

County Auditor
Lance T. Taguchi



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OFFICE OF THE COUNTY AUDITOR

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

OFFICE OF THE
COUNTY CLERK

January 8, 2018

The Honorable Mike White, Chair
and Members of the Council
County of Maui
Wailuku, Hawaii 96793

Dear Chair White and Members:

**SUBJECT: COUNTY OF MAUI COMPREHENSIVE ANNUAL
FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDED
JUNE 30, 2017**

We have received the County of Maui Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year Ended June 30, 2017, 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,

A handwritten signature in blue ink, appearing to read "Lance T. Taguchi".

LANCE T. TAGUCHI
County Auditor

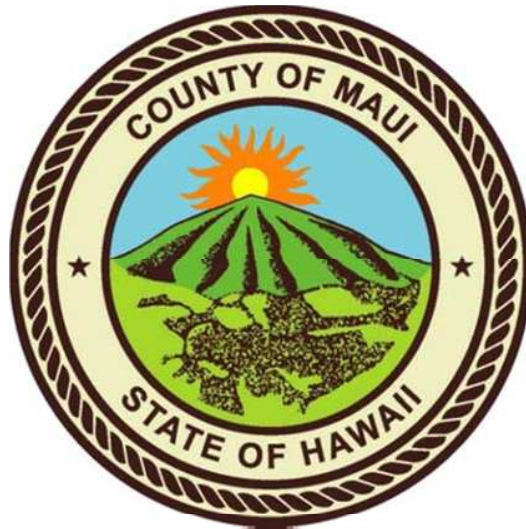
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Enclosure

COUNTY COMMUNICATION NO. 18-30

COUNTY OF MAUI

STATE OF HAWAII



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

**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, 2017**

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COUNTY OF MAUI
INTRODUCTORY SECTION

ALAN M. ARAKAWA
Mayor



MARK R. WALKER
Director of Finance

COUNTY OF MAUI

DEPARTMENT OF FINANCE

200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

December 13, 2017

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, 2017. 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, 2017, 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, 2017 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. I encourage you to review these required schedules and footnotes within this CAFR document.

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. The population of the County is estimated at 164,637 in 2015 and has almost quadrupled since 1960 according to the U.S. Census Bureau. The County comprises an estimated 11.4% 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

Like the State of Hawaii the growth of Maui County's economy, now in its seventh 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.

Tourism

The tourism sector continued to exceed expectations as visitor arrivals reached a record 2.76 million in 2016, which was a 3.8% increase over 2015 results, buoyed by increased air seats (+3.2%) attributable to a large increase in visitors from the east and west coasts of the United States. The visitor industry, the largest component of the County's economy, will continue to grow but at a more tepid rate than that experienced in 2016. The restrained growth expectation was confirmed by the first half of 2017 growth in visitor count of 3.15% versus 3.80% in 2016.

The Hawaii Tourism Authority estimates that visitor spending on Maui in 2016 totaled \$4.5 billion or \$12.3 million per day (+9.4%) second only to Oahu at \$7.3 billion or \$20.0 million per day. Visitor make up continued to be comprised primarily (82%) of travelers from the continental U.S., with over 50% of the arrivals coming from visitors that live in the western United States. The Island of Maui's average hotel room rate continued as the highest in the state in 2016 topping \$331 per night followed by Kauai at \$254 per night. At year end 2016, visitor days had increased 4.1 percent in Maui, the highest in the state.

Construction

After a significant run-up in activity in 2015, private (commercial & residential) building authorizations on Maui were \$382 million, a decrease of some \$349 million or 47.7 percent in 2016 largely due to a decrease in commercial building activity. Conversely, 315 permits were issued for 477 residential units in 2016, indicating continued brisk activity in this sector. Prospects for continued growth in residential construction remain favorable for 2017, however, it appears the growth impetus from construction has ended, even though the level of activity will remain high for some time. New residential projects include;

- In late 2016 ground was broken on the \$90 million Kahoma Village project, a residential development in Lahaina that includes 101 three- and four-bedroom single-family homes and 102 two- and three-bedroom townhouses for a total of 203 homes.
- Construction commenced in April 2016 on Wailele Ridge, a 158 unit, 10 acre residential condominium project overlooking Napili Bay on Maui's West Side. The 25 building complex will consist of one, two, and three bedroom units.
- The 32 unit Paradise Ridge condominium project in Kihei has recently released its first 16 units for sale.
- Kualono is a 49-lot gated community in Pukalani which is scheduled to be completed in early 2018.

In the public infrastructure arena the State's new Kahului Airport consolidated rental car facility consisting of a 1.3-million-square-foot building covering roughly 19 acres is scheduled to be completed in late 2018 and to open in mid-2019. The two-story building with a basement and rooftop parking will house all airport car rental companies, providing parking for cars, as well as fueling and washing stations. A tram running between the car rental offices and the airport terminal will eliminate the need for shuttle vans and the more than 70 van drop-offs and pick-ups per hour at the airport. The \$340 million project is being paid for by airport car rental fees. Additionally, the County of Maui has completed its \$14 million 56-unit Kulamalu Hale affordable townhouse project in Pukalani. The one and two bedroom units were 60+% occupied as of September 2017.

Construction activity on Maui is now at or near its cyclical peak, yet the kind of sharp falloff that has been experienced in past cycles is not expected. Residential construction is falling well short of the 2000s bubble period and will be needed to meet projected household formation. As a result, concerns continue to persist about housing shortages and affordability. As the pace of local income growth slows and interest rates rise, activity in this major economic sector will ease back slowly and both jobs and real income in this important economic sector will hover near their current levels through the end of the decade.

Jobs

The labor market in Maui County improved during the period driven by the positive economic activity created by the surprisingly robust visitor industry. The labor market is now operating near levels that are typical for periods of strong expansion. The civilian employed labor force in the County of Maui at year end 2016 stood at approximately 86,000 with the unemployment rate for the County at 3.2%, second only to the City and County of Honolulu (2.4%). Jobs gained the most in Food Services & Drinking Places (500 jobs), followed by Arts, Entertainment & Recreation (300 jobs), Health Care and Social Assistance (300 jobs), Transportation, Warehousing, and Utilities (300 jobs), and Natural Resources, Mining, and Construction (200 jobs).

The adverse effects of the recession on personal income have been slow to ease in Maui County, however, there have been widespread gains over the past several years. Strengthened by lower unemployment and restrained inflation, real personal income on Maui is forecast to grow 3.2% in 2016 and 2% in 2017. Nonetheless, household purchasing power will rise more slowly now that the economy is decelerating and inflation is beginning to accelerate.

Real Estate

At mid-2017 Maui's residential real estate market continued its climb higher as the total dollar volume of sales topped \$565 million for the first six months, an increase of 18% year to date. The median home price expanded to \$705,000 up 12% over the prior year's results. Condo unit sales volume jumped 10% to 713 units, while the median sales price rose \$60,000 to \$475,000, a gain of

12%. Mortgage rates, though rising, remain historically low. Well priced homes are receiving multiple offers and selling quickly. Foreclosures and short sales are dwindling and experienced buyers are using cash offers to improve their negotiating position. Rapid home appreciation combined with tepid wage growth will continue to erode home affordability and continue to keep Maui County in the top 10 least affordable counties in the country.

At year end 2016 commercial real estate investment activity on Maui had a total sales volume of \$475 million which was a drop of 34.6% from 2015. Prime resort and retail properties constituted the majority of investment (80%) with the sale of the Ritz Carlton Kapalua (\$210 million) being the most expensive acquisition. Industry experts continue to believe that Maui's prime hotels and retail centers will continue to be an attractive target for offshore and international investors.

The commercial retail market posted a negative 55,985 square feet of absorption at year end 2016 as vacancy rates rose to 11.87% its highest level since 2000. Much of this lost occupancy occurred in the Central Maui market which experienced a record high vacancy rate of 14.4%. Most of the vacancies occurred at Queen Kaahumanu Center, Maui Marketplace, Maui Mall and Kahului Shopping Center. The recent closures of Kmart and Lowe's Home Improvement Center from Maui Marketplace will add nearly 150,000 square feet of additional available space and boost Central Maui's retail vacancy to 15.5% by year-end 2017.

The commercial office market on Maui posted its seventh consecutive year of lost occupancy as the island wide vacancy rate topped 20%, its highest level in fifteen years. Despite absorption gains in Kahului, continued soft market conditions in the Wailuku and Kihei areas continued to be a drag on this sector.

Industrial warehouse space continues to be at a premium as the vacancy rate fell to 1.41% for this market segment. Healthy demand for warehouse space is projected to continue through 2017 and beyond.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. During Fiscal Year 2017, the County of Maui saw a 1.7 percent decrease in the net position of governmental activities, due to a decrease of \$11.7 million and \$28.0 million of restricted and unrestricted assets, respectively. The County's total revenue increased by 8.2% while expenditures increased by 14.6%. Revenue increases were due primarily to increased real property taxes associated with higher property valuations. Expenditure increases were principally in the areas of General Government and Public Safety.

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:

- Completed repairs to the Iao Stream Flood Control Project following the September 2016 storm within four months. Approximately 53% of the \$2.6M spent by the department is anticipated to receive reimbursement from FEMA for the federally declared disaster. (*Public Works*)
- Purchased a replacement fire pumper truck assigned to the Hoolehua fire station on Molokai at a cost of \$1,037,933. The tanker truck holds 750 gallons of water. (*Fire*)
- Hamakuapoko tank and booster pumps - \$1,887,000. (*Water*)

- Constructed nine (9) Maui Bus stop shelters in the South Maui, Upcountry, Wailuku and Ma'alaea areas, at a cost of \$752,100. (*Transportation*)
- The Highways Division resurfaced, slurry sealed, or seal coated over 43 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 designs of six (6) Maui Bus stop shelters in West Maui, Wailuku and Kahului at a cost of \$270,700. (*Transportation*)
- During FY 2017 the department completed or is under contract for \$43.3 million in capital improvement projects countywide totaling 53 separate contracts. (*Public Works*)
- Completed Ulupalakua tank replacement - \$1,329,000. (*Water*)

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

- The 3rd annual “Made In Maui County Festival”, which showcase’s locally made products, garnered \$525,000 in merchandise sales during the 2 day event, with local companies securing over 250 new wholesale accounts. There were over 11,000 attendees at the event, including 360 wholesalers. The economic impact of this festival has been so exceptional, that the 2016 Made In Maui Festival won an international economic development Gold Excellence award from the International Economic Development Council (IEDC) at its annual conference in Toronto, Canada in September of 2017. (*Office of Economic Development*)
- Assisted in 81 productions, including the local award-winning feature film “Kuleana”, 4 episodes of Food Network’s “Diners, Drive-In’s & Dives”, repeated visits from National Geographic, Discovery and Travel Channel. Production expenditures by these entities was close to \$7 million. FY 2017 also saw a steady stream of national and international commercials, providing over 60% of the total production days, and \$5 million in production expenditures. (*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:

- Was awarded \$225,000 in grant funds to purchase 150 cameras for the Body-Worn Camera Implementation Project. The goal of this initiative is to introduce the use of new technology in order to improve community trust and provide more efficient and effective police services. (*Police*)
- Completed the \$14 million Kulamalu Hale workforce housing rental project, which will provide 56 new units to individuals earning less than 120% of the Island of Maui’s adjusted median income. This four year project was delivered on time and on budget. (*Housing & Human Concerns/Management*)
- Initiated its first Teen Academy in FY 2017 which is designed to broaden the students understanding of a career with law enforcement and is open to students 14-18 years of age. Applicants will participate in various classroom activities, as well as physical training. This is a 40-hour program that will include Drills and Ceremony, Physical Training, Police Arrest & Defense Tactics, Vice demonstrations, introduction to firearms and firearms safety, a Department of the Prosecutors presentation, a UH-MC Criminal Justice Program, and more. (*Police*)

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 2017 initiatives and service expansion efforts are highlighted below:

- Maui County was awarded the prestigious Certificate of Achievement by the International City/County Management Association (ICMA), one of only 19 jurisdictions awarded, for its efforts on personnel performance measures to ensure optimal effectiveness, efficiency, and transparency. (*Management*)
- Installed the Q-matic on-line appointment system for the DMVL which allows customers to book appointments on-line thus reducing customer wait times. (*Finance*)
- All of the meeting materials for eight boards and commissions is now available online as soon as the agendas are posted. (*Planning*)
- Was awarded \$527,046 in an Assistance to Firefighters Grant funded by the Federal Emergency Management Agency to start the process of replacing all 130 of its aging Self-Contained Breathing Apparatuses. (*Fire*)
- Provided Maui Youth and Family Services, Inc. a \$20,000 grant for their Underage Drinking Prevention Coalition program to encourage and support the education of Maui County's youth. (*Liquor*)
- Amended the flood hazard ordinance in accordance with federal requirements and allows Maui County to continue participating in the National Flood Insurance Program. (*Planning*)
- Identified measures to save taxpayer dollars by forming a “Cost Reduction Unit” which analyzed and accomplished the following; (1) pCards - reviewed and revised the County’s pCard policies and procedures, (2) Overtime - updated the County’s overtime policy by requiring pre-approval for all overtime and review of any overtime of eight or more hours in any week; and, (3) Travel - formed a “Travel Review Committee” that carefully scrutinizes all travel requests to ensure that publically-funded travel is approved only when the County will derive a clear and specific benefit. (*Management*)
- Completed the multi-year refunding of GO bonds thereby saving County taxpayers an estimated \$10.9 million (PV) in future debt payments. (*Finance*)
- Integrated 61 Ocean Safety Officers and 1 clerical staff into its ranks from the Department of Parks and Recreation after Maui County residents voted in favor of the change. (*Fire*)

For The Future. Historically the County of Maui has been financially judicious in its fiscal policies as it moves towards its goals 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 for the County of Maui as its financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii. In this regard, the County was able to use approximately \$6 million from its Emergency Fund in Fiscal 2017 to cover expenditures related to the Iao Valley flood that severely damaged the popular Kepaniwai Park, area roadways and infrastructure. The County expects to recoup the majority, if not all of its costs, as a reimbursement from FEMA. This will however, take several years to accomplish. It is the policy goal of the Administration to diligently fund its Emergency Fund to a level equal to 20% of annual

General Fund expenditures through the prudent management of its fiscal resources. Additionally, the County continued with its responsible reserve strategy by appropriating and funding \$6.1 million to the Affordable Housing Fund and \$17.0 million to the State of Hawaii Employer-Union Health Benefits Trust Fund (EUTF) in FY 2017.

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 July 2012) 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 the Hawaii Revised Statutes, Chapter 46-50.

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 2017 was just over \$3.95 million or roughly \$900 thousand more than what was earned in FY 2016. The increase can be attributed 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. Despite the continuing low interest rate environment, the County's average annual portfolio yield increased from 1.07% in Fiscal Year 2016 to 1.29% in Fiscal Year 2017. The portfolio yield in the last month of Fiscal Year 2017 was 1.41%.

Real Property Tax. Real property assessed values (\$44.4B) increased 9% during Fiscal 2017, while real property tax collections (\$273.0M) increased 9.3%, reflecting a slight marginal tax rate increase adopted by the County Council. Maui County's assessed real property values in Fiscal 2017 surpassed the previous peak valuation level experienced during Fiscal 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, 2016. This is the thirty-fourth 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,

A handwritten signature in black ink, appearing to read 'Mark R. Walker', with a stylized, cursive script.

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, 2016

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS June 30, 2017

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor

Alan M. Arakawa

LEGISLATIVE

Councilpersons

Council Chair
Mike White

Council Vice-Chair
Robert Carroll

Stacy Crivello
Presiding Officer Pro Tempore

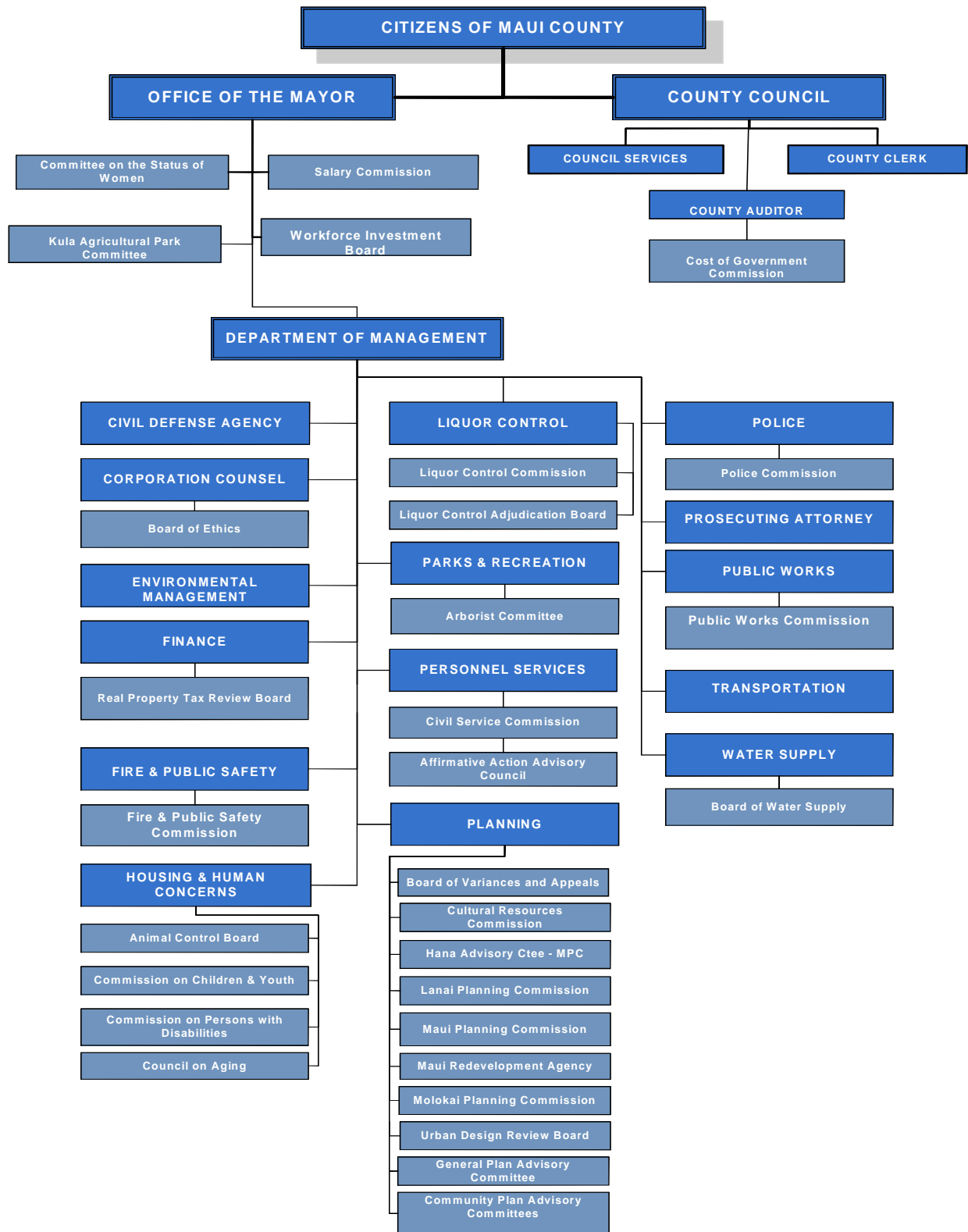
Alika Atay
Elle Cochran
Don Guzman

Riki Hokama
Kelly King
Yuki Lei Sugimura

APPOINTED DEPARTMENT HEADS

Director of Council Service	Sandy Baz
County Clerk	Danny Mateo
Managing Director	Keith A. Regan
Corporation Counsel	Patrick K. Wong
Prosecuting Attorney	John D. Kim
Director of Finance	Danilo F. Agsalog
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	Carol Reimann
Director of Transportation	Don Medeiros
Director of Water Supply	David S. Taylor
Chief of Police	Tivoli Faamu
Director of Liquor Control	Glen Mukai
County Auditor	Lance Taguchi

ORGANIZATION CHART



DIRECTORY OF COUNTY OFFICIALS



KEITH REGAN
Managing Director



ALAN ARAKAWA
Mayor



HERMAN ANDAYA
Chief of Staff



<p>Department of CORPORATION COUNSEL</p>   <p>PATRICK WONG Corporation Counsel</p> <p>ED KUSHI First Deputy</p>	<p>Department of ENVIRONMENTAL MANAGEMENT</p>   <p>STEWART STANT Director</p> <p>MICHAEL MIYAMOTO First Deputy</p>	<p>Department of FINANCE</p>   <p>DANNY AGSALOG Director</p> <p>MARK WALKER Deputy Director</p>
<p>Department of FIRE & PUBLIC SAFETY</p>   <p>JEFF MURRAY Chief</p> <p>ROBERT SHIMADA Deputy Chief</p>	<p>Department of HOUSING & HUMAN CONCERNS</p>   <p>CAROL REIMANN Director</p> <p>JAN SHISHIDO Deputy Director</p>	<p>Department of LIQUOR CONTROL</p>   <p>GLENN MUKAI Director</p> <p>MARK HONDA Deputy Director</p>
<p>Department of PARKS & RECREATION</p>   <p>KA'ALA BUEKONSEJO Director</p> <p>BRIENNE SAVAGE Deputy Director</p>	<p>Department of PERSONNEL SERVICES</p>   <p>DAVID UNDERWOOD Director</p> <p>CYNTHIA RAZO-PORTER Deputy Director</p>	<p>Department of PLANNING</p>   <p>WILL SPENCE Director</p> <p>MICHELE MCLEAN Deputy Director</p>
<p>Department of POLICE</p>   <p>TIVOLI FAAMU Chief</p> <p>DEAN RICKARD Deputy Chief</p>	<p>Department of PROSECUTING ATTORNEY</p>   <p>JD KIM Prosecuting Attorney</p> <p>ROBERT RIVERA First Deputy</p>	<p>Department of PUBLIC WORKS</p>   <p>DAVID GOODE Director</p> <p>ROWENA DASILVA-ANDAYA Deputy Director</p>
<p>Department of TRANSPORTATION</p>   <p>DON MEDEIROS Director</p> <p>MARC TAKAMORI Deputy Director</p>	<p>Department of WATER SUPPLY</p>   <p>DAVID TAYLOR Director</p> <p>GLADYS BAISA Deputy Director</p>	

 <p>JOCK YAMAGUCHI Deputy Managing Director</p>	 <p>LYNN ARAKI-REGAN Budget Director</p>	 <p>ROD ANTONE Communications Director</p>
 <p>TEENA RASMUSSEN Director, Office of Economic Development</p>	 <p>JOE PONTAMILLA CDBG Coordinator</p>	 <p>ROB PARSONS Environmental Coordinator</p>
 <p>RYAN PIROS Assistant Communications Director</p>	 <p>LOIS WHITNEY Assistant Communications Director</p>	 <p>ANNA FOUST Emergency Management Officer</p>



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

Sandy Baz
Director

COUNTY AUDITOR

Lance Taguchi
County Auditor

COUNTY CLERK

Danny Mateo
County Clerk

Josiah Nishita
Deputy County Clerk

COUNTY OF MAUI
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mike White, Chair
and the Members of the Council
County of Maui
Wailuku, Hawai'i

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 Hawai'i (County), as of and for the fiscal year ended June 30, 2017, 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, 2017, 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

As discussed in Note 15 to the financial statements, the County adopted new accounting guidance that clarifies standards for accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 20 through 35), the budgetary comparison schedules for the general fund, highway fund and sewer fund (pages 88 through 92), the schedule of funding progress for the Hawaii Employer Union Health Benefit Trust Fund (page 93), the County's proportionate share of the net pension liability (page 94), and the schedule of employer pension contributions on (page 95), 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 13, 2017, 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 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 13, 2017

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017. 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 \$605.7 million (*net position*).
- The County's total net position increased by \$8.7 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 \$191.1 million, which is a decrease of \$1.2 million or 0.6% from prior year.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$25.1 million, or 8.9% 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 decreased by \$10.5 million during the current fiscal year. The decrease is reflective of \$24.9 million decrease in GO bonds, offset by an increase of \$14.2 million in SRF loans, 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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

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 funding progress 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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION
June 30, 2017 and 2016
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	FY2017	FY2016 (restated)	FY2017	FY2016 (restated)	FY2017	FY2016 (restated)
Assets and Deferred Outflows of Resources:						
Current and other assets	\$ 245,164	\$ 239,540	\$ 85,246	\$ 73,052	\$ 330,410	\$ 312,592
Capital assets	783,721	766,695	346,588	338,169	1,130,309	1,104,864
Total Assets	1,028,885	1,006,235	431,834	411,221	1,460,719	1,417,456
Deferred outflows of resources	209,636	59,879	14,052	3,971	223,688	63,850
Total Assets and Deferred Outflows of Resources	<u>1,238,521</u>	<u>1,066,114</u>	<u>445,886</u>	<u>415,192</u>	<u>1,684,407</u>	<u>1,481,306</u>
Liabilities and Deferred Inflow of Resources:						
Long-term liabilities	357,509	372,768	57,804	53,071	415,313	425,839
Other liabilities	44,964	38,531	7,864	7,442	52,828	45,973
Net pension liability	550,327	352,685	42,052	28,695	592,379	381,380
Total Liabilities	952,800	763,984	107,720	89,208	1,060,520	853,192
Deferred inflow of resources	16,595	28,451	1,564	2,618	18,159	31,069
Total Liabilities and Deferred Inflows of Resources	<u>969,395</u>	<u>792,435</u>	<u>109,284</u>	<u>91,826</u>	<u>1,078,679</u>	<u>884,261</u>
Net Position:						
Net investment in capital assets	533,985	498,764	295,171	291,052	829,156	789,816
Restricted	51,730	63,422	16,924	14,825	68,654	78,247
Unrestricted	(316,589)	(288,507)	24,507	17,489	(292,082)	(271,018)
Total Net Position	<u>\$ 269,126</u>	<u>\$ 273,679</u>	<u>\$ 336,602</u>	<u>\$ 323,366</u>	<u>\$ 605,728</u>	<u>\$ 597,045</u>

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 \$605.7 million at the close of the current fiscal year. This compares with the net position of \$597.0 million from the prior year. Total net position increased by \$8.7 million during the current fiscal year, including prior period adjustments of \$13.1 million. The governmental activities reflected a decrease in net position of \$4.6 million, including prior period adjustments of \$12.2 million. The business-type activities increased net position by \$13.2 million, including prior period adjustments of \$0.9 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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

An additional portion of the County's net position (11.3%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to \$-292.1 million at the end of the current fiscal year, with \$-316.6 million derived from governmental activities and the balance of \$24.5 million from business-type activities. The County's unrestricted net position decreased by \$21.1 million as compared to last year.

The County's net capital assets increased by \$25.4 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 *Capital Assets* within this section.

The County's total amount of GO bonds, SRF loans, and other long-term debt outstanding decreased by \$10.5 million during the current fiscal year. The decrease is reflective of a \$24.9 million decrease in GO bonds, offset by an increase of \$14.2 million in SRF loans, net of principal payments.

Other long-term obligations increased by \$3.1 million, from \$90.6 million in fiscal year 2016 to \$93.8 million in fiscal year 2017 for governmental activities, and increased by \$0.6 million from \$3.5 million in prior fiscal year to \$4.1 million in fiscal year 2017 for business-type activities. The increase in governmental activities are due to a \$2.8 million increase in accrued landfill closure and post closure care costs and \$1.4 million increase in accrued vacation, offset by a decrease of \$0.8 million in accrued pollution remediation and a \$0.3 million decrease in Claims and Judgments.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2017 and 2016
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	FY2017	FY2016 (Restated)	FY2017	FY2016 (Restated)	FY2017	FY2016 (Restated)
Revenues:						
Program Revenues:						
Charges for services	\$ 115,181	\$ 106,731	\$ 64,967	\$ 61,887	\$ 180,148	\$ 168,618
Operating grants and contributions	41,470	34,426	--	--	41,470	34,426
Capital grants and contributions	9,607	14,092	11,366	6,466	20,973	20,558
General Revenues:						
Real property taxes	272,989	249,658	--	--	272,989	249,658
Other taxes	54,549	54,194	--	--	54,549	54,194
Interest and investment earnings, net	2,940	2,402	803	625	3,743	3,027
Other revenues	313	108	--	--	313	108
Total Revenues	<u>497,049</u>	<u>461,611</u>	<u>77,136</u>	<u>68,978</u>	<u>574,185</u>	<u>530,589</u>
Expenses:						
Governmental Activities:						
General government	133,763	116,872	--	--	133,763	116,872
Public safety	125,407	97,558	--	--	125,407	97,558
Highway and streets	53,976	49,842	--	--	53,976	49,842
Sanitation	74,741	69,022	--	--	74,741	69,022
Social welfare	59,429	46,333	--	--	59,429	46,333
Culture and recreation	37,626	34,896	--	--	37,626	34,896
Legislative	7,408	6,416	--	--	7,408	6,416
Interest on long-term debt	6,867	7,563	--	--	6,867	7,563
Business-Type Activities:						
Water Supply	--	--	62,208	62,275	62,208	62,275
Housing	--	--	193	208	193	208
Golf Course	--	--	3,883	3,500	3,883	3,500
Total Expenses	<u>499,217</u>	<u>428,502</u>	<u>66,284</u>	<u>65,983</u>	<u>565,501</u>	<u>494,485</u>
Increase (Decrease) in Net Position Before Transfers	(2,168)	33,109	10,852	2,995	8,684	36,104
Transfers	<u>(2,385)</u>	<u>(2,810)</u>	<u>2,385</u>	<u>2,810</u>	<u>--</u>	<u>--</u>
Change in Net Position	(4,553)	30,299	13,237	5,805	8,684	36,104
Net Position - Beginning of Year, as previously stated	285,921	254,755	324,231	318,234	610,152	572,989
Restatement adjustment	<u>(12,242)</u>	<u>(11,375)</u>	<u>(866)</u>	<u>(673)</u>	<u>(13,108)</u>	<u>(12,048)</u>
Net Position - Beginning of Year, as restated	<u>273,679</u>	<u>243,380</u>	<u>323,365</u>	<u>317,561</u>	<u>597,044</u>	<u>560,941</u>
Net Position - End of Year	<u>\$ 269,126</u>	<u>\$ 273,679</u>	<u>\$ 336,602</u>	<u>\$ 323,366</u>	<u>\$ 605,728</u>	<u>\$ 597,045</u>

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

Governmental Activities. Governmental activities decreased the County's net position by \$4.6 million. This is in contrast to last year when net position increased by \$31.2 million. The decrease of \$35.8 million of change in net position over last year is primarily attributable to an increase in governmental activities expenses of \$70.7 million and decrease in Capital grants and contributions of \$4.5 million, offset by an increase in Charges for services of \$8.5 million, Operating grants and contributions of \$7.0 million and Real Property Taxes of \$23.3 million.

