
Trade accounts, net (Note 4)	7,237,505	10,500	--	7,248,005
Inventory	1,698,198	--	--	1,698,198
Other assets	202,425	287,229	--	489,654
Total Current Unrestricted Assets	71,269,194	2,034,393	838,328	74,141,915
Restricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	23,125,025	--	--	23,125,025
Total Current Assets	94,394,219	2,034,393	838,328	97,266,940
Capital assets (Note 6):				
Non-depreciable assets	56,747,299	6,282,202	376,006	63,405,507
Depreciable assets	602,043,460	15,338,334	8,721,435	626,103,229
Accumulated depreciation	(302,840,984)	(1,506,502)	(6,248,944)	(310,596,430)
Total capital assets, net	355,949,775	20,114,034	2,848,497	378,912,306
Total Assets	450,343,994	22,148,427	3,686,825	476,179,246
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions (Note 10)	10,226,083	--	709,545	10,935,628
Deferred outflows related to OPEB (Note 10)	2,528,321	--	132,317	2,660,638
Unamortized loss on advanced refunding	132,986	--	--	132,986
Total Deferred Outflows of Resources	12,887,390	--	841,862	13,729,252
Total Assets and Deferred Outflows of Resources	463,231,384	22,148,427	4,528,687	489,908,498
LIABILITIES:				
Current Liabilities:				
Accounts payable	5,320,899	61,772	119,720	5,502,391
Unearned revenue	--	62,723	--	62,723
Advanced collections	1,179,886	--	--	1,179,886
Interest payable	373,350	--	--	373,350
Deposits	677,427	--	--	677,427
Bonds payable - current portion (Note 7)	2,578,899	--	--	2,578,899
Notes payable - current portion (Note 7)	1,602,385	--	--	1,602,385
Claims and judgments - current portion (Note 7 and 11)	844,093	--	--	844,093
Accrued vacation - current portion (Note 7)	804,619	--	94,432	899,051
Accrued compensatory time off - current portion (Note 7)	125,292	--	--	125,292
Total Current Liabilities	13,506,850	124,495	214,152	13,845,497
Noncurrent Liabilities:				
Bonds payable - less current portion (Note 7)	19,140,428	--	--	19,140,428
Notes payable - less current portion (Note 7)	44,520,699	--	--	44,520,699
Accrued vacation - less current portion (Note 7)	1,061,193	--	145,006	1,206,199
Net pension liability (Note 10)	39,254,115	--	2,926,749	42,180,864
Net OPEB liability (Note 10)	24,037,169	--	2,046,602	26,083,771
Total Noncurrent Liabilities	128,013,604	--	5,118,357	133,131,961
Total Liabilities	141,520,454	124,495	5,332,509	146,977,458
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions (Note 10)	986,678	--	71,616	1,058,294
Deferred inflows related to OPEB (Note 10)	285,812	--	24,335	310,147
Total Deferred Inflows of Resources	1,272,490	--	95,951	1,368,441
Total Liabilities and Deferred Inflows of Resources	142,792,944	124,495	5,428,460	148,345,899
NET POSITION:				
Net investment in capital assets	290,547,253	20,114,034	2,848,497	313,509,784
Restricted - water (Note 14)	20,211,812	--	--	20,211,812
Unrestricted	9,679,375	1,909,898	(3,748,270)	7,841,003
Total Net Position	$ 320,438,440	$ 22,023,932	$ (899,773)	$ 341,562,599

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, 2018

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Operating Revenues:				
Charges for services	$ 64,297,392	$ 550,601	$ 1,071,934	$ 65,919,927
Total Operating Revenues	64,297,392	550,601	1,071,934	65,919,927
Operating Expenses:				
Salaries and personnel services	11,244,761	--	887,640	12,132,401
Other operating expenses	36,245,862	476,206	2,533,902	39,255,970
Depreciation and amortization (Note 6)	15,043,935	336,172	408,900	15,789,007
Total Operating Expenses	62,534,558	812,378	3,830,442	67,177,378
Operating Income (Loss)	1,762,834	(261,777)	(2,758,508)	(1,257,451)
Nonoperating Revenues (Expenses):				
Interest and investment losses, net	(220,030)	(3,105)	--	(223,135)
Interest expense, net of capitalized interest	(902,414)	--	--	(902,414)
Total Nonoperating Revenues (Expenses), Net	(1,122,444)	(3,105)	--	(1,125,549)
Income (Loss) Before Capital Contributions and Transfers	640,390	(264,882)	(2,758,508)	(2,383,000)
Capital Contributions	11,865,652	17,159,384	--	29,025,036
Transfers In (Note 5)	--	--	2,263,414	2,263,414
Transfers Out (Note 5)	--	--	(231,022)	(231,022)
Change in Net Position	12,506,042	16,894,502	(726,116)	28,674,428
Net Position, Beginning of Year, as previously stated	329,785,798	5,129,430	1,687,013	336,602,241
Restatement adjustment (Note 15)	(21,853,400)	--	(1,860,670)	(23,714,070)
Net Position, Beginning of Year, as restated	307,932,398	5,129,430	(173,657)	312,888,171
Net Position, End of Year	$ 320,438,440	$ 22,023,932	$ (899,773)	$ 341,562,599

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, 2018

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Cash Flows from Operating Activities:				
Receipts from customers	$ 63,863,909	$ 589,518	$ 1,071,934	$ 65,525,361
Payments to suppliers	(35,986,648)	(562,003)	(2,557,235)	(39,105,886)
Payments to employees	(9,079,793)	--	(619,367)	(9,699,160)
Refunds of utility construction advances	(13,966)	--	--	(13,966)
Net cash provided by (used in) operating activities	18,783,502	27,515	(2,104,668)	16,706,349
Cash Flows from Capital and Related Financing Activities:				
Cash paid for the acquisition and construction of capital assets	(23,235,635)	(11,739)	(106,032)	(23,353,406)
Principal paid on bonds and notes payable	(3,845,158)	--	--	(3,845,158)
Proceeds from bonds and notes payable	18,352,460	--	--	18,352,460
Cash received from capital contributions	4,384,687	--	--	4,384,687
Interest paid on bonds and notes payable	(1,472,906)	--	--	(1,472,906)
Net cash used in capital and related financing activities	(5,816,552)	(11,739)	(106,032)	(5,934,323)
Cash Flows from Noncapital Financing Activities:				
Transfers in	--	--	2,263,414	2,263,414
Transfers out	--	--	(231,022)	(231,022)
Net cash provided by noncapital financing activities	--	--	2,032,392	2,032,392
Cash Flows from Investing Activities:				
Interest and investment losses	(220,030)	(3,105)	--	(223,135)
Net cash used in investing activities	(220,030)	(3,105)	--	(223,135)
Change in Cash and Cash Equivalents	12,746,920	12,671	(178,308)	12,581,283
Cash and Cash Equivalents, Beginning of Year	72,509,171	1,723,993	1,016,636	75,249,800
Cash and Cash Equivalents, End of Year	$ 85,256,091	$ 1,736,664	$ 838,328	$ 87,831,083
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Unrestricted	$ 62,131,066	$ 1,736,664	$ 838,328	$ 64,706,058
Restricted	23,125,025	--	--	23,125,025
	$ 85,256,091	$ 1,736,664	$ 838,328	$ 87,831,083
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ 1,762,834	$ (261,777)	$ (2,758,508)	$ (1,257,451)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	15,043,935	336,172	408,900	15,789,007
Bad debt	92,497	--	--	92,497
Loss on disposal	2,392	--	--	2,392
Net (increase) decrease in receivables, inventory, other current assets, and deferred outflows	3,255,450	(157,091)	279,870	3,378,229
Net increase (decrease) in accounts payable, accrued vacation, other current liabilities, and deferred inflows	(1,373,606)	110,211	(34,930)	(1,298,325)
Net Cash Provided by (Used in) Operating Activities	$ 18,783,502	$ 27,515	$ (2,104,668)	$ 16,706,349
Noncash Capital Financing Activities				
Capital contributions	$ 7,480,965	$ 17,159,384	$ --	$ 24,640,349
Amortization of deferred loss on refunding	$ 25,309	$ --	$ --	$ 25,309
Amortization of deferred gain on refunding	$ 180,272	$ --	$ --	$ 180,272
Amortization of bond premium	$ 364,292	$ --	$ --	$ 364,292

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, 2018

		Agency Funds
ASSETS:		
Equity in pooled cash and investments held in County Treasury (Note 2)	$	32,140,814
Other current assets		500,000
Other non-current assets		95,655
Total Assets	$	32,736,469
LIABILITIES:		
Accounts payable	$	1,530,497
Deposits		31,110,317
Due to State of Hawaii		95,655
Total Liabilities	$	32,736,469

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

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 2016.

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, highways and streets, sanitation, social welfare, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply (Department), the Housing, Interim Financing, Buy-Back Revolving Fund, and the Golf Course Special 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.

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.

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

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.

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.

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

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.

Golf Course Special Fund - This fund was established to account for the financing and operation of the County's golf course, pro-shop, and food and liquor concession.

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 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. These funds account for money received, held and disbursed in a trustee capacity or as an agent for individuals, other governmental units, and other funds. The County's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for under the accrual basis of accounting as are the proprietary funds explained above.

Fiduciary funds of the County include the following agency funds:

Refundable Deposits Fund - This fund is used to account for the bid bond, performance and payment bond, and subdivision bond monies held by the County until the purpose for which the bond was posted is completed.

Agency Trust Funds - These funds are used to account for other monies collected in an agency capacity and include motor vehicle registration fees collected on behalf of the State of Hawaii and taxes withheld from employee pay.

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 funds (excluding agency funds) 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 that 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, 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 vacation, landfill closure and post-closure costs, and claims and judgments, 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).

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 are carried at cost, which approximates fair value. Investments in U.S. Treasury, U.S. government agencies, municipal securities, and commercial paper 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, 2018 are delinquent and amounts, if not collected within sixty days after 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 for 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 as a result of the Dedicated Lands tax abatement program was approximately $5.4 million.

Inventory - Inventory consists entirely of construction and maintenance materials and supplies held by the Department of Water Supply, a proprietary fund, and is stated at cost on an average cost basis.

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 are recorded at estimated fair value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value rather than fair value.

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. Interest incurred during the construction phase of capital assets of business-type activities and enterprise funds, if any, is included as part of the capitalized value of the assets 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.

Deferred Outflows of Resources and Deferred Inflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense or expenditure) until that time. The County has two items that qualify for reporting in this category. 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes, fees and other non-exchange transactions received in the current fiscal year for the ensuing fiscal year are reported 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, primarily the County's proportion of the difference between projected and actual earnings on pension plan and OPEB investments, changes in proportion and difference between the County's contributions and proportionate share of contributions, and changes in assumptions 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 inter-fund 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.

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

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.

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 are recorded as expenditures when liquidated with expendable available financial resources. Vested or accumulated vacation leave and compensatory time off 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. Employees earn compensatory time off 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.

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued on either the government-wide or fund financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2018, accumulated sick leave amounted to approximately $86.1 million.

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.

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.

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

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 - includes amounts that have no constraints whatsoever and are available for spending at the County's discretion.

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.

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.

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

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 County has implemented or is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* (GASBS 75). The Statement will require the liability of employers for defined benefit OPEB to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the OPEB plan’s fiduciary net position. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017. Management has adopted the applicable requirements of the new standard as presented in the County’s financial statements.

The GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (“AROs”). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect this Statement will have on the County’s financial statements.

The GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect this Statement will have on the County’s financial statements.

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

The GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management has adopted the applicable requirements of the new standard as presented in the County's financial statements.

The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement addresses in-substance defeasance of debt when a government places cash and other monetary assets acquired with only existing resources, as opposed to proceeds of refunding debt, in an irrevocable trust to extinguish the debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management has determined that this Statement does not have a material impact on the County's financial statements.

The GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings (for example, a government entering into a loan agreement with a lender) and direct placements (for example, a government issuing a debt security directly to an investor). Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Changes adopted to conform to the provisions of this Statement should be applied prospectively. Management intends to early adopt the applicable requirements of the new standard for the fiscal year ending June 30, 2019.

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

The GASB issued Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61.* This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflow of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired 100 percent equity interest in the component unit. The requirements for this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect this Statement will have on the County's financial statements.

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, 2018, at fair value, are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Fair Value
Equity in pooled cash and investments	$ 227,275,320	$ 64,706,058	$ 32,140,814	$ 324,122,192
Restricted investments - equity in pooled cash and investments	--	23,125,025	--	23,125,025
Total equity in pooled cash and investments	$ 227,275,320	$ 87,831,083	$ 32,140,814	$ 347,247,217
Cash on hand and deposits				$ 43,551,274
Certificates of deposit				94,490,520
Investments				209,205,423
Total equity in pooled cash and investments				$ 347,247,217

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'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, municipal securities, auction rate securities collateralized by student loans, bank repurchase agreements, commercial paper, banker's 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 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.

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

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, banker's 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, 2018 were as follows:

	Rating
AA+	$ 171,781,995
AA	4,210,742
Not rated	127,703,206
	$ 303,695,943

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 or financial institution.

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, 2018, substantially all of the County's cash balance of approximately $43.6 million and negotiable time certificates of deposit of approximately $94.5 million were insured or collateralized.

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

Investments

As of June 30, 2018, the County and fiduciary fund's investments were as follows:

		Maturity					
Type of Investment	% Yield	Under 30 Days	31-180 Days	181-365 Days	1 - 5 Years	Premiums (Discounts)	Fair Value
Federal National Mortgage Association Coupon Notes	1.207 - 1.843	$ --	$ 1,000,000	$ 6,000,000	$ 26,565,000	$ (761,602)	$ 32,803,398
Federal Home Loan Bank Notes	0.945 - 3.125	--	4,000,000	3,000,000	60,500,000	(1,585,920)	65,914,080
Federal Farm Credit Bank Notes	2.150 - 2.750	--	--	--	8,985,000	(75,375)	8,909,625
Federal Agricultural Mortgage Corporation Notes	3.07	--	--	--	5,000,000	(45,900)	4,954,100
Federal Home Loan Mortgage Corporation Notes	1.204 - 3.300	--	--	9,500,000	53,030,000	(1,161,317)	61,368,683
Tennessee Valley Authority Notes	2.333	--	--	--	1,000,000	(5,840)	994,160
U.S. Treasury Strips	1.406 - 1.940	--	3,000,000	--	2,000,000	(207,110)	4,792,890
U.S. Treasury Note	1.784 - 2.527	--	--	--	4,000,000	(150,840)	3,849,160
Municipal securities	1.250 - 2.258	1,840,000	5,825,000	--	18,145,000	(190,673)	25,619,327
Negotiable certificates of deposit	0.10 - 2.95	18,498,000	7,500,000	13,493,000	56,680,000	(1,680,480)	94,490,520
Total investments and certificates of deposit		$ 20,338,000	$ 21,325,000	$ 31,993,000	$ 235,905,000	$ (5,865,057)	303,695,943
						Cash on hand and deposits	43,551,274
						Total equity in pooled cash and investments	$ 347,247,217

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,

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

- 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 obligations: Valued using quoted prices in active markets for identical assets.

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

Negotiable certificates of deposit: Valued using quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

	Assets at Fair Value at June 30, 2018			
	Total	Level 1	Level 2	Level 3
U. S. Treasury obligations	$ 8,642,050	$ 8,642,050	$ --	$ --
U. S. government agency obligations	174,944,046	--	174,944,046	--
Municipal securities	25,619,327	--	25,619,327	--
Negotiable certificates of deposit	94,490,520	--	94,490,520	--
	$ 303,695,943	$ 8,642,050	$ 295,053,893	$ --

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2018, for the County's governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
Receivables, net							
State of Hawaii	$ --	$ 1,407,016	$ --	$ 6,357,961	$ 1,620,751	$ --	$ 9,385,728
Property taxes	8,186,193	--	--	--	--	--	8,186,193
Trade accounts	--	--	2,927,374	--	--	2,868,228	5,795,602
Note	5,927,156	--	--	--	--	--	5,927,156
Federal government	--	--	--	122,228	--	--	122,228
Less: allowance for uncollectible accounts	--	--	(282,137)	--	--	(601,317)	(883,454)
Total Receivables, net	$ 14,113,349	$ 1,407,016	$ 2,645,237	$ 6,480,189	$ 1,620,751	$ 2,266,911	$ 28,533,453

Receivables included in the County's proprietary funds as of June 30, 2018 were as follows:

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Total Business-type Activities
Receivables, net			
Customer receivables	$ 7,310,154	$ 10,500	$ 7,320,654
Less: allowance for uncollectible accounts	(72,649)	--	(72,649)
Total Receivables, net	$ 7,237,505	$ 10,500	$ 7,248,005

NOTE 4 - RECEIVABLES (Continued)

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.

For real property tax collections, payments are due August and February. Therefore, property taxes that remain uncollected sixty days after the June fiscal year-end are reported as unavailable.

At June 30, 2018, the various components of deferred inflows of resources were as follows:

	Unavailable	Unearned
Delinquent real property tax receivables not collected within 60 days of year-end (General Fund)	$ 5,213,171	$ --
Real property tax collections received in advance (General Fund)	--	1,943,937
Sewer and landfill fees not collected within 60 days of year-end (Sewer and Non-Major Fund)	1,136,603	--
Fees collected in advance for liquor licenses (Non-Major Fund)	--	266,060
	$ 6,349,774	$ 2,209,997

NOTE 5 - INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS BALANCES

Amounts due from and due to other funds as of June 30, 2018 were as follows:

	Due From Other Funds	Due To Other Funds
Major Governmental Funds:		
General Fund	$ 55,090,401	$ --
Capital Improvement Project Fund	--	55,090,401
	$ 55,090,401	$ 55,090,401

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.

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

A summary of the inter-fund transfers for the fiscal year ended June 30, 2018 are as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 23,982,462	$ 67,639,911
Highway Fund	2,390,228	12,133,868
Sewer Fund	6,758,677	30,837,289
Grant Fund	10,000	--
Debt Service Fund	33,963,144	--
Capital Improvement Project Fund	39,604,426	4,849,796
Non-Major Governmental Funds	25,745,361	19,025,826
Major Proprietary Fund - Golf Course Special Fund	2,263,414	231,022
	$ 134,717,712	$ 134,717,712

The majority of the transfers into the General Fund relate to allocations of debt service for bond-funded projects and employee benefits from special revenues. Transfers out of the General Fund are predominantly for debt service, transfers for postemployment benefits, affordable housing, supplemental transfers to the Solid Waste and Golf Funds, and funding of capital projects.

NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017 (Restated)	Additions	Reductions/ Retirements	Balance June 30, 2018
Governmental Activities:				
Non-depreciable assets:				
Land	$ 180,955,971	$ 2,350,000	$ 3,855,202	$ 179,450,769
Construction in progress	72,267,585	88,463,221	71,550,989	89,179,817
	253,223,556	90,813,221	75,406,191	268,630,586
Depreciable assets:				
Buildings and systems	164,636,022	2,617,085	--	167,253,107
Improvements other than buildings	146,556,281	3,866,472	--	150,422,753
Machinery and equipment	153,136,837	9,702,486	3,269,739	159,569,584
Infrastructure	1,163,565,068	38,071,250	--	1,201,636,318
	1,627,894,208	54,257,293	3,269,739	1,678,881,762
Accumulated depreciation				
Buildings and systems	(96,360,615)	(5,365,835)	--	(101,726,450)
Improvements other than buildings	(92,140,786)	(5,615,150)	--	(97,755,936)
Machinery and equipment	(120,843,616)	(12,285,274)	3,183,866	(129,945,024)
Infrastructure	(776,158,706)	(24,433,788)	--	(800,592,494)
	(1,085,503,723)	(47,700,047)	3,183,866	(1,130,019,904)
Total Governmental Activities - Capital Assets, Net	$ 795,614,041	$ 97,370,467	$ 75,492,064	$ 817,492,444

NOTE 6 - CAPITAL ASSETS (Continued)

		Balance July 1, 2017		Additions		Reductions/ Retirements		Balance June 30, 2018
Business-type Activities:								
Non-depreciable assets:								
Land	$	10,708,065	$	3,855,202	$	--	$	14,563,267
Construction in progress		34,854,382		22,003,449		8,015,591		48,842,240
		45,562,447		25,858,651		8,015,591		63,405,507
Depreciable assets:								
Buildings and systems		166,169,819		18,703,423		--		184,873,242
Improvements other than buildings		2,971,632		--		--		2,971,632
Machinery and equipment		415,422,928		11,297,645		254,190		426,466,383
Infrastructure		11,430,692		361,280		--		11,791,972
		595,995,071		30,362,348		254,190		626,103,229
Accumulated depreciation:								
Buildings and systems		(74,803,100)		(4,311,140)		--		(79,114,240)
Improvements other than buildings		(2,890,656)		(20,112)		--		(2,910,768)
Machinery and equipment		(212,702,767)		(11,229,191)		162,379		(223,769,579)
Infrastructure		(4,573,279)		(228,564)		--		(4,801,843)
		(294,969,802)		(15,789,007)		162,379		(310,596,430)
Business-type Activities - Capital Assets, net	$	346,587,716	$	40,431,992	$	8,107,402	$	378,912,306

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:		
General government	$	1,116,923
Public safety		8,249,035
Highways and streets		13,497,516
Sanitation		17,726,699
Social and welfare		742,154
Culture and recreation		6,361,411
Legislative		6,309
Total Depreciation Expense - Governmental Activities	$	47,700,047
Business-type Activities:		
Department of Water Supply	$	15,043,935
Housing, Interim Financing, and Buy-Back Revolving Fund		336,172
Golf Course Special Fund		408,900
Total Depreciation Expense - Business-type Activities	$	15,789,007

NOTE 6 - CAPITAL ASSETS (Continued)

Construction in progress is comprised of the following as of June 30, 2018:

		Project Authorized (Appropriated)		Expended to June 30, 2018		Committed (Encumbered)
Governmental Activities:						
Government facilities	$	78,375,927	$	14,525,238	$	12,545,165
Roadway systems		81,425,093		11,820,413		17,526,255
Sewer systems		110,373,592		36,797,613		50,487,105
Sanitation		12,500,000		2,663,202		3,924,976
Parks and recreation		72,507,222		11,850,102		23,736,842
Drainage		29,993,498		4,926,129		8,486,094
Other		17,051,822		6,597,120		2,912,717
Total	$	402,227,154	$	89,179,817	$	119,619,154

		Project Authorized (Appropriated)		Expended to June 30, 2018		Committed (Encumbered)
Business-type Activities:						
Department of Water Supply	$	113,963,751	$	48,842,240	$	15,786,881

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

A summary of long-term debt activity during the fiscal year ended June 30, 2018 was as follows:

		Balance June 30, 2017		Additions		Reductions		Balance June 30, 2018		Due Within One Year
Governmental Activities:										
General obligation bonds	$	209,577,878	$	--	$	23,223,343	$	186,354,535	$	21,486,102
State Revolving Fund		54,136,638		13,243,680		5,258,495		62,121,823		3,997,572
Total	$	263,714,516	$	13,243,680	$	28,481,838	$	248,476,358	$	25,483,674
Business-type Activities:										
General obligation bonds	$	24,530,976	$	--	$	2,811,649	$	21,719,327	$	2,578,899
Notes payable		29,168,425		18,352,460		1,397,801		46,123,084		1,602,385
Total	$	53,699,401	$	18,352,460	$	4,209,450	$	67,842,411	$	4,181,284

Governmental Activities - 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.

