

County Auditor
Lance T. Taguchi, CPA



OFFICE OF THE COUNTY AUDITOR

COUNTY OF MAUI
2145 WELLS STREET, SUITE 303
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/auditor>

January 14, 2020

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COUNTY CLERK

The Honorable Alice L. Lee, Chair
and Members of the Council
County of Maui
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

**SUBJECT: COUNTY OF MAUI COMPREHENSIVE ANNUAL
FINANCIAL REPORT (CAFR) FOR FISCAL YEAR ENDED
JUNE 30, 2019**

We have received the County of Maui Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year Ended June 30, 2019, 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 black ink, appearing to read "Lance T. Taguchi".

LANCE T. TAGUCHI, CPA
County Auditor

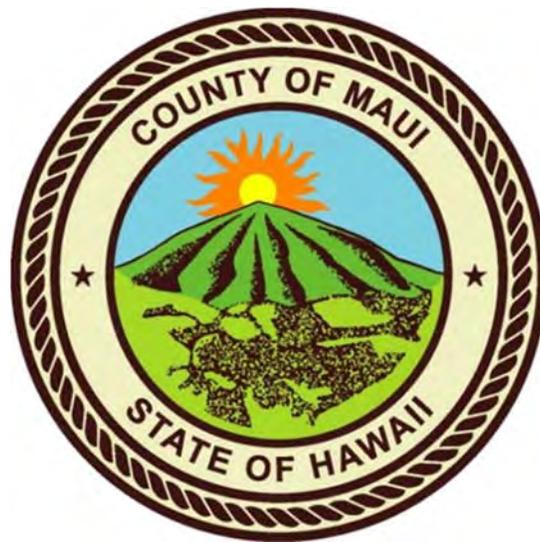
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Enclosure

COUNTY COMMUNICATION NO. 20-44

COUNTY OF MAUI

STATE OF HAWAII



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**Prepared by:
DEPARTMENT OF FINANCE
Scott K. Teruya, Director of Finance**

**COUNTY OF MAUI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

		<u>Page</u>
PART I	INTRODUCTORY SECTION	
	Director of Finance’s Letter of Transmittal	1
	Certificate of Achievement for Excellence in Financial Reporting	13
	Elected Officials and Appointed Department Heads	14
	Organization Chart	15
	Directory of County Officials	16
PART II	FINANCIAL SECTION	
	Independent Auditor’s Report	19
	Management’s Discussion and Analysis (MD&A)	22
	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position	39
	Statement of Activities	40
	Fund Financial Statements:	
	Balance Sheet - Governmental Funds	41
	Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	42
	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	43
	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	44
	Statement of Net Position - Proprietary Funds	45

**COUNTY OF MAUI
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
PART II FINANCIAL SECTION (Continued)	
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	46
Statement of Cash Flows - Proprietary Funds	47
Statement of Fiduciary Net Position - Fiduciary Funds	48
Notes to the Basic Financial Statements	49
Required Supplementary Information Other Than MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	89 - 91
General Fund - Budgetary Basis	
Highway Fund - Budgetary Basis	
Sewer Fund - Budgetary Basis	
Notes to the Budgetary Comparison Schedules	92
Schedule of Proportionate Share of the Net Pension Liability	93
Schedule of Contributions (Pension)	94
Notes to Required Supplementary Information Required by GASB Statement No. 68	95
Schedule of Changes in Net OPEB Liability and Related Ratios	96
Schedule of Contributions (OPEB)	97
Notes to Required Supplementary Information Required by GASB Statement No. 75	98
Other Supplementary Information:	
Non-major Governmental Funds	99
Combining Balance Sheet - Non-major Governmental Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-major Governmental Funds	101
Combining Statement of Changes in Assets and Liabilities - Agency Funds	102

**COUNTY OF MAUI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
PART II FINANCIAL SECTION (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund - Budgetary Basis	103
Schedule of Revenues - Budget and Actual - General Fund	104
Schedule of Appropriations, Expenditures, and Encumbrances - General Fund	107
Schedule of Revenues - Budget and Actual - Highway Fund	114
Schedule of Appropriations, Expenditures, and Encumbrances - Highway Fund	115
Schedule of Revenues - Budget and Actual - Sewer Fund	116
Schedule of Appropriations, Expenditures, and Encumbrances - Sewer Fund	117
Schedule of Revenues - Budget and Actual - Grant Fund	118
Schedule of Appropriations, Expenditures, and Encumbrances - Grant Fund	120
Schedule of Revenues - Budget and Actual - Solid Waste Fund	128
Schedule of Appropriations, Expenditures, and Encumbrances - Solid Waste Fund	129
Schedule of Revenues - Budget and Actual - Liquor Control Fund	130
Schedule of Appropriations, Expenditures, and Encumbrances - Liquor Control Fund	131
Schedule of Revenues - Budget and Actual - Capital Improvement Projects Fund	132
Schedule of Appropriations and Expenditures - Capital Improvements Projects Fund	133
Capital Assets Used in Operations of Governmental Activities:	
Comparative Schedule by Type	134
Schedule by Function and Department	135
Schedule of Changes by Function and Department	136

**COUNTY OF MAUI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

		<u>Page</u>
PART III	STATISTICAL SECTION (UNAUDITED)	
Table 1	Net Position by Component Last Ten Fiscal Years	137
Table 2	Changes in Net Position Last Ten Fiscal Years	138
Table 3	Governmental Activities Tax Revenues by Source Last Ten Fiscal Years	139
Table 4	Fund Balances of Governmental Funds Last Ten Fiscal Years	140
Table 5	Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years	141
Table 6	Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years	142
Table 7	Principal Taxpayers Fiscal Years 2018 and Nine Years Ago	143
Table 8	Property Tax Levies and Collections Last Ten Fiscal Years	144
Table 9	Ratios of Outstanding Debt by Type Last Ten Fiscal Years	145
Table 10	Ratios of General Obligations Bond Debt Outstanding Last Ten Fiscal Years	146
Table 11	Legal Debt Margin Information Last Ten Fiscal Years	147
Table 12	Demographics and Economic Statistics Last Ten Fiscal Years	148
Table 13	Principal Employers - Fiscal Years 2018 and Nine Years Ago	149
Table 14	Full-Time Equivalent County Government Employees by Function Last Ten Fiscal Years	150
Table 15	Operating Indicators by Function Last Ten Fiscal Years	151
Table 16	Capital Asset Statistics by Function Last Ten Fiscal Years	152

COUNTY OF MAUI
INTRODUCTORY SECTION

MICHAEL P. VICTORINO
Mayor

SCOTT K. TERUYA
Director

MAY-ANNE A. ALIBIN
Deputy Director



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

December 20, 2019

Honorable Mayor Michael P. Victorino
Honorable Kelly King, Chair
and Members of Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Mayor and Chair King and Members:

Pursuant to the requirements of the Charter of the County of Maui (1983), as amended (“Charter”), Section 9-13. Audit of Accounts, 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.”

The Department of Finance has prepared and hereby issues the Comprehensive Annual Financial Report (CAFR) of the County of Maui (“County”) for the Fiscal Year (FY) ended June 30, 2019. This report consists of management’s representations concerning the finances of the County. 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 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'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 for the FY ended June 30, 2019, 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's financial statements for the fiscal year ended June 30, 2019 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. 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 GASB Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). By definition, an ARO is a legally enforceable liability associated with the retirement of a tangible capital assets and 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 County of Maui is also required to comply with GASB Statement No.88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

THE REPORTING ENTITY AND ITS SERVICES

The County consists of the inhabited islands of Maui, Molokai and Lanai, and the uninhabited island of Kahoolawe. The County is the second largest of the four counties in the State of Hawaii, with land area of 1,162 square miles, approximately the size of Rhode Island. According to the Maui County Data Book 2018, the population of the County was estimated to be 167,295 in 2019 growing by 95,464 since 1980. The County comprises an estimated 11.78 percent of the total population and 18.27 percent of the total land area of the State of Hawaii.

The County 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.

The County has operated under the Mayor - County Council form of government since 1969, which is the same form of government as the counties of Kauai and Hawaii, and the City and County of 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, and shall not serve more than two consecutive full terms of office. 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 led by the County Council, which is composed of nine members who are elected at-large, to serve two-year terms and not exceeding more than five consecutive full terms of office. 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 the County, as well as in the 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's financial planning and control. The 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 and Budget Director 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 meetings and hearings are held with the community by the County Council between March and April in the year of submission. The proposed 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 Charter provides that the operating budget submitted by the Mayor will be deemed enacted as the operating budget for the ensuing fiscal year. The 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, program, and/or activity. Every appropriation, except for capital improvement projects, lapses at the close of the fiscal year. An appropriation for a capital improvement remains in force until the purpose for which it was made has been accomplished or abandoned. Pursuant to the 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 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 for each required governmental fund for which an appropriated annual budget has been adopted are provided in this report under the Required Supplementary Information and Other Supplemental Information sections. In addition, detailed revenue and appropriation schedules for major and non-major funds are presented in the Other Supplementary Information section of the report.

ECONOMIC CONDITION AND OUTLOOK

Maui's economic outlook continues to remain vibrant, driven primarily by increasing tourist volume, construction projects, and expanding diversification of agriculture. The University of Hawaii Economic Research Organization (UHERO) points out that statewide job and population counts as well as tourist' expenditures have declined over the past year indicating a softening of Hawaii's economy.

Tourism

Maui County's tourism sector continued to grow as visitor arrivals reached a record 2.96 million in 2018, a 5.9 percent increase over the 2017 results; furthermore, the total number of air seats increased by 12.7 percent, a total of 2,626 seats in 2018. Visitors arriving from the West Coast of the United States continued to dominate Maui's visitor industry with 83.3 percent of the

market, followed by those coming from the East Coast and Canada, both at 8.3 percent. Noteworthy was the growth in East Coast visitors increasing by 54.7 percent and 10.3 percent for West Coast visitors. Maui's visitor industry exceeded the forecasted expectations and continued its robust growth in 2018 despite a slight decline in international visitors in December.

The Hawaii Tourism Authority estimated total expenditures (air and ship) on Maui Island increased by 6.4 percent in 2018, totaling \$5.0 billion. The daily per visitor spending by air on Maui increased slightly by 0.2% but exceeded Oahu by \$15.70.

Maui's average daily room rate of \$385.68 increased by 9.2% in 2018 from 2017. Maui's average hotel room rate was the highest in the state at \$385 and occupancy rates climbed to 83.8 percent. The total visitor accommodations increased slightly by 0.6%, while the room revenue per available room increased by 7.8% in 2018. Visitor units on Maui Island are geographically dispersed but in some areas concentrated in resort complexes. The more concentrated locations allow the County to focus visitor dedicated resources more efficiently while the diversity of environments permit visitors a variety of island vacation experiences. There are roughly 21,367 units located as follows: 116 in Hana, 589 in Kahului-Wailuku, 98 in Kula-Makawao, 11,884 in West Maui (Lahaina, Kaanapali, and Kapalua), 221 in Maalaea, and 8,459 in Wailea-Kihei. The hotel occupancy rate in 2018 slightly decreased by 1.4%, from 77.0 percent to 76.0 percent.

In 2019, UHERO estimates that the total visitor arrivals in Maui will increase by 3.0 percent, with the highest anticipated increase of 5.6% from the Japan visitors.

Construction

Maui's construction activity continued its robust expansion since after the 2016 decline. Although the total number of permits issued declined by 8.6 percent to 1,232, the value of private projects permitted in 2018 increased by 17.2 percent to \$559.8 million. Residential construction leads the industry with \$240.4 million in permitted projects, a 14.1 percent increase year-over-year; hotel permits went from \$0 in 2017 to \$67.5 million, non-residential permit values increased by \$17.9 million to \$137.7 million, meanwhile additions and alterations permit values decreased by \$33.6 million or 22.7 percent, from \$147.8 million to \$114.3 million.

Although permit values increased for residential units, the private residential units authorized declined slightly by 2.9 percent. The decline was driven by lower single-family permitted projects. Authorized single-family units declined by 22.7 percent to 378 units while multi-family unit authorizations increased by 88 units to 460; overall there was a decline of 23 authorized units.

The visitor industry estimates an additional 3,195 planned units in all categories. Of this total, 150 units were planned to be completed in 2018, 482 units in 2019, and 136 in 2020. Recently, a 200-unit hotel was announced, the Windward Hotel, with a completion date of 2023. The various types of planned visitor units include: 778 Timeshare, 217 Condo, 150 Hotel/Condo, 540 Hotel, 130 Bed and Breakfast, 213 Short-term Rentals, 11 Transient Vacation Rental, 833 Mixed Use, and 308 Mixed Use/Hotel units.

Jobs and Wages

In 2018, the labor market in the State and County exhibited robust operating levels typical for periods of strong expansion where growth exceeds the GDP trend line. Higher inflation should be anticipated as wages are increased to attract and hold labor.

Hawaii's civilian work force continues to enjoy extremely low unemployment at 2.4 percent. Nevertheless, from 2017 to 2018, the State's civilian workforce shrank by 4,850 people to 678,750, while the number of employed declined by the same amount to 662,150. Similarly, Maui's civilian workforce declined by 450 to 86,150 with total employment decreasing by 300 to 84,050. The decline in workforce numbers outpacing the decline in employment resulted in unemployment decreasing by 150 resulting in the County's unemployment rate declining by 0.2 percent to 2.4 percent; equaling the state's unemployment rate. The low unemployment has placed an upward pressure on statewide average weekly wages increasing by 3.4 percent to \$1,006. Similarly, on Maui, the weekly average wage rose by 3.3 percent to \$900. Both sets of figures are year-over-year comparisons between the first quarter of 2018 and 2019. The weekly average wage data confirms the continuing growth in income in the County, as found in the mean household and family income data. The mean household income rose by \$3,087 to \$101,611, while the mean family income increased by \$10,623 to \$117,055, between 2016 and 2017.

Changes in year-to-year non-agricultural sectoral employment for the County reveals an overall increase of 1,000 positions. The noteworthy changes includes a 100-position increase in Manufacturing but resulted in no changes in Natural Resources and Mining, and Construction. Subsequently, the sector of Trade, Transportation, and Utilities grew by 100 jobs while the Information sector retrenched by 100 jobs; Financial Activities increased 100 positions while Professional & Business Services declined by 100 jobs; Education and Health Services increased by 1,000 jobs; and the Leisure and Hospitality sector expanded by 400 jobs. Other Services increased by 200 positions and Government, which includes Federal, State, and Local, declined by 600 positions with the entire reduction attributed to downsizing by State government.

Real Estate

At mid-2019, Maui's residential real estate market experienced a slight decline with total dollar volume of single-family sales of \$541 million for the first six months, a decrease of 10.9 percent from 2018 year-to-date volume. However, the median home price expanded to \$740,000 up 7.2 percent over the prior year's results. Condo unit sales volume also declined but by 7.0 percent to 810 units, while the median sales price increased by \$27,000 to \$522,600, a gain of 5.5 percent. Mortgage rates remain historically low, hence contributing to the rising median price of residences. The County continues to be one of the least affordable counties in the country.

As of June 2019, commercial real estate investment activity in Hawaii had a total sales volume of \$1.29 billion, a drop of 58.3 percent from the \$3.1 billion in 2018. However, the number of transactions increased by 18 to 135. One noteworthy transaction on Maui was the \$262 million sale of 41,000 acres of former sugar cane and pineapple farm land from Alexander & Baldwin, Inc. to Mahi Pono, LLC. Other activity in commercial real estate on Maui included the purchase of the ocean bungalows resort complex in Hana to be named Travaasa Hana in September 2019. Mani Brothers Real Estate Group of West Hollywood, California is the new

owner of the resort; however, the amount of purchase is undisclosed. In addition to the earlier mentioned Windward Hotel, the construction of two additional hotels have also been announced. The first hotel proposed to be built in Wailuku would include 150 guest rooms to be completed in 2023. The second hotel is slated for construction in Kahului will have 150 to 200 rooms, and planned to open in 2025. Also, the Maui Marketplace in Kahului has signed leases with six new tenants including Ohana Furnishings, a 20,469 square-foot furniture liquidation store.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. During FY 2019 the County saw a 498.2 percent increase in the net position of governmental activities, as a result of the County's \$106.3 bond issuance in October 2018. The County's total revenue increased by 10.1 percent, meanwhile total expenditures also increased by 3.0 percent. Revenue increases were due primarily to increased real property tax collections associated with higher property valuations, increases in charges for services, increases in both operating and capital grants and contributions, and interest and investment earnings. Expenditure increases were primarily in the areas of Social Welfare, Sanitation and Highway and Streets.

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

- Department of Environmental Management:
 - Completion of the Central Maui Landfill Phase V-B Extension, a 4.7-acre area with maximum elevation of 390 feet above mean sea level for \$3.6M (design, construction management, and construction) in December 2018;
 - Completion of the Lahaina Wastewater Pump Station #3 Modifications for \$2.2M (design and construction) in March 2019;
 - Completion of the Wailuku-Kahului Wastewater Reclamation Facility Headworks Building Replacement and Pipe Gallery Renovations for \$1.9M (design and construction) in June 2019; and
 - Acquisition of the following equipment: 1) 40,000 lb. truck cab and chassis for \$0.3M; 2) 66,000 lb. truck cab and chassis for \$1.4M, and; 3) Diesel powered wheel loader for \$0.5M.
- Department of Management:
 - As it relates to the Wailuku Civic Complex, the following Acquisitions were completed: 1) 2103 Wells St. Land and Building for \$1.6M; 2) 2091 West Vineyard Street for \$0.9M; 3) 30 North Church Street, Suite 100 and 200 for \$0.6M; and 4) 30 North Church Street, Suite 300 and 400 for \$0.6M.
- Office of the Mayor:
 - Acquisition of 373 acres in Kula from Haleakala Ranch for the expansion of the Kula Agricultural Park for \$5.9M in December 2018.
- Department of Parks and Recreation:
 - Completion of multilevel Upcountry Skate Park with approximately 15,000 square feet of skateable area, along with ADA parking and accessible walks for \$1.6M (planning, design, and construction) in December 2018; and

- Completion of the Upcountry Swimming Pool Complex Structural Repairs for \$1.7M (design and construction) in June 2019.
- Department of Police:
 - Waiakeakua Communications Facility, a communications facility located off of Munro Trail on the southern side of Mt. Lanaihale, Lanai. The 8,500 sq. ft. facility side and access driveway includes a single-story radio equipment building and a 4-leg 100 ft. self-supporting steel lattice tower for \$6.3M (design and construction) in May 2019.
- Department of Public Works:
 - Completion of Paia School Frontage Improvements, construction of a new sidewalk along the south-side of Baldwin Avenue from Anohou Street to Paia Gym, and the frontage of Paia School for \$1.0M (design, construction management, and construction) in June 2019;
 - Completion of Piilani Highway Landslide Repair at Nuanualoa Gulch for \$2.6M (design, construction management, and construction) in August 2018;
 - Completion of Waiehu Drainline Replacement for \$1.5M (design and construction) in April 2019; and
 - Completion of Wakea and Papa Avenue Drainage Improvements for \$1.1M (design and construction) in February 2019.
- Department of Water Supply:
 - Completion of the new state-of-the-art Iao Water Treatment Plant for approximately \$22.0M in November 2018;
 - Completion of six water treatment plant conversions from chlorine gas to on-site generation of liquid chlorine solution using salt and electricity for \$1.5M in July 2019; and
 - Completion of Olinda Water Treatment Plant Embankment Improvements for \$0.8M in March 2019.

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

- Maui County’s largest products show, the 6th Annual Hawaiian Airlines Made In Maui County Festival, was held at the Maui Arts & Cultural Center in Kahului on November 1 and 2. As a result of the two-day event, participating vendors reported over \$637,350 in retail sales and over 220 new wholesale accounts. The festival attracted approximately 9,200 attendees, including 360 wholesale buyers and distributors (*Office of Economic Development*)
- Home to 35 television commercials, print ad campaigns, and infomercials, brands such as BMW, Toyota, Volvo, Tesla, Clorox, Chase Bank, First Hawaiian Bank, Hawaiian Airlines, Japan Airlines, Southwest Airlines, and HydroFlask are repeat clients who chose to have Maui as their backdrop. Also continuing to film regularly in Maui County are HGTV’s “Hawaii Life” and “Beachfront Bargain Hunt,” the National Geographic Channel, and the Travel Channel. The wildly popular USA Network show, “Temptation Island,” completed season two and is

in pre-production of season three. The feature film “Aloha Surf Hotel” was filmed in various Maui locations and will hit the film festival circuit worldwide in 2020; and Universal Pictures’ tent pole historical drama “The King,” starring Dwayne Johnson as King Kamehameha, will prepare to film portions in Maui County in the last quarter of 2020. This filming will employ over 1,000 people in crew positions, catering, and background extras (*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 County government. The following are examples of the continued leadership in this area;

- Graduated 23 new recruits from the Fire Fighter Trainee 34th recruit class (*Fire*);
- Graduated 11 new recruits from the Police 86th and 87th recruit classes (*Police*);
- Implementation of Foam Free Maui County polystyrene food service containers ban, effective December 31, 2018 (*Environmental Management*);
- Elimination of the use of liquid chlorine at all three wastewater treatment facilities and replaced with accutab chlorine system, which is much safer to use and better safety for public (*Environmental Management*);
- Kaunoa Senior Services' Assisted Transportation Division acquired its first wheelchair accessible vehicle to expand services to eligible seniors (*Housing and Human Concerns*); and
- Allocated \$2M in FY19 for the First Time Home Buyer's Down Payment Assistance Program of which 46 families was able to purchase homes under this program (*Housing and Human Concerns*).

In pursuit of its strategic goal of providing, “An Efficient, Effective and Responsive Government,” many departments of the County continued to review their processes and procedures in an effort to improve or expand service delivery. Some of these FY 2019 initiatives and service expansion efforts are highlighted below:

- Completion of the Human Resources/Payroll upgrade – Time Tracking/Payroll Phase (*Finance, Management, and Personnel Services*);
- Installation of four self-service terminals for renewal of motor vehicles registration at the County Service Center at Maui Mall and Safeway stores in Wailuku, Kihei, and Lahaina (*Finance*); and
- The Immigrant Services Division (ISD) transitioned its operations from strictly walk-ins to the ability of scheduled appointments. This change afforded the office more consistency, organization and professionalism, and helped the public to better plan for their services (*Housing and Human Concerns*);

For The Future. The County has a long history of fiscal prudence with a cost of government lower than many comparable municipalities. The County continues to strive towards its goal of long term financial stability and sustainability while maintaining the necessary levels of service for the community. This conservative and responsible approach has paid dividends as the County’s financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii. The Department of Finance’s near-term goal is to work continuously with the administration, the Budget Office, and the County Council to pass formal

policies on contingency planning, specifically as it relates to the County's financial emergencies. This includes a requirement to annually appropriate funds towards the Emergency Fund, with a minimum level in an attempt to build fund balances that will allow the County to recover funds more quickly or more effectively in the event of a natural disaster or state emergency. It is the current goal to fund its Emergency Fund to a level equal to 20 percent of annual General Fund expenditures through the prudent management of its fiscal resources. At June 30, 2019, the Emergency Fund balance stood at \$36.8 million, provided that funds that were spent from the Emergency Fund on the Pu'u Way repairs in Haiku for FY 2019 and the FY 2017 September storm will be reimbursed by FEMA in the near term. Additionally, the County continued with its responsible reserve strategy by appropriating and funding \$6.4 million to the Affordable Housing Fund and \$18.2 million to the State of Hawaii Employer-Union Health Benefits Trust Fund (EUTF) in FY 2019.

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.

Since 2013, the County's budget process focuses on 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 prioritized 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 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 prioritized and RBB approach led the budget staff and the various departments to 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'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. The 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 as of May 2013) is in compliance with the Hawaii Revised Statutes (Chapter 47)

and the 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. Beginning in FY 2013, to ensure accuracy and improve efficiency the County engaged the Bank of New York Mellon to act as its paying agent for debt service payments.

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

In FY 2018, the Maui County Council passed an ordinance amending Chapter 3.08, Maui County Code, by adding a section requiring, among other things, retention of a third-party investment advisor to manage the non-liquid portion of the County's investment portfolio. Effective July 1, 2019, the County awarded the contract to FTN Financial Main Street Advisors, LLC as its investment manager.

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. The investments are made 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 2019 was nearly \$7.7 million or roughly \$2.3 million more than what was earned in FY 2018. The increase can be attributed in part to the effective cash flow analysis modeling tool which allowed the County to maximize the term of its investments and thus increase its yields without sacrificing needed cash for shorter term obligations. Interest rates increased incrementally during FY 2019 as the County's average annual portfolio yield increased from 1.58 percent in FY 2018 to 1.87 percent in FY 2019. The portfolio yield in the last month of FY 2019 was 1.95 percent.

Real Property Tax. Real property assessed values (\$48.8B) increased 4.9 percent during FY 2019, while real property tax collections (\$320.9M) increased 3.3 percent, reflecting marginal tax rate increases adopted by the County Council. Maui County's assessed real property values in FY 2019 surpassed the previous peak valuation level experienced during FY 2010, further confirmation that the local economy has fully rebounded from the effects of the economic downturn in 2009.

AWARDS AND ACKNOWLEDGMENTS

Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2018. This is the thirty-sixth consecutive year that the County has received this prestigious award.

To receive the Certificate of Achievement, the government entity must publish an easily readable and efficiently organized CAFR 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 Department of Finance 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 Michael P. Victorino 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.