The increase in revenues from real property taxes was primarily due to higher certified values. The real property tax rates in fiscal year 2017 were decreased in most classifications.

Business-Type Activities. The three business-type activities increased the County's net position by \$13.2 million, compared with last year's increase of net position by \$6.0 million. The increase of \$7.2 million in change in net position over last year is primarily attributable to an increase in DWS' revenues collected for services by \$3.1 million and capital contributions by \$4.9 million, offset by an increase in operating expenses by \$0.3 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 \$191.1 million, representing a decrease of \$1.2 million or 0.6% as compared to the prior year. The decrease in the governmental funds balance can be attributed to the decrease in the General Fund by \$3.3 million and Capital Project Fund by \$1.2 million; offset by an increase in the Sewer Fund by \$1.6 million, Highway Fund by \$0.9 million, Grant Fund by \$0.6 million, and Other Governmental Funds by \$0.2 million.

Approximately \$25.1 million or 13.1% of the total fund balances of the governmental funds is comprised of unassigned funds. Unassigned funds have no constraints whatsoever and are available for spending at the County's discretion. The remainder of total governmental fund balances of \$166.1 million is comprised of \$47.6 million in restricted funds, \$61.3 million in committed funds, and \$57.2 million in assigned funds. There was a total of \$126.9 million in encumbered governmental funds comprised of \$119.6 million in the major funds and \$7.3 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 \$81.7 million, which included \$4 million in restricted funds, \$34.4 million in committed, \$18.2 million in assigned, and \$25.1 million in unassigned funds. The unassigned fund balance represents 8.9% of total General Fund expenditures, while the total fund balance of the General Fund represents 28.9% of the expenditures. There was a total of \$18.2 million in encumbrances in the General Fund at the end of fiscal year 2017.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

The fund balance for the General Fund decreased by \$3.3 million during the current fiscal year. This compares with a decrease of \$3.9 million from the prior year. Key factors for the decrease of \$3.3 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$22.0 million or 7.4% from prior year, largely reflective of increased revenues from taxes of \$21.0 million, charges for services of \$0.7 million, interest and investment earnings of \$0.5 million, and licenses of \$0.3 million; offset by decreased revenues from fines and forfeitures of \$0.2 million and other revenues of \$0.4 million, when compared to prior year.
- Total expenditures increased by \$22.6 million or 8.7% from prior year. The increase is due to expenditures of \$9.6 million in Culture and Recreation, \$7.6 million in General Government, \$6.1 million in Public Safety, and \$1.8 million in Highways and Streets; offset by a decrease of expenditures of \$2.6 million in Social Welfare.
- Other Financing Uses, net increased \$1.1 million from prior year, due primarily to an increase in transfers out to the Debt Service Fund of \$5.2 million, offset by a decrease in the transfers out to the Capital Improvements Projects Fund of \$1.4 million, and an increase in the transfers in from the Lapse from Capital Improvement Projects of \$2.7 million. The \$1.1 million increase in Other Financing Uses, offset by a decrease of \$0.6 million in revenues over expenditures resulted in an increase of \$0.5 million in the net change in fund balance from the prior year.

Revenues from taxes increased by \$21.0 million, from \$259.3 million in fiscal year 2016 to \$280.3 million in fiscal year 2017.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$273.0 million represents 55.0% of all the revenues for the County governmental funds. This year's levy collection increased by \$22.9 million or 9.2% from last year's levy collection of \$250.1 million. The increase in real property tax collection in fiscal year 2017 was largely due to increased property tax valuations. The County's tax rate decreased for most property classifications at an average rate of 2.0% from prior year, while Apartment, Commercial, and Commercial Residential tax rates remain the same as prior year.

The property tax valuations for tax rate purposes (tax base) increased from \$40.7 billion in fiscal year 2016 to \$44.4 billion in fiscal year 2017, representing an increase of 9%. The tax rates in 2017 decreased for the following classifications: Residential from \$5.40 to \$5.30, Industrial from \$6.85 to \$6.69, Agricultural from \$5.75 to \$5.66, Conservation from \$5.90 to \$5.80, Hotel and Resort from \$8.85 to \$8.71, Time share from \$14.55 to \$14.31, and Homeowner from \$2.75 to \$2.70.

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.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

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 \$7.7 million, representing a decrease of \$1.6 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was \$10.6 million, of which the entire amount was restricted. A total of \$1.8 million in the Highway Fund was encumbered at the end of fiscal year 2017.

The revenues in the Highway Fund primarily derived from the fuel tax (\$15.7 million), franchise tax (\$7.7 million), and motor vehicle weight tax (\$21.4 million), classified as licenses and permits, and public transit bus fare (\$2.5 million) collectively made up 9.5% (\$47.3 million) of the revenues in the governmental funds. The fiscal year 2017 revenue collection was \$2.8 million more than the previous year due to increased revenues from fuel tax of \$3.1 million, and motor vehicle license and permit fees of \$0.9 million; offset by a decrease of revenue from franchise tax of \$1.2 million.

The expenditures of \$29.7 million for the Highway Fund was a decrease of \$1.3 million or 4.2% from the prior fiscal year.

The total other financing sources (uses) for the Highway Fund increased from (\$15.2) million in fiscal year 2016 to (\$16.7) million in fiscal year 2017. With a beginning fund balance of \$9.7 million, the Highway Fund ended with a fund balance of \$10.6 million, an increase in fund balance of \$0.9 million.

Sewer Fund. At the end of the current fiscal year, the fund balance of the Sewer Fund was \$12 million which represented committed funds. A total of \$2.7 million in the Sewer Fund was encumbered at the end of fiscal year 2017.

The Sewer Fund revenues of sewer and cesspool fees of \$52.0 million reflect an increase of \$2.5 million or 4.9% from last year's revenue collection of \$49.5 million.

The Sewer Fund expenditures of \$27.3 million increased \$0.7 million or 2.8% 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 \$10.4 million, the Sewer Fund ended with a fund balance of \$12.0 million, an increase in fund balance of \$1.6 million from fiscal year 2016 to fiscal year 2017.

Grant Fund. Total revenue for the Grant Fund was \$40.0 million, representing an increase of \$5.7 million or 16.6% over last year.

The Grant Fund expenditures in the current fiscal year increased by \$7.2 million or 22.4% 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 \$40.4 million, which included \$1.5 million in restricted funds and \$38.9 million in assigned funds. A total of \$92.5 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

Expenditures for capital improvement projects for fiscal year 2017 were \$48.1 million (excluding bond issuance costs). This amount, compared with last year's expenditures of \$65.5 million, represents a decrease of \$17.4 million or 26.5%.

The largest expenditures were reflected in the Roads category of \$17.6 million, which comprised 36.6% of the total CIP expenditures. Capital projects under this category consisted primarily of the Old Haleakala Highway Reconstruction in the amount of \$5.6 million, Baldwin Avenue Pavement Rehabilitation Phase II in the amount of \$1.6 million, and Papa Avenue Pavement Reconstruction in the amount of \$0.9 million.

The Sewer Systems category had expenditures of \$12.2 million or 25.4% of total expenditures of the Capital Improvements Projects Fund. The Lahaina Wastewater Reclamation Facility Odor Control in the amount of \$1.9 million, Lahaina Wastewater Reclamation Facility Modifications Stage IA in the amount of \$1.8 million, Hawaiian Homes Wastewater Pump Station Force Main Replacement in the amount of \$1.3 million, and Wailuku-Kahului Wastewater Reclamation Facility Force Main Replacement in the amount of \$1.1 million were the major projects under this category.

Expenses in the Other Projects category had expenditures of \$5.0 million or 10.4% of the total expenditures in the Capital Improvements Projects Fund. The major projects in this category were a purchase of a Diesel Power Waste Handler Crawler Tractor in the amount of \$0.9 million, a Diesel Powered Landfill Compact in the amount of \$0.8 million, and a 500 GPM Pumper in the amount of \$0.7 million.

Expenditures in the Solid Waste Facilities category of \$3.7 million comprised 7.7% of the total expenditures in the Capital Improvement Projects Fund. The projects in this category were the Central Maui Landfill Phase V Gas Collection System Expansion in the amount of \$1.7 million and Hana Landfill Makai Berm Waste in the amount of \$1.0 million.

Expenditures in the Parks category of \$3.6 million comprised 7.5% of the total expenditures in the Capital Improvement Projects Fund. The Paia-Haiku Parks System in the amount of \$0.4 million, Hana-Keanae-Kailua Parks in the amount of \$0.4 million, and Waiale Park Playground Replacement in the amount of \$0.3 million were the major projects in this category.

Expenditures in the Governmental Facilities category of \$3.4 million comprised 7.0% of the total expenditures in the Capital Improvement Projects Fund. The major projects in this category were Wailuku Redevelopment Municipal Parking Lot Expansion in the amount of \$0.9 million, and County Service Center in the amount of \$0.5 million.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017**

BUDGETARY HIGHLIGHTS

The General Fund budget amendments for fiscal year 2017 primarily consisted of \$3.3 million for the Countywide Costs under the Department of Finance and \$1.3 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 from public service company tax. It reflected a negative variance, with actual revenues of \$7.7 million below the budget by \$1.4 million.

The major positive budget variance for expenditures in the General Fund was in General Government of \$13.6 million, followed by Public Safety of \$4.2 million, and Legislative of \$1.9 million. Savings from the Countywide Costs Program in the General Government category, Investigative Service Program and Technical and Support Services Program in the Public Safety category, and Council Services Program in the Legislative category primarily contribute to the positive variance in the expenditures for the General Fund.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017

CAPITAL ASSETS
(Dollars in Thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>FY2017</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2016</u>
Non-Depreciable Assets:						
Land	\$ 180,956	\$ 171,461	\$ 10,708	\$ 10,150	\$ 191,664	\$ 181,611
Construction in progress	60,374	59,729	34,854	40,903	95,228	100,632
	<u>241,330</u>	<u>231,190</u>	<u>45,562</u>	<u>51,053</u>	<u>286,892</u>	<u>282,243</u>
Depreciable Assets:						
Buildings and systems	164,636	163,723	8,920	8,823	173,556	172,546
Improvements other than buildings	146,556	143,038	2,972	2,972	149,528	146,010
Machinery and equipment	153,137	140,892	33,450	32,642	186,587	173,534
Infrastructure	<u>1,163,565</u>	<u>1,132,959</u>	<u>550,654</u>	<u>522,915</u>	<u>1,714,219</u>	<u>1,655,874</u>
	<u>1,627,894</u>	<u>1,580,612</u>	<u>595,996</u>	<u>567,352</u>	<u>2,223,890</u>	<u>2,147,964</u>
Accumulated Depreciation	<u>(1,085,504)</u>	<u>(1,045,107)</u>	<u>(294,970)</u>	<u>(280,236)</u>	<u>(1,380,474)</u>	<u>(1,325,343)</u>
Total Capital Assets, Net	<u>\$ 783,720</u>	<u>\$ 766,695</u>	<u>\$ 346,588</u>	<u>\$ 338,169</u>	<u>\$ 1,130,308</u>	<u>\$ 1,104,864</u>

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounted to \$1.1 billion (net of accumulated depreciation of \$1.3 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 2017, capital assets relating to governmental activities reflected additions of \$108.8 million, depreciation expense of \$44.9 million, and transfers/retirements of \$47.0 million (net), resulting in capital assets, net of \$783.7 million. Capital assets relating to business-type activities reflected additions of \$46.7 million, depreciation expense of \$14.9 million, and transfers/retirements of \$23.4 million (net) resulting in capital assets, net of \$346.6 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, 2017 for the governmental and business-type activities amounted to \$126.9 million and \$37.0 million, respectively.

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

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017**

	LONG-TERM DEBT (Dollars in Thousands)					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>FY2017</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2016</u>
General Obligation Bonds (excluding unamortized premiums and deferrals)	\$ 196,001	\$ 218,524	\$ 22,119	\$ 24,471	\$ 218,120	\$ 242,995
State Revolving Fund and USDA Loans	<u>54,137</u>	<u>46,801</u>	<u>29,168</u>	<u>22,260</u>	<u>83,305</u>	<u>69,061</u>
Total Long-Term Debt	<u>\$ 250,138</u>	<u>\$ 265,325</u>	<u>\$ 51,287</u>	<u>\$ 46,731</u>	<u>\$ 301,425</u>	<u>\$ 312,056</u>

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$301.4 million (\$250.1 million related to governmental activities and \$51.3 million related to business-type activities). Of this amount, \$218.1 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$83.3 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 decreased by \$10.6 million during the current fiscal year. The decrease is reflective of a \$24.9 million decrease in GO bonds, offset by an increase of \$14.2 million in SRF loans.

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 \$6.7 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2017, the County's current outstanding debt applicable to the limit of \$279.3 million represents only 4.20% 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.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Like the State of Hawaii, the growth of Maui County's economy, now in its seventh 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 2018 of \$46.0 billion is an increase of \$1.6 billion or 3.6% from the fiscal year 2017.

The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2018 increased for all of the ten classifications of property. The following were the increases in each category: 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, Homeowner from \$2.70 to \$2.86, Time share from \$14.31 to \$15.43 and Commercial Residential from \$4.35 to \$4.56. The budgeted real property tax levy of \$303.2 million for fiscal year 2018 is an increase of \$29.6 million or 10.9% from fiscal year 2017, largely as a result of the higher tax rates.

The fiscal year 2018 budget appropriated \$17.0 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, 2017**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	\$ 218,403,156	\$ 75,249,800	\$ 293,652,956
Receivables (Note 4):			
Property taxes	7,455,689	--	7,455,689
State of Hawaii	10,653,015	--	10,653,015
Trade accounts, net	4,741,494	6,765,889	11,507,383
Federal government	511,581	--	511,581
Other	520	--	520
Inventory	--	1,534,476	1,534,476
Other assets (Note 10)	3,397,664	1,696,644	5,094,308
Capital Assets (Note 6):			
Land	180,955,971	10,708,065	191,664,036
Buildings and systems	164,636,022	8,919,814	173,555,836
Improvements other than buildings	146,556,281	2,971,632	149,527,913
Machinery and equipment	153,136,837	33,450,015	186,586,852
Infrastructure	1,163,565,068	550,653,610	1,714,218,678
Construction in progress	60,374,408	34,854,382	95,228,790
Accumulated depreciation	<u>(1,085,503,723)</u>	<u>(294,969,802)</u>	<u>(1,380,473,525)</u>
Total Capital Assets, net	<u>783,720,864</u>	<u>346,587,716</u>	<u>1,130,308,580</u>
Total Assets	<u>1,028,883,983</u>	<u>431,834,525</u>	<u>1,460,718,508</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions (Note 10)	204,999,313	13,894,001	218,893,314
Unamortized loss on advanced refunding	4,636,879	158,295	4,795,174
Total Deferred Outflows of Resources	<u>209,636,192</u>	<u>14,052,296</u>	<u>223,688,488</u>
Total Assets and Deferred Outflows of Resources	<u>1,238,520,175</u>	<u>445,886,821</u>	<u>1,684,406,996</u>
LIABILITIES:			
Accounts payable and accrued liabilities	33,814,711	5,677,702	39,492,413
Deposits	2,536	764,306	766,842
Unearned revenue	5,914,195	1,013,306	6,927,501
Advanced collections	3,388,168	106,973	3,495,141
Interest payable	1,844,509	302,353	2,146,862
Long-term obligations (Note 7):			
Due within one year	62,319,612	6,418,631	68,738,243
Due in more than one year	295,189,527	51,385,132	346,574,659
Net pension liability (Note 10)	<u>550,326,963</u>	<u>42,052,418</u>	<u>592,379,381</u>
Total Liabilities	<u>952,800,221</u>	<u>107,720,821</u>	<u>1,060,521,042</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions (Note 10)	16,017,283	1,383,487	17,400,770
Unamortized gain of advanced refunding	--	180,272	180,272
Deferred inflows - nonexchange transactions (Note 4)	<u>577,365</u>	<u>--</u>	<u>577,365</u>
Total Deferred Inflows of Resources	<u>16,594,648</u>	<u>1,563,759</u>	<u>18,158,407</u>
Total Liabilities and Deferred Inflows of Resources	<u>969,394,869</u>	<u>109,284,580</u>	<u>1,078,679,449</u>
NET POSITION:			
Net investment in capital assets	533,984,765	295,171,590	829,156,355
Restricted for:			
Highways and streets	10,644,314	--	10,644,314
Capital projects	8,368,146	--	8,368,146
Open space and resources	3,986,833	--	3,986,833
Affordable housing	13,496,504	--	13,496,504
Water and other assessments (Note 14)	15,234,163	16,923,769	32,157,932
Unrestricted	<u>(316,589,419)</u>	<u>24,506,882</u>	<u>(292,082,537)</u>
Total Net Position	<u>\$ 269,125,306</u>	<u>\$ 336,602,241</u>	<u>\$ 605,727,547</u>

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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General government	\$ 133,763,469	\$ 14,061,903	\$ 8,393,116	\$ --	\$ (111,308,450)	\$ --	\$ (111,308,450)
Public safety	125,406,697	453,519	5,439,432	--	(119,513,746)	--	(119,513,746)
Highways and streets	53,976,368	24,488,305	829,477	7,865,013	(20,793,573)	--	(20,793,573)
Sanitation	74,740,772	73,004,272	177,241	743,587	(815,672)	--	(815,672)
Social welfare	59,428,745	2,557,916	26,266,839	--	(30,603,990)	--	(30,603,990)
Culture and recreation	37,625,747	611,054	363,812	998,595	(35,652,286)	--	(35,652,286)
Legislative	7,407,639	3,870	--	--	(7,403,769)	--	(7,403,769)
Interest on long-term debt	6,867,907	--	--	--	(6,867,907)	--	(6,867,907)
Total Governmental Activities	<u>499,217,344</u>	<u>115,180,839</u>	<u>41,469,917</u>	<u>9,607,195</u>	<u>(332,959,393)</u>	<u>--</u>	<u>(332,959,393)</u>
Business-type Activities:							
Department of Water Supply	62,208,159	63,633,235	--	11,366,221	--	12,791,297	12,791,297
Housing, Interim Financing and Buy-Back Revolving Fund	192,922	225,567	--	--	--	32,645	32,645
Golf Course Special Fund	3,883,730	1,107,625	--	--	--	(2,776,105)	(2,776,105)
Total Business-type Activities	<u>66,284,811</u>	<u>64,966,427</u>	<u>--</u>	<u>11,366,221</u>	<u>--</u>	<u>10,047,837</u>	<u>10,047,837</u>
	<u>\$ 565,502,155</u>	<u>\$ 180,147,266</u>	<u>\$ 41,469,917</u>	<u>\$ 20,973,416</u>	<u>\$ (332,959,393)</u>	<u>\$ 10,047,837</u>	<u>\$ (322,911,556)</u>
General Revenues:							
Taxes:							
Property taxes					272,988,698	--	272,988,698
Transient accommodation tax					23,484,000	--	23,484,000
Public service company tax					7,662,143	--	7,662,143
Franchise tax					7,747,153	--	7,747,153
Fuel taxes					15,655,215	--	15,655,215
Interest and investment earnings, net (Note 2)					2,940,478	803,561	3,744,039
Other					313,024	--	313,024
Transfers (Note 5)					(2,385,023)	2,385,023	--
Total General Revenues and Transfers					<u>328,405,688</u>	<u>3,188,584</u>	<u>331,594,272</u>
Change in Net Position					(4,553,705)	13,236,421	8,682,716
Net Position - Beginning of Fiscal Year, as previously stated					285,921,309	324,231,323	610,152,632
Restatement adjustment (Note 15)					(12,242,298)	(865,503)	(13,107,801)
Net Position - Beginning of Fiscal Year, as restated					<u>273,679,011</u>	<u>323,365,820</u>	<u>597,044,831</u>
Net Position - End of Fiscal Year					<u>\$ 269,125,306</u>	<u>\$ 336,602,241</u>	<u>\$ 605,727,547</u>

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

**COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	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)	\$ 79,273,414	\$ 10,902,213	\$ 10,488,211	\$ --	\$ --	\$ 66,852,982	\$ 49,143,303	\$ 216,660,123
Cash with fiscal agent	--	--	--	--	--	1,743,033	--	1,743,033
Receivables (Note 4):								
Property taxes	7,455,689	--	--	--	--	--	--	7,455,689
Trade accounts, net	--	--	2,504,444	--	--	--	2,237,050	4,741,494
State of Hawaii	--	1,344,898	--	7,412,016	--	1,896,101	--	10,653,015
Federal government	--	--	--	511,581	--	--	--	511,581
Other receivables	--	--	--	520	--	--	--	520
Due from other funds (Note 5)	19,397,795	--	--	--	--	--	--	19,397,795
Total Assets	<u>\$ 106,126,898</u>	<u>\$ 12,247,111</u>	<u>\$ 12,992,655</u>	<u>\$ 7,924,117</u>	<u>\$ --</u>	<u>\$ 70,492,116</u>	<u>\$ 51,380,353</u>	<u>\$ 261,163,250</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Vouchers payable	\$ 3,691,517	\$ 358,604	\$ 619,651	\$ 729,349	\$ --	\$ 2,528,190	\$ 1,969,540	\$ 9,896,851
Accounts payable	9,372,662	1,025,426	55,075	626,558	--	5,104,471	795,696	16,979,888
Contracts retentions payable	29,717	--	520	5,007	--	1,023,821	2,748	1,061,813
Due to other funds (Note 5)	--	--	--	1,086,379	--	18,311,416	--	19,397,795
Deposits payable	--	--	--	--	--	2,036	500	2,536
Accrued wages payable	5,107,861	218,767	246,069	--	--	10,773	292,689	5,876,159
Deposits and unearned revenues	--	--	--	2,787,207	--	3,126,988	--	5,914,195
Advanced collections	--	--	--	--	--	--	3,388,168	3,388,168
Total Liabilities	<u>18,201,757</u>	<u>1,602,797</u>	<u>921,315</u>	<u>5,234,500</u>	<u>--</u>	<u>30,107,695</u>	<u>6,449,341</u>	<u>62,517,405</u>
Deferred Inflows of Resources:								
Deferred inflows - nonexchange	312,505	--	--	--	--	--	264,860	577,365
Deferred inflows - unavailable revenues	5,914,661	--	74,921	--	--	--	934,682	6,924,264
Total Deferred Inflows of Resources	<u>6,227,166</u>	<u>--</u>	<u>74,921</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,199,542</u>	<u>7,501,629</u>
Fund Balances (Note 13):								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	3,986,833	10,644,314	--	2,689,617	--	1,466,471	28,789,676	47,576,911
Committed	34,401,194	--	11,996,419	--	--	--	14,941,794	61,339,407
Assigned	18,247,545	--	--	--	--	38,917,950	--	57,165,495
Unassigned	25,062,403	--	--	--	--	--	--	25,062,403
Total Fund Balances	<u>81,697,975</u>	<u>10,644,314</u>	<u>11,996,419</u>	<u>2,689,617</u>	<u>--</u>	<u>40,384,421</u>	<u>43,731,470</u>	<u>191,144,216</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 106,126,898</u>	<u>\$ 12,247,111</u>	<u>\$ 12,992,655</u>	<u>\$ 7,924,117</u>	<u>\$ --</u>	<u>\$ 70,492,116</u>	<u>\$ 51,380,353</u>	<u>\$ 261,163,250</u>

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, 2017

Fund Balances - Governmental Funds		\$ 191,144,216
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.		783,720,864
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities.		6,924,264
Interest payable is not reported in the governmental funds.		(1,844,509)
Prepaid postemployment benefits are not reported in the governmental funds.		3,397,664
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.		4,636,879
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.		188,982,030
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:		
General obligation bonds	(209,577,878)	
SRF loans from the State of Hawaii	(54,136,638)	
Compensated absences	(33,130,779)	
Claims and judgments	(19,119,580)	
Net pension liability	(550,326,963)	
Accrued pollution remediation	(4,667,190)	
Landfill closure/post-closure costs	<u>(36,877,074)</u>	
Total Long-term Liabilities		<u>(907,836,102)</u>
Net Position of Governmental Activities		\$ <u>269,125,306</u>

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, 2017**

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	\$ 280,298,619	\$ 23,402,369	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 303,700,988
Licenses and permits	8,066,839	21,388,832	41,065	--	--	--	2,534,961	32,031,697
Intergovernmental revenues	23,575,427	--	--	39,555,736	--	7,865,013	--	70,996,176
Charges for current services	2,482,765	2,540,166	51,990,829	--	--	--	19,887,813	76,901,573
Fines and forfeitures	2,149,069	--	--	--	--	--	77,427	2,226,496
Interest and investment earnings, net (Note 2)	3,075,434	--	--	15,784	--	28,869	--	3,120,087
Other revenues	1,336,390	460	35,239	458,280	--	--	4,212,082	6,042,451
Assessments	--	--	--	--	--	--	1,742,182	1,742,182
Total Revenues	<u>320,984,543</u>	<u>47,331,827</u>	<u>52,067,133</u>	<u>40,029,800</u>	<u>--</u>	<u>7,893,882</u>	<u>28,454,465</u>	<u>496,761,650</u>
EXPENDITURES:								
Current:								
General government	116,666,673	--	--	8,485,143	--	--	1,359,754	126,511,570
Public safety	93,860,645	--	--	5,478,965	--	--	361,356	99,700,966
Highways and streets	9,106,868	29,692,386	--	829,478	--	--	403,279	40,032,011
Sanitation	583,309	--	27,265,325	177,242	--	--	26,816,250	54,842,126
Social welfare	18,338,411	--	--	24,144,387	--	--	14,642,753	57,125,551
Culture and recreation	37,960,729	--	--	363,813	--	--	--	38,324,542
Legislative	6,522,630	--	--	--	--	--	--	6,522,630
Capital outlay	--	--	--	--	--	48,111,924	--	48,111,924
Debt Service:								
Principal	--	--	--	--	26,150,359	--	--	26,150,359
Interest and other issuance cost	--	--	--	--	9,174,491	--	--	9,174,491
Total Expenditures	<u>283,039,265</u>	<u>29,692,386</u>	<u>27,265,325</u>	<u>39,479,028</u>	<u>35,324,850</u>	<u>48,111,924</u>	<u>43,583,392</u>	<u>506,496,170</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>37,945,278</u>	<u>17,639,441</u>	<u>24,801,808</u>	<u>550,772</u>	<u>(35,324,850)</u>	<u>(40,218,042)</u>	<u>(15,128,927)</u>	<u>(9,734,520)</u>
OTHER FINANCING SOURCES (USES):								
Issuance of Debt (Note 7):								
SRF and USDA loans	--	--	--	--	--	10,962,589	--	10,962,589
Transfers In (Note 5)								
General Fund	5,910,327	75,000	--	52,906	35,324,850	11,293,647	17,297,847	69,954,577
Special Revenue Funds	15,968,098	--	--	--	--	21,917,267	5,464,618	43,349,983
Capital Improvement Projects Fund	3,817,018	2,315,457	711,794	--	--	--	22,016	6,866,285
Other Governmental Funds	5,381,931	340,000	--	--	--	1,715,000	--	7,436,931
Proprietary Funds	382,308	--	--	--	--	--	--	382,308
Transfers Out (Note 5)								
General Fund	(5,910,327)	(6,530,459)	(9,437,639)	--	--	(3,817,018)	(5,381,930)	(31,077,373)
Special Revenue Funds	(127,906)	--	--	--	--	(3,027,252)	(340,000)	(3,495,158)
Debt Service Fund	(35,324,850)	--	--	--	--	--	--	(35,324,850)
Capital Improvement Projects Fund	(11,293,647)	(12,507,267)	(9,410,000)	--	--	--	(1,715,000)	(34,925,914)
Other Governmental Funds	(17,297,847)	(387,913)	(5,076,705)	--	--	(22,016)	--	(22,784,481)
Proprietary Funds	(2,767,331)	--	--	--	--	--	--	(2,767,331)
Total Other Financing Sources (Uses)	<u>(41,262,226)</u>	<u>(16,695,182)</u>	<u>(23,212,550)</u>	<u>52,906</u>	<u>35,324,850</u>	<u>39,022,217</u>	<u>15,347,551</u>	<u>8,577,566</u>
Net Change in Fund Balances	(3,316,948)	944,259	1,589,258	603,678	--	(1,195,825)	218,624	(1,156,954)
Fund Balances, Beginning of Year	<u>85,014,923</u>	<u>9,700,055</u>	<u>10,407,161</u>	<u>2,085,939</u>	<u>--</u>	<u>41,580,246</u>	<u>43,512,846</u>	<u>192,301,170</u>
Fund Balances, End of Year	\$ <u>81,697,975</u>	\$ <u>10,644,314</u>	\$ <u>11,996,419</u>	\$ <u>2,689,617</u>	\$ <u>--</u>	\$ <u>40,384,421</u>	\$ <u>43,731,470</u>	\$ <u>191,144,216</u>