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

General obligation bonds payable reported in the governmental activities column of the statement of net position at June 30, 2018 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2018
2006	Series B,C GO and Refunding	4.00%-5.00%	$ 25,190,000	2022	$ 10,065,000
2010	Series A GO	0.53%-5.95%	23,375,000	2030	15,700,000
2010	Series B GO	3.00%-5.00%	50,320,000	2021	14,431,945
2012	Series A,B, and D GO and Refunding	2.00%-5.00%	70,250,000	2032	40,658,567
2014	Series A,B,D and E GO and Refunding	2.00%-5.00%	68,670,000	2034	47,770,000
2015	Series A,B,C and D GO and Refunding	3.00%-5.00%	60,155,000	2036	46,947,460
	Total general obligation bonds		$ 297,960,000		175,572,972
	Unamortized premium				10,781,563
	Net general obligation bonds outstanding				$ 186,354,535

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 $124.9 million and outstanding principal amounted to approximately $62.1 million at June 30, 2018, and bear interest at 0.25% to 2.60%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2039. The County has 28 projects funded with these SRF loans.

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

The schedule below shows the State Revolving Fund Loans outstanding as of June 30, 2018:

Year	Description	Loan Number	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2018
State Revolving Fund Loans:					
2004	Lahaina Pump Station Nos. 5 & 6	C150054-12	$ 3,300,000	2026	$ 1,408,730
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	823,841
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	5,246,684
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2029	1,099,556
2009	Lahaina Wastewater Pump Station No. 1	C150054-06	7,050,000	2029	3,929,688
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,502,173	2029	1,931,270
2009	Islandwide EPA Consent Decree	C150052-31	8,438,770	2029	4,682,765
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,241,038	2029	1,898,261
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2029	270,686
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	1,087,679
2010	Countywide Pump Station Renovations	C150052-28	928,608	2029	582,916
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2032	689,374
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2033	848,411
2013	West Maui Recycled Water	C150054-23	1,205,090	2033	967,630
2012	Wailuku-Kahului Force Main Replacement	C150052-35	3,621,040	2034	2,924,879
2012	Countywide Pump Station Renovations	C150054-34	4,023,751	2034	3,448,511
2010	Central Operations and Maintenance Facility	C150052-33	500,000	2034	399,595
2013	Lahaina No. 3 Force Main Replacement	C150054-28	4,719,007	2034	3,800,257
2013	Lahaina Wastewater Pump Station No. 2	C150054-10	3,758,886	2034	3,333,217
2013	South Maui Recycled Water Distribution System	C150077-17	2,543,970	2035	2,167,281
2015	Paia Force Main Replacement	C150052-48	1,734,738	2036	1,611,911
2014	Kihei Force Main Replacement	C150077-22	1,620,000	2036	1,506,070
2016	Kahului-Wailuku Wastewater Reclamation Facility Filter Modification	C150052-61	4,594,179	2037	4,379,403
2017	Waiehu Wastewater Pump Station Force Main Replacement	C150052-50	827,136	2037	807,726
2017	Kulanihakoi Street Recycled Water Line Extension	C150077-25	1,473,541	2037	974,336
2017	Lahaina Wastewater Reclamation Facility Modifications, Stage 1A	C150054-22	45,941,344	2039	7,759,837
2017	Central Maui Landfill (CML) Phase V Gas Collection System Expansion	NPS0052-62	1,683,238	2037	1,611,806
2017	Hawaiian Homes Force Main Replacement	C150054-31	2,240,000	2037	1,929,503
			$ 124,914,209		$ 62,121,823

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, 2018, were as follows:

	Governmental Activities - General Obligation Bonds		
Year Ending June 30,	Principal	Interest	Total
2019	$ 21,486,102	$ 7,125,003	$ 28,611,105
2020	22,479,291	6,115,950	28,595,241
2021	18,817,303	5,142,116	23,959,419
2022	12,860,816	4,287,523	17,148,339
2023	11,353,258	3,701,660	15,054,918
2024-2028	52,878,239	11,234,757	64,112,996
2029-2033	30,232,963	3,418,346	33,651,309
2034-2036	5,465,000	222,431	5,687,431
Total	$ 175,572,972	$ 41,247,786	$ 216,820,758

	Governmental Activities - SRF Loans		
Year Ending June 30,	Principal	Interest	Total
2019	$ 3,997,572	$ 542,690	$ 4,540,262
2020	4,199,006	509,176	4,708,182
2021	4,403,671	472,384	4,876,055
2022	4,428,338	434,847	4,863,185
2023	4,453,295	396,972	4,850,267
2024-2028	22,186,533	1,411,190	23,597,723
2029-2033	12,518,970	609,761	13,128,731
2034-2038	5,498,718	140,642	5,639,360
2039	435,720	3,271	438,991
Total	$ 62,121,823	$ 4,520,933	$ 66,642,756

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.

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, 2018 are comprised of the following individual issues:

Year	Description	Interest Rates	Final Maturity		Outstanding Balance June 30, 2018
2010	Series B GO Refunding Bonds	4.00%-5.00%	6/1/2021	$	1,253,055
2012	Series B and C GO and Refunding	2.10%-5.00%	6/1/2034		8,196,432
2014	Series C GO Bonds	3.00%-5.00%	6/1/2034		5,830,000
2015	Series B and D GO Refunding Bonds	3.00%-5.00%	9/1/2026		4,392,540
	Total general obligation bonds				19,672,027
	Unamortized premium				2,047,300
	Net general obligation bonds outstanding			$	21,719,327

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 at June 30, 2018, were as follows:

	Business-type Activities - General Obligation Bonds					
Fiscal Year Ending June 30,		Principal		Interest		Total
2019	$	2,578,899	$	807,512	$	3,386,411
2020		2,705,708		681,528		3,387,236
2021		2,232,697		564,404		2,797,101
2022		1,889,184		456,711		2,345,895
2023		1,986,742		361,817		2,348,559
2024 - 2028		4,616,761		1,000,021		5,616,782
2029 - 2033		3,197,036		363,548		3,560,584
Thereafter		465,000		15,113		480,113
Total	$	19,672,027	$	4,250,654	$	23,922,681

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.

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

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

At June 30, 2018, notes payable 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	
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.37%, and loan fee rate of 3.25%, maturing in 2029.	$ 1,028,166
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 3.25%, maturing in 2031.	449,606
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.35%, and loan fee rate of 3.25%, maturing in 2032.	2,422,355
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 3.25%, maturing in 2032.	788,722
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2032.	176,267
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2033.	1,696,779
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2033.	665,501
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 1.00%, maturing in 2033.	6,187,147
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2034.	3,457,856
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2034.	1,678,265
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2035.	604,500
Balance forward	$ 19,155,164

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

		Amount
Notes payable to State of Hawaii, Department of Health (Continued)		
Balance carried forward	$	19,155,164
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2034.		127,193
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2035.		658,813
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2037.		2,184,849
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2037.		1,177,252
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2037.		475,150
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2038.		1,693,916
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2038.		2,988,743
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 1.00%, maturing in 2039.		17,662,004
		46,123,084
Less current maturities		(1,602,385)
	$	44,520,699

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

Annual debt service requirements of these notes payable at June 30, 2018 were as follows:

	Business-type Activities Notes Payable		
Fiscal Year Ending June 30,	**Principal**	**Interest**	**Total**
2019	$ 1,602,385	$ 693,544	$ 2,295,929
2020	2,125,517	664,210	2,789,727
2021	2,554,530	625,008	3,179,538
2022	2,574,298	583,699	3,157,997
2023	2,594,378	542,008	3,136,386
2024-2028	13,281,410	2,073,835	15,355,245
2029-2033	12,928,828	1,016,221	13,945,049
Thereafter	8,461,738	296,047	8,757,785
Total	$ 46,123,084	$ 6,494,572	$ 52,617,656

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, 2018. The line of credit agreement requires interest-only payments at 0.90% of the bank's prime rate (5.00% at June 30, 2018), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2018 and has been renewed to July 30, 2019.

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, 2018, are approximately $6.9 billion and $6.6 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, no rebate liability existed as of June 30, 2018.

Other Obligations

Other long-term general obligations consist of accrued vacation, accrued compensatory time off, accrued landfill closure, accrued environmental liability or pollution remediation obligation, post-closure care costs, and claims and judgments. The accrued vacation and accrued compensatory time off liabilities are typically liquidated by the General, Highway, Sewer, Grant, and Other Governmental Funds. The accrued landfill closure and post-closure care costs liability is typically liquidated by the Capital Improvement Projects and Other Governmental Funds. The accrued environmental liability is typically liquidated by other governmental funds. Claims and judgments liability is typically liquidated by the General Fund.

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, 2018 is as follows:

	Balance July 1, 2017 (Restated)	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Governmental Activities:					
Accrued landfill closure					
and postclosure costs (Note 9)	$ 36,877,074	$ --	$ 585,463	$ 36,291,611	$ 291,516
Accrued vacation	33,130,779	16,273,798	16,204,131	33,200,446	16,204,131
Claims and judgments (Note 11)	19,119,580	7,357,294	5,133,918	21,342,956	21,342,956
Accrued compensatory time off	2,864,490	2,279,757	1,848,792	3,295,455	1,848,746
Accrued pollution remediation	4,667,190	--	2,157,304	2,509,886	2,509,886
Net pension liability	550,326,963	82,432,387	76,477,704	556,281,646	--
Net OPEB liability	294,264,342	29,946,188	32,735,281	291,475,249	--
Total Other General Obligations	941,250,418	138,289,424	135,142,593	944,397,249	42,197,235
Long-Term Debt	263,714,516	13,243,680	28,481,838	248,476,358	25,483,674
Total Long-Term Obligations	$ 1,204,964,934	$ 151,533,104	$ 163,624,431	$ 1,192,873,607	$ 67,680,909

	Balance July 1, 2017 (Restated)	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Business-type Activities:					
Accrued vacation	$ 2,427,644	$ 712,539	$ 1,034,933	$ 2,105,250	$ 899,051
Claims and judgments (Note 11)	1,676,718	195,664	1,028,289	844,093	844,093
Accrued compensatory time off	170,868	92,018	137,594	125,292	125,292
Net pension liability	42,052,418	5,218,771	5,090,325	42,180,864	--
Net OPEB liability	26,333,364	2,679,849	2,929,442	26,083,771	--
Total Other General Obligations	72,661,012	8,898,841	10,220,583	71,339,270	1,868,436
Long-Term Debt	53,699,401	18,352,460	4,209,450	67,842,411	4,181,284
Total Long-Term Obligations	$ 126,360,413	$ 27,251,301	$ 14,430,033	$ 139,181,681	$ 6,049,720

NOTE 8 - OPERATING LEASES

The County is party to various operating lease agreements, predominantly for the purposes of office space and facility use. Lease terms range from month-to-month to 9 years and annual rents range from $1,200 to approximately $374,000. Total annual rent expenditures for the fiscal year 2018 were approximately $3.8 million.

As of June 30, 2018, the estimated future minimum noncancelable operating lease payments are as follows:

Year Ending June 30,	Amount
2019	$ 2,345,000
2020	2,096,000
2021	1,643,000
2022	1,017,000
2023	1,022,000
Thereafter	3,078,000
	$ 11,201,000

NOTE 9 - 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 $36.3 million in accrued landfill closure and post-closure care costs at June 30, 2018 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 $15.4 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 2018. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

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

Landfill	Capacity Used	Remaining Life (Years)
Central Maui Phase I and II	100%	0
Central Maui Phase IV	76%	4
Central Maui Phase V	68%	4
Hana	43%	45
Molokai	85%	4
Lanai	73%	18

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.

In July 2013, a landfill compliance inspection was completed by the State of Hawaii, Department of Health (DOH) at the Hana Municipal Solid Waste Landfill. The County of Maui was notified of a potential violation due to “Constructing and operating a waste disposal unit outside the “existing” limits of waste, without complying with the design criteria for municipal solid waste landfills, and without a solid waste management permit.” As a result of the inspection, the County engaged a third-party consulting firm to provide different alternatives to remediate the potential violation. The two options presented were as follows: 1) Capping and covering with soil in conformance with DOH standards for unlined landfills; and 2) Clean closure by the removal of all waste. In 2014, the County elected Option 1 and included the estimated cost of closure and post-closure care costs in its financials. After further review and analysis, the County has now elected to implement Option 2. It is estimated that the clean closure option will cost a total of approximately $5.3 million with approximately $2.8 million already being spent in fiscal years 2014 through fiscal year 2018.

NOTE 10 - 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: http://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%) 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. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

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 ten 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. Ten 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.

NOTE 10 - RETIREMENT BENEFITS (Continued)

Ordinary death benefits are available to employees who were active at time of death with at least ten 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. Ten 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.

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 ten 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.

NOTE 10 - RETIREMENT BENEFITS (Continued)

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 ten years of credited service are eligible to retire at age 60. Judges and elected officers' retirement benefits are determined as 3.0% of average final compensation multiplied by the years of credited service up to a maximum of 75%. Judges and elected officers with ten years of credited service are eligible to retire at age 60.

Police 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 ten 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. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are 3.0% of average final compensation for each year of service for judges and elected officers and 1.75% of average final compensation for each year of service for police officers and firefighters 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. Ten 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.

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.

NOTE 10 - RETIREMENT BENEFITS (Continued)

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 ten 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 ten 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 ten 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 ten 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.

At June 30, 2017, ERS membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	46,927
Inactive employees entitled but not yet receiving benefits	25,723
Active employees	65,911
Total	138,561

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 is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2018 were 25.00% for police officers and firefighters and 17.00% for all other employees. Contributions to the pension plan from the County were $87,651,158, for the fiscal year ended June 30, 2018.

On May 18, 2017, the Governor signed into law Act 17 SLH 2017. Per Act 17, future employer contributions from the State and counties are expected to increase pursuant to a phased-in contribution rate increase over four years beginning July 1, 2017. The rate for police officers and firefighters increases to 28.00% on July 1, 2017; 31.00% on July 1, 2018; 36.00% on July 1, 2019; and 41.00% on July 1, 2020 and the rate for all other employees increases to 18.00% on July 1, 2017; 19.00% on July 1, 2018; 22.00% on July 1, 2019; and 24.00% on July 1, 2020.

NOTE 10 - RETIREMENT BENEFITS (Continued)

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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the County reported a liability of approximately $598.5 million, for the County's proportionate share of net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the County's proportion was 4.6212% which was an increase of 0.1903% from its proportion measured as of June 30, 2016.

There were no other changes between the measurement date, June 30, 2017, and the reporting date, June 30, 2018, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the fiscal year ended June 30, 2018, the County recognized pension expense of $101,668,176. At June 30, 2018, 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	$ 22,453,373	$ 4,828,054
Net difference between projected and actual earnings on pension plan investments	--	1,943,812
Changes in proportion and difference between County contributions and proportionate share of contributions	16,622,463	7,907,388
Changes in assumptions	97,436,807	--
County contributions subsequent to the measurement date	37,124,777	--
	$ 173,637,420	$ 14,679,254

NOTE 10 - RETIREMENT BENEFITS (Continued)

Approximately $37.1 million reported as deferred outflows of resources related to pensions resulted from contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Net Deferred Outflows (Inflows)
2019	$ 28,863,238
2020	40,817,594
2021	34,670,900
2022	14,766,875
2023	2,714,782
Total	$ 121,833,389

Actuarial Assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll growth	3.50%
Cost of living adjustments (COLAs)	2.50%/1.50%
COLAs are not compounded; and are based on original pension amounts	
Salary increases, including inflation at 2.50%	
Police and fire employees	5.00% to 7.00%
General employees	3.50% to 6.50%
Teachers	3.75% to 5.75%
Investment rate of return, including inflation at 2.50%	7.00%

Mortality rates used in the actuarial valuation as of June 30, 2017 were based on the following:

Active members - Multiples of the RP 2014 mortality table for active employees based on the occupation of the member.

Healthy retirees - The 2016 Public Retirees of Hawaii mortality table, generational projection using the BB projection table from the year 2016 and with multipliers based on plan and group experience.

Disabled retirees - Base table for healthy retirees' occupation, set forward five years, generational projection using the BB projection table from the year 2016. Minimum mortality rate of 3.5% for males and 2.5% for females.

NOTE 10 - RETIREMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2015, dated July 5, 2016 and adopted by the Board of Trustees of the Employees' Retirement System of the State of Hawaii on December 12, 2016. The major changes to assumptions resulting from the 2015 actuarial experience study were (1) a decrease in the investment return assumption from 7.65% to 7.00% and (2) the mortality assumptions were modified to assume longer life expectancies as well as to reflect continuous mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a "top down approach" of the Bespoke 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) 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 by the target asset allocation percentage and by adding expected inflation. 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	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return *
Broad growth	63.00%	8.05%	5.80%
Principal protection	7.00%	2.45%	0.20%
Real return	10.00%	5.80%	3.55%
Crisis risk offset	20.00%	5.35%	3.10%
	100.00%		

* Uses an expected inflation of 2.25%

Discount Rate - The discount rate used to measure the net pension liability at June 30, 2018 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 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	$ 784,170,433	$ 598,462,510	$ 445,336,831

NOTE 10 - RETIREMENT BENEFITS (Continued)

Pension Plan Fiduciary Net Position

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 http://www.ers.ehawaii.gov.

Payables to the Pension Plan

As of June 30, 2018, the County had $4,717,478 payable to the pension plan.

Postemployment Benefits Other Than Pensions (OPEB)

Plan description - Chapter 87A of the Hawaii Revised Statutes ("HRS") established the EUTF, an agent multiple-employer defined benefit plan, which provides a single delivery system of health and other benefits for state and county workers, retirees and their eligible dependents. The EUTF issues a stand-alone financial report that is available to the public on its website at https://eutf.hawaii.gov.

Benefits provided - Chapter 87A of the HRS grants the authority to establish and amend the benefit terms to the board of trustees of the EUTF. The EUTF currently provides medical, prescription drug, dental, vision, chiropractic, supplemental medical and prescription drug, and group life insurance benefits for retirees and their dependents. The following table provides a summary of the number of employees covered by the benefits terms as of July 1, 2017:

Inactive employees or beneficiaries currently receiving benefits	1,470
Inactive employees entitled but not yet receiving benefit payments	248
Active employees	2,494
	4,212

Contributions - The County's contribution levels are established by Chapter 87A of the HRS. For the fiscal year ended June 30, 2018, the County was required to contribute a minimum amount equal to at least 80% of the annual required contribution ("ARC"), as determined by an actuary retained by the board of trustees of the EUTF. The County will be required to contribute 100% of the ARC starting in fiscal year 2019. The ARC represents a level of funding that is sufficient to cover, 1) the normal cost, which is the cost of the other postemployment benefits attributable to the current year of service; and 2) an amortization payment, which is a catch-up payment for past service costs to fund the unfunded actuarial accrued liability over the next thirty years. For the fiscal year ended June 30, 2018, contributions to the OPEB plan from the County totaled $33,968,244, which resulted in an average contribution rate of approximately 19.2% of covered-employee payroll.

For employees hired before July 1, 1996, the County pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten 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.

NOTE 10 - RETIREMENT BENEFITS (Continued)

For employees hired after June 30, 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. Retirees can elect family coverage, but must pay the difference.

For active employees, the employee’s contributions are based upon negotiated collective bargaining agreements. Employer contributions for employees not covered by collective bargaining agreements and for retirees are prescribed by the HRS.

On July 3, 2013, the Governor signed into law Act 268, Session Laws of Hawaii 2013. Act 268 requires the EUTF to establish and administer separate trust accounts for each public employer for the purpose of receiving irrevocable employer contributions to prefund post-employment health and other benefit costs for retirees and their beneficiaries. It establishes the Hawaii EUTF Trust Fund Task Force to examine further steps to address the unfunded liability and requires all public employers to make annual required public employer contributions effective fiscal year 2014. Commencing fiscal year 2019, the annual public employer contribution shall be equal to the annual required contribution, as determined by an actuary retained by the EUTF board. In any fiscal year, should an employer's contribution be less than the annual required public employer contribution, the difference shall be transferred to the appropriate trust account from a portion of all general excise tax revenues, for the State, or transient accommodations tax revenues, for the counties.

