

OFFICE OF THE COUNTY AUDITOR

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

February 17, 2017

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OFFICE OF THE
COUNTY CLERK

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

Dear Chair White and Members:

**SUBJECT: FINANCIAL DATA SCHEDULES FOR SECTION 8 AND
HOME PROGRAMS OF THE COUNTY OF MAUI FOR THE
FISCAL YEAR ENDED JUNE 30, 2016**

We are transmitting 10 sets of the following documents from N&K CPAs, Inc., the
County's independent auditor:

1. COUNTY OF MAUI DEPARTMENT OF HOUSING AND HUMAN CONCERNS SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM: INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION, Fiscal Year Ended June 30, 2016;
2. COUNTY OF MAUI DEPARTMENT OF HOUSING AND HUMAN CONCERNS HOME INVESTMENT PARTNERSHIPS PROGRAM: INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION, Fiscal Year Ended June 30, 2016;
3. COUNTY OF MAUI DEPARTMENT OF HOUSING AND HUMAN CONCERNS FAMILY SELF-SUFFICIENCY PROGRAM: INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION, Fiscal Year Ended June 30, 2016; and
4. COUNTY OF MAUI DEPARTMENT OF HOUSING AND HUMAN CONCERNS: INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES, Fiscal Year Ended June 30, 2016.

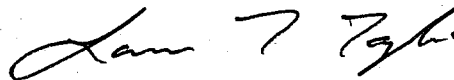
COUNTY COMMUNICATION NO. 17-113

Honorable Mike White, Chair
and Members of the Council
February 17, 2017
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The County's Department of Housing and Human Concerns (DHHC) is required to submit these reports to the U.S. Department of Housing and Urban Development. At the request of the DHHC, these reports were prepared in conjunction with N&K CPAs, Inc.'s audit of the financial statements for Fiscal Year Ended June 30, 2016. The DHHC will cover the cost of these reports.

These reports are transmitted for your information and no further action is required by the Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance T. Taguchi", written in a cursive style.

LANCE T. TAGUCHI
County Auditor

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Enclosures

cc w/o enc: Director of Housing and Human Concerns

COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

Fiscal Year Ended June 30, 2016



N&K CPAs, Inc.

ACCOUNTANTS|CONSULTANTS

**COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM**

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Chair and Members of the County Council
County of Maui, Hawai'i

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, Hawai'i (County), as of and for the fiscal year ended June 30, 2016, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 13, 2016, which contained an unmodified opinion on those financial statements. 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.

Our audit was performed for the purpose of forming opinions on the financial statements that comprise the County's basic financial statements. The accompanying supplementary information of the Financial Data Schedule (FDS) for the Section 8 Housing Choice Vouchers Program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. In our opinion, the accompanying supplementary information of the FDS is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the County of Maui Department of Housing and Human Concerns, the County Council of the County of Maui, and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawai'i
February 9, 2017

County of Maui
Department of Housing and Human Concerns
FINANCIAL DATA SCHEDULE
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
June 30, 2016

Line Item	Account Description	Section 8 Housing Choice Vouchers Program
111	Cash-unrestricted	\$ 325,185
113	Cash-other restricted	312,861
115	Cash-restricted for payments of current liabilities	<u>3,715</u>
100	Total cash	<u>641,761</u>
125	Accounts receivable-miscellaneous	5,373
126.2	Allowance for doubtful accounts-other	(5,344)
128	Fraud recovery	621,605
128.1	Allowance for doubtful accounts-fraud	<u>(301,926)</u>
120	Total receivables, net of allowances for doubtful accounts	<u>319,708</u>
131	Investments-unrestricted	1,367,489
132	Investments-restricted	<u>62,700</u>
150	Total current assets	<u>2,391,658</u>
290	Total assets and deferred outflow of resources	\$ <u>2,391,658</u>
312	Accounts payable ≤ 90 days	\$ 3,715
322	Accrued compensated absences-current portion	53,350
331	Accounts payable-HUD PHA programs	<u>6,670</u>
310	Total current liabilities	<u>63,735</u>
353	Non-current liabilities-other	84,226
354	Accrued compensated absences-non-current	<u>60,161</u>
350	Total non-current liabilities	<u>144,387</u>
300	Total liabilities	<u>208,122</u>
511.4	Restricted net position	291,335
512.4	Unrestricted net position	<u>1,892,201</u>
513	Total equity - net assets/position	<u>2,183,536</u>
600	Total liabilities, deferred inflows of resources and equity/net position	\$ <u>2,391,658</u>