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, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (1,156,954)
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 expense. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays reported in the Capital Improvement Project Fund and other funds, net of retirements	61,885,498
Depreciation expense	(44,859,703)
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.	22,523,143
This is the amount by which loans proceeds exceed loan principal payments.	(7,335,373)
Certain expenses related to the accrual of vacation, landfill closure, postemployment benefits, and claims and judgments are not current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
This is the amount by which vacation accrual exceeded the payments.	(1,424,040)
This is the amount by which landfill closure accrual exceeded the payments.	(2,828,633)
This is the amount by which postemployment benefit payments exceeded the accrual.	125,102
This is the amount by which claims and judgments payments exceeded the accrual.	288,521
This is the amount by which pollution remediation payments exceeded the accrual.	818,622
Accrued interest reported is an expense in the statement of activities but not reported as an expenditure in the governmental funds.	135,004
Unavailable revenues are recognized in the statement of activities which differs from the current financial resource measurement of the governmental funds.	287,013
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.	3,217,163
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.	(1,045,586)
The County's proportionate share of pension expense requiring immediate recognition, but not reported as expenditures in the governmental funds. This is the net difference between fiscal year 2017 employer paid contributions, recorded as deferred outflows in the current year and fiscal year 2016 employer paid contributions being expensed in the statement of activities.	<u>(35,183,482)</u>
Change in Net Position of Governmental Activities	\$ <u>(4,553,705)</u>

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

**COUNTY OF MAUI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017**

	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)	\$ 52,515,728	\$ 1,723,993	\$ 1,016,636	\$ 55,256,357
Trade accounts, net (Note 4)	6,765,889	--	--	6,765,889
Inventory	1,534,476	--	--	1,534,476
Other assets	1,556,006	140,638	--	1,696,644
Total Current Unrestricted Assets	62,372,099	1,864,631	1,016,636	65,253,366
Restricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	19,993,443	--	--	19,993,443
Total Current Assets	82,365,542	1,864,631	1,016,636	85,246,809
Capital assets (Note 6):				
Land	7,905,059	2,427,000	376,006	10,708,065
Buildings and systems	3,336,702	2,017,532	3,565,580	8,919,814
Improvements other than buildings	--	--	2,971,632	2,971,632
Machinery and equipment	31,328,567	4,884	2,116,564	33,450,015
Infrastructure	550,653,610	--	--	550,653,610
Construction in progress	34,854,382	--	--	34,854,382
Accumulated depreciation	(287,921,052)	(1,170,333)	(5,878,417)	(294,969,802)
Total Capital Assets, net	340,157,268	3,279,083	3,151,365	346,587,716
Total Assets	422,522,810	5,143,714	4,168,001	431,834,525
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	12,970,330	--	923,671	13,894,001
Unamortized loss on advanced refunding	158,295	--	--	158,295
Total Deferred Outflows of Resources	13,128,625	--	923,671	14,052,296
Total Assets and Deferred Outflows of Resources	435,651,435	5,143,714	5,091,672	445,886,821
LIABILITIES:				
Current Liabilities:				
Accounts payable	5,530,479	978	146,245	5,677,702
Deposits	764,306	--	--	764,306
Unearned revenue	1,000,000	13,306	--	1,013,306
Advanced collections	106,973	--	--	106,973
Interest payable	302,353	--	--	302,353
Bonds payable - current portion (Note 7)	2,447,357	--	--	2,447,357
Notes payable - current portion (Note 7)	1,318,665	--	--	1,318,665
Claims and judgments - current portion (Note 7 and 11)	1,676,718	--	--	1,676,718
Accrued vacation - current portion (Note 7)	888,443	--	87,448	975,891
Total Current Liabilities	14,035,294	14,284	233,693	14,283,271
Noncurrent Liabilities:				
Bonds payable - less current portion (Note 7)	22,083,619	--	--	22,083,619
Notes payable - less current portion (Note 7)	27,849,760	--	--	27,849,760
Accrued vacation - less current portion (Note 7)	1,292,463	--	159,290	1,451,753
Net pension liability (Note 10)	39,134,359	--	2,918,059	42,052,418
Total Noncurrent Liabilities	90,360,201	--	3,077,349	93,437,550
Total Liabilities	104,395,495	14,284	3,311,042	107,720,821
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions (Note 10)	1,289,870	--	93,617	1,383,487
Unamortized gain on advanced refunding	180,272	--	--	180,272
Total Deferred Inflows of Resources	1,470,142	--	93,617	1,563,759
Total Liabilities and Deferred Inflows of Resources	105,865,637	14,284	3,404,659	109,284,580
NET POSITION:				
Net investment in capital assets	288,741,142	3,279,083	3,151,365	295,171,590
Restricted - water (Note 14)	16,923,769	--	--	16,923,769
Unrestricted	24,120,887	1,850,347	(1,464,352)	24,506,882
Total Net Position	\$ 329,785,798	\$ 5,129,430	\$ 1,687,013	\$ 336,602,241

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, 2017

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Operating Revenues:				
Charges for services	\$ 63,633,235	\$ 225,567	\$ 1,107,625	\$ 64,966,427
Total Operating Revenues	<u>63,633,235</u>	<u>225,567</u>	<u>1,107,625</u>	<u>64,966,427</u>
Operating Expenses:				
Salaries and personnel services	11,012,602	--	1,010,891	12,023,493
Other operating expenses	36,399,712	137,502	2,484,442	39,021,656
Depreciation and amortization (Note 6)	14,406,243	55,420	388,397	14,850,060
Total Operating Expenses	<u>61,818,557</u>	<u>192,922</u>	<u>3,883,730</u>	<u>65,895,209</u>
Operating Income (Loss)	<u>1,814,678</u>	<u>32,645</u>	<u>(2,776,105)</u>	<u>(928,782)</u>
Nonoperating Revenues (Expenses):				
Interest and investment earnings, net	785,552	18,009	--	803,561
Interest expense, net of capitalized interest	(389,602)	--	--	(389,602)
Total Non-Operating Revenues (Expenses), Net	<u>395,950</u>	<u>18,009</u>	<u>--</u>	<u>413,959</u>
Income (Loss) Before Capital Contributions and Transfers	<u>2,210,628</u>	<u>50,654</u>	<u>(2,776,105)</u>	<u>(514,823)</u>
Capital Contributions	11,366,221	--	--	11,366,221
Transfers In (Note 5)	--	--	2,767,331	2,767,331
Transfers Out (Note 5)	--	--	(382,308)	(382,308)
Change in Net Position	13,576,849	50,654	(391,082)	13,236,421
Net Position, Beginning of Year, as previously stated	317,031,554	5,078,776	2,120,993	324,231,323
Restatement adjustment (Note 15)	(822,605)	--	(42,898)	(865,503)
Net Position, Beginning of Year, as restated	<u>316,208,949</u>	<u>5,078,776</u>	<u>2,078,095</u>	<u>323,365,820</u>
Net Position, End of Year	<u>\$ 329,785,798</u>	<u>\$ 5,129,430</u>	<u>\$ 1,687,013</u>	<u>\$ 336,602,241</u>

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

**COUNTY OF MAUI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	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	\$ 62,859,449	\$ 240,512	\$ 1,107,625	\$ 64,207,586
Payments to suppliers	(37,307,583)	(19,238)	(2,457,654)	(39,784,475)
Payments to employees	(8,592,919)	--	(777,392)	(9,370,311)
Receipts of utility construction advances	221,270	--	--	221,270
Net cash provided by (used in) operating activities	<u>17,180,217</u>	<u>221,274</u>	<u>(2,127,421)</u>	<u>15,274,070</u>
Cash Flows from Capital and Related Financing Activities:				
Cash paid for the acquisition and construction of capital assets	(18,152,428)	(97,388)	(598,886)	(18,848,702)
Principal paid on bonds and notes payable	(3,661,394)	--	--	(3,661,394)
Proceeds from bonds and notes payable	8,218,402	--	--	8,218,402
Cash received from capital contributions	7,455,486	--	--	7,455,486
Interest paid on bonds and notes payable	(1,492,584)	--	--	(1,492,584)
Net cash used in capital and related financing activities	<u>(7,632,518)</u>	<u>(97,388)</u>	<u>(598,886)</u>	<u>(8,328,792)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in	--	--	2,767,331	2,767,331
Transfers out	--	--	(382,308)	(382,308)
Net cash provided by noncapital financing activities	<u>--</u>	<u>--</u>	<u>2,385,023</u>	<u>2,385,023</u>
Cash Flows from Investing Activities:				
Interest and investment earnings	785,552	18,009	--	803,561
Net cash provided by investing activities	<u>785,552</u>	<u>18,009</u>	<u>--</u>	<u>803,561</u>
Change in Cash and Cash Equivalents	10,333,251	141,895	(341,284)	10,133,862
Cash and Cash Equivalents, Beginning of Year	<u>62,175,920</u>	<u>1,582,098</u>	<u>1,357,920</u>	<u>65,115,938</u>
Cash and Cash Equivalents, End of Year	<u>\$ 72,509,171</u>	<u>\$ 1,723,993</u>	<u>\$ 1,016,636</u>	<u>\$ 75,249,800</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Unrestricted	\$ 52,515,728	\$ 1,723,993	\$ 1,016,636	\$ 55,256,357
Restricted	19,993,443	--	--	19,993,443
	<u>\$ 72,509,171</u>	<u>\$ 1,723,993</u>	<u>\$ 1,016,636</u>	<u>\$ 75,249,800</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,814,678	\$ 32,645	\$ (2,776,105)	\$ (928,782)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	14,406,243	55,420	388,397	14,850,060
Bad debt	(23,843)	--	--	(23,843)
Pension expense	4,532,361	--	328,352	4,860,713
Net (increase) decrease in receivables, inventory, other current assets, and deferred outflows	(4,443,777)	132,461	(164,634)	(4,475,950)
Net increase (decrease) in accounts payable, accrued vacation, other current liabilities, and deferred inflows	894,555	748	96,569	991,872
Net Cash Provided by (Used in) Operating Activities	<u>\$ 17,180,217</u>	<u>\$ 221,274</u>	<u>\$ (2,127,421)</u>	<u>\$ 15,274,070</u>
Noncash Capital Financing Activities				
Capital contributions	\$ 3,910,735	\$ --	\$ --	\$ 3,910,735
Amortization of deferred loss on refunding	\$ 70,435	\$ --	\$ --	\$ 70,435
Amortization of deferred gain on refunding	\$ 270,408	\$ --	\$ --	\$ 270,408
Amortization of bond premium	\$ 402,625	\$ --	\$ --	\$ 402,625

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, 2017**

	<u>Agency Funds</u>
ASSETS:	
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 50,939,224
Other current assets	500,000
Other non-current assets	<u>95,655</u>
Total Assets	\$ <u>51,534,879</u>
LIABILITIES:	
Deposits	\$ 51,439,224
Due to State of Hawaii	<u>95,655</u>
Total Liabilities	\$ <u>51,534,879</u>

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, the Housing, Interim Financing, and 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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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 in the accompanying fund financial statements.

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, postemployment benefits, 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).

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

For purposes of the statement of cash flows, the enterprise funds consider all equity in pooled cash and investments held in County Treasury (including restricted cash) to be cash equivalents.

Investments in time certificates of deposits and repurchase agreements are carried at cost, which approximates fair value. Investments in U.S. Treasury, U.S. agencies obligations, State and County Obligations, 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, 2017 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 \$5.5 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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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:

Equipment	5 - 10 years
Landfill infrastructure	5 years
Transportation and construction equipment	5 - 10 years
Building and land improvements	20 - 45 years
Sewer systems	20 - 50 years
Roadway systems	15 - 20 years
Drainage systems	50 years
Bridges	50 - 75 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 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, primarily the County's proportion of the difference between projected and actual earnings on pension plan investments, changes in proportion and difference between the County's contributions and proportionate share of contributions, and changes in assumptions related to pensions.

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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 is recorded as expenditures when liquidated with expendable available financial resources. Vested or accumulated vacation leave of proprietary funds and in the government-wide financial statements is 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.

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, 2017, accumulated sick leave amounted to approximately \$87.1 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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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. As of June 30, 2017, 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.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Retirement and Healthcare Benefits - The County's contributions to the Employees' Retirement System of the State of Hawaii (ERS), a cost-sharing, multiple-employer defined benefit pension plan, and to the Hawaii Employer - Union Health Benefits Trust Fund (the EUTF), an agent, multiple-employer defined benefit plan, are based upon actuarial computations and includes current service costs and amortization of prior service costs.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

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 ERS and additions to/deductions from the ERS' fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, 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.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 Governmental Accounting Standards Board (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*. 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 not yet determined the effect this Statement will have on the County's financial statements, but anticipate that it will materially impact the County's financial statements.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*. The Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Management has adopted the applicable requirements of the new standard as presented in the County's financial statements.

The GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The Statement amends the scope and applicability of Statement No. 68 to exclude certain pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Management has determined that this Statement does not have a material effect on the County's financial statements.

The GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management has determined that this Statement does not have a material effect on the County's financial statements.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

The GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or 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*. The Statement establishes criteria for identifying fiduciary activities of all state and local government. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are 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.

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 not yet determined the effect this Statement will have on the County's financial statements.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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

The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management has not yet determined the effect this Statement will have 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.

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, 2017, at fair value, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Fair Value</u>
Equity in pooled cash and investments	\$ 218,403,156	\$ 55,256,357	\$ 50,939,224	\$ 324,598,737
Restricted investments - equity in pooled cash and investments	--	<u>19,993,443</u>	--	<u>19,993,443</u>
Total equity in pooled cash and investments	<u>\$ 218,403,156</u>	<u>\$ 75,249,800</u>	<u>\$ 50,939,224</u>	<u>\$ 344,592,180</u>
			Cash on hand and deposits	\$ 50,928,106
			Certificates of deposit	86,006,241
			Investments	<u>207,657,833</u>
			Total equity in pooled cash and investments	<u>\$ 344,592,180</u>

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 balance sheets and statement of net position 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. agencies, obligations of the State and the County, auction rate securities collateralized by student loans, bank repurchase agreements, commercial paper, banker's acceptances, and money market funds.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

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, a single issuer, or financial institution.
- Investment maturities are not to exceed five years.

For purpose of the disclosures required by GASB Statement No. 40, all time certificates of deposit regardless of maturity are considered deposits, and all repurchase agreements and money market investments are considered investments.

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 state and U.S. Treasury securities, time certificates of deposit, U.S. 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, 2017 were "Aa1", "AA+" and "AA+" by Moody's, Standard & Poor's, and Fitch, respectively.

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, 2017, substantially all of the County's cash balance of approximately \$50.9 million and certificates of deposit of approximately \$86.0 million were insured or collateralized.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Investments -

As of June 30, 2017, the County and Fiduciary Fund's investments were as follows:

Type of Investment	% Yield	Maturity				Premiums (Discounts)	Fair Value
		Under 30 Days	31-180 Days	181-365 Days	1 - 5 Years		
Federal National Mortgage Association Coupon Notes	1.207 - 2.000	\$ --	\$ --	\$ --	\$ 47,955,000	\$ 20,632	\$ 47,975,632
Federal Home Loan Bank Notes	0.860 - 2.214	--	--	12,000,000	47,500,000	17,764	59,517,764
Federal Farm Credit Bank Notes	0.938	--	4,000,000	--	--	621	4,000,621
Federal Agricultural Mortgage Corporation Notes	0.640 - 0.875	5,000,000	--	14,000,000	--	30	19,000,030
Federal Home Loan Mortgage Corporation Notes	0.901 - 2.404	--	--	--	35,630,000	(17,832)	35,612,168
U.S. Treasury Strips	1.380 - 1.940	--	--	--	5,000,000	(224,237)	4,775,763
U.S. Treasury Note	0.967 - 1.784	--	2,800,000	--	2,000,000	(10,141)	4,789,859
State and County Obligations	0.762 - 2.229	--	--	--	25,855,000	138,256	25,993,256
Commercial Paper	1.322	--	6,000,000	--	--	(7,260)	5,992,740
Total investments		\$ 5,000,000	\$ 12,800,000	\$ 26,000,000	\$ 163,940,000	\$ (82,167)	207,657,833
Type of Deposits							
Various certificates of deposit	0.10 - 2.30	\$ 2,500,000	\$ 3,997,000	\$ 6,350,000	\$ 73,159,241		86,006,241
					Total investments and certificates of deposit		293,664,074
					Cash on hand and deposits		50,928,106
					Total equity in pooled cash and investments	\$	\$ 344,592,180

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,
- 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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

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, State and County obligations, and commercial paper: Valued using quoted prices for identical or similar assets in markets that are not active.

	Assets at Fair Value at June 30, 2017			
	Total	Level 1	Level 2	Level 3
U. S. Treasury obligations	\$ 9,565,622	\$ 9,565,622	\$ --	\$ --
U. S. Government agencies	166,106,215	--	166,106,215	--
State and County obligations	25,993,256	--	25,993,256	--
Commercial Paper	5,992,740	--	5,992,740	--
	\$ 207,657,833	\$ 9,565,622	\$ 198,092,211	\$ --

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2017, 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 Activities
Receivables, net							
Property taxes	\$ 7,455,689	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,455,689
Trade accounts	--	--	2,744,766	--	--	2,933,742	5,678,508
State of Hawaii	--	1,344,898	--	7,412,016	1,896,101	--	10,653,015
Federal government	--	--	--	511,581	--	--	511,581
Other	--	--	--	520	--	--	520
Less: allowance for uncollectible accounts	--	--	(240,322)	--	--	(696,692)	(937,014)
Total Receivables, net	\$ 7,455,689	\$ 1,344,898	\$ 2,504,444	\$ 7,924,117	\$ 1,896,101	\$ 2,237,050	\$ 23,362,299

Receivables included in the County's proprietary funds as of June 30, 2017 were as follows:

	Department of Water Supply	Total Business-Type Activities
Receivables, net		
Charges for services	\$ 6,842,556	\$ 6,842,556
Less: allowance for uncollectible charges	(76,667)	(76,667)
Total Receivables, net	\$ 6,765,889	\$ 6,765,889

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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 - RECEIVABLES (Continued)

At June 30, 2017, the various components of deferred inflows of resources were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent real property tax receivables not collected within 60 days of year-end (General Fund)	\$ 5,914,661	\$ --
Real property tax collections received in advance (General Fund)	--	312,505
Sewer and landfill fees not collected within 60 days of year-end (Sewer and Non-Major Fund)	1,009,603	--
Fees collected in advance for liquor licenses (Non-Major Fund)	<u> --</u>	<u>264,860</u>
	\$ <u>6,924,264</u>	\$ <u>577,365</u>

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

Amounts due from and due to other funds as of June 30, 2017 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 19,397,795	\$ --
Grant Fund	--	1,086,379
Capital Improvement Project Fund	<u> --</u>	<u>18,311,416</u>
	\$ <u>19,397,795</u>	\$ <u>19,397,795</u>

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.

A summary of the inter-fund transfers as of June 30, 2017 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 31,459,682	\$ 72,721,908
Highway Fund	2,730,457	19,425,639
Sewer Fund	711,794	23,924,344
Grant Fund	52,906	--
Debt Service Fund	35,324,850	--
Capital Improvement Project Fund	34,925,914	6,866,286
Non-Major Governmental Funds	22,784,481	7,436,930
Major Proprietary Fund - Golf Course Special Fund	<u>2,767,331</u>	<u>382,308</u>
	\$ <u>130,757,415</u>	\$ <u>130,757,415</u>

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Reductions/ Retirements	Balance June 30, 2017
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 171,460,971	\$ 9,495,000	\$ --	\$ 180,955,971
Construction in progress	59,728,979	47,650,419	(47,004,990)	60,374,408
	<u>231,189,950</u>	<u>57,145,419</u>	<u>(47,004,990)</u>	<u>241,330,379</u>
Depreciable assets:				
Buildings and systems	163,722,690	913,332	--	164,636,022
Improvements other than buildings	143,037,911	3,518,370	--	146,556,281
Machinery and equipment	140,892,546	16,657,743	(4,413,452)	153,136,837
Infrastructure	1,132,958,660	30,606,408	--	1,163,565,068
	<u>1,580,611,807</u>	<u>51,695,853</u>	<u>(4,413,452)</u>	<u>1,627,894,208</u>
Accumulated depreciation				
Buildings and improvements	90,914,153	5,446,462	--	96,360,615
Improvements other than buildings	86,567,095	5,573,691	--	92,140,786
Machinery and equipment	114,334,178	10,972,106	(4,462,668)	120,843,616
Infrastructure	753,291,262	22,867,444	--	776,158,706
	<u>1,045,106,688</u>	<u>44,859,703</u>	<u>(4,462,668)</u>	<u>1,085,503,723</u>
Total Governmental Activities - Capital Assets, Net	\$ <u>766,695,069</u>	\$ <u>63,981,569</u>	\$ <u>(46,955,774)</u>	\$ <u>783,720,864</u>
	Balance July 1, 2016	Additions	Reductions/ Retirements	Balance June 30, 2017
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 10,150,254	\$ 557,811	\$ --	\$ 10,708,065
Construction in progress	40,902,841	17,376,012	(23,424,471)	34,854,382
	<u>51,053,095</u>	<u>17,933,823</u>	<u>(23,424,471)</u>	<u>45,562,447</u>
Depreciable assets:				
Buildings and systems	8,822,426	97,388	--	8,919,814
Improvements other than buildings	2,971,632	--	--	2,971,632
Machinery and equipment	32,642,402	923,984	(116,371)	33,450,015
Infrastructure	522,915,288	27,738,322	--	550,653,610
	<u>567,351,748</u>	<u>28,759,694</u>	<u>(116,371)</u>	<u>595,995,071</u>
Accumulated depreciation:				
Buildings and systems	5,173,594	273,553	--	5,447,147
Improvements other than buildings	2,848,661	41,995	--	2,890,656
Machinery and equipment	18,034,918	1,393,679	(116,371)	19,312,226
Infrastructure	254,178,940	13,140,833	--	267,319,773
	<u>280,236,113</u>	<u>14,850,060</u>	<u>(116,371)</u>	<u>294,969,802</u>
Business-type Activities - Capital Assets, net	\$ <u>338,168,730</u>	\$ <u>31,843,457</u>	\$ <u>(23,424,471)</u>	\$ <u>346,587,716</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 - CAPITAL ASSETS (Continued)

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

Governmental Activities:

General government	\$ 1,103,807
Public safety	8,118,323
Highways and streets	13,726,161
Sanitation	14,927,570
Social and welfare	665,645
Culture and recreation	6,285,306
Legislative	<u>32,891</u>

Total Depreciation Expense - Governmental Activities \$ 44,859,703

Business-type Activities:

Department of Water Supply	\$ 14,406,243
Golf Course Special Fund	388,397
Housing, Interim Financing, and Buy-Back Revolving Fund	<u>55,420</u>

Total Depreciation Expense - Business-type Activities \$ 14,850,060

Construction in progress is comprised of the following as of June 30, 2017:

	Project Authorized (Appropriated)	Expended to June 30, 2017	Committed (Encumbered)
Governmental Activities:			
Government facilities	\$ 56,347,311	\$ 10,458,879	\$ 6,806,231
Roadway systems	95,129,167	13,717,882	21,287,953
Sewer systems	77,390,120	14,042,510	38,819,343
Sanitation	11,765,000	2,982,000	1,479,940
Parks and recreation	65,193,222	4,076,983	4,604,493
Drainage	23,929,170	7,193,293	6,570,265
Other	<u>24,672,822</u>	<u>7,902,861</u>	<u>3,315,308</u>
Total	\$ <u><u>354,426,812</u></u>	\$ <u><u>60,374,408</u></u>	\$ <u><u>82,883,533</u></u>

	Project Authorized (Appropriated)	Expended to June 30, 2017	Committed (Encumbered)
Business-Type Activities:			
Department of Water Supply	\$ <u><u>107,685,313</u></u>	\$ <u><u>34,854,382</u></u>	\$ <u><u>32,603,491</u></u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2017:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds	\$ 235,318,184	\$ --	\$ 25,740,306	\$ 209,577,878	\$ 20,427,643
State Revolving Fund	<u>46,801,265</u>	<u>10,962,589</u>	<u>3,627,216</u>	<u>54,136,638</u>	<u>3,965,923</u>
Total	<u>\$ 282,119,449</u>	<u>\$ 10,962,589</u>	<u>\$ 29,367,522</u>	<u>\$ 263,714,516</u>	<u>\$ 24,393,566</u>
Business-Type Activities:					
General obligation bonds	\$ 27,285,458	\$ --	\$ 2,754,482	\$ 24,530,976	\$ 2,447,357
Notes payable	<u>22,259,559</u>	<u>8,218,402</u>	<u>1,309,536</u>	<u>29,168,425</u>	<u>1,318,665</u>
Total	<u>\$ 49,545,017</u>	<u>\$ 8,218,402</u>	<u>\$ 4,064,018</u>	<u>\$ 53,699,401</u>	<u>\$ 3,766,022</u>

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.