Net OPEB Liability

The County’s net OPEB liability was measured as of July 1, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions - The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO	Initial rates of 6.60%, 6.60% and 9.00%; declining to a rate of 4.86% after 14 years
HMO	Initial rate of 9.00%; declining to a rate of 4.86% after 14 years
Part B & base monthly contribution	Initial rates of 2.00% and 5.00%; declining to a rate of 4.70% after 14 years
Dental	3.50%
Vision	2.50%
Life insurance	0.00%

NOTE 10 - RETIREMENT BENEFITS (Continued)

Mortality rates used in the actuarial valuation as of July 1, 2017 were based on the following:

Active members - Multiples of the RP 2014 mortality table for employees with generational projection using the BB projection table from the year 2014 based on the occupation of the member.

Healthy retirees - The 2016 Public Retirees of Hawaii mortality table, generational projection using the BB projection table from the year 2016 and with multipliers based on plan and group experience.

Disabled retirees - Base table for healthy retirees' occupation, set forward five years, generational projection using the BB projection table from the year 2016. Minimum mortality rate of 3.50% for males and 2.50% for females.

The actuarial assumptions used in the actuarial valuation as of July 1, 2017 were based on the results of an actuarial experience study for the five-year period ended June 30, 2015 as conducted for the ERS.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of July 1, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	19.00%	5.50%
International equity	19.00%	7.00%
U.S. microcap	7.00%	7.00%
Private equity	10.00%	9.25%
REITs	6.00%	5.85%
Core real estate	10.00%	3.80%
Global options	7.00%	5.50%
Core bonds	3.00%	0.55%
Long treasuries	7.00%	1.90%
Trend following	7.00%	1.75%
TIPS	5.00%	0.50%
	100.00%	

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

NOTE 10 - 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, 2018:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	$ 492,101,851	$ 171,504,145	$ 320,597,706
Changes for the fiscal year:			
Service cost	12,045,593	--	12,045,593
Interest on the total OPEB liability	34,318,637	--	34,318,637
Contributions - employer	--	31,888,815	(31,888,815)
Net investment income	--	17,298,733	(17,298,733)
Benefit payments	(15,716,815)	(15,716,815)	--
Administrative expense	--	(39,167)	39,167
Other	--	254,535	(254,535)
Net changes	30,647,415	33,686,101	(3,038,686)
Balance at June 30, 2018	$ 522,749,266	$ 205,190,246	$ 317,559,020

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	$ 405,287,364	$ 317,559,020	$ 247,205,693

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	$ 243,051,722	$ 317,559,020	$ 412,241,527

NOTE 10 - RETIREMENT BENEFITS (Continued)

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the County recognized OPEB expense of $32,626,037. At June 30, 2018, 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
Net difference between projected and actual earnings on OPEB plan investments	$ --	$ 3,775,908
County contributions subsequent to the measurement date	33,968,244	--
	$ 33,968,244	$ 3,775,908

The $33,968,244 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. 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 Outflows (Inflows)
2019	$ (943,977)
2020	(943,977)
2021	(943,977)
2022	(943,977)
Total	$ (3,775,908)

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 plans, 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 11 - 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 $22.2 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.

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 year ended June 30, 2018 were as follows:

	2018 - Claims and Judgments				
	Balance July 1, 2017	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2018	Due Within One Year
Governmental Activities:					
Workers' compensation	$ 5,312,858	$ 2,536,430	$ 3,616,991	$ 4,232,297	$ 4,232,297
Automobile, general liability and other civil litigation	13,806,722	4,820,864	1,516,927	17,110,659	17,110,659
	$ 19,119,580	$ 7,357,294	$ 5,133,918	$ 21,342,956	$ 21,342,956
Business-type Activities:					
Workers' compensation	$ 1,276,675	$ 180,411	$ 990,622	$ 466,464	$ 466,464
Automobile, general liability and other civil litigation	400,043	15,252	37,666	377,629	377,629
	$ 1,676,718	$ 195,663	$ 1,028,288	$ 844,093	$ 844,093

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, aids 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 12 - COMMITMENTS AND CONTINGENCIES

Contractual Commitments

Contractual commitments for capital projects, expenditures, and supplies for the governmental funds amounted to approximately $162.7 million at June 30, 2018. Contractual commitments for the proprietary funds amounted to approximately $20.6 million at June 30, 2018.

Claims

Numerous claims and lawsuits have been filed against the County in the normal course of its operations. A liability for probable losses is included on the government-wide statement of net position (see Note 11). 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.

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 have been 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, 2018, 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.

NOTE 13 - FUND BALANCES

Fund balances for all the major and other governmental funds as of June 30, 2018, are distributed as follows:

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Capital Improvements Project Fund	Other Governmental Funds	Total
Nonspendable	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Restricted for:							
Administrative	--	--	--	(4,034,763)	--	--	(4,034,763)
Bikeway service	--	--	--	--	--	398,941	398,941
Civil defense	--	--	--	(365,736)	--	--	(365,736)
Economic development	--	--	--	(94,093)	--	--	(94,093)
Fire control	--	--	--	44,567	--	--	44,567
Highway and transportation services	--	19,567,598	--	(5,522)	--	--	19,562,076
Housing and human concerns	--	--	--	3,363,690	--	17,044,330	20,408,020
Liquor control	--	--	--	--	--	1,958,838	1,958,838
Open space preservation	4,668,590	--	--	--	--	--	4,668,590
Other expenditures	--	--	--	3,360,263	--	42,850	3,403,113
Parks and recreation	--	--	--	--	--	6,314,929	6,314,929
Planning	--	--	--	(282,084)	--	--	(282,084)
Police services	--	--	--	(607,480)	--	--	(607,480)
Public works	--	--	--	(110,540)	--	--	(110,540)
Solid waste services	--	--	--	(109,390)	--	--	(109,390)
Wastewater services	--	--	--	2,421,714	--	2,045	2,423,759
Subtotal	4,668,590	19,567,598	--	3,580,626	--	25,761,933	53,578,747
Committed to:							
Administrative	--	--	--	--	--	300,263	300,263
Economic development	190,000	--	--	--	--	--	190,000
Environmental services	--	--	--	--	--	(155,000)	(155,000)
Fire control	--	--	--	--	--	411,203	411,203
Highway and transportation services	--	--	--	--	--	3,955,790	3,955,790
Housing and human concerns	--	--	--	--	--	616,128	616,128
Parks and recreation	--	--	--	--	--	831,669	831,669
Police services	--	--	--	--	--	161,056	161,056
Solid waste services	--	--	--	--	--	6,609,897	6,609,897
Wastewater services	--	--	13,756,903	--	--	6,210,930	19,967,833
Subtotal	190,000	--	13,756,903	--	--	18,941,936	32,888,839
Assigned to:							
Administrative	5,052,888	--	--	--	--	--	5,052,888
Capital improvement projects	--	--	--	--	6,297,647	--	6,297,647
Civil deffense	24,901	--	--	--	--	--	24,901
Countywide costs	376,353	--	--	--	--	--	376,353
Economic development	3,116,468	--	--	--	--	--	3,116,468
Environmental services	15,718	--	--	--	--	--	15,718
Fire control	462,070	--	--	--	--	--	462,070
Housing and human concerns	18,665,970	--	--	--	--	--	18,665,970
Legislative	783,504	--	--	--	--	--	783,504
Parks and recreation	1,815,490	--	--	--	--	--	1,815,490
Personnel	25,181	--	--	--	--	--	25,181
Planning	373,173	--	--	--	--	--	373,173
Police services	1,748,244	--	--	--	--	--	1,748,244
Public works	744,692	--	--	--	--	--	744,692
Subtotal	33,204,652	--	--	--	6,297,647	--	39,502,299
Unassigned	75,440,150	--	--	--	--	--	75,440,150
Total	$ 113,503,392	$ 19,567,598	$ 13,756,903	$ 3,580,626	$ 6,297,647	$ 44,703,869	$ 201,410,035

NOTE 13 - FUND BALANCES (Continued)

The County's General Fund classifications of fund balance are listed below with the June 30, 2018 balances:

Restricted:		
Open space, natural resources, cultural resources and scenic views preservation fund	$	4,668,590
Committed:		
Economic development fund		190,000
Assigned:		33,204,652
Unassigned:		75,440,150
Total	$	113,503,392

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.

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, 2018 was approximately $33,475,000.

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, 2018 are not separately classified in the financial statements, and are summarized as follows:

General Fund	$	17,028,947
Highway Fund		3,123,974
Sewer Fund		1,558,744
Grant Fund		6,776,361
Capital Improvement Projects Fund		126,359,505
Non-Major Governmental Funds		7,861,157
Total	$	162,708,688

NOTE 14 - 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, 2018 include funds for the following purposes:

Board-designated		
Capital improvements	$	22,660,639
Debt service		1,824,158
Total board-designated		24,484,797
Undesignated		37,646,269
Total	$	62,131,066

At June 30, 2018, construction contract payables, including retentions, to be paid with board-designated funds were approximately $200,000. Construction contract commitments as of June 30, 2018, to be paid with board-designated funds, aggregated approximately $4.6 million. There are no amounts included in the construction contract commitment amounts for 2018 for maintenance of compliance-order projects and no amounts included for management's estimates needed in anticipation of future regulations for compliance.

Restricted Cash and Investments

Restricted cash and investments consisted of the following at June 30, 2018:

Water system development fee	$	13,231,669
State funds		6,440,718
Bond funds		2,306,902
Customer deposits		677,428
Special assessment fund for storage		273,829
Source development fund assessments		192,525
Federal funds		1,954
Total	$	23,125,025

At June 30, 2018, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately $1.8 million. The construction contract commitments as of June 30, 2018, to be paid with restricted assets, aggregated approximately $11.2 million.

Restricted Net Position

At June 30, 2018, restricted net position consisted of the following:

Water system development fee	$	13,231,669
Special assessment fund for storage		273,829
Source development fund assessments		192,525
Other restricted funds		6,513,789
Total	$	20,211,812

NOTE 15 - RESTATEMENTS OF NET POSITION AND FUND BALANCE

Adoption of New Accounting Principle - The County has adopted the applicable requirements of GASBS 75. The cumulative effect of applying the requirements of GASB Statement No. 75 resulted in a reduction to beginning net position by $268,392,486 and $23,714,070 as of June 30, 2018 for governmental activities and business-type activities, respectively.

Management of the County concluded that it was not practical to determine the amounts of all applicable deferred inflows of resources and deferred outflows of resources related to OPEB as of June 30, 2017. Accordingly, as permitted under the provisions of GASBS 75, the restatement of beginning balances as of June 30, 2017 only includes deferred outflows of resources for OPEB contributions by the County made subsequent to the measurement date of the beginning net OPEB liability (June 30, 2016) but before June 30, 2017.

Prior Period Adjustments - The accompanying financial statements reflect adjustments resulting from a restatement of beginning Governmental Activities net position as of June 30, 2017 as follows:

- Decrease of $2,864,490 for accrued compensatory time off that was previously unrecorded.
- Increase of $11,893,177 for Kulamalu construction in progress (CIP) that was previously expensed.

The following tables provide the impact of recognizing the adoption of GASBS 75 and prior period adjustments:

	Governmental Activities	Business-type Activities
Net position at beginning of fiscal year, as previously reported	$ 269,125,306	$ 336,602,241
Reverse net OPEB asset at June 30, 2017	(3,397,664)	--
Net OPEB liability at June 30, 2017	(294,264,342)	(26,333,364)
Deferred outflows of resources - employer contributions paid during the fiscal year ended June 30, 2017	29,269,520	2,619,294
Prior period adjustments:		
Accrued compensatory time off	(2,864,490)	--
Kulamalu CIP	11,893,177	--
Net position at beginning of fiscal year, as restated	$ 9,761,507	$ 312,888,171

NOTE 16 - SUBSEQUENT EVENTS

On October 10, 2018, the County issued approximately $106.3 million of Series 2018 general obligation bonds. The proceeds from the bonds will be utilized for capital projects, prepayment of SRF loans, and to refund 2006B and 2006C general obligation debt.

COUNTY OF MAUI

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information	Pages
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COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES:				
Taxes	$ 311,675,667	$ 311,675,667	$ 318,060,711	$ 6,385,044
Licenses and permits	7,043,000	7,043,000	9,484,211	2,441,211
Intergovernmental revenues	21,279,000	21,279,000	23,624,956	2,345,956
Charges for services	1,200,000	1,200,000	2,730,013	1,530,013
Fines and forfeitures	1,900,000	1,900,000	2,288,512	388,512
Interest and investment losses, net	2,600,000	2,600,000	187,874	(2,412,126)
Other revenues	1,000,000	1,000,000	6,808,389	5,808,389
Total Revenues	346,697,667	346,697,667	363,184,666	16,486,999
EXPENDITURES:				
Current:				
General government	142,040,682	144,571,575	126,925,203	17,646,372
Public safety	97,435,019	98,919,041	96,659,104	2,259,937
Highways and streets	8,046,987	8,046,987	8,001,763	45,224
Sanitation	620,678	620,678	575,919	44,759
Social welfare	19,213,693	19,203,693	18,633,100	570,593
Culture and recreation	28,777,018	28,777,018	26,772,634	2,004,384
Legislative	9,336,417	9,336,417	6,863,552	2,472,865
Total Expenditures	305,470,494	309,475,409	284,431,275	25,044,134
Excess Revenues over Expenditures	41,227,173	37,222,258	78,753,391	41,531,133
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Special Revenue Funds	17,336,173	17,336,173	17,336,173	--
Capital Improvement Projects Fund	--	--	1,704,905	1,704,905
Other Governmental Funds	4,710,362	4,710,362	4,710,362	--
Proprietary Funds	912,957	912,957	231,022	(681,935)
Transfers out:				
Special Revenue Funds	(75,000)	(85,000)	(85,000)	--
Debt Service Fund	(33,963,145)	(33,963,144)	(33,963,144)	--
Capital Improvement Projects Fund	(10,221,000)	(10,302,137)	(10,312,137)	(10,000)
Other Governmental Funds	(21,016,216)	(21,016,216)	(21,016,216)	--
Proprietary Funds	(2,153,414)	(2,263,414)	(2,263,414)	--
Total Other Financing Sources (Uses)	(44,469,283)	(44,670,419)	(43,657,449)	1,012,970
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ (3,242,110)	$ (7,448,161)	$ 35,095,942	$ 42,544,103

See accompanying notes to budgetary comparison schedule.

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HIGHWAY FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES:				
Taxes	$ 21,000,000	$ 21,000,000	$ 24,458,825	$ 3,458,825
Licenses and permits	22,901,952	22,901,952	24,039,058	1,137,106
Charges for services	2,500,000	2,500,000	2,478,159	(21,841)
Total Revenues	46,401,952	46,401,952	50,976,042	4,574,090
EXPENDITURES:				
Current:				
Highways and streets	36,013,950	36,213,950	33,665,987	2,547,963
Excess Revenues over Expenditures	10,388,002	10,188,002	17,310,055	7,122,053
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	75,000	75,000	75,000	--
Capital Improvement Projects Fund	--	--	2,122,247	2,122,247
Other Governmental Funds	340,000	340,000	192,981	(147,019)
Transfers out:				
General Fund	(6,295,327)	(6,295,327)	(6,295,327)	--
Capital Improvement Projects Fund	(5,838,541)	(5,838,541)	(5,838,541)	--
Total Other Financing Sources (Uses)	(11,718,868)	(11,718,868)	(9,743,640)	1,975,228
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ (1,330,866)	$ (1,530,866)	$ 7,566,415	$ 9,097,281

See accompanying notes to budgetary comparison schedule.

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, 2018

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES:				
Licenses and permits	$ --	$ --	$ 33,855	$ 33,855
Charges for services	54,064,092	54,064,092	54,303,814	239,722
Other revenues	40,000	1,699,979	21,712	(1,678,267)
Total Revenues	54,104,092	55,764,071	54,359,381	(1,404,690)
EXPENDITURES:				
Current:				
Sanitation	30,326,489	29,562,996	27,625,879	1,937,117
Excess Revenues over Expenditures	23,777,603	26,201,075	26,733,502	532,427
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Capital Improvement Projects Fund	--	--	496,470	496,470
Other Governmental Funds	--	--	6,262,207	6,262,207
Transfers out:				
General Fund	(11,040,846)	(11,040,846)	(11,040,846)	--
Special Revenue Funds	(4,589,979)	(4,589,979)	--	4,589,979
Capital Improvement Projects Fund	(13,170,000)	(13,170,000)	(15,593,472)	(2,423,472)
Other Governmental Funds	--	--	(4,202,971)	(4,202,971)
Total Other Financing Sources (Uses)	(28,800,825)	(28,800,825)	(24,078,612)	4,722,213
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ (5,023,222)	$ (2,599,750)	$ 2,654,890	$ 5,254,640

See accompanying notes to budgetary comparison schedule.

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.

The classification detail upon which the budget is prepared is by fund, department, activity, and sub-object. Certain departments have specific line-item appropriations within a program. The department heads may make transfers between sub-objects and indexes within an activity (line item).

The detail at which expenditures may not legally exceed appropriations without amendment is at the program level or the specific line-item appropriations as shown in the schedules by fund. Any transfers or increase of an appropriation require the approval of the County Council. Transfers with a department are approved by resolution, and transfers between departments and increases or decreases in appropriations are approved by ordinance. Legally adopted budgets include the General Fund, Highway Fund, Sewer Fund, Debt Service Fund, Capital Improvement Projects Fund, Liquor Control Fund, Solid Waste Fund, Department of Water Supply, and the Golf Course Special Fund. For budgetary purposes, the Grant Fund does not have a legally adopted annual budget; however, there is a provision in the annual budget ordinance that relates to revenues from grants. Grant revenues are appropriated to the programs and uses identified in the annual budget ordinance, which also authorizes the fund to receive and expend the funds for the grants and programs identified.

Appropriations - By the Charter of the County of Maui, every appropriation, except an appropriation for capital improvement, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered by a written contract. Appropriations for capital improvements shall lapse six months after the close of the fiscal year to the extent that they have not been expended or encumbered by a written contract.

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 America (GAAP basis); except that encumbrances are treated as budgetary expenditures in the year commitments were made. Accordingly, the actual expenditures on a non-GAAP budgetary basis presented in the required supplementary information represent the current year's expenditures as recorded on the modified accrual basis, plus encumbrances at year-end, less expenditures related to amounts encumbered in the prior year. 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.

The following is a summary of the adjustments necessary to convert major funds from the GAAP basis to the non-GAAP budgetary basis for the fiscal year ended June 30, 2018.

	General Fund	Highway Fund	Sewer Fund
GAAP Basis - Net change in fund balances	$ 31,805,417	$ 8,923,284	$ 1,760,484
Accruals and other adjustments	2,071,927	(14,172)	(279,038)
Less encumbrances of budgeted funds June 30, 2018	(17,028,947)	(3,123,974)	(1,558,744)
Add encumbrances of budgeted funds July 1, 2017	18,247,545	1,781,277	2,732,188
Non-GAAP Budgetary Basis - Net change in fund balances	$ 35,095,942	$ 7,566,415	$ 2,654,890

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, 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%
June 30, 2014	4.21%	$ 337,749,364	$ 144,037,000	234.49%	63.92%
June 30, 2013	4.34%	$ 387,246,181	$ 143,438,000	269.98%	57.96%

* The data is presented for the years for which information is available.

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, 2018	$ 37,124,777	$ 37,124,777	$ --	$ 177,312,000	24.870%
June 30, 2017	$ 33,722,504	$ 33,722,504	$ --	$ 173,094,000	19.482%
June 30, 2016	$ 32,454,694	$ 32,454,694	$ --	$ 164,147,000	19.772%
June 30, 2015	$ 30,239,157	$ 30,239,157	$ --	$ 159,017,000	19.016%
June 30, 2014	$ 27,791,395	$ 27,791,395	$ --	$ 144,037,000	19.295%
June 30, 2013	$ 24,674,903	$ 24,674,903	$ --	$ 143,438,000	17.202%
June 30, 2012	$ 23,398,487	$ 23,398,487	$ --	$ 141,353,000	16.553%
June 30, 2011	$ 22,634,092	$ 22,634,092	$ --	$ 120,385,000	18.801%
June 30, 2010	$ 23,702,474	$ 23,702,474	$ --	$ 134,838,000	17.578%

* The data is presented for the years for which information is available.

See accompanying notes to required supplementary information.

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, 2016.

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
Fiscal Year Ended June 30, 2018*

Total OPEB liability		
Service cost	$	12,045,593
Interest on the total OPEB liability		34,318,637
Benefit payments		(15,716,815)
Net change in total OPEB liability		30,647,415
Total OPEB liability - Beginning		492,101,851
Total OPEB liability - Ending	$	522,749,266
Plan fiduciary net position		
Contributions - employer	$	31,888,815
Net investment income		17,298,733
Benefit payments		(15,716,815)
Administrative expense		(39,167)
Other		254,535
Net change in plan fiduciary net position		33,686,101
Plan fiduciary net position - Beginning		171,504,145
Plan fiduciary net position - Ending	$	205,190,246
Net OPEB liability	$	317,559,020
Plan fiducairy net position as a percentage of the total OPEB liability		39.25%
Covered-employee payroll	$	173,094,090
Net OPEB Liability as a Percentage of Covered-employee Payroll		183.46%

* 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.

See accompanying notes to required supplementary information.

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, 2018	$	32,891,000	$	33,968,244	$	(1,077,244)	$	177,312,000	19.16%
June 30, 2017	$	31,778,000	$	31,911,818	$	(133,818)	$	173,094,000	18.44%
June 30, 2016	$	29,229,000	$	29,108,882	$	120,118	$	164,147,000	17.73%
June 30, 2015	$	28,241,000	$	28,046,371	$	194,629	$	159,017,000	17.64%
June 30, 2014	$	31,543,000	$	127,623,060	$	(96,080,060)	$	144,037,000	88.60%
June 30, 2013	$	30,476,000	$	34,359,290	$	(3,883,290)	$	143,438,000	23.95%
June 30, 2012	$	32,878,000	$	34,155,059	$	(1,277,059)	$	141,353,000	24.16%
June 30, 2011	$	31,766,000	$	25,714,065	$	6,051,935	$	120,385,000	21.36%
June 30, 2010	$	21,800,000	$	23,714,029	$	(1,914,029)	$	134,838,000	17.59%

* The data is presented for the years for which information is available.