County of Maui
Department of Housing and Human Concerns
FINANCIAL DATA SCHEDULE (Continued)
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
Fiscal Year Ended June 30, 2016

Line Item	Account Description	Section 8 Housing Choice Vouchers Program
70600	HUD PHA operating grants	\$ 17,742,223
71100	Investment income-unrestricted	11,571
71400	Fraud recovery	54,573
71500	Other revenue	291,571
70000	Total revenue	18,099,938
91100	Administrative salaries	937,879
91200	Auditing fees	13,460
91600	Office expenses	196,156
91800	Travel	15,677
91900	Other	115,118
91000	Total operating-administrative	1,278,290
93200	Electricity	37,260
93000	Total utilities	37,260
96200	Other general expenses	44,388
96210	Compensated absences	(16,389)
96000	Total other general expenses	27,999
96900	Total operating expenses	1,343,549
97000	Excess of operating revenue over operating expenses	16,756,389
97300	Housing assistance payments	16,386,054
97350	HAP portability-in	265,031
90000	Total expenses	17,994,634
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ 105,304
11030	Beginning equity	\$ 1,492,301
11040	Prior period adjustments, equity transfers and correction	\$ 585,931
11170	Administrative fee equity	\$ 1,892,201
11180	Housing assistance payments equity	\$ 291,335
11190	Unit months available	17,568
11210	Number of units months leased	16,473

**COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
HOME INVESTMENT PARTNERSHIPS PROGRAM**

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

Fiscal Year Ended June 30, 2016



N&K CPAs, Inc.

ACCOUNTANTS|CONSULTANTS

**COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
HOME INVESTMENT PARTNERSHIPS PROGRAM**

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Chair and Members of the County Council
County of Maui, Hawai'i

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, Hawai'i (County), as of and for the fiscal year ended June 30, 2016, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 13, 2016, which contained an unmodified opinion on those financial statements. 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.

Our audit was performed for the purpose of forming opinions on the financial statements that comprise the County's basic financial statements. The accompanying supplementary information of the Financial Data Schedule (FDS) for the HOME Investment Partnerships Program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. In our opinion, the accompanying supplementary information of the FDS is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the County of Maui Department of Housing and Human Concerns, the County Council of the County of Maui, and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawaii
February 9, 2017

County of Maui
Department of Housing and Human Concerns
FINANCIAL DATA SCHEDULE
HOME INVESTMENT PARTNERSHIPS PROGRAM
June 30, 2016

Line Item	Account Description	HOME Investment Partnerships Program
122	Accounts receivable-HUD other projects	\$ 189,390
120	Total receivables, net of allowances for doubtful accounts	189,390
150	Total current assets	189,390
290	Total assets and deferred outflow of resources	\$ 189,390
313	Accounts payable > 90 days past due	\$ 54,108
342	Unearned revenue	21,161
345	Other current liabilities	114,121
310	Total current liabilities	189,390
300	Total liabilities	189,390
600	Total liabilities, deferred inflows of resources and equity/net position	\$ 189,390

County of Maui
Department of Housing and Human Concerns
FINANCIAL DATA SCHEDULE (Continued)
HOME INVESTMENT PARTNERSHIPS PROGRAM
Fiscal Year Ended June 30, 2016

Line Item	Account Description	HOME Investment Partnerships Program
70800	Other government grants	\$ 318,803
71500	Other revenue	60,059
70000	Total revenue	<u>378,862</u>
91900	Other	60,059
91000	Total operating-administrative	<u>60,059</u>
96200	Other general expenses	318,803
96000	Total other general expenses	<u>318,803</u>
96900	Total operating expenses	<u>378,862</u>
97000	Excess of operating revenue over operating expenses	<u>--</u>
90000	Total expenses	<u>378,862</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ <u><u>--</u></u>

**COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
FAMILY SELF-SUFFICIENCY PROGRAM**

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

Fiscal Year Ended June 30, 2016



N&K CPAs, Inc.