Respectfully Submitted,



SCOTT K. TERUYA
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, 2018

Christopher P. Morill

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS June 30, 2019

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor

Michael P. Victorino

LEGISLATIVE

Councilpersons

Council Chair
Kelly T. King

Council Vice-Chair
Keani Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

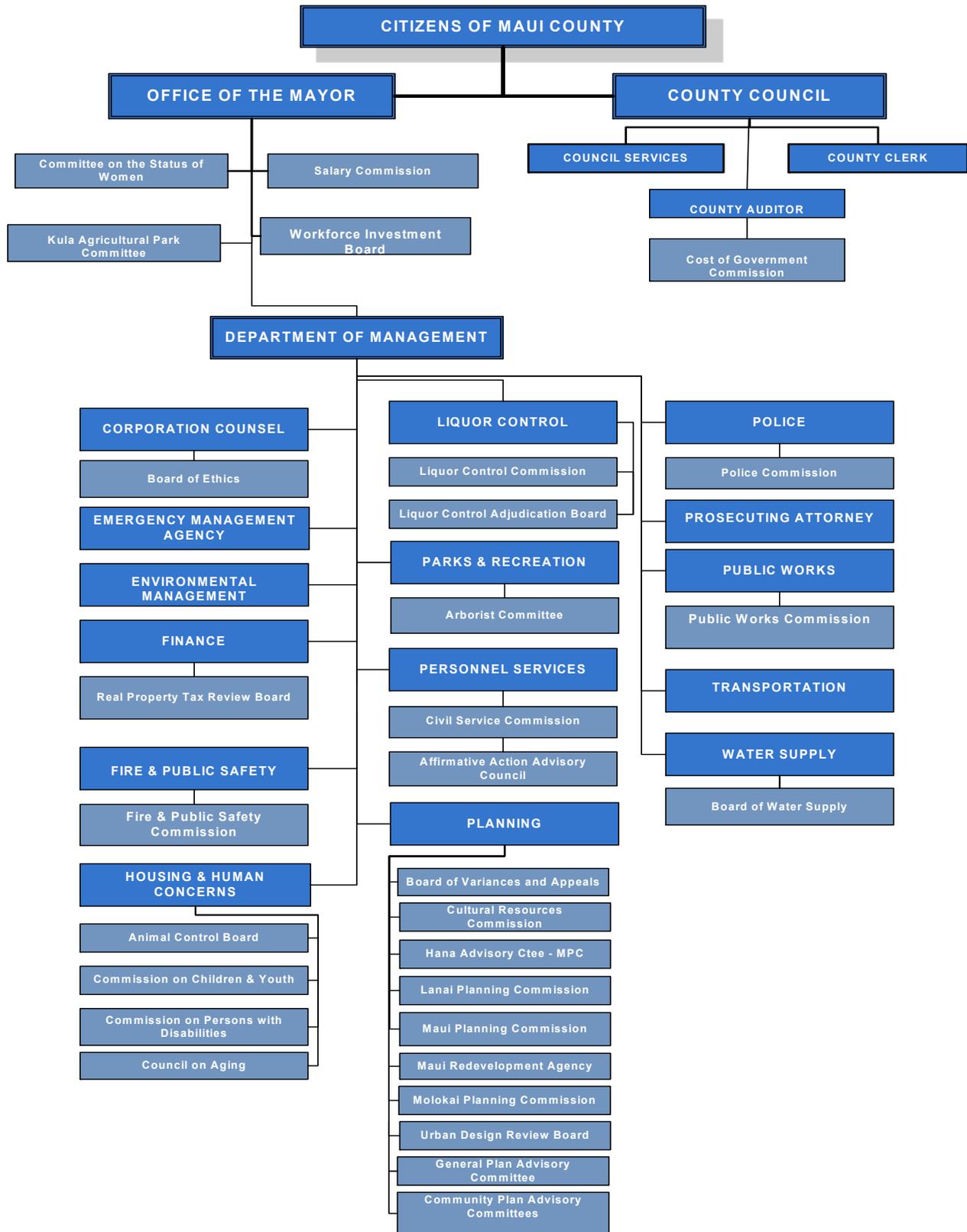
Riki Hokama
Alice L. Lee
Michael J. Molina

Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura

APPOINTED DEPARTMENT HEADS

Director of Council Services	Traci Fujita
County Clerk	Josiah Nishita
Managing Director	Sananda Baz
Corporation Counsel	Moana Lutey
Prosecuting Attorney	Don Guzman
Director of Finance	Scott Teruya
Director of Environmental Management	Eric Nakagawa
Director of Public Works	Rowena Dagdag-Andaya
Director of Parks & Recreation	Karla Peters
Fire Chief	David Thyne
Planning Director	Michele McLean
Director of Personnel Services	David Underwood
Director of Housing & Human Concerns	Lori Tshako
Director of Transportation	Marc Takamori
Director of Water Supply	Jeffrey Pearson
Chief of Police	Tivoli Faaumu
Director of Liquor Control	Glen Mukai
County Auditor	Lance Taguchi

ORGANIZATION CHART





MICHAEL P. VICTORINO
MAYOR



SANANDA BAZ
Managing Director



TYSON MIYAKE
Deputy Managing
Director



DIEDRE TEGARDEN
Chief of Staff



MICHELE YOSHIMURA
Budget Director



KAY FUKUMOTO
Economic Development
Director



JOSEPH PONTANILLA
CDBG Coordinator



BRIAN PERRY
Communications Director



HERMAN ANDAYA
Emergency Management
Officer

Department of the Corporation Counsel	Department of Environmental Management	Department of Finance	Department of Fire and Public Safety	Department of Housing and Human Concerns	Department of Liquor Control	Department of Parks and Recreation
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MOANA LUTEY
Corporation Counsel



ERIC NAKAGAWA
Director



SCOTT TERUYA
Director



DAVID THYNE
Fire Chief



LORI TSUHAKO
Acting Director



GLENN MUKAI
Director



KARLA PETERS
Director



EDWARD KUSHI, JR.
First Deputy



SHAYNE AGAWA
Deputy Director



MAY-ANNE ALIBIN
Deputy Director



BRADFORD VENTURA
Deputy Fire Chief



LINDA MUNSELL
Acting Deputy Director



GEORGETTE TYAU
Deputy Director



JOHN BUCK
Deputy Director

Department of Personnel Services	Department of Planning	Department of Police	Department of the Prosecuting Attorney	Department of Public Works	Department of Transportation	Department of Water Supply
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DAVID UNDERWOOD
Director



MICHELE McLEAN
Director



TIVOLI FAAUMU
Police Chief



DON GUZMAN
Prosecutor



ROWENA DAG DAG-ANDAYA
Director



MARC TAKAMORI
Director



JEFFREY PEARSON
Director



CYNTHIA RAZO-PORTER
Deputy Director



JORDAN HART
Deputy Director



DEAN RICKARD
Deputy Police Chief



ROBERT RIVERA
First Deputy



STEPHEN WELLING
Deputy Director



MICHAEL DUPONT
Deputy Director



HELENE KAU
Deputy Director



KELLY T. KING
COUNCIL CHAIR
SOUTH MAUI DISTRICT



KEANI N. W. RAWLINS-FERNANDEZ
VICE CHAIR
MOLOKAI DISTRICT



TASHA KAMA
PRESIDING OFFICER PRO TEMPORE
KAHULUI DISTRICT



RIKI HOKAMA
COUNCILMEMBER
LANAI DISTRICT



ALICE L. LEE
COUNCILMEMBER
WAILUKU DISTRICT



MICHAEL J. MOLINA
COUNCILMEMBER
MAKAWAO-PAIA-HAIKU DISTRICT



TAMARA PALTIN
COUNCILMEMBER
WEST MAUI DISTRICT



SHANE M. SINENCI
COUNCILMEMBER
EAST MAUI DISTRICT



YUKI LEI K. SUGIMURA
COUNCILMEMBER
PUKALANI-KULA-ULUPALAKUA DISTRICT

OFFICE OF COUNCIL SERVICES
Traci Fujita, Director
David Raatz, Supervising Legislative Attorney

OFFICE OF THE COUNTY AUDITOR
Lance Taguchi, County Auditor

OFFICE OF THE COUNTY CLERK
Josiah Nishita, County Clerk
Margaret Clark, Deputy County Clerk

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COUNTY OF MAUI
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Kelly T. King, 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, 2019, 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 as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 22 through 37), the budgetary comparison schedules for the general fund, highway fund and sewer fund (pages 89 through 91), and the schedules of proportionate share of the net pension liability (page 93), contributions (pension) (page 94), changes in net OPEB liability and related ratios (page 96), and contributions (OPEB) (page 97) 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 relates 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

N&K CPAs, Inc.

Honolulu, Hawai'i
December 20, 2019

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. 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 \$429.4 million (*net position*).
- The County's total net position increased by \$76.5 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 \$318.6 million, which is an increase of \$117.2 million or 58.2% from prior year.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$118.4 million, or 39.3% of total General Fund expenditures.
- The County's total amount of General Obligation (GO) bonds, State Revolving Fund (SRF) loans and other long-term debt outstanding increased by \$99.4 million during the current fiscal year. The increase is reflective of the \$74.7 million increase in GO Bonds and the increase of \$24.7 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, 2019

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, sanitation, social welfare, highways and streets, culture and recreation, environmental protection and sustainability 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, 2019

The County has adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes five 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 twelve 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 six 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, 2019

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 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 contributions (pension) is provided for this pension obligation.

The County is a participating employer in an agent, multiple-employer defined benefit plan providing health care and insurance benefits to all qualified employees and retirees. As described in Note 10, legislation has been enacted to set up an irrevocable trust for the Employer-Union Health Benefits Trust Fund. A schedule of changes in the net other postemployment benefits other than pensions liability (OPEB) and related ratios and schedule of contributions (OPEB) is provided for this postemployment obligation.

These schedules are presented as required supplementary information (RSI), which follows the basic financial statements section.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

Other Supplementary Information (OSI)

This section follows the RSI and displays the individual fund data of the six 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, Environmental Protection and Sustainability, and Other Assessment Funds. The total of these six 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 - 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 governmental activities. 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, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION
June 30, 2019 and 2018
(Dollars in Thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Assets and Deferred Outflows of Resources:						
Current and other assets	\$ 381,590	\$ 255,809	\$ 118,882	\$ 97,268	\$ 500,472	\$ 353,077
Capital assets	<u>888,142</u>	<u>817,493</u>	<u>380,491</u>	<u>378,912</u>	<u>1,268,633</u>	<u>1,196,405</u>
Total Assets	1,269,732	1,073,302	499,373	476,180	1,769,105	1,549,482
Deferred outflows of resources	<u>177,879</u>	<u>197,657</u>	<u>13,817</u>	<u>13,729</u>	<u>191,696</u>	<u>211,386</u>
Total Assets and Deferred Outflows of Resources	<u>1,447,611</u>	<u>1,270,959</u>	<u>513,190</u>	<u>489,909</u>	<u>1,960,801</u>	<u>1,760,868</u>
Liabilities and Deferred Inflows of Resources:						
Long-term liabilities	445,262	345,117	71,405	70,917	516,667	416,034
Other liabilities	55,175	47,443	8,735	7,796	63,910	55,239
Net pension liability	553,584	556,282	44,085	42,181	597,669	598,463
Net OPEB liability	<u>289,823</u>	<u>291,475</u>	<u>25,943</u>	<u>26,084</u>	<u>315,766</u>	<u>317,559</u>
Total Liabilities	1,343,844	1,240,317	150,168	146,978	1,494,012	1,387,295
Deferred inflows of resources	<u>35,902</u>	<u>19,297</u>	<u>1,502</u>	<u>1,368</u>	<u>37,404</u>	<u>20,665</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,379,746</u>	<u>1,259,614</u>	<u>151,670</u>	<u>148,346</u>	<u>1,531,416</u>	<u>1,407,960</u>
Net Position:						
Net investment in capital assets	571,528	585,828	314,194	313,510	885,722	899,338
Restricted	50,942	49,599	32,156	20,212	83,098	69,811
Unrestricted	<u>(554,605)</u>	<u>(624,082)</u>	<u>15,170</u>	<u>7,841</u>	<u>(539,435)</u>	<u>(616,241)</u>
Total Net Position	\$ <u>67,865</u>	\$ <u>11,345</u>	\$ <u>361,520</u>	\$ <u>341,563</u>	\$ <u>429,385</u>	\$ <u>352,908</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 \$429.4 million at the close of the current fiscal year. This compares with the net position of \$352.9 million from the prior year. Total net position increased by \$76.5 million during the current fiscal year. The governmental activities reflected an increase in net position of \$56.5 million. The business-type activities increased net position by \$20.0 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, 2019

An additional portion of the County's net position (19.4%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to \$-539.4 million at the end of the current fiscal year, with \$-554.6 million derived from governmental activities and \$15.2 million from business-type activities. The County's unrestricted net position increased by \$76.8 million as compared to last year.

The County's net capital assets increased by \$72.2 million due to capital improvement projects completed by the County during the current fiscal year. Further discussion on the County's capital assets is provided in the *Capital Assets* within this section.

The County's total amount of GO bonds and SRF loans outstanding increased by \$99.4 million during the current fiscal year. The increase is reflective of a \$24.7 million increase in SRF loans and an increase of \$74.7 million in GO bonds, net of principal payments.

Other long-term obligations decreased by \$7.1 million, from \$944.4 million in fiscal year 2018 to \$937.2 million in fiscal year 2019 for governmental activities, and increased by \$1.3 million from \$71.3 million in prior fiscal year to \$72.6 million in fiscal year 2019 for business-type activities. The decrease in governmental activities is due to a \$4.4 million decrease in accrued OPEB and pension liabilities, a \$2.3 million decrease in accrued vacation and compensatory time off, a \$2.0 million decrease in claims and judgments, a decrease of \$2.3 million in accrued pollution remediation and a \$3.7 million increase in landfill closure and postclosure costs.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

STATEMENT OF ACTIVITIES
For the Fiscal Years Ended June 30, 2019 and 2018
(Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Revenues:						
Program Revenues:						
Charges for services	\$ 137,186	\$ 125,669	\$ 66,093	\$ 65,920	\$ 203,279	\$ 191,589
Operating grants and contributions	44,669	33,967	--	--	44,669	33,967
Capital grants and contributions	16,799	6,212	14,276	11,866	31,075	18,078
General Revenues:						
Real property taxes	320,887	310,499	--	--	320,887	310,499
Other taxes	56,731	54,901	--	--	56,731	54,901
Interest and investment earnings (losses), net	13,231	(265)	3,982	(223)	17,213	(488)
Other revenues	2,141	6,235	474	--	2,615	6,235
Total Revenues	<u>591,644</u>	<u>537,218</u>	<u>84,825</u>	<u>77,563</u>	<u>676,469</u>	<u>614,781</u>
Expenses:						
Governmental Activities:						
General government	144,051	144,002	--	--	144,051	144,002
Public safety	132,971	137,158	--	--	132,971	137,158
Sanitation	61,255	77,892	--	--	61,255	77,892
Social welfare	82,425	47,479	--	--	82,425	47,479
Highways and streets	59,449	58,656	--	--	59,449	58,656
Culture and recreation	36,298	37,165	--	--	36,298	37,165
Legislative	8,173	7,861	--	--	8,173	7,861
Interest on long-term debt	7,559	6,230	--	--	7,559	6,230
Business-type Activities:						
Water supply	--	--	63,552	63,437	63,552	63,437
Housing	--	--	946	813	946	813
Golf Course Special Fund	--	--	3,312	3,830	3,312	3,830
Total Expenses	<u>532,181</u>	<u>516,443</u>	<u>67,810</u>	<u>68,080</u>	<u>599,991</u>	<u>584,523</u>
Increase in Net Position Before Transfers	59,463	20,775	17,015	9,483	76,478	30,258
Transfers	<u>(2,942)</u>	<u>(19,192)</u>	<u>2,942</u>	<u>19,192</u>	<u>--</u>	<u>--</u>
Change in Net Position	56,521	1,583	19,957	28,675	76,478	30,258
Net Position - Beginning of Year	<u>11,344</u>	<u>9,762</u>	<u>341,563</u>	<u>312,888</u>	<u>352,907</u>	<u>322,650</u>
Net Position - End of Year	<u>\$ 67,865</u>	<u>\$ 11,345</u>	<u>\$ 361,520</u>	<u>\$ 341,563</u>	<u>\$ 429,385</u>	<u>\$ 352,908</u>

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

Governmental Activities. Governmental activities increased the County's net position by \$56.5 million. The increase of \$54.9 million of change in net position over last year is primarily attributable to an increase of \$13.5 million in interest and investment earnings, an increase of \$11.5 million in charges for services, an increase of \$10.7 million in operating grants and contributions, a \$10.6 million increase in capital grants and contributions, an increase of \$1.8 million in other taxes and a decrease in other revenues of \$4.1 million; offset by an increase in governmental activities expenses of \$15.7 million and an increase in transfers of \$16.3 million.

The increase in revenues from real property taxes was primarily due to higher certified values. For fiscal year 2019, the short-term rental classification was added.

Business-type Activities. The three business-type activities increased the County's net position by \$20.0 million, compared with last year's increase of net position by \$28.7 million. The decrease of \$8.7 million in change in net position over last year is primarily attributable to a decrease in transfers of \$16.3 million offset by an increase of \$2.4 million in grants and contributions, and \$4.2 million increase in interest and investment earnings.

Effective July 1, 2019, the County of Maui decided to move its Golf Fund into the General Fund. All encumbrances, liabilities and remaining fund balance will be transferred to the General Fund.

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 \$318.6 million, representing an increase of \$117.2 million or 58.2% as compared to the prior year. The increase in the governmental funds balance can be attributed to an increase in the Capital Improvement Projects Fund by \$72.6 million, General Fund by \$37.0 million, Sewer Fund by \$1.2 million, Grant Fund by \$1.1 million, and Other Governmental Funds by \$6.8 million; offset by a decrease in the Highway Fund by \$1.5 million.

Approximately \$118.4 million or 37.2% of the total fund balances of the governmental funds is comprised of unassigned funds. Included in unassigned funds is the Emergency Fund balance of \$36.8 million. The remainder of total governmental fund balances of \$200.2 million is comprised of \$61.1 million in restricted funds, \$35.9 million in committed funds, and \$103.2 million in assigned funds. There was a total of \$177.0 million in encumbered governmental funds comprised of \$171.2 million in the major funds and \$5.8 million in the non-major funds.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

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 \$150.5 million, which included \$7.6 million in restricted funds, \$0.2 million in committed, \$24.3 million in assigned, and \$118.4 million in unassigned funds. The unassigned fund balance represents 39.3% of total General Fund expenditures, while the total fund balance of the General Fund represents 50.0% of the expenditures. There was a total of \$24.3 million in encumbrances in the General Fund at the end of fiscal year 2019.

The fund balance for the General Fund increased by \$37.0 million during the current fiscal year. This compares with an increase of \$31.8 million during the prior year. Key factors for the increase of \$37.0 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$18.5 million or 5.1% from prior year, largely reflective of increased revenues from interest and investment earnings of \$12.3 million, taxes of \$9.7 million, charges for current services of \$1.2 million, and fines and forfeitures of \$0.2 million; offset by decreased other earnings of \$4.1 million and intergovernmental revenues of \$.1 million, when compared to prior year.
- Total expenditures increased by \$13.5 million or 4.7% from prior year. The increase is due to expenditures of \$9.2 million in General Government, \$1.9 million in Public Safety, \$1.7 million in Social Welfare, \$0.8 million in Highway and Streets, \$0.6 million in Legislative, and \$0.3 million in Capital Outlay; offset by a decrease of expenditures of \$1.0 million in Culture and Recreation.
- Other Financing Uses, net decreased \$0.1 million from prior year, due primarily to a decrease in transfers out to Other Governmental Funds of \$10.6 million; offset by an increase in transfers out to the Capital Improvement Projects Fund of \$7.4 million, Proprietary Funds of \$0.9 million and Debt Service Fund of \$0.5 million; offset by an increase in transfers in of \$1.1 from the Special Revenue Funds. The \$0.1 million decrease in Other Financing Uses, offset by an increase of \$5.1 million in revenues over expenditures resulted in an increase of \$5.2 million in the net change in fund balance from the prior year.

Revenues from taxes increased by \$9.7 million, from \$318.1 million in fiscal year 2018 to \$327.8 million in fiscal year 2019.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$320.9 million represents 54.2% of all the revenues for the County governmental funds. This year's collection increased by \$10.4 million or 3.3% from last year's collection of \$310.5 million. The increase in real property tax collection in fiscal year 2019 was due to increased property tax valuations and tax rate for all property classifications.

The property tax valuations for tax rate purposes (tax base) increased from \$46.0 billion in fiscal year 2018 to \$48.8 billion in fiscal year 2019, representing an increase of 6.09%. The tax rates in 2019 slightly decreased for the following classifications: Residential from \$5.54 to \$5.52, Apartment from \$6.32 to \$6.31, Commercial from \$7.28 to \$7.25, Industrial from \$7.49 to \$7.45, Agricultural from \$6.01 to \$6.00, Conservation from \$6.37 to \$6.35, Time share from \$15.43 to \$15.41, Homeowner from \$2.86 to \$2.85, and Commercialized Residential from \$4.56 to \$4.55. The Hotel & Resort rate remained the same at \$9.37 and the addition of a Short-Term Rental rate was set at \$9.28.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

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

Included in the Taxes category for the General Fund is the public service company tax. This tax, which is levied against public utilities, provides for a tax of 1.885% of the gross income in lieu of real property tax. Collections for the Public Service Company tax were \$7.8 million, representing an increase of \$0.8 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was \$18.1 million, of which the entire amount was restricted. A total of \$3.7 million in the Highway Fund was encumbered at the end of fiscal year 2019.

The revenues in the Highway Fund primarily derived from the fuel tax (\$16.4 million), franchise tax (\$9.0 million), and motor vehicle weight tax (\$26.2 million), and public transit bus fare (\$2.5 million) collectively made up 10.1% (\$54.1 million) of the revenues in the governmental funds. The fiscal year 2019 revenue collection was \$3.1 million more than the previous year due to increased revenues from motor vehicle license \$3.2 million, Fuel tax \$0.9 million, and Franchise tax \$1.0 million; offset by a decrease of revenue from Permit fees of \$0.2 million.

The expenditures of \$35.8 million for the Highway Fund was an increase of \$3.5 million or 10.9% from the prior fiscal year.

The total other financing sources (uses) for the Highway Fund increased from (\$9.7) million in fiscal year 2018 to (\$19.7) million in fiscal year 2019. With a beginning fund balance of \$19.6 million, the Highway Fund ended with a fund balance of \$18.1 million, a decrease in fund balance of \$1.5 million.

Sewer Fund. At the end of the current fiscal year, the fund balance of the Sewer Fund was \$14.9 million which represented committed funds. A total of \$3.6 million in the Sewer Fund was encumbered at the end of fiscal year 2019.

The Sewer Fund revenues of sewer and cesspool fees of \$55.1 million reflect an increase of \$0.7 million or 1.3% from last year's revenue collection of \$54.4 million.

The Sewer Fund expenditures of \$28.2 million decreased \$0.3 million or 1.2% 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 \$13.8 million, the Sewer Fund ended with a fund balance of \$14.9 million, an increase in fund balance of \$1.2 million from fiscal year 2018 to fiscal year 2019.

Grant Fund. Total revenue for the Grant Fund was \$44.0 million, representing an increase of \$10.3 million or 30.4% over last year.

The Grant Fund expenditures in the current fiscal year increased by \$10.0 million or 30.5% compared to the prior year.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

Capital Improvement Projects Fund. At the end of the current fiscal year, the fund balance of the Capital Improvement Projects (CIP) Fund was \$78.9 million, of which the entire amount was assigned. A total of \$133.3 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

Expenditures for capital improvement projects for fiscal year 2019 were \$118.2 million (excluding bond issuance costs). This amount, compared with last year's expenditures of \$87.1 million, represents an increase of \$31.2 million or 35.8%.

The largest expenditures were reflected in the Sewer Systems category of \$29.4 million, which comprised 24.9% of the total CIP Fund expenditures. Capital projects under this category consisted primarily of the Lahaina Wastewater Reclamation Facility Modifications Stage 1A in the amount of \$20.3 million, Napili 5 & 6 Force Main Replacement in the amount of \$1.8 million, and Kihei Force Main No. 16 Replacement in the amount of \$1.3 million.

The Roads category had expenditures of \$22.8 million or 19.3% of total expenditures of the CIP Fund. The Kokomo Road and Makawao Avenue Pavement Reconstruction in the amount of \$3.9 million, Pavement Rehabilitation for South Maui Roads in the amount of \$3.5 million, and Piilani Highway Landslide Repairs at Nuanualo Gulch in the amount of \$2.0 million were the major projects under this category.

Expenses in the Parks category had expenditures of \$20.5 million or 17.4% of the total expenditures in the CIP Fund. The South Maui Park Recreation Center in the amount of \$12.6 million, Makawao-Pukalani-Kula-Ulupalakua Parks System in the amount of \$1.8 million, and South Maui Parks System in the amount of \$1.1 million were the major projects in this category.

Expenditures in the Government Facilities category of \$16.2 million comprised 13.7% of the total expenditures in the CIP Fund. The projects in this category were the New County Service Center in the amount of \$5.0 million, Molokai Baseyard in the amount of \$4.2 million and Wailuku Redevelopment Municipal Parking and Events in the amount of \$3.5 million.

Expenditures in the Other Projects category of \$12.5 million comprised 10.6% of the total expenditures in the CIP Fund. The Land Acquisition for Kula Agriculture Park Expansion in the amount of \$6.0 million, Fire Department Equipment in the amount of \$3.2 million, and Solidwaste Equipment in the amount of \$1.7 million were the major projects in this category.

Expenditures in the Drainage category of \$8.6 million comprised 7.3% of the total expenditures in the CIP Fund. The major projects in this category were Kahului Drainline Repairs in the amount of \$1.2 million, Waiopai Bridge Repairs in the amount of \$1.2 million and Waiehu Drainline Repairs in the amount of \$0.9 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019

BUDGETARY HIGHLIGHTS

The General Fund budget amendments for fiscal year 2019 primarily consisted of \$4.9 million for the Countywide Costs under the Department of Finance, \$0.8 million for the Department of Fire and Public Safety and \$0.4 million for the Department of Management.

There was a negative budget variance for revenues (final amended budget vs actual amounts) in the General Fund - Taxes category of -\$1.2 million due to a -\$1.5 million variance from real property tax collections offset by a positive \$0.3 million variance from public service tax collections.

The major positive budget variance for expenditures in the General Fund was in General Government of \$19.8 million, followed by Public Safety of \$7.1 million, Culture and Recreation of \$2.7 million, and Legislative of \$2.3 million. Savings from the Countywide Costs Program in the General Government category, Council Services Program in the Legislative category, Investigative Service Program, Uniformed Patrol Service Program and Technical and Support Services Program in the Public Safety category, and Recreation and Support Services Program in the Culture and Recreation category primarily contribute to the positive variance in the expenditures for the General Fund.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2019**

**CAPITAL ASSETS
(Dollars in Thousands)**

	Governmental		Business-type		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Non-Depreciable Assets:						
Land	\$ 188,573	\$ 179,451	\$ 14,563	\$ 14,563	\$ 203,136	\$ 194,014
Construction in progress	<u>146,800</u>	<u>89,180</u>	<u>34,419</u>	<u>48,842</u>	<u>181,219</u>	<u>138,022</u>
	<u>335,373</u>	<u>268,631</u>	<u>48,982</u>	<u>63,405</u>	<u>384,355</u>	<u>332,036</u>
Depreciable Assets:						
Buildings and systems	171,041	167,253	196,467	184,873	367,508	352,126
Improvements other than buildings	156,241	150,423	2,972	2,972	159,213	153,395
Machinery and equipment	166,517	159,570	447,382	426,466	613,899	586,036
Infrastructure	<u>1,234,091</u>	<u>1,201,636</u>	<u>11,927</u>	<u>11,792</u>	<u>1,246,018</u>	<u>1,213,428</u>
	<u>1,727,890</u>	<u>1,678,882</u>	<u>658,748</u>	<u>626,103</u>	<u>2,386,638</u>	<u>2,304,985</u>
Accumulated Depreciation	<u>(1,175,121)</u>	<u>(1,130,020)</u>	<u>(327,239)</u>	<u>(310,596)</u>	<u>(1,502,360)</u>	<u>(1,440,616)</u>
Total Capital Assets, Net	\$ <u>888,142</u>	\$ <u>817,493</u>	\$ <u>380,491</u>	\$ <u>378,912</u>	\$ <u>1,268,633</u>	\$ <u>1,196,405</u>

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounted to \$1.3 billion (net of accumulated depreciation of \$1.5 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 2019, capital assets relating to governmental activities reflected additions of \$179.5 million, depreciation expense of \$47.9 million, and transfers/retirements of \$60.9 million (net), resulting in capital assets, net of \$888.1 million. Capital assets relating to business-type activities reflected additions of \$44.5 million, depreciation expense of \$16.7 million, and transfers/retirements of \$26.3 million (net) resulting in capital assets, net of \$380.5 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, 2019 for the governmental and business-type activities amounted to \$133.3 million and \$17.7 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, 2019**

**LONG-TERM DEBT
(Dollars in Thousands)**

	Governmental		Business-type		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
General Obligation Bonds (excluding unamortized premiums and deferrals)	\$ 248,857	\$ 175,573	\$ 21,133	\$ 19,672	\$ 269,990	\$ 195,245
State Revolving Fund Loans from direct borrowings	<u>87,517</u>	<u>62,121</u>	<u>45,398</u>	<u>46,123</u>	<u>132,915</u>	<u>108,244</u>
Total Long-Term Debt	<u>\$ 336,374</u>	<u>\$ 237,694</u>	<u>\$ 66,531</u>	<u>\$ 65,795</u>	<u>\$ 402,905</u>	<u>\$ 303,489</u>

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$402.9 million (\$336.4 million related to governmental activities and \$66.5 million related to business-type activities). Of this amount, \$270.0 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$132.9 million represents SRF loans. The SRF loans are used for construction of wastewater facilities and projects relating to compliance with drinking water standards, and protection of public health and environment.