See accompanying notes to required supplementary information.

NOTE A - SIGNIFICANT METHODS AND ASSUMPTIONS

An actuarial valuation of the County's liability associated with other postemployment benefits other than pension provided through the EUTF is performed as of July 1 of each odd-numbered year (e.g. July 1, 2015). This actuarial valuation serves as the basis for developing the annual required contributions ("ARC") for the two fiscal years which begin one year after the actuarial valuation date. For example, the ARC for the fiscal years ended June 30, 2018 and 2017 were developed from the actuarial valuation as of July 1, 2015. Beginning July 1, 2017, the EUTF will be completing an actuarial valuation on an annual basis.

The following summarizes the significant methods and assumptions used to determine the actuarially determined contribution for the fiscal year ended June 30, 2018:

Actuarial valuation date	July 1, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Equivalent single amortization period	19.9
Asset valuation method	Market
Inflation rate	3.00%
Investment rate of return	7.00%
Payroll growth	3.50%
Healthcare cost trend rates	
PPO	Initial rate of 9%, declining to a rate of 5% after 8 years
HMO	Initial rate of 7%, declining to a rate of 5% after 8 years
Part B	Initial rate of 3% for the first two years, 5% thereafter
Dental	4.00%
Vision	3.00%
Life Insurance	0.00%

The actuarial valuation as of July 1, 2009, which was used to develop the ARC for fiscal year 2011 and 2012, included a reduction to the discount rate used from the prior valuation. The discount rate changed from a blended discount rate of 7% - 8% to 7%. This resulted in an overall increase to the actuarially determined OPEB liability and the ARC.

There were no other factors that significantly affected trends in the amounts reported in the schedule of changes in the net OPEB liability and related ratios or the schedule of contributions (OPEB).

COUNTY OF MAUI

OTHER SUPPLEMENTARY INFORMATION

	Pages
Other Supplementary Information	105 - 143

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.

County Funds - These funds were established to account for various County purposes, including affordable housing, animal management, public emergency, and land conservation.

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.

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.

COUNTY OF MAUI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Other Assessment Funds	Total Non-Major Governmental Funds
ASSETS:						
Equity in pooled cash and investments held in County Treasury	$ 1,984,170	$ 30,798,674	$ 398,941	$ 10,775,983	$ 6,362,143	$ 50,319,911
Trade accounts, net	--	--	--	2,266,911	--	2,266,911
Total Assets	$ 1,984,170	$ 30,798,674	$ 398,941	$ 13,042,894	$ 6,362,143	$ 52,586,822
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	$ 2,515	$ 278,840	$ --	$ 2,017,171	$ 2,318	$ 2,300,844
Accrued wages payable	40,215	31,370	--	208,010	--	279,595
Contracts retention payable	--	2,748	--	--	--	2,748
Advanced collections	--	--	--	3,979,493	--	3,979,493
Deposits payable	--	4,440	--	--	--	4,440
Total Liabilities	42,730	317,398	--	6,204,674	2,318	6,567,120
Deferred Inflows of Resources:						
Deferred inflows - nonexchange	266,060	--	--	--	--	266,060
Deferred inflows - unavailable revenues	--	--	--	1,049,773	--	1,049,773
Total Deferred Inflows of Resources	266,060	--	--	1,049,773	--	1,315,833
Fund Balances:						
Restricted	1,675,380	17,327,787	398,941	--	6,359,825	25,761,933
Committed	--	13,153,489	--	5,788,447	--	18,941,936
Total Fund Balances	1,675,380	30,481,276	398,941	5,788,447	6,359,825	44,703,869
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,984,170	$ 30,798,674	$ 398,941	$ 13,042,894	$ 6,362,143	$ 52,586,822

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Other Assessment Funds	Total Non-Major Governmental Funds
REVENUES:						
Charges for current services	$ --	$ --	$ --	$ 23,145,130	$ --	$ 23,145,130
Licenses and permits	2,306,473	167,842	85,052	--	--	2,559,367
Fines and forfeitures	--	90,548	--	--	--	90,548
Assessments	--	--	--	--	1,248,859	1,248,859
Other revenues	--	3,708,473	--	7,609	--	3,716,082
Total Revenues	2,306,473	3,966,863	85,052	23,152,739	1,248,859	30,759,986
EXPENDITURES:						
General government	--	1,168,567	--	--	--	1,168,567
Public safety	--	300,323	--	--	--	300,323
Sanitation	--	1,026,480	--	28,037,037	--	29,063,517
Social welfare	2,326,203	3,148,719	--	--	--	5,474,922
Highways and streets	--	370,367	--	--	--	370,367
Culture and recreation	--	19,261	--	--	110,165	129,426
Total Expenditures	2,326,203	6,033,717	--	28,037,037	110,165	36,507,122
(Deficiency) Excess of Revenues Over Expenditures	(19,730)	(2,066,854)	85,052	(4,884,298)	1,138,694	(5,747,136)
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	--	6,063,514	--	14,952,702	--	21,016,216
Special Revenue Funds	--	1,659,979	--	2,542,992	--	4,202,971
Capital Improvement Projects Fund	--	--	352,156	31,562	142,456	526,174
Transfers Out:						
Capital Improvement Projects Fund	--	--	(97,276)	(6,040,000)	(1,723,000)	(7,860,276)
General Fund	--	--	--	(4,710,362)	--	(4,710,362)
Special Revenue Funds	--	--	--	(192,981)	(6,262,207)	(6,455,188)
Total Other Financing Sources (Uses)	--	7,723,493	254,880	6,583,913	(7,842,751)	6,719,535
Net Change in Fund Balances	(19,730)	5,656,639	339,932	1,699,615	(6,704,057)	972,399
Fund Balance - Beginning of Year	1,695,110	24,824,637	59,009	4,088,832	13,063,882	43,731,470
Fund Balance - End of Year	$ 1,675,380	$ 30,481,276	$ 398,941	$ 5,788,447	$ 6,359,825	$ 44,703,869

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Refundable Deposits Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	$ 22,595,003	$ 2,067,311	$ 2,027,069	$ 22,635,245
Other non-current assets	95,655	--	--	95,655
Total Assets	$ 22,690,658	$ 2,067,311	$ 2,027,069	$ 22,730,900
Liabilities:				
Accounts payable	$ 203,821	$ 1,629,174	$ 1,657,613	$ 175,382
Deposits	22,391,182	2,084,803	2,016,122	22,459,863
Due to State of Hawaii	95,655	--	--	95,655
Total Liabilities	$ 22,690,658	$ 3,713,977	$ 3,673,735	$ 22,730,900
Liquor Control Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	$ 465	$ 277,841	$ 277,526	$ 780
Total Assets	$ 465	$ 277,841	$ 277,526	$ 780
Liabilities:				
Accounts payable	$ 465	$ 8,601	$ 9,066	$ --
Deposits	--	277,841	277,061	780
Total Liabilities	$ 465	$ 286,442	$ 286,127	$ 780
State Highway Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	$ 1,324,910	$ 21,118,508	$ 21,088,304	$ 1,355,114
Total Assets	$ 1,324,910	$ 21,118,508	$ 21,088,304	$ 1,355,114
Liabilities:				
Accounts payable	$ (173,411)	$ 21,297,393	$ 19,768,868	$ 1,355,114
Deposits	1,498,321	21,118,508	22,616,829	--
Total Liabilities	$ 1,324,910	$ 42,415,901	$ 42,385,697	$ 1,355,114
Other Funds:				
Assets:				
Equity in pooled cash and investments held in County Treasury	$ 27,018,846	$ 45,418,076	$ 64,287,247	$ 8,149,675
Other current assets	500,000	--	--	500,000
Total Assets	$ 27,518,846	$ 45,418,076	$ 64,287,247	$ 8,649,675
Liabilities:				
Accounts payable	$ (30,875)	$ 31,777,224	$ 31,746,348	$ 1
Deposits	27,549,721	45,722,395	64,622,442	8,649,674
Total Liabilities	$ 27,518,846	$ 77,499,619	$ 96,368,790	$ 8,649,675
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments held in County Treasury	$ 50,939,224	$ 68,881,736	$ 87,680,146	$ 32,140,814
Other current assets	500,000	--	--	500,000
Other non-current assets	95,655	--	--	95,655
Total Assets	$ 51,534,879	$ 68,881,736	$ 87,680,146	$ 32,736,469
Liabilities:				
Accounts payable	$ --	$ 54,712,392	$ 53,181,895	$ 1,530,497
Deposits	51,439,224	69,203,547	89,532,454	31,110,317
Due to State of Hawaii	95,655	--	--	95,655
Total Liabilities	$ 51,534,879	$ 123,915,939	$ 142,714,349	$ 32,736,469

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, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
EXPENDITURES:				
Debt Service:				
Principal payments	$ 25,686,138	$ 25,686,138	$ 25,686,138	$ --
Interest and other issuance cost	8,277,006	8,277,006	8,277,006	--
Total Expenditures	33,963,144	33,963,144	33,963,144	--
Deficiency of Revenues over Expenditures	(33,963,144)	(33,963,144)	(33,963,144)	--
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	33,963,144	33,963,144	33,963,144	--
Total Other Financing Sources	33,963,144	33,963,144	33,963,144	--
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ --	$ --	$ --	$ --

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Real property taxes	$ 303,175,667	$ --	$ 303,175,667	$ 311,102,730	$ 7,927,063
Public service company tax	8,500,000	--	8,500,000	6,957,981	(1,542,019)
Total - General revenue	311,675,667	--	311,675,667	318,060,711	6,385,044
Total - Taxes	311,675,667	--	311,675,667	318,060,711	6,385,044
Licenses and permits:					
General government:					
Business licenses and permits	22,000	--	22,000	23,437	1,437
Other licenses and permits	3,400,000	--	3,400,000	5,059,532	1,659,532
Motor vehicle licenses and fees	3,621,000	--	3,621,000	4,401,242	780,242
Total - General government	7,043,000	--	7,043,000	9,484,211	2,441,211
Total - Licenses and permits	7,043,000	--	7,043,000	9,484,211	2,441,211
Intergovernmental revenues:					
General revenue:					
Federal payment in lieu of taxes	7,188	--	7,188	98,099	90,911
Transient accommodation taxes	21,204,000	--	21,204,000	23,484,000	2,280,000
State payment in lieu of taxes	6,875	--	6,875	--	(6,875)
Total - General revenue	21,218,063	--	21,218,063	23,582,099	2,364,036
Public safety:					
Federal grants passed through the state	50,000	--	50,000	--	(50,000)
Social welfare:					
Federal grants	10,937	--	10,937	42,857	31,920
Total - Intergovernmental revenues	21,279,000	--	21,279,000	23,624,956	2,345,956
Charges for current services:					
General government:					
General government	223,170	--	223,170	730,318	507,148
Safety	569,820	--	569,820	1,363,155	793,335
Total - General government	792,990	--	792,990	2,093,473	1,300,483

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Public Safety:					
General government	$ 76,830	$ --	$ 76,830	$ 7,980	$ (68,850)
Safety	30,180	--	30,180	32,997	2,817
Total - Public safety	107,010	--	107,010	40,977	(66,033)
Social welfare:					
Safety	--	--	--	200	200
Culture and recreation:					
Recreation	300,000	--	300,000	591,934	291,934
Legislative:					
General government	--	--	--	3,429	3,429
Total - Charges for current services	1,200,000	--	1,200,000	2,730,013	1,530,013
Fines and forfeitures:					
General government:					
Penalties and interest	1,900,000	--	1,900,000	2,277,627	377,627
Public safety:					
Unclaimed monies	--	--	--	10,885	10,885
Total - Fines and forfeitures	1,900,000	--	1,900,000	2,288,512	388,512
Interest and investment earnings:					
General revenue:					
Interest on investments	2,500,000	--	2,500,000	(32,969)	(2,532,969)
General government:					
Rental income	48,000	--	48,000	155,511	107,511
Culture and recreation:					
Rental income	52,000	--	52,000	65,332	13,332
Total - Interest and investment earnings	2,600,000	--	2,600,000	187,874	(2,412,126)

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Other revenues:					
General revenue:					
Miscellaneous general receipts	$ 50,000	$ --	$ 50,000	$ 90,574	$ 40,574
General government:					
Miscellaneous general receipts	--	--	--	6,144,772	6,144,772
Miscellaneous program receipts	950,000	--	950,000	408,425	(541,575)
Total - General government	950,000	--	950,000	6,553,197	5,603,197
Public safety:					
Miscellaneous program receipts	--	--	--	48,778	48,778
Highways and streets:					
Miscellaneous program receipts	--	--	--	32,665	32,665
Sanitation:					
Miscellaneous program receipts	--	--	--	(34,981)	(34,981)
Social welfare:					
Miscellaneous program receipts	--	--	--	93,724	93,724
Culture and recreation:					
Miscellaneous program receipts	--	--	--	3,424	3,424
Legislative:					
Miscellaneous program receipts	--	--	--	21,008	21,008
Total - Other revenues	1,000,000	--	1,000,000	6,808,389	5,808,389
Total General Fund Revenues	$ 346,697,667	$ --	$ 346,697,667	$ 363,184,666	$ 16,486,999

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
General government:							
Office of the Mayor:							
Office of Mayor Administration	$ 21,273	$ 1,513,768	$ (13,578)	$ 1,521,463	$ 1,451,344	$ 19,766	$ 50,353
Economic Development	8,253	974,253	24,607	1,007,113	1,000,104	4,945	2,064
Molokai Economic Development & Cultural	95,667	140,000	(667)	235,000	112,428	121,901	671
Agriculture Promotion	109,953	227,000	(7,341)	329,612	179,814	118,379	31,419
Aquaculture & Marine Resources	4,803	--	--	4,803	4,803	--	--
Film Industry Promotions	--	115,000	--	115,000	109,412	2,500	3,088
Maui County Farm Bureau	221,171	295,000	--	516,171	393,724	122,447	--
Maui Economic Development Board	312,701	800,000	--	1,112,701	1,032,701	80,000	--
Maui Visitors Bureau	13	4,000,000	(13)	4,000,000	4,000,000	--	--
Small Business & High Tech Promo	1,243	65,000	(1,154)	65,089	54,369	7,480	3,240
Maui Arts & Cultural Center	--	318,000	--	318,000	318,000	--	--
Business Research Library	39,866	70,000	(901)	108,965	77,070	31,895	--
Hui O Waa Kaulua	57,448	--	--	57,448	57,448	--	--
Environmental Protection	965,730	1,440,000	(441)	2,405,289	1,479,709	904,710	20,870
East Maui Econ Development & Cultural	40,766	100,000	(66)	140,700	75,555	60,682	4,463
UH Tropical Agricultural & Human Resources	78,788	75,000	--	153,788	83,777	70,011	--
MEO Bus Development CP Microenterprise	119,342	265,000	--	384,342	357,842	26,500	--
Maui Nui Botanical Gardens	80,773	150,000	--	230,773	230,773	--	--
Maui Arts & Cultural Capital	962,152	400,000	--	1,362,152	427,894	934,258	--
Grant - Maui Comm Theater - Iao Improvement	53,045	53,045	--	106,090	68,473	37,617	--
Maui Soil & Water Conservation	--	175,000	--	175,000	175,000	--	--
Soil & Water Conservation - Molokai	2,200	22,000	--	24,200	22,000	2,200	--
Culture & Arts Program	16,130	--	(2,500)	13,630	7,412	6,218	--
Molokai Livestock Cooperative	15,922	--	--	15,922	12,227	3,695	--
Academy of Hospitality & Tourism	13,500	--	--	13,500	1,782	11,718	--
Ke Ao I Ka Makani Ho'eha'ili	--	75,000	--	75,000	57,430	17,570	--
Ka Ipu Kukui Fellows Leadership	--	25,000	--	25,000	25,000	--	--
Renewable Energy Programs	10,000	175,000	--	185,000	71,215	61,133	52,652
Grants Friends of Maui High School	36,862	65,000	--	101,862	76,246	25,616	--
4-H Upcountry Fair	1	--	--	1	--	--	1
Hana Arts	20,000	20,000	--	40,000	20,000	20,000	--
Maui Economic Development Board - Maui HS Program	29,386	45,000	--	74,386	48,537	25,849	--
Coqui Frog Eradication Project	265,995	750,000	(2)	1,015,993	431,050	584,943	--
Hai-Mak-Pai Economic Development & Cultural Programs	39,386	175,000	--	214,386	158,508	55,536	342

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Ma Ka Hana Ka Ike - OED	$ 90,000	$ 90,000	$ --	$ 180,000	$ 180,000	$ --	$ --
SMaui Economic Development & Cultural Programs	--	100,000	--	100,000	56,294	43,367	339
Festivals of Aloha	56	80,000	(56)	80,000	80,000	--	--
WMaui Economic Development & Cultural Programs	--	100,000	--	100,000	96,886	3,056	58
CMaui Economic Development & Cultural Programs	--	75,000	--	75,000	54,630	19,748	622
250th Celebration of Queen Kaahumanu	--	100,000	--	100,000	53,151	46,849	--
Lanai Economic Development & Cultural Programs	89,604	200,000	(18,620)	270,984	135,851	120,683	14,450
Sister City Program	17,086	15,000	--	32,086	12,261	19,779	46
Wailuku First Friday Events	--	25,000	--	25,000	20,724	4,276	--
Maui Film Festival	25,000	25,000	--	50,000	25,000	25,000	--
Lahaina Boat Day	5,635	25,000	--	30,635	22,435	8,200	--
Made in Maui County Festival	--	100,000	--	100,000	100,000	--	--
Economic Development Initiatives Program	9,947	--	(38)	9,909	9,909	--	--
Budget	13,132	472,990	(690)	485,432	427,453	--	57,979
Arts Education/Innovative Program	--	424,360	--	424,360	424,360	--	--
Total Office of the Mayor	3,872,829	14,360,416	(21,460)	18,211,785	14,320,601	3,648,527	242,657
Management:							
Management	177,561	1,015,489	(2,786)	1,190,264	962,607	165,837	61,820
Molokai Veterans Caring	--	10,000	1,215	11,215	8,424	2,791	--
West Maui Veterans Club	--	4,000	--	4,000	3,999	1	--
Management Information Systems	2,961,756	9,573,745	(13,987)	12,521,514	9,079,848	3,407,904	33,762
Geographic Information Systems	5,235	--	--	5,235	(6,790)	5,235	6,790
Total Management	3,144,552	10,603,234	(15,558)	13,732,228	10,048,088	3,581,768	102,372
Corporation Counsel:							
Legal Services	63,727	4,203,609	(2,179)	4,265,157	3,748,811	47,159	469,187
Finance:							
Finance Administration	1,500	709,748	(10,000)	701,248	630,190	20,000	51,058
Treasury	116,401	1,226,723	(643)	1,342,481	1,063,809	135,168	143,504
Accounts	181,090	1,361,942	51,930	1,594,962	1,408,247	138,947	47,768
Purchasing	10,332	447,129	7,347	464,808	436,968	9,684	18,156
Financial Services	1,095,837	6,483,005	(70,630)	7,508,212	6,165,703	1,075,640	266,869
CW Service Center - Annual Lease Costs	--	570,000	--	570,000	564,733	--	5,267
Countywide Fringe Benefits	252,454	93,976,551	(1,596,838)	92,632,167	87,655,655	27,287	4,949,225
Interfund Fringe Reimbursement	--	(20,535,928)	--	(20,535,928)	(19,248,458)	--	(1,287,470)
Bond Issuance & Debt Services	22,718	1,578,025	3,838,967	5,439,710	44,329	65,435	5,329,946

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Insurance & Self Insurance	$ 701,400	$ 12,700,000	$ (85,079)	$ 13,316,321	$ 6,928,750	$ 282,301	$ 6,105,270
Countywide General Costs	1,444	1,409,577	24,069	1,435,090	1,173,883	1,330	259,877
Overhead Reimbursement	--	(21,176,292)	--	(21,176,292)	(20,830,436)	--	(345,856)
Post-Employment Obligations Fund	--	17,000,000	--	17,000,000	17,000,000	--	--
Total Finance	2,383,176	95,750,480	2,159,123	100,292,779	82,993,373	1,755,792	15,543,614
Personnel Services:							
Personnel Services	$ 41,467	$ 1,649,870	$ (6,550)	$ 1,684,787	$ 1,459,412	$ 25,181	$ 200,194
Planning:							
Planning	124,040	5,294,233	2,991	5,421,264	5,054,062	199,507	167,695
General Plan Update	56,213	--	--	56,213	--	56,213	--
Maui Redevelopment Agency	25,265	333,500	--	358,765	197,424	101,287	60,054
UH-Maui Sea Grant	65	104,000	(65)	104,000	87,833	16,167	--
Development Mitigation Fee Study	15,280	--	--	15,280	--	--	15,280
Small Town Planning	15,178	--	--	15,178	--	--	15,178
Cultural Resource Management	--	25,000	--	25,000	--	--	25,000
Environmental Assessments - Planning	4,164	--	(4,164)	--	--	--	--
Total Planning	240,205	5,756,733	(1,238)	5,995,700	5,339,319	373,174	283,207
Public Works:							
Public Works Administration	5,175	589,314	--	594,489	509,481	5,176	79,832
Engineering	577,122	3,783,194	(979)	4,359,337	3,693,411	426,445	239,481
Special Maintenance	303,717	2,999,379	(7,541)	3,295,555	2,721,030	303,402	271,123
Development Services Administration	25,680	2,344,453	(32)	2,370,101	2,145,707	9,669	214,725
Total Public Works	911,694	9,716,340	(8,552)	10,619,482	9,069,629	744,692	805,161
Total General Government	**10,657,650**	**142,040,682**	**2,103,586**	**154,801,918**	**126,979,233**	**10,176,293**	**17,646,392**
Public safety:							
Prosecuting Attorney:							
Prosecutors Administration	20,072	881,453	66,689	968,214	944,394	1,412	22,408
General Prosecution	8,337	5,881,479	(81,600)	5,808,216	5,660,417	27,111	120,688
Total Prosecuting Attorney	28,409	6,762,932	(14,911)	6,776,430	6,604,811	28,523	143,096
Police:							
Police Administration	81,267	4,817,028	(5,505)	4,892,790	4,861,578	8,383	22,829
Investigative Service	69,603	11,020,274	128,037	11,217,914	10,130,178	215,447	872,289
Uniformed Patrol Services	689,665	29,282,751	(19,988)	29,952,428	28,997,326	617,074	338,028
Technical and Support Services	926,234	9,639,935	(165,719)	10,400,450	8,915,556	907,340	577,554
Total Police	1,766,769	54,759,988	(63,175)	56,463,582	52,904,638	1,748,244	1,810,700