ACCOUNTANTS|CONSULTANTS

**COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
FAMILY SELF-SUFFICIENCY PROGRAM**

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Chair and Members of the County Council
County of Maui, Hawai'i

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, Hawai'i (County), as of and for the fiscal year ended June 30, 2016, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 13, 2016, which contained an unmodified opinion on those financial statements. 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.

Our audit was performed for the purpose of forming opinions on the financial statements that comprise the County's basic financial statements. The accompanying supplementary information of the Financial Data Schedule (FDS) for the Family Self-Sufficiency Program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. In our opinion, the accompanying supplementary information of the FDS is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the County of Maui Department of Housing and Human Concerns, the County Council of the County of Maui, and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawai'i
February 9, 2017

County of Maui
Department of Housing and Human Concerns
FINANCIAL DATA SCHEDULE
FAMILY SELF-SUFFICIENCY PROGRAM
June 30, 2016

Line Item	Account Description	Family Self- Sufficiency Program
113	Cash-other restricted	\$ 15,664
100	Total cash	15,664
150	Total current assets	15,664
290	Total assets and deferred outflow of resources	\$ 15,664
342	Unearned revenue	\$ 15,664
310	Total current liabilities	15,664
300	Total liabilities	15,664
600	Total liabilities, deferred inflows of resources and equity/net position	\$ 15,664

County of Maui
Department of Housing and Human Concerns
FINANCIAL DATA SCHEDULE (Continued)
FAMILY SELF-SUFFICIENCY PROGRAM
Fiscal Year Ended June 30, 2016

Line Item	Account Description	Family Self- Sufficiency Program
70600	HUD PHA operating grants	\$ 28,957
70000	Total revenue	28,957
92100	Tenant services-salaries	28,957
92500	Total tenant services	28,957
96900	Total operating expenses	28,957
97000	Excess of operating revenue over operating expenses	--
90000	Total expenses	28,957
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ --

COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Fiscal Year Ended June 30, 2016



N&K CPAs, Inc.

ACCOUNTANTS|CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Department of Housing and Human Concerns
County of Maui, Hawai'i

We have performed the procedure described in the second paragraph, which was agreed to by the Department of Housing and Human Concerns, County of Maui, Hawai'i (the Housing Authority) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

The Housing Authority is a department of the County of Maui, Hawai'i (the Reporting Entity). We were engaged to perform an audit in accordance with 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 Reporting Entity as of and for the fiscal year ended June 30, 2016, and have issued our reports thereon dated January 27, 2017. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedules (FDS) for the HOME Investment Partnerships Program, Section 8 Housing Choice Vouchers Program and Family Self-Sufficiency Program dated February 9, 2017, was expressed in relation to the basic financial statements of the Reporting Entity taken as a whole.

N&K CPAs, Inc.

ACCOUNTANTS | CONSULTANTS

A copy of the reporting package required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Reporting Entity. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

N&K CPAs, Inc.

Honolulu, Hawai'i
February 10, 2017

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

UFRS Rule Information	Hard Copy Document(s)	Findings
Balance Sheet and Revenue and Expense (data line items 111 to 11210)	Financial Data Schedule	Agrees
Footnotes (data element G5000-010)	Footnotes to Audited Basic Financial Statements of the Reporting Entity	Agrees
Type of Opinion on FDS (data element G3100-040)	Auditor's Supplemental Report on FDS	Agrees