General obligation bonds payable reported in the governmental activities column of the statement of net position at June 30, 2017 are comprised of the following individual issues:

<u>Year</u>	<u>Description</u>	<u>Interest</u> <u>Rates</u>	<u>Original Issue</u> <u>Amount</u>	<u>Final</u> <u>Maturity</u>	<u>Outstanding</u> <u>Balance</u> <u>June 30, 2017</u>
2006	Series B,C GO and Refunding	4.00%-5.00%	\$ 25,190,000	2022	\$ 12,515,000
2008	Series A GO	3.50%-5.00%	34,000,000	2028	1,686,542
2010	Series A GO	0.53%-5.95%	23,375,000	2030	16,675,000
2010	Series B GO	3.00%-5.00%	46,300,000	2021	18,839,278
2012	Series A,B, and D GO and Refunding	2.00%-5.00%	56,885,000	2032	44,264,273
2014	Series A,B,D and E GO and Refunding	2.00%-5.00%	61,875,000	2034	51,205,000
2015	Series A,B,C and D GO and Refunding	3.00%-5.00%	<u>60,155,000</u>	2036	<u>50,815,522</u>
	Total general obligation bonds		<u>\$ 307,780,000</u>		196,000,615
	Unamortized premium				<u>13,577,263</u>
	Net general obligation bonds outstanding				<u>\$ 209,577,878</u>

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 \$78.6 million and outstanding principal amounted to approximately \$54.1 million at June 30, 2017, and bear interest at 0.25% to 2.60%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2037. The County has 25 projects funded with these SRF loans.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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

The schedule below shows the State Revolving Fund Loans outstanding as of June 30, 2017:

Year	Description	Loan Number	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2017
State Revolving Fund Loans:					
1998	Kihei Reuse Core Distribution System	C150077-09	\$ 3,231,080	2018	\$ 105,202
2004	Lahaina Pump Station Nos. 5 & 6	C150054-12	3,300,000	2026	1,580,927
2004	Kahului Pump Station Modification	C150052-30	2,623,957	2026	1,270,505
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	913,136
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	5,757,570
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2029	1,201,450
2009	Lahaina Wastewater Pump Station No.1	C150054-06	7,050,000	2029	4,293,302
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,502,173	2029	2,109,985
2009	Islandwide EPA Consent Decree	C150052-31	8,438,770	2029	5,116,131
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,241,038	2029	2,065,655
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2029	294,596
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	1,175,542
2010	Countywide Pump Station Renovations	C150052-28	928,608	2029	636,877
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2032	738,608
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2033	904,742
2013	West Maui Recycled Water	C150054-23	1,205,090	2033	1,029,687
2012	Wailuku-Kahului Force Main Replacement	C150052-35	3,621,040	2034	3,109,721
2012	Countywide Pump Station Renovations	C150054-34	4,023,751	2034	3,664,884
2010	Central Operations and Maintenance Facility	C150052-33	500,000	2034	424,836
2013	Lahaina No. 3 Force Main Replacement	C150054-28	4,719,007	2034	4,040,426
2013	Lahaina Wastewater Pump Station No.2	C150054-10	3,758,886	2034	3,537,485
2013	South Maui Recycled Water Distribution System	C150077-17	2,543,970	2035	2,295,788
2015	Paia Force Main Replacement	C150052-48	1,734,738	2036	1,693,318
2014	Kihei Force Main Replacement	C150077-22	1,620,000	2036	1,582,085
2016	Kahului-Wailuku Wastewater Reclamation Facility Filter Modification	C150052-61	4,594,179	2037	4,594,180
			<u>\$ 78,603,987</u>		<u>\$ 54,136,638</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities - General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 20,427,643	\$ 8,117,457	\$ 28,545,100
2019	21,486,101	7,125,002	28,611,103
2020	22,479,292	6,115,950	28,595,242
2021	18,817,303	5,142,116	23,959,419
2022	12,860,816	4,287,523	17,148,339
2023-2027	56,927,538	13,479,599	70,407,137
2028-2032	34,226,922	4,611,614	38,838,536
2033-2036	8,775,000	485,981	9,260,981
Total	\$ <u>196,000,615</u>	\$ <u>49,365,242</u>	\$ <u>245,365,857</u>

<u>Year Ending June 30,</u>	<u>Governmental Activities - SRF Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,965,923	\$ 449,732	\$ 4,415,655
2019	3,880,382	416,741	4,297,123
2020	3,899,049	384,950	4,283,999
2021	3,918,205	352,622	4,270,827
2022	3,937,100	320,505	4,257,605
2023-2027	19,648,810	1,114,104	20,762,914
2028-2032	11,111,686	414,324	11,526,010
2033-2037	3,775,483	65,602	3,841,085
Total	\$ <u>54,136,638</u>	\$ <u>3,518,580</u>	\$ <u>57,655,218</u>

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 of Water Supply (DWS) 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 DWS, and accordingly, are excluded from funded debt pursuant to the State Constitution.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017 are comprised of the following individual issues:

Year	Description	Interest Rates	Final Maturity	Outstanding Balance June 30, 2017
2008	Series A GO Refunding Bonds	3.50%	7/1/2017	\$ 273,458
2010	Series B GO Refunding Bonds	4.00%-5.00%	6/1/2021	1,635,722
2012	Series B and C GO and Refunding	2.10%-5.00%	6/1/2032	9,215,727
2014	Series C GO Bonds	3.00%-5.00%	6/1/2034	6,080,000
2015	Series B and D GO Refunding Bonds	3.00%-5.00%	9/1/2026	<u>4,914,477</u>
	Total general obligation bonds			22,119,384
	Unamortized premium			<u>2,411,592</u>
	Net general obligation bonds outstanding			<u>\$ 24,530,976</u>

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, 2017, were as follows:

Fiscal Year Ending June 30,	Business-Type Activities – General Obligation Bonds		
	Principal	Interest	Total
2018	\$ 2,447,357	\$ 929,787	\$ 3,377,144
2019	2,578,898	807,512	3,386,410
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 - 2027	5,967,462	1,228,995	7,196,457
2028 - 2032	3,383,078	466,653	3,849,731
2033 - 2034	<u>915,000</u>	<u>44,850</u>	<u>959,850</u>
Total	\$ <u>22,119,384</u>	\$ <u>5,180,440</u>	\$ <u>27,299,824</u>

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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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

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

At June 30, 2017, notes payable reported in the Business-Type Activities column of the statement of net position consisted of the following:

	<u>Amount</u>
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.	\$ 1,119,576
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.	484,191
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.	2,597,282
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.	847,145
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.	187,944
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.	1,745,402
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.	706,401
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.	6,599,623
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.	3,671,885
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.	1,909,272
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.	<u>1,331,160</u>
Balance forward	\$ <u>21,199,881</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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

	Amount
Balance carried forward	\$ 21,199,881
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.	1,743,097
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.	2,081,786
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.	<u>4,143,661</u>
	29,168,425
Less current maturities	<u>(1,318,665)</u>
	<u>\$ 27,849,760</u>

Annual debt service requirements of these notes payable at June 30, 2017 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Business-Type Activities Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,318,665	\$ 500,184	\$ 1,818,849
2019	1,408,727	482,157	1,890,884
2020	1,597,058	453,835	2,050,893
2021	1,702,522	422,942	2,125,464
2022	1,711,829	391,640	2,103,469
2023-2027	8,703,298	1,481,466	10,184,764
2028-2032	8,509,212	683,882	9,193,094
2033-2037	3,530,404	148,967	3,679,371
Thereafter	<u>686,710</u>	<u>8,723</u>	<u>695,433</u>
Totals	\$ <u>29,168,425</u>	\$ <u>4,573,796</u>	\$ <u>33,742,221</u>

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, 2017. The line of credit agreement requires interest-only payments at the bank's base rate plus 0.90% (3.94% at June 30, 2017), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2017 and has been renewed to July 30, 2018.

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, 2017, are approximately \$6.6 billion and \$6.4 billion, respectively.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

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, 2017.

Refunded Bonds

The County issued refunding bonds, namely the Series 2015 general obligation bonds, in which proceeds were placed in an escrow fund, to repay all future debt service payments on the Series 2008 general obligation bonds. As of June 30, 2017, the outstanding balance of the unpaid defeased debt was \$25.6 million. Accordingly, the assets of the irrevocable trust and the liability for the defeased bonds are not included in the County's basic financial statements.

Other Obligations

Other long-term general obligations consist of accrued vacation, accrued landfill closure, accrued environmental liability or pollution remediation obligation, post-closure care costs, accrued postemployment benefits, and claims and judgments. The accrued vacation liability is 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. The accrued postemployment benefits liability is typically liquidated by the General, Highway, Sewer, and Other Governmental Funds. Claims and judgments liability is typically liquidated by the General Fund.

A summary of long-term debt and other long-term general obligations for the year ended June 30, 2017 is as follows:

	Balance July 1, 2016	Prepaid Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Prepaid Balance June 30, 2017	Due Within One Year
Governmental Activities:							
Accrued vacation	\$ 31,706,739	\$ --	\$ 16,261,502	\$ 14,837,462	\$ 33,130,779	\$ --	\$ 14,837,462
Accrued landfill closure							
and postclosure costs (Note 9)	34,048,441	--	3,048,751	220,118	36,877,074	--	301,814
Accrued pollution remediation	5,485,812	--	215,082	1,033,704	4,667,190	--	3,667,190
Accrued postemployment benefits (Note 10)	--	(3,272,562)	31,763,000	31,888,102	--	(3,397,664)	--
Claims and judgments (Note 11)	19,408,101	--	5,169,054	5,457,575	19,119,580	--	19,119,580
Total Other General Obligations	90,649,093	(3,272,562)	56,457,389	53,436,961	93,794,623	(3,397,664)	37,926,046
Long-Term Debt	282,119,449	--	10,962,589	29,367,522	263,714,516	--	24,393,566
 Total Long-Term Obligations	 \$ 372,768,542	 \$ (3,272,562)	 \$ 67,419,978	 \$ 82,804,483	 \$ 357,509,139	 \$ (3,397,664)	 \$ 62,319,612
	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year		
Business-Type Activities:							
Accrued vacation	\$ 2,287,297	\$ 1,061,504	\$ 921,157	\$ 2,427,644	\$ 975,891		
Claims and judgments (Note 11)	1,239,213	951,870	514,365	1,676,718	1,676,718		
Total Other General Obligations	3,526,510	2,013,374	1,435,522	4,104,362	2,652,609		
Long-Term Debt	49,545,017	8,218,402	4,064,018	53,699,401	3,766,022		
 Total Long-Term Obligations	 \$ 53,071,527	 \$ 10,231,776	 \$ 5,499,540	 \$ 57,803,763	 \$ 6,418,631		

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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 5 years and annual rents range from \$1,200 to approximately \$462,000. Total annual rent expenditures for the fiscal year 2017 were approximately \$3.8 million.

As of June 30, 2017, the estimated future minimum noncancelable operating lease payments are as follows:

Year Ending June 30,	Amount
2018	\$ 1,367,000
2019	1,025,000
2020	747,000
2021	541,000
2022	25,000
	\$ <u>3,705,000</u>

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 \$36.9 million in accrued landfill closure and post-closure care costs at June 30, 2017 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 \$13.9 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 2017. 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	80%	3
Central Maui Phase V	72%	3
Hana	35%	59
Molokai	90%	3
Lanai	79%	13

The County incurred closure costs of approximately \$220,000 in fiscal year 2017, with an additional \$301,800 estimated to be incurred in fiscal year 2018. Post-closure care costs of approximately \$22.7 million are estimated over the next 30 years.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9 - SOLID WASTE LANDFILL CLOSURE, POST-CLOSURE CARE COSTS AND POLLUTION REMEDIATION OBLIGATION (Continued)

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 \$6.0 million with approximately \$1.3 million already being spent in fiscal years 2014 through fiscal year 2017.

NOTE 10 - RETIREMENT BENEFITS

Pensions

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.hawaii.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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - RETIREMENT BENEFITS (Continued)

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.

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - RETIREMENT BENEFITS (Continued)

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.

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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 - RETIREMENT BENEFITS (Continued)

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.

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, 2016, ERS membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	45,506
Inactive employees entitled but not yet receiving benefits	22,295
Active employees	<u>67,377</u>
Total	<u>135,178</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - RETIREMENT BENEFITS (Continued)

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 2017 were 25.00% for police officers and firefighters and 17.00% for all other employees. Contributions to the pension plan from the County were \$71,774,629, for the fiscal year ended June 30, 2017.

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.

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, 2017, the County reported a liability of approximately \$592.4 million, for the County's proportionate share of net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the County's proportion was 4.4309% which was an increase of 0.0638% from its proportion measured as of June 30, 2015.

There were significant changes in actuarial assumptions effective June 30, 2016 based on Five-Year Experience Study report dated July 5, 2016 that resulted in significant increase in the measurement of the total pension liability. Primary drivers for the increase include a decrease in the investment return assumption and discount rate from 7.65% as of June 30, 2015 to 7.00% as of June 30, 2016; and a decrease in the mortality assumptions for longer life expectancy and explicit assumption for continued future mortality improvement (generational approach).

There were no other changes between the measurement date, June 30, 2016, and the reporting date, June 30, 2017, that are expected to have a significant effect on the proportionate share of the net pension liability.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - RETIREMENT BENEFITS (Continued)

For the fiscal year ended June 30, 2017, the County recognized pension expense of \$84,341,554. At June 30, 2017, 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	\$ 20,572,233	\$ (6,766,833)
Net difference between projected and actual earnings on pension plan investments	39,451,901	--
Changes in proportion and difference between County contributions and proportionate share of contributions	5,488,317	(10,633,937)
Changes in assumptions	119,658,359	--
County contributions subsequent to the measurement date	33,722,504	--
	\$ 218,893,314	\$ (17,400,770)

Approximately \$33.7 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 ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 32,848,294
2019	32,848,294
2020	44,376,649
2021	38,443,860
2022	19,252,943
Total	\$ 167,770,040

Actuarial Assumptions - The total pension liability in the June 30, 2016 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%
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%
Cost of living adjustments (COLAs)	2.50%/1.50%
COLAs are not compounded; and are based on original pension amounts	

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 - RETIREMENT BENEFITS (Continued)

Post-retirement mortality rates are based on the 2016 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2016 and full generational projections in future years. Pre-retirement mortality rates are based on multiples of RP-2014 mortality tables based on the occupation of the member.

The actuarial assumptions used in the June 30, 2016 valuation were based on the most recent experience study dated July 5, 2016. Between experience studies, the Board of Trustees of the Employees' Retirement System of the State of Hawaii elected to lower the investment return assumption effective with the June 30, 2016 valuation.

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 Geometric Rate of Return
Broad growth	63.00%	8.35%
Principal protection	7.00%	2.20%
Real return	10.00%*	6.10%
Crisis risk offset	20.00%	5.50%
	100.00%	

Discount Rate - The discount rate used to measure the net pension liability 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. There has been no change in the discount rate since the prior measurement date.

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	\$ <u>764,885,350</u>	\$ <u>592,379,381</u>	\$ <u>449,636,363</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - RETIREMENT BENEFITS (Continued)

Pension Plan Fiduciary Net Position - The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

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's complete financial statements are available at <http://www.ers.ehawaii.gov>.

Payables to the Pension Plan

As of June 30, 2017, the County had \$4,344,484 payable to the pension plan.

Postemployment Benefits -

In addition to providing pension benefits, the County, pursuant to HRS Chapter 87A, is a participating employer in an agent, multiple-employer defined benefit plan providing certain healthcare and life insurance benefits to all qualified employees and retirees. The Hawaii Employer-Union Health Benefits Trust Fund (the EUTF) was established on July 1, 2003 to provide a single delivery system of health benefits for state and county workers, retirees and their dependents.

For employees hired prior to 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 benefits.

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.

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.

Based on the actuarial valuation study as of July 1, 2015 (the most recent valuation study), the County has 1,343 retirees (including surviving spouses), 215 of deferred vested, and 2,511 of actives, which were used to arrive at the actuarial valuation amount.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 - RETIREMENT BENEFITS (Continued)

The County's annual other postemployment benefit (OPEB) cost is calculated based on its annual required contribution (ARC), which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years. The current ARC rate is 18.6% of annual covered payroll used in the actuarial valuation study as of July 1, 2015.

The following tables present the annual OPEB cost, the amount contributed to the plan, and the net OPEB asset as of and for the fiscal year ended June 30, 2017:

Annual required contribution	\$ 31,778,000
Interest on net OPEB asset	(229,000)
Adjustment to annual required contribution	<u>214,000</u>
Annual OPEB cost	31,763,000
Contributions made	<u>(31,888,102)</u>
Increase in net OPEB obligation	(125,102)
Net OPEB asset at beginning of year	<u>(3,272,562)</u>
 Net OPEB asset at end of year	 \$ <u>(3,397,664)</u>

The actuarial accrued liability as of July 1, 2015 based upon the most recent valuation study and the funded status was as follows:

Actuarial accrued liability	\$ 445,986,000
Actuarial value of plan assets	<u>148,983,000</u>
 Unfunded actuarial accrued liability (UAAL)	 \$ <u>297,003,000</u>
 Funded Ratio	 33.4%
Covered Payroll	\$ 165,229,000
UAAL as a percentage of covered payroll	179.8%

The following table provides the amortization of the UAAL based on the July 1, 2015 valuation report:

Established	Projected UAAL Balance at 7/1/2015	Projected UAAL Balance at 7/1/2016	Period Remaining July 1, 2016	Amortization Payment Fiscal Year 2017
July 1, 2007	\$ 251,210,000	\$ 251,853,000	21	\$ 16,951,000
July 1, 2009	133,471,000	134,541,000	24	8,278,000
July 1, 2011	(32,004,000)	(32,260,000)	24	(1,985,000)
July 1, 2013	(86,064,000)	(86,754,000)	24	(5,338,000)
July 1, 2015	<u>30,390,000</u>	<u>32,517,000</u>	<u>30</u>	<u>1,743,000</u>
	 \$ <u>297,003,000</u>	 \$ <u>299,897,000</u>	 21.8	 \$ <u>19,649,000</u>

The initial unfunded liability is amortized over a period of 30 years, ending June 30, 2037. Closed bases are established at each valuation for new unfunded liabilities. If experience produces a loss during a valuation cycle, the new base will be amortized over a period of 30 years. If experience produces a gain during a valuation cycle, the new base will be netted against prior loss bases by setting the amortization period to that of the loss base. For example, the 2011 and 2013 gains are being amortized over the same 24 year period as the 2009 loss. This process substantially reduces volatility as bases are fully amortized. For fiscal year ending June 30, 2017, the Equivalent Single Amortization Period equals 21.8.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 - RETIREMENT BENEFITS (Continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2017, 2016, and 2015 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation / (Asset)</u>
June 30, 2015	\$ 28,217,000	99.5%	\$ (3,307,619)
June 30, 2016	\$ 29,212,000	99.9%	\$ (3,272,562)
June 30, 2017	\$ 31,763,000	100.4%	\$ (3,397,664)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.0% discount rate, which is based on the County's anticipated funding level and an annual healthcare costs trend rate of 9.0% for PPO, including prescription drugs, initially, declining to 5.0% over eight years, 7.0% for HMO, including prescription drugs, declining to a rate of 5.0% after eight years, and Part B at an initial rate of 3.0% for the first two years and 5.0% afterwards. The assumptions also included a 3.5% increase in payroll and a 3.0% inflation rate. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2015 for the UAAL balance varies depending on the date each portion was established but is set to not exceed 30 years.

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 postemployment 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 in 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.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, is designed to present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The EUTF issues an annual financial report that is available to the public. That report is available on-line at their website www.eutf.hawaii.gov or by contacting them at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - RETIREMENT BENEFITS (Continued)

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 \$20.8 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, 2017 were as follows:

	2017 - Claims and Judgments				
	Balance July 1, 2016	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
Workers' compensation	\$ 6,384,255	\$ 2,966,018	\$ 4,037,415	\$ 5,312,858	\$ 5,312,858
Automobile, general liability and other civil litigation	<u>13,023,846</u>	<u>2,203,036</u>	<u>1,420,160</u>	<u>13,806,722</u>	<u>13,806,722</u>
	<u>\$ 19,408,101</u>	<u>\$ 5,169,054</u>	<u>\$ 5,457,575</u>	<u>\$ 19,119,580</u>	<u>\$ 19,119,580</u>
Business-Type Activities:					
Workers' compensation	\$ 841,578	\$ 938,448	\$ 503,351	\$ 1,276,675	\$ 1,276,675
Automobile, general liability and other civil litigation	<u>397,635</u>	<u>13,422</u>	<u>11,014</u>	<u>400,043</u>	<u>400,043</u>
	<u>\$ 1,239,213</u>	<u>\$ 951,870</u>	<u>\$ 514,365</u>	<u>\$ 1,676,718</u>	<u>\$ 1,676,718</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - CLAIMS AND JUDGMENTS (Continued)

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 \$126.9 million at June 30, 2017. Contractual commitments for the proprietary funds amounted to approximately \$37.0 million at June 30, 2017.

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, 2017, 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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 13 - FUND BALANCES

Fund balances for all the major and other governmental funds as of June 30, 2017, are distributed as follows:

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Capital Improvements Project Fund	Other Governmental Funds	Total
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted for:							
Capital improvement projects	--	--	--	--	1,466,471	--	1,466,471
Housing and human concerns	--	--	--	2,689,617	--	13,741,252	16,430,869
Liquor control	--	--	--	--	--	1,925,533	1,925,533
Other expenditures	--	--	--	--	--	42,850	42,850
Parks and recreation	--	--	--	--	--	7,163,108	7,163,108
Highway and transportation services	--	10,644,314	--	--	--	--	10,644,314
Wastewater services	--	--	--	--	--	5,857,924	5,857,924
Open space preservation	3,986,833	--	--	--	--	--	3,986,833
Bikeway service	--	--	--	--	--	59,009	59,009
Subtotal	<u>3,986,833</u>	<u>10,644,314</u>	<u>--</u>	<u>2,689,617</u>	<u>1,466,471</u>	<u>28,789,676</u>	<u>47,576,911</u>
Committed to:							
Emergency reserve	33,974,176	--	--	--	--	--	33,974,176
Countywide costs	237,018	--	--	--	--	--	237,018
Economic development	190,000	--	--	--	--	--	190,000
Fire control	--	--	--	--	--	362,106	362,106
Housing and human concerns	--	--	--	--	--	617,480	617,480
Parks and recreation	--	--	--	--	--	816,706	816,706
Police services	--	--	--	--	--	73,312	73,312
Highway and transportation services	--	--	--	--	--	4,089,214	4,089,214
Solid waste services	--	--	--	--	--	4,432,025	4,432,025
Wastewater services	--	--	11,996,419	--	--	4,550,951	16,547,370
Subtotal	<u>34,401,194</u>	<u>--</u>	<u>11,996,419</u>	<u>--</u>	<u>--</u>	<u>14,941,794</u>	<u>61,339,407</u>
Assigned to:							
Administrative	4,676,252	--	--	--	--	--	4,676,252
Capital improvement projects	--	--	--	--	38,917,950	--	38,917,950
Civil defense	60,079	--	--	--	--	--	60,079
Countywide costs	978,016	--	--	--	--	--	978,016
Economic development	3,838,422	--	--	--	--	--	3,838,422
Environmental services	3,000	--	--	--	--	--	3,000
Fire control	1,439,245	--	--	--	--	--	1,439,245
Highway and transportation services	201,949	--	--	--	--	--	201,949
Housing and human concerns	1,164,126	--	--	--	--	--	1,164,126
Legislative	726,719	--	--	--	--	--	726,719
Parks and recreation	2,199,596	--	--	--	--	--	2,199,596
Personnel	41,467	--	--	--	--	--	41,467
Planning	240,207	--	--	--	--	--	240,207
Police Services	1,766,770	--	--	--	--	--	1,766,770
Public works	911,697	--	--	--	--	--	911,697
Subtotal	<u>18,247,545</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>38,917,950</u>	<u>--</u>	<u>57,165,495</u>
Unassigned	<u>25,062,403</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,062,403</u>
Total	<u>\$ 81,697,975</u>	<u>\$ 10,644,314</u>	<u>\$ 11,996,419</u>	<u>\$ 2,689,617</u>	<u>\$ 40,384,421</u>	<u>\$ 43,731,470</u>	<u>\$ 191,144,216</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 13 - FUND BALANCES (Continued)

The County's General Fund classifications of fund balance are listed below with the June 30, 2017 balances:

Restricted:	
Open space, natural resources, cultural resources and scenic views preservation fund	\$ 3,986,833
Committed:	
Other postemployment obligations fund	237,018
Emergency fund	33,974,176
Economic development fund	190,000
Assigned:	
Encumbrances	18,247,545
Unassigned:	
	<u>25,062,403</u>
Total	\$ <u>81,697,975</u>

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.

Other postemployment obligations fund - This classification is to fund the County's financial liabilities for postemployment benefits accrued under the Employees' Retirement System (ERS) of the State of Hawaii, and the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Appropriations to this fund are in excess of those appropriated for annual contributions to either the ERS or the EUTF for the County's annual obligations, respectively.

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.

Economic development fund - This classification provides funds for economic development programs.

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, 2017 are not separately classified in the financial statements, and are summarized as follows:

General Fund	\$ 18,247,545
Highway Fund	1,781,277
Sewer Fund	2,732,188
Grant Fund	4,368,202
Capital Improvement Projects Fund	92,465,241
Non-Major Governmental Funds	<u>7,265,391</u>
Total	\$ <u>126,859,844</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14 - BUSINESS-TYPE ACTIVITY - 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, 2017 include funds for the following purposes:

Board-designated		
Capital improvements	\$	8,409,188
Debt service		<u>1,690,267</u>
Total board-designated		10,099,455
Undesignated		<u>42,416,273</u>
Total	\$	<u>52,515,728</u>

At June 30, 2017, construction voucher and contract payables, including retentions, to be paid with board-designated funds were approximately \$600,000. Construction contract commitments as of June 30, 2017, to be paid with board-designated funds aggregated approximately \$4.6 million. There are no amounts included in the construction contract commitment amounts for 2017 for maintenance of compliance-order projects to get the water system up to Environmental Protection Agency standards. There are no amounts included in the construction contract commitment amounts for 2017 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, 2017:

Water system development fee	\$	10,016,697
State funds		6,440,718
Bond funds		2,305,252
Customer deposits		764,422
Special assessment fund for storage		273,829
Source development fund assessments		<u>192,525</u>
Total	\$	<u>19,993,443</u>

At June 30, 2017, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$2.6 million. The construction contract commitments as of June 30, 2017, to be paid with restricted assets, aggregated approximately \$28.0 million.

Restricted Net Position

At June 30, 2017, restricted net position consisted of the following:

Water system development fee	\$	10,016,697
Special assessment fund for storage		273,829
Source development fund assessments		192,525
Other restricted funds		<u>6,440,718</u>
Total	\$	<u>16,923,769</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 15 - RESTATEMENT OF NET POSITION

The County has adopted certain requirements of GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73* (GASBS 82), which are effective for reporting periods beginning after June 15, 2016. The adoption of GASBS 82 resulted in the reclassification of payments made by the County to satisfy employee (plan member) contribution requirements that were previously deferred in the period for which the contributions were assessed and recorded as expenses in the subsequent fiscal year. These changes have been applied retroactively by restating the beginning net position as of June 30, 2016.

The effect for the fiscal year ended June 30, 2016 was a decrease to the change in net position of \$867,698 for governmental activities and \$192,612 for business-type activities and a decrease in deferred outflows of resources related to pensions and ending net position by approximately \$12.2 million for governmental activities and approximately \$0.9 million for business-type activities. The impact on beginning net position is summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position at beginning of fiscal year, as previously reported	\$ 285,921,309	\$ 324,231,323
Prior period restatement:		
Employer paid employee contributions made subsequent to the measurement date	<u>(12,242,298)</u>	<u>(865,503)</u>
Net position at beginning of fiscal year, as restated	\$ <u>273,679,011</u>	\$ <u>323,365,820</u>

COUNTY OF MAUI

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual

- General Fund
- Highway Fund
- Sewer Fund

Schedule of Funding Progress for the Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

Schedule of the County's Proportionate Share of the Net Pension Liability

Schedule of Employer Pension Contributions

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 282,589,153	\$ 282,589,153	\$ 280,298,619	\$ (2,290,534)
Licenses and permits	7,488,095	7,488,095	8,066,839	578,744
Intergovernmental revenues	23,559,000	23,559,000	23,575,427	16,427
Charges for services	1,271,000	1,271,000	2,482,765	1,211,765
Fines and forfeitures	1,900,000	1,900,000	2,149,069	249,069
Interest and investment earnings, net	2,150,000	2,150,000	3,072,846	922,846
Other revenues	1,034,625	1,034,625	1,336,390	301,765
Total Revenues	319,991,873	319,991,873	320,981,955	990,082
EXPENDITURES:				
Current:				
General government	124,345,148	127,617,191	114,012,616	13,604,575
Public safety	97,617,329	98,937,060	94,690,399	4,246,661
Highways and streets	8,348,331	8,372,820	8,351,526	21,294
Sanitation	616,375	616,375	579,213	37,162
Social welfare	19,629,391	19,602,495	18,738,135	864,360
Culture and recreation	28,974,464	29,158,632	27,588,947	1,569,685
Legislative	8,545,379	8,545,379	6,669,226	1,876,153
Total Expenditures	288,076,417	292,849,952	270,630,062	22,219,890
Excess Revenues over Expenditures	31,915,456	27,141,921	50,351,893	23,209,972
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Special Revenue Funds	16,975,465	16,056,101	15,968,098	(88,003)
Capital Improvement Projects Fund	--	--	3,817,018	3,817,018
Other Governmental Funds	5,381,931	5,381,931	5,381,931	--
Proprietary Funds	1,280,299	1,280,299	382,308	(897,991)
Transfers out				
Special Revenue Funds	(75,000)	(127,906)	(127,906)	--
Debt Service Fund	(35,324,850)	(35,324,850)	(35,324,850)	--
Capital Improvement Projects Fund	(11,243,647)	(11,293,647)	(11,293,647)	--
Other Governmental Funds	(16,897,847)	(17,297,847)	(17,297,847)	--
Proprietary Funds	(2,767,331)	(2,767,331)	(2,767,331)	--
Total Other Financing Sources (Uses)	(42,670,980)	(44,093,250)	(41,262,226)	2,831,024
Net Change in Fund Balance	(10,755,524)	(16,951,329)	9,089,667	26,040,996
Fund Balance - Beginning	22,707,627	22,707,627	22,707,627	--
Fund Balance - Ending	\$ 11,952,103	\$ 5,756,298	\$ 31,797,294	\$ 26,040,996

See accompanying notes to budgetary comparison schedule.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 23,606,500	\$ 23,606,500	\$ 23,402,369	\$ (204,131)
Licenses and permits	19,700,000	19,700,000	21,388,832	1,688,832
Charges for services	2,500,000	2,500,000	2,540,166	40,166
Other revenues	-	-	460	460
Total Revenues	45,806,500	45,806,500	47,331,827	1,525,327
EXPENDITURES:				
Current:				
Highways and streets	31,682,140	31,682,140	30,288,265	1,393,875
Excess Revenues over Expenditures	14,124,360	14,124,360	17,043,562	2,919,202
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	75,000	75,000	75,000	-
Capital Improvement Projects Fund	-	-	2,315,457	2,315,457
Other Governmental Funds	340,000	340,000	340,000	-
Transfers out:				
General Fund	(6,530,459)	(6,530,459)	(6,530,459)	-
Capital Improvement Projects Fund	(12,507,267)	(12,507,267)	(12,507,267)	-
Other Governmental Funds	(387,913)	(387,913)	(387,913)	-
Total Other Financing Sources (Uses)	(19,010,639)	(19,010,639)	(16,695,182)	2,315,457
Net Change in Fund Balance	(4,886,279)	(4,886,279)	348,380	5,234,659
Fund Balance - Beginning	8,514,659	8,514,659	8,514,659	-
Fund Balance - Ending	\$ 3,628,380	\$ 3,628,380	\$ 8,863,039	\$ 5,234,659

See accompanying notes to budgetary comparison schedule.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ --	\$ --	\$ 41,065	\$ 41,065
Charges for services	50,218,455	50,218,455	51,990,829	1,772,374
Other revenues	40,000	40,000	35,239	(4,761)
Total Revenues	50,258,455	50,258,455	52,067,133	1,808,678
EXPENDITURES:				
Current:				
Sanitation	30,499,129	30,323,340	28,551,042	1,772,298
Excess Revenues over Expenditures	19,759,326	19,935,115	23,516,091	3,580,976
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Capital Improvement Projects Fund	--	--	711,794	711,794
Transfers out:				
General Fund	(9,437,639)	(9,437,639)	(9,437,639)	--
Special Revenue Funds	(4,822,632)	--	--	--
Capital Improvement Projects Fund	(9,300,000)	(9,410,000)	(9,410,000)	--
Other Governmental Funds	--	(5,199,728)	(5,076,705)	123,023
Total Other Financing Sources (Uses)	(23,560,271)	(24,047,367)	(23,212,550)	834,817
Net Change in Fund Balance	(3,800,945)	(4,112,252)	303,541	4,415,793
Fund Balance - Beginning	8,960,690	8,960,690	8,960,690	--
Fund Balance - Ending	\$ 5,159,745	\$ 4,848,438	\$ 9,264,231	\$ 4,415,793

See accompanying notes to budgetary comparison schedule.