The County's total GO bonds and loans increased by \$99.4 million during the current fiscal year. The increase is reflective of a \$24.7 million increase in SRF loans, and increase of \$74.7 million in GO bonds.

The County issued \$106.3 million in GO Bonds in October 2018. A portion of the bond proceeds were used to refund on a current basis \$7.6 million of Series 2006BC general obligation bonds, redeem \$4.6 million of certain outstanding State of Hawaii Revolving Fund Loans and to finance all or a portion of the costs of various capital improvements and costs of issuance. Moody's Investors Service, Standard & Poor's, and Fitch Ratings assigned ratings of "Aa1," "AA+," and "AA+," respectively to the bonds. All three qualified bond-rating agencies currently rate the County's bonded debt at the next-to-highest category for safety. The financing was the third competitive sale for Maui County since 1997. Subsequent to 1997, all general obligation bonds were issued by negotiated sale.

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 \$7.3 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2019, the County's current outstanding debt applicable to the limit of \$381.8 million represents only 5.21% 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, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Like the State of Hawaii, the growth of Maui County's economy, now in its ninth 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 2020 of \$51.2 billion is an increase of \$2.4 billion or 4.9% from the fiscal year 2019.

The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2020 increased for most classifications of property. The following were the increased in each category: Residential from \$5.52 to \$5.60, Commercial from \$7.25 to \$7.39, Industrial from \$7.45 to \$7.48. Conservation from \$6.35 to \$6.43, Homeowner from \$2.85 to \$2.90, Commercial Residential from \$4.55 to \$4.60, Hotel and Resort from \$9.37 to \$11.00 and Short-Term Rental from \$9.28 to \$10.75. The Agricultural classifications decreased from \$6.00 to \$5.94, Time share decreased from \$15.41 to \$14.40, and Apartment remain the same rate set at \$6.31. The budgeted real property tax levy of \$358.5 million for fiscal year 2020 is an increase of \$36.6 million or 11.4% from fiscal year 2019, largely as a result of the higher tax rates.

The fiscal year 2020 budget appropriated \$22.2 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, 2019**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	\$ 344,906,118	\$ 109,184,912	\$ 454,091,030
Receivables (Note 4):			
Trade accounts, net	5,936,385	7,432,595	13,368,980
State of Hawaii	15,705,920	--	15,705,920
Property taxes	8,927,212	--	8,927,212
Note	5,752,156	--	5,752,156
Federal government	361,868	--	361,868
Inventory	--	1,673,652	1,673,652
Other assets	--	590,631	590,631
Capital assets (Note 6):			
Non-depreciable assets	335,373,543	48,982,058	384,355,601
Depreciable assets	1,727,889,894	658,748,543	2,386,638,437
Accumulated depreciation	<u>(1,175,121,222)</u>	<u>(327,239,143)</u>	<u>(1,502,360,365)</u>
Total capital assets, net	<u>888,142,215</u>	<u>380,491,458</u>	<u>1,268,633,673</u>
Total Assets	<u>1,269,731,874</u>	<u>499,373,248</u>	<u>1,769,105,122</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions (Note 10)	135,896,704	9,965,231	145,861,935
Deferred outflows related to other postemployment benefits other than pensions (OPEB) (Note 10)	39,185,321	3,735,303	42,920,624
Unamortized loss on advanced refunding	2,797,389	116,702	2,914,091
Total Deferred Outflows of Resources	<u>177,879,414</u>	<u>13,817,236</u>	<u>191,696,650</u>
Total Assets and Deferred Outflows of Resources	<u>1,447,611,288</u>	<u>513,190,484</u>	<u>1,960,801,772</u>
LIABILITIES:			
Accounts payable and accrued liabilities	45,461,734	6,225,065	51,686,799
Unearned revenue	5,263,226	64,184	5,327,410
Advanced collections	3,208,076	1,305,091	4,513,167
Interest payable	1,237,559	382,214	1,619,773
Deposits	4,572	758,279	762,851
Long-term obligations (Note 7):			
Due within one year	70,394,798	6,901,053	77,295,851
Due in more than one year	374,867,691	64,504,098	439,371,789
Net pension liability (Note 10)	553,583,634	44,084,762	597,668,396
Net OPEB liability (Note 10)	<u>289,822,461</u>	<u>25,943,311</u>	<u>315,765,772</u>
Total Liabilities	<u>1,343,843,751</u>	<u>150,168,057</u>	<u>1,494,011,808</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions (Note 10)	25,461,097	735,171	26,196,268
Deferred inflows related to OPEB (Note 10)	8,843,600	767,176	9,610,776
Deferred inflows - nonexchange transactions (Note 4)	1,597,142	--	1,597,142
Total Deferred Inflows of Resources	<u>35,901,839</u>	<u>1,502,347</u>	<u>37,404,186</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,379,745,590</u>	<u>151,670,404</u>	<u>1,531,415,994</u>
NET POSITION:			
Net investment in capital assets	571,528,112	314,194,485	885,722,597
Restricted for:			
Water and other assessments (Note 14)	7,813,733	32,155,789	39,969,522
Highways and streets	18,113,831	--	18,113,831
Affordable housing	17,432,651	--	17,432,651
Open space and resources	7,581,990	--	7,581,990
Unrestricted	<u>(554,604,619)</u>	<u>15,169,806</u>	<u>(539,434,813)</u>
Total Net Position	<u>\$ 67,865,698</u>	<u>\$ 361,520,080</u>	<u>\$ 429,385,778</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, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	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	\$ 144,051,101	\$ 16,952,026	\$ 5,237,562	\$ 1,096	\$ (121,860,417)	\$ --	\$ (121,860,417)
Public safety	132,970,961	629,772	6,369,291	--	(125,971,898)	--	(125,971,898)
Sanitation	61,254,840	29,049,227	1,874,107	14,458,719	(15,872,787)	--	(15,872,787)
Social welfare	82,424,630	87,368,515	275,390	341,255	5,560,530	--	5,560,530
Highways and streets	59,448,756	2,594,001	30,849,335	--	(26,005,420)	--	(26,005,420)
Culture and recreation	36,298,540	590,312	62,876	1,998,220	(33,647,132)	--	(33,647,132)
Legislative	8,173,518	2,192	--	--	(8,171,326)	--	(8,171,326)
Interest on long-term debt	7,558,853	--	--	--	(7,558,853)	--	(7,558,853)
Total Governmental Activities	<u>532,181,199</u>	<u>137,186,045</u>	<u>44,668,561</u>	<u>16,799,290</u>	<u>(333,527,303)</u>	<u>--</u>	<u>(333,527,303)</u>
Business-type Activities:							
Department of Water Supply	63,551,040	64,460,451	--	14,276,082	--	15,185,493	15,185,493
Housing, Interim Financing and Buy-Back Revolving Fund	946,227	763,724	--	--	--	(182,503)	(182,503)
Golf Course Special Fund	3,312,303	868,955	--	--	--	(2,443,348)	(2,443,348)
Total Business-type Activities	<u>67,809,570</u>	<u>66,093,130</u>	<u>--</u>	<u>14,276,082</u>	<u>--</u>	<u>12,559,642</u>	<u>12,559,642</u>
	<u>\$ 599,990,769</u>	<u>\$ 203,279,175</u>	<u>\$ 44,668,561</u>	<u>\$ 31,075,372</u>	<u>\$ (333,527,303)</u>	<u>\$ 12,559,642</u>	<u>\$ (320,967,661)</u>
General Revenues:							
Taxes:							
Property taxes					320,886,747	--	320,886,747
Transient accommodation tax					23,484,000	--	23,484,000
Fuel taxes					16,430,407	--	16,430,407
Franchise tax					8,995,863	--	8,995,863
Public service company tax					7,820,902	--	7,820,902
Interest and investment income, net (Note 2)					13,231,143	3,981,577	17,212,720
Other					2,141,043	474,554	2,615,597
Transfers (Note 5)					(2,941,708)	2,941,708	--
Total General Revenues and Transfers					<u>390,048,397</u>	<u>7,397,839</u>	<u>397,446,236</u>
				Change in Net Position	56,521,094	19,957,481	76,478,575
				Net Position - Beginning of Fiscal Year	<u>11,344,604</u>	<u>341,562,599</u>	<u>352,907,203</u>
				Net Position - End of Fiscal Year	<u>\$ 67,865,698</u>	<u>\$ 361,520,080</u>	<u>\$ 429,385,778</u>

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

**COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	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)	\$ 136,873,810	\$ 19,250,176	\$ 13,137,809	\$ --	\$ --	\$ 69,743,423	\$ 56,896,470	\$ 295,901,688
Cash with fiscal agent	--	--	--	--	--	49,004,430	--	49,004,430
Receivables (Note 4):								
Trade accounts, net	--	--	2,976,023	--	--	--	2,960,362	5,936,385
State of Hawaii	--	1,438,415	--	9,806,764	--	4,460,741	--	15,705,920
Property taxes	8,927,212	--	--	--	--	--	--	8,927,212
Note	5,752,156	--	--	--	--	--	--	5,752,156
Federal government	--	--	--	361,868	--	--	--	361,868
Due from other funds (Note 5)	23,849,353	--	--	--	--	--	--	23,849,353
Total Assets	\$ 175,402,531	\$ 20,688,591	\$ 16,113,832	\$ 10,168,632	\$ --	\$ 123,208,594	\$ 59,856,832	\$ 405,439,012
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	\$ 12,002,281	\$ 2,322,615	\$ 861,509	\$ 1,334,841	\$ --	\$ 15,783,641	\$ 3,217,664	\$ 35,522,551
Accrued wages payable	5,497,865	248,563	275,294	--	--	--	284,116	6,305,838
Contracts retentions payable	34,102	3,582	3,792	--	--	3,589,121	2,748	3,633,345
Unearned revenues	--	--	--	2,649,119	--	2,614,107	--	5,263,226
Advanced collections	--	--	--	--	--	--	3,208,076	3,208,076
Deposits payable	--	--	--	--	--	--	4,572	4,572
Due to other funds (Note 5)	--	--	--	1,496,953	--	22,352,400	--	23,849,353
Total Liabilities	17,534,248	2,574,760	1,140,595	5,480,913	--	44,339,269	6,717,176	77,786,961
Deferred Inflows of Resources:								
Deferred inflows - nonexchange	1,330,442	--	--	--	--	--	266,700	1,597,142
Deferred inflows - unavailable revenues	6,050,561	--	62,150	--	--	--	1,362,288	7,474,999
Total Deferred Inflows of Resources	7,381,003	--	62,150	--	--	--	1,628,988	9,072,141
Fund Balances (Note 13):								
Restricted	7,581,990	18,113,831	--	4,687,719	--	--	30,684,018	61,067,558
Committed	190,000	--	14,911,087	--	--	--	20,826,650	35,927,737
Assigned	24,345,146	--	--	--	--	78,869,325	--	103,214,471
Unassigned	118,370,144	--	--	--	--	--	--	118,370,144
Total Fund Balances	150,487,280	18,113,831	14,911,087	4,687,719	--	78,869,325	51,510,668	318,579,910
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 175,402,531	\$ 20,688,591	\$ 16,113,832	\$ 10,168,632	\$ --	\$ 123,208,594	\$ 59,856,832	\$ 405,439,012

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, 2019

Fund Balances - Governmental Funds		\$ 318,579,910
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.		888,142,215
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities.		7,474,999
Interest payable is not reported in the governmental funds.		(1,237,559)
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.		2,797,389
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.		110,435,607
Deferred amounts related to OPEB reported as deferred outflows and inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		30,341,721
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. These liabilities consist of:		
Landfill closure/post-closure costs	(40,003,869)	
Accrued vacation	(30,765,532)	
Claims and judgments	(19,373,005)	
Accrued compensatory time off	(3,449,512)	
Accrued pollution remediation	(249,280)	
Net pension liability	(553,583,634)	
Net OPEB liability	(289,822,461)	
General obligation bonds	(263,904,501)	
SRF loans from the State of Hawaii	<u>(87,516,790)</u>	
Total Long-term Liabilities		<u>(1,288,668,584)</u>
Net Position of Governmental Activities		\$ <u>67,865,698</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, 2019**

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	\$ 327,799,647	\$ 25,426,270	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 353,225,917
Charges for current services	3,948,003	2,475,409	55,027,387	--	--	--	30,664,357	92,115,156
Intergovernmental revenues	23,554,614	--	--	43,396,347	--	14,150,007	--	81,100,968
Licenses and permits	8,566,785	26,166,229	33,155	--	--	--	2,515,106	37,281,275
Fines and forfeitures	2,508,965	--	--	--	--	--	96,764	2,605,729
Interest and investment earnings, net (Note 2)	12,300,374	--	--	133,274	--	871,218	--	13,304,866
Assessments	--	--	--	--	--	--	2,339,476	2,339,476
Other revenues	2,756,623	--	21,289	513,907	--	308,711	4,944,854	8,545,384
Total Revenues	<u>381,435,011</u>	<u>54,067,908</u>	<u>55,081,831</u>	<u>44,043,528</u>	<u>--</u>	<u>15,329,936</u>	<u>40,560,557</u>	<u>590,518,771</u>
EXPENDITURES:								
Current:								
General government	136,683,411	--	--	5,292,367	--	--	1,325,045	143,300,823
Public safety	99,423,410	--	--	6,369,294	--	--	277,325	106,070,029
Sanitation	569,780	--	28,180,284	275,390	--	--	29,541,599	58,567,053
Social welfare	20,098,700	--	--	29,072,400	--	--	8,841,857	58,012,957
Highways and streets	8,213,448	35,837,728	--	1,874,106	--	--	188,432	46,113,714
Culture and recreation	28,230,916	--	--	62,878	--	--	216,072	28,509,866
Legislative	7,442,509	--	--	--	--	--	--	7,442,509
Capital outlay	275,624	--	--	--	--	117,428,236	555,914	118,259,774
Debt Service:								
Principal	--	--	--	--	25,506,710	--	--	25,506,710
Interest and other issuance cost	--	--	--	--	8,968,459	775,550	--	9,744,009
Total Expenditures	<u>300,937,798</u>	<u>35,837,728</u>	<u>28,180,284</u>	<u>42,946,435</u>	<u>34,475,169</u>	<u>118,203,786</u>	<u>40,946,244</u>	<u>601,527,444</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>80,497,213</u>	<u>18,230,180</u>	<u>26,901,547</u>	<u>1,097,093</u>	<u>(34,475,169)</u>	<u>(102,873,850)</u>	<u>(385,687)</u>	<u>(11,008,673)</u>
OTHER FINANCING SOURCES (USES):								
Issuance of Debt (Note 7):								
Government obligation bonds	--	--	--	--	--	109,308,953	--	109,308,953
SRF loans	--	--	--	--	--	29,415,573	--	29,415,573
Use of Debt								
Escrow for bond refunding	--	--	--	--	--	(7,604,270)	--	(7,604,270)
Transfers In (Note 5)								
General Fund	--	75,000	--	10,000	34,475,169	17,663,111	10,367,096	62,590,376
Special Revenue Funds	16,249,755	--	--	--	--	25,714,792	5,408,265	47,372,812
Other Governmental Funds	4,531,920	203,778	344,946	--	--	4,355,000	--	9,435,644
Capital Improvement Projects Fund	1,237,084	307,636	1,010,142	--	--	--	852,769	3,407,631
Proprietary Funds	230,462	--	--	--	--	--	--	230,462
Transfers Out (Note 5)								
Capital Improvement Projects Fund	(17,663,111)	(13,116,792)	(12,598,000)	--	--	--	(4,355,000)	(47,732,903)
Debt Service Fund	(34,475,169)	--	--	--	--	--	--	(34,475,169)
Other Governmental Funds	(10,367,096)	(78,267)	(5,329,998)	--	--	(852,768)	--	(16,628,129)
General Fund	--	(7,075,302)	(9,174,453)	--	--	(1,237,084)	(4,531,920)	(22,018,759)
Special Revenue Funds	(85,000)	--	--	--	--	(1,317,779)	(548,724)	(1,951,503)
Proprietary Funds	(3,172,170)	--	--	--	--	--	--	(3,172,170)
Total Other Financing Sources (Uses)	<u>(43,513,325)</u>	<u>(19,683,947)</u>	<u>(25,747,363)</u>	<u>10,000</u>	<u>34,475,169</u>	<u>175,445,528</u>	<u>7,192,486</u>	<u>128,178,548</u>
Net Change in Fund Balances	36,983,888	(1,453,767)	1,154,184	1,107,093	--	72,571,678	6,806,799	117,169,875
Fund Balances, Beginning of Fiscal Year	<u>113,503,392</u>	<u>19,567,598</u>	<u>13,756,903</u>	<u>3,580,626</u>	<u>--</u>	<u>6,297,647</u>	<u>44,703,869</u>	<u>201,410,035</u>
Fund Balances, End of Fiscal Year	<u>\$ 150,487,280</u>	<u>\$ 18,113,831</u>	<u>\$ 14,911,087</u>	<u>\$ 4,687,719</u>	<u>\$ --</u>	<u>\$ 78,869,325</u>	<u>\$ 51,510,668</u>	<u>\$ 318,579,910</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, 2019

Net change in Fund Balances - Total Governmental Funds	\$	117,169,875
Amounts reported for governmental activities in the statement of activities are different due to:		
Governmental funds report capital outlays as expenditures and do not report depreciation. However, in the statement of activities the cost of those assets are depreciated over their estimated useful lives as depreciation expense.		
Capitalized capital outlay expenditures		118,838,563
Retirement of capital assets, net of accumulated depreciation		(243,280)
Depreciation expense		(47,945,512)
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 proceeds exceed bond principal payments.		(73,283,898)
This is the amount by which loan proceeds exceed loan principal payments.		(25,394,967)
Certain expenses reported in the statement of activities are not current financial resources and, therefore, are not expenditures in the governmental funds:		
Change in landfill closure accrual.		(3,712,258)
Change in vacation accrual.		2,434,914
Change in claims and judgments accrual.		1,969,951
Change in compensatory time off accrual.		(154,057)
Change in pollution remediation accrual.		2,260,606
Net pension activity		(35,947,213)
Net OPEB activity		4,152,664
Accrued interest reported is an expense in the statement of activities but not reported as an expenditure in the governmental funds.		367,182
Unavailable revenues are recognized in the statement of activities which differs from the current financial resource measurement of the governmental funds.		1,125,225
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.		(4,266,068)
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.		(850,633)
Change in Net Position of Governmental Activities	\$	<u>56,521,094</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, 2019**

	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)	\$ 70,510,717	\$ 1,923,541	\$ 1,505,337	\$ 73,939,595
Trade accounts, net (Note 4)	7,418,093	14,502	--	7,432,595
Inventory	1,673,652	--	--	1,673,652
Other assets	213,583	377,048	--	590,631
Total Current Unrestricted Assets	79,816,045	2,315,091	1,505,337	83,636,473
Restricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 14)	35,245,317	--	--	35,245,317
Total Current Assets	115,061,362	2,315,091	1,505,337	118,881,790
Capital assets (Note 6):				
Non-depreciable assets	42,323,850	6,282,202	376,006	48,982,058
Depreciable assets	634,482,747	15,349,918	8,915,878	658,748,543
Accumulated depreciation	(318,692,910)	(1,911,131)	(6,635,102)	(327,239,143)
Total capital assets, net	358,113,687	19,720,989	2,656,782	380,491,458
Total Assets	473,175,049	22,036,080	4,162,119	499,373,248
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions (Note 10)	9,305,359	--	659,872	9,965,231
Deferred outflows related to OPEB (Note 10)	3,451,852	--	283,451	3,735,303
Unamortized loss on advanced refunding	116,702	--	--	116,702
Total Deferred Outflows of Resources	12,873,913	--	943,323	13,817,236
Total Assets and Deferred Outflows of Resources	486,048,962	22,036,080	5,105,442	513,190,484
LIABILITIES:				
Current Liabilities:				
Accounts payable	6,063,066	57,571	104,428	6,225,065
Unearned revenue	--	64,184	--	64,184
Advanced collections	1,305,091	--	--	1,305,091
Interest payable	382,214	--	--	382,214
Deposits	758,279	--	--	758,279
Bonds payable - current portion (Note 7)	2,950,708	--	--	2,950,708
Notes payable - current portion (Note 7)	2,349,064	--	--	2,349,064
Claims and judgments - current portion (Note 7 and 11)	512,940	--	--	512,940
Accrued vacation - current portion (Note 7)	865,175	--	108,901	974,076
Accrued compensatory time off - current portion (Note 7)	114,265	--	--	114,265
Total Current Liabilities	15,300,802	121,755	213,329	15,635,886
Noncurrent Liabilities:				
Bonds payable - less current portion (Note 7)	20,468,354	--	--	20,468,354
Notes payable - less current portion (Note 7)	43,048,918	--	--	43,048,918
Accrued vacation - less current portion (Note 7)	888,390	--	98,436	986,826
Net pension liability (Note 10)	41,040,357	--	3,044,405	44,084,762
Net OPEB liability (Note 10)	23,903,694	--	2,039,617	25,943,311
Total Noncurrent Liabilities	129,349,713	--	5,182,458	134,532,171
Total Liabilities	144,650,515	121,755	5,395,787	150,168,057
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions (Note 10)	671,167	--	64,004	735,171
Deferred inflows related to OPEB (Note 10)	720,112	--	47,064	767,176
Total Deferred Inflows of Resources	1,391,279	--	111,068	1,502,347
Total Liabilities and Deferred Inflows of Resources	146,041,794	121,755	5,506,855	151,670,404
NET POSITION:				
Net investment in capital assets	291,816,714	19,720,989	2,656,782	314,194,485
Restricted - water (Note 14)	32,155,789	--	--	32,155,789
Unrestricted	16,034,665	2,193,336	(3,058,195)	15,169,806
Total Net Position	\$ 340,007,168	\$ 21,914,325	\$ (401,413)	\$ 361,520,080

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, 2019

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Operating Revenues:				
Charges for services	\$ 64,460,451	\$ 763,724	\$ 868,955	\$ 66,093,130
Total Operating Revenues	<u>64,460,451</u>	<u>763,724</u>	<u>868,955</u>	<u>66,093,130</u>
Operating Expenses:				
Salaries and personnel services	20,659,734	--	1,347,975	22,007,709
Other operating expenses	25,784,569	539,838	1,572,605	27,897,012
Depreciation and amortization (Note 6)	15,867,467	406,389	391,723	16,665,579
Total Operating Expenses	<u>62,311,770</u>	<u>946,227</u>	<u>3,312,303</u>	<u>66,570,300</u>
Operating Income (Loss)	<u>2,148,681</u>	<u>(182,503)</u>	<u>(2,443,348)</u>	<u>(477,170)</u>
Nonoperating Revenues (Expenses):				
Interest and investment income	3,908,681	72,896	--	3,981,577
Interest expense	(1,239,270)	--	--	(1,239,270)
Other income	474,554	--	--	474,554
Total Nonoperating Revenues (Expenses), Net	<u>3,143,965</u>	<u>72,896</u>	<u>--</u>	<u>3,216,861</u>
Income (Loss) Before Capital Contributions and Transfers	5,292,646	(109,607)	(2,443,348)	2,739,691
Capital Contributions	14,276,082	--	--	14,276,082
Transfers In (Note 5)	--	--	3,172,170	3,172,170
Transfers Out (Note 5)	--	--	(230,462)	(230,462)
Change in Net Position	<u>19,568,728</u>	<u>(109,607)</u>	<u>498,360</u>	<u>19,957,481</u>
Net Position, Beginning of Fiscal Year	<u>320,438,440</u>	<u>22,023,932</u>	<u>(899,773)</u>	<u>341,562,599</u>
Net Position, End of Fiscal Year	<u>\$ 340,007,168</u>	<u>\$ 21,914,325</u>	<u>\$ (401,413)</u>	<u>\$ 361,520,080</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, 2019**

	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 and others	\$ 64,254,052	\$ 761,183	\$ 868,955	\$ 65,884,190
Payments to suppliers for goods and services	(25,310,594)	(630,626)	(1,595,100)	(27,536,320)
Payments to employees	(19,038,021)	(3,232)	(1,348,546)	(20,389,799)
Refunds of utility construction advances	206,057	--	--	206,057
Net cash provided by (used in) operating activities	<u>20,111,494</u>	<u>127,325</u>	<u>(2,074,691)</u>	<u>18,164,128</u>
Cash Flows from Capital and Related Financing Activities:				
Cash paid for the acquisition and construction of capital assets	(13,379,474)	(13,344)	(200,008)	(13,592,826)
Principal paid on bonds and notes payable	(8,512,692)	--	--	(8,512,692)
Proceeds from bonds and notes payable	9,830,336	--	--	9,830,336
Cash received from capital contributions	10,098,731	--	--	10,098,731
Interest paid on bonds and notes payable	(1,557,133)	--	--	(1,557,133)
Net cash used in capital and related financing activities	<u>(3,520,232)</u>	<u>(13,344)</u>	<u>(200,008)</u>	<u>(3,733,584)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in	--	--	3,172,170	3,172,170
Transfers out	--	--	(230,462)	(230,462)
Net cash provided by noncapital financing activities	<u>--</u>	<u>--</u>	<u>2,941,708</u>	<u>2,941,708</u>
Cash Flows from Investing Activities:				
Interest and investment income	3,908,681	72,896	--	3,981,577
Net cash provided by investing activities	<u>3,908,681</u>	<u>72,896</u>	<u>--</u>	<u>3,981,577</u>
Change in Cash and Cash Equivalents	20,499,943	186,877	667,009	21,353,829
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>85,256,091</u>	<u>1,736,664</u>	<u>838,328</u>	<u>87,831,083</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 105,756,034</u>	<u>\$ 1,923,541</u>	<u>\$ 1,505,337</u>	<u>\$ 109,184,912</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Unrestricted	\$ 70,510,717	\$ 1,923,541	\$ 1,505,337	\$ 73,939,595
Restricted	35,245,317	--	--	35,245,317
	<u>\$ 105,756,034</u>	<u>\$ 1,923,541</u>	<u>\$ 1,505,337</u>	<u>\$ 109,184,912</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 2,148,681	\$ (182,503)	\$ (2,443,348)	\$ (477,170)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	15,867,467	406,389	391,723	16,665,579
Provision for doubtful accounts	26,162	--	--	26,162
Net increase in receivables, inventory, other current assets, and deferred outflows	(196,169)	(93,821)	(101,461)	(391,451)
Net increase (decrease) in accounts payable, accrued vacation, other current liabilities, and deferred inflows	2,265,353	(2,740)	78,395	2,341,008
Net Cash Provided by (Used in) Operating Activities	<u>\$ 20,111,494</u>	<u>\$ 127,325</u>	<u>\$ (2,074,691)</u>	<u>\$ 18,164,128</u>
Noncash Capital and Financing Activities				
Capital contributions	\$ 4,651,905	\$ --	\$ --	\$ 4,651,905
Amortization of deferred loss on refunding	\$ 16,284	\$ --	\$ --	\$ 16,284
Amortization of bond premium	\$ 343,011	\$ --	\$ --	\$ 343,011

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, 2019**

	<u>Agency Funds</u>
ASSETS:	
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 34,682,916
Other non-current assets	<u>95,655</u>
Total Assets	\$ <u>34,778,571</u>
LIABILITIES:	
Accounts payable	\$ 1,626,655
Deposits	33,055,761
Unearned revenue	500
Due to State of Hawaii	<u>95,655</u>
Total Liabilities	\$ <u>34,778,571</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, 2019

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

State of Hawaii agencies assume full responsibility for the administration of several major functions usually performed by local governments such as education, welfare, health, and judicial functions. These agencies are not dependent on the County, and therefore, are not included in these basic financial statements. There are no separate city, county, or township governments nor any school district, special districts, authorities, public corporations, or component units for which the County is financially accountable.