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Fire and Public Safety:							
Fire Control Administration and Maintenance	$ 29,956	$ 1,829,062	$ 68,000	$ 1,927,018	$ 1,803,226	13,147	$ 110,645
Fire Control Training	122,866	1,093,292	(55,030)	1,161,128	1,014,715	134,931	11,482
Fire Rescue Operations	1,241,370	27,963,093	1,648,628	30,853,091	30,727,731	122,718	2,642
Fire Prevention	7,367	873,535	(181,727)	699,175	662,890	9,286	26,999
Ocean Safety Admin/Ocean Safety	37,688	3,551,622	(43,953)	3,545,357	3,362,094	181,989	1,274
Total Fire and Public Safety	1,439,247	35,310,604	1,435,918	38,185,769	37,570,656	462,071	153,042
Civil Defense:							
Civil Defense	60,079	576,495	(755)	635,819	457,780	24,901	153,138
Grant American Red Cross	--	25,000	--	25,000	25,000	--	--
Total Civil Defense	60,079	601,495	(755)	660,819	482,780	24,901	153,138
Total Public Safety	**3,294,504**	**97,435,019**	**1,357,077**	**102,086,600**	**97,562,885**	**2,263,739**	**2,259,976**
Highways and Streets:							
Transportation:							
Transportation Administration	150,822	1,194,759	(238)	1,345,343	771,155	528,963	45,225
Human Service Transportation	51,128	6,180,013	(38,116)	6,193,025	5,943,209	249,816	--
Air Ambulance Program	--	672,215	--	672,215	672,215	--	--
Total Transportation	201,950	8,046,987	(38,354)	8,210,583	7,386,579	778,779	45,225
Total Highways and Streets	**201,950**	**8,046,987**	**(38,354)**	**8,210,583**	**7,386,579**	**778,779**	**45,225**
Sanitation:							
Environmental Management:							
Environmental Management Administration	3,000	620,678	--	623,678	563,199	15,718	44,761
Total Sanitation	**3,000**	**620,678**	**--**	**623,678**	**563,199**	**15,718**	**44,761**
Social Welfare:							
Housing and Human Concerns:							
Housing and Human Concerns Administration	9,665	454,836	(2,150)	462,351	421,349	9,807	31,195
Housing	5,839	574,998	--	580,837	468,433	7,850	104,554
Affordable Rental Housing Program	--	1,000,000	--	1,000,000	979,550	20,450	--
Hale Mahaolu - Homeownership/Housing	--	80,000	--	80,000	80,000	--	--
Human Concerns - General	59,828	5,213,157	(3,904)	5,269,081	4,922,985	83,211	262,885
Hana Youth Center, Inc.	--	147,041	--	147,041	146,977	64	--
Women Helping Women	--	220,000	--	220,000	206,311	13,689	--
Early Childhood	--	170,195	--	170,195	166,354	3,841	--
Substance Abuse	36,195	500,000	--	536,195	511,779	24,416	--

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
E Malama I Na Keiki Preschool	$ --	$ 86,335	$ --	$ 86,335	$ 86,335	$ --	$ --
Homelessness Programs	134,120	1,000,000	--	1,134,120	1,060,347	73,773	--
Maui Adult Day Care Center	--	358,440	--	358,440	358,440	--	--
MCC Cooperative Education	2,575	--	(699)	1,876	1,876	--	--
MEO Headstart After School	--	245,040	--	245,040	245,040	--	--
MEO Headstart Summer	18,025	180,250	--	198,275	180,250	18,025	--
Community Partnership Grants	19,799	--	--	19,799	1,049	--	18,750
Lanai Youth Center	2,247	172,086	--	174,333	172,086	2,247	--
Kihei Youth Center	--	245,285	--	245,285	245,285	--	--
Youth	30,481	89,833	(14,929)	105,385	61,879	29,175	14,331
Maui Family Support Services	--	65,564	--	65,564	57,289	8,275	--
J. Water Cameron Center Expansion	23,250	90,000	--	113,250	23,250	--	90,000
Big Brothers and Big Sisters	--	105,892	--	105,892	105,892	--	--
Mental Health Association	--	50,000	--	50,000	50,000	--	--
Self Sufficiency	5,194	95,000	--	100,194	58,243	41,300	651
Hana Community Association	15,632	84,863	--	100,495	79,882	12,375	8,238
MEO Infant Toddler Care	--	97,850	--	97,850	97,850	--	--
Maui Community Food Bank	--	400,000	--	400,000	400,000	--	--
Maui Arts & Performing Academy	--	15,000	--	15,000	15,000	--	--
Hui Malama Learning Center	--	282,843	--	282,843	213,943	68,900	--
Family Spt - Teen Voices	4,262	42,630	--	46,892	46,892	--	--
Salvation Army	--	140,000	--	140,000	140,000	--	--
Grant for Molokai Youth Center	--	257,500	--	257,500	257,500	--	--
Imua Family Services	--	36,050	--	36,050	36,050	--	--
Paia Youth Council, Inc.	--	230,978	--	230,978	230,978	--	--
Boys and Girls Club of Maui, Inc.	--	1,026,910	--	1,026,910	1,026,910	--	--
Maui Farm	3,017	240,000	--	243,017	185,403	57,614	--
Youth Alcohol Education Awareness	25,000	100,000	(6,072)	118,928	109,236	9,692	--
Coalition for Drug Free Lanai	--	43,272	--	43,272	38,944	4,328	--
MEO Enlace Hispano Program	--	95,464	--	95,464	95,464	--	--
Lahaina Tutoring Project	--	11,000	--	11,000	11,000	--	--
Volunteer Center Project Graduation	--	47,741	--	47,741	44,182	3,559	--
Ohana Makamae	8,164	81,636	--	89,800	81,636	8,164	--
National Kidney Foundation HI	--	25,000	--	25,000	22,500	2,500	--
Lanai Women's Center	--	82,610	--	82,610	82,610	--	--
Grants/Disability Services - Frail/Elderly	346,025	777,508	(57,828)	1,065,705	808,128	243,649	13,928
Boys and Girls Club Paukukalo	--	75,000	--	75,000	--	75,000	--

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
MEO Underage Drinking	$ --	$ 50,000	$ --	$ 50,000	$ 50,000	$ --	$ --
MEO Planning & Coordinating	--	82,925	--	82,925	82,925	--	--
Grants - Best Buddies Program	--	85,000	--	85,000	85,000	--	--
MEO B.E.S.T Reintegration	--	100,000	--	100,000	96,784	3,216	--
Hale Makua	--	200,000	--	200,000	200,000	--	--
Lanai Youth Center Facility	100,000	100,000	--	200,000	25,000	175,000	--
Hawaiian Kamalii Inc.	--	18,672	--	18,672	18,672	--	--
MEO Youth Services	--	200,850	--	200,850	189,828	11,022	--
Maui Youth and Family Service, Inc.	75,000	--	--	75,000	75,000	--	--
Feed My Sleep	--	100,000	--	100,000	100,000	--	--
Hale Mahaolu Personal Care Program	103,000	103,000	(103,000)	103,000	102,907	--	93
Special Olympics Hawaii Grants	--	35,000	--	35,000	35,000	--	--
Mental Health Kokua	50,000	100,000	--	150,000	126,112	23,888	--
Roman Catholic Church	3,000	--	--	3,000	3,000	--	--
Food, Shelter, and Safety Grants	54,050	800,000	--	854,050	844,320	9,730	--
Animal Management	--	90,000	--	90,000	90,000	--	--
Animal Sheltering Program	10,301	939,302	--	949,603	939,302	--	10,301
Animal Enforcement Program	6,176	569,057	--	575,233	569,057	--	6,176
Grant - Molokai Humane Society	13,281	137,634	--	150,915	252	150,663	--
Grant - Lanai Animal Rescue	--	5,000	--	5,000	5,000	--	--
Total Housing and Human Concerns	1,164,126	19,054,247	(188,582)	20,029,791	18,273,266	1,195,423	561,102
Public Works:							
Special Maintenance	--	159,446	--	159,446	149,961	--	9,485
Total Social Welfare	**1,164,126**	**19,213,693**	**(188,582)**	**20,189,237**	**18,423,227**	**1,195,423**	**570,587**
Culture and Recreation:							
Parks and Recreation:							
Parks and Recreation Administration	46,130	2,132,176	(99,899)	2,078,407	1,859,909	55,699	162,799
MCCC Workline	5,328	117,000	(5,328)	117,000	87,850	29,150	--
Lahaina Restoration Foundation	--	184,904	--	184,904	184,904	--	--
Lahaina Restoration Capital	55,317	--	--	55,317	2,000	53,317	--
Tomorrow Equestrian Arena	15,999	--	--	15,999	5,323	10,869	(193)
Peahi Maintenance	--	25,000	--	25,000	--	--	25,000

COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Park Maintenance	$ 242,170	$ --	$ (64,475)	$ 177,695	$ 45,844	$ 131,403	$ 448
Parks Program	1,110,382	5,816,446	(114,736)	6,812,092	5,556,939	1,054,992	200,161
Planning and Development	51,287	--	--	51,287	33,872	17,027	388
Recreation and Support Services	635,659	20,501,492	62,854	21,200,005	19,136,785	452,393	1,610,827
PALS	13,775	--	--	13,775	6,375	6,000	1,400
Aquatics	23,551	--	(10,952)	12,599	4,368	4,640	3,591
Total Parks and Recreation	2,199,598	28,777,018	(232,536)	30,744,080	26,924,169	1,815,490	2,004,421
Total Culture and Recreation	**2,199,598**	**28,777,018**	**(232,536)**	**30,744,080**	**26,924,169**	**1,815,490**	**2,004,421**
Legislative:							
County Council:							
Council Services	313,765	6,513,029	(10,906)	6,815,888	5,026,652	421,600	1,367,636
County Auditor Program	255,083	1,189,949	--	1,445,032	734,104	255,589	455,339
Total County Council	568,848	7,702,978	(10,906)	8,260,920	5,760,756	677,189	1,822,975
County Clerk:							
County Clerk	157,869	1,633,439	--	1,791,308	1,035,108	106,316	649,884
Total Legislative	**726,717**	**9,336,417**	**(10,906)**	**10,052,228**	**6,795,864**	**783,505**	**2,472,859**
Totals for the General Fund	**$ 18,247,545**	**$ 305,470,494**	**$ 2,990,285**	**$ 326,708,324**	**$ 284,635,156**	**$ 17,028,947**	**$ 25,044,221**

COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Franchise tax	$ 7,000,000	$ --	$ 7,000,000	$ 8,009,005	$ 1,009,005
Fuel tax	14,000,000	--	14,000,000	16,449,820	2,449,820
Total - General revenue	21,000,000	--	21,000,000	24,458,825	3,458,825
Total - Taxes	21,000,000	--	21,000,000	24,458,825	3,458,825
Licenses and permits:					
Highways and streets:					
Motor vehicle licenses and fees	22,901,952	--	22,901,952	24,039,058	1,137,106
Total - Licenses and permits	22,901,952	--	22,901,952	24,039,058	1,137,106
Charges for current services:					
Highways and streets:					
Public transit bus fare	2,500,000	--	2,500,000	2,478,159	(21,841)
Total - Charges for current services	2,500,000	--	2,500,000	2,478,159	(21,841)
Total Highway Fund Revenues	$ 46,401,952	$ --	$ 46,401,952	$ 50,976,042	$ 4,574,090

COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Highways and streets:							
Public Works:							
Highway Administration	$ --	$ 893,565	$ --	$ 893,565	$ 563,365	$ 6,339	$ 323,861
Highway ERS & FICA	--	2,224,726	--	2,224,726	1,763,313	--	461,413
Highway Health Fund	--	1,408,873	--	1,408,873	1,297,010	--	111,863
Highway Admin Overhead	--	4,636,722	--	4,636,722	4,587,154	--	49,568
Highway Contribution to OPEB	--	661,248	--	661,248	661,248	--	--
Road/Bridge/Drain Maintenance	655,094	13,448,432	189,703	14,293,229	11,311,016	2,458,041	524,172
Traffic Signs & Marking	94,679	1,480,369	(341)	1,574,707	1,179,872	130,456	264,379
Garage Services	22,525	--	(3,532)	18,993	15,047	843	3,103
Total Public Works	772,298	24,753,935	185,830	25,712,063	21,378,025	2,595,679	1,738,359
Transportation:							
Transportation Admin	286,970	400,000	--	686,970	107,435	490,687	88,848
Transportation Shelter Cleaning	7,095	--	--	7,095	--	--	7,095
Public Transit-Highway Funds	714,914	10,860,015	--	11,574,929	10,823,658	37,608	713,663
Total Transportation	1,008,979	11,260,015	--	12,268,994	10,931,093	528,295	809,606
Total Highways and streets	**1,781,277**	**36,013,950**	**185,830**	**37,981,057**	**32,309,118**	**3,123,974**	**2,547,965**
Totals for the Highway Fund	**$ 1,781,277**	**$ 36,013,950**	**$ 185,830**	**$ 37,981,057**	**$ 32,309,118**	**$ 3,123,974**	**$ 2,547,965**

COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Licenses and permits:					
Sanitation:					
Other licenses and permits	$ --	$ --	$ --	$ 33,855	$ 33,855
Total - Licenses and permits	--	--	--	33,855	33,855
Charges for current services:					
Sanitation:					
Waste management	54,064,092	--	54,064,092	54,303,814	239,722
Total - Charges for current services	54,064,092	--	54,064,092	54,303,814	239,722
Other revenues:					
Sanitation:					
Miscellaneous program receipts	40,000	1,659,979	1,699,979	21,712	(1,678,267)
Total - Other revenues	40,000	1,659,979	1,699,979	21,712	(1,678,267)
Total Sewer Fund Revenues	$ 54,104,092	$ 1,659,979	$ 55,764,071	$ 54,359,381	$ (1,404,690)

COUNTY OF MAUI
SEWER FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Sanitation:							
Environmental Management:							
Wastewater Administration	$ 126,000	$ 2,865,143	$ (331)	$ 2,990,812	$ 2,553,726	$ 66,470	$ 370,616
Wastewater ERS & FICA	--	2,182,001	--	2,182,001	1,766,525	--	415,476
Wastewater Health Fund	--	1,381,816	--	1,381,816	1,297,753	--	84,063
Wastewater Admin Overhead	--	3,948,960	--	3,948,960	3,948,960	--	--
Wastewater contribution to OPEB	--	648,549	--	648,549	648,549	--	--
Wastewater Reclamation	2,606,188	19,300,020	(1,042,199)	20,864,009	18,304,772	1,492,274	1,066,963
Total Environmental Management	2,732,188	30,326,489	(1,042,530)	32,016,147	28,520,285	1,558,744	1,937,118
Total Sanitation	**2,732,188**	**30,326,489**	**(1,042,530)**	**32,016,147**	**28,520,285**	**1,558,744**	**1,937,118**
Totals for the Sewer Fund	**$ 2,732,188**	**$ 30,326,489**	**$ (1,042,530)**	**$ 32,016,147**	**$ 28,520,285**	**$ 1,558,744**	**$ 1,937,118**

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenues:					
General government					
Federal grants	$ 1,788,717	$ 14,382	$ 1,803,099	$ 1,139,023	$ (664,076)
State grants	1,599,020	85,000	1,684,020	1,572,335	(111,685)
Federal grants passed through the state	1,095,475	(68,459)	1,027,016	950,208	(76,808)
Total - General government	4,483,212	30,923	4,514,135	3,661,566	(852,569)
Public Safety:					
Federal grants	130,000	109,880	239,880	155,630	(84,250)
State grants	5,177,906	(239,480)	4,938,426	2,984,605	(1,953,821)
Federal grants passed through the state	1,909,656	283,015	2,192,671	2,831,874	639,203
Total - Public safety	7,217,562	153,415	7,370,977	5,972,109	(1,398,868)
Highways and streets:					
State grants	--	--	--	50,000	50,000
Federal grants passed through the state	2,524,500	(516,912)	2,007,588	781,972	(1,225,616)
Total - Highways and streets	2,524,500	(516,912)	2,007,588	831,972	(1,175,616)
Sanitation:					
State grants	110,000	(610)	109,390	109,390	--
Social welfare:					
Federal grants	22,546,142	(86,000)	22,460,142	19,563,066	(2,897,076)
State grants	1,349,492	882,132	2,231,624	1,580,578	(651,046)
Federal grants passed through the state	3,875,000	121,376	3,996,376	1,516,026	(2,480,350)
Total - Social welfare	27,770,634	917,508	28,688,142	22,659,670	(6,028,472)
Cultural and recreation:					
Federal grants passed through the state	200,000	--	200,000	101,063	(98,937)
Total - Cultural and recreation	200,000	--	200,000	101,063	(98,937)
Total - Intergovernmental revenues	42,305,908	584,324	42,890,232	33,335,770	(9,554,462)

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Interest and investment earnings:					
Social welfare:					
Interest on investments	$ --	$ 38,378	$ 38,378	$ (5,343)	$ (43,721)
Total - Interest and investment earnings	--	38,378	38,378	(5,343)	(43,721)
Other revenues:					
General government:					
Miscellaneous program receipts	--	--	--	33,932	33,932
Total - Interest and investment earnings	--	--	--	33,932	33,932
Public safety:					
Operating contributions	40,000	--	40,000	197	(39,803)
Miscellaneous program receipts	--	39,621	39,621	77,772	38,151
Total - Public safety	40,000	39,621	79,621	77,969	(1,652)
Social welfare:					
Operating contributions	316,944	44,442	361,386	340,550	(20,836)
Total - Social welfare	316,944	44,442	361,386	340,550	(20,836)
Total - Other revenues	356,944	84,063	441,007	452,451	11,444
Total Grant Fund Revenues	$ 42,662,852	$ 706,765	$ 43,369,617	$ 33,782,878	$ (9,586,739)

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
General Government:						
Office of the Mayor:						
CDBG Program Admin FY11	$ --	$ --	$ --	$ (1,522)	$ --	$ 1,522
Workforce Investment Act DWP	14,497	(14,497)	--	--	--	--
KHAKO Renewal Project Ph-1	20,497	--	20,497	--	--	20,497
CDBG Program Admin FY15	91	--	91	(141)	--	232
DLNR Maalaea Harbor Sewage P/O	--	(30,000)	(30,000)	(30,000)	--	--
NOAA/Hihwnms-Maalaea Harbor SW	--	(10,000)	(10,000)	(10,000)	--	--
Workforce Innovation Opportunity	24,732	(17,624)	7,108	7,108	--	--
Ho'olehua Pumper	1,552	(1,552)	--	--	--	--
LCHC New Facility	361,273	(315,543)	45,730	--	--	45,730
WHW Emergency Shelter Rehab	4,524	(4,524)	--	--	--	--
CDBG Program Admin FY16	1,199	--	1,199	1,199	--	--
HTA Product Enrichment CY16	500	(500)	--	--	--	--
WIOA Adult & Dislocated Worker	37,371	(27,547)	9,824	9,824	--	--
WIOA Admin PY2015	3,985	--	3,985	3,985	--	--
Cameron Center Rehab & Improvements	--	122,620	122,620	--	122,620	--
Rehabilitation of MFSS Bldg	--	199,000	199,000	--	199,000	--
Housing Rehab Loan Project Inc	11,967	(104)	11,863	11,863	--	--
MEO Molokai Shuttle Svc Bus B	10,164	--	10,164	--	--	10,164
Lahaina Surf Preservation	203,893	--	203,893	185,147	--	18,746
WIOA Youth Activities	191,553	--	191,553	162,411	930	28,212
The Maui Farm Rehabilitation	287,576	--	287,576	242,241	--	45,335
KHAKO Staircase Safety	386,775	--	386,775	260,460	--	126,315
Cameron Ctr Rehab & Improvement	247,030	--	247,030	1,690	245,340	--
CDBG Program Admin FY17	19,541	--	19,541	19,541	--	--
HTA County Product Enrichment	26,781	70,000	96,781	51,282	--	45,499
WIOA Adult Program	182,339	--	182,339	144,697	930	36,712
WIOA Admin PY2016	15,350	--	15,350	15,217	--	133
WIOA Dislocated Worker	151,808	--	151,808	141,778	930	9,100
2016 Hawaii Severe Storms	743,477	--	743,477	--	--	743,477
WIOA Youth Activities	--	177,431	177,431	--	112,000	65,431
KHAKO Renewal Project Ph II	--	296,944	296,944	--	296,944	--
CDBG Program Admin FY18	--	360,620	360,620	345,640	141	14,839
WIOA Adjult Program	--	159,613	159,613	22,000	78,194	59,419
WIOA Admin PY2017	--	53,902	53,902	19,982	--	33,920
WIOA Dislocated Worker	--	148,087	148,087	28,000	61,843	58,244