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2017

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 Charter provision, 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 accrued 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.

**COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017.

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>
GAAP Basis - Net change in fund balances	\$ (3,316,948)	\$ 944,259	\$ 1,589,258
Less adjustments for revenues (\$2,588), expenditures (\$10,797,742) related to certain funds included in General Fund GAAP basis financial statements, but included in special revenue funds for budgetary purposes (fund perspective difference)	10,795,154	--	--
Less encumbrances of budgeted funds June 30, 2017	(18,247,545)	(1,781,277)	(2,732,188)
Add encumbrances of budgeted funds July 1, 2016	<u>19,859,006</u>	<u>1,185,398</u>	<u>1,446,471</u>
Non-GAAP Budgetary Basis - Net change in fund balances	\$ <u>9,089,667</u>	\$ <u>348,380</u>	\$ <u>303,541</u>

COUNTY OF MAUI
SCHEDULE OF FUNDING PROGRESS FOR THE HAWAII
EMPLOYER-UNION HEALTH BENEFIT TRUST FUND (EUTF)
(DOLLARS IN THOUSANDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2011	\$ 25,138	\$ 369,774	\$ 344,636	6.8%	\$ 132,400	260.3%
July 1, 2013	\$ 26,838	\$ 386,100	\$ 359,262	7.0%	\$ 143,438	250.5%
July 1, 2015	\$ 148,983	\$ 445,986	\$ 297,003	33.4%	\$ 165,229	179.8%

**COUNTY OF MAUI
SCHEDULE OF COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

Measurement Period Ended	County's Proportionate Share of the Net Pension Liability	County's Proportionate Share of the Net Pension Liability	County's 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, 2016	4.431%	\$ 592,379,381	\$ 164,147,000	360.883%	51.28%
June 30, 2015	4.367%	\$ 381,379,245	\$ 159,017,000	239.836%	62.42%
June 30, 2014	4.213%	\$ 337,749,364	\$ 144,037,000	234.488%	63.92%
June 30, 2013	4.336%	\$ 387,246,181	\$ 143,438,000	269.975%	57.96%

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

**COUNTY OF MAUI
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS***

	2017	2016	2015	2014	2013	2012	2011	2010
Statorily Required Contribution	\$ 33,722,504	\$ 32,454,694	\$ 30,239,157	\$ 27,791,395	\$ 24,674,903	\$ 23,398,487	\$ 22,634,092	\$ 23,702,474
Actual County Contributions Recognized by the Plan	\$ 33,722,504	\$ 32,454,694	\$ 30,239,157	\$ 27,791,395	\$ 24,674,903	\$ 23,398,487	\$ 22,634,092	\$ 23,702,474
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 173,094,000	\$ 164,147,000	\$ 159,017,000	\$ 144,037,000	\$ 143,438,000	\$ 141,353,000	\$ 120,385,000	\$ 134,838,000
Contributions as a Percentage of Covered Payroll	19.482 %	19.772 %	19.016 %	19.295 %	17.202 %	16.553 %	18.801 %	17.578 %

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

COUNTY OF MAUI
OTHER SUPPLEMENTARY INFORMATION

Other Supplementary Information

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
JUNE 30, 2017**

	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	\$ 2,036,510	\$ 26,394,285	\$ 59,009	\$ 7,589,617	\$ 13,063,882	\$ 49,143,303
Trade accounts, net	--	--	--	2,237,050	--	2,237,050
Total Assets	\$ 2,036,510	\$ 26,394,285	\$ 59,009	\$ 9,826,667	\$ 13,063,882	\$ 51,380,353
Liabilities:						
Vouchers payable	\$ 18,500	\$ 1,344,738	\$ --	\$ 606,302	\$ --	\$ 1,969,540
Accounts payable	846	187,444	--	607,406	--	795,696
Contracts retention payable	--	2,748	--	--	--	2,748
Deposits	--	500	--	--	--	500
Accrued wages payable	57,194	34,218	--	201,277	--	292,689
Advanced collections	--	--	--	3,388,168	--	3,388,168
Total Liabilities	76,540	1,569,648	--	4,803,153	--	6,449,341
Deferred Inflows of Resources:						
Deferred inflows - nonexchange	264,860	--	--	--	--	264,860
Deferred inflows - unavailable revenues	--	--	--	934,682	--	934,682
Total Deferred Inflows of Resources	264,860	--	--	934,682	--	1,199,542
Fund Balances:						
Restricted	1,695,110	13,971,675	59,009	--	13,063,882	28,789,676
Committed	--	10,852,962	--	4,088,832	--	14,941,794
Total Fund Balances	1,695,110	24,824,637	59,009	4,088,832	13,063,882	43,731,470
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,036,510	\$ 26,394,285	\$ 59,009	\$ 9,826,667	\$ 13,063,882	\$ 51,380,353

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Other Assessment Funds	Total Non-major Governmental Funds
REVENUES:						
Licenses and permits	\$ 2,400,182	\$ 72,956	\$ 61,823	\$ --	\$ --	\$ 2,534,961
Charges for current services	--	--	--	19,887,813	--	19,887,813
Fines and forfeitures	--	77,427	--	--	--	77,427
Other revenues	--	4,182,647	--	29,435	--	4,212,082
Assessments	--	--	--	--	1,742,182	1,742,182
Total Revenues	<u>2,400,182</u>	<u>4,333,030</u>	<u>61,823</u>	<u>19,917,248</u>	<u>1,742,182</u>	<u>28,454,465</u>
EXPENDITURES:						
General government	--	1,359,754	--	--	--	1,359,754
Public safety	--	361,356	--	--	--	361,356
Highways and streets	--	403,279	--	--	--	403,279
Sanitation	--	1,060,502	--	25,755,748	--	26,816,250
Social welfare	2,236,168	12,406,585	--	--	--	14,642,753
Total Expenditures	<u>2,236,168</u>	<u>15,591,476</u>	<u>--</u>	<u>25,755,748</u>	<u>--</u>	<u>43,583,392</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>164,014</u>	<u>(11,258,446)</u>	<u>61,823</u>	<u>(5,838,500)</u>	<u>1,742,182</u>	<u>(15,128,927)</u>
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	--	5,469,783	--	11,828,064	--	17,297,847
Special Revenue Funds	--	2,978,431	87,913	2,398,274	--	5,464,618
Capital Improvement Projects Fund	--	--	--	19,020	2,996	22,016
Transfers Out:						
General Fund	--	--	--	(5,381,930)	--	(5,381,930)
Special Revenue Funds	--	--	--	(340,000)	--	(340,000)
Capital Improvement Projects Fund	--	--	(450,000)	(765,000)	(500,000)	(1,715,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>8,448,214</u>	<u>(362,087)</u>	<u>7,758,428</u>	<u>(497,004)</u>	<u>15,347,551</u>
Net Change in Fund Balances	164,014	(2,810,232)	(300,264)	1,919,928	1,245,178	218,624
Fund Balance - Beginning of Year	<u>1,531,096</u>	<u>27,634,869</u>	<u>359,273</u>	<u>2,168,904</u>	<u>11,818,704</u>	<u>43,512,846</u>
Fund Balance - End of Year	<u>\$ 1,695,110</u>	<u>\$ 24,824,637</u>	<u>\$ 59,009</u>	<u>\$ 4,088,832</u>	<u>\$ 13,063,882</u>	<u>\$ 43,731,470</u>

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Refundable Deposits Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 22,472,285	\$ 1,623,596	\$ 1,500,878	\$ 22,595,003
Other current assets	476,990	--	476,990	--
Other non-current assets	95,655	--	--	95,655
Total Assets	<u>\$ 23,044,930</u>	<u>\$ 1,623,596</u>	<u>\$ 1,977,868</u>	<u>\$ 22,690,658</u>
Liabilities:				
Accounts payable	\$ 87,652	\$ 1,325,440	\$ 1,209,271	\$ 203,821
Deposits	22,861,623	1,505,452	1,975,893	22,391,182
Due to State of Hawaii	95,655	--	--	95,655
Total Liabilities	<u>\$ 23,044,930</u>	<u>\$ 2,830,892</u>	<u>\$ 3,185,164</u>	<u>\$ 22,690,658</u>
Liquor Control Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 1,664	\$ 271,653	\$ 272,852	\$ 465
Total Assets	<u>\$ 1,664</u>	<u>\$ 271,653</u>	<u>\$ 272,852</u>	<u>\$ 465</u>
Liabilities:				
Accounts payable	\$ --	\$ 8,457	\$ 7,992	\$ 465
Deposits	1,664	271,653	273,317	--
Total Liabilities	<u>\$ 1,664</u>	<u>\$ 280,110</u>	<u>\$ 281,309</u>	<u>\$ 465</u>
State Highway Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 1,439,734	\$ 20,644,871	\$ 20,759,695	\$ 1,324,910
Total Assets	<u>\$ 1,439,734</u>	<u>\$ 20,644,871</u>	<u>\$ 20,759,695</u>	<u>\$ 1,324,910</u>
Liabilities:				
Accounts payable	\$ (56,359)	\$ 19,337,571	\$ 19,454,623	\$ (173,411)
Deposits	1,496,093	20,644,871	20,642,643	1,498,321
Total Liabilities	<u>\$ 1,439,734</u>	<u>\$ 39,982,442</u>	<u>\$ 40,097,266</u>	<u>\$ 1,324,910</u>
Other Funds:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 25,820,335	\$ 85,197,652	\$ 83,999,141	\$ 27,018,846
Other current assets	500,000	--	--	500,000
Total Assets	<u>\$ 26,320,335</u>	<u>\$ 85,197,652</u>	<u>\$ 83,999,141</u>	<u>\$ 27,518,846</u>
Liabilities:				
Accounts payable	\$ (31,293)	\$ 32,528,447	\$ 32,528,029	\$ (30,875)
Deposits	26,351,628	85,229,316	84,031,223	27,549,721
Total Liabilities	<u>\$ 26,320,335</u>	<u>\$ 117,757,763</u>	<u>\$ 116,559,252</u>	<u>\$ 27,518,846</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 49,734,018	\$ 107,737,772	\$ 106,532,566	\$ 50,939,224
Other current assets	976,990	--	476,990	500,000
Other non-current assets	95,655	--	--	95,655
Total Assets	<u>\$ 50,806,663</u>	<u>\$ 107,737,772</u>	<u>\$ 107,009,556</u>	<u>\$ 51,534,879</u>
Liabilities:				
Accounts payable	\$ --	\$ 53,199,915	\$ 53,199,915	\$ --
Deposits	50,711,008	107,651,292	106,923,076	51,439,224
Due to State of Hawaii	95,655	--	--	95,655
Total Liabilities	<u>\$ 50,806,663</u>	<u>\$ 160,851,207</u>	<u>\$ 160,122,991</u>	<u>\$ 51,534,879</u>

**COUNTY OF MAUI
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt Service:				
Principal payments	\$ 26,150,359	\$ 26,150,359	\$ 26,150,359	\$ --
Interest and other issuance cost	9,174,491	9,174,491	9,174,491	--
Total Expenditures	<u>35,324,850</u>	<u>35,324,850</u>	<u>35,324,850</u>	<u>--</u>
Deficiency of Revenues over Expenditures	<u>(35,324,850)</u>	<u>(35,324,850)</u>	<u>(35,324,850)</u>	<u>--</u>
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	35,324,850	35,324,850	35,324,850	--
Total Other Financing Sources	<u>35,324,850</u>	<u>35,324,850</u>	<u>35,324,850</u>	<u>--</u>
Net Change in Fund Balance	--	--	--	--
Fund Balance - Beginning	--	--	--	--
Fund Balance - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Real property taxes	\$ 273,489,153	\$ --	\$ 273,489,153	\$ 272,636,476	\$ (852,677)
Public service company tax	9,100,000	--	9,100,000	7,662,143	(1,437,857)
Total - General revenue	<u>282,589,153</u>	<u>--</u>	<u>282,589,153</u>	<u>280,298,619</u>	<u>(2,290,534)</u>
Total - Taxes	<u>282,589,153</u>	<u>--</u>	<u>282,589,153</u>	<u>280,298,619</u>	<u>(2,290,534)</u>
Licenses and permits:					
General government:					
Business licenses and permits	22,000	--	22,000	30,225	8,225
Other licenses and permits	3,845,095	--	3,845,095	3,728,309	(116,786)
Motor vehicle licenses and fees	3,621,000	--	3,621,000	4,308,305	687,305
Total - General government	<u>7,488,095</u>	<u>--</u>	<u>7,488,095</u>	<u>8,066,839</u>	<u>578,744</u>
Total - Licenses and permits	<u>7,488,095</u>	<u>--</u>	<u>7,488,095</u>	<u>8,066,839</u>	<u>578,744</u>
Intergovernmental revenues:					
General revenue:					
Federal payment in lieu of taxes	7,188	--	7,188	26,620	19,432
Transient accommodation taxes	23,484,000	--	23,484,000	23,484,000	--
State payment in lieu of taxes	6,875	--	6,875	--	(6,875)
Total - General revenue	<u>23,498,063</u>	<u>--</u>	<u>23,498,063</u>	<u>23,510,620</u>	<u>12,557</u>
Public safety:					
Federal grants passed through the state	50,000	--	50,000	--	(50,000)
Social welfare:					
Federal grants	10,937	--	10,937	64,807	53,870
Total - Intergovernmental revenues	<u>23,559,000</u>	<u>--</u>	<u>23,559,000</u>	<u>23,575,427</u>	<u>16,427</u>
Charges for current services:					
General government:					
General government	223,170	--	223,170	957,882	734,712
Safety	542,279	--	542,279	1,008,413	466,134
Total - General government	<u>765,449</u>	<u>--</u>	<u>765,449</u>	<u>1,966,295</u>	<u>1,200,846</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ 8,160	\$ (68,670)
Safety	28,721	--	28,721	36,405	7,684
Total - Public safety	105,551	--	105,551	44,565	(60,986)
Social welfare:					
Safety	--	--	--	50	50
Culture and recreation:					
General government	--	--	--	30	30
Recreation	400,000	--	400,000	468,437	68,437
Total - Culture and recreation	400,000	--	400,000	468,467	68,467
Legislative:					
General government	--	--	--	3,388	3,388
Total - Charges for current services	1,271,000	--	1,271,000	2,482,765	1,211,765
Fines and forfeitures:					
General government:					
Penalties and interest	1,900,000	--	1,900,000	2,143,820	243,820
Public safety:					
Unclaimed monies	--	--	--	5,249	5,249
Total - Fines and forfeitures	1,900,000	--	1,900,000	2,149,069	249,069
Interest and investment earnings:					
General revenue:					
Interest on investments	2,000,000	--	2,000,000	2,893,238	893,238
General government:					
Rental income	72,000	--	72,000	115,478	43,478
Culture and recreation:					
Rental income	78,000	--	78,000	64,130	(13,870)
Total - Interest and investment earnings	2,150,000	--	2,150,000	3,072,846	922,846

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Other revenues:					
General revenue:					
Miscellaneous general receipts	\$ 40,000	\$ --	\$ 40,000	\$ 80,981	\$ 40,981
General government:					
Miscellaneous income revolving	--	--	--	6,967	6,967
Miscellaneous general receipts	234,625	--	234,625	229,102	(5,523)
Miscellaneous program receipts	760,000	--	760,000	820,762	60,762
Total - General government	<u>994,625</u>	<u>--</u>	<u>994,625</u>	<u>1,056,831</u>	<u>62,206</u>
Public safety:					
Miscellaneous general receipts	--	--	--	2,940	2,940
Miscellaneous program receipts	--	--	--	45,151	45,151
Total - Public safety	<u>--</u>	<u>--</u>	<u>--</u>	<u>48,091</u>	<u>48,091</u>
Highways and streets:					
Miscellaneous income revolving	--	--	--	1	1
Miscellaneous program receipts	--	--	--	9,433	9,433
Total - General government	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,434</u>	<u>9,434</u>
Sanitation:					
Miscellaneous program receipts	--	--	--	82,615	82,615
Social welfare:					
Miscellaneous program receipts	--	--	--	56,999	56,999
Culture and recreation:					
Miscellaneous program receipts	--	--	--	957	957
Legislative:					
Miscellaneous program receipts	--	--	--	482	482
Total - Other revenues	<u>1,034,625</u>	<u>--</u>	<u>1,034,625</u>	<u>1,336,390</u>	<u>301,765</u>
Total General Fund Revenues	<u>\$ 319,991,873</u>	<u>\$ --</u>	<u>\$ 319,991,873</u>	<u>\$ 320,981,955</u>	<u>\$ 990,082</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ 4,692	\$ 1,500,595	\$ --	\$ 1,505,287	\$ 1,466,612	\$ 21,273	\$ 17,402
Economic Development	6,588	1,252,997	--	1,259,585	1,202,603	8,253	48,729
Molokai Economic Development & Cultural	104,761	140,000	--	244,761	133,615	95,667	15,479
Agriculture Promotion	84,807	215,000	--	299,807	173,186	109,953	16,668
Aquaculture & Marine Resources	35,311	--	--	35,311	30,508	4,803	--
Film Industry Promotions	1,214	125,000	--	126,214	119,622	--	6,592
Maui County Farm Bureau	148,478	305,000	--	453,478	232,307	221,171	--
Maui Economic Development Board	234,838	830,000	--	1,064,838	752,137	312,701	--
Maui Visitors Bureau	181	4,200,000	--	4,200,181	4,199,987	13	181
Small Business & High Tech Promo	11,261	100,000	--	111,261	109,913	1,243	105
Maui Arts & Cultural Center	31,827	318,270	--	350,097	350,097	--	--
Business Research Library	33,256	72,100	--	105,356	65,490	39,866	--
Hui O Waa Kaulua	--	120,000	--	120,000	62,552	57,448	--
Environmental Protection	1,202,854	1,400,000	--	2,602,854	1,559,024	965,730	78,100
East Maui Econ Development & Cultural	56,773	100,000	--	156,773	106,362	40,766	9,645
UH Tropical Agricultural & Human Resources	90,830	75,000	--	165,830	86,736	78,788	306
MEO Bus Development CP Microenterprise	105,438	275,000	--	380,438	261,096	119,342	--
Maui Nui Botanical Gardens	39,050	150,000	--	189,050	108,277	80,773	--
Maui Arts & Cultural Capital	870,000	450,000	--	1,320,000	357,848	962,152	--
Grant - Maui Comm Theater - Iao Improvement	45,518	53,045	--	98,563	45,405	53,045	113
Maui Soil & Water Conservation	--	139,000	--	139,000	139,000	--	--
Soil & Water Conservation - Molokai	--	22,000	--	22,000	19,800	2,200	--
Culture & Arts Program	21,195	70,000	--	91,195	73,208	16,130	1,857
Molokai Livestock Cooperative	10,300	10,000	--	20,300	4,378	15,922	--
Academy of Hospitality & Tourism	16,200	10,000	--	26,200	--	13,500	12,700
Ke Ao I Ka Makani Ho'eha'ili	6,766	--	--	6,766	6,766	--	--
Ka 'ohana O Kalaupapa	23,584	--	--	23,584	23,584	--	--
Ka Ipu Kukui Fellows Leadership	2,555	25,750	--	28,305	28,305	--	--
Renewable Energy Programs	--	75,000	--	75,000	55,689	10,000	9,311
Grants Friends of Maui High School	12,876	65,000	--	77,876	41,014	36,862	--
4-H UPCCOUNTRY FAIR	1,367	35,000	--	36,367	36,366	1	--
HANA ARTS	20,000	20,000	--	40,000	20,000	20,000	--
Maui Economic Development Board - Maui HS Program	50,780	45,000	--	95,780	45,238	29,386	21,156
COQUI FROG ERADICATION PROJECT	1,104,997	300,000	--	1,404,997	1,139,002	265,995	--

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Hai-Mak-Pai Economic Development & Cultural Programs	\$ 28,673	\$ 175,000	\$ --	\$ 203,673	\$ 159,287	\$ 39,386	\$ 5,000
Ma Ka Hana Ka Ike - OED	--	90,000	--	90,000	--	90,000	--
Festivals of Aloha	--	50,000	--	50,000	49,944	56	--
Lanai Economic Development & Cultural Programs	87,963	200,000	--	287,963	83,264	89,604	115,095
Sister City Program	22,500	15,000	--	37,500	20,414	17,086	--
Maui Film Festival	25,000	25,000	--	50,000	25,000	25,000	--
Lahaina Boat Day	2,880	25,750	--	28,630	22,995	5,635	--
Made in Maui County Festival	--	100,000	--	100,000	100,000	--	--
Economic Development Initiatives Program	43,967	150,000	--	193,967	169,441	9,947	14,579
Budget	21,572	487,941	--	509,513	478,721	13,132	17,660
Arts Education/Innovative Program	--	424,360	--	424,360	424,360	--	--
Total Office of the Mayor	<u>4,610,852</u>	<u>14,241,808</u>	<u>--</u>	<u>18,852,660</u>	<u>14,589,153</u>	<u>3,872,829</u>	<u>390,678</u>
Management:							
Management	173,503	1,319,336	--	1,492,839	1,149,208	177,561	166,070
County Facilities Security Program	--	216,000	--	216,000	210,150	--	5,850
Management Information Systems	3,610,494	9,268,379	--	12,878,873	9,596,546	2,961,756	320,571
Geographic Information Systems	5,235	410,947	--	416,182	254,580	5,235	156,367
West Maui Veterans Club	--	4,000	--	4,000	4,000	--	--
Total Management	<u>3,789,232</u>	<u>11,218,662</u>	<u>--</u>	<u>15,007,894</u>	<u>11,214,484</u>	<u>3,144,552</u>	<u>648,858</u>
Corporation Counsel:							
Legal Services	49,109	3,426,617	--	3,475,726	3,132,304	63,727	279,695
Finance:							
Finance Administration	2,990	738,356	--	741,346	724,898	1,500	14,948
Treasury	64,970	1,113,033	--	1,178,003	1,004,351	116,401	57,251
Accounts	45,023	1,645,450	--	1,690,473	1,416,299	181,090	93,084
Purchasing	10,332	460,949	--	471,281	428,508	10,332	32,441
Financial Services	1,203,469	6,789,156	--	7,992,625	6,150,053	1,095,837	746,735
CW Service Center - Annual Lease Costs	187,586	506,800	--	694,386	631,503	--	62,883
Countywide Fringe Benefits	261,743	57,966,774	(522,762)	57,705,755	57,010,547	252,454	442,754
Bond Issuance & Debt Services	--	577,031	4,674,805	5,251,836	39,233	22,718	5,189,885
Insurance & Self Insurance	725,917	12,700,000	(880,000)	12,545,917	7,177,106	701,400	4,667,411
Countywide General Costs	23,044	936,126	--	959,170	914,716	1,444	43,010
Overhead Reimbursement	--	(22,043,724)	--	(22,043,724)	(20,639,468)	--	(1,404,256)
Post-Employment Obligations Fund	--	16,172,000	--	16,172,000	16,172,000	--	--
Total Finance	<u>2,525,074</u>	<u>77,561,951</u>	<u>3,272,043</u>	<u>83,359,068</u>	<u>71,029,746</u>	<u>2,383,176</u>	<u>9,946,146</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Personnel Services:							
Personnel Services	\$ 16,333	\$ 1,579,802	\$ --	\$ 1,596,135	\$ 1,455,320	\$ 41,467	\$ 99,348
Planning:							
Planning	108,775	5,108,655	--	5,217,430	4,641,618	124,040	451,772
Development Fee Impact Study	3,095	--	--	3,095	--	--	3,095
General Plan Update	56,213	--	--	56,213	--	56,213	--
Maui Redevelopment Agency	125,820	183,500	--	309,320	250,763	25,265	33,292
UH-Maui Sea Grant	--	88,975	--	88,975	83,851	65	5,059
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
Puunene Airport Master Plan Update	9,123	--	--	9,123	--	--	9,123
Environmental Assessments - Planning	4,164	--	--	4,164	--	4,164	--
Wailuku First Friday Events	--	25,000	--	25,000	25,000	--	--
Total Planning	337,648	5,431,130	--	5,768,778	5,001,232	240,205	527,341
Public Works:							
Public Works Administration	14,015	564,571	--	578,586	525,464	5,175	47,947
Engineering	597,740	4,129,566	--	4,727,306	3,359,085	577,122	791,099
Special Maintenance	62,578	3,583,768	--	3,646,346	2,688,106	303,717	654,523
Development Services Administration	11,382	2,401,773	--	2,413,155	2,168,985	25,680	218,490
Total Public Works	685,715	10,679,678	--	11,365,393	8,741,640	911,694	1,712,059
Environmental Management:							
Community Work Day	--	205,500	--	205,500	205,050	--	450
Total General Government	12,013,963	124,345,148	3,272,043	139,631,154	115,368,929	10,657,650	13,604,575
Public safety:							
Prosecuting Attorney:							
Prosecutors Administration	4,193	836,656	29,731	870,580	828,574	20,072	21,934
General Prosecution	841	5,385,168	--	5,386,009	5,032,019	8,337	345,653
Total Prosecuting Attorney	5,034	6,221,824	29,731	6,256,589	5,860,593	28,409	367,587
Police:							
Police Administration	83,109	5,022,012	48,230	5,153,351	4,777,471	81,267	294,613
Investigative Service	46,267	10,900,351	--	10,946,618	9,496,125	69,603	1,380,890
Uniformed Patrol Services	761,279	29,255,144	--	30,016,423	28,846,563	689,665	480,195
Technical and Support Services	814,849	9,136,129	(48,230)	9,902,748	7,836,374	926,234	1,140,140
Total Police	1,705,504	54,313,636	--	56,019,140	50,956,533	1,766,769	3,295,838

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Fire and Public Safety:							
Fire Control Administration and Maintenance	\$ 180,856	\$ 2,619,455	\$ (110,304)	\$ 2,690,007	\$ 2,642,317	29,956	\$ 17,734
Fire Control Training	81,078	1,193,916	(241,857)	1,033,137	874,878	122,866	35,393
Fire Rescue Operations	483,389	28,237,581	1,695,456	30,416,426	28,967,838	1,241,370	207,218
Fire Prevention	8,305	922,853	(200,295)	730,863	687,822	7,367	35,674
Ocean Safety Admin/Ocean Safety	--	3,432,557	147,000	3,579,557	3,413,299	37,688	128,570
Total Fire and Public Safety	<u>753,628</u>	<u>36,406,362</u>	<u>1,290,000</u>	<u>38,449,990</u>	<u>36,586,154</u>	<u>1,439,247</u>	<u>424,589</u>
Civil Defense:							
Civil Defense	584	650,507	--	651,091	432,365	60,079	158,647
Grant American Red Cross	--	25,000	--	25,000	25,000	--	--
Total Civil Defense	<u>584</u>	<u>675,507</u>	<u>--</u>	<u>676,091</u>	<u>457,365</u>	<u>60,079</u>	<u>158,647</u>
Total Public Safety	<u>2,464,750</u>	<u>97,617,329</u>	<u>1,319,731</u>	<u>101,401,810</u>	<u>93,860,645</u>	<u>3,294,504</u>	<u>4,246,661</u>
Highways and Streets:							
Transportation:							
Transportation Administration	207,292	1,496,103	24,489	1,727,884	1,555,768	150,822	21,294
Human Service Transportation	750,000	6,180,013	--	6,930,013	6,878,885	51,128	--
Air Ambulance Program	--	672,215	--	672,215	672,215	--	--
Total Transportation	<u>957,292</u>	<u>8,348,331</u>	<u>24,489</u>	<u>9,330,112</u>	<u>9,106,868</u>	<u>201,950</u>	<u>21,294</u>
Total Highways and Streets	<u>957,292</u>	<u>8,348,331</u>	<u>24,489</u>	<u>9,330,112</u>	<u>9,106,868</u>	<u>201,950</u>	<u>21,294</u>
Sanitation:							
Environmental Management:							
Environmental Management Administration	7,096	616,375	--	623,471	583,309	3,000	37,162
Total Sanitation	<u>7,096</u>	<u>616,375</u>	<u>--</u>	<u>623,471</u>	<u>583,309</u>	<u>3,000</u>	<u>37,162</u>
Social Welfare:							
Housing and Human Concerns:							
Housing and Human Concerns Administration	9,642	560,144	26,010	595,796	570,159	9,665	15,972
Housing	17,465	632,412	--	649,877	493,542	5,839	150,496
Affordable Rental Housing Program	--	1,000,000	--	1,000,000	996,847	--	3,153
Hale Mahaolu - Homeownership/Housing	--	80,000	--	80,000	80,000	--	--
Human Concerns - General	89,408	5,316,672	--	5,406,080	4,963,958	59,828	382,294
Hana Youth Center, Inc.	1,363	147,041	--	148,404	147,041	--	1,363
Women Helping Women	--	220,850	--	220,850	220,850	--	--
Early Childhood	--	106,090	--	106,090	106,090	--	--
Substance Abuse	55,849	533,650	--	589,499	521,926	36,195	31,378