Financial Statement Presentation -

Accounting Standards Applied - The financial statements of the County have been prepared in conformity with GAAP. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County follows all applicable GASB pronouncements.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balances, net position, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. For example, the direct expenses charged based on actual use are not eliminated, whereas indirect expense allocations made in the funds are eliminated. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

The statement of activities, which is included in the government-wide financial statements, presents a comparison between the direct expenses and program revenues for each business-type activity of the County and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a business-type activity or function. Program revenues include 1) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are instead presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category, such as governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements are on the major governmental and enterprise funds of the County and are reported separately in the accompanying financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental Fund Financial Statements - Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balances.

The following is a brief summary of the County's major governmental funds -

General Fund - This is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Highway Fund - This fund accounts for operations and maintenance of the County's highways and streets. Funding is provided by the County's fuel tax, public utility franchise tax, and the motor vehicle weight tax. These taxes must be used for highway-related purposes.

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

Grant Fund - This fund accounts for the administration of various Federal and State of Hawaii grants.

Debt Service Fund - This fund accounts for the accumulation of resources for, and the payment of general long-term principal and interest and related costs.

Capital Improvement Projects Fund - This fund accounts for the financial resources to be used for the acquisition or construction of various major capital facilities.

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Fund balance is considered a measure of expendable available financial resources. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) as a net increase or decrease in the respective fund balance.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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

Summary of Significant Accounting Policies -

Measurement Focus and Basis of Accounting - The basis of accounting determines when transactions are reported on the financial statements. The government-wide, proprietary, and fiduciary funds (excluding agency funds) financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes recognized in the fiscal year for which the taxes are levied. Revenues from sales and use, transient occupancy, and utility user tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus. This focus is on the determination of, and changes in financial resources, and generally only current assets and current liabilities are included in the balance sheet. All governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are real property taxes, fuel and franchise taxes, assessments, rents and concessions, sewer charges, landfill usage charges, certain state and federal grants, and interest from investments. Licenses and permits, forfeitures, penalties, and other miscellaneous revenues are not susceptible to accrual, because they are not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred except for debt service expenditures, as well as expenditures related to vacation, landfill closure and post-closure costs, and claims and judgments, which are recorded only when payment is due.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the County's policy to first apply restricted cost-reimbursement grant resources to such programs, followed by restricted categorical block grants, and then by unrestricted general revenues.

Cash and Investments - Cash balances of the County's funds are pooled and invested by the County Treasury unless otherwise dictated by legal or contractual requirements. Income and losses arising from the investment activity of pooled cash are allocated to participating funds on a periodic basis, based on their proportionate shares of the average cash balances.

Cash includes amounts in demand and time deposits primarily with various financial institutions in Hawaii, with fiscal agents, and in imprest and change funds. Cash on deposit with financial institutions are collateralized in accordance with State statutes (see Note 2).

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Investments in negotiable time certificates of deposits and repurchase agreements are carried at cost, which approximates fair value. Investments in U.S. Treasury, U.S. government agencies, municipal securities, and commercial paper are carried at fair value.

Real Property Taxes - Real property taxes are assessed and billed annually. The County's real property taxes, which are levied on July 1st and billed by July 20th of each year based on assessed valuations as of January 1st, are due in two equal installments on the following August 20th and February 20th. Accordingly, real property tax receivables at June 30, 2019 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 \$7.2 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 weighted average cost (which approximates the first-in, first-out method).

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment and an estimated useful life in excess of one year. For capital improvement projects, capital assets are defined as capital improvements with initial, individual costs of more than \$250,000, while cost for improvements to existing capital improvement projects greater than \$100,000 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value rather than fair value.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Bridges	50 - 75 years
Building and land improvements	20 - 45 years
Drainage systems	50 years
Equipment	5 - 10 years
Landfill infrastructure	5 years
Roadway systems	15 - 20 years
Sewer systems	20 - 50 years
Transportation and construction equipment	5 - 10 years

Sales and retirements of depreciable property are recorded by removing the related cost and accumulated depreciation from the accounts. Gains or losses on sales and retirements of property are reflected in the statement of activities and proprietary funds' statement of revenues, expenses, and changes in net position.

Deferred Outflows of Resources and Deferred Inflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense or expenditure) until that time. The County has three items that qualify for reporting in this category. The County reports the deferred loss on advanced refunding and deferred items related to pensions and other postemployment benefits other than pensions (OPEB) as deferred outflows of resources in its statement of net position.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes, fees and other non-exchange transactions received in the current fiscal year for the ensuing fiscal year are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources for items related to pensions and OPEB, primarily the County's proportion of the difference between projected and actual earnings on pension plan and OPEB investments, changes in proportion and difference between the County's contributions and proportionate share of contributions, and changes in assumptions related to pensions and OPEB.

Internal Balances - Significant transfers of financial resources between departments and activities included within the same fund, which are recorded as revenues by the transferee and expenditures or expenses by the transferor, have been eliminated. Transfers of revenues from funds authorized to receive them to funds authorized to expend them have been recorded as transfers in the fund financial statements.

All inter-fund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for those amounts due between governmental and business-type activities, which are presented as internal balances.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

Long-Term Debt - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type financial statements.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

For advanced refunding resulting in the defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt is deferred. The amount deferred is reported as a deferred inflow of resources or outflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - In the governmental fund financial statements, vacation pay and compensatory time off are recorded as expenditures when liquidated with expendable available financial resources. Vested or accumulated vacation leave and compensatory time off of proprietary funds and in the government-wide financial statements are recorded as an expense and liability of those funds and activities as the benefits accrue to employees. Vacation benefits accrue at one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year. Employees earn compensatory time off at the rate of one and a half hours for each hour of overtime worked. Unused compensatory time off is converted to pay upon termination of employment.

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued on either the government-wide or fund financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2019, accumulated sick leave amounted to approximately \$78.5 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, 2019

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

Restricted Net Position - Restricted net position has third party (statutory, bond covenant or granting agency) limitations on its use or has restrictions imposed by law through enabling legislation, and includes unspent proceeds of bonds issued to acquire or construct assets. The County's policy is generally to use restricted net position first, as appropriate opportunities arise.

Unrestricted Net Position - Unrestricted net position represents all other net position not accounted for in the two categories noted above.

Fund Balance Policies - Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances for government funds are comprised of the following:

Nonspendable Fund Balance - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - includes amounts that are subject to constraints imposed or legally enforceable by external parties. Funds with restrictions imposed by the Hawaii Revised Statutes and the Maui County Charter are examples of such funds of the County.

Committed Fund Balance - includes amounts that are subject to constraints created by the County and can only be changed by the County's highest level of formal action. The County Council and the Mayor of the County of Maui act in concert as the County's highest decision-making authorities. Bills passed by the County Council and approved by the Mayor are designated as ordinances and become part of the Maui County Code.

Assigned Fund Balance - includes fund balances that have been encumbered for purchasing commitments by the Chief Procurement Officer or delegate in accordance with the Finance and Budget policies and are considered neither restricted nor committed.

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

The County has established a policy relative to the order of the allocation of expenditures. The County's policy is to use resources in all funds in the following order: (1) Restricted, (2) Committed, (3) Assigned and (4) Unassigned.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii (ERS) and additions to/deductions from the ERS's fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, employer and employee contributions are recognized in the period in which the contributions are legally due and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at their fair value.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

Postemployment Benefits Other Than Pensions - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") and additions to/deductions from EUTF's fiduciary net position have been determined on the same basis as they are reported by EUTF. For this purpose, EUTF recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for investments in commingled and money market funds, which are reported at net asset value (NAV). The NAV is based on the fair value of the underlying assets held by the respective fund less its liabilities.

Use of Estimates - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures or expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

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

The Government Accounting Standards Board (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 determined that this Statement does not have a material impact on the County's financial statements.

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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

The GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. 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. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. 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, 2019**

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, 2019, at fair value, are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Fair Value
Equity in pooled cash and investments	\$ 344,906,118	\$ 73,939,595	\$ 34,682,916	\$ 453,528,629
Restricted investments - equity in pooled cash and investments	--	35,245,317	--	35,245,317
Total equity in pooled cash and investments	<u>\$ 344,906,118</u>	<u>\$ 109,184,912</u>	<u>\$ 34,682,918</u>	<u>\$ 488,773,946</u>
			Cash on hand and deposits	\$ 138,908,976
			Certificates of deposit	64,542,553
			Investments	<u>285,322,417</u>
			Total equity in pooled cash and investments	<u>\$ 488,773,946</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 statement of net position and balance sheets as "Equity in pooled cash and investments held in County Treasury."

County's Investment Policy

The County's investment policy conforms with the State of Hawaii statutes (Chapter 46, Section 50), which authorize the County to invest in obligations of the U.S. Treasury and U.S. government agencies, municipal securities, auction rate securities collateralized by student loans, bank repurchase agreements, commercial paper, banker's acceptances, and money market funds.

Specific requirements under the County's investment policy are as follows:

- With the exception of U.S. Treasury securities and bank certificates of deposit fully insured by the Federal Deposit Insurance Corporation (FDIC) not to exceed \$250,000 per banking institution, no more than 30% of the County's investment portfolio will be invested in a single type of security, a single issuer, or financial institution.
- Investment maturities are not to exceed five years.

Investment Risk - The investments are subject to certain types of risk, including interest rate risk, credit quality risk, concentration of credit risk, and custodial credit risk.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal investment policy that follows State of Hawaii statutes, which limits investment maturities to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Quality Risk - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligation. The County's investment policy limits investments in municipal securities, U.S. Treasury securities, negotiable time certificates of deposit, U.S. government agency obligations, repurchase agreements, commercial paper, banker's acceptances, money market funds, and auction rate securities collateralized by student loans maintaining a Triple-A rating.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

The bond ratings for the County's investments in U.S. agency obligations (government sponsored enterprises) at June 30, 2019 were as follows:

	Rating
AA+	\$ 238,841,727
AA	16,357,625
Not rated	30,123,065
	\$ 285,322,417

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, 2019, substantially all of the County's cash balance of approximately \$138.9 million and negotiable time certificates of deposit of approximately \$64.5 million were insured or collateralized.

Investments

As of June 30, 2019, 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	1.21 - 1.84	\$ --	\$ 7,595,000	\$ 4,000,000	\$ 14,970,000	\$ (102,252)	\$ 26,462,748
Federal Home Loan Bank Notes	1.40 - 3.30	--	2,000,000	11,500,000	70,500,000	492,040	84,492,040
Federal Farm Credit Bank Notes	1.88 - 3.05	--	--	--	76,223,000	1,828,090	78,051,090
Federal Agricultural Mortgage Corporation Notes	2.40 - 2.55	--	--	--	7,000,000	112,140	7,112,140
Federal Home Loan Mortgage Corporation Notes	1.08 - 2.55	2,000,000	2,000,000	--	39,030,000	178,775	43,208,775
Tennessee Valley Authority Notes	2.33 - 2.72	--	--	1,000,000	5,000,000	159,800	6,159,800
U.S. Treasury Strips	1.94	--	--	--	2,000,000	(99,460)	1,900,540
U.S. Treasury Note	1.78 - 3.04	--	3,500,000	5,000,000	6,000,000	(42,915)	14,457,085
Municipal securities	1.25 - 3.26	570,000	8,325,000	--	14,430,000	153,199	23,478,199
Negotiable certificates of deposit	0.10 - 3.50	1,000,000	6,750,000	13,450,000	43,190,000	152,553	64,542,553
Total investments and certificates of deposit		\$ 3,570,000	\$ 30,170,000	\$ 34,950,000	\$ 278,343,000	\$ 2,831,970	349,864,970
					Cash on hand and deposits		138,908,976
					Total equity in pooled cash and investments		\$ 488,773,946

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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.

Following is a description of the valuation techniques used by the County to measure fair value:

U.S. Treasury obligations: Valued using quoted prices in active markets for identical assets.

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

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

	Assets at Fair Value at June 30, 2019			
	Total	Level 1	Level 2	Level 3
U. S. Treasury obligations	\$ 16,357,625	\$ 16,357,625	\$ --	\$ --
U. S. government agency obligations	245,486,593	--	245,486,593	--
Municipal securities	23,478,199	--	23,478,199	--
Negotiable certificates of deposit	64,542,553	--	64,542,553	--
	\$ 349,864,970	\$ 16,357,625	\$ 333,507,345	\$ --

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2019, for the County's governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
Receivables, net:							
State of Hawaii	\$ --	\$ 1,438,415	\$ --	\$ 9,806,764	\$ 4,460,741	\$ --	\$ 15,705,920
Property taxes	8,927,212	--	--	--	--	--	8,927,212
Trade accounts	--	--	3,206,981	--	--	3,147,620	6,354,601
Note	5,752,156	--	--	--	--	--	5,752,156
Federal government	--	--	--	361,868	--	--	361,868
Less: allowance for uncollectible accounts	--	--	(230,958)	--	--	(187,258)	(418,216)
Total Receivables, net:	<u>\$ 14,679,368</u>	<u>\$ 1,438,415</u>	<u>\$ 2,976,023</u>	<u>\$ 10,168,632</u>	<u>\$ 4,460,741</u>	<u>\$ 2,960,362</u>	<u>\$ 36,683,541</u>

Receivables included in the County's proprietary funds as of June 30, 2019 were as follows:

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Total Business-type Activities
Receivables, net:			
Customer receivables	\$ 7,479,439	\$ 14,502	\$ 7,493,941
Less: allowance for uncollectible accounts	<u>(61,346)</u>	<u>--</u>	<u>(61,346)</u>
Total Receivables, net:	<u>\$ 7,418,093</u>	<u>\$ 14,502</u>	<u>\$ 7,432,595</u>

Governmental funds report unearned revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds report unearned revenue in connection with resources that have been received, but not yet earned.

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

At June 30, 2019, 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)	\$ 6,050,561	\$ --
Real property tax collections received in advance (General Fund)	--	1,330,442
Sewer and landfill fees not collected within 60 days of year-end (Sewer and Non-Major Fund)	1,424,438	--
Fees collected in advance for liquor licenses (Non-Major Fund)	<u>--</u>	<u>266,700</u>
	<u>\$ 7,474,999</u>	<u>\$ 1,597,142</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Amounts due from and due to other funds as of June 30, 2019 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 23,849,353	\$ --
Capital Improvement Project Fund	--	22,352,400
Grant Fund	<u> --</u>	<u>1,496,953</u>
	<u>\$ 23,849,353</u>	<u>\$ 23,849,353</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 for the fiscal year ended June 30, 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 22,249,221	\$ 65,762,546
Highway Fund	586,414	20,270,361
Sewer Fund	1,355,088	27,102,451
Grant Fund	10,000	--
Debt Service Fund	34,475,169	--
Capital Improvement Project Fund	47,732,903	3,407,631
Non-Major Governmental Funds	16,628,130	9,435,644
Major Proprietary Fund - Golf Course Special Fund	<u>3,172,170</u>	<u>230,462</u>
	<u>\$ 126,209,095</u>	<u>\$ 126,209,095</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, 2019**

NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Reductions/ Retirements	Balance June 30, 2019
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 179,450,769	\$ 9,122,758	\$ --	\$ 188,573,527
Construction in progress	<u>89,179,817</u>	<u>111,274,558</u>	<u>53,654,359</u>	<u>146,800,016</u>
	<u>268,630,586</u>	<u>120,397,316</u>	<u>53,654,359</u>	<u>335,373,543</u>
Depreciable assets:				
Buildings and systems	167,253,107	3,787,535	--	171,040,642
Improvements other than buildings	150,422,753	5,818,693	--	156,241,446
Machinery and equipment	159,569,584	10,034,729	3,087,474	166,516,839
Infrastructure	<u>1,201,636,318</u>	<u>32,454,649</u>	<u>--</u>	<u>1,234,090,967</u>
	<u>1,678,881,762</u>	<u>52,095,606</u>	<u>3,087,474</u>	<u>1,727,889,894</u>
Accumulated depreciation:				
Buildings and systems	(101,726,450)	(5,332,864)	--	(107,059,314)
Improvements other than buildings	(97,755,936)	(5,042,074)	--	(102,798,010)
Machinery and equipment	(129,945,024)	(11,414,517)	2,844,194	(138,515,347)
Infrastructure	<u>(800,592,494)</u>	<u>(26,156,057)</u>	<u>--</u>	<u>(826,748,551)</u>
	<u>(1,130,019,904)</u>	<u>(47,945,512)</u>	<u>2,844,194</u>	<u>(1,175,121,222)</u>
Total Governmental Activities - Capital Assets, Net	\$ <u>817,492,444</u>	\$ <u>124,547,410</u>	\$ <u>53,897,639</u>	\$ <u>888,142,215</u>
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 14,563,267	\$ --	\$ --	\$ 14,563,267
Construction in progress	<u>48,842,240</u>	<u>11,878,768</u>	<u>26,302,217</u>	<u>34,418,791</u>
	<u>63,405,507</u>	<u>11,878,768</u>	<u>26,302,217</u>	<u>48,982,058</u>
Depreciable assets:				
Buildings and systems	184,873,242	11,594,031	--	196,467,273
Improvements other than buildings	2,971,632	--	--	2,971,632
Machinery and equipment	426,466,383	20,938,898	22,865	447,382,416
Infrastructure	<u>11,791,972</u>	<u>135,250</u>	<u>--</u>	<u>11,927,222</u>
	<u>626,103,229</u>	<u>32,668,179</u>	<u>22,865</u>	<u>658,748,543</u>
Accumulated depreciation:				
Buildings and systems	(79,114,240)	(4,502,844)	--	(83,617,084)
Improvements other than buildings	(2,910,768)	(9,738)	5,565	(2,914,941)
Machinery and equipment	(223,769,579)	(11,919,044)	17,301	(235,671,322)
Infrastructure	<u>(4,801,843)</u>	<u>(233,953)</u>	<u>--</u>	<u>(5,035,796)</u>
	<u>(310,596,430)</u>	<u>(16,665,579)</u>	<u>22,866</u>	<u>(327,239,143)</u>
Business-type Activities - Capital Assets, net	\$ <u>378,912,306</u>	\$ <u>27,881,368</u>	\$ <u>26,302,216</u>	\$ <u>380,491,458</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 - CAPITAL ASSETS (Continued)

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

Governmental Activities:		
General government	\$	1,269,434
Public safety		8,130,063
Sanitation		18,812,505
Social and welfare		663,264
Highways and streets		13,452,874
Culture and recreation		5,610,527
Legislative		<u>6,845</u>
Total Depreciation Expense - Governmental Activities	\$	<u>47,945,512</u>
Business-type Activities:		
Department of Water Supply	\$	15,867,467
Housing, Interim Financing, and Buy-Back Revolving Fund		406,389
Golf Course Special Fund		<u>391,723</u>
Total Depreciation Expense - Business-type Activities	\$	<u>16,665,579</u>

Construction in progress is comprised of the following as of June 30, 2019:

	Project Authorized (Appropriated)	Expended to June 30, 2019	Committed (Encumbered)
Governmental Activities:			
Government facilities	\$ 162,276,927	\$ 25,408,370	\$ 37,637,724
Roadway systems	107,719,807	22,284,475	26,589,441
Sewer systems	125,569,667	58,389,036	34,125,575
Sanitation	11,180,000	3,624,128	588,278
Parks and recreation	77,715,852	24,767,894	11,314,096
Drainage	38,854,096	7,971,759	13,659,034
Other	<u>17,990,922</u>	<u>4,354,354</u>	<u>3,135,941</u>
Total	\$ <u>541,307,271</u>	\$ <u>146,800,016</u>	\$ <u>127,050,089</u>
Business-type Activities:			
Department of Water Supply	\$ <u>137,881,102</u>	\$ <u>34,418,791</u>	\$ <u>17,741,027</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

A summary of long-term debt activity during the fiscal year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 186,354,535	\$ 109,308,953	\$ 31,758,987	\$ 263,904,501	\$ 26,419,292
State Revolving Fund Loans from direct borrowings	<u>62,121,823</u>	<u>29,415,573</u>	<u>4,020,606</u>	<u>87,516,790</u>	<u>4,822,651</u>
Total	<u>\$ 248,476,358</u>	<u>\$ 138,724,526</u>	<u>\$ 35,779,593</u>	<u>\$ 351,421,291</u>	<u>\$ 31,241,943</u>
Business-type Activities:					
General obligation bonds	\$ 21,719,327	\$ 4,621,644	\$ 2,921,909	\$ 23,419,062	\$ 2,950,708
Notes payable from direct borrowings	<u>46,123,084</u>	<u>5,208,692</u>	<u>5,933,794</u>	<u>45,397,982</u>	<u>2,349,064</u>
Total	<u>\$ 67,842,411</u>	<u>\$ 9,830,336</u>	<u>\$ 8,855,703</u>	<u>\$ 68,817,044</u>	<u>\$ 5,299,772</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, 2019 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2019
2010	Series A GO	0.53%-5.95%	\$ 23,375,000	2030	\$ 14,690,000
2010	Series B GO	3.00%-5.00%	50,320,000	2021	9,808,386
2012	Series A,B and D GO and Refunding	2.00%-5.00%	70,250,000	2032	36,866,569
2014	Series A,B,D and E GO and Refunding	2.00%-5.00%	68,670,000	2034	44,165,000
2015	Series A,B,C and D GO and Refunding	3.00%-5.00%	60,155,000	2036	41,051,915
2018	Series A,B,D and E GO and Refunding	3.00%-5.00%	<u>102,275,000</u>	2038	<u>102,275,000</u>
	Total general obligation bonds		<u>\$ 375,045,000</u>		248,856,870
	Unamortized premium				<u>15,047,631</u>
	Net general obligation bonds outstanding				<u>\$ 263,904,501</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 \$130.3 million and outstanding principal amounted to approximately \$87.5 million at June 30, 2019, and bear interest between 0.25% and 1.25%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2039. The County has 29 projects funded with these SRF loans.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

The SRF Loans from direct borrowings are direct obligations which are secured by the County's full faith and credit, including a pledge of the County's general taxing power. Repayments of principal and interest shall be a first charge on the County's General Fund.

The schedule below shows the State Revolving Fund Loans outstanding as of June 30, 2019:

Year	Description	Loan Number	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2019
State Revolving Fund Loans:					
2004	Lahaina Pump Station Nos. 5 & 6	C150054-12	\$ 3,300,000	2026	\$ 1,235,671
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	734,100
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	4,733,240
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2029	997,151
2009	Lahaina Wastewater Pump Station No. 1	C150054-06	7,050,000	2029	3,564,253
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,502,173	2029	1,751,660
2009	Islandwide EPA Consent Decree	C150052-31	8,438,770	2029	4,247,230
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,241,038	2029	1,730,028
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2029	246,656
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	999,375
2010	Countywide Pump Station Renovations	C150052-28	928,608	2029	528,684
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2032	639,894
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2033	791,797
2013	West Maui Recycled Water	C150054-23	1,205,090	2033	905,264
2012	Wailuku-Kahului Force Main Replacement	C150052-35	3,621,040	2034	2,739,575
2012	Countywide Pump Station Renovations	C150054-34	4,023,751	2034	3,230,036
2010	Central Operations and Maintenance Facility	C150052-33	500,000	2034	374,291
2013	Lahaina No. 3 Force Main Replacement	C150054-28	4,719,007	2034	3,559,486
2013	Lahaina Wastewater Pump Station No. 2	C150054-10	3,758,886	2034	3,128,751
2013	South Maui Recycled Water Distribution System	C150077-17	2,543,970	2035	2,038,453
2015	Paia Force Main Replacement	C150052-48	1,734,738	2036	1,529,687
2014	Kihei Force Main Replacement	C150077-22	1,620,000	2036	1,429,292
2016	Kahului-Wailuku Wastewater Reclamation Facility Filter Modification	C150052-61	4,594,179	2037	4,162,755
2017	Waiehu Wastewater Pump Station Force Main Replacement	C150052-50	827,136	2037	768,913
2017	Kulanihako Street Recycled Water Line Extension	C150077-25	1,473,541	2037	1,379,770
2017	Lahaina Wastewater Reclamation Facility Modifications, Stage 1A	C150054-22	45,941,344	2039	32,972,443
2017	Central Maui Landfill (CML) Phase V Gas Collection System Expansion	NPS0052-62	1,683,238	2037	1,533,857
2017	Hawaiian Homes Force Main Replacement	C150054-31	2,240,000	2037	2,101,107
2019	Kihei No. 16 Pump Station Rehabilitation	C150077-24	5,409,243	2039	3,463,371
			<u>\$ 130,323,452</u>		<u>\$ 87,516,790</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019, 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>
2020	\$ 26,419,292	\$ 10,061,106	\$ 36,480,398
2021	22,492,303	8,882,835	31,375,138
2022	16,750,816	7,822,285	24,573,101
2023	15,513,258	7,030,060	22,543,318
2024	16,251,455	6,280,105	22,531,560
2025-2029	70,068,004	21,526,501	91,594,505
2030-2034	50,441,742	9,424,772	59,866,514
2035-2038	<u>30,920,000</u>	<u>2,592,194</u>	<u>33,512,194</u>
Total	\$ <u>248,856,870</u>	\$ <u>73,619,858</u>	\$ <u>322,476,728</u>

<u>Year Ending June 30,</u>	<u>Governmental Activities - SRF Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,822,651	\$ 804,317	\$ 5,626,968
2021	5,785,277	756,628	6,541,905
2022	5,823,794	705,240	6,529,034
2023	5,862,741	653,376	6,516,117
2024	5,901,927	601,225	6,503,152
2025-2029	28,233,035	2,216,669	30,449,704
2030-2034	18,884,021	1,113,528	19,997,549
2035-2039	<u>12,203,344</u>	<u>315,608</u>	<u>12,518,952</u>
Total	\$ <u>87,516,790</u>	\$ <u>7,166,591</u>	\$ <u>94,683,381</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 issues general obligation bonds for the construction of major capital facilities. These general obligation bonds are considered reimbursable bonds to be repaid from the net revenues of the Department, and accordingly, are excluded from funded debt pursuant to the State Constitution.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019 are comprised of the following individual issues:

Year	Description	Interest Rates	Final Maturity	Outstanding Balance June 30, 2019
2010	Series B GO Refunding Bonds	4.00%-5.00%	6/1/2021	\$ 851,614
2012	Series B and C GO and Refunding	2.10%-5.00%	6/1/2034	7,123,430
2014	Series C GO Bonds	3.00%-5.00%	6/1/2034	5,570,000
2015	Series B and D GO Refunding Bonds	3.00%-5.00%	9/1/2026	3,548,085
2018	Series C GO Bonds	3.00%-5.00%	9/1/2028	4,040,000
	Total general obligation bonds			21,133,129
	Unamortized premium			2,285,933
	Net general obligation bonds outstanding			\$ <u>23,419,062</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, 2019, were as follows:

Year Ending June 30,	Business-type Activities - General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 2,950,708	\$ 873,353	\$ 3,824,061
2021	2,472,697	744,104	3,216,801
2022	2,139,184	624,161	2,763,345
2023	2,251,742	516,392	2,768,134
2024	1,213,544	416,165	1,629,709
2025-2029	5,936,996	1,317,193	7,254,189
2030-2034	<u>4,168,258</u>	<u>343,899</u>	<u>4,512,157</u>
Total	\$ <u>21,133,129</u>	\$ <u>4,835,267</u>	\$ <u>25,968,396</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, 2019**

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

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

At June 30, 2019, notes payable from direct borrowings reported in the business-type activities column of the statement of net position consisted of the following:

	Amount
Notes payable to State of Hawaii, Department of Health	
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2032.	\$ 164,473
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.	1,583,611
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.	624,190
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.	5,774,670
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.	3,242,756
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.	1,581,035
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.	571,708
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.	623,072
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.	119,568
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.	1,711,713
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2037.	2,084,482
Balance forward	\$ 18,081,278

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

	<u>Amount</u>
Notes payable to State of Hawaii, Department of Health (Continued)	
Balance carried forward	\$ 18,081,278
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2037.	1,125,538
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2037.	468,979
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.	20,937,537
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.	3,251,807
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.75%, and loan fee rate of 1.00%, maturing in 2041.	<u>1,532,843</u>
	45,397,982
Less current maturities	<u>(2,349,064)</u>
	<u>\$ 43,048,918</u>

As of June 30, 2019, future principal and interest payments from direct borrowings for notes payable related to business-type activities are as follows:

<u>Year Ending June 30,</u>	<u>Business-type Activities - Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,349,064	\$ 576,633	\$ 2,925,697
2021	2,369,345	548,340	2,917,685
2022	2,456,621	517,599	2,974,220
2023	2,478,810	485,610	2,964,420
2024	2,501,212	453,368	2,954,580
2025-2029	12,853,209	1,770,658	14,623,867
2030-2034	12,667,499	916,634	13,584,133
Thereafter	<u>7,722,222</u>	<u>233,488</u>	<u>7,955,710</u>
Total	<u>\$ 45,397,982</u>	<u>\$ 5,502,330</u>	<u>\$ 50,900,312</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, 2019. The line of credit agreement requires interest-only payments at 0.90% of the bank's prime rate (5.50% at June 30, 2019), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2019 and has been renewed to July 30, 2020.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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, 2019, are approximately \$7.3 billion and \$6.9 billion, respectively.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebate liabilities are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations to determine the rebate liabilities for the tax-exempt bond issues listed above. Based on these calculations, no rebate liability existed as of June 30, 2019.