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Hale Mahaolu Ewalu Sr Ctr	$ --	$ 550,000	$ 550,000	$ --	$ 550,000	$ --
Hale Makua Kahului Gen Upgrade	--	270,465	270,465	--	270,465	--
Rehabilitation of MFSS Bldg	--	325,070	325,070	72,900	252,170	--
SOH Dept of Labor/Industrial	--	15,000	15,000	15,000	--	--
Total Office of the Mayor	2,948,475	2,326,861	5,275,336	1,720,302	2,191,507	1,363,527
Finance:						
State Disability & Comm	11,504	(11,504)	--	--	--	--
Comml Driver's License FY17	861	(861)	--	--	--	--
State Disability & Comm	--	10,463	10,463	10,463	--	--
Comml Driver's License FY18	--	511,691	511,691	511,691	--	--
Periodic Motor Vehicle Inspection FY18	--	465,448	465,448	465,448	--	--
State Identification Program	--	201,706	201,706	201,706	--	--
State Motor Vehicle Registration	--	313,346	313,346	313,346	--	--
Total Finance	12,365	1,490,289	1,502,654	1,502,654	--	--
Planning:						
Coastal Zone Management FY17	154,778	--	154,778	154,778	--	--
Coastal Zone Management FY18	--	427,081	427,081	282,084	--	144,997
Total Planning	154,778	427,081	581,859	436,862	--	144,997
Public Works:						
FHWA Projects State Reviews	9,008	32,000	41,008	8,159	--	32,849
FHWA Various Projects County	4	28,902	28,906	27,511	--	1,395
Total Public Works	9,012	60,902	69,914	35,670	--	34,244
Total General Government	**3,124,630**	**4,305,133**	**7,429,763**	**3,695,488**	**2,191,507**	**1,542,768**
Public safety:						
Prosecuting Attorney:						
E Byrne Memorial Jag FY15	57,488	(56,249)	1,239	1,239	--	--
Asset Forfeitures Program	--	39,621	39,621	39,621	--	--
Asset Forfeitures Program	211	(1,751)	(1,540)	(1,540)	--	--
Defendant/Witness Trial Program	38,166	(9,578)	28,588	28,588	--	--
Prosecutors Training Program	50,000	--	50,000	--	--	50,000
Highway Safety/Impaired Driving	2,815	--	2,815	--	--	2,815
Highway Safety/Traffic Records	4,504	--	4,504	--	--	4,504
SOH Grant-in-Aid	31,002	(55,695)	(24,693)	(24,693)	--	--
Special Needs Advocacy Program	8,417	(200)	8,217	8,217	--	--
Special Needed Advocacy Supplemental	613,407	--	613,407	589,603	--	23,804

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Victim/Witness Assistance Program	$ 2,092	$ (1)	$ 2,091	$ 2,091	$ --	$ --
DPA 2017 Traffic Records	6,778	2,858	9,636	9,636	--	--
Maui Prosecutors Office	14,546	(7,606)	6,940	6,940	--	--
Victim/Witness Assistance Program	--	58,377	58,377	58,377	--	--
Career Criminal Program	--	130,262	130,262	128,766	--	1,496
DPA 2018 Traffic Records	--	8,490	8,490	2,878	--	5,612
Domestic Violence Investigation	--	53,022	53,022	53,022	--	--
Total Prosecuting Attorney	829,426	161,550	990,976	902,745	--	88,231
Police:						
Federal Equity/Sharing Forfeiture Policy	864	(864)	--	--	--	--
Training Grants - SOH Various	252,387	(261,250)	(8,863)	(8,863)	--	--
State e911 Wireless Commission	119,249	--	119,249	--	--	119,249
Federal Equity/Sharing Forfeiture Policy	135	(135)	--	--	--	--
Training Grants FY2013	72,776	(69,503)	3,273	3,273	--	--
HI Intragency Mobile Police 02	2,507	--	2,507	2,507	--	--
Training Grants FY2014	72,125	(71,909)	216	216	--	--
Violence Against Women Act	2,113	--	2,113	--	--	2,113
Police Forfeitures	--	9,175	9,175	9,175	--	--
Training Grants FY2015	92,000	(98,078)	(6,078)	(6,078)	--	--
State e911 Wireless Commission	174,383	(201,409)	(27,026)	(27,026)	--	--
HI Intragency Mobile Police 03	4,279	--	4,279	4,279	--	--
Police Against Street Sales 06	423	--	423	423	--	--
HC&S Community Initiative	3,000	--	3,000	--	200	2,800
State e911 Wireless Commission	340,334	--	340,334	--	--	340,334
Training Grants FY2016	79,995	--	79,995	3,463	8,000	68,532
Domestic Violence: Strangulation	2,885	45,000	47,885	46,895	--	990
MPD Traffic Services	5,922	--	5,922	--	--	5,922
MPD Traffic Data Records	9,751	--	9,751	--	--	9,751
MPD Speed Enforcement	8,768	--	8,768	--	--	8,768
MPD Roadblock Program	47,870	--	47,870	--	--	47,870
Distracted Driving Enforcement	3,458	--	3,458	--	--	3,458
MPD Seat Belt Program	82,258	--	82,258	--	--	82,258
MPD Child Restraint Program	48,428	--	48,428	--	--	48,428
Hawaii Narcotics Task Force	163	--	163	--	--	163
SW Marijuana Eradication	1,085	--	1,085	--	--	1,085
Body Worn Camera Impl Project	44,709	--	44,709	44,661	--	48
Sex Assault	22,394	--	22,394	22,394	--	--

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
911 EMS Dispatch Communication	$ 18,245	$ --	$ 18,245	$ 18,245	$ --	$ --
Kalo Program	7,527	--	7,527	7,527	--	--
MPD Traffic Services	55,743	--	55,743	33,194	--	22,549
MPD Traffic Data Records	67,862	--	67,862	63,788	--	4,074
MPD Speed Enforcement	55,064	--	55,064	47,290	--	7,774
MPD Roadblock Program	185,983	--	185,983	84,577	--	101,406
Distracted Driving Enforcement	36,000	--	36,000	6,405	--	29,595
Hawaii Narcotics Task Force	14,958	--	14,958	13,628	--	1,330
MPD Seat Belt Program	80,256	--	80,256	2,725	--	77,531
High Intensity Drug Trafficking	11,655	37,255	48,910	48,910	--	--
MPD Child Restraint Program	56,515	--	56,515	8,111	--	48,404
State e911 Wireless Commission	1,371,308	--	1,371,308	(5,899)	439,729	937,478
SW Marijuana Eradication	34,421	--	34,421	34,402	--	19
Prohibit Tobacco Sales to Minors	2,346	--	2,346	--	--	2,346
FY16 Jag Program	115,978	--	115,978	2,526	--	113,452
Drug Enforcement Agency	45,000	--	45,000	45,000	--	--
Positive Outreach Intervention	84,045	--	84,045	84,045	--	--
911 EMS Dispatch Communication	--	376,866	376,866	370,635	--	6,231
Domestic Violence: Stalking/Homicide	--	53,022	53,022	21,255	--	31,767
Kalo Program	--	89,000	89,000	75,872	1,134	11,994
Ho'ohuli Program	--	59,682	59,682	51,788	--	7,894
MPD Speed Equipment	--	41,100	41,100	12,449	5,447	23,204
MPD Traffic Services	--	105,433	105,433	49,852	--	55,581
MPD Traffic Data Records	--	90,065	90,065	32,508	--	57,557
MPD Speed Enforcement	--	203,601	203,601	96,442	--	107,159
Distracted Driving Enforcement	--	68,249	68,249	57,645	--	10,604
MPD Roadblock Program	--	366,081	366,081	190,640	49,878	125,563
MPD Seat Belt Program	--	105,850	105,850	52,147	--	53,703
High Intensity Drug Trafficking	--	203,150	203,150	82,908	4,835	115,407
MPD Child Restraint Program	--	62,100	62,100	15,559	1,020	45,521
State e911 Wireless Commission	--	3,029,000	3,029,000	1,202,400	1,675,941	150,659
SW Multi Jurisdictional Drug	--	46,599	46,599	1,994	--	44,605
Positive Outreach Intervention	--	85,263	85,263	9,401	--	75,862
Federal Justice Forfeiture	62,418	132,957	195,375	123,658	50,000	21,717
Total Police	3,799,585	4,506,300	8,305,885	3,036,946	2,236,184	3,032,755
Fire and Public Safety:						
EMS (Fire) Training (PVT) IAAI	--	--	--	(12)	--	12

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Fire/LEPC (DOH) HMEP	$ 46,622	$ 12,818	$ 59,440	$ 9,904	$ --	$ 49,536
Private Donations - Fire Department	20,200	--	20,200	--	--	20,200
Fireman's Fund Insurance Co	--	167	167	167	--	--
FY15 Assistance to Firefighter Grants	527,046	--	527,046	527,046	--	--
Makena Lifeguard Services	18,110	--	18,110	18,110	--	--
USDA Rural 1st Responder Lanai	9,083	--	9,083	9,083	--	--
USDA Rural 1st Responder Molokai	3,548	--	3,548	3,548	--	--
MFD Extrication Tools	--	17,344	17,344	--	17,344	--
Makena Lifeguard Services	--	1,056,059	1,056,059	1,056,059	--	--
Fire NDRI Grant	--	40,000	40,000	--	--	40,000
Fire Training Grant (Chevron)	--	--	--	(508)	--	508
Firefighters Charitable Foundation	550	--	550	550	--	--
FEMA Fire Training Funds	6,338	--	6,338	1,477	--	4,861
Total Fire and Public Safety	631,497	1,126,388	1,757,885	1,625,424	17,344	115,117
Emergency Management Agency:						
Emergency Mgt Performance Grant	85,000	(85,000)	--	--	--	--
State Homeland Security	116,743	--	116,743	101,030	3,840	11,873
Emergency Mgt Performance Grant	19	--	19	19	--	--
State Homeland Security	570,492	--	570,492	232,754	18,648	319,090
Emergency Mgt Performance Grant	--	100,000	100,000	92,356	--	7,644
State Homeland Security	--	733,000	733,000	58,809	149,955	524,236
Total Emergency Management Agency	772,254	748,000	1,520,254	484,968	172,443	862,843
Total Public Safety	**6,032,762**	**6,542,238**	**12,575,000**	**6,050,083**	**2,425,971**	**4,098,946**
Highways and Streets:						
Public Works:						
SOH Department of Health	--	24,500	24,500	18,978	--	5,522
Total Public Works	--	24,500	24,500	18,978	--	5,522
Transportation:						
FTA#5309 Formula Funds Program	1,835,686	--	1,835,686	--	--	1,835,686
FTA5309 Livability Program FY13	20,286	--	20,286	--	--	20,286
FTA Rural Trnst Asst - RTAP	1,104	--	1,104	--	--	1,104
FTA Planning Program 5305(e)	3,817	--	3,817	--	--	3,817
FTA Sec5305 Metropolitan Trans	153,087	(50,000)	103,087	102,759	--	328
FTA Sec5339 Bus/Bus Facility Form	928,206	--	928,206	425,490	308,037	194,679
FTA Sec5311 Non-Urbanized	17,899	--	17,899	6,721	--	11,178
FHWA Maui Metro Planning Org	188,317	50,000	238,317	89,008	137,711	11,598
FTA Sec5311 Non-Urbanized	--	492,409	492,409	--	--	492,409

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
FHWA Maui MPO FY18 UPWP	$ --	$ 250,000	$ 250,000	$ 10,302	$ 152,100	$ 87,598
Sec5307 Urbanized Area Formula	--	1,040,679	1,040,679	--	1,040,365	314
FTA Maui MPO FY18 UPWP	--	200,000	200,000	178,714	176	21,110
Total Transportation	3,148,402	1,983,088	5,131,490	812,994	1,638,389	2,680,107
Total Highways and Streets	**3,148,402**	**2,007,588**	**5,155,990**	**831,972**	**1,638,389**	**2,685,629**
Sanitation:						
Environmental Management:						
W Maui Recycled Water System Exp	671,000	--	671,000	--	--	671,000
Hyatt/W Maui Recycled Water	501,237	--	501,237	--	--	501,237
Starwood/W Maui Recyled Water	1,863,840	--	1,863,840	--	--	1,863,840
Glass Recovery Program	--	109,390	109,390	109,390	--	--
Total Environmental Management	3,036,077	109,390	3,145,467	109,390	--	3,036,077
Total Sanitation	**3,036,077**	**109,390**	**3,145,467**	**109,390**	**--**	**3,036,077**
Social Welfare:						
Office of the Mayor:						
Hawaii St Comm/Status Women	598	(567)	31	31	--	--
Hawaii St Comm/Status Women	725	(699)	26	26	--	--
Hawaii State Energy	--	10,000	10,000	10,000	--	--
Hawaii St Comm/Status Women	--	3,000	3,000	1,601	--	1,399
2017 Made in Maui County Festival	--	5,000	5,000	5,000	--	--
Total Office of the Mayor	1,323	16,734	18,057	16,658	--	1,399
Housing and Human Concerns:						
Aging Title III DHHS FY11 MA201103	190	--	190	--	190	--
MSC Leisure FY2012	23,815	--	23,815	23,815	--	--
Sec 8 Housing Admin Prg FY2013	45	--	45	--	45	--
Elder Abuse Prevention SF14	1	(1)	--	--	--	--
Leisure Activities FY14	51,203	--	51,203	51,203	--	--
Sec 8 Housing Admin FY2014	198,283	--	198,283	--	148	198,135
Leisure Activities FY15	48,358	--	48,358	8,759	12,999	26,600
Aging Title III Programs	19,309	--	19,309	19,309	--	--
Aging & Disability Resource	350,264	853,417	1,203,681	728,652	7,356	467,673
Healthy Aging Partnership	11,866	202,376	214,242	14,101	--	200,141
Healthy Aging Voluntary Contribution	15,851	45,000	60,851	20,688	--	40,163
Home FFY14 Administration	72,870	--	72,870	40,240	4,855	27,775
Home FFY14 Kulamalu Ah Prj	24,519	--	24,519	24,519	--	--

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Sec 8 Housing Admin FY15	$ 1,417	$ --	$ 1,417	$ --	$ 1,262	$ 155
Kupuna Care Program	68,839	1,000	69,839	69,839	--	--
Leisure Activities FY16	85,223	--	85,223	509	54,260	30,454
Matson Foundation Contrib	2,000	1,000	3,000	2,000	--	1,000
Aging Title III Programs	12,115	17	12,132	12,132	--	--
Kupuna Care Voluntary Contribution	200	70	270	270	--	--
Elder Abuse Prevention SY16	1,991	--	1,991	1,991	--	--
Strategic Prevention Framework	171,173	71,871	243,044	118,153	18,488	106,403
Sec 8 Housing Voucher FY16	2,040	--	2,040	2,040	--	--
Sec 8 Housing Admin FY16	3,522	(3,522)	--	--	--	--
Fss Coordinator Grant	24,379	--	24,379	--	--	24,379
Kupuna Care Program	523,597	(111,562)	412,035	300,612	38,416	73,007
Elderly Lunch-A&B Kokua	2,813	--	2,813	2,813	--	--
Congregate Meals NSIP FY17	18,053	31,935	49,988	49,988	--	--
Home Delivered Meals NSIP FY17	--	31,935	31,935	31,935	--	--
Leisure Activities FY17	102,362	--	102,362	--	--	102,362
Aging Title III Programs	356,201	(88,512)	267,689	196,002	--	71,687
RSVP Retired & Sr Vol Program	50,876	--	50,876	50,876	--	--
Nutrition Svcs Incentive	61,076	(61,076)	--	--	--	--
Elder Abuse Prevention SY17	23,687	--	23,687	(1,392)	--	25,079
Sec 8 Housing Admin FY17	1,855	--	1,855	--	1,652	203
Sec 8 Family Self-Sufficient	110,294	41,371	151,665	52,153	--	99,512
Assisted Transport F&E - County	--	10,000	10,000	10,000	--	--
Home FFY17 Administration	--	150,848	150,848	--	--	150,848
Home FFY17 Kaiwahine Village	--	2,250,000	2,250,000	--	--	2,250,000
Home FFY17 Kahoma Residential	--	483,113	483,113	--	--	483,113
Kupuna Care Program	--	971,274	971,274	199,013	282,463	489,798
Kupuna Caregivers Program	--	83,898	83,898	63,359	20,539	--
Assisted Transportation SH POS08	33,772	--	33,772	28,948	4,824	--
Elderly Lunch-A&B Kokua	--	20,000	20,000	20,000	--	--
Assisted Transport Private Contribution	--	15,117	15,117	15,117	--	--
Congregate Meals NSIP FY18	--	70,015	70,015	--	--	70,015
Congregate Meals Private Donation	--	86,034	86,034	86,034	--	--
Home Delivered Meals NSIP FY18	--	57,285	57,285	57,285	--	--
Home Delivered Meals Private Donation	--	90,030	90,030	90,030	--	--
Leisure Activities FY18	--	103,133	103,133	19,325	--	83,808
Assist Transport-Kupuna	--	83,074	83,074	83,074	--	--

COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Congregate Meals Title III	$ --	$ 105,186	$ 105,186	$ 105,186	$ --	$ --
Home Delivered Meals Kupuna	--	101,000	101,000	101,000	--	--
Home Delivered Meals Title III	--	86,828	86,828	86,828	--	--
Aging Title III Prgs	--	721,011	721,011	211,825	59,519	449,667
State Health Insurance Assistance Program	--	28,500	28,500	--	--	28,500
RSVP Retired & Sr Vol Prg	--	65,850	65,850	16,970	--	48,880
Nutrition Services Incentive	--	70,015	70,015	--	--	70,015
Elder Abuse Prevention SY18	--	26,492	26,492	--	--	26,492
Sec 8 Housing Voucher FY18	--	17,886,293	17,886,293	17,886,293	--	--
Sec 8 Housing Admin FY18	--	1,838,708	1,838,708	1,170,608	13,478	654,622
Fss Coordinator Grant	--	24,732	24,732	22,424	--	2,308
Sec8 Hsg Asst Pymts (HAP)-NRA	1,102,746	473,823	1,576,569	2,689	--	1,573,880
Sec8 Hsg Asst Pymts (Adm)-NRA	1,470,993	24,686	1,495,679	--	--	1,495,679
Total Housing and Human Concerns	5,047,798	26,942,264	31,990,062	22,097,215	520,494	9,372,353
Total Social Welfare	**5,049,121**	**26,958,998**	**32,008,119**	**22,113,873**	**520,494**	**9,373,752**
Culture and Recreation:						
Parks and Recreation:						
ST/HI Nahiku Community Center	250,000	--	250,000	--	--	250,000
War Memorial Stadium	829,855	--	829,855	--	--	829,855
Play & Learn Sessions (PALS)	24,785	(24,785)	--	--	--	--
Play & Learn Sessions (PALS)	--	101,063	101,063	101,063	--	--
Total Parks and Recreation	1,104,640	76,278	1,180,918	101,063	--	1,079,855
Total Culture and Recreation	**1,104,640**	**76,278**	**1,180,918**	**101,063**	**--**	**1,079,855**
Totals for the Intergovernmental Grants Fund	**$ 21,495,632**	**$ 39,999,625**	**$ 61,495,257**	**$ 32,901,869**	**$ 6,776,361**	**$ 21,817,027**

COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Charges for current services:					
Sanitation:					
Refuse	$ 8,637,784	$ 150,000	$ 8,787,784	$ 8,710,706	$ (77,078)
Landfill disposal fee	13,241,864	--	13,241,864	14,434,424	1,192,560
Total - Sanitation	21,879,648	150,000	22,029,648	23,145,130	1,115,482
Total - Charges for current services	21,879,648	150,000	22,029,648	23,145,130	1,115,482
Other revenues:					
Sanitation:					
Miscellaneous program receipts	--	--	--	7,609	7,609
Total - Sanitation	--	--	--	7,609	7,609
Total - Other revenues	--	--	--	7,609	7,609
Total Solid Waste Fund Revenues	$ 21,879,648	$ 150,000	$ 22,029,648	$ 23,152,739	$ 1,123,091

COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Sanitation:							
Environmental Management:							
Malama Maui Nui	$ --	$ 155,500	$ --	$ 155,500	$ 155,000	$ --	$ 500
EP&S Solid Waste Alternative	525,547	7,033,196	(15,738)	7,543,005	6,421,289	884,014	237,702
Solid Waste Administration	9,910	1,283,380	(3,538)	1,289,752	1,173,968	4,944	110,840
Solid Waste ERS & FICA	--	1,748,195	--	1,748,195	1,450,557	--	297,638
Solid Waste Health Fund	--	1,103,059	--	1,103,059	1,066,276	--	36,783
Solid Waste Admin Overhead	--	4,554,793	--	4,554,793	4,554,793	--	--
Solid Waste Contribution to OPEB	--	519,610	--	519,610	495,888	--	23,722
Solid Waste Operations	955,998	12,573,175	179,483	13,708,656	12,719,266	583,966	405,424
Total Environmental Management	1,491,455	28,970,908	160,207	30,622,570	28,037,037	1,472,924	1,112,609
Total Sanitation	**1,491,455**	**28,970,908**	**160,207**	**30,622,570**	**28,037,037**	**1,472,924**	**1,112,609**
Totals for the Solid Waste Fund	**$ 1,491,455**	**$ 28,970,908**	**$ 160,207**	**$ 30,622,570**	**$ 28,037,037**	**$ 1,472,924**	**$ 1,112,609**

COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Licenses and permits:					
Social Welfare:					
Business licenses and permits	$ 2,428,055	$ --	$ 2,428,055	$ 2,306,473	$ (121,582)
Total - Licenses and permits	2,428,055	--	2,428,055	2,306,473	(121,582)
Total Liquor Control Fund Revenues	$ 2,428,055	$ --	$ 2,428,055	$ 2,306,473	$ (121,582)

COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Social Welfare:							
Liquor Control:							
Liquor Control General	$ 27,849	$ 2,062,115	$ --	$ 2,089,964	$ 1,521,679	$ 60,527	$ 507,758
Liquor Admin Overhead Charges	--	1,088,039	--	1,088,039	804,524	--	283,515
Total Liquor Control	27,849	3,150,154	--	3,178,003	2,326,203	60,527	791,273
Total Social Welfare	**27,849**	**3,150,154**	**--**	**3,178,003**	**2,326,203**	**60,527**	**791,273**
Totals for the Liquor Control Fund	**$ 27,849**	**$ 3,150,154**	**$ --**	**$ 3,178,003**	**$ 2,326,203**	**$ 60,527**	**$ 791,273**

COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenue:					
Capital improvement projects:					
State grants	$ 225,000	$ (132,044)	$ 92,956	$ 33,287	$ (59,669)
Federal grants passed through the state	12,689,586	343,633	13,033,219	4,923,384	(8,109,835)
Total - Intergovernmental revenues	12,914,586	211,589	13,126,175	4,956,671	(8,169,504)
Interest and investment earnings:					
General revenue:					
Interest on investments	--	--	--	11,068	11,068
Capital improvement projects:					
Interest on investments	--	--	--	(607)	(607)
Total - Interest and investment earnings	--	--	--	10,461	10,461
Total Capital Improvement Projects Fund Revenues	$ 12,914,586	$ 211,589	$ 13,126,175	$ 4,967,132	$ (8,159,043)

COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
EXPENDITURES:				
Capital outlay:				
Drainage	$ 3,990,074	$ 4,577,786	$ 8,567,860	$ 19,300,614
Other projects	2,445,779	2,818,018	5,263,797	7,470,987
Government facilities	7,206,595	7,815,459	15,022,054	41,067,688
Parks and recreation	1,489,546	14,093,943	15,583,489	58,714,068
Roads	54,681,134	17,520,866	72,202,000	104,169,584
Solid waste facilities	968,941	6,224,066	7,193,007	16,030,000
Wastewater facilities	20,491,025	34,002,077	54,493,102	102,381,925
Total Expenditures	$ 91,273,094	$ 87,052,215	$ 178,325,309	$ 349,134,866

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2018 AND 2017

	2018	2017 (Restated)
Governmental activities capital assets:		
Land	$ 179,450,769	$ 180,955,971
Buildings and systems	167,253,107	164,636,022
Improvements other than buildings	150,422,753	146,556,281
Machinery and equipment	159,569,584	153,136,837
Infrastructure	1,201,636,318	1,163,565,068
Construction in progress	89,179,817	72,267,585
Accumulated depreciation	(1,130,019,904)	(1,085,503,723)
Total governmental activities capital assets	$ 817,492,444	$ 795,614,041

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2018

Function and Department	Land	Buildings and Systems	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Accumulated Depreciation	Total
General government:								
Office of the Mayor	$ 13,013,208	$ --	$ 1,800,722	$ 121,426	$ --	$ --	$ (852,122)	$ 14,083,234
Management	10,875,881	1,075,286	--	4,526,563	--	3,705,910	(3,933,774)	16,249,866
Corporation Counsel	--	--	--	91,719	--	--	(91,719)	--
Finance	--	845,180	--	824,159	--	--	(1,427,895)	241,444
Planning	--	--	--	547,108	--	6,626,353	(547,108)	6,626,353
Parks and Recreation	2,893,700	306,300	--	--	--	--	(162,084)	3,037,916
Public Works	12,987,221	14,508,070	11,546,613	987,372	--	2,486,208	(22,187,229)	20,328,255
Total for General government	39,770,010	16,734,836	13,347,335	7,098,347	--	12,818,471	(29,201,931)	60,567,068
Public safety:								
Management	--	--	--	--	17,535,769	6,199,504	(2,850,408)	20,884,865
Prosecuting Attorney	--	--	--	230,741	--	--	(225,763)	4,978
Police	1,318,642	54,857,780	4,763,175	31,348,003	--	398,512	(52,636,027)	40,050,085
Fire and Public Safety	1,186,759	39,585,926	1,030,587	27,324,384	--	936,990	(46,753,945)	23,310,701
Emergency Management Agency	--	--	--	432,874	--	--	(369,979)	62,895
Total for Public safety	2,505,401	94,443,706	5,793,762	59,336,002	17,535,769	7,535,006	(102,836,122)	84,313,524
Highways and streets:								
Public Works	61,177,405	--	643,821	26,197,887	643,996,272	17,178,043	(494,360,390)	254,833,038
Transportation	--	2,783,973	--	14,113,587	--	92,010	(13,163,370)	3,826,200
Total for Highways and streets	61,177,405	2,783,973	643,821	40,311,474	643,996,272	17,270,053	(507,523,760)	258,659,238
Sanitation:								
Environmental Management	4,231,745	1,927,524	--	39,771,019	540,104,277	39,460,816	(353,131,786)	272,363,595
Total for Sanitation	4,231,745	1,927,524	--	39,771,019	540,104,277	39,460,816	(353,131,786)	272,363,595
Social welfare:								
Liquor Control	--	--	--	477,182	--	--	(379,611)	97,571
Housing and Human Concerns	--	14,455,693	1,091,405	1,399,189	--	--	(12,883,744)	4,062,543
Total for Social welfare	--	14,455,693	1,091,405	1,876,371	--	--	(13,263,355)	4,160,114
Culture and recreation:								
Parks and Recreation	71,766,208	36,907,375	129,546,430	10,982,548	--	12,095,471	(123,884,402)	137,413,630
Total for Culture and recreation	71,766,208	36,907,375	129,546,430	10,982,548	--	12,095,471	(123,884,402)	137,413,630
Legislative:								
County Council	--	--	--	94,778	--	--	(94,778)	--
County Clerk	--	--	--	99,045	--	--	(83,770)	15,275
Total for Legislative	--	--	--	193,823	--	--	(178,548)	15,275
Cost of capital assets used by governmental funds	$ 179,450,769	$ 167,253,107	$ 150,422,753	$ 159,569,584	$ 1,201,636,318	$ 89,179,817	$ (1,130,019,904)	$ 817,492,444

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2018

Function and Department	Capital Assets July 1, 2017 (Restated)	Additions	Deductions	Governmental Capital Assets June 30, 2018
General government:				
Office of the Mayor	$ 14,949,907	$ --	$ 14,551	$ 14,935,356
Management	19,896,598	1,731,696	1,444,653	20,183,641
Corporation Counsel	91,719	--	--	91,719
Finance	1,629,223	168,685	128,569	1,669,339
Planning	2,479,230	4,694,231	--	7,173,461
Parks and Recreation	3,200,000	--	--	3,200,000
Public Works	41,865,976	888,657	239,149	42,515,484
Total for General government	84,112,653	7,483,269	1,826,922	89,769,000
Public safety:				
Management	23,627,097	904,135	795,960	23,735,272
Prosecuting Attorney	174,753	55,989	--	230,742
Police	92,152,303	1,494,943	961,134	92,686,112
Fire and Public Safety	68,864,569	1,655,886	455,809	70,064,646
Emergency Management Agency	432,874	--	--	432,874
Total for Public safety	185,251,596	4,110,953	2,212,903	187,149,646
Highways and streets:				
Public Works	729,109,547	47,007,800	26,923,918	749,193,429
Transportation	17,359,843	1,002,803	1,373,075	16,989,571
Total for Highways and streets	746,469,390	48,010,603	28,296,993	766,183,000
Sanitation:				
Environmental Management	585,819,802	65,633,185	25,957,607	625,495,380
Total for Sanitation	585,819,802	65,633,185	25,957,607	625,495,380
Social welfare:				
Liquor Control	502,531	136,554	161,904	477,181
Housing and Human Concerns	33,329,217	(2,838,034)	13,544,895	16,946,288
Total for Social welfare	33,831,748	(2,701,480)	13,706,799	17,423,469
Culture and recreation:				
Parks and Recreation	245,438,752	22,533,984	6,674,706	261,298,030
Total for Culture and recreation	245,438,752	22,533,984	6,674,706	261,298,030
Legislative:				
County Council	94,778	--	--	94,778
County Clerk	99,045	--	--	99,045
Total for Legislative	193,823	--	--	193,823
Cost of capital assets used by governmental funds	1,881,117,764	145,070,514	78,675,930	1,947,512,348
Less accumulated depreciation	(1,085,503,723)	(47,700,047)	3,183,866	(1,130,019,904)
Capital assets net of accumulated depreciation	$ 795,614,041	$ 97,370,467	$ 75,492,064	$ 817,492,444

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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**

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (Restated)	2018
Governmental activities										
Net investment in capital assets	$ 343,638	$ 371,411	$ 361,022	$ 395,526	$ 396,519	$ 457,961	$ 478,521	$ 498,764	$ 545,878	$ 585,828
Restricted	76,825	83,950	91,162	71,585	68,375	47,433	61,863	63,422	51,730	49,599
Unrestricted [1]	98,814	85,356	85,850	55,090	72,103	42,753	(285,629)	(288,507)	(587,846)	(624,083)
Total governmental activities net position	$ 519,277	$ 540,717	$ 538,034	$ 522,201	$ 536,997	$ 548,147	$ 254,755	$ 273,679	$ 9,762	$ 11,344
Business-type activities										
Net investment in capital assets	$ 271,646	$ 285,042	$ 290,830	$ 286,968	$ 290,752	$ 284,637	$ 282,110	$ 291,052	$ 295,171	$ 313,510
Restricted	14,816	14,973	14,609	13,646	12,284	13,082	11,612	14,825	16,924	20,212
Unrestricted [1]	19,023	18,970	26,167	32,605	36,456	46,042	24,512	17,489	793	7,841
Total business-type activities net position	$ 305,485	$ 318,985	$ 331,606	$ 333,219	$ 339,492	$ 343,761	$ 318,234	$ 323,366	$ 312,888	$ 341,563
Primary government										
Net investment in capital assets	$ 615,284	$ 656,453	$ 651,852	$ 682,494	$ 687,271	$ 742,598	$ 760,631	$ 789,816	$ 841,049	$ 899,338
Restricted	91,641	98,923	105,771	85,231	80,659	60,515	73,475	78,247	68,654	69,811
Unrestricted [1]	117,837	104,326	112,017	87,695	108,559	88,795	(261,117)	(271,018)	(587,053)	(616,242)
Total primary government net position	$ 824,762	$ 859,702	$ 869,640	$ 855,420	$ 876,489	$ 891,908	$ 572,989	$ 597,045	$ 322,650	$ 352,907

[1] Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.*

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

Expenses [1]	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Governmental activities:										
General government	$ 96,688	$ 100,571	$ 126,334	$ 134,646	$ 107,565	$ 118,866	$ 109,324	$ 116,872	$ 133,763	$ 144,002
Public safety	83,079	80,480	85,000	84,585	85,261	84,280	92,377	97,558	125,407	137,158
Highways and streets	47,619	48,876	51,132	46,329	45,106	51,607	49,174	49,842	53,976	58,656
Sanitation	55,094	69,920	58,654	62,793	65,402	69,856	68,234	69,022	74,741	77,892
Social welfare	43,522	44,303	40,782	42,989	46,866	46,072	43,078	46,333	59,429	47,479
Culture and recreation	30,698	36,310	36,239	34,396	33,018	34,418	34,837	34,896	37,626	37,165
Legislative	5,318	5,200	5,248	5,251	5,539	5,998	6,447	6,416	7,408	7,861
Interest on long-term debt	10,628	10,131	9,438	8,926	8,960	7,982	8,559	7,563	6,867	6,230
Total governmental activities expenses	$ 372,646	$ 395,791	$ 412,827	$ 419,915	$ 397,717	$ 419,079	$ 412,030	$ 428,502	$ 499,217	$ 516,443
Business-type activities:										
Department of Water Supply	$ 46,959	$ 46,827	$ 46,687	$ 54,013	$ 53,612	$ 55,539	$ 64,514	$ 62,275	$ 62,208	$ 63,437
Housing, Interim Financing and Buy-Back Revolving Fund	175	610	206	268	207	514	206	208	193	813
Golf Course Special Fund	2,138	2,389	2,088	2,096	2,235	2,348	3,400	3,500	3,884	3,830
Total business-type activities expenses	49,272	49,826	48,981	56,377	56,054	58,401	68,120	65,983	66,285	68,080
Total primary government expenses	$ 421,918	$ 445,617	$ 461,808	$ 476,292	$ 453,771	$ 477,480	$ 480,150	$ 494,485	$ 565,502	$ 584,523
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 12,663	$ 10,950	$ 12,433	$ 12,602	$ 13,265	$ 13,104	$ 14,455	$ 14,287	$ 14,066	$ 15,788
Public safety	1,465	337	436	452	458	550	417	839	454	616
Highways and streets	10,166	12,097	17,821	20,006	21,272	21,859	22,229	23,914	24,488	26,960
Sanitation	48,682	54,093	59,082	60,568	61,559	59,583	62,359	64,857	73,004	78,989
Social welfare	2,518	2,563	2,360	2,534	2,403	3,202	2,488	2,161	2,558	2,576
Culture and recreation	542	584	511	574	617	670	479	673	611	741
Operating grants and contributions	40,534	39,353	35,216	34,017	34,447	38,917	29,570	34,426	41,470	33,967
Capital grants and contributions	8,446	7,413	6,191	12,530	11,332	15,142	21,953	14,092	9,607	6,212
Total governmental activities program revenues	$ 125,016	$ 127,390	$ 134,050	$ 143,283	$ 145,353	$ 153,027	$ 153,950	$ 155,249	$ 166,258	$ 165,849
Business-type activities:										
Charges for services:										
Department of Water Supply	$ 42,641	$ 46,453	$ 47,214	$ 50,992	$ 54,439	$ 55,245	$ 59,286	$ 60,544	$ 63,633	$ 64,297
Housing, Interim Financing and Buy-Back Revolving Fund	157	154	147	527	163	167	167	180	226	551
Golf Course Special Fund	1,229	1,138	1,158	1,106	1,116	1,087	1,136	1,163	1,108	1,072
Capital grants and contributions	5,865	9,983	11,901	2,541	5,552	4,369	5,643	6,465	11,366	11,866
Total business-type program revenues	49,892	57,728	60,420	55,166	61,270	60,868	66,232	68,352	76,333	77,786
Total primary government program revenues	$ 174,908	$ 185,118	$ 194,470	$ 198,449	$ 206,623	$ 213,895	$ 220,182	$ 223,601	$ 242,591	$ 243,635
Net (expense)/revenue [1]										
Governmental activities	$ (247,630)	$ (268,401)	$ (278,777)	$ (276,632)	$ (252,364)	$ (266,052)	$ (258,080)	$ (273,253)	$ (332,959)	$ (350,594)
Business-type activities	620	7,902	11,439	(1,211)	5,216	2,467	(1,888)	2,369	10,048	9,706
Total primary government net expense	$ (247,010)	$ (260,499)	$ (267,338)	$ (277,843)	$ (247,148)	$ (263,585)	$ (259,968)	$ (270,884)	$ (322,911)	$ (340,888)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 215,005	$ 235,861	$ 220,477	$ 208,645	$ 214,244	$ 224,055	$ 236,947	$ 249,658	$ 272,989	$ 310,498
Transient accommodation tax	21,315	20,972	23,479	22,906	21,204	21,204	23,484	23,446	23,484	23,484
Public service corporation tax	9,335	10,265	6,094	9,622	9,767	9,834	9,771	9,264	7,662	6,958
Franchise tax	11,298	7,550	8,468	10,429	10,714	10,762	10,782	8,962	7,747	8,009
Fuel tax	10,498	9,679	11,085	10,438	10,618	10,676	10,900	12,522	15,655	16,450
Interest and investment earnings (losses)	1,538	9,858	6,489	1,283	908	1,579	1,218	2,402	2,940	(265)
Other	209	56	399	(4)	857	(132)	795	108	313	6,235
Transfers	(359)	(4,308)	(267)	(2,388)	(948)	(775)	(2,230)	(2,810)	(2,385)	(19,192)
Total governmental activities	$ 268,839	$ 289,933	$ 276,224	$ 260,931	$ 267,364	$ 277,203	$ 291,667	$ 303,552	$ 328,405	$ 352,177
Business-type activities:										
Interest and investment earnings	$ 193	$ 1,174	$ 916	$ 165	$ 135	$ 293	$ 330	$ 625	$ 804	$ (223)
Others	7	115	--	270	154	735	--	--	--	--
Transfers	359	4,308	267	2,388	948	775	2,230	2,810	2,385	19,192
Total business-type activities	559	5,597	1,183	2,823	1,237	1,803	2,560	3,435	3,189	18,969
Total primary government	$ 269,398	$ 295,530	$ 277,407	$ 263,754	$ 268,601	$ 279,006	$ 294,227	$ 306,987	$ 331,594	$ 371,146
Change in Net Position [1]										
Governmental activities	$ 21,209	$ 21,532	$ (2,553)	$ (15,701)	$ 15,000	$ 11,151	$ 33,587	$ 30,299	$ (4,554)	$ 1,583
Business-type activities	1,179	13,499	12,622	1,612	6,453	4,270	672	5,804	13,237	28,675
Total primary government	$ 22,388	$ 35,031	$ 10,069	$ (14,089)	$ 21,453	$ 15,421	$ 34,259	$ 36,103	$ 8,683	$ 30,258

[1] Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by *GASB* Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment* Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *of GASB Statement No. 68. Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

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	Total
2009	$ 215,005	$ 21,315	$ 9,335	$ 11,298	$ 10,498	$ 267,451
2010	235,861	20,972	10,265	7,550	9,679	284,327
2011	220,477	23,479	6,094	8,468	11,085	269,603
2012	208,645	22,906	9,622	10,429	10,438	262,040
2013	214,244	21,204	9,767	10,714	10,618	266,547
2014	224,055	21,204	9,834	10,762	10,676	276,531
2015	236,947	23,484	9,771	10,782	10,900	291,884
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

TABLE 4
COUNTY OF MAUI
FUND BALANCES OF GOVERNMENTAL FUNDS [1]
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	$ 25,717	$ 17,549	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Unreserved [3]	49,748 [2]	68,306 [2]	--	--	--	--	--	--	--	--
Restricted	--	--	12,113	13,189	15,317	5,819	8,196	10,752	3,987	4,669
Committed	--	--	49,042	75,114	100,727	30,009	28,307	31,696	34,401	190
Assigned	--	--	22,153	16,681	16,430	19,388	20,718	19,859	18,247	33,204
Unassigned [3]	--	--	87,319 [2]	51,006 [2]	51,979 [2]	42,404	31,657	22,708	25,062	75,440
Total general fund	$ 75,465	$ 85,855	$ 170,627	$ 155,990	$ 184,453	$ 97,620	$ 88,878	$ 85,015	$ 81,697	$ 113,503
All other governmental funds										
Reserved	$ 86,117	$ 81,585	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Unreserved, reported in: [3]										
Special revenue funds	78,114	102,777	--	--	--	--	--	--	--	--
Capital projects fund	(10,142)	(23,132)	--	--	--	--	--	--	--	--
Restricted	--	--	78,768	56,745	60,479	40,722	54,824	59,937	43,590	48,910
Committed	--	--	43,626	44,561	48,599	38,535	13,811	20,839	26,938	32,699
Assigned	--	--	4,253	19,155	12,543	11,715	31,097	26,510	38,919	6,298
Total all other governmental funds	$ 154,089	$ 161,230	$ 126,647	$ 120,461	$ 121,621	$ 90,972	$ 99,732	$ 107,286	$ 109,447	$ 87,907

[1] Effective fiscal year 2011, fund balances are presented in accordance with GASB Statement No. 54.

[2] Includes restatement made to property taxes and planning fee deposits.