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
E Malama I Na Keiki Preschool	\$ 3,459	\$ 86,335	\$ --	\$ 89,794	\$ 86,335	\$ --	\$ 3,459
Homelessness Programs	--	1,000,000	--	1,000,000	865,880	134,120	--
Maui Adult Day Care Center	--	358,440	--	358,440	358,440	--	--
MCC Cooperative Education	996	25,750	--	26,746	23,175	2,575	996
MEO Headstart After School	--	245,040	--	245,040	245,040	--	--
MEO Headstart Summer	17,500	180,250	--	197,750	179,725	18,025	--
Community Partnership Grants	32,089	--	--	32,089	2,195	19,799	10,095
Lanai Youth Center	--	172,086	--	172,086	169,839	2,247	--
Kihei Youth Center	1,957	245,285	--	247,242	245,285	--	1,957
Youth	11,548	110,321	--	121,869	81,163	30,481	10,225
Maui Family Support Services	--	65,564	--	65,564	65,564	--	--
J. Water Cameron Center Expansion	--	90,000	--	90,000	66,750	23,250	--
Big Brothers and Big Sisters	--	105,892	--	105,892	105,892	--	--
Mental Health Association	--	65,207	--	65,207	65,207	--	--
Self Sufficiency	2,634	98,526	--	101,160	83,006	5,194	12,960
Hana Community Association	8,239	84,863	--	93,102	68,889	15,632	8,581
MEO Infant Toddler Care	--	97,850	--	97,850	97,850	--	--
Maui Community Food Bank	--	355,350	--	355,350	355,350	--	--
Maui Arts & Performing Academy	--	15,450	--	15,450	15,450	--	--
Hui Malama Learning Center	--	282,843	--	282,843	282,843	--	--
Family Spt - Teen Voices	1	42,630	--	42,631	38,368	4,262	1
Boy Scouts of America	44,428	--	--	44,428	44,428	--	--
Salvation Army	--	142,000	--	142,000	142,000	--	--
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	--	242,573	--	242,573	239,556	3,017	--
Youth Alcohol Education Awareness	30,000	100,000	--	130,000	89,370	25,000	15,630
Coalition for Drug Free Lanai	--	43,272	--	43,272	43,272	--	--
MEO Enlace Hispano Program	--	98,417	--	98,417	98,417	--	--
Lahaina Tutoring Project	--	11,000	--	11,000	11,000	--	--
Volunteer Center Project Graduation	--	47,741	--	47,741	47,741	--	--
Ohana Makamae	22,677	90,707	--	113,384	96,149	8,164	9,071
National Kidney Foundation	--	25,000	--	25,000	25,000	--	--
Lanai Women's Center	--	82,610	--	82,610	82,610	--	--
Grants/Disability Services - Frail/Elderly	203,312	861,739	(52,906)	1,012,145	666,109	346,025	11
Kansha Preschool	10,000	--	--	10,000	10,000	--	--

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
MEO Underage Drinking	\$ --	\$ 51,500	\$ --	\$ 51,500	\$ 51,500	\$ --	\$ --
MEO Planning & Coordinating	--	85,490	--	85,490	85,490	--	--
Molokai Community Health Center	8	--	--	8	--	--	8
Grants - Best Buddies Program	--	85,000	--	85,000	85,000	--	--
MEO B.E.S.T Reintegration	--	106,090	--	106,090	106,090	--	--
Hale Makua	--	200,000	--	200,000	200,000	--	--
Lanai Youth Center Facility	75,000	150,000	--	225,000	125,000	100,000	--
Hawaiian Kamalii Inc.	--	18,672	--	18,672	18,672	--	--
MEO Youth Services	5,432	200,850	--	206,282	200,850	--	5,432
Maui Youth and Family Service, Inc.	--	100,000	--	100,000	25,000	75,000	--
Feed My Sleep	--	75,000	--	75,000	75,000	--	--
Hale Mahaolu Personal Care Program	51,500	106,090	--	157,590	(103,000)	103,000	157,590
Special Olympics Hawaii Grants	--	38,247	--	38,247	38,247	--	--
Arts Education/Innovative Program	6,206	--	--	6,206	--	--	6,206
Mental Health Kokua	--	100,000	--	100,000	50,000	50,000	--
Roman Catholic Church	3,000	--	--	3,000	--	3,000	--
Kupuna Care Service	42,357	--	--	42,357	42,357	--	--
Food, Shelter, and Safety Grants	--	860,630	--	860,630	801,400	54,050	5,180
Animal Management	--	100,000	--	100,000	100,000	--	--
Animal Sheltering Program	12,156	863,255	--	875,411	863,254	10,301	1,856
Animal Enforcement Program	6,176	569,057	--	575,233	569,057	6,176	--
Grant - Molokai Humane Society	--	137,634	--	137,634	124,353	13,281	--
Grant - Lanai Animal Rescue	--	15,000	--	15,000	15,000	--	--
Total Housing and Human Concerns	<u>764,402</u>	<u>19,483,553</u>	<u>(26,896)</u>	<u>20,221,059</u>	<u>18,223,019</u>	<u>1,164,126</u>	<u>833,914</u>
Public Works:							
Special Maintenance	--	145,838.00	--	145,838	115,392	--	30,446
Total Social Welfare	<u>764,402</u>	<u>19,629,391</u>	<u>(26,896)</u>	<u>20,366,897</u>	<u>18,338,411</u>	<u>1,164,126</u>	<u>864,360</u>
Culture and Recreation:							
Parks and Recreation:							
Parks and Recreation Administration	36,385	1,744,867	26,168	1,807,420	1,737,650	46,130	23,640
MCCC Workline	--	117,000	--	117,000	111,672	5,328	--
Lahaina Restoration Foundation	--	178,828	--	178,828	178,828	--	--
Lahaina Restoration Capital	688,071	--	--	688,071	632,754	55,317	--
Haiku Community Assoc Kalakupua	26,196	--	--	26,196	5,376	--	20,820
Tom Morrow Equestrian Arena	--	30,000	--	30,000	13,986	15,999	15

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Park Maintenance	\$ 862,851	\$ --	\$ --	\$ 862,851	\$ 562,497	\$ 242,170	\$ 58,184
Parks Program	--	6,052,346	68,000	6,120,346	4,896,247	1,110,382	113,717
Planning and Development	203,539	--	--	203,539	139,212	51,287	13,040
Recreation and Support Services	855,730	20,851,423	90,000	21,797,153	20,117,815	635,659	1,043,679
PALS	124,798	--	--	124,798	(175,923)	13,775	286,946
Aquatics	273,809	--	--	273,809	240,614	23,551	9,644
Total Parks and Recreation	<u>3,071,379</u>	<u>28,974,464</u>	<u>184,168</u>	<u>32,230,011</u>	<u>28,460,728</u>	<u>2,199,598</u>	<u>1,569,685</u>
Total Culture and Recreation	<u>3,071,379</u>	<u>28,974,464</u>	<u>184,168</u>	<u>32,230,011</u>	<u>28,460,728</u>	<u>2,199,598</u>	<u>1,569,685</u>
Legislative:							
County Council:							
Council Services	215,478	5,620,409	--	5,835,887	4,586,871	313,765	935,251
County Auditor Program	261,363	1,180,524	--	1,441,887	675,621	255,083	511,183
Total County Council	<u>476,841</u>	<u>6,800,933</u>	<u>--</u>	<u>7,277,774</u>	<u>5,262,492</u>	<u>568,848</u>	<u>1,446,434</u>
County Clerk:							
County Clerk	103,283	1,744,443	--	1,847,726	1,260,138	157,869	429,719
Total Legislative	<u>580,124</u>	<u>8,545,376</u>	<u>--</u>	<u>9,125,500</u>	<u>6,522,630</u>	<u>726,717</u>	<u>1,876,153</u>
Totals for the General Fund	<u>\$ 19,859,006</u>	<u>\$ 288,076,414</u>	<u>\$ 4,773,535</u>	<u>\$ 312,708,955</u>	<u>\$ 272,241,520</u>	<u>\$ 18,247,545</u>	<u>\$ 22,219,890</u>

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Franchise tax	\$ 8,700,000	\$ --	\$ 8,700,000	\$ 7,747,154	\$ (952,846)
Fuel tax	14,906,500	--	14,906,500	15,655,215	748,715
Total - General revenue	<u>23,606,500</u>	<u>--</u>	<u>23,606,500</u>	<u>23,402,369</u>	<u>(204,131)</u>
Total - Taxes	<u>23,606,500</u>	<u>--</u>	<u>23,606,500</u>	<u>23,402,369</u>	<u>(204,131)</u>
Licenses and permits:					
Highways and streets:					
Motor vehicle licenses and fees	19,700,000	--	19,700,000	21,388,832	1,688,832
Total - Licenses and permits	<u>19,700,000</u>	<u>--</u>	<u>19,700,000</u>	<u>21,388,832</u>	<u>1,688,832</u>
Charges for current services:					
Highways and streets:					
Public transit bus fare	2,500,000	--	2,500,000	2,539,866	39,866
Recreation	--	--	--	300	300
Total - Charges for current services	<u>2,500,000</u>	<u>--</u>	<u>2,500,000</u>	<u>2,540,166</u>	<u>40,166</u>
Other revenues:					
Highways and streets:					
Miscellaneous program receipts	--	--	--	460	460
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>460</u>	<u>460</u>
Total Highway Fund Revenues	\$ 45,806,500	\$ --	\$ 45,806,500	\$ 47,331,827	\$ 1,525,327

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Highways and streets:							
Public Works:							
Highway Administration	\$ 858	\$ 567,392	\$ 30,600	\$ 598,850	\$ 494,123	\$ --	\$ 104,727
Highway ERS & FICA	--	1,734,105	--	1,734,105	1,633,389	--	100,716
Highway Health Fund	--	1,214,929	--	1,214,929	1,183,605	--	31,324
Highway Admin Overhead	--	4,500,585	--	4,500,585	4,303,946	--	196,639
Highway Contribution to OPEB	--	678,868	--	678,868	678,868	--	--
Road/Bridge/Drain Maintenance	476,196	9,449,709	103,000	10,028,905	8,633,062	655,094	740,749
Traffic Signs & Marking	42,230	1,507,077	(133,600)	1,415,707	1,186,775	94,679	134,253
Garage Services	41,368	1,263,960	--	1,305,328	1,211,472	22,525	71,331
Total Public Works	<u>560,652</u>	<u>20,916,625</u>	<u>--</u>	<u>21,477,277</u>	<u>19,325,240</u>	<u>772,298</u>	<u>1,379,739</u>
Transportation:							
Transportation Admin	--	400,000	--	400,000	112,973	286,970	57
Transportation Shelter Cleaning	7,095	--	--	7,095	--	7,095	--
Public Transit-Highway Funds	617,651	10,365,515	--	10,983,166	10,254,173	714,914	14,079
Total Transportation	<u>624,746</u>	<u>10,765,515</u>	<u>--</u>	<u>11,390,261</u>	<u>10,367,146</u>	<u>1,008,979</u>	<u>14,136</u>
Total Highways and streets	<u>1,185,398</u>	<u>31,682,140</u>	<u>--</u>	<u>32,867,538</u>	<u>29,692,386</u>	<u>1,781,277</u>	<u>1,393,875</u>
Totals for the Highway Fund	<u>\$ 1,185,398</u>	<u>\$ 31,682,140</u>	<u>\$ --</u>	<u>\$ 32,867,538</u>	<u>\$ 29,692,386</u>	<u>\$ 1,781,277</u>	<u>\$ 1,393,875</u>

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ --	\$ --	\$ --	\$ 41,065	\$ 41,065
Total - Licenses and permits	<u> --</u>	<u> --</u>	<u> --</u>	<u>41,065</u>	<u>41,065</u>
Charges for current services:					
Sanitation:					
Waste management	50,218,455	--	50,218,455	51,990,829	1,772,374
Total - Charges for current services	<u>50,218,455</u>	<u> --</u>	<u>50,218,455</u>	<u>51,990,829</u>	<u>1,772,374</u>
Other revenues:					
Sanitation:					
Miscellaneous program receipts	40,000	--	40,000	35,239	(4,761)
Total - Other revenues	<u>40,000</u>	<u> --</u>	<u>40,000</u>	<u>35,239</u>	<u>(4,761)</u>
Total Sewer Fund Revenues	<u>\$ 50,258,455</u>	<u>\$ --</u>	<u>\$ 50,258,455</u>	<u>\$ 52,067,133</u>	<u>\$ 1,808,678</u>

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Sanitation:							
Environmental Management:							
Wastewater Administration	\$ 73,032	\$ 2,967,951	\$ --	\$ 3,040,983	\$ 2,587,646	\$ 126,000	\$ 327,337
Wastewater ERS & FICA	--	1,838,476	--	1,838,476	1,654,160	--	184,316
Wastewater Health Fund	--	1,288,052	--	1,288,052	1,203,851	--	84,201
Wastewater Admin Overhead	--	4,151,453	--	4,151,453	3,800,263	--	351,190
Wastewater contribution to OPEB	--	719,727	--	719,727	719,727	--	--
Wastewater Reclamation	1,373,439	19,533,470	(175,789)	20,731,120	17,299,678	2,606,188	825,254
Total Environmental Management	<u>1,446,471</u>	<u>30,499,129</u>	<u>(175,789)</u>	<u>31,769,811</u>	<u>27,265,325</u>	<u>2,732,188</u>	<u>1,772,298</u>
Total Sanitation	<u>1,446,471</u>	<u>30,499,129</u>	<u>(175,789)</u>	<u>31,769,811</u>	<u>27,265,325</u>	<u>2,732,188</u>	<u>1,772,298</u>
Totals for the Sewer Fund	\$ <u>1,446,471</u>	\$ <u>30,499,129</u>	\$ <u>(175,789)</u>	\$ <u>31,769,811</u>	\$ <u>27,265,325</u>	\$ <u>2,732,188</u>	\$ <u>1,772,298</u>

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenues:					
General government					
Federal grants	\$ --	\$ 1,859,417	\$ 1,859,417	\$ 1,947,493	\$ 88,076
State grants	--	1,535,380	1,535,380	1,831,018	295,638
Federal grants passed through the state	--	5,424,091	5,424,091	4,589,301	(834,790)
Total - General government	--	8,818,888	8,818,888	8,367,812	(451,076)
Public Safety:					
Federal grants	--	831,699	831,699	264,128	(567,571)
State grants	--	3,914,159	3,914,159	2,622,414	(1,291,745)
Federal grants passed through the state	--	3,170,056	3,170,056	2,548,054	(622,002)
Total - Public safety	--	7,915,914	7,915,914	5,434,596	(2,481,318)
Highways and streets:					
Federal grants passed through the state	--	1,823,679	1,823,679	829,478	(994,201)
Sanitation:					
State grants	--	106,052	106,052	177,242	71,190
Social welfare:					
Federal grants	--	19,727,196	19,727,196	19,992,934	265,738
State grants	--	1,378,442	1,378,442	1,234,942	(143,500)
Federal grants passed through the state	--	929,887	929,887	3,154,919	2,225,032
Total - Social welfare	--	22,035,525	22,035,525	24,382,795	2,347,270
Cultural and recreation:					
State grants	--	--	--	288,597	288,597
Federal grants passed through the state	--	100,000	100,000	75,216	(24,784)
Total - Cultural and recreation	--	100,000	100,000	363,813	263,813
Total - Intergovernmental revenues	--	40,800,058	40,800,058	39,555,736	(1,244,322)

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ --	\$ 592,490	\$ 592,490	\$ 15,784	\$ (576,706)
Total - Interest and investment earnings	--	592,490	592,490	15,784	(576,706)
Other revenues:					
General government:					
Operating contributions	--	--	--	25,305	25,305
Miscellaneous program receipts	--	132,381	132,381	92,026	(40,355)
Total - Interest and investment earnings	--	132,381	132,381	117,331	(15,050)
Public safety:					
Operating contributions	--	4,500	4,500	4,836	336
Miscellaneous program receipts	--	--	--	39,533	39,533
Total - Public safety	--	4,500	4,500	44,369	39,869
Social welfare:					
Operating contributions	--	363,447	363,447	296,480	(66,967)
Miscellaneous program receipts	--	--	--	100	100
Total - Social welfare	--	363,447	363,447	296,580	(66,867)
Total - Other revenues	--	500,328	500,328	458,280	(42,048)
Total Grant Fund Revenues	\$ --	\$ 41,892,876	\$ 41,892,876	\$ 40,029,800	\$ (1,863,076)

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
General Government:						
Office of the Mayor:						
The Maui Farm Rehabilitation	\$ 5,222	\$ (5,222)	\$ --	\$ --	\$ --	\$ --
Iao House Rehabilitation	--	5,222	5,222	5,222	--	--
Food and Energy Security Project	71,811	--	71,811	--	--	71,811
The Maui Farm Rehabilitation	1,707	(1,707)	--	--	--	--
Iao House Rehabilitation	--	1,707	1,707	1,707	--	--
Workforce Investment Act DWP	14,497	--	14,497	--	11,087	3,410
Workforce Investment Act Adult	14,376	(13,076)	1,300	1,300	--	--
WHW Emergency Shelter Rehab	--	128,226	128,226	128,226	--	--
Hana Landfill Water Truck	1,432	(1,432)	--	--	--	--
Women Helping Women Dom Violence	72,431	--	72,431	72,431	--	--
Na Pu'uuwai Adult Day Care Exp	110,000	(110,000)	--	--	--	--
CDBG Program Admin FY2014	5	--	5	5	--	--
KHAKO renewal prj ph-1	108,899	--	108,899	88,402	20,497	--
Workforce Investment Act DWP	9,857	(16,612)	(6,755)	(6,755)	--	--
Workforce Investment Act Adult	11,565	(11,557)	8	8	--	--
HTA Product Enrichment CY14	52,156	(25,131)	27,025	27,025	--	--
Lanai ER Incident Resp Vehicle	21,800	(21,800)	--	--	--	--
Iao House Rehabilitation	17,500	--	17,500	17,500	--	--
Iao House Rehabilitation	--	21,800	21,800	21,800	--	--
CDBG Program Admin FY15	91	--	91	--	--	91
Coqui Frog Education Act51 SLH04	80,000	(99,996)	(19,996)	(19,996)	--	--
Workforce Innovation Opportunity	183,757	--	183,757	159,025	--	24,732
Ho'olehua Pumper	900,000	--	900,000	898,448	--	1,552
Iao House Rehabilitation	--	47,959	47,959	47,959	--	--
LCHC New Facility	499,226	(137,953)	361,273	--	--	361,273
WHW Emergency Shelter Rehab	--	89,994	89,994	85,470	--	4,524
CDBG Program Admin FY16	18,589	--	18,589	17,390	528	671
HTA Product Enrichment CY16	256,572	--	256,572	256,072	500	--
WIOA Adult & Dislocated Worker	348,512	--	348,512	311,141	--	37,371
WIOA Admin PY2015	8,431	--	8,431	4,446	--	3,985
Housing Rehab Loan Project Inc	13,093	(1,126)	11,967	--	--	11,967
Iao Theatre Project Income	--	(2,183)	(2,183)	(2,183)	--	--
MEO Molokai Shuttle Svc Bus B	--	141,100	141,100	130,936	10,164	--
MEO Molokai Shuttle Svc Bus A	--	118,579	118,579	118,579	--	--
Lahaina Surf Preservation	--	203,893	203,893	--	203,893	--

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
WIOA Youth Activities	\$ --	\$ 191,553	\$ 191,553	\$ --	\$ --	\$ 191,553
The Maui Farm Rehabilitation	--	287,576	287,576	--	287,576	--
KHAKO Staircase Safety	--	386,775	386,775	--	386,775	--
Cameron Ctr Rehab & Improvement	--	247,030	247,030	--	247,030	--
CDBG Program Admin FY17	--	346,238	346,238	326,697	447	19,094
HTA County Product Enrichment	--	70,000	70,000	43,219	--	26,781
WIOA Adult Program	--	182,339	182,339	--	--	182,339
WIOA Admin PY2016	--	58,409	58,409	43,059	--	15,350
WIOA Dislocated Worker	--	151,808	151,808	--	--	151,808
2016 Hawaii Severe Storms	--	4,432,745	4,432,745	3,689,268	--	743,477
Project Impact BDRC FEMA	--	(13,279)	(13,279)	(13,279)	--	--
Total Office of the Mayor	<u>2,821,529</u>	<u>6,651,879</u>	<u>9,473,408</u>	<u>6,453,122</u>	<u>1,168,497</u>	<u>1,851,789</u>
Management:						
Dell Online Self-Dispatch Program	12,000	--	12,000	--	--	12,000
HI Intergrated Justice IS Program	160	--	160	--	--	160
Total Management	<u>12,160</u>	<u>--</u>	<u>12,160</u>	<u>--</u>	<u>--</u>	<u>12,160</u>
Finance:						
State Disability & Comm	11,504	(11,504)	--	--	--	--
State Identification Program	577	--	577	445	--	132
State Disability & Comm	--	11,504	11,504	--	--	11,504
Comm'l Driver's License FY17	--	506,040	506,040	505,179	861	--
Periodic Motor Vehicle Inspection FY17	--	444,982	444,982	444,982	--	--
State Identification Program	--	192,786	192,786	192,786	--	--
State Motor Vehicle Registration	--	310,068	310,068	310,068	--	--
Total Finance	<u>12,081</u>	<u>1,453,876</u>	<u>1,465,957</u>	<u>1,453,460</u>	<u>861</u>	<u>11,636</u>
Planning:						
EDA Economic Adjustment Assistance	1,200,000	--	1,200,000	--	--	1,200,000
Coastal Zone Management Program	25,436	--	25,436	--	--	25,436
Certified Local Government Program	22,500	--	22,500	8,677	--	13,823
Coastal Zone Management FY16	153,849	(9,517)	144,332	144,332	--	--
Coastal Zone Management FY17	--	373,276	373,276	218,498	--	154,778
Total Planning	<u>1,401,785</u>	<u>363,759</u>	<u>1,765,544</u>	<u>371,507</u>	<u>--</u>	<u>1,394,037</u>
Public Works:						
FHWA Projects State Reviews	44,958	33,958	78,916	69,908	--	9,008

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
FHWA Various Projects County	\$ 4,770	\$ 132,380	\$ 137,150	\$ 137,146	\$ --	\$ 4
Total Public Works	49,728	166,338	216,066	207,054	--	9,012
Total General Government	4,297,283	8,635,852	12,933,135	8,485,143	1,169,358	3,278,634
Public safety:						
Prosecuting Attorney:						
E Byrne Memorial Jag FY15	57,488	--	57,488	--	--	57,488
Highway Safety Grant	1,052	(478)	574	574	--	--
Justice Reinvestment Initiative	12,905	--	12,905	--	--	12,905
Special Needs Advocacy Program	80,642	(77,435)	3,207	3,207	--	--
Asset Forfeitures Program	39,055	--	39,055	38,844	--	211
Victim/Witness Assistance Program	13,355	(6,487)	6,868	6,868	--	--
Defendant/Witness Trial Program	79,368	--	79,368	41,202	938	37,228
Prosecutors Training Program	50,000	--	50,000	--	--	50,000
Highway Safety/Impaired Driving	7,012	2,000	9,012	6,197	--	2,815
Highway Safety/Traffic Records	3,817	6,625	10,442	5,938	--	4,504
SOH Grant-In-Aid	101,148	--	101,148	70,146	--	31,002
Special Needs Advocacy Program	--	312,000	312,000	303,583	--	8,417
Special Needs Advocacy Supplemental	--	692,175	692,175	78,768	180,387	433,020
Victim/Witness Assistance Program	--	61,621	61,621	59,529	--	2,092
Career Criminal Program	--	137,499	137,499	137,499	--	--
DPA2017 Traffic Records	--	7,005	7,005	227	--	6,778
Domestic Violence Investigation	--	53,382	53,382	53,382	--	--
Maui Prosecutors Office	--	21,469	21,469	6,923	--	14,546
Total Prosecuting Attorney	445,842	1,209,376	1,655,218	812,887	181,325	661,006
Police:						
Prohibiting Alcohol Sales to Minors	4,315	(4,414)	(99)	(99)	--	--
Federal Equity/Sharing Forfeiture Policy	864	--	864	--	--	864
Marijuana Eradication DEA 2002	1,035	--	1,035	1,035	--	--
Training Grants - SOH Various	252,387	--	252,387	--	--	252,387
State e911 Wireless Commission	118,069	--	118,069	(1,180)	--	119,249
Federal Equity/Sharing Forfeiture Policy	135	--	135	--	--	135
Public Housing Drug Elimination RSS0301	6,364	--	6,364	--	--	6,364
Training Grants FY2013	72,776	--	72,776	--	--	72,776
HI Intragency Mobile Police 02	2,507	--	2,507	--	--	2,507
Training Grants FY2014	72,125	--	72,125	--	--	72,125

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Violence Against Women Act	\$ 10,997	\$ --	\$ 10,997	\$ 8,884	\$ --	\$ 2,113
Marijuana Eradication DEA 2003-51	5,932	--	5,932	5,932	--	--
Domestic Cannabis DEA 2004-53	12,939	(12,939)	--	--	--	--
Training Grants FY2015	92,000	--	92,000	--	--	92,000
State e911 Wireless Commission	174,383	--	174,383	--	--	174,383
Prohibit Tobacco Sales to Minors	5,324	(5,324)	--	--	--	--
HI Interagency 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	--	--	3,000
State e911 Wireless Communication	376,892	--	376,892	36,558	--	340,334
Training Grants FY2016	75,989	--	75,989	(4,006)	1,295	78,700
911 EMS Dispatch Communication	22,352	(7,177)	15,175	15,175	--	--
Domestic Violence: Strangulation	32,393	--	32,393	29,508	2,885	--
Kalo Program	438	--	438	438	--	--
MPD Traffic Services	5,922	--	5,922	--	--	5,922
MPD Traffic Data Records	17,358	--	17,358	7,607	--	9,751
MPD Speed Enforcement	43,773	--	43,773	35,005	--	8,768
MPD Roadblock Program	195,646	--	195,646	147,776	--	47,870
Distracted Driving Enforcement	6,198	--	6,198	2,740	--	3,458
MPD Seat Belt Program	93,715	--	93,715	11,457	--	82,258
High Intensity Drug Trafficking	11,369	19,499	30,868	30,868	--	--
MPD Child Restraint Project	58,752	--	58,752	10,324	--	48,428
E Byrne Memorial Jag	78,309	--	78,309	78,309	--	--
Hawaii Narcotics Task Force	25,147	--	25,147	24,984	--	163
SW Marijuana Eradication	35,463	--	35,463	34,378	--	1,085
Body Worn Camera Impl Project	109,191	37,500	146,691	101,982	--	44,709
Sex Assault	52,878	--	52,878	30,484	--	22,394
Drug Enforcement Agency	62,945	--	62,945	62,945	--	--
Positive Outreach Intervention	74,615	--	74,615	74,615	--	--
PC Forensic Sciences Improvement Act	7,410	--	7,410	7,410	--	--
911 EMS Dispatch Communication	--	376,866	376,866	358,621	--	18,245
Kalo Program	--	89,000	89,000	81,473	--	7,527
MPD Traffic Services	--	90,012	90,012	34,269	--	55,743
MPD Data Records	--	86,215	86,215	18,353	--	67,862
MPD Speed Enforcement	--	147,690	147,690	92,626	15,375	39,689
MPD Roadblock Program	--	355,021	355,021	169,038	--	185,983
Distracted Driving Enforcement	--	57,601	57,601	21,601	--	36,000
Hawaii Narcotics Task Force	--	23,897	23,897	8,939	--	14,958