Other Obligations

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

A summary of long-term debt and other general obligations activity for the fiscal year ended June 30, 2019 is as follows:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:					
Accrued landfill closure					
and postclosure costs (Note 9)	\$ 36,291,611	\$ 3,712,258	\$ --	\$ 40,003,869	\$ 53,604
Accrued vacation	33,200,446	15,012,786	17,447,700	30,765,532	17,447,700
Claims and judgments (Note 11)	21,342,956	3,436,259	5,406,210	19,373,005	19,373,005
Accrued compensatory time off	3,295,455	2,183,323	2,029,266	3,449,512	2,029,266
Accrued pollution remediation	<u>2,509,886</u>	<u>--</u>	<u>2,260,606</u>	<u>249,280</u>	<u>249,280</u>
Total Other General Obligations	96,640,354	24,344,626	27,143,782	93,841,198	39,152,855
Long-Term Debt	<u>248,476,358</u>	<u>138,724,526</u>	<u>35,779,593</u>	<u>351,421,291</u>	<u>31,241,943</u>
Total Long-Term Obligations	\$ <u>345,116,712</u>	\$ <u>163,069,152</u>	\$ <u>62,923,375</u>	\$ <u>445,262,489</u>	\$ <u>70,394,798</u>
	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Business-type Activities:					
Accrued vacation	\$ 2,105,250	\$ 885,109	\$ 1,029,457	\$ 1,960,902	\$ 974,076
Claims and judgments (Note 11)	844,093	322,946	654,099	512,940	512,940
Accrued compensatory time off	<u>125,292</u>	<u>101,377</u>	<u>112,405</u>	<u>114,264</u>	<u>114,264</u>
Total Other General Obligations	3,074,635	1,309,432	1,795,961	2,588,106	1,601,280
Long-Term Debt	<u>67,842,411</u>	<u>9,830,336</u>	<u>8,855,703</u>	<u>68,817,044</u>	<u>5,299,772</u>
Total Long-Term Obligations	\$ <u>70,917,046</u>	\$ <u>11,139,768</u>	\$ <u>10,651,664</u>	\$ <u>71,405,150</u>	\$ <u>6,901,052</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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 8 years and annual rents range from \$1,200 to approximately \$385,000. Total annual rent expenditures for the fiscal year 2019 were approximately \$3.5 million.

As of June 30, 2019, the estimated future minimum noncancelable operating lease payments are as follows:

Year Ending June 30,	Amount
2020	\$ 2,224,000
2021	1,736,000
2022	1,227,000
2023	1,220,000
2024	770,000
Thereafter	<u>2,342,000</u>
	<u>\$ 9,519,000</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 \$40.0 million in accrued landfill closure and post-closure care costs at June 30, 2019 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 \$12.6 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 2019. 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	82%	3
Central Maui Phase V	76%	3
Hana	54%	30
Molokai	85%	5
Lanai	78%	14

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

In July 2013, a landfill compliance inspection was completed by the State of Hawaii, Department of Health (DOH) at the Hana Municipal Solid Waste Landfill. The County of Maui was notified of a potential violation due to "Constructing and operating a waste disposal unit outside the "existing" limits of waste, without complying with the design criteria for municipal solid waste landfills, and without a solid waste management permit." As a result of the inspection, the County engaged a third-party consulting firm to provide different alternatives to remediate the potential violation. The two options presented were as follows: 1) Capping and covering with soil in conformance with DOH standards for unlined landfills; and 2) Clean closure by the removal of all waste. In 2014, the County elected Option 1 and included the estimated cost of closure and post-closure care costs in its financials. After further review and analysis, the County has now elected to implement Option 2. It is estimated that the clean closure option will cost a total of approximately \$5.6 million with approximately \$5.3 million already being spent in fiscal years 2014 through fiscal year 2019.

NOTE 10 - RETIREMENT BENEFITS

Pension Plan

Pension Plan Description - Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at ERS' website: <http://www.ers.ehawaii.gov>.

Benefits Provided - The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

Retirement Benefits - General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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. 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.

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - RETIREMENT BENEFITS (Continued)

Contributory Class for Employees Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.

Police officers 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.

For police officers and firefighters, ordinary disability benefits are 1.75% of average final compensation for each year of service and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

Hybrid Class for Employees Hired Prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - RETIREMENT BENEFITS (Continued)

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.

Contributions - Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2018 were 31.00% for police officers and firefighters and 19.00% for all other employees. Contributions to the pension plan from the County were \$81,067,724, for the fiscal year ended June 30, 2019.

Per Act 17 (SLH 2017), employer contributions from the State and counties are expected to increase over four years beginning July 1, 2017. The rate for police officers and firefighters increases to 31.00% on July 1, 2018; and increases to 36.00% on July 1, 2019; and 41.00% on July 1, 2020 and the rate for all other employees' increased to 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, 2019, the County reported a liability of approximately \$597.7 million, for the County's proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the County's proportion was 4.4873% which was a decrease of 0.1339% from its proportion measured as of June 30, 2017.

There were no other changes between the measurement date, June 30, 2018, and the reporting date, June 30, 2019, 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, 2019**

NOTE 10 - RETIREMENT BENEFITS (Continued)

For the fiscal year ended June 30, 2019, the County recognized pension expense of \$123,174,007. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,847,884	\$ 2,621,292
Net difference between projected and actual earnings on pension plan investments	--	3,507,513
Changes in proportion and difference between County contributions and proportionate share of contributions	16,585,692	20,067,463
Changes in assumptions	68,545,773	--
County contributions subsequent to the measurement date	<u>40,882,586</u>	<u>--</u>
	<u>\$ 145,861,935</u>	<u>\$ 26,196,268</u>

At June 30, 2019, the approximate \$40.9 million reported as deferred outflows of resources related to pensions resulted from contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020.

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>Net Deferred Outflows (Inflows)</u>
2020	\$ 36,776,632
2021	30,830,519
2022	11,648,927
2023	32,279
2024	<u>(505,276)</u>
Total	<u>\$ 78,783,081</u>

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS's Board of Trustees on December 12, 2016, based on the 2015 Experience Study for the five-year period from July 1, 2010 through June 30, 2015:

Inflation rate	2.50%
Payroll growth	3.50%
Investment rate of return	7.00% per year, compounded annually including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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 table based on the occupation of the member.

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 of Trustees) 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 (real returns and inflation) by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Strategic Allocation (Risk-Based Classes)	Target Allocation	Long-Term Expected Rate of Return	Long-Term Expected Real Rate of Return*
Broad growth	63.00%	7.10%	4.85%
Principal protection	7.00%	2.50%	0.25%
Real return	10.00%	4.10%	1.85%
Crisis risk offset	20.00%	4.60%	2.35%
	100.00%		

* Uses an expected inflation of 2.25%

Discount Rate - The discount rate used to measure the net pension liability at June 30, 2018 was 7.00%, consistent with the rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County’s proportionate share of the net pension liability	\$ <u>784,170,433</u>	\$ <u>597,668,396</u>	\$ <u>445,336,831</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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's financial statements are prepared using the accrual basis of accounting under which expenses 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' complete financial statements are available at <http://www.ers.ehawaii.gov>.

Payables to the Pension Plan

As of June 30, 2019, the County had \$4,170,251 payable to the pension plan.

Postemployment Benefits Other Than Pensions (OPEB)

Plan description - The State provides certain health care and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees and their dependents. The EUTF issues an annual financial report that is available to the public. The report may be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

For employees hired before July 1, 1996, the County pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than 10 years of service, the County makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the County pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the County pays 75% of the base monthly contribution. For those retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. A retiree can elect a family plan to cover dependents.

For employees hired after on or after July 1, 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. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage, but must pay the difference.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 - RETIREMENT BENEFITS (Continued)

Employees Covered by Benefit Terms - At July 1, 2018, the following number of plan members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,534
Inactive plan members entitled but not yet receiving benefit payments	269
Active plan members	<u>2,463</u>
	<u>4,266</u>

Contributions - Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the County totaled \$37,446,930 for the fiscal year ended June 30, 2019. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2019, the County reported a net OPEB liability of \$315,765,772. The net OPEB liability was measured as of July 1, 2018, and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2018, and the reporting date, June 30, 2019, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2019, the County recognized OPEB expense of \$32,536,170. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 6,202,789
Net difference between projected and actual earnings on OPEB plan investments	--	3,407,987
Changes in assumptions	5,473,694	--
County contributions subsequent to the measurement date	<u>37,446,930</u>	<u>--</u>
	<u>\$ 42,920,624</u>	<u>\$ 9,610,776</u>

At June 30, 2019, the \$37,446,930 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Net Deferred Inflows
2020	\$ (1,208,033)
2021	(1,208,033)
2022	(1,208,033)
2023	(264,056)
2024	(120,042)
Thereafter	<u>(128,885)</u>
Total	\$ <u>(4,137,082)</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 - RETIREMENT BENEFITS (Continued)

Actuarial assumptions - The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 8, 2018, based on the experience study covering the five-year period ended June 30, 2015 as conducted for the ERS:

Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO	Initial rates of 10.00%, declining to a rate of 4.86% after 13 years
HMO*	Initial rates of 10.00%; declining to a rate of 4.86% after 13 years
Contribution	Initial rates of 4.00% and 5.00%; declining to a rate of 4.70% after 12 years
Dental	Initial rates of 5.00% for the first three years; followed by 4.00%
Vision	Initial rates of 0.00% for the first three years, followed by 2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drug

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of July 1, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Non-U.S. equity	17.00%	6.50%
U.S. equity	15.00%	5.05%
Private equity	10.00%	8.65%
Core real estate	10.00%	4.10%
Trend following	9.00%	3.00%
U.S. microcap	7.00%	7.00%
Global options	7.00%	4.50%
Private credit	6.00%	5.25%
Long treasuries	6.00%	1.90%
Alternate risk premia	5.00%	2.45%
TIPS	5.00%	0.75%
Core bonds	3.00%	1.30%
	<u>100.00%</u>	

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 - RETIREMENT BENEFITS (Continued)

Single Discount rate - The discount rate used to measure the total OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00% and the municipal bond rate of 3.62% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-year Municipal GO AA Index”). Beginning with the fiscal year 2019 contribution, the County’s funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position - The OPEB plan’s fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF’s financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer 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 on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued EUTF financial report. The EUTF’s complete financial statements are available at <http://eutf.hawaii.gov>.

Changes in the Net OPEB Liability

The following schedule presents the changes in the net OPEB liability for the fiscal year ended June 30, 2019. The ending balances are as of the measurement date, July 1, 2018.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2018	\$ <u>522,749,266</u>	\$ <u>205,190,246</u>	\$ <u>317,559,020</u>
Changes for the fiscal year:			
Service cost	12,226,377	--	12,226,377
Interest on the total OPEB liability	36,426,483	--	36,426,483
Contributions - employer	--	33,968,244	(33,968,244)
Net investment income	--	15,676,708	(15,676,708)
Differences between expected and actual experience	(7,224,043)	--	(7,224,043)
Changes in assumptions	6,374,906	--	6,374,906
Benefit payments	(16,968,244)	(16,968,244)	--
Administrative expense	--	(47,981)	47,981
Net changes	<u>30,835,479</u>	<u>32,628,727</u>	<u>(1,793,248)</u>
Balance at June 30, 2019	\$ <u>553,584,745</u>	\$ <u>237,818,973</u>	\$ <u>315,765,772</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 - RETIREMENT BENEFITS (Continued)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB liability	\$ <u>409,369,020</u>	\$ <u>315,765,772</u>	\$ <u>242,559,659</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
County's proportionate share of the net OPEB liability	\$ <u>238,582,526</u>	\$ <u>315,765,772</u>	\$ <u>416,135,103</u>

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 \$19.9 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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 - CLAIMS AND JUDGMENTS (Continued)

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, 2019 were as follows:

	Balance July 1, 2018	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Workers' compensation	\$ 4,232,297	\$ 3,727,236	\$ 2,968,467	\$ 4,991,066	\$ 4,991,066
Automobile, general liability and other civil litigation	<u>17,110,659</u>	<u>(290,977)</u>	<u>2,437,743</u>	<u>14,381,939</u>	<u>14,381,939</u>
	<u>\$ 21,342,956</u>	<u>\$ 3,436,259</u>	<u>\$ 5,406,210</u>	<u>\$ 19,373,005</u>	<u>\$ 19,373,005</u>
Business-type Activities:					
Workers' compensation	\$ 466,464	\$ 303,304	\$ 276,074	\$ 493,694	\$ 493,694
Automobile, general liability and other civil litigation	<u>377,629</u>	<u>19,642</u>	<u>378,025</u>	<u>19,246</u>	<u>19,246</u>
	<u>\$ 844,093</u>	<u>\$ 322,946</u>	<u>\$ 654,099</u>	<u>\$ 512,940</u>	<u>\$ 512,940</u>

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 \$177.0 million at June 30, 2019. Contractual commitments for the proprietary funds amounted to approximately \$23.4 million at June 30, 2019.

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, 2019, 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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 - COMMITMENTS AND CONTINGENCIES

State Grants

The County has received state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the County, disallowed costs, if any, would not be material.

NOTE 13 - FUND BALANCES

Fund balances for all the major and other governmental funds as of June 30, 2019, are distributed as follows:

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Capital Improvements Project Fund	Other Governmental Funds	Total
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted for:							
Bikeway service	--	--	--	--	--	449,449	449,449
Environmental protection & sustainability	--	--	--	--	--	4,986,538	4,986,538
Highway and transportation services	--	18,113,831	--	--	--	--	18,113,831
Housing and human concerns	--	--	--	4,687,719	--	17,677,400	22,365,119
Liquor control	--	--	--	--	--	1,800,598	1,800,598
Open space preservation	7,581,990	--	--	--	--	--	7,581,990
Other expenditures	--	--	--	--	--	42,850	42,850
Parks and recreation	--	--	--	--	--	5,727,183	5,727,183
Subtotal	<u>7,581,990</u>	<u>18,113,831</u>	<u>--</u>	<u>4,687,719</u>	<u>--</u>	<u>30,684,018</u>	<u>61,067,558</u>
Committed to:							
Administrative	--	--	--	--	--	678,575	678,575
Countywide costs	--	--	--	--	--	36,757	36,757
Economic development	190,000	--	--	--	--	--	190,000
Environmental services	--	--	--	--	--	127	127
Fire control	--	--	--	--	--	476,051	476,051
Highway and transportation services	--	--	--	--	--	4,206,610	4,206,610
Housing and human concerns	--	--	--	--	--	512,725	512,725
Parks and recreation	--	--	--	--	--	1,184,166	1,184,166
Police services	--	--	--	--	--	292,960	292,960
Solid waste services	--	--	--	--	--	4,440,291	4,440,291
Wastewater services	--	--	14,911,087	--	--	8,998,388	23,909,475
Subtotal	<u>190,000</u>	<u>--</u>	<u>14,911,087</u>	<u>--</u>	<u>--</u>	<u>20,826,650</u>	<u>35,927,737</u>
Assigned to:							
Administrative	6,276,959	--	--	--	--	--	6,276,959
Capital improvement projects	--	--	--	--	78,869,325	--	78,869,325
Civil defense	27,084	--	--	--	--	--	27,084
Countywide costs	620,584	--	--	--	--	--	620,584
Economic development	5,171,035	--	--	--	--	--	5,171,035
Environmental services	15,534	--	--	--	--	--	15,534
Fire control	936,976	--	--	--	--	--	936,976
Highway and transportation services	568,189	--	--	--	--	--	568,189
Housing and human concerns	2,689,326	--	--	--	--	--	2,689,326
Legislative	775,034	--	--	--	--	--	775,034
Parks and recreation	2,851,932	--	--	--	--	--	2,851,932
Personnel	82,181	--	--	--	--	--	82,181
Planning	800,491	--	--	--	--	--	800,491
Police services	2,019,525	--	--	--	--	--	2,019,525
Public works	1,510,296	--	--	--	--	--	1,510,296
Subtotal	<u>24,345,146</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>78,869,325</u>	<u>--</u>	<u>103,214,471</u>
Unassigned	<u>118,370,144</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>118,370,144</u>
Total	<u>\$ 150,487,280</u>	<u>\$ 18,113,831</u>	<u>\$ 14,911,087</u>	<u>\$ 4,687,719</u>	<u>\$ 78,869,325</u>	<u>\$ 51,510,668</u>	<u>\$ 318,579,910</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13 - FUND BALANCES (Continued)

The County's General Fund classifications of fund balance are listed below with the June 30, 2019 balances:

Restricted		
Open space, natural resources, cultural resources and scenic views preservation fund	\$	7,581,990
Committed		
Economic development fund		190,000
Assigned		24,345,146
Unassigned		<u>118,370,144</u>
	\$	<u>150,487,280</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.

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

Emergency fund - This classification is to fund a public emergency threatening life, health, property, or economic viability of the County. Additions to this fund are appropriated by the County Council. Any balance remaining in this fund at the end of the fiscal year does not lapse, but shall remain in the fund. The balance of the emergency fund reported as part of the unassigned fund balance as of June 30, 2019 was approximately \$36,818,527.

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, 2019 are not separately classified in the financial statements, and are summarized as follows:

General Fund	\$	24,345,146
Highway Fund		3,657,005
Sewer Fund		3,631,029
Grant Fund		6,284,853
Capital Improvement Projects Fund		133,326,198
Non-Major Governmental Funds		<u>5,801,685</u>
	\$	<u>177,045,916</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - PROPRIETARY FUND - DEPARTMENT OF WATER SUPPLY

The Charter of the County of Maui provides that the Department is a regular County of Maui agency subject to the Mayor's executive management and Council's legislative oversight.

Unrestricted Cash and Investments

Unrestricted cash, cash equivalents, and investments at June 30, 2019 include funds for the following purposes:

Board-designated	
Capital improvements	\$ 25,003,684
Debt service	<u>2,512,154</u>
Total board-designated	27,515,838
Undesignated	<u>42,994,879</u>
Total	\$ <u>70,510,717</u>

At June 30, 2019, construction contract payables, including retentions, to be paid with board-designated funds were approximately \$1.1 million. Construction contract commitments as of June 30, 2019, to be paid with board-designated funds, aggregated approximately \$10.4 million. There are no amounts included in the construction contract commitment amounts for 2019 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, 2019:

Water system development fee	\$ 20,433,487
State funds	11,183,829
Bond funds	2,403,368
Customer deposits	758,279
Special assessment fund for storage	273,829
Source development fund assessments	<u>192,525</u>
Total	\$ <u>35,245,317</u>

At June 30, 2019, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$500,000. The construction contract commitments as of June 30, 2019, to be paid with restricted assets, aggregated approximately \$7.4 million.

Restricted Net Position

At June 30, 2019, restricted net position consisted of the following:

Water system development fee	\$ 20,433,487
Special assessment fund for storage	273,829
Source development fund assessments	192,525
Other restricted funds	<u>11,255,948</u>
Total	\$ <u>32,155,789</u>

COUNTY OF MAUI
REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information	<u>Pages</u>
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual	89 - 91
- General Fund - Budgetary Basis	
- Highway Fund - Budgetary Basis	
- Sewer Fund - Budgetary Basis	
Notes to the Budgetary Comparison Schedules	92
Schedule of Proportionate Share of the Net Pension Liability	93
Schedule of Contributions (Pension)	94
Notes to Required Supplementary Information Required by GASB Statement No. 68	95
Schedule of Changes in Net OPEB Liability and Related Ratios	96
Schedule of Contributions (OPEB)	97
Notes to Required Supplementary Information Required by GASB Statement No. 75	98

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget-
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES:				
Taxes	\$ 328,985,722	\$ 328,985,722	\$ 327,799,647	\$ (1,186,075)
Licenses and permits	7,522,000	7,522,000	8,566,785	1,044,785
Intergovernmental revenues	23,559,000	23,559,000	23,554,614	(4,386)
Charges for services	1,517,715	1,517,715	3,948,003	2,430,288
Fines and forfeitures	2,000,000	2,000,000	2,508,965	508,965
Interest and investment losses, net	3,079,000	3,079,000	12,300,374	9,221,374
Other revenues	1,021,000	1,021,000	2,756,623	1,735,623
Total Revenues	<u>367,684,437</u>	<u>367,684,437</u>	<u>381,435,011</u>	<u>13,750,574</u>
EXPENDITURES:				
Current:				
General government	155,792,742	161,061,014	141,216,053	19,844,961
Public safety	106,461,355	107,365,593	100,220,761	7,144,832
Highways and streets	8,395,202	8,395,202	8,256,760	138,442
Sanitation	628,726	628,726	569,596	59,130
Social welfare	22,577,856	22,567,856	21,806,151	761,705
Culture and recreation	32,107,283	32,107,283	29,404,551	2,702,732
Legislative	9,738,389	9,738,389	7,434,105	2,304,284
Total Expenditures	<u>335,701,553</u>	<u>341,864,063</u>	<u>308,907,977</u>	<u>32,956,086</u>
Excess Revenues over Expenditures	<u>31,982,884</u>	<u>25,820,374</u>	<u>72,527,034</u>	<u>46,706,660</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Special Revenue Funds	16,547,755	16,547,755	16,549,755	2,000
Capital Improvement Projects Fund	--	--	1,237,084	1,237,084
Other Governmental Funds	4,531,920	4,531,920	4,531,920	--
Proprietary Funds	651,309	651,309	230,462	(420,847)
Transfers out:				
Special Revenue Funds	(75,000)	(85,000)	(85,000)	--
Debt Service Fund	(34,475,169)	(34,475,169)	(34,475,169)	--
Capital Improvement Projects Fund	--	(7,834,000)	(17,663,111)	(9,829,111)
Other Governmental Funds	(10,367,096)	(10,367,096)	(10,367,096)	--
Proprietary Funds	(3,172,170)	(3,172,170)	(3,172,170)	--
Total Other Financing Sources (Uses)	<u>(26,358,451)</u>	<u>(34,202,451)</u>	<u>(43,213,325)</u>	<u>(9,010,874)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 5,624,433</u>	<u>\$ (8,382,077)</u>	<u>\$ 29,313,709</u>	<u>\$ 37,695,786</u>

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
HIGHWAY FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
REVENUES:				
Taxes	\$ 24,311,000	\$ 24,311,000	\$ 25,426,270	\$ 1,115,270
Licenses and permits	23,000,000	23,000,000	26,166,229	3,166,229
Charges for Current Services	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,475,409</u>	<u>(224,591)</u>
Total Revenues	<u>50,011,000</u>	<u>50,011,000</u>	<u>54,067,908</u>	<u>4,056,908</u>
EXPENDITURES:				
Current:				
Highways and streets	<u>40,399,350</u>	<u>40,752,250</u>	<u>36,579,360</u>	<u>4,172,890</u>
Excess Revenues over Expenditures	<u>9,611,650</u>	<u>9,258,750</u>	<u>17,488,548</u>	<u>8,229,798</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	--	--	75,000	75,000
Capital Improvement Projects Fund	--	--	307,636	307,636
Other Governmental Funds	340,000	340,000	203,778	(136,222)
Transfers out:				
General Fund	(7,075,302)	(7,075,302)	(7,075,302)	--
Capital Improvement Projects Fund	--	(13,116,792)	(13,116,792)	--
Other Governmental Funds	<u>(78,267)</u>	<u>(78,267)</u>	<u>(78,267)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(6,813,569)</u>	<u>(19,930,361)</u>	<u>(19,683,947)</u>	<u>246,414</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 2,798,081</u>	<u>\$ (10,671,611)</u>	<u>\$ (2,195,399)</u>	<u>\$ 8,476,212</u>

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
SEWER FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
REVENUES:				
Licenses and permits	\$ --	\$ --	\$ 33,155	\$ 33,155
Charges for services	55,125,971	55,125,971	55,027,387	(98,584)
Other revenues	40,000	40,000	21,289	(18,711)
Total Revenues	<u>55,165,971</u>	<u>55,165,971</u>	<u>55,081,831</u>	<u>(84,140)</u>
EXPENDITURES:				
Current:				
Sanitation	32,170,068	32,170,068	30,317,079	1,852,989
Excess Revenues over Expenditures	<u>22,995,903</u>	<u>22,995,903</u>	<u>24,764,752</u>	<u>1,768,849</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Capital Improvement Projects Fund	--	--	1,010,142	1,010,142
Other Governmental Funds	--	--	344,946	344,946
Transfers out:				
General Fund	(9,174,453)	(9,174,453)	(9,174,453)	--
Special Revenue Funds	(5,717,458)	(5,717,458)	--	5,717,458
Capital Improvement Projects Fund	--	(12,598,000)	(12,598,000)	--
Other Governmental Funds	--	--	(5,329,998)	(5,329,998)
Total Other Financing Sources (Uses)	<u>(14,891,911)</u>	<u>(27,489,911)</u>	<u>(25,747,363)</u>	<u>1,742,548</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 8,103,992</u>	<u>\$ (4,494,008)</u>	<u>\$ (982,611)</u>	<u>\$ 3,511,397</u>

See accompanying notes to budgetary comparison schedules.