[3] Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	$ 245,267	$ 261,332	$ 244,852	$ 238,829	$ 246,315	$ 255,440	$ 268,178	$ 280,825	$ 303,701	$ 342,520
Charges for current services	51,525	57,633	62,234	64,364	66,036	64,251	64,839	70,575	76,902	82,657
Intergovernmental revenues	66,185	62,707	63,792	68,001	64,074	69,449	72,049	69,037	70,996	61,917
Licenses and permits	16,278	17,946	22,362	26,650	27,231	28,185	30,946	30,460	32,032	36,117
Fines and forfeitures	2,294	2,712	2,767	2,131	3,018	2,250	2,075	2,537	2,226	2,379
Interest and investment earnings (losses)	1,706	9,973	6,594	1,416	1,018	1,747	1,358	2,592	3,120	(44)
Assessments	1,213	231	670	1,219	791	1,086	1,322	2,345	1,742	1,249
Other revenues	9,128	7,507	5,387	3,842	6,076	6,882	4,604	5,140	6,042	10,999
Total revenues	393,596	420,041	408,658	406,452	414,559	429,290	445,371	463,511	496,761	537,794
EXPENDITURES [1]										
Current:										
General government	94,429	90,136	90,652	105,552	89,510	190,718	105,479	115,623	126,512	132,344
Public safety	78,163	80,376	78,703	79,427	80,781	78,981	90,349	92,811	99,701	103,913
Capital outlay	88,612	54,804	57,278	57,976	68,648	77,097	81,371	65,147	48,112	87,052
Sanitation	43,875	40,832	39,835	41,891	45,366	46,344	54,551	52,454	54,842	58,256
Social welfare	42,893	43,509	43,999	42,459	46,315	45,298	42,579	45,920	57,125	46,012
Highways and streets	33,711	35,039	32,484	33,798	35,926	44,878	40,260	39,827	40,032	40,898
Culture and recreation	27,592	27,034	23,652	27,257	26,346	39,739	29,530	28,912	38,325	29,505
Legislative	5,336	5,199	5,238	5,251	5,533	5,987	6,559	6,493	6,523	6,796
Debt service:										
Principal	18,879	20,485	26,894	22,469	23,770	24,593	26,926	20,825	26,150	25,686
Interest and other issuance costs	10,689	10,219	10,332	9,604	10,051	9,423	10,905	9,607	9,174	8,277
Total expenditures	444,179	407,633	409,067	425,684	432,246	563,058	488,509	477,619	506,496	538,739
Excess (deficiency) of revenues over expenditures	(50,583)	12,408	(409)	(19,232)	(17,687)	(133,768)	(43,138)	(14,108)	(9,735)	(945)
OTHER FINANCING SOURCES (USES)										
Issuance of debt:										
General obligation bond proceeds	--	--	46,300	--	38,375	17,061	40,015	15,185	--	--
General obligation refunding bonds	--	--	23,375	--	18,510	--	21,860	39,542	--	--
Net premiums received	--	--	4,606	--	6,806	--	6,283	7,489	--	--
State revolving fund loan proceeds	21,048	9,906	2,856	1,095	2,053	--	6,631	3,750	10,962	13,244
Capital lease obligations	230	--	--	--	--	--	--	--	--	--
Use of debt:										
Payment to escrow for bond refunding	--	--	(25,939)	--	(21,321)	--	(24,827)	(45,356)	--	--
Transfers in:										
General Fund	87,987	80,932	46,097	57,950	47,832	51,346	66,885	61,428	69,955	65,376
Special Revenue Funds	34,174	30,306	34,428	39,126	47,880	46,065	40,717	38,848	43,350	42,971
Other Governmental Funds	10,642	11,454	7,520	6,692	7,317	7,015	9,094	7,878	7,437	231
Capital Projects Fund	9,978	6,675	8,903	3,748	6,889	7,814	4,411	5,841	6,866	4,850
Proprietary Funds	313	415	402	407	378	352	315	240	382	19,026
Transfers out:										
Capital Projects Fund	(36,571)	(31,127)	(16,885)	(35,034)	(34,693)	(32,514)	(35,547)	(34,039)	(34,926)	(39,605)
Debt Service Fund	(29,567)	(30,704)	(36,860)	(32,073)	(33,392)	(34,016)	(37,386)	(30,078)	(35,325)	(33,963)
Other Governmental Funds	(25,785)	(4,723)	(10,668)	(15,070)	(11,888)	(13,752)	(22,469)	(23,368)	(22,784)	(25,745)
General Fund	(22,185)	(22,932)	(26,089)	(20,695)	(23,667)	(24,078)	(22,279)	(21,833)	(31,077)	(23,752)
Special Revenue Funds	(28,674)	(9,196)	(6,447)	(4,644)	(6,277)	(7,879)	(3,427)	(4,677)	(3,495)	(9,159)
Proprietary Funds	(672)	(35,409)	(669)	(2,795)	(1,326)	(1,127)	(2,545)	(3,050)	(2,767)	(2,263)
Total financing sources, net	20,918	5,597	50,930	(1,293)	43,476	16,287	47,731	17,800	8,578	11,211
Net Change in Fund Balances	$ (29,665)	$ 18,005	$ 50,521	$ (20,525)	$ 25,789	$ (117,481)	$ 4,593	$ 3,692	$ (1,157)	$ 10,266
Capital outlays reported in the CIP fund and other funds, net of retirements	90,670	59,804	38,566	54,259	66,231	93,404	86,719	70,579	61,885	69,578
Debt service as a percentage of noncapital expenditures	8.36%	8.83%	10.05%	8.64%	9.24%	7.24%	9.42%	7.48%	7.94%	7.43%

[1] Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.* Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

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

	Classification											
	Improved Residential		Apartment		Commercial		Industrial		Agricultural		Commercial Residential	
Fiscal Year Ended June 30	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]
2009	$ 7,287,327	4.85	$ 5,595,854	4.55	$ 2,047,183	6.25	$ 1,548,914	6.50	$ 4,065,811	4.50	$ --	--
2010	6,906,546	4.85	5,983,881	4.55	2,134,769	6.25	1,609,950	6.50	3,934,471	4.50	--	--
2011	5,795,214	5.00	5,659,454	5.00	2,121,834	6.25	1,614,057	6.50	3,452,417	5.00	73,191 [2]	4.00
2012	5,645,593	5.55	5,016,127	5.50	2,126,142	6.25	1,466,957	7.00	2,978,918	5.80	70,301	4.20
2013	5,241,369	5.75	4,623,504	6.20	1,910,261	6.90	1,522,372	7.10	2,975,466	6.00	75,166	4.50
2014	5,461,103	5.75	4,782,464	6.40	1,952,055	7.05	1,676,982	7.30	3,194,538	6.05	94,183	4.60
2015	5,570,175	5.57	5,118,013	6.20	1,998,655	6.83	1,546,738	7.07	3,318,065	5.86	109,353	4.46
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

	Classification											
	Conservation		Hotel & Resort		Time Share		Unimproved Residential		Homeowner		Total	
Fiscal Year Ended June 30	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Tax Rate[1]	Taxable Assessed Value	Direct Tax Rate[1]
2009	$ 417,141	4.75	$ 9,616,912	8.20	$ 1,104,768	14.00	$ 513,894	5.35	$ 10,381,295	2.00	$ 42,579,099	5.21
2010	385,496	4.75	9,940,281	8.20	1,743,996	14.00	521,227	5.35	9,907,664	2.00	43,068,281	5.42
2011	445,265	5.00	8,183,430	8.30	1,776,953	14.00	331,079	6.25	7,803,966	2.50	37,256,860	5.78
2012	362,724	5.60	7,471,672	9.00	1,607,462	15.00	--	--	6,174,696	2.50	32,920,592	6.34
2013	359,573	6.20	7,304,445	9.15	1,508,875	15.50	--	--	6,952,272	2.75	32,473,303	6.55
2014	409,933	6.25	7,303,708	9.40	1,483,432	15.55	--	--	7,053,159	2.87	33,411,557	6.65
2015	391,136	6.06	8,865,184	9.11	1,591,353	15.07	--	--	7,740,439	2.78	36,249,111	6.51
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

[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 2018 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)

		2018 [1]			2009 [2]		
			Percentage of Total Tax			Percentage of Total Tax	
Taxpayer	Type of Business	Taxes	Levy	Rank	Taxes	Levy	Rank
Westin Maui Corp. (Leasehold), SVO Pacific, Inc., Ocean Resort Villas Vacation	Hotel (Westin) / Time Share	9,427	3.08%	1			
Marriott Ownership Resorts	Time Share	6,922	2.26%	2			
HMC Maui LP, HMC Kea Lani LP	Hotel (Kea Lani & Hyatt)	4,177	1.37%	3			
Island Acquisitions Kapalua LLC	Time Share, Hotel (Montage)	3,682	1.12%	4			
Alexander & Baldwin, A & B, East Maui Irrigation	Development/Property Management	3,114	1.39%	5			
GWR Wailea Property LLC	Hotel (Grand Wailea)	3,097	1.01%	6			
HV Global Management Corp, Maui Timeshare Venture LLC	Time Share (Hyatt Regency)	2,737	0.90%	7			
West Maui Resort Partners LP	Time Share/Hotel (Kaanapali Beach Club)	2,704	0.96%	8			
Lanai Resorts LLC	Hotel, Golf Course	2,492	0.82%	9			
Hart Wailea LLC	Shopping Center (Shops at Wailea)	2,341	0.77%	10			
Westin Maui Corp. (Leasehold), SVO Pacific Corp, Ocean Resort Villas	Hotel (Westin) / Time Share				5,477	2.44%	1
HMC Maui LLC	Hotel (Kea Lani & Hyatt)				4,572	2.04%	2
Consolidated Maui Inc.	Time Shares				4,351	1.94%	3
Grand Wailea Investments, CNL Grand Wailea Resort LP	Hotel (Grand Wailea)				3,620	1.61%	4
Marriott Ownership Resorts	Time Share (Marriott)				2,496	1.11%	5
West Maui Resort Partners	Time Share/Hotel (Embassy Suites)				2,477	1.10%	6
Alexander & Baldwin Inc., East Maui Irrigation Co., A & B Properties Inc., A & B Hawaii Inc.	Development/Property Management				2,367	1.06%	7
Castle & Cooke, Inc. Resorts LLC, Lanai Properties, Dole, Lanai Co., Lanai Developers	Development/Property Management/Hotel/Golf Course				2,363	1.05%	8
KYO-YA Co. Ltd.	Hotel (Sheraton)				1,719	0.77%	9
3900 WA Associates LLC	Hotel (Four Seasons Resort)				1,647	0.73%	10
TOTALS		**40,693**	**13.68%**		**31,089**	**13.85%**	

[1] Fiscal Year 2018 taxes were calculated from the January 1, 2017 assessment. The taxes levied are for the year July 1, 2017 through June 30, 2018.
[2] Fiscal Year 2009 taxes were calculated from the January 1, 2008 assessment. The taxes levied are for the fiscal year July 1, 2008 through June 30, 2009.

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

				Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustment [1]	Adjusted Taxes Levied	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2009	$ 224,420	$ (2,542)	$ 221,878	$ 219,056	98.7%	$ 2,689	$ 221,745	99.9%
2010	241,116	(6,587)	234,529	236,084	100.7%	(1,812)	234,272	99.9%
2011	225,034	(6,199)	218,835	217,843	99.5%	1,318	219,161	100.1%
2012	211,712	(2,792)	208,920	205,489	98.4%	2,071	207,560	99.3%
2013	215,417	(598)	214,819	211,855	98.6%	--	211,855	98.6%
2014	225,766	(78)	225,688	223,076	98.8%	--	223,076	98.8%
2015	238,934	(1,069)	237,865	235,260	98.9%	(8)	235,252	98.9%
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%

[1] Adjustments include appeals.

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

	Government Activities		Business-type Activities		Total Primary Government		
Fiscal Year	General Obligation Bonds	Notes Payable [4]	General Obligation Bonds	Notes Payable [4]	Total Outstanding Debt	Percentage of Personal Income [3]	Per Capita [3]
2009	$ 204,934	$ 52,660	$ 21,114	$ 12,918	$ 291,626	5.49%	2,008
2010	188,613	57,993	16,104	13,264	275,974	5.18%	1,782
2011	214,402	56,308	17,512	13,331	301,553	5.66%	1,925
2012	196,017	52,720	14,443	14,609	277,789	5.21%	1,756
2013	226,631	41,828	27,961	5,262	301,682	4.84% [5]	1,874 [6]
2014	208,298	53,293	25,602	17,672	304,865	4.61% [5]	1,868 [6]
2015	227,835	55,184	29,946	20,469	333,434	4.74% [5]	2,028 [6]
2016	235,318	46,801	27,285	22,260	331,664	4.51% [5]	2,005 [6]
2017	209,578	54,137	24,531	29,168	317,414	4.31% [1]	1,909 [2]
2018	186,355	62,122	21,719	46,123	316,319	4.30% [1]	1,903 [2]

[1] 2017 and 2018 Personal Income is not available, 2016 data is utilized.

[2] 2018 Total Resident Population data is not available, 2017 data is utilized.

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

[4] Notes payable include capital lease obligations.

[5] Revised based on actual Personal Income.

[6] Revised based on actual Population.

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)

Fiscal Year	General Obligation Bonds [4]	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita [2]
2009	$ 226,048	0.531%	1,474
2010	204,717	0.475%	1,321
2011	231,914	0.622%	1,478
2012	210,460	0.639%	1,327
2013	254,592	0.784%	1,581
2014	233,900	0.700%	1,431
2015	257,781	0.711%	1,568
2016	262,603	0.645%	1,588
2017	234,109	0.528%	1,408
2018	208,074	0.453%	1,251 [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] 2018 Population data not available; 2017 Maui population from the inter-U.S. Census Bureau.

[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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit [1]	$ 6,386,865	$ 6,460,242	$ 5,588,529	$ 4,938,089	$ 4,870,995	$ 5,011,734	$ 5,409,678	$ 6,106,758	$ 6,654,531	$ 6,894,629
Debt applicable to limit	270,961	260,287	280,983	261,356	267,130	270,007	290,789	287,585	279,306	283,818
Legal debt margin [2]	$ 6,115,904	$ 6,199,955	$ 5,307,546	$ 4,676,733	$ 4,603,865	$ 4,741,727	$ 5,118,889	$ 5,819,173	$ 6,375,225	$ 6,610,811
Debt applicable to the limit as a percentage of debt limit	4.24%	4.03%	5.03%	5.29%	5.48%	5.39%	5.38%	4.71%	4.20%	4.12%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessor's net taxable income	$ 46,315,171
Less: 50% of valuation on appeal	350,979
Valuation for tax rate purpose	$ 45,964,192
Debt limit (15% of total assessed value)	$ 6,894,629
Debt applicable to limit	$ 283,818
Legal debt margin	$ 6,610,811

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
2009	153,393 [1]	5,348 [1]	34,864 [1]	37.9 [3]	21,151 [1]	9.10% [1]
2010	154,834 [2]	5,501 [1]	35,475 [2]	39.6 [3]	21,316 [1]	8.50% [1]
2011	156,838 [2]	5,754 [1]	36,684 [2]	39.5 [3]	20,779 [1]	7.90% [1]
2012	158,693 [2]	6,220 [1]	39,218 [2]	40.0 [4]	21,119 [1]	6.40% [1]
2013	161,006 [2]	6,228 [1]	38,688 [2]	40.0 [4]	21,330 [1]	5.20% [2]
2014	163,420 [2]	6,613 [2]	40,488 [2]	40.0 [3]	20,950 [1]	4.50% [1]
2015	164,389 [2]	7,034 [2]	42,798 [2]	40.0 [3]	20,937 [1]	3.70% [1]
2016	165,384 [2]	7,360 [2]	44,478 [2]	40.0 [4]	21,010 [1]	3.10% [2]
2017	166,260 [2]	N/A	N/A	N/A	21,105 [2]	2.50% [2]
2018	N/A	N/A	N/A	N/A	N/A	N/A

[1] Source: Maui County Data Book; Population, Personal Income, Per Capita, School Enrollment and Unemployment Rate

[2] Revised from Maui County Data Book, 2017

[3] U.S. Census Bureau; Median Age for 2011-2015

[4] U.S. Census Bureau; Median Age for 2012-2016

N/A = Not Available

TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2018 AND NINE YEARS AGO - (UNAUDITED)

	2018			2009		
EMPLOYER	**Employees**[1]	**Rank**	**Percentage of Total County Employment**	**Employees**[2]	**Rank**	**Percentage of Total County Employment**
State of Hawaii	4,860 [3]	1	5.76%	6,112 [5]	1	8.81%
County Government	2,423 [4]	2	2.87%	2,611 [4]	2	3.76%
Grand Wailea-Waldorf Astoria	1,400 [1]	3	1.66%			
Ritz-Carlton-Kapalua	1,000 [1]	4	1.19%			
Federal Government	860 [3]	5	1.02%	909 [2]	6	1.31%
Maui Memorial Medical Center	800 [1]	6	0.95%			
Four Seasons Resort Maui	800 [1]	6	0.95%			
Fairmont Kea Lani	700 [1]	7	0.83%			
Four Seasons Resort Lanai	700 [1]	7	0.83%			
Westin Maui Resort & Spa on Kaanapali Beach	700 [1]	7	0.83%			
Kea Lani Maui Restaurant	600 [1]	8	0.71%			
Adult Day Health By Hale Makua	500 [1]	9	0.59%			
Kaanapali Beach Club	500 [1]	9	0.59%			
Montage Kapalua Bay	500 [1]	9	0.59%			
Walmart	500 [1]	9	0.59%			
Royal Lahaina Resort	500 [1]	9	0.59%			
Wailea Beach Resort Marriott	420 [1]	10	0.50%			
TS Restaurant of Hawaii & California				1,750 [2]	3	2.52%
Grand Wailea Hotel & Spa				1,400 [2]	4	2.02%
The Fairmont Hotels Hawaii				1,220 [2]	5	1.76%
Maui Land & Pineapple Co., Inc.				800 [2]	7	1.15%
Hyatt Regency Maui Resort & Spa LLC				800 [2]	7	1.15%
Four Seasons Resort, Wailea				650 [2]	8	0.94%
Hale Makua				501 [2]	9	0.72%
Wailea Beach Marriott Resort & Spa				403 [2]	10	0.58%
Total	17,763		21.05%	17,156		24.74%

[1] ReferenceUSAGov (Infogroup Government Division) as of 11/13/2018

[2] Maui County Data Book 2009

[3] Hawaii Department of Business, Economic Development & Tourism, Monthly Economic Indicators. Data rounded to nearest 10

[4] County of Maui actual employee count

[5] Hawaii Workforce Informer, Quarterly Census of Employment & Wages by Industry

TABLE 14
COUNTY OF MAUI
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
(LAST TEN FISCAL YEARS - UNAUDITED)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	410	435	481	495	517	508	529	527	525	538
Public Safety										
Police										
Officers	476	494	332	331	343	341	359	371	370	356
Civilians	104	117	149	134	143	103	111	111	108	105
Fire and Public Safety										
Firefighters and officers	288	282	286	282	290	298	302	293	288	284
Civilians	10	23	12	11	12	33	13	14	76	77
Highways and Streets										
Engineering	32	33	33	35	35	35	32	30	30	33
Maintenance	225	235	220	217	217	216	211	214	220	224
Sanitation	93	109	147	99	106	153	97	97	99	101
Social Welfare	185	184	131	154	164	106	101	108	111	103
Culture and Recreation	466	455	449	366	371	329	332	348	282	293
Sewer	120	120	104	95	107	110	112	110	116	113
Department of Water Supply	202	200	205	192	194	205	200	196	205	196
Total	2,611	2,687	2,549	2,411	2,499	2,437	2,399	2,419	2,430	2,423

Source: Annual Gov't Survey submitted by Payroll.

TABLE 15
COUNTY OF MAUI
OPERATING INDICATORS BY FUNCTION
(LAST TEN FISCAL YEARS - UNAUDITED)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	4,400	4,700	4,200	5,000	9,541	9,830	9,912	9,672	9,631	9,533
Parking violations	12,000	10,300	12,000	11,200	8,883	8,934	9,235	2,743	12,331	12,277
Fire										
Number of calls answered	6,600	7,480	8,043	8,816	9,834	10,930	10,714	10,931	11,275	12,167
Inspections	1,160	646	1,368	1,461	1,152	849	901	557	610	567
Highways and streets										
Street resurfacing (miles)	18	18	21	49	26	23	23	25	19	16
Sanitation										
Refuse collected (tons/day)	463	474	469	436	436	459	479	507	570	597
Recyclables collected (tons/day)	342	328	324	440	209	168	162	283	314	178
Culture and recreation										
Athletic field permits issued	3,417	1,012	902	924	895	848	771	719	424	463
Camping center permits issued	1,347	2,368	2,429	2,671	2,650	2,400	2,203	1,978	994	848
Community center permits issued	4,101	2,461	2,401	2,237	2,286	2,220	2,448	2,094	2,412	1,804
Water										
New connections	96	71	87	55	25	174	64	107	154	250
Water main breaks	577	806	483	371	252	253	174	147	40	164
Average daily consumption (thousands of gallons)	33,079	30,640	29,660	30,150	34,250	32,471	33,771	32,289	31,962	32,870
Wastewater										
Average daily sewage treatment (thousands of gallons)	12,622	12,152	13,000	12,100	12,451	12,710	13,067	13,309	14,047	14,119

Sources: Various county departments

[1] Revised per Solid Waste

[2] Beginning 2013, this figure does not include tons diverted by commercial non-county funded programs, such as the HI5 redemption program or business-to-business recycling arrangements.

TABLE 16
COUNTY OF MAUI
CAPITAL ASSET STATISTICS BY FUNCTION
(LAST TEN FISCAL YEARS - UNAUDITED)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police:										
Stations	6	6	6	6	6	6	6	6	6	6
Patrol units	6	6	6	6	6	6	6	6	6	26 [4]
Fire stations	14	14	14	14	15	14	14	14	14	14
Sanitation										
Collection trucks	25	29	31	33	32	32	33	34	34	32
Highways and streets										
Streets (miles)	563	565	565.64	565.64	566	568	568	569	570	570
Street lights	4,228	4,228	4,228	4,228	4,228	4,719	4,720	4,954	4,894	4,912
Traffic signals	35	35	30	31	31	32	35	35	35	35
Culture and recreation										
Parks acreage										
(includes underdeveloped parks)	41,581	NA	NA	1,721	1,807	2,117	2,154	2,212	2,506	2,545
Parks	NA	1,395	1,620	136	138	143	144	148	150	159
Swimmming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	49	55	55	55	55	53	53	53	53	53
Community centers	22	22	22	22	22	22	22	22	22	22
Other Enterprise										
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Fire hydrants/stand pipes	6,879	6,936	6,981	7,016	7,016	7,091	7,122	7,366	7,443	7,317
Maximum daily capacity										
(thousands of gallons)	57,000	57,000	42,000	57,000	41,310	68,595	52,800	59,890	60,100	60,098
Sewer										
Sanitary sewers (miles)	277	242	223.6	223.2	248.6	248.7	249.8	259.5	261.1	258.9
Maximum daily treatment										
(thousands of gallons)	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700

Sources: Various county departments

[1] Parks acreage has been revised based on R.M. Towill's March 2007 report and inclusion of underdeveloped parks acreage. The department is currently working with MIS to set up an inventory system to provide more accurate calculations.

[2] The parks acreage and number of parks has been revised based on the department's latest review of inventory and correction was made on the discrepancies found in the 2007 R.M. Towill Report. Eliminated multiple park #s for the same park with multiple TMKs.

[3] Using 24 hours pumping for wells, accounting for restrictions set by CWRM and rated capacity for treatment plants.

[4] Patrol beats