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
MPD Seat Belt Program	\$ --	\$ 112,170	\$ 112,170	\$ 31,914	\$ --	\$ 80,256
High Intensity Drug Trafficking	--	124,175	124,175	112,520	--	11,655
MPD Child Restraint Program	--	72,100	72,100	15,584	--	56,516
State e911 Wireless Commission	--	2,600,000	2,600,000	1,228,692	1,054,239	317,069
SW Marijuana Eradication	--	35,501	35,501	1,080	--	34,421
Prohibit Tobacco Sales to Minors	--	8,000	8,000	5,654	--	2,346
FY16 Jag Program	--	115,978	115,978	--	--	115,978
Drug Enforcement Agency	--	45,000	45,000	--	--	45,000
Positive Outreach Intervention	--	85,263	85,263	1,218	923	83,122
Fed. Justice Police Forfeitures	19,047	282,237	301,284	238,867	53,864	8,553
Total Police	<u>2,242,656</u>	<u>4,736,871</u>	<u>6,979,527</u>	<u>3,173,578</u>	<u>1,128,581</u>	<u>2,677,368</u>
Fire and Public Safety:						
Volunteer Fire Assistance DLNR10	180	--	180	180	--	--
EMS (Fire) Training (PVT) IAAI	1,276	12	1,288	1,288	--	--
Fire/LEPC (DOH) HMEP	9,315	45,104	54,419	7,797	--	46,622
Volunteer Fire Assistance DLNR11	1,432	--	1,432	1,432	--	--
MFD Equipment Purchase EMOL-04	163	--	163	163	--	--
Private Donations - Fire Dept	20,200	--	20,200	--	--	20,200
Hazardous Materials (HMEP) Grant11	147,618	(150,450)	(2,832)	(2,832)	--	--
FEMA-1967-Dr-Hi-Tsunami MFD	16,631	(16,631)	--	--	--	--
MFD Equipment Purchase/CPS Program	--	--	--	(77)	--	77
Wellness/Fitness Fire Act Grant	1,000	(4,000)	(3,000)	(3,000)	--	--
NHTSA MFD Pneumatic Struts	153	--	153	--	--	153
Fire SafetyHSE-EMW2003FP01732	3,452	--	3,452	3,452	--	--
Fire Inoperability Grant FE15141	96	--	96	96	--	--
Vol Fire Assistance Grant FY16	10,000	--	10,000	--	--	10,000
Oluwalu Fire Break Comp Wui	3,288	--	3,288	1,973	--	1,315
FY15 Assistance to Firefighter Grants	--	527,046	527,046	--	469,497	57,549
Makena Lifeguard Services	--	606,469	606,469	588,359	18,049	61
USDA Rural 1st Responder Lanai	9,083	--	9,083	--	--	9,083
USDA Rural 1st Responder Molokai	3,548	--	3,548	--	--	3,548
Fire Training Grant (Chevron)	--	3,548	3,548	3,548	--	--
Firefighters Charitable Foundation	550	--	550	--	--	550
FEMA Fire Training Funds	10,084	--	10,084	3,746	--	6,338
Total Fire and Public Safety	<u>238,069</u>	<u>1,011,098</u>	<u>1,249,167</u>	<u>606,125</u>	<u>487,546</u>	<u>155,496</u>

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Emergency Management Agency:						
FFY11 Statewide Outreach/CCP	\$ 9,788	\$ (9,788)	\$ --	\$ --	\$ --	\$ --
FFY11 State Homeland Security Program	11,280	--	11,280	--	--	11,280
Disaster Preparedness Train	19,957	--	19,957	--	--	19,957
Interoperable ER Communications	19,000	--	19,000	--	--	19,000
Emergency Mgt Performance Grant	85,000	--	85,000	--	--	85,000
State Homeland Security	274,250	394	274,644	274,644	--	--
Citizens Corps Program	1,440	(1,440)	--	--	--	--
State Homeland Security	609,185	--	609,185	492,442	18,616	98,127
Emergency Mgt Performance Grant	--	100,000	100,000	99,981	--	19
State Homeland Security	--	589,800	589,800	19,308	12,607	557,885
Total Emergency Management Agency	1,029,900	678,966	1,708,866	886,375	31,223	791,268
Total Public Safety	3,956,467	7,636,311	11,592,778	5,478,965	1,828,675	4,285,138
Highways and Streets:						
Transportation:						
FTA Rural Trnst Assistance FFY12	13,645	(14,513)	(868)	(868)	--	--
FTA#5309 Formula Funds Program	1,835,687	--	1,835,687	1	--	1,835,686
FTA5309 Livability Program FY13	20,286	--	20,286	--	--	20,286
FTA Sec 5311 Non-Urbanized Area	95,718	--	95,718	95,718	--	--
FTA Rural Trnst Asst - RTAP	1,104	--	1,104	--	--	1,104
FTA Planning Program 5305(e)	2,274	--	2,274	(1,543)	--	3,817
FTA Sec5305 Metropolitan Trans	200,000	96,628	296,628	143,541	4,785	148,302
FTA Sec5339 Bus/Bus Facility Form	--	998,734	998,734	70,528	733,526	194,680
FTA Sec5311 Non-Urbanized	--	540,000	540,000	522,101	--	17,899
FHWA Maui Metro Planning Org	--	188,317	188,317	--	--	188,317
Total Transportation	2,168,714	1,809,166	3,977,880	829,478	738,311	2,410,091
Total Highways and Streets	2,168,714	1,809,166	3,977,880	829,478	738,311	2,410,091
Sanitation:						
Environmental Management:						
Glass Recovery DOH ASO#11-005	3,250	--	3,250	--	--	3,250
W Maui Recycled Water System Exp	671,000	--	671,000	--	--	671,000
Electronic Device Recycling	--	(1)	(1)	(1)	--	--
Hyatt/W Maui Recycled Water	501,237	--	501,237	--	--	501,237
Starwood/W Maui Recycled Water	1,863,840	--	1,863,840	--	--	1,863,840
Dep Beverage Container DOH-MOL	11,824	(11,824)	--	--	--	--
Used Motor Oil Collection FY 15	2,208	6,952	9,160	9,160	--	--

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Glass Recovery Program	\$ 49,360	\$ (7,462)	\$ 41,898	\$ 41,898	\$ --	\$ --
Advance glass disposal fee	27,667	--	27,667	27,667	--	--
Electronic Device Recycling	--	(582)	(582)	(582)	--	--
Used Oil Recovery07 aso06145#2	339	(339)	--	--	--	--
Glass Recovery Program	--	99,100	99,100	99,100	--	--
Total Environmental Management	<u>3,130,725</u>	<u>85,844</u>	<u>3,216,569</u>	<u>177,242</u>	<u>--</u>	<u>3,039,327</u>
Total Sanitation	<u>3,130,725</u>	<u>85,844</u>	<u>3,216,569</u>	<u>177,242</u>	<u>--</u>	<u>3,039,327</u>
Social Welfare:						
Office of the Mayor:						
Hawaii St Comm/Status Women	649	--	649	51	--	598
Hawaii St Comm/Status Women	231	--	231	231	--	--
Hawaii St Comm/Status Women	2,739	--	2,739	2,014	--	725
Innovate Hawaii	10,000	--	10,000	10,000	--	--
Hawaii State Energy	--	10,000	10,000	10,000	--	--
Made in Maui County Festival	--	8,500	8,500	8,500	--	--
Total Office of the Mayor	<u>13,619</u>	<u>18,500</u>	<u>32,119</u>	<u>30,796</u>	<u>--</u>	<u>1,323</u>
Housing and Human Concerns:						
HI Mental Health Transform Sig	24,000	(24,000)	--	--	--	--
Aging/Disability Rsrc Ctr 2010N	4,876	(4,246)	630	630	--	--
ARRA09 Healthy Aging Partnership	511	--	511	511	--	--
Aging Title III DHHS FY11 MA201103	190	--	190	--	190	--
Elder Abuse Related Services - FY11	3,664	--	3,664	3,664	--	--
EOA/DOH MAKC.FB10-11.a FY11	3,339	--	3,339	3,339	--	--
Home FFY10 Administration	436	(436)	--	--	--	--
I&A Outreach Aging 00/01	597	--	597	597	--	--
Aging/Disability Rsrc Ctr 2010N	8,684	(8,684)	--	--	--	--
RSVP 2002 DVSA61523 p74-4101	--	(1,730)	(1,730)	(1,730)	--	--
ARRA09 Healthy Aging Partnership	2,260	--	2,260	2,260	--	--
Aging Title III DHHS FY12	486	--	486	486	--	--
Mental Health Transformation Grant	16	--	16	--	--	16
Home FFY11 Administration	1,396	(1,396)	--	--	--	--
MSC Leisure FY2012	30,488	133	30,621	6,806	14,428	9,387
Aging Title III Programs	659	--	659	659	--	--
Kupuna Care Program	203	--	203	203	--	--
Leisure Activities FY13	3,534	--	3,534	3,534	--	--

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Childcare Development	\$ --	\$ --	\$ --	\$ (48,273)	\$ --	\$ 48,273
Sec 8 Housing Admin Prg FY2013	45	--	45	--	45	--
Elder Abuse Prevention SF14	1	--	1	--	--	1
Leisure Activities FY14	51,203	--	51,203	--	--	51,203
Care Transition Program	183,162	(177,324)	5,838	5,838	--	--
Sec 8 Housing Admin FY2014	198,283	--	198,283	--	148	198,135
Elder Abuse Prevention SF15	12,805	--	12,805	12,805	--	--
Leisure Activities FY15	67,421	--	67,421	19,063	--	48,358
Aging Title III Programs	30,213	(516)	29,697	10,388	12,458	6,851
Aging & Disability Resource	368,901	306,861	675,762	325,498	22,705	327,559
Private Donation/Matson	1,000	--	1,000	--	--	1,000
Voluntary Contributions	20,000	--	20,000	--	--	20,000
Healthy Aging Partnership	152,987	--	152,987	141,121	--	11,866
Healthy Aging Voluntary Contribution	4,874	17,773	22,647	6,796	--	15,851
Home FFY14 Kulamalu Reprg	21,161	--	21,161	21,161	--	--
Home FFY14 Administration	105,533	12,788	118,321	45,451	698	72,172
Home FFY14 Kulamalu Ah Prj	1,944,612	--	1,944,612	1,920,093	24,519	--
Sec 8 Housing Admin FY2015	1,417	--	1,417	--	1,262	155
Home FFY04 Administration	53	(53)	--	--	--	--
Kupuna Care Program	257,061	(54,925)	202,136	133,297	--	68,839
A&B Kokua Giving Contrib	9,611	--	9,611	9,611	--	--
Congregate Meals NSIP FY16	42,822	--	42,822	42,822	--	--
Home Delivered Meals NSIP FY16	45,525	292	45,817	45,817	--	--
Leisure Activities FY 16	102,215	(10,793)	91,422	6,199	--	85,223
Matson Foundation Contrib	2,000	--	2,000	--	--	2,000
Aging Title III Prgs	306,164	(72,777)	233,387	221,272	--	12,115
Kupuna Care Vol Contrib	200	--	200	--	--	200
RSVP Retired & Sr Vol Prg	53,995	3,500	57,495	57,495	--	--
Nutrition Svcs Incentive	88,347	(88,347)	--	--	--	--
Elder Abuse Prevention SY16	26,492	--	26,492	24,501	--	1,991
Strategic Prevention Framewrk	110,000	110,000	220,000	48,827	115,963	55,210
Sec 8 Housing Voucher FY16	429,365	(250,622)	178,743	176,703	--	2,040
Sec 8 Housing Admin FY16	145,930	(142,250)	3,680	158	3,522	--
Fss Coordinator Grant	40,043	--	40,043	15,664	--	24,379
MSC Leisure Activity FY07	2,557	--	2,557	2,557	--	--
Kupuna Care Program	--	917,264	917,264	393,667	116,938	406,659
Elderly Lunch-A&B Kokua	--	20,000	20,000	17,187	--	2,813

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Assisted Transport Private Contribution	\$ --	\$ 16,106	\$ 16,106	\$ 16,106	\$ --	\$ --
Congregate Meals NSIP FY17	--	30,538	30,538	12,485	--	18,053
Congregate Meals Private Donation	--	89,700	89,700	89,700	--	--
Home Delivered Meals NSIP FY17	--	30,538	30,538	30,538	--	--
Home Delivered Meals Private Donation	--	98,244	98,244	98,244	--	--
Leisure Activities FY 17	--	121,489	121,489	19,127	--	102,362
Assisted Transport-Kupuna	--	117,971	117,971	117,971	--	--
Congregate Meals Title III	--	115,357	115,357	115,357	--	--
Home Delivered Meals Kupuna	--	92,334	92,334	92,334	--	--
Home Delivered Meals Title III	--	100,458	100,458	100,458	--	--
Aging Title III Prgs	--	610,061	610,061	253,860	36,730	319,471
RSVP Retired & Sr Vol Prg	--	65,850	65,850	14,974	1,449	49,427
Nutrition Services Incentive	--	61,076	61,076	--	--	61,076
Elder Abuse Prevention SY17	--	26,492	26,492	2,805	--	23,687
Sec 8 Housing Voucher FY17	--	18,094,383	18,094,383	18,094,383	--	--
Sec 8 Housing Admin FY17	--	1,368,005	1,368,005	1,366,150	1,855	--
Sec 8 Family Self-Sufficient	84,158	31,888	116,046	5,752	--	110,294
Assisted Transportation SH POS08	33,772	--	33,772	--	28,948	4,824
Home FFY08 Administration	1,614	(1,614)	--	--	--	--
Sec8 Hsg Asst Pymts (HAP)-NRA	354,605	754,811	1,109,416	6,670	--	1,102,746
Sec8 Hsg Asst Pymts (Adm)-NRA	1,075,584	395,409	1,470,993	--	--	1,470,993
Total Housing and Human Concerns	<u>6,461,070</u>	<u>22,769,608</u>	<u>29,230,678</u>	<u>24,113,591</u>	<u>381,858</u>	<u>4,735,229</u>
Total Social Welfare	<u>6,474,689</u>	<u>22,788,108</u>	<u>29,262,797</u>	<u>24,144,387</u>	<u>381,858</u>	<u>4,736,552</u>
Culture and Recreation:						
Parks and Recreation:						
ST/Hi WM STDMPA SYS SLH2010	145,000	(145,000)	--	--	--	--
ST/Hi Nahiku Community Center	250,000	--	250,000	--	250,000	--
War Memorial Stadium	829,855	--	829,855	--	--	829,855
Makena Lifeguard Services	87	--	87	87	--	--
Play & Learn Sessions (PALS)	26,004	--	26,004	--	--	26,004
Makena Lifeguard Services	288,511	--	288,511	288,511	--	--
Play & Learn Sessions (PALS)	--	100,000	100,000	75,215	--	24,785
Total Parks and Recreation	<u>1,539,457</u>	<u>(45,000)</u>	<u>1,494,457</u>	<u>363,813</u>	<u>250,000</u>	<u>880,644</u>
Total Culture and Recreation	<u>1,539,457</u>	<u>(45,000)</u>	<u>1,494,457</u>	<u>363,813</u>	<u>250,000</u>	<u>880,644</u>
Totals for the Intergovernmental Grants Fund	\$ <u>21,567,335</u>	\$ <u>40,910,281</u>	\$ <u>62,477,616</u>	\$ <u>39,479,028</u>	\$ <u>4,368,202</u>	\$ <u>18,630,386</u>

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Charges for current services:					
Sanitation:					
Refuse	\$ 8,048,540	\$ --	\$ 8,048,540	\$ 7,718,539	\$ (330,001)
Landfill disposal fee	11,379,760	148,585	11,528,345	12,169,274	640,929
Total - Sanitation	<u>19,428,300</u>	<u>148,585</u>	<u>19,576,885</u>	<u>19,887,813</u>	<u>310,928</u>
Total - Charges for current services	<u>19,428,300</u>	<u>148,585</u>	<u>19,576,885</u>	<u>19,887,813</u>	<u>310,928</u>
Other revenues:					
Sanitation:					
Miscellaneous program receipts	--	--	--	29,435	29,435
Total - Sanitation	<u>--</u>	<u>--</u>	<u>--</u>	<u>29,435</u>	<u>29,435</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>29,435</u>	<u>29,435</u>
Total Solid Waste Fund Revenues	<u>\$ 19,428,300</u>	<u>\$ 148,585</u>	<u>\$ 19,576,885</u>	<u>\$ 19,917,248</u>	<u>\$ 340,363</u>

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Sanitation:							
Environmental Management:							
EP&S Solid Waste Alternative	\$ 262,190	\$ 4,509,370	\$ 1,355,418	\$ 6,126,978	\$ 5,310,868	\$ 525,547	\$ 290,563
Solid Waste Administration	4,609	1,319,136	--	1,323,745	1,110,145	9,910	203,690
Solid Waste ERS & FICA	--	1,558,937	--	1,558,937	1,363,976	--	194,961
Solid Waste Health Fund	--	1,092,205	--	1,092,205	984,751	--	107,454
Solid Waste Admin Overhead	--	5,226,264	--	5,226,264	4,587,500	--	638,764
Solid Waste Contribution to OPEB	--	610,293	--	610,293	610,293	--	--
Solid Waste Operations	661,379	12,219,515	--	12,880,894	11,788,215	955,998	136,681
Total Environmental Management	<u>928,178</u>	<u>26,535,720</u>	<u>1,355,418</u>	<u>28,819,316</u>	<u>25,755,748</u>	<u>1,491,455</u>	<u>1,572,113</u>
Total Sanitation	<u>928,178</u>	<u>26,535,720</u>	<u>1,355,418</u>	<u>28,819,316</u>	<u>25,755,748</u>	<u>1,491,455</u>	<u>1,572,113</u>
Totals for the Solid Waste Fund	\$ <u>928,178</u>	\$ <u>26,535,720</u>	\$ <u>1,355,418</u>	\$ <u>28,819,316</u>	\$ <u>25,755,748</u>	\$ <u>1,491,455</u>	\$ <u>1,572,113</u>

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Source of Revenues</u>	<u>Original Estimate</u>	<u>Amendments and Transfers</u>	<u>Final Estimate</u>	<u>Actual Revenues</u>	<u>Revenues Over or (Under) Estimate</u>
Licenses and permits:					
Social Welfare:					
Business licenses and permits	\$ 2,382,022	\$ --	\$ 2,382,022	\$ 2,400,182	\$ 18,160
Total - Licenses and permits	<u>2,382,022</u>	<u>--</u>	<u>2,382,022</u>	<u>2,400,182</u>	<u>18,160</u>
Total Liquor Control Fund Revenues	<u>\$ 2,382,022</u>	<u>\$ --</u>	<u>\$ 2,382,022</u>	<u>\$ 2,400,182</u>	<u>\$ 18,160</u>

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Social Welfare:							
Liquor Control:							
Liquor Control General	\$ 11,114	\$ 2,048,808	\$ --	\$ 2,059,922	\$ 1,467,882	\$ 27,849	\$ 564,191
Liquor Admin Overhead Charges	--	1,131,097	--	1,131,097	768,286	--	362,811
Total Liquor Control	<u>11,114</u>	<u>3,179,905</u>	<u>--</u>	<u>3,191,019</u>	<u>2,236,168</u>	<u>27,849</u>	<u>927,002</u>
Total Social Welfare	<u>11,114</u>	<u>3,179,905</u>	<u>--</u>	<u>3,191,019</u>	<u>2,236,168</u>	<u>27,849</u>	<u>927,002</u>
Totals for the Liquor Control Fund	<u>\$ 11,114</u>	<u>\$ 3,179,905</u>	<u>\$ --</u>	<u>\$ 3,191,019</u>	<u>\$ 2,236,168</u>	<u>\$ 27,849</u>	<u>\$ 927,002</u>

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenue:					
Capital improvement projects:					
Federal grants	\$ --	\$ --	\$ --	\$ (8,156)	\$ (8,156)
State grants	2,150,000	(57,044)	2,092,956	23,429	(2,069,527)
Federal grants passed through the state	<u>3,184,328</u>	<u>4,354,580</u>	<u>7,538,908</u>	<u>7,849,740</u>	<u>310,832</u>
Total - Intergovernmental revenues	<u>5,334,328</u>	<u>4,297,536</u>	<u>9,631,864</u>	<u>7,865,013</u>	<u>(1,766,851)</u>
Interest and investment earnings:					
General revenue:					
Interest on investments	--	--	--	22,336	22,336
Capital improvement projects:					
Interest on investments	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,533</u>	<u>6,533</u>
Total - Interest and investment earnings	<u>--</u>	<u>--</u>	<u>--</u>	<u>28,869</u>	<u>28,869</u>
Total Capital Improvement Projects Fund Revenues	<u>\$ 5,334,328</u>	<u>\$ 4,297,536</u>	<u>\$ 9,631,864</u>	<u>\$ 7,893,882</u>	<u>\$ (1,737,982)</u>

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
EXPENDITURES:				
Capital outlay:				
Drainage	\$ 5,495,328	\$ 2,530,270	\$ 8,025,598	\$ 16,734,753
Other projects	825,318	5,027,227	5,852,545	11,880,301
Government facilities	10,854,470	3,356,960	14,211,430	28,396,241
Parks and recreation	2,507,510	3,617,184	6,124,694	34,171,349
Roads	44,389,479	17,610,634	62,000,113	111,878,881
Solid waste facilities	(741,654)	3,725,999	2,984,345	8,939,747
Wastewater facilities	19,635,122	12,243,650	31,878,772	63,343,625
Total Expenditures	\$ <u>82,965,573</u>	\$ <u>48,111,924</u>	\$ <u>131,077,497</u>	\$ <u>275,344,897</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Governmental activities capital assets:		
Land	\$ 180,955,971	\$ 171,460,971
Buildings and systems	164,636,022	163,722,690
Improvements other than buildings	146,556,281	143,037,911
Machinery and equipment	153,136,837	140,892,546
Infrastructure	1,163,565,068	1,132,958,660
Construction in progress	60,374,408	59,728,979
Accumulated depreciation	<u>(1,085,503,723)</u>	<u>(1,045,106,688)</u>
Total governmental activities capital assets	\$ <u>783,720,864</u>	\$ <u>766,695,069</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2017

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	\$ 135,977	\$ --	\$ --	\$ (775,461)	\$ 14,174,446
Management	10,875,881	1,075,286	--	4,109,862	--	3,835,569	(3,550,918)	16,345,680
Corporation Counsel	--	--	--	91,719	--	--	(91,719)	--
Finance	--	845,180	--	784,043	--	--	(1,384,329)	244,894
Planning	--	--	--	547,108	--	1,932,122	(547,108)	1,932,122
Parks and Recreation	2,893,700	306,300	--	--	--	--	(146,769)	3,053,231
Public Works	12,987,221	14,508,070	11,546,613	1,124,950	--	1,699,122	(21,874,120)	19,991,856
Total for General government	<u>39,770,010</u>	<u>16,734,836</u>	<u>13,347,335</u>	<u>6,793,659</u>	<u>--</u>	<u>7,466,813</u>	<u>(28,370,424)</u>	<u>55,742,229</u>
Public safety:								
Management	--	--	--	--	16,746,499	6,880,598	(1,976,042)	21,651,055
Prosecuting Attorney	--	--	--	174,753	--	--	(168,242)	6,511
Police	1,318,642	54,448,511	4,763,175	31,239,696	--	382,279	(49,032,428)	43,119,875
Fire and Public Safety	1,186,759	39,585,926	1,030,587	26,187,760	--	873,537	(43,822,655)	25,041,914
Emergency Management Agency	--	--	--	432,874	--	--	(340,955)	91,919
Total for Public safety	<u>2,505,401</u>	<u>94,034,437</u>	<u>5,793,762</u>	<u>58,035,083</u>	<u>16,746,499</u>	<u>8,136,414</u>	<u>(95,340,322)</u>	<u>89,911,274</u>
Highways and streets:								
Public Works	61,177,405	--	643,821	24,674,038	621,367,538	21,246,745	(482,386,317)	246,723,230
Transportation	--	2,028,351	--	14,731,040	--	600,452	(12,197,360)	5,162,483
Total for Highways and streets	<u>61,177,405</u>	<u>2,028,351</u>	<u>643,821</u>	<u>39,405,078</u>	<u>621,367,538</u>	<u>21,847,197</u>	<u>(494,583,677)</u>	<u>251,885,713</u>
Sanitation:								
Environmental Management	4,231,745	1,927,524	--	36,352,254	525,451,031	17,857,248	(336,646,323)	249,173,479
Total for Sanitation	<u>4,231,745</u>	<u>1,927,524</u>	<u>--</u>	<u>36,352,254</u>	<u>525,451,031</u>	<u>17,857,248</u>	<u>(336,646,323)</u>	<u>249,173,479</u>
Social welfare:								
Liquor Control	--	--	--	502,531	--	--	(453,150)	49,381
Housing and Human Concerns	3,855,202	14,455,693	983,124	1,350,508	--	791,513	(12,274,011)	9,162,029
Total for Social welfare	<u>3,855,202</u>	<u>14,455,693</u>	<u>983,124</u>	<u>1,853,039</u>	<u>--</u>	<u>791,513</u>	<u>(12,727,161)</u>	<u>9,211,410</u>
Culture and recreation:								
Parks and Recreation	69,416,208	35,455,181	125,788,239	10,503,901	--	4,275,223	(117,663,578)	127,775,174
Total for Culture and recreation	<u>69,416,208</u>	<u>35,455,181</u>	<u>125,788,239</u>	<u>10,503,901</u>	<u>--</u>	<u>4,275,223</u>	<u>(117,663,578)</u>	<u>127,775,174</u>
Legislative:								
County Council	--	--	--	94,778	--	--	(94,346)	432
County Clerk	--	--	--	99,045	--	--	(77,892)	21,153
Total for Legislative	<u>--</u>	<u>--</u>	<u>--</u>	<u>193,823</u>	<u>--</u>	<u>--</u>	<u>(172,238)</u>	<u>21,585</u>
Cost of capital assets used by governmental funds	\$ <u>180,955,971</u>	\$ <u>164,636,022</u>	\$ <u>146,556,281</u>	\$ <u>153,136,837</u>	\$ <u>1,163,565,068</u>	\$ <u>60,374,408</u>	\$ <u>(1,085,503,723)</u>	\$ <u>783,720,864</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2017

Function and Department	Governmental Capital Assets July 1, 2016	Additions	Deductions	Governmental Capital Assets June 30, 2017
General government:				
Office of the Mayor	\$ 14,919,924	\$ 76,689	\$ (46,706)	\$ 14,949,907
Management	18,904,697	991,901	--	19,896,598
Corporation Counsel	91,719	--	--	91,719
Finance	1,688,063	95,728	(154,568)	1,629,223
Planning	1,641,873	837,357	--	2,479,230
Parks and Recreation	3,200,000	--	--	3,200,000
Public Works	41,228,776	1,109,508	(472,308)	41,865,976
Total for General government	<u>81,675,052</u>	<u>3,111,183</u>	<u>(673,582)</u>	<u>84,112,653</u>
Public safety:				
Management	22,943,274	752,845	(69,022)	23,627,097
Prosecuting Attorney	223,082	7,660	(55,989)	174,753
Police	91,207,775	2,140,103	(1,195,575)	92,152,303
Fire and Public Safety	65,390,299	5,584,677	(2,110,407)	68,864,569
Emergency Management Agency	1,070,444	25,282	(662,852)	432,874
Parks and Recreation	--	2,857,839	(2,857,839)	--
Total for Public safety	<u>180,834,874</u>	<u>11,368,406</u>	<u>(6,951,684)</u>	<u>185,251,596</u>
Highways and streets:				
Public Works	707,593,687	25,571,051	(4,055,191)	729,109,547
Transportation	16,660,683	1,612,492	(913,332)	17,359,843
Total for Highways and streets	<u>724,254,370</u>	<u>27,183,543</u>	<u>(4,968,523)</u>	<u>746,469,390</u>
Sanitation:				
Environmental Management	570,516,624	50,235,229	(34,932,051)	585,819,802
Total for Sanitation	<u>570,516,624</u>	<u>50,235,229</u>	<u>(34,932,051)</u>	<u>585,819,802</u>
Social welfare:				
Liquor Control	476,453	26,078	--	502,531
Housing and Human Concerns	21,410,542	144,889	(119,391)	21,436,040
Total for Social welfare	<u>21,886,995</u>	<u>170,967</u>	<u>(119,391)</u>	<u>21,938,571</u>
Culture and recreation:				
Parks and Recreation	232,484,198	16,727,765	(3,773,211)	245,438,752
Total for Culture and recreation	<u>232,484,198</u>	<u>16,727,765</u>	<u>(3,773,211)</u>	<u>245,438,752</u>
Legislative:				
County Council	94,777	1	--	94,778
County Clerk	54,867	44,178	--	99,045
Total for Legislative	<u>149,644</u>	<u>44,179</u>	<u>--</u>	<u>193,823</u>
Cost of capital assets used by governmental funds	1,811,801,757	108,841,272	(51,418,442)	1,869,224,587
Less accumulated depreciation	<u>(1,045,106,688)</u>	<u>(44,859,703)</u>	<u>4,462,668</u>	<u>(1,085,503,723)</u>
Capital assets net of accumulated depreciation	<u>\$ 766,695,069</u>	<u>\$ 63,981,569</u>	<u>\$ (46,955,774)</u>	<u>\$ 783,720,864</u>