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting - On or before March 25th, the Mayor submits to the County Council a proposed operating budget and capital program for the fiscal year commencing the following July 1st. Upon submission, the budget and capital program are available as public record in the Office of the County Clerk for open inspection. A public hearing is held by the County Council between April 1st and 30th in the year of submission. After the public hearing, the County Council shall pass the budget by ordinance with or without amendment on or before June 10th. If the Council fails to do so, the budget, as submitted by the Mayor, is deemed legally enacted as the budget for the ensuing fiscal year.

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

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

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

Formal budgetary integration is employed as a management control device during the year. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP basis); except that encumbrances are treated as budgetary expenditures in the year commitments were made. Accordingly, the actual expenditures on a non-GAAP budgetary basis presented in the required supplementary information represent the current year's expenditures as recorded on the modified accrual basis, plus encumbrances at year-end, less expenditures related to amounts encumbered in the prior year. The required supplementary information reflects the budgeted and actual amounts (non-GAAP budgetary basis) for the General Fund and major Special Revenue Funds that have legally adopted annual operating budgets.

The following is a summary of the adjustments necessary to convert major funds from the GAAP basis to the non-GAAP budgetary basis for the fiscal year ended June 30, 2019.

	General Fund	Highway Fund	Sewer Fund
GAAP Basis - Net change in fund balances	\$ 36,983,888	\$ (1,453,767)	\$ 1,154,184
Accruals and other adjustments	(353,980)	(208,541)	(64,510)
Less encumbrances of budgeted funds June 30, 2019	(24,345,146)	(3,657,005)	(3,631,029)
Add encumbrances of budgeted funds July 1, 2018	<u>17,028,947</u>	<u>3,123,974</u>	<u>1,558,744</u>
Non-GAAP Budgetary Basis - Net change in fund balances	\$ <u>29,313,709</u>	\$ <u>(2,195,399)</u>	\$ <u>(982,611)</u>

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

Measurement Period Ended	Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a %age of Covered Payroll	Plan Fiduciary Net Position as a %age of the Total Pension Liability
June 30, 2018	4.48%	\$ 597,668,396	\$ 177,312,000	337.07%	55.48%
June 30, 2017	4.62%	\$ 598,462,510	\$ 173,094,000	345.74%	54.80%
June 30, 2016	4.43%	\$ 592,379,381	\$ 164,147,000	360.88%	51.28%
June 30, 2015	4.37%	\$ 381,379,245	\$ 159,017,000	239.84%	62.42%
June 30, 2014	4.21%	\$ 337,749,364	\$ 144,037,000	234.49%	63.92%
June 30, 2013	4.34%	\$ 387,246,181	\$ 143,438,000	269.98%	57.96%

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

See accompanying notes to required supplementary information.

**COUNTY OF MAUI
SCHEDULE OF CONTRIBUTIONS (PENSION)
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a %age of Covered Payroll
June 30, 2019	\$ 40,882,584	\$ 40,882,584	\$ --	\$ 174,530,259	23.424%
June 30, 2018	\$ 37,124,777	\$ 37,124,777	\$ --	\$ 177,312,000	20.938%
June 30, 2017	\$ 33,722,504	\$ 33,722,504	\$ --	\$ 173,094,000	19.482%
June 30, 2016	\$ 32,454,694	\$ 32,454,694	\$ --	\$ 164,147,000	19.772%
June 30, 2015	\$ 30,239,157	\$ 30,239,157	\$ --	\$ 159,017,000	19.016%
June 30, 2014	\$ 27,791,395	\$ 27,791,395	\$ --	\$ 144,037,000	19.295%
June 30, 2013	\$ 24,674,903	\$ 24,674,903	\$ --	\$ 143,438,000	17.202%
June 30, 2012	\$ 23,398,487	\$ 23,398,487	\$ --	\$ 141,353,000	16.553%
June 30, 2011	\$ 22,634,092	\$ 22,634,092	\$ --	\$ 120,385,000	18.801%
June 30, 2010	\$ 23,702,474	\$ 23,702,474	\$ --	\$ 134,838,000	17.578%

See accompanying notes to required supplementary information.

COUNTY OF MAUI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
REQUIRED BY GASB STATEMENT NO. 68
Fiscal Year Ended June 30, 2019

NOTE A - CHANGES OF ASSUMPTIONS

There were no changes of assumptions or other inputs that significantly affected the measurement of the total pension liability since the measurement period ended June 30, 2016.

Amounts reported in the schedule of the proportionate share of the net pension liability as of the measurement period ended June 30, 2016 (fiscal year ended June 30, 2017) were significantly impacted by the following changes of actuarial assumptions:

- The investment return assumption decreased from 7.65% to 7.00%
- Mortality assumptions were modified to assume longer life expectancies as well as to reflect continuous mortality improvement

Prior to the measurement period ended June 30, 2016 (fiscal year ended June 30, 2017), there were no other factors, including the use of different assumptions that significantly affect trends reported in these schedules.

COUNTY OF MAUI
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
Last Ten Fiscal Years*

	2019	2018
Total OPEB liability		
Service cost	\$ 12,226,377	\$ 12,045,593
Interest on the total OPEB liability	36,426,483	34,318,637
Difference between expected and actual experience of the total OPEB liability	(7,224,043)	--
Change of assumptions	6,374,906	--
Benefit payments	<u>(16,968,244)</u>	<u>(15,716,815)</u>
Net change in total OPEB liability	30,835,479	30,647,415
Total OPEB liability - Beginning	<u>522,749,266</u>	<u>492,101,851</u>
Total OPEB liability - Ending	\$ <u>553,584,745</u>	\$ <u>522,749,266</u>
Plan fiduciary net position		
Contributions - employer	\$ 33,968,244	\$ 31,888,815
Net investment income	15,676,708	17,298,733
Benefit payments	(16,968,244)	(15,716,815)
Administrative expense	(47,981)	(39,167)
Other	<u>--</u>	<u>254,535</u>
Net change in plan fiduciary net position	32,628,727	33,686,101
Plan fiduciary net position - Beginning	<u>205,190,246</u>	<u>171,504,145</u>
Plan fiduciary net position - Ending	\$ <u>237,818,973</u>	\$ <u>205,190,246</u>
Net OPEB liability	\$ <u>315,765,772</u>	\$ <u>317,559,020</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.96%	39.25%
Covered-employee payroll	\$ 178,565,243	\$ 174,164,911
Net OPEB Liability as a Percentage of Covered-Employee Payroll	176.83%	182.33%

* The schedule is intended to present information for ten years for each respective fiscal year. Additional years will be built prospectively as information becomes available.

See accompanying notes to required supplementary information.

COUNTY OF MAUI
SCHEDULE OF CONTRIBUTIONS (OPEB)
Last Ten Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a %age of Covered- Employee Payroll
June 30, 2019	\$ 34,967,000	\$ 37,446,930	\$ (2,479,930)	\$ 188,259,210	19.89%
June 30, 2018	\$ 32,891,000	\$ 33,968,244	\$ (1,077,244)	\$ 178,565,243	19.02%
June 30, 2017	\$ 31,778,000	\$ 31,911,818	\$ (133,818)	\$ 174,164,911	18.32%
June 30, 2016	\$ 29,229,000	\$ 29,108,882	\$ 120,118	\$ 165,059,718	17.64%
June 30, 2015	\$ 28,241,000	\$ 28,046,371	\$ 194,629	\$ 159,693,609	17.56%
June 30, 2014	\$ 31,543,000	\$ 127,623,060	\$ (96,080,060)	\$ 147,987,988	86.24%
June 30, 2013	\$ 30,476,000	\$ 34,359,290	\$ (3,883,290)	\$ 141,776,517	24.23%
June 30, 2012	\$ 32,878,000	\$ 34,155,059	\$ (1,277,059)	\$ 141,715,052	24.10%
June 30, 2011	\$ 31,766,000	\$ 25,714,065	\$ 6,051,935	\$ 139,148,402	18.48%
June 30, 2010	\$ 21,800,000	\$ 23,714,029	\$ (1,914,029)	\$ 137,227,170	17.28%

See accompanying notes to required supplementary information.

COUNTY OF MAUI
OTHER SUPPLEMENTARY INFORMATION

	<u>Pages</u>
Other Supplementary Information	99 - 136

COUNTY OF MAUI
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

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. For external financial reporting purposes these funds are considered a single fund rather than multiple funds.

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.

Environmental Protection and Sustainability Fund - The environmental protection and sustainability fund was established to account for the funding efforts by the environmental protection and sustainability division of the department of environment management to optimize opportunities for environmental and natural resource protection, sustainability, conservation, and restoration.

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. For external financial reporting purposes these funds are considered a single fund rather than multiple funds.

**COUNTY OF MAUI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Environmental Protection and Safety Fund	Other Assessment Funds	Total Non-Major Governmental Funds
Assets:							
Equity in pooled cash and investments held in County Treasury	\$ 1,832,146	\$ 36,290,069	\$ 449,449	\$ 6,965,909	\$ 5,504,855	\$ 5,854,042	\$ 56,896,470
Trade accounts, net	--	--	--	2,960,362	--	--	2,960,362
Total Assets	<u>\$ 1,832,146</u>	<u>\$ 36,290,069</u>	<u>\$ 449,449</u>	<u>\$ 9,926,271</u>	<u>\$ 5,504,855</u>	<u>\$ 5,854,042</u>	<u>\$ 59,856,832</u>
Liabilities:							
Accounts payable	\$ 19,763	\$ 1,437,085	\$ --	\$ 1,159,475	\$ 515,688	\$ 85,653	\$ 3,217,664
Accrued wages payable	46,195	36,640	--	200,297	984	--	284,116
Contracts retention payable	--	2,748	--	--	--	--	2,748
Advanced collections	--	--	--	3,208,076	--	--	3,208,076
Deposits	--	4,572	--	--	--	--	4,572
Total Liabilities	<u>65,958</u>	<u>1,481,045</u>	<u>--</u>	<u>4,567,848</u>	<u>516,672</u>	<u>85,653</u>	<u>6,717,176</u>
Deferred Inflows of Resources:							
Deferred inflows - nonexchange	266,700	--	--	--	--	--	266,700
Deferred inflows - unavailable revenues	--	--	--	1,362,288	--	--	1,362,288
Total Deferred Inflows of Resources	<u>266,700</u>	<u>--</u>	<u>--</u>	<u>1,362,288</u>	<u>--</u>	<u>--</u>	<u>1,628,988</u>
Fund Balances:							
Restricted	1,499,488	17,978,509	449,449	--	4,988,183	5,768,389	30,684,018
Committed	--	16,830,515	--	3,996,135	--	--	20,826,650
Total Fund Balances	<u>1,499,488</u>	<u>34,809,024</u>	<u>449,449</u>	<u>3,996,135</u>	<u>4,988,183</u>	<u>5,768,389</u>	<u>51,510,668</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,832,146</u>	<u>\$ 36,290,069</u>	<u>\$ 449,449</u>	<u>\$ 9,926,271</u>	<u>\$ 5,504,855</u>	<u>\$ 5,854,042</u>	<u>\$ 59,856,832</u>

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Environmental Protection and Safety Fund	Other Assessment Funds	Total Non-major Governmental Funds
REVENUES:							
Licenses and permits	\$ 2,334,974	\$ 98,143	\$ 81,989	\$ --	\$ --	\$ --	\$ 2,515,106
Charges for current services	--	18,924	--	24,632,712	6,012,721	--	30,664,357
Fines and forfeitures	--	96,764	--	--	--	--	96,764
Interest and investment losses	--	--	--	--	--	--	--
Other revenues	500	4,943,898	--	456	--	--	4,944,854
Assessments	--	--	--	--	--	2,339,476	2,339,476
Total Revenues	<u>2,335,474</u>	<u>5,157,729</u>	<u>81,989</u>	<u>24,633,168</u>	<u>6,012,721</u>	<u>2,339,476</u>	<u>40,560,557</u>
EXPENDITURES:							
General government	--	1,325,045	--	--	--	--	1,325,045
Public safety	--	277,325	--	--	--	--	277,325
Highways and streets	--	188,432	--	--	--	--	188,432
Sanitation	--	1,279,197	--	20,757,942	7,504,460	--	29,541,599
Social welfare	2,511,366	6,330,491	--	--	--	--	8,841,857
Culture and recreation	--	90,749	--	--	--	125,323	216,072
Capital outlay	--	555,914	--	--	--	--	555,914
Total Expenditures	<u>2,511,366</u>	<u>10,047,153</u>	<u>--</u>	<u>20,757,942</u>	<u>7,504,460</u>	<u>125,323</u>	<u>40,946,244</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(175,892)</u>	<u>(4,889,424)</u>	<u>81,989</u>	<u>3,875,226</u>	<u>(1,491,739)</u>	<u>2,214,153</u>	<u>(385,687)</u>
OTHER FINANCING SOURCES (USES):							
Transfers In:							
General Fund	--	6,429,714	--	--	3,937,382	--	10,367,096
Special Revenue Funds	--	2,787,458	78,267	--	2,542,540	--	5,408,265
Capital Improvement Projects Fund	--	--	30,252	468,160	--	354,357	852,769
Transfers Out:							
General Fund	--	--	--	(4,531,920)	--	--	(4,531,920)
Special Revenue Funds	--	--	--	(203,778)	--	(344,946)	(548,724)
Capital Improvement Projects Fund	--	--	(140,000)	(1,400,000)	--	(2,815,000)	(4,355,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>9,217,172</u>	<u>(31,481)</u>	<u>(5,667,538)</u>	<u>6,479,922</u>	<u>(2,805,589)</u>	<u>7,192,486</u>
Net Change in Fund Balances	(175,892)	4,327,748	50,508	(1,792,312)	4,988,183	(591,436)	6,806,799
Fund Balance - Beginning of Year	<u>1,675,380</u>	<u>30,481,276</u>	<u>398,941</u>	<u>5,788,447</u>	<u>--</u>	<u>6,359,825</u>	<u>44,703,869</u>
Fund Balance - End of Year	<u>\$ 1,499,488</u>	<u>\$ 34,809,024</u>	<u>\$ 449,449</u>	<u>\$ 3,996,135</u>	<u>\$ 4,988,183</u>	<u>\$ 5,768,389</u>	<u>\$ 51,510,668</u>

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Refundable Deposits Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 22,635,245	\$ 2,024,264	\$ 1,873,336	\$ 22,786,173
Other non-current assets	95,655	--	--	95,655
Total Assets	<u>\$ 22,730,900</u>	<u>\$ 2,024,264</u>	<u>\$ 1,873,336</u>	<u>\$ 22,881,828</u>
Liabilities:				
Accounts payable	\$ 175,382	\$ 1,581,236	\$ 1,566,602	\$ 190,016
Deposits	22,459,863	2,025,701	1,889,907	22,595,657
Unearned revenue	--	500	--	500
Due to State of Hawaii	95,655	--	--	95,655
Total Liabilities	<u>\$ 22,730,900</u>	<u>\$ 3,607,437</u>	<u>\$ 3,456,509</u>	<u>\$ 22,881,828</u>
Liquor Control Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 780	\$ 272,645	\$ 272,332	\$ 1,093
Total Assets	<u>\$ 780</u>	<u>\$ 272,645</u>	<u>\$ 272,332</u>	<u>\$ 1,093</u>
Liabilities:				
Accounts payable	\$ --	\$ 5,632	\$ 4,816	\$ 816
Deposits	780	271,829	272,332	277
Total Liabilities	<u>\$ 780</u>	<u>\$ 277,461</u>	<u>\$ 277,148</u>	<u>\$ 1,093</u>
State Highway Fund:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 1,355,114	\$ 21,220,093	\$ 21,138,836	\$ 1,436,371
Total Assets	<u>\$ 1,355,114</u>	<u>\$ 21,220,093</u>	<u>\$ 21,138,836</u>	<u>\$ 1,436,371</u>
Liabilities:				
Accounts payable	\$ 1,355,114	\$ 21,329,340	\$ 21,248,083	\$ 1,436,371
Deposits	--	22,575,003	22,575,003	--
Total Liabilities	<u>\$ 1,355,114</u>	<u>\$ 43,904,343</u>	<u>\$ 43,823,086</u>	<u>\$ 1,436,371</u>
Other Funds:				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 8,149,675	\$ 53,412,707	\$ 51,103,103	\$ 10,459,279
Other current assets	500,000	--	500,000	--
Total Assets	<u>\$ 8,649,675</u>	<u>\$ 53,412,707</u>	<u>\$ 51,603,103</u>	<u>\$ 10,459,279</u>
Liabilities:				
Accounts payable	\$ (1)	\$ 31,829,521	\$ 31,830,068	\$ (548)
Deposits	8,649,676	53,411,479	51,601,328	10,459,827
Total Liabilities	<u>\$ 8,649,675</u>	<u>\$ 85,241,000</u>	<u>\$ 83,431,396</u>	<u>\$ 10,459,279</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments held in County Treasury	\$ 32,140,814	\$ 76,929,709	\$ 74,387,607	\$ 34,682,916
Other current assets	500,000	--	500,000	--
Other non-current assets	95,655	--	--	95,655
Total Assets	<u>\$ 32,736,469</u>	<u>\$ 76,929,709</u>	<u>\$ 74,887,607</u>	<u>\$ 34,778,571</u>
Liabilities:				
Accounts payable	\$ 1,530,495	\$ 54,745,729	\$ 54,649,569	\$ 1,626,655
Deposits	31,110,319	78,284,012	76,338,570	33,055,761
Unearned revenue	--	500	--	500
Due to State of Hawaii	95,655	--	--	95,655
Total Liabilities	<u>\$ 32,736,469</u>	<u>\$ 133,030,241</u>	<u>\$ 130,988,139</u>	<u>\$ 34,778,571</u>

COUNTY OF MAUI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
Principal payments	\$ 25,506,708	\$ 25,506,708	\$ 25,506,708	\$ --
Interest and other issuance cost	8,968,462	8,968,462	8,968,462	--
Total Expenditures	<u>34,475,170</u>	<u>34,475,170</u>	<u>34,475,170</u>	<u>--</u>
Deficiency of Revenues over Expenditures	<u>(34,475,170)</u>	<u>(34,475,170)</u>	<u>(34,475,170)</u>	<u>--</u>
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	34,475,170	34,475,170	34,475,170	--
Total Other Financing Sources	<u>34,475,170</u>	<u>34,475,170</u>	<u>34,475,170</u>	<u>--</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <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, 2019**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Real property taxes	\$ 321,485,722	\$ --	\$ 321,485,722	\$ 319,978,745	\$ (1,506,977)
Public service company tax	7,500,000	--	7,500,000	7,820,902	320,902
Total - General revenue	<u>328,985,722</u>	<u>--</u>	<u>328,985,722</u>	<u>327,799,647</u>	<u>(1,186,075)</u>
Total - Taxes	<u>328,985,722</u>	<u>--</u>	<u>328,985,722</u>	<u>327,799,647</u>	<u>(1,186,075)</u>
Licenses and permits:					
General government:					
Business licenses and permits	22,000	--	22,000	22,287	287
Other licenses and permits	3,500,000	--	3,500,000	3,746,834	246,834
Motor vehicle licenses and fees	4,000,000	--	4,000,000	4,797,664	797,664
Total - General government	<u>7,522,000</u>	<u>--</u>	<u>7,522,000</u>	<u>8,566,785</u>	<u>1,044,785</u>
Total - Licenses and permits	<u>7,522,000</u>	<u>--</u>	<u>7,522,000</u>	<u>8,566,785</u>	<u>1,044,785</u>
Intergovernmental revenues:					
General revenue:					
Federal payment in lieu of taxes	7,188	--	7,188	70,614	63,426
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>23,554,614</u>	<u>56,551</u>
Public safety:					
Federal grants passed through the state	50,000	--	50,000	--	(50,000)
Social welfare:					
Federal grants	10,937	--	10,937	--	(10,937)
Total - Intergovernmental revenues	<u>23,559,000</u>	<u>--</u>	<u>23,559,000</u>	<u>23,554,614</u>	<u>(4,386)</u>
Charges for current services:					
General government:					
General government	371,950	--	371,950	919,275	547,325
Safety	586,644	--	586,644	2,466,380	1,879,736
Total - General government	<u>958,594</u>	<u>--</u>	<u>958,594</u>	<u>3,385,655</u>	<u>2,427,061</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Public Safety:					
General government	\$ 128,050	\$ --	\$ 128,050	\$ 5,660	\$ (122,390)
Safety	<u>31,071</u>	<u>--</u>	<u>31,071</u>	<u>32,927</u>	<u>1,856</u>
Total - Public safety	159,121	--	159,121	38,587	(120,534)
Culture and recreation:					
Recreation	400,000	--	400,000	521,830	121,830
Legislative:					
General government	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,931</u>	<u>1,931</u>
Total - Charges for current services	<u>1,517,715</u>	<u>--</u>	<u>1,517,715</u>	<u>3,948,003</u>	<u>2,430,288</u>
Fines and forfeitures:					
General government:					
Penalties and interest	2,000,000	--	2,000,000	2,503,201	503,201
Public safety:					
Unclaimed monies	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,764</u>	<u>5,764</u>
Total - Fines and forfeitures	<u>2,000,000</u>	<u>--</u>	<u>2,000,000</u>	<u>2,508,965</u>	<u>508,965</u>
Interest and investment earnings:					
General revenue:					
Interest on investments	3,000,000	--	3,000,000	12,226,651	9,226,651
General government:					
Rental income	27,000	--	27,000	30,281	3,281
Culture and recreation:					
Rental income	<u>52,000</u>	<u>--</u>	<u>52,000</u>	<u>43,442</u>	<u>(8,558)</u>
Total - Interest and investment earnings	<u>3,079,000</u>	<u>--</u>	<u>3,079,000</u>	<u>12,300,374</u>	<u>9,221,374</u>
Other revenues:					
General revenue:					
Miscellaneous general receipts	50,000	--	50,000	384,089	334,089
General government:					
Rental Income	21,000	--	21,000	66,624	45,624
Misc income revolving	--	--	--	(15,000)	(15,000)
Miscellaneous general receipts	--	--	--	1,756,953	1,756,953
Miscellaneous program receipts	<u>950,000</u>	<u>--</u>	<u>950,000</u>	<u>369,839</u>	<u>(580,161)</u>
Total - General government	971,000	--	971,000	2,178,416	1,207,416

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Public safety:					
Miscellaneous program receipts	\$ --	\$ --	\$ --	\$ 111,344	\$ 111,344
Highways and streets:					
Miscellaneous program receipts	--	--	--	2,647	2,647
Social welfare:					
Miscellaneous program receipts	--	--	--	76,750	76,750
Culture and recreation:					
Rental Income	--	--	--	3,165	3,165
Miscellaneous program receipts	--	--	--	(48)	(48)
Total - Culture and recreation	--	--	--	3,117	3,117
Legislative:					
Miscellaneous program receipts	--	--	--	260	260
Total - Other revenues	<u>1,021,000</u>	--	<u>1,021,000</u>	<u>2,756,623</u>	<u>1,735,623</u>
Total General Fund Revenues	\$ <u>367,684,437</u>	\$ <u>--</u>	\$ <u>367,684,437</u>	\$ <u>381,435,011</u>	\$ <u>13,750,574</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 1,668	\$ 1,562,580	\$ --	\$ 1,564,248	\$ 1,530,375	\$ 10,201	\$ 23,672
Economic Development	4,297	1,161,796	--	1,166,093	1,083,569	5,036	77,488
Molokai Economic Development & Cultural	112,885	140,000	--	252,885	164,054	87,100	1,731
Agriculture Promotion	104,289	165,000	--	269,289	146,983	122,306	--
Film Industry Promotions	2,500	--	--	2,500	2,500	--	--
Maui County Farm Bureau	118,501	305,000	--	423,501	210,949	212,552	--
Maui Economic Development Board	80,000	810,000	--	890,000	687,500	202,500	--
Maui Visitors Bureau	--	3,700,000	--	3,700,000	3,700,000	--	--
Small Business & High Tech Promo	7,480	50,000	--	57,480	34,917	20,480	2,083
Maui Arts & Cultural Center	--	318,000	--	318,000	318,000	--	--
Business Research Library	31,868	70,000	--	101,868	31,868	70,000	--
Hui O Waa Kaulua	--	25,000	--	25,000	--	25,000	--
Environmental Protection	894,561	1,416,000	--	2,310,561	1,090,753	1,219,971	(163)
East Maui Econ Development & Cultural	68,105	140,000	--	208,105	100,901	105,743	1,461
UH Tropical Agricultural & Human Resources	69,695	75,000	--	144,695	61,276	83,419	--
MEO Bus Development CP Microenterprise	25,000	265,000	--	290,000	263,500	26,500	--
Maui Nui Botanical Gardens	--	150,000	--	150,000	150,000	--	--
Maui Arts & Cultural Capital	934,258	600,000	--	1,534,258	366,175	1,168,083	--
Grant - Maui Comm Theater - Iao Improvement	37,617	53,045	--	90,662	20,258	70,404	--
Maui Soil & Water Conservation	--	148,000	--	148,000	148,000	--	--
Soil & Water Conservation - Molokai	2,200	30,000	--	32,200	6,500	25,700	--
Molokai Livestock Cooperative	3,005	10,000	--	13,005	--	13,005	--
Ke Ao I Ka Makani Ho'eha'ili	17,570	--	--	17,570	5,570	12,000	--
KA 'OHANA O KALAUPAPA	--	25,000	--	25,000	--	25,000	--
Ka Ipu Kukui Fellows Leadership	--	25,000	--	25,000	23,177	1,823	--
Renewable Energy Programs	61,133	150,000	--	211,133	76,435	134,696	2
Grants Friends of Maui High School	21,060	65,000	--	86,060	64,740	19,569	1,751
4-H Upcountry Fair	--	35,000	--	35,000	--	35,000	--
Maui Economic Development Board - Maui HS Program	25,849	45,000	--	70,849	34,120	36,730	(1)
Coqui Frog Eradication Project	584,943	750,000	--	1,334,943	584,937	750,006	--
Hai-Mak-Pai Economic Development & Cultural Programs	51,447	140,000	--	191,447	147,884	43,563	--
Ma Ka Hana Ka Ike - OED	--	95,000	--	95,000	--	95,000	--
SMaui Economic Development & Cultural Programs	43,367	140,000	--	183,367	63,798	119,546	23
Festivals of Aloha	--	100,000	--	100,000	100,000	--	--
WMaui Economic Development & Cultural Programs	3,056	140,000	--	143,056	113,599	29,457	--
CMaui Economic Development & Cultural Programs	19,748	--	--	19,748	18,600	1,148	--
250th Celebration of Queen Kaahumanu	46,849	--	--	46,849	10,155	36,694	--
Lanai Economic Development & Cultural Programs	118,979	105,000	--	223,979	153,792	69,974	213
Sister City Program	19,670	15,000	--	34,670	19,670	15,000	--