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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
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)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities										
Net investment in capital assets	\$ 287,157	\$ 343,638	\$ 371,411	\$ 361,022	\$ 395,526	\$ 396,519	\$ 457,961	\$ 478,521	\$ 498,764	\$ 533,985
Restricted	91,444	76,825	83,950	91,162	71,585	68,375	47,433	61,863	63,422	51,730
Unrestricted ¹	<u>119,560</u>	<u>98,814</u>	<u>85,356</u>	<u>85,850</u>	<u>55,090</u>	<u>72,103</u>	<u>42,753</u>	<u>(285,629)</u>	<u>(288,507)</u>	<u>(316,589)</u>
Total governmental activities net position	\$ <u>498,161</u>	\$ <u>519,277</u>	\$ <u>540,717</u>	\$ <u>538,034</u>	\$ <u>522,201</u>	\$ <u>536,997</u>	\$ <u>548,147</u>	\$ <u>254,755</u>	\$ <u>273,679</u>	\$ <u>269,126</u>
Business-type activities										
Net investment in capital assets	\$ 267,744	\$ 271,646	\$ 285,042	\$ 290,830	\$ 286,968	\$ 290,752	\$ 284,637	\$ 282,110	\$ 291,052	\$ 295,171
Restricted	15,999	14,816	14,973	14,609	13,646	12,284	13,082	11,612	14,825	16,924
Unrestricted ¹	<u>20,563</u>	<u>19,023</u>	<u>18,970</u>	<u>26,167</u>	<u>32,605</u>	<u>36,456</u>	<u>46,042</u>	<u>24,512</u>	<u>17,489</u>	<u>24,507</u>
Total business-type activities net position	\$ <u>304,306</u>	\$ <u>305,485</u>	\$ <u>318,985</u>	\$ <u>331,606</u>	\$ <u>333,219</u>	\$ <u>339,492</u>	\$ <u>343,761</u>	\$ <u>318,234</u>	\$ <u>323,366</u>	\$ <u>336,602</u>
Primary Government										
Net investment in capital assets	\$ 554,901	\$ 615,284	\$ 656,453	\$ 651,852	\$ 682,494	\$ 687,271	\$ 742,598	\$ 760,631	\$ 789,816	\$ 829,156
Restricted	107,443	91,641	98,923	105,771	85,231	80,659	60,515	73,475	78,247	68,654
Unrestricted ¹	<u>140,123</u>	<u>117,837</u>	<u>104,326</u>	<u>112,017</u>	<u>87,695</u>	<u>108,559</u>	<u>88,795</u>	<u>(261,117)</u>	<u>(271,018)</u>	<u>(292,082)</u>
Total Primary Government Net Position	\$ <u>802,467</u>	\$ <u>824,762</u>	\$ <u>859,702</u>	\$ <u>869,640</u>	\$ <u>855,420</u>	\$ <u>876,489</u>	\$ <u>891,908</u>	\$ <u>572,989</u>	\$ <u>597,045</u>	\$ <u>605,728</u>

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 101,570	\$ 96,688	\$ 100,571	\$ 126,334	\$ 134,646	\$ 107,565	\$ 118,866	\$ 109,324	\$ 116,872	\$ 133,763
Public safety	71,018	83,079	80,480	85,000	84,585	85,261	84,280	92,377	97,558	125,407
Highways and streets	36,765	47,619	48,876	51,132	46,329	45,106	51,607	49,174	49,842	53,976
Sanitation	39,017	55,094	69,920	58,654	62,793	65,402	69,856	68,234	69,022	74,741
Social welfare	38,537	43,522	44,303	40,782	42,989	46,866	46,072	43,078	46,333	59,429
Culture and recreation	29,478	30,698	36,310	36,239	34,396	33,018	34,418	34,837	34,896	37,626
Legislative	4,779	5,318	5,200	5,248	5,251	5,539	5,998	6,447	6,416	7,408
Interest on long term debt	13,547	10,628	10,131	9,438	8,926	8,960	7,982	8,559	7,563	8,867
Total governmental activities expenses	\$ 334,711	\$ 372,646	\$ 395,791	\$ 412,827	\$ 419,915	\$ 397,717	\$ 419,079	\$ 412,030	\$ 428,502	\$ 499,217
Business-Type activities:										
Department of Water Supply	\$ 44,390	\$ 46,959	\$ 46,827	\$ 46,687	\$ 54,013	\$ 53,612	\$ 55,539	\$ 64,514	\$ 62,275	\$ 62,208
Housing, Interim Financing and Buy-Back Revolving Fund	181	175	610	206	268	207	514	206	208	193
Municipal Golf Course	1,949	2,138	2,389	2,088	2,096	2,235	2,348	3,400	3,500	3,884
Total business-type activities expenses	46,520	49,272	49,826	48,981	56,377	56,054	58,401	68,120	65,983	66,285
Total primary government expenses	\$ 381,231	\$ 421,918	\$ 445,617	\$ 461,808	\$ 476,292	\$ 453,771	\$ 477,480	\$ 480,150	\$ 494,485	\$ 565,502
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 11,765	\$ 12,663	\$ 10,950	\$ 12,433	\$ 12,602	\$ 13,265	\$ 13,104	\$ 14,455	\$ 14,287	\$ 14,066
Public safety	384	1,465	337	436	452	458	550	417	839	454
Highways and streets	10,006	10,166	12,097	17,821	20,006	21,272	21,859	22,229	23,914	24,488
Sanitation	47,075	48,682	54,093	59,082	60,568	61,559	59,583	62,359	64,857	73,004
Social welfare	2,537	2,518	2,563	2,360	2,534	2,403	3,202	2,488	2,161	2,558
Culture and recreation	439	542	584	511	574	617	670	479	673	611
Operating grants and contributions	32,907	40,534	39,353	35,216	34,017	34,447	38,917	29,570	34,426	41,470
Capital grants and contributions	4,361	8,446	7,413	6,191	12,530	11,332	15,142	21,953	14,092	9,607
Total governmental activities program revenues	\$ 109,474	\$ 125,016	\$ 127,390	\$ 134,050	\$ 143,283	\$ 145,353	\$ 153,027	\$ 153,950	\$ 155,249	\$ 166,258
Business-Type activities:										
Charges for services:										
Department of Water Supply	\$ 40,722	\$ 42,641	\$ 46,453	\$ 47,214	\$ 50,992	\$ 54,439	\$ 55,245	\$ 59,286	\$ 60,544	\$ 63,633
Housing, Interim Financing and Buy-Back Revolving Fund	149	157	154	147	527	163	167	167	180	226
Municipal Golf Course	1,403	1,229	1,138	1,158	1,106	1,116	1,087	1,136	1,163	1,108
Capital grants and contributions	11,317	5,865	9,983	11,901	2,541	5,552	4,369	5,643	6,465	11,366
Total business-type program revenues	53,591	49,892	57,728	60,420	55,166	61,270	60,868	66,232	68,352	76,333
Total primary government program revenues	\$ 163,065	\$ 174,908	\$ 185,118	\$ 194,470	\$ 198,449	\$ 206,623	\$ 213,895	\$ 220,182	\$ 223,601	\$ 242,591
Net (expense)/revenue ¹										
Governmental activities	\$ (225,237)	\$ (247,630)	\$ (268,401)	\$ (278,777)	\$ (276,632)	\$ (252,364)	\$ (266,052)	\$ (258,080)	\$ (273,253)	\$ (332,959)
Business-Type activities	7,071	620	7,902	11,439	(1,211)	5,216	2,467	(1,888)	2,369	10,048
Total primary government net expense	\$ (218,166)	\$ (247,010)	\$ (260,499)	\$ (267,338)	\$ (277,843)	\$ (247,148)	\$ (263,585)	\$ (259,968)	\$ (270,884)	\$ (322,911)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 216,306	\$ 215,005	\$ 235,861	\$ 220,477	\$ 208,645	\$ 214,244	\$ 224,055	\$ 236,947	\$ 249,658	\$ 272,989
Transient accommodation tax	23,412	21,315	20,972	23,479	22,906	21,204	21,204	23,484	23,446	23,484
Public service corporation tax	7,983	9,335	10,265	6,094	9,622	9,767	9,834	9,771	9,264	7,662
Franchise tax	8,743	11,298	7,550	8,468	10,429	10,714	10,762	10,782	8,962	7,747
Fuel tax	11,383	10,498	9,679	11,085	10,438	10,618	10,676	10,900	12,522	15,655
Interest and investment earnings	13,935	1,538	9,858	6,489	1,283	908	1,579	1,218	2,402	2,940
Other	546	209	56	399	(4)	857	(132)	795	108	313
Transfers	(136)	(359)	(4,308)	(267)	(2,388)	(948)	(775)	(2,230)	(2,810)	(2,385)
Total governmental activities	\$ 282,172	\$ 268,839	\$ 289,933	\$ 276,224	\$ 260,931	\$ 267,364	\$ 277,203	\$ 291,667	\$ 303,552	\$ 328,405
Business-Type activities:										
Interest and investment earnings	\$ 1,924	\$ 193	\$ 1,174	\$ 916	\$ 165	\$ 135	\$ 293	\$ 330	\$ 625	\$ 804
Others	243	7	115	--	270	154	735	--	--	--
Transfers	136	359	4,308	267	2,388	948	775	2,230	2,810	2,385
Total business-type activities	2,303	559	5,597	1,183	2,823	1,237	1,803	2,560	3,435	3,189
Total primary government	\$ 284,475	\$ 269,398	\$ 295,530	\$ 277,407	\$ 263,754	\$ 268,601	\$ 279,006	\$ 294,227	\$ 306,987	\$ 331,594
Change in Net Position ¹										
Governmental activities	\$ 56,935	\$ 21,209	\$ 21,532	\$ (2,553)	\$ (15,701)	\$ 15,000	\$ 11,151	\$ 33,587	\$ 30,299	\$ (4,554)
Business-Type activities	9,374	1,179	13,499	12,622	1,612	6,453	4,270	672	5,804	13,237
Total primary government	\$ 66,309	\$ 22,388	\$ 35,031	\$ 10,069	\$ (14,089)	\$ 21,453	\$ 15,421	\$ 34,259	\$ 36,103	\$ 8,683

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. 68.

**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
2008	\$ 216,306	\$ 23,412	\$ 7,983	\$ 8,743	\$ 11,383	\$ 267,827
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

**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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 31,022	\$ 25,717	\$ 17,549							
Unreserved ³	56,376	49,748 ²	68,306 ²							
Restricted				\$ 12,113	\$ 13,189	\$ 15,317	\$ 5,819	\$ 8,196	\$ 10,752	\$ 3,987
Committed				49,042	75,114	100,727	30,009	28,307	31,696	34,401
Assigned				22,153	16,681	16,430	19,388	20,718	19,859	18,247
Unassigned ³				87,319 ²	51,006 ²	51,979 ²	42,404	31,657	22,708	25,062
Total general fund	\$ 87,398	\$ 75,465	\$ 85,855	\$ 170,627	\$ 155,990	\$ 184,453	\$ 97,620	\$ 88,878	\$ 85,015	\$ 81,697
All other governmental funds										
Reserved	\$ 100,207	\$ 86,117	\$ 81,585							
Unreserved, reported in: ³										
Special revenue funds	62,160	78,114	102,777							
Capital projects fund	9,956	(10,142)	(23,132)							
Restricted				\$ 78,768	\$ 56,745	\$ 60,479	\$ 40,722	\$ 54,824	\$ 59,937	\$ 43,590
Committed				43,626	44,561	48,599	38,535	13,811	20,839	26,938
Assigned				4,253	19,155	12,543	11,715	31,097	26,510	38,919
Total all other governmental funds	\$ 172,323	\$ 154,089	\$ 161,230	\$ 126,647	\$ 120,461	\$ 121,621	\$ 90,972	\$ 99,732	\$ 107,286	\$ 109,447

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.*

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes	\$ 243,510	245,267	261,332	244,852	238,829	246,315	255,440	268,178	280,825	\$ 303,701
Licenses and permits	17,719	16,278	17,946	22,362	26,650	27,231	28,185	30,946	30,460	32,032
Intergovernmental revenues	57,001	66,185	62,707	63,792	68,001	64,074	69,449	72,049	69,037	70,996
Charges for current services	49,196	51,525	57,633	62,234	64,364	66,036	64,251	64,839	70,575	76,902
Fines and forfeitures	2,049	2,294	2,712	2,767	2,131	3,018	2,250	2,075	2,537	2,226
Interest and investment earnings	14,164	1,706	9,973	6,594	1,416	1,018	1,747	1,358	2,592	3,120
Assessments	3,149	1,213	231	670	1,219	791	1,086	1,322	2,345	1,742
Other revenues	3,809	9,128	7,507	5,387	3,842	6,076	6,882	4,604	5,140	6,042
Total revenues	<u>390,597</u>	<u>393,596</u>	<u>420,041</u>	<u>408,658</u>	<u>406,452</u>	<u>414,559</u>	<u>429,290</u>	<u>445,371</u>	<u>463,511</u>	<u>496,761</u>
EXPENDITURES ¹										
Current:										
General government	98,268	94,429	90,136	90,652	105,552	89,510	190,718	105,479	115,623	126,512
Public safety	72,293	78,163	80,376	78,703	79,427	80,781	78,981	90,349	92,811	99,701
Highways and streets	30,786	33,711	35,039	32,484	33,798	35,926	44,878	40,260	39,827	40,032
Sanitation	39,363	43,875	40,832	39,835	41,891	45,366	46,344	54,551	52,454	54,842
Social welfare	38,105	42,893	43,509	43,999	42,459	46,315	45,298	42,579	45,920	57,125
Culture and recreation	26,418	27,592	27,034	23,652	27,257	26,346	39,739	29,530	28,912	38,325
Legislative	4,767	5,336	5,199	5,238	5,251	5,533	5,987	6,559	6,493	6,523
Capital outlay	46,964	88,612	54,804	57,278	57,976	68,648	77,097	81,371	65,147	48,112
Debt service:										
Principal	18,373	18,879	20,485	26,894	22,469	23,770	24,593	26,926	20,825	26,150
Interest and other issuance costs	9,954	10,689	10,219	10,332	9,604	10,051	9,423	10,905	9,607	9,174
Total expenditures	<u>385,291</u>	<u>444,179</u>	<u>407,633</u>	<u>409,067</u>	<u>425,684</u>	<u>432,246</u>	<u>563,058</u>	<u>488,509</u>	<u>477,619</u>	<u>506,496</u>
Excess (deficiency) of revenues over expenditures	5,306	(50,583)	12,408	(409)	(19,232)	(17,687)	(133,768)	(43,138)	(14,108)	(9,735)
OTHER FINANCING SOURCES (USES)										
Issuance of debt:										
General obligation bond proceeds	35,094	--	--	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	5,721	21,048	9,906	2,856	1,095	2,053	--	6,631	3,750	10,962
Capital lease obligations	118	230	--	--	--	--	--	--	--	--
Use of debt:										
Payment to escrow for bond refunding	--	--	--	(25,939)	--	(21,321)	--	(24,827)	(45,356)	--
Transfers in:										
General Fund	99,600	87,987	80,932	46,097	57,950	47,832	51,346	66,885	61,428	69,955
Special Revenue Funds	56,345	34,174	30,306	34,428	39,126	47,880	46,065	40,717	38,848	43,350
Capital Projects Fund	16,500	9,978	6,675	8,903	3,748	6,889	7,814	4,411	5,841	6,866
Other Governmental Funds	3,230	10,642	11,454	7,520	6,692	7,317	7,015	9,094	7,878	7,437
Proprietary Funds	--	313	415	402	407	378	352	315	240	382
Transfers out:										
General Fund	(27,866)	(22,185)	(22,932)	(26,089)	(20,695)	(23,667)	(24,078)	(22,279)	(21,833)	(31,077)
Special Revenue Funds	(60,497)	(28,674)	(9,196)	(6,447)	(4,644)	(6,277)	(7,879)	(3,427)	(4,677)	(3,495)
Debt Service Fund	(28,326)	(29,567)	(30,704)	(36,860)	(32,073)	(33,392)	(34,016)	(37,386)	(30,078)	(35,325)
Capital Projects Fund	(58,985)	(36,571)	(31,127)	(16,885)	(35,034)	(34,693)	(32,514)	(35,547)	(34,039)	(34,926)
Other Governmental Funds	--	(25,785)	(4,723)	(10,668)	(15,070)	(11,888)	(13,752)	(22,469)	(23,368)	(22,784)
Proprietary Funds	(136)	(672)	(35,409)	(669)	(2,795)	(1,326)	(1,127)	(2,545)	(3,050)	(2,767)
Total financing sources, net	<u>40,798</u>	<u>20,918</u>	<u>5,597</u>	<u>50,930</u>	<u>(1,293)</u>	<u>43,476</u>	<u>16,287</u>	<u>47,731</u>	<u>17,800</u>	<u>8,578</u>
Net Change in Fund Balances	\$ <u>46,104</u>	\$ <u>(29,665)</u>	\$ <u>18,005</u>	\$ <u>50,521</u>	\$ <u>(20,525)</u>	\$ <u>25,789</u>	\$ <u>(117,481)</u>	\$ <u>4,593</u>	\$ <u>3,692</u>	\$ <u>(1,157)</u>
Capital outlays reported in the CIP fund and other funds, net of retirements	58,288	90,670	59,804	38,566	54,259	66,231	93,404	86,719	70,579	61,885
Debt service as a percentage of noncapital expenditures	8.66%	8.36%	8.83%	10.05%	8.64%	9.24%	7.24%	9.42%	7.48%	7.94%

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 No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

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

Fiscal Year Ended June 30	Classification											
	Improved Residential		Apartment		Commercial		Industrial		Agricultural		Commercial Residential	
	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹
2008	\$ 7,070,528	4.85	\$ 5,302,077	4.55	\$ 1,905,614	6.25	\$ 1,409,941	6.50	\$ 3,930,246	4.50		
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	6,134,066	6.00	3,224,554	6.60	2,053,224	6.69	3,772,117	5.66	163,441	4.35

Fiscal Year Ended June 30	Classification											
	Conservation		Hotel & Resort		Time Share		Unimproved Residential		Homeowner		Total	
	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Direct Tax Rate ¹
2008	\$ 349,991	4.75	\$ 9,792,338	8.20	\$ 1,011,247	14.00	\$ 560,716	5.35	\$ 9,835,022	2.00	\$ 41,167,720	5.25
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

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 2017 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Taxpayer	Type of Business	2017 ¹			2008 ²		
		Percentage of Total tax			Percentage of Total tax		
		Taxes	Levy	Rank	Taxes	Levy	Rank
Westin Maui Corp (Leasehold), SVO Pacific, Inc, Ocean Resort Villas Vacation	Hotel (Westin) / Time Share	10,464	3.77%	1			
Marriott Ownership Resorts	Time Share	6,418	2.31%	2			
Alexander & Baldwin, A & B, East Maui Irrigation	Sugar, Development, Property Management	3,849	1.39%	3			
HMC Maui LP, HMC Kea Lani LP	Hotel (Kea Lani & Hyatt)	3,832	1.38%	4			
Island Acquisitions Kapalua LLC	Time Share, Hotel (Montage)	3,102	1.12%	5			
GWR Wailea Property LLC	Hotel (Grand Wailea)	2,841	1.02%	6			
West Maui Resort Partners LP	Time Share/Hotel (Kaanapali Beach Club)	2,502	0.96%	7			
Lanai Resorts LLC	Hotel, Golf Course	2,290	0.83%	8			
Hart Wailea LLC	Shopping Center (Shops at Wailea)	2,251	0.81%	9			
Maui Timeshare Venture LLC	Time Share (Hyatt Regency)	1,487	0.54%	10			
Consolidated Maui Inc.	Time Shares				4,849	2.21%	1
Westin Maui Corp (Leasehold), SVO Pacific Corp, Ocean Resort Villas	Hotel (Westin) / Time Share				3,776	1.72%	2
HMC Maui LLC	Hotel (Kea Lani & Hyatt)				3,638	1.66%	3
Grand Wailea Investments, CNL Grand Wailea Resort LP	Hotel (Grand Wailea)				2,930	1.34%	4
Alexander & Baldwin Inc., East Maui Irrigation Co., A & B Properties Inc., A & B Hawaii Inc.	Sugar/Development/Property Management				2,463	1.12%	5
West Maui Resort Partners	Time Share/Hotel (Embassy Suites)				2,361	1.08%	6
Castle & Cooke, Inc. Resorts LLC, Lanai Properties, Dole, Lanai Co., Lanai Developers	Development/Property Management/Hotel/Golf Course				2,102	0.96%	7
Marriott Ownership Resorts	Time Share (Marriott)				1,547	0.71%	8
3900 WA Associates LLC	Hotel (Four Seasons Resort)				1,345	0.61%	9
Seibu: Makena Golf Corp, Makena Aina Corp, Maui Prince Hotel LLC, Ainamua Corp	Hotel/Golf Course/Development				1,084	0.50%	10
TOTALS		<u>39,036</u>	<u>14.13%</u>		<u>26,095</u>	<u>11.91%</u>	

¹ Fiscal Year 2017 taxes were calculated from the January 1, 2016 assessment. The taxes levied are for the year July 1, 2016 through June 30, 2017.

² Fiscal Year 2008 taxes were calculated from the January 1, 2007 assessment. The taxes levied are for the fiscal year July 1, 2007 through June 30, 2008.

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustment ²	Adjusted Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 214,785 ¹	\$ (2,270)	\$ 212,515	\$ 213,193	100.3%	\$ (831)	\$ 212,362	99.9%
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%

¹ Prior to Fiscal 2009, levy was estimated because billing were based on appraisal estimates and not the actual levy.

² Adjustments include appeals.

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

Fiscal Year	Government Activities		Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Notes Payable ⁴	General Obligation Bonds	Notes Payable ⁴	Total Outstanding Debt	Percentage of Personal Income ³	Per Capita ³
2008	\$ 221,085	\$ 34,272	\$ 26,173	\$ 12,990	\$ 294,520	5.43%	2,050
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	1,873 ⁶
2014	208,298	53,293	25,602	17,672	304,865	4.63% ⁵	1,865 ⁶
2015	227,835	55,184	29,946	20,469	333,434	4.77% ⁵	2,024 ⁶
2016	235,318	46,801	27,285	22,260	331,664	4.75% ¹	2,005 ²
2017	209,578	54,137	24,531	29,168	317,414	4.54% ¹	1,919 ²

¹ 2016 and 2017 Personal Income is not available, 2015 data is utilized.

² 2017 Total Resident Population data is not available, 2016 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)

<u>Fiscal Year</u>	<u>General Obligation Bonds⁴</u>	<u>Percentage of Estimated Actual Taxable Value of Property¹</u>	<u>Per Capita²</u>
2008	\$ 247,258	0.601%	1,633
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%	1,565
2016	262,603	0.645%	1,588
2017	234,109	0.528%	1,416 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 2017 Population data not available; 2016 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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit ¹	\$ 6,175,158	\$ 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
Debt applicable to limit	<u>268,865</u>	<u>270,961</u>	<u>260,287</u>	<u>280,983</u>	<u>261,356</u>	<u>267,130</u>	<u>270,007</u>	<u>290,789</u>	<u>287,585</u>	<u>279,306</u>
Legal debt margin ²	\$ <u>5,906,293</u>	\$ <u>6,115,904</u>	\$ <u>6,199,955</u>	\$ <u>5,307,546</u>	\$ <u>4,676,733</u>	\$ <u>4,603,865</u>	\$ <u>4,741,727</u>	\$ <u>5,118,889</u>	\$ <u>5,819,173</u>	\$ <u>6,375,225</u>
Debt applicable to the limit as a percentage of debt limit	4.35%	4.24%	4.03%	5.03%	5.29%	5.48%	5.39%	5.38%	4.71%	4.20%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessor's net taxable income	\$ 44,997,984
Less: 50% of valuation on appeal	<u>634,447</u>
Valuation for tax rate purpose	\$ <u>44,363,537</u>
Debt limit (15% of total assessed value)	\$ 6,654,531
Debt applicable to limit	\$ <u>279,306</u>
Legal debt margin	\$ <u>6,375,225</u>

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 ¹	Personal Income (x\$1,000)¹	Per Capita Personal Income ¹	Median Age ²	School Enrollment ¹	Unemployment Rate ¹
2008	151,424	\$ 5,641	\$ 37,255	38.0	25,121	4.90%
2009	153,393	5,348	34,864	37.9	21,151	9.10%
2010	154,924	5,501	35,476	39.6	21,316	8.50%
2011	156,891	5,754	36,675	39.5	20,779	7.90%
2012	158,599	6,220	39,216	39.5	21,119	6.40%
2013	161,036	6,228	38,674	39.8	21,330	5.10%
2014	163,487 ^a	6,589	40,306	40.0	20,950	4.50%
2015	164,726 ^a	6,989	42,430	40.0	20,937	3.70% ^a
2016	165,386 ²	N/A	N/A	N/A	21,010 ^a	3.20% ^a
2017	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 U.S. Census Bureau; Median Age for 2010-2014

^a Revised from Maui County Data Book, 2016

N/A = Not Available

**TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2017 AND NINE YEARS AGO - (UNAUDITED)**

EMPLOYER	2017			2008		
	Employees ¹	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
State of Hawaii	4,600	1	5.56%	5,816	1	7.60%
County Government	2,800	2	3.38%	2,497 ²	2	3.26%
Grand Wailea-Waldorf Astoria	1,400	3	1.69%			
Ritz-Carlton-Kapalua	1,000	4	1.21%			
Federal Government ²	800	5	0.97%	808	6	1.06%
Four Seasons Resort, Wailea	800	5	0.97%	807	7	1.05%
Maui Memorial Medical Center	800	5	0.97%			
Four Seasons Resort-Lanai	700	6	0.85%			
Westin-Maui Resort & Spa on Kaanapali Beach	700	6	0.85%			
Kea Lani Maui Restaurant	600	7	0.73%			
Makena Beach & Golf Resort	518	8	0.63%			
Kaanapali Beach Club	500	9	0.60%			
Royal Lahaina Resort	500	9	0.60%			
Walmart	500	9	0.60%			
Wailea Beach Resort Marriott	420	10	0.51%			
TS Restaurant of Hawaii & California				1,800	3	2.35%
Maui Land & Pineapple Co., Inc.				1,195	4	1.56%
Hyatt Regency Maui Resort & Spa LLC				900	5	1.18%
Hale Makua				472	8	0.62%
Dorvin D. Leis Co., Inc.				459	9	0.60%
West Maui Resort Partners LP				418	10	0.55%
Maui Medical Group Inc. ³						
Town Realty of Hawaii ³						
Total	16,638		20.12%	15,172		19.83%

¹ Hawaii Business Research Library

² 2008 County of Maui actual employee count.

³ Not available

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	401	410	435	481	495	517	508	529	527	525
Public safety										
Police										
Officers	436	476	494	332	331	343	341	359	371	370
Civilians	104	104	117	149	134	143	103	111	111	108
Fire and Public Safety										
Firefighters and officers	300	288	282	286	282	290	298	302	293	288
Civilians	10	10	23	12	11	12	33	13	14	76
Highways and Streets										
Engineering	33	32	33	33	35	35	35	32	30	30
Maintenance	224	225	235	220	217	217	216	211	214	220
Sanitation	94	93	109	147	99	106	153	97	97	99
Social Welfare	173	185	184	131	154	164	106	101	108	111
Culture and Recreation	424	466	455	449	366	371	329	332	348	282
Sewer	101	120	120	104	95	107	110	112	110	116
Department of Water Supply	193	202	200	205	192	194	205	200	196	205
Total	<u>2,493</u>	<u>2,611</u>	<u>2,687</u>	<u>2,549</u>	<u>2,411</u>	<u>2,499</u>	<u>2,437</u>	<u>2,399</u>	<u>2,419</u>	<u>2,430</u>

Source: Annual Gov't Survey submitted by Payroll.

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	4,451	4,400	4,700	4,200	5,000	9,541	9,830	9,912	9,672	9,631
Parking violations	12,151	12,000	10,300	12,000	11,200	8,883	8,934	9,235	2,743	12,331
Fire										
Number of calls answered	6,908	6,600	7,480	8,043	8,816	9,834	10,930	10,714	10,931	11,275
Inspections	995	1,160	646	1,368	1,461	1,152	849	901	557	610
Highways and streets										
Street resurfacing (miles)	21	18	18	21	49	26	23	23	25	19
Sanitation										
Refuse collected (tons/day)	403	463	474	469	436	436	459	479	507	570
Recyclables collected (tons/day)	354	342	328	324	440	209	168	162	283	314
Culture and recreation										
Athletic field permits issued	1,107	3,417	1,012	902	924	895	848	771	719	424
Camping center permits issued	2,501	1,347	2,368	2,429	2,671	2,650	2,400	2,203	1,978	994
Community center permits issued	2,806	4,101	2,461	2,401	2,237	2,286	2,220	2,448	2,094	2,412
Water										
New connections	762	96	71	87	55	25	174	64	107	154
Water mains breaks	64	577	806	483	371	252	253	174	147	40
Average daily consumption (thousands of gallons)	35,061	33,079	30,640	29,660	30,150	34,250	32,471	33,771	32,289	31,962
Wastewater										
Average daily sewage treatment (thousands of gallons)	14,743	12,622	12,152	13,000	12,100	12,451	12,710	13,067	13,309	14,047

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	6
Fire stations	14	14	14	14	14	15	14	14	14	14
Sanitation										
Collection trucks	32	25	29	31	33	32	32	33	34	34
Highways and streets										
Streets (miles)	563	563	565	565.64	565.64	566	568	568	569	570
Street lights	4,147	4,228	4,228	4,228	4,228	4,228	4,719	4,720	4,954	4,894
Traffic signals	35	35	35	30	31	31	32	35	35	35
Culture and recreation										
Parks acreage (includes	41,581	41,581	NA	NA	1,721	1,807	2,117	2,154	2,212	2,506
Parks	NA	NA	1,395	1,620	136	138	143	144	148	150
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	39	49	55	55	55	55	53	53	53	53
Community centers	21	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	6,846	6,879	6,936	6,981	7,016	7,016	7,091	7,122	7,366	7,443
Maximum daily capacity										
(thousands of gallons)	50,000	57,000	57,000	42,000	57,000	41,310	68,595	52,800	59,890	60,100
Sewer										
Sanitary sewers (miles)	215	277	242	223.6	223.2	248.6	248.7	249.8	259.5	261.1
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.