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Maui Film Festival	\$ 25,000	\$ 25,000	\$ --	\$ 50,000	\$ 25,000	\$ 25,000	\$ --
Lahaina Boat Day	5,320	25,000	--	30,320	19,320	11,000	--
Committee on Status of Women	--	5,450	--	5,450	1,589	--	3,861
Made in Maui County Festival	--	100,000	--	100,000	100,000	--	--
Aloha First	--	25,000	--	25,000	--	--	25,000
Living Pono Project	--	25,000	--	25,000	19,250	5,750	--
Hina Organic	--	20,000	--	20,000	--	--	20,000
Waimoku Restoration of 'Auwai	--	10,000	--	10,000	--	--	10,000
Town Party Marketing	--	10,000	--	10,000	10,000	--	--
Kahului Eco Development & Cultural Program	--	40,000	--	40,000	28,875	11,000	125
Barrio Fiesta	--	20,000	--	20,000	--	17,000	3,000
Maui Fil-Am Foundation	--	30,000	--	30,000	--	14,450	15,550
Queen Keopulani Celebration	--	75,000	--	75,000	--	71,375	3,625
Maui Nui Halau	--	300,000	--	300,000	300,000	--	--
Maui Eco Development Board Healthcare	--	50,000	--	50,000	21,625	28,775	--
Maui Historical Society	--	25,000	--	25,000	--	25,000	--
Visitor Education	--	200,000	--	200,000	189,929	10,071	--
Molokai & Lanai Agriculture Production	--	100,000	--	100,000	90,000	10,000	--
Puk-Kula-Ulu Eco Development & Cultural Program	--	140,000	--	140,000	87,396	46,853	5,751
Wailuku Eco Development & Cultural	4,276	25,000	--	29,276	17,120	12,156	--
Arts Education/Innovative Program	--	424,360	--	424,360	424,360	--	--
Budget	--	429,689	--	429,689	405,900	2,628	21,161
Emergency Fund	<u>28,479,102</u>	<u>--</u>	<u>(3,000,000)</u>	<u>25,479,102</u>	<u>156,114</u>	<u>85,458</u>	<u>25,237,530</u>
Total Office of the Mayor	<u>32,025,298</u>	<u>15,128,920</u>	<u>(3,000,000)</u>	<u>44,154,218</u>	<u>13,431,033</u>	<u>5,269,322</u>	<u>25,453,863</u>
Management:							
Management	161,145	1,254,207	--	1,415,352	995,329	352,013	68,010
Maui County Veterans Council	4,692	20,000	--	24,692	20,074	4,618	--
Molokai Veterans Caring	2,791	35,000	--	37,791	33,736	4,055	--
West Maui Veterans Club	1	5,000	--	5,001	5,000	1	--
Management Information Systems	3,391,281	11,028,655	--	14,419,936	10,719,991	3,513,083	186,862
Geographic Information Systems	5,235	--	--	5,235	--	5,235	--
Maui Redevelopment Program	--	1,336,763	--	1,336,763	528,633	265,714	542,416
Grant to Lokahi Pacific	--	--	250,000	250,000	55,263	194,737	--
Total Management	<u>3,565,145</u>	<u>13,679,625</u>	<u>250,000</u>	<u>17,494,770</u>	<u>12,358,026</u>	<u>4,339,456</u>	<u>797,288</u>
Corporation Counsel:							
Legal Services	<u>40,421</u>	<u>4,525,296</u>	<u>--</u>	<u>4,565,717</u>	<u>3,834,222</u>	<u>333,279</u>	<u>398,216</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Finance:							
Finance Administration	\$ 20,000	\$ 675,866	\$ 32,290	\$ 728,156	\$ 670,355	\$ 39,185	\$ 18,616
Treasury	102,313	1,406,430	--	1,508,743	1,016,798	150,857	341,088
Accounts	138,947	1,494,649	70,834	1,704,430	1,433,062	231,334	40,034
Purchasing	9,647	474,129	--	483,776	456,321	10,378	17,077
Financial Services	962,721	7,377,787	--	8,340,508	6,231,224	1,146,042	963,242
CW Service Center - Annual Lease Costs	--	570,000	--	570,000	570,000	--	--
Countywide Fringe Benefits	27,287	96,048,913	(77,824)	95,998,376	91,339,618	31,965	4,626,793
Interfund Fringe Reimbursement	--	(20,683,536)	--	(20,683,536)	(19,753,661)	--	(929,875)
Bond Issuance & Debt Services	65,174	472,053	5,076,128	5,613,355	18,452	199,425	5,395,478
Insurance & Self Insurance	200,284	14,245,384	(47,739)	14,397,929	7,710,478	385,519	6,301,932
Countywide General Costs	1,330	1,627,909	(35,417)	1,593,822	1,201,552	3,675	388,595
Overhead Reimbursement	--	(19,401,799)	--	(19,401,799)	(18,706,423)	--	(695,376)
Post-Employment Obligations Fund	--	18,126,930	--	18,126,930	18,126,930	--	--
Total Finance	<u>1,527,703</u>	<u>102,434,715</u>	<u>5,018,272</u>	<u>108,980,690</u>	<u>90,314,706</u>	<u>2,198,380</u>	<u>16,467,604</u>
Personnel Services:							
Personnel Services	<u>25,181</u>	<u>1,780,093</u>	<u>--</u>	<u>1,805,274</u>	<u>1,446,543</u>	<u>82,181</u>	<u>276,550</u>
Planning:							
Planning	178,398	6,409,606	--	6,588,004	5,418,582	744,066	425,356
General Plan Update	56,213	--	--	56,213	55,291	922	--
Maui Redevelopment Agency	101,287	--	--	101,287	79,028	21,790	469
UH-Maui Sea Grant	16,159	104,000	--	120,159	100,823	19,336	--
Cultural Resource Management	--	25,000	--	25,000	--	14,377	10,623
Total Planning	<u>352,057</u>	<u>6,538,606</u>	<u>--</u>	<u>6,890,663</u>	<u>5,653,724</u>	<u>800,491</u>	<u>436,448</u>
Public Works:							
Public Works Administration	5,176	620,924	--	626,100	568,497	5,176	52,427
Engineering	421,881	4,597,965	--	5,019,846	3,532,037	1,041,632	446,177
Special Maintenance	265,235	3,983,762	--	4,248,997	3,252,876	456,903	539,218
Development Services Administration	9,567	2,502,836	--	2,512,403	2,291,747	5,783	214,873
Total Public Works	<u>701,859</u>	<u>11,705,487</u>	<u>--</u>	<u>12,407,346</u>	<u>9,645,157</u>	<u>1,509,494</u>	<u>1,252,695</u>
Total General Government	<u>38,237,664</u>	<u>155,792,742</u>	<u>2,268,272</u>	<u>196,298,678</u>	<u>136,683,411</u>	<u>14,532,603</u>	<u>45,082,664</u>
Public safety:							
Not Applicable:							
Budgeted Revenue	--	--	--	--	7,555	--	(7,555)
Prosecuting Attorney:							
Prosecutors Administration	1,412	922,975	6,127	930,514	863,856	2,444	64,214
General Prosecution	19,999	6,113,409	--	6,133,408	5,387,296	11,155	734,957
Total Prosecuting Attorney	<u>21,411</u>	<u>7,036,384</u>	<u>6,127</u>	<u>7,063,922</u>	<u>6,251,152</u>	<u>13,599</u>	<u>799,171</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Police:							
Police Administration	\$ 6,691	\$ 5,205,504	\$ --	\$ 5,212,195	\$ 4,979,259	\$ 64,335	\$ 168,601
Investigative Service	214,987	11,776,138	98,182	12,089,307	10,274,626	361,916	1,452,765
Uniformed Patrol Services	609,152	31,239,906	47,739	31,896,797	29,348,687	838,681	1,709,429
Technical and Support Services	896,364	10,883,109	--	11,779,473	9,378,952	754,593	1,645,928
Total Police	<u>1,727,194</u>	<u>59,104,657</u>	<u>145,921</u>	<u>60,977,772</u>	<u>53,981,524</u>	<u>2,019,525</u>	<u>4,976,723</u>
Fire and Public Safety:							
Fire Control Administration and Maintenance	13,147	2,269,018	(396,010)	1,886,155	1,818,374	20,470	47,311
Fire Control Training	101,731	1,615,678	18,200	1,735,609	1,490,825	130,616	114,168
Fire Rescue Operations	120,553	31,077,637	1,025,000	32,223,190	30,663,481	767,798	791,911
Fire Prevention	8,903	970,549	(35,000)	944,452	799,832	9,607	135,013
Ocean Safety Admin/Ocean Safety	181,965	3,756,449	140,000	4,078,414	3,887,767	8,485	182,162
Total Fire and Public Safety	<u>426,299</u>	<u>39,689,331</u>	<u>752,190</u>	<u>40,867,820</u>	<u>38,660,279</u>	<u>936,976</u>	<u>1,270,565</u>
Emergency Management Agency:							
Civil Defense	24,901	605,983	--	630,884	513,010	27,084	90,790
Grant American Red Cross	--	25,000	--	25,000	25,000	--	--
Total Emergency Management Agency	<u>24,901</u>	<u>630,983</u>	<u>--</u>	<u>655,884</u>	<u>538,010</u>	<u>27,084</u>	<u>90,790</u>
Total Public Safety	<u>2,199,805</u>	<u>106,461,355</u>	<u>904,238</u>	<u>109,565,398</u>	<u>99,423,410</u>	<u>2,997,184</u>	<u>7,144,804</u>
Highways and Streets:							
Transportation:							
Transportation Administration/General Fund	524,877	1,167,472	--	1,692,349	1,307,277	246,630	138,442
Queen Kaahumanu Shopping Center	--	175,000	--	175,000	175,000	--	--
Human Service Transportation/General Fund	--	6,380,515	--	6,380,515	6,058,956	321,559	--
Air Ambulance Program/General Fund	--	672,215	--	672,215	672,215	--	--
Total Transportation	<u>524,877</u>	<u>8,395,202</u>	<u>--</u>	<u>8,920,079</u>	<u>8,213,448</u>	<u>568,189</u>	<u>138,442</u>
Total Highways and Streets	<u>524,877</u>	<u>8,395,202</u>	<u>--</u>	<u>8,920,079</u>	<u>8,213,448</u>	<u>568,189</u>	<u>138,442</u>
Sanitation:							
Environmental Management Administration	15,718	628,726	--	644,444	569,780	15,535	59,129
Total Sanitation	<u>15,718</u>	<u>628,726</u>	<u>--</u>	<u>644,444</u>	<u>569,780</u>	<u>15,535</u>	<u>59,129</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Social Welfare:							
Housing and Human Concerns:							
Housing and Human Concerns Administration	\$ 9,807	\$ 466,752	\$ --	\$ 476,559	\$ 446,634	\$ 11,510	\$ 18,415
Housing	6,771	644,093	--	650,864	497,900	36,775	116,189
Affordable Rental Housing Program	--	1,000,000	--	1,000,000	1,000,000	--	--
Hale Mahaolu - Homeownership/Housing	--	80,000	--	80,000	80,000	--	--
Human Concerns - General	81,283	5,546,750	--	5,628,033	4,997,492	161,678	468,863
Hana Youth Center, Inc.	--	147,041	--	147,041	147,041	--	--
Women Helping Women	--	220,000	--	220,000	220,000	--	--
Early Childhood	3,841	195,443	--	199,284	195,443	11,386	(7,545)
Substance Abuse	20,450	617,332	--	637,782	617,788	30,159	(10,165)
E Malama I Na Keiki Preschool	--	86,335	--	86,335	86,335	--	--
Homelessness Programs	62,653	1,624,417	--	1,687,070	1,285,758	278,488	122,824
Maui Adult Day Care Center	--	358,440	--	358,440	358,440	--	--
MEO Headstart After School	--	257,295	--	257,295	257,295	25,730	(25,730)
MEO Headstart Summer	18,025	180,250	--	198,275	138,192	180,250	(120,167)
Lanai Youth Center	--	202,817	--	202,817	200,575	20,282	(18,040)
Kihei Youth Center	--	276,054	--	276,054	276,054	--	--
Youth	26,847	89,833	--	116,680	107,959	8,721	--
Maui Family Support Services	8,275	115,000	--	123,275	115,000	8,275	--
J. Water Cameron Center Expansion	--	239,000	--	239,000	223,315	15,685	--
Big Brothers and Big Sisters	--	138,000	--	138,000	138,000	--	--
Ka Lima O Maui	--	500,000	--	500,000	--	500,000	--
Mental Health Association	--	65,000	--	65,000	65,000	--	--
Self Sufficiency	27,285	95,000	--	122,285	120,835	1,450	--
Hana Community Association	--	94,887	--	94,887	94,887	24,992	(24,992)
MEO Infant Toddler Care	--	102,745	--	102,745	102,745	--	--
Maui Community Food Bank	--	400,000	--	400,000	400,000	--	--
Maui Arts & Performing Academy	--	25,000	--	25,000	25,000	--	--
Hui Malama Learning Center	67,231	297,616	--	364,847	364,847	--	--
Family Spt - Teen Voices	--	42,630	--	42,630	42,630	4,263	(4,263)
Boy Scouts of America	--	500,000	--	500,000	--	500,000	--
Salvation Army	--	140,000	--	140,000	140,000	--	--
Grant for Molokai Youth Center	--	296,125	--	296,125	296,125	--	--
Imua Family Services	--	39,655	--	39,655	39,655	3,966	(3,966)
Paia Youth Council, Inc.	--	270,978	--	270,978	270,978	--	--
Boys and Girls Club of Maui, Inc.	--	1,078,255	--	1,078,255	1,078,255	--	--
Maui Farm	--	247,200	--	247,200	234,126	13,074	--

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Youth Alcohol Education Awareness	\$ --	\$ 158,377	\$ --	\$ 158,377	\$ 79,310	\$ 20,000	\$ 59,067
Coalition for Drug Free Lanai	4,328	50,000	--	54,328	--	4,328	50,000
MEO Enlace Hispano Program	--	100,235	--	100,235	94,505	5,730	--
Lahaina Tutoring Project	--	11,000	--	11,000	11,000	--	--
Volunteer Center Project Graduation	--	47,741	--	47,741	45,395	2,347	(1)
Ohana Makamae	8,164	103,207	--	111,371	111,371	10,321	(10,321)
National Kidney Foundation HI	2,500	25,000	--	27,500	27,500	--	--
Lanai Women's Center	--	82,610	--	82,610	82,610	--	--
Grants/Disability Services - Frail/Elderly	242,323	861,739	(10,000)	1,094,062	698,096	394,698	1,268
Boys and Girls Club Paukukalo	75,000	--	--	75,000	--	75,000	--
MEO Underage Drinking	--	51,250	--	51,250	51,250	--	--
MEO Planning & Coordinating	--	82,925	--	82,925	82,925	--	--
Grants - Best Buddies Program	--	85,000	--	85,000	85,000	--	--
MEO B.E.S.T Reintegration	--	103,000	--	103,000	103,000	--	--
Hale Makua	--	200,000	--	200,000	200,000	--	--
Lanai Youth Center Facility	175,000	--	--	175,000	--	175,000	--
Hawaiian Kamalii Inc.	--	18,672	--	18,672	18,672	--	--
MEO Youth Services	--	206,785	--	206,785	190,361	16,424	--
Feed My Sheep	--	100,000	--	100,000	100,000	--	--
Hale Mahaolu Personal Care Program	--	103,000	--	103,000	41,939	61,061	--
Special Olympics Hawaii Grants	--	35,000	--	35,000	35,000	--	--
Mental Health Kokua	10,000	125,000	--	135,000	135,000	--	--
Partners in Development Foundation	--	40,000	--	40,000	12,277	27,723	--
Food, Shelter, & Safety Grants	6,257	888,637	--	894,894	890,404	23,190	(18,700)
Molokai Child Abuse Prevention	--	95,000	--	95,000	95,000	--	--
Asst Program for Mycogen Displd Wr	--	200,000	--	200,000	164,014	35,986	--
Animal Management	--	100,000	--	100,000	100,000	--	--
Animal Sheltering Program	--	994,353	--	994,353	994,353	--	--
Animal Enforcement Program	--	654,743	--	654,743	653,909	834	--
Grant 2 Molokai Humane Society	126,629	137,634	--	264,263	126,629	--	137,634
Total Housing and Human Concerns	<u>982,669</u>	<u>22,340,851</u>	<u>(10,000)</u>	<u>23,313,520</u>	<u>19,893,824</u>	<u>2,689,326</u>	<u>730,370</u>
Public Works:							
Special Maintenance	--	237,005	--	237,005	204,876	802	31,327
Total Social Welfare	<u>982,669</u>	<u>22,577,856</u>	<u>(10,000)</u>	<u>23,550,525</u>	<u>20,098,700</u>	<u>2,690,128</u>	<u>761,697</u>

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Culture and Recreation:							
Office of the Mayor:							
Open Space-Natural Resources	\$ 6,157,917	\$ 2,610,000	\$ --	\$ 8,767,917	\$ 1,457	\$ 20,000	\$ 8,746,460
	<u>6,157,917</u>	<u>2,610,000</u>	<u>--</u>	<u>8,767,917</u>	<u>1,457</u>	<u>20,000</u>	<u>8,746,460</u>
Parks and Recreation:							
Parks and Recreation Administration	49,172	2,269,168	--	2,318,340	1,859,381	128,233	330,726
MCCC Workline	28,949	117,000	--	145,949	86,093	59,856	--
Lahaina Restoration Foundation	--	223,600	--	223,600	223,600	--	--
Lahaina Restoration Capital	53,317	--	--	53,317	53,317	--	--
Tomorrow Equestrian Arena	10,869	--	--	10,869	10,869	--	--
Maui Inline Hockey Association	--	150,000	--	150,000	49,902	100,098	--
Malama Hamakua Maui, Inc.	--	50,000	--	50,000	--	--	50,000
Lo'iloa for Hawaiian Hale	--	150,000	--	150,000	--	--	150,000
Bahay Kubo for Filipino Hut	--	20,000	--	20,000	--	20,000	--
Park Maintenance	130,139	--	--	130,139	15,579	114,560	--
Parks Program	1,044,074	6,392,422	--	7,436,496	5,603,804	1,543,516	289,176
Planning and Development	17,027	--	--	17,027	14,427	2,600	--
Recreation and Support Services	342,303	22,735,093	--	23,077,396	20,312,384	882,080	1,882,932
Aquatics	990	--	--	990	103	990	(103)
Total Parks and Recreation	<u>1,676,840</u>	<u>32,107,283</u>	<u>--</u>	<u>33,784,123</u>	<u>28,229,459</u>	<u>2,851,933</u>	<u>2,702,731</u>
Total Culture and Recreation	<u>7,834,757</u>	<u>34,717,283</u>	<u>--</u>	<u>42,552,040</u>	<u>28,230,916</u>	<u>2,871,933</u>	<u>11,449,191</u>
Legislative:							
County Council:							
Council Services	421,600	6,517,583	--	6,939,183	5,078,064	302,453	1,558,666
County Auditor Program	255,589	1,295,734	--	1,551,323	739,221	269,963	542,139
Total County Council	<u>677,189</u>	<u>7,813,317</u>	<u>--</u>	<u>8,490,506</u>	<u>5,817,285</u>	<u>572,416</u>	<u>2,100,805</u>
County Clerk:							
County Clerk	106,316	1,925,072	--	2,031,388	1,625,224	202,618	203,546
Total Legislative	<u>783,505</u>	<u>9,738,389</u>	<u>--</u>	<u>10,521,894</u>	<u>7,442,509</u>	<u>775,034</u>	<u>2,304,351</u>
Capital Improvement Projects:							
Public Works:							
Pu'u Way Haiku	--	--	3,000,000	3,000,000	275,624	111,499	2,612,877
Total Capital Improvement Projects	<u>--</u>	<u>--</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>275,624</u>	<u>111,499</u>	<u>2,612,877</u>
Totals for the General Fund	<u>\$ 50,578,995</u>	<u>\$ 338,311,553</u>	<u>\$ 6,162,510</u>	<u>\$ 395,053,058</u>	<u>\$ 300,937,798</u>	<u>\$ 24,562,105</u>	<u>\$ 69,553,155</u>

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Franchise tax	\$ 8,000,000	\$ --	\$ 8,000,000	\$ 8,995,863	\$ 995,863
Fuel tax	<u>16,311,000</u>	<u>--</u>	<u>16,311,000</u>	<u>16,430,407</u>	<u>119,407</u>
Total - General revenue	<u>24,311,000</u>	<u>--</u>	<u>24,311,000</u>	<u>25,426,270</u>	<u>1,115,270</u>
Total - Taxes	<u>24,311,000</u>	<u>--</u>	<u>24,311,000</u>	<u>25,426,270</u>	<u>1,115,270</u>
Licenses and permits:					
Highways and streets:					
Motor vehicle licenses and fees	<u>23,000,000</u>	<u>--</u>	<u>23,000,000</u>	<u>26,166,229</u>	<u>3,166,229</u>
Total - Licenses and permits	<u>23,000,000</u>	<u>--</u>	<u>23,000,000</u>	<u>26,166,229</u>	<u>3,166,229</u>
Charges for current services:					
Highways and streets:					
Public transit bus fare	<u>2,700,000</u>	<u>--</u>	<u>2,700,000</u>	<u>2,475,409</u>	<u>(224,591)</u>
Total - Charges for current services	<u>2,700,000</u>	<u>--</u>	<u>2,700,000</u>	<u>2,475,409</u>	<u>(224,591)</u>
Total Highway Fund Revenues	\$ <u>50,011,000</u>	\$ <u>--</u>	\$ <u>50,011,000</u>	\$ <u>54,067,908</u>	\$ <u>4,056,908</u>

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Highways and streets:							
Public Works:							
Highway Administration	\$ 6,339	\$ 705,970	\$ --	\$ 712,309	\$ 652,980	\$ 960	\$ 58,369
Highway ERS & FICA	--	2,242,864	--	2,242,864	1,873,348	--	369,516
Highway Health Fund	--	1,338,547	--	1,338,547	1,283,025	--	55,522
Highway Admin Overhead	--	5,111,495	--	5,111,495	4,855,955	--	255,540
Highway Contribution to OPEB	--	679,458	--	679,458	679,458	--	--
Road/Bridge/Drain Maintenance	2,458,041	15,102,059	(205,811)	17,354,289	11,970,141	2,560,208	2,823,940
Traffic Signs & Marking	130,456	1,851,427	(1,892)	1,979,991	1,309,103	360,780	310,108
Garage Services	843	--	(843)	--	--	--	--
Total Public Works	<u>2,595,679</u>	<u>27,031,820</u>	<u>(208,546)</u>	<u>29,418,953</u>	<u>22,624,010</u>	<u>2,921,948</u>	<u>3,872,995</u>
Transportation:							
Transportation Admin/Hwy Fund	490,687	802,500	--	1,293,187	337,955	697,923	257,309
Transportation Shelter Cleaning	--	--	--	--	--	--	--
Public Transit-Highway Funds	<u>37,608</u>	<u>12,565,030</u>	<u>352,846</u>	<u>12,955,484</u>	<u>12,875,763</u>	<u>37,134</u>	<u>42,587</u>
Total Transportation	<u>528,295</u>	<u>13,367,530</u>	<u>352,846</u>	<u>14,248,671</u>	<u>13,213,718</u>	<u>735,057</u>	<u>299,896</u>
Total Highways and streets	<u>3,123,974</u>	<u>40,399,350</u>	<u>144,300</u>	<u>43,667,624</u>	<u>35,837,728</u>	<u>3,657,005</u>	<u>4,172,891</u>
Totals for the Highway Fund	<u>\$ 3,123,974</u>	<u>\$ 40,399,350</u>	<u>\$ 144,300</u>	<u>\$ 43,667,624</u>	<u>\$ 35,837,728</u>	<u>\$ 3,657,005</u>	<u>\$ 4,172,891</u>

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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:					
Sanitation:					
Other licenses and permits	\$ <u> --</u>	\$ <u> --</u>	\$ <u> --</u>	\$ <u> 33,155</u>	\$ <u> 33,155</u>
Total - Licenses and permits	<u> --</u>	<u> --</u>	<u> --</u>	<u> 33,155</u>	<u> 33,155</u>
Charges for current services:					
Sanitation:					
Waste management	<u> 55,125,971</u>	<u> --</u>	<u> 55,125,971</u>	<u> 55,027,387</u>	<u> (98,584)</u>
Total - Charges for current services	<u> 55,125,971</u>	<u> --</u>	<u> 55,125,971</u>	<u> 55,027,387</u>	<u> (98,584)</u>
Other revenues:					
Sanitation:					
Miscellaneous program receipts	<u> 40,000</u>	<u> --</u>	<u> 40,000</u>	<u> 21,289</u>	<u> (18,711)</u>
Total - Other revenues	<u> 40,000</u>	<u> --</u>	<u> 40,000</u>	<u> 21,289</u>	<u> (18,711)</u>
Total Sewer Fund Revenues	\$ <u> 55,165,971</u>	\$ <u> --</u>	\$ <u> 55,165,971</u>	\$ <u> 55,081,831</u>	\$ <u> (84,140)</u>

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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	\$ 66,470	\$ 2,741,254	\$ (463)	\$ 2,807,261	\$ 2,421,133	\$ 84,636	\$ 301,492
Wastewater ERS & FICA	--	2,288,401	--	2,288,401	2,002,604	--	285,797
Wastewater Health Fund	--	1,373,787	--	1,373,787	1,372,622	--	1,165
Wastewater Admin Overhead	--	5,364,490	--	5,364,490	5,364,490	--	--
Wastewater contribution to OPEB	--	697,346	--	697,346	697,346	--	--
Wastewater Reclamation	<u>1,492,274</u>	<u>19,704,790</u>	<u>(64,046)</u>	<u>21,133,018</u>	<u>16,322,089</u>	<u>3,546,393</u>	<u>1,264,536</u>
Total Environmental Management	<u>1,558,744</u>	<u>32,170,068</u>	<u>(64,509)</u>	<u>33,664,303</u>	<u>28,180,284</u>	<u>3,631,029</u>	<u>1,852,990</u>
Total Sanitation	<u>1,558,744</u>	<u>32,170,068</u>	<u>(64,509)</u>	<u>33,664,303</u>	<u>28,180,284</u>	<u>3,631,029</u>	<u>1,852,990</u>
Totals for the Sewer Fund	\$ <u>1,558,744</u>	\$ <u>32,170,068</u>	\$ <u>(64,509)</u>	\$ <u>33,664,303</u>	\$ <u>28,180,284</u>	\$ <u>3,631,029</u>	\$ <u>1,852,990</u>

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenues:					
General government					
Federal grants	\$ 1,900,669	\$ --	\$ 1,900,669	\$ 1,811,050	\$ (89,619)
State grants	1,772,303	(107,374)	1,664,929	1,672,950	8,021
Federal grants passed through the state	<u>962,376</u>	<u>1,500,701</u>	<u>2,463,077</u>	<u>1,754,658</u>	<u>(708,419)</u>
Total - General government	<u>4,635,348</u>	<u>1,393,327</u>	<u>6,028,675</u>	<u>5,238,658</u>	<u>(790,017)</u>
Public Safety:					
Federal grants	230,000	(5,560)	224,440	251,214	26,774
State grants	3,963,644	(298,108)	3,665,536	3,958,150	292,614
Federal grants passed through the state	<u>2,614,660</u>	<u>326,135</u>	<u>2,940,795</u>	<u>2,117,512</u>	<u>(823,283)</u>
Total - Public safety	<u>6,808,304</u>	<u>22,467</u>	<u>6,830,771</u>	<u>6,326,876</u>	<u>(503,895)</u>
Highways and streets:					
State grants	--	(2,921)	(2,921)	--	2,921
Federal grants passed through the state	<u>2,682,410</u>	<u>77,196</u>	<u>2,759,606</u>	<u>1,874,107</u>	<u>(885,499)</u>
Total - Highways and streets	<u>2,682,410</u>	<u>74,275</u>	<u>2,756,685</u>	<u>1,874,107</u>	<u>(882,578)</u>
Sanitation:					
State grants	<u>624,000</u>	<u>(233,810)</u>	<u>390,190</u>	<u>275,390</u>	<u>(114,800)</u>
Social welfare:					
Federal grants	48,694,764	500	48,695,264	22,578,700	(26,116,564)
State grants	2,076,492	(80,460)	1,996,032	1,739,444	(256,588)
Federal grants passed through the state	<u>2,390,725</u>	<u>(7,191)</u>	<u>2,383,534</u>	<u>5,300,301</u>	<u>2,916,767</u>
Total - Social welfare	<u>53,161,981</u>	<u>(87,151)</u>	<u>53,074,830</u>	<u>29,618,445</u>	<u>(23,456,385)</u>
Cultural and recreation:					
Federal grants passed through the state	<u>200,000</u>	<u>--</u>	<u>200,000</u>	<u>62,871</u>	<u>(137,129)</u>
Total - Cultural and recreation	<u>200,000</u>	<u>--</u>	<u>200,000</u>	<u>62,871</u>	<u>(137,129)</u>
Total - Intergovernmental revenues	<u>68,112,043</u>	<u>1,169,108</u>	<u>69,281,151</u>	<u>43,396,347</u>	<u>(25,884,804)</u>

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Interest and investment earnings:					
Social welfare:					
Interest on investments	\$ --	\$ 91,194	\$ 91,194	\$ 133,274	\$ 42,080
Total - Interest and investment earnings	<u> --</u>	<u> 91,194</u>	<u> 91,194</u>	<u> 133,274</u>	<u> 42,080</u>
Other revenues:					
General government:					
Miscellaneous program receipts	<u> --</u>	<u> --</u>	<u> --</u>	<u> 53,708</u>	<u> 53,708</u>
Total - general government	<u> --</u>	<u> --</u>	<u> --</u>	<u> 53,708</u>	<u> 53,708</u>
Public safety:					
Operating contributions	<u> --</u>	<u> --</u>	<u> --</u>	<u> 42,415</u>	<u> 42,415</u>
Total - Public safety	<u> --</u>	<u> --</u>	<u> --</u>	<u> 42,415</u>	<u> 42,415</u>
Social welfare:					
Misc income revolving	<u> --</u>	<u> --</u>	<u> --</u>	<u> 17,838</u>	<u> 17,838</u>
Operating contributions	<u> 270,623</u>	<u> 54,318</u>	<u> 324,941</u>	<u> 399,946</u>	<u> 75,005</u>
Total - Social welfare	<u> 270,623</u>	<u> 54,318</u>	<u> 324,941</u>	<u> 417,784</u>	<u> 92,843</u>
Culture and recreation					
Operating contributions	<u> 5,000</u>	<u> --</u>	<u> 5,000</u>	<u> --</u>	<u> (5,000)</u>
Total - Culture and recreation	<u> 5,000</u>	<u> --</u>	<u> 5,000</u>	<u> --</u>	<u> (5,000)</u>
Total - Other revenues	<u> 275,623</u>	<u> 54,318</u>	<u> 329,941</u>	<u> 513,907</u>	<u> 183,966</u>
Total Grant Fund Revenues	<u>\$ 68,387,666</u>	<u>\$ 1,314,620</u>	<u>\$ 69,702,286</u>	<u>\$ 44,043,528</u>	<u>\$ (25,658,758)</u>

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
General Government:						
Office of the Mayor:						
CDBG Program Admin FY11	\$ 1,521	\$ --	\$ 1,521	\$ --	\$ --	\$ 1,521
Khako renewal project ph-ii	--	20,497	20,497	20,497	--	--
KHAKO Renewal Project Ph-1	20,497	(20,497)	--	--	--	--
CDBG Program Admin FY15	232	--	232	--	--	232
LCHC New Facility	45,730	(45,730)	--	--	--	--
Cameron Ctr Rehab & Improvement	122,620	--	122,620	120,066	--	2,554
Khako renewal project ph ii	--	45,730	45,730	45,730	--	--
Rehabilitation of MFSS Bldg	199,000	--	199,000	199,000	--	--
MEO Molokai Shuttle Svc Bus B	10,164	(10,164)	--	--	--	--
Lahaina Surf Preservation	18,745	--	18,745	--	--	18,745
WIOA Youth Activities	29,141	--	29,141	(3,004)	20,537	11,608
The Maui Farm Rehabilitation	45,334	(19,276)	26,058	--	--	26,058
KHAKO Staircase Safety	126,314	(83,773)	42,541	--	--	42,541
Cameron Ctr Rehab & Improvement	245,340	--	245,340	245,340	--	--
HTA County Product Enrichment	45,498	70,000	115,498	80,498	--	35,000
WIOA Adult Program	37,641	--	37,641	--	--	37,641
WIOA Admin PY2016	132	--	132	--	--	132
WIOA Dislocated Worker	10,029	--	10,029	--	--	10,029
KHAKO Renewal Project ph ii	--	83,773	83,773	79,359	4,414	--
Hale Makua Kahului Gen Upgrade	--	29,440	29,440	--	29,440	--
2016 Hawaii Severe Storms	743,477	--	743,477	--	--	743,477
WIOA Youth Activities	177,431	908	178,339	135,809	16,304	26,226
KHAKO Renewal Project phii	296,944	--	296,944	296,944	--	--
CDBG Program Admin FY18	14,980	--	14,980	11,041	--	3,939
WIOA Adult Program	137,613	804	138,417	101,463	10,447	26,507
WIOA Admin PY2017	33,920	273	34,193	27,487	--	6,706
WIOA Dislocated Worker	120,087	746	120,833	93,470	--	27,363
Hale Mahaolu Ewalu Sr Ctr	550,000	--	550,000	60,644	489,356	--
Hale Makua Kahului Gen Upgrade	270,465	--	270,465	125,917	203,402	(58,854)
Rehabilitation of MFSS Bldg	252,170	--	252,170	252,170	--	--
SOH Dept of Labor/Industrial	--	4,063	4,063	4,063	--	--
2019 Hurricane Lane	--	1,500,000	1,500,000	1,048,450	--	451,550
CDBG Program Admin FFY18	--	380,134	380,134	351,074	141	28,919
Molokai 1F Trailer Mounted Die	--	25,000	25,000	--	17,997	7,003
Hana Landfill Bulldozer	--	530,000	530,000	--	--	530,000

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Molokai 1F Wheel Loader	\$ --	\$ 400,000	\$ 400,000	\$ --	\$ 371,930	\$ 28,070
WIOA Youth Activities	--	172,421	172,421	--	--	172,421
Arc Residential Grp Home	--	270,000	270,000	--	270,000	--
Hale Makua Kahului Fire Alarm	--	212,000	212,000	1,089	210,911	--
WIOA Adult Program	--	154,302	154,302	17,000	81,550	55,752
WIOA Admin PY2018	--	54,835	54,835	10,172	--	44,663
WIOA Dislocated Worker	--	166,813	166,813	29,000	79,311	58,502
Hale Makua Wai Fire Alarm	--	47,000	47,000	1,089	45,911	--
Hale Makua Wai Rehabilitation	--	36,535	36,535	1,089	35,446	--
Total Office of the Mayor	<u>3,555,025</u>	<u>4,025,834</u>	<u>7,580,859</u>	<u>3,355,457</u>	<u>1,887,097</u>	<u>2,338,305</u>
Finance:						
State Identification Program	--	(445)	(445)	(445)	--	--
State Disability & Comm	--	23,333	23,333	23,333	--	--
Comm'l Driver's License FY19	--	553,933	553,933	553,503	430	--
Periodic Motor Vehicle Inspection FY19	--	472,811	472,811	472,812	--	(1)
State Identification Program FY19	--	208,473	208,473	208,473	--	--
State Motor Vehicle Registration FY19	--	287,316	287,316	287,316	--	--
Total Finance	<u>--</u>	<u>1,545,421</u>	<u>1,545,421</u>	<u>1,544,992</u>	<u>430</u>	<u>(1)</u>
Planning:						
Coastal Zone Management #47363	--	(11,368)	(11,368)	(11,368)	--	--
Coastal Zone Management FY18	144,997	(45,000)	99,997	99,997	--	--
SOH DOH Complete Streets Trng	--	45,000	45,000	--	--	45,000
Coastal Zone Management FY19	--	416,975	416,975	231,807	--	185,168
Total Planning	<u>144,997</u>	<u>405,607</u>	<u>550,604</u>	<u>320,436</u>	<u>--</u>	<u>230,168</u>
Public Works:						
FHWA Projects State Reviews	32,849	10,000	42,849	42,041	--	808
FHWA Various Projects County	1,395	30,000	31,395	29,441	--	1,954
Total Public Works	<u>34,244</u>	<u>40,000</u>	<u>74,244</u>	<u>71,482</u>	<u>--</u>	<u>2,762</u>
Total General Government	<u>3,734,266</u>	<u>6,016,862</u>	<u>9,751,128</u>	<u>5,292,367</u>	<u>1,887,527</u>	<u>2,571,234</u>
Public safety:						
Prosecuting Attorney:						
E Byrne Memorial Jag FY15	--	--	--	--	--	--
Prosecutors Training Program	50,000	--	50,000	--	--	50,000
Highway Safety/Impaired Driving	2,815	--	2,815	--	--	2,815
Highway Safety/Traffic Records	4,505	--	4,505	--	--	4,505

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Special Needs Advocacy Supplemental	\$ 23,803	\$ --	\$ 23,803	\$ (20)	\$ --	\$ 23,823
Victim/Witness Assistance Program	--	61,620	61,620	61,620	--	--
Career Criminal Program	1,496	137,499	138,995	127,140	--	11,855
DPA 2018 Traffic Records	5,612	--	5,612	5,168	--	444
Special Needs Advocacy Program	--	622,420	622,420	482,613	61,646	78,161
Asset Forfeitures Program	--	40,000	40,000	26,552	--	13,448
Domestic Violence Investigation	--	55,380	55,380	55,179	--	201
Total Prosecuting Attorney	<u>88,231</u>	<u>916,919</u>	<u>1,005,150</u>	<u>758,252</u>	<u>61,646</u>	<u>185,252</u>
Police:						
HC&S Community Initiative	3,000	--	3,000	2,415	200	385
Training Grants	76,530	--	76,530	8,283	1,695	66,552
Domestic Violence: Strangulation	991	--	991	991	--	--
MPD Traffic Services	22,549	(23,105)	(556)	(556)	--	--
MPD Traffic Data Records	4,073	(25,873)	(21,800)	(21,799)	--	(1)
MPD Roadblock Program	101,405	(101,405)	--	--	--	--
Hawaii Narcotics Task Force	1,331	--	1,331	1,331	--	--
MPD Child Restraint Program	48,405	(48,280)	125	125	--	--
State e911 Wireless Commission	1,377,208	(1,377,208)	--	--	--	--
SW Marijuana Eradication	19	--	19	19	--	--
FY16 Jag Program	113,452	--	113,452	(2,526)	208	115,770
911 EMS Dispatch Communication	6,231	--	6,231	6,231	--	--
Domestic Violence: Stalking/Homicide	31,767	--	31,767	31,767	--	--
Kalo Program	13,128	(626)	12,502	12,436	66	--
Ho'ohuli Program	7,894	(7,894)	--	--	--	--
MPD Speed Equipment	28,651	(7,262)	21,389	21,389	--	--
MPD Traffic Services	55,581	(38,230)	17,351	17,351	--	--
MPD Traffic Data Records	57,557	(8,644)	48,913	48,913	--	--
MPD Speed Enforcement	107,159	(28,120)	79,039	79,039	--	--
Distracted Driving Enforcement	10,604	(1,964)	8,640	8,640	--	--
MPD Roadblock Program	175,441	(57,555)	117,886	117,886	--	--
MPD Seat Belt Program	53,703	(36,568)	17,135	17,135	--	--
High Intensity Drug Trafficking	120,242	--	120,242	102,394	1,900	15,948
MPD Child Restraint Program	46,541	(37,993)	8,548	8,548	--	--
State e911 Wireless Commission	1,826,600	--	1,826,600	687,698	938,929	199,973
SW Multi Jurisdictional Drug	44,605	--	44,605	41,582	2,343	680
Positive Outreach Intervention	75,862	--	75,862	74,100	--	1,762
Federal Justice Forfeiture	71,717	37,025	108,742	55,801	29,450	23,491

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
911 EMS Dispatch Communication	\$ --	\$ 376,866	\$ 376,866	\$ 375,883	\$ --	\$ 983
Violence Against Women Grant	--	55,380	55,380	44,679	556	10,145
Kalo Program	--	89,000	89,000	89,000	--	--
MPD Traffic Services	--	105,300	105,300	37,064	--	68,236
MPD Traffic Data Records	--	134,080	134,080	130,529	--	3,551
MPD Speed Enforcement	--	163,445	163,445	71,252	--	92,193
Cybercrime Unit Enforcement	--	84,980	84,980	22,722	10,989	51,269
Distracted Driving Enforcement	--	78,149	78,149	38,466	--	39,683
MPD Roadblock Program	--	452,625	452,625	276,122	--	176,503
MPD Seatbelt Enforcement	--	100,766	100,766	35,097	--	65,669
High Intensity Drug Trafficking	--	184,440	184,440	107,494	38,192	38,754
Maui Child Restraining Program	--	62,475	62,475	15,147	--	47,328
State e911 Wireless Commission	--	1,716,134	1,716,134	1,499,284	--	216,850
Enhanced Physical Evidence Det	--	55,685	55,685	--	55,685	--
Prohibit Tobacco Sales to M	--	8,000	8,000	3,606	--	4,394
Positive Outreach Intervention	--	85,263	85,263	12,350	806	72,107
SW Multi Jurisdictional Drug	--	41,613	41,613	--	--	41,613
PC Forensic Sciences Improv Act	--	37,472	37,472	--	--	37,472
Total Police	<u>4,482,246</u>	<u>2,067,971</u>	<u>6,550,217</u>	<u>4,077,888</u>	<u>1,081,019</u>	<u>1,391,310</u>
Fire and Public Safety:						
EMS (Fire) Training (PVT) IAAI	12	--	12	--	--	12
Fire/LEPC (DOH) HMEP	49,536	10,095	59,631	8,951	--	50,680
Private Donations - Fire Department	20,201	--	20,201	--	--	20,201
MFD Extrication Tools	17,344	--	17,344	17,344	--	--
Fire NDRI Grant	40,000	--	40,000	40,000	--	--
Fire Training Grant (Chevron)	508	--	508	--	--	508
FEMA Fire Training Funds	4,861	--	4,861	(1,477)	--	6,338
Hawaii Tourism Authority	--	125,000	125,000	9,884	11,500	103,616
Makena Lifeguard Services	--	1,056,059	1,056,059	1,056,059	--	--
Total Fire and Public Safety	<u>132,462</u>	<u>1,191,154</u>	<u>1,323,616</u>	<u>1,130,761</u>	<u>11,500</u>	<u>181,355</u>
Emergency Management Agency:						
State Homeland Security	15,713	--	15,713	3,204	440	12,069
State Homeland Security	337,738	--	337,738	125,572	--	212,166
Emergency Mgt Performance Grant	7,644	--	7,644	(4,611)	--	12,255
State Homeland Security	674,191	--	674,191	153,545	--	520,646
Emergency Mgt Performance Grant	--	100,000	100,000	40,304	--	59,696

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
State Homeland Security	\$ --	\$ 754,000	\$ 754,000	\$ 84,379	\$ --	\$ 669,621
Total Emergency Management Agency	1,035,286	854,000	1,889,286	402,393	440	1,486,453
Total Public Safety	5,738,225	5,030,044	10,768,269	6,369,294	1,154,605	3,244,370
Highways and Streets:						
Public Works:						
SOH Department of Health	5,522	--	5,522	--	--	5,522
Kiholo Bay Earthquake 10/15/06	--	1,015	1,015	1,015	--	--
Total Public Works	5,522	1,015	6,537	1,015	--	5,522
Transportation:						
FTA#5309 Formula Funds Program	1,835,686	--	1,835,686	--	--	1,835,686
FTA5309 Livability Program FY13	20,286	--	20,286	--	--	20,286
FTA Rural Trnst Asst - RTAP	1,104	--	1,104	--	--	1,104
FTA Planning Program 5305(e)	3,817	--	3,817	--	--	3,817
FTA Sec5305 Metropolitan Trans	327	(46,628)	(46,301)	(46,301)	--	--
FTA Sec5339 Bus/Bus Facility Form	502,717	--	502,717	111,455	196,582	194,680
FTA Sec5311 Non-Urbanized	11,178	--	11,178	2,541	--	8,637
FHWA Maui Metro Planning Org	149,309	(2,921)	146,388	146,247	--	141
FTA Sec5311 Non-Urbanized	492,409	20,000	512,409	315,481	139,523	57,405
FHWA Maui MPO FY18 UPWP	239,698	--	239,698	165,869	73,501	328
Sec5307 Urbanized Area Formula	1,040,679	--	1,040,679	1,040,365	--	314
FTA Maui MPO FY18 UPWP	21,286	--	21,286	(3,650)	176	24,760
Sec5307 Urbanized Area Formula	--	2,171,175	2,171,175	--	1,930,765	240,410
FTA Maui MPO FY19 UPWP	--	100,000	100,000	14,660	1,158	84,182
FHWA Maui MPO FY19 UPWP	--	514,044	514,044	126,424	49,232	338,388
Total Transportation	4,318,496	2,755,670	7,074,166	1,873,091	2,390,937	2,810,138
Total Highways and Streets	4,324,018	2,756,685	7,080,703	1,874,106	2,390,937	2,815,660
Sanitation:						
Environmental Management:						
W Maui Recycled Water System Exp	671,000	--	671,000	--	--	671,000
Hyatt/W Maui Recycled Water	501,237	--	501,237	--	--	501,237
Starwood/W Maui Recycled Water	1,863,840	--	1,863,840	--	--	1,863,840
State of Hawaii DOH 604b Grant	--	114,800	114,800	--	114,800	--
Advance Glass Display Fee	--	115,390	115,390	115,390	--	--
Electronic Device Recycling	--	160,000	160,000	160,000	--	--
Total Environmental Management	3,036,077	390,190	3,426,267	275,390	114,800	3,036,077
Total Sanitation	3,036,077	390,190	3,426,267	275,390	114,800	3,036,077

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Social Welfare:						
Office of the Mayor:						
Hawaii St Comm/Status Women	\$ 1,399	\$ --	\$ 1,399	\$ 1,359	\$ --	\$ 40
Total Office of the Mayor	<u>1,399</u>	<u>--</u>	<u>1,399</u>	<u>1,359</u>	<u>--</u>	<u>40</u>
Housing and Human Concerns:						
Aging Title III DHHS FY11 MA201103	190	--	190	--	190	--
Sec 8 Housing Admin Prg FY2013	45	--	45	--	45	--
Sec 8 Housing Admin FY2014	198,283	(198,283)	--	--	--	--
Leisure Activities FY15	39,599	--	39,599	39,599	--	--
Aging & Disability Resource	475,029	632,104	1,107,133	298,733	5,202	803,198
Healthy Aging Partnership	200,141	--	200,141	70,026	--	130,115
Healthy Aging Voluntary Contribution	40,162	49,446	89,608	49,426	--	40,182
Home FFY14 Administration	32,630	--	32,630	3,909	6,671	22,050
Sec 8 Housing Admin FY15	1,417	(1,417)	--	--	--	--
Leisure Activities FY16	84,713	--	84,713	84,271	--	442
Matson Foundation Contrib	1,000	1,000	2,000	2,000	--	--
Strategic Prevention Framework	124,891	--	124,891	107,663	8,783	8,445
Kupuna Care Program	111,423	(72,959)	38,464	38,464	--	--
Leisure Activities FY17	102,362	--	102,362	7,556	16,511	78,295
Aging Title III Programs	71,687	(23,379)	48,308	41,868	6,355	85
Elder Abuse Prevention SY17	25,077	--	25,077	20,636	958	3,483
Sec 8 Housing Admin FY17	1,856	(1,856)	--	--	--	--
Sec 8 Family Self-Sufficient	99,512	64,789	164,301	48,942	--	115,359
Home FFY17 Administration	150,848	--	150,848	35,187	16,063	99,598
Home FFY17 Kaiwahine Village	2,250,000	--	2,250,000	2,137,115	112,885	--
Home FFY17 Kahoma Residential	483,113	--	483,113	377,318	105,795	--
NATL HTF Kaiwahine Phase II	--	1,350,000	1,350,000	1,226,121	123,879	--
NATL HTF Administration	--	75,000	75,000	196	2,047	72,757
Kupuna Care Program	772,261	(57,933)	714,328	668,823	15,657	29,848
Kupuna Caregivers Program	20,539	233,496	254,035	140,103	42,391	71,541
Assisted Transportation SH POS08	4,823	--	4,823	4,823	--	--
Congregate Meals NSIP FY18	70,015	--	70,015	70,015	--	--
Home Delivered Meals NSIP FY18	--	119	119	119	--	--
Leisure Activities FY18	83,809	--	83,809	--	--	83,809
Aging Title III b	509,185	(298,816)	210,369	183,961	--	26,408
State Health Insurance Assistance Program	28,500	10,000	38,500	27,261	--	11,239

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
RSVP Retired & Sr Vol Prg	\$ 48,880	\$ 500	\$ 49,380	\$ 49,380	\$ --	\$ --
Nutrition Svcs Incentive	70,015	(70,015)	--	--	--	--
Elder Abuse Prevention SY18	26,492	--	26,492	14,795	--	11,697
Aging Title III c-1	--	12,924	12,924	12,924	--	--
Aging Title III d	--	13,815	13,815	13,815	--	--
Aging Title III e	--	68,324	68,324	61,073	--	7,251
Sec 8 Housing Voucher FY 18	--	--	--	(1,817)	--	1,817
Sec 8 Housing Admin FY18	668,100	(458,220)	209,880	1,188	--	208,692
Kupuna Care Program	--	1,034,016	1,034,016	284,627	96,231	653,158
A&B Kokua Giving Contribution	--	20,000	20,000	20,000	--	--
Assisted Transport Private Contribution	--	28,041	28,041	15,019	--	13,022
Congregate Meals NSIP FY19	--	62,703	62,703	15,427	--	47,276
Congregate Meals Private Donation	--	123,582	123,582	79,204	--	44,378
Home Delivered Meals NSIP FY19	--	51,303	51,303	51,303	--	--
Home Delivered Meals Private Donation	--	102,672	102,672	102,672	--	--
Assist Transport - Kupuna	--	157,916	157,916	114,670	--	43,246
Congregate meals Title III	--	135,276	135,276	123,408	--	11,868
Home Delivered Meals Kupuna	--	101,000	101,000	101,000	--	--
Home Delivered Meals Title III	--	101,000	101,000	78,999	--	22,001
Assist Transport - F&E Country	--	10,000	10,000	10,000	--	--
Aging Title III b	--	398,105	398,105	105,481	58,352	234,272
RSVP Retired & Sr Vol Prg	--	65,850	65,850	19,108	--	46,742
Nutrition Svcs Incentive	--	82,205	82,205	--	--	82,205
Elder Abuse Prevention SY19	--	26,492	26,492	1,062	--	25,430
Substance Abuse Prevention	--	20,725	20,725	20,724	1	--
Aging Title III c-1	--	164,611	164,611	56,179	--	108,432
Aging Title III c-2	--	105,660	105,660	--	--	105,660
Aging Title III d	--	16,234	16,234	3,088	--	13,146
Aging Title III e	--	104,216	104,216	68,990	--	35,226
Sec 8 Housing Voucher FY19	--	22,752,858	22,752,858	20,736,881	--	2,015,977
Sec 8 Housing Admin FY19	--	1,838,708	1,838,708	1,203,869	118,968	515,871
FSS Coordinator Grant	--	26,957	26,957	23,837	--	3,120
Sec 8 Housing Asst Payments (HAP)-NRA	1,573,880	35,322	1,609,202	--	--	1,609,202
Sec 8 Housing Asst Payments (ADM)-NRA	1,495,679	449,451	1,945,130	--	--	1,945,130
Total Housing and Human Concerns	<u>9,866,156</u>	<u>29,343,542</u>	<u>39,209,698</u>	<u>29,071,041</u>	<u>736,984</u>	<u>9,401,673</u>
Total Social Welfare	<u>9,867,555</u>	<u>29,343,542</u>	<u>39,211,097</u>	<u>29,072,400</u>	<u>736,984</u>	<u>9,401,713</u>

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Culture and Recreation:						
Parks and Recreation:						
ST/Hi Nahiku Community Center	\$ 250,000	\$ --	\$ 250,000	\$ --	\$ --	\$ 250,000
War Memorial Stadium	829,855	--	829,855	--	--	829,855
Play & Learn Sessions (PALS)	--	200,000	200,000	62,878	--	137,122
No Kid Hungry	--	5,000	5,000	--	--	5,000
Total Parks and Recreation	<u>1,079,855</u>	<u>205,000</u>	<u>1,284,855</u>	<u>62,878</u>	<u>--</u>	<u>1,221,977</u>
Total Culture and Recreation	<u>1,079,855</u>	<u>205,000</u>	<u>1,284,855</u>	<u>62,878</u>	<u>--</u>	<u>1,221,977</u>
Totals for the Intergovernmental Grants Fund	\$ <u>27,779,996</u>	\$ <u>43,742,323</u>	\$ <u>71,522,319</u>	\$ <u>42,946,435</u>	\$ <u>6,284,853</u>	\$ <u>22,291,031</u>

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Charges for current services:					
Sanitation:					
Refuse	\$ 10,380,875	\$ --	\$ 10,380,875	\$ 10,310,893	\$ (69,982)
Landfill disposal fee	<u>14,929,026</u>	<u>--</u>	<u>14,929,026</u>	<u>14,321,819</u>	<u>(607,207)</u>
Total - Sanitation	<u>25,309,901</u>	<u>--</u>	<u>25,309,901</u>	<u>24,632,712</u>	<u>(677,189)</u>
Total - Charges for current services	<u>25,309,901</u>	<u>--</u>	<u>25,309,901</u>	<u>24,632,712</u>	<u>(677,189)</u>
Other revenues:					
Sanitation:					
Miscellaneous program receipts	<u>--</u>	<u>--</u>	<u>--</u>	<u>456</u>	<u>456</u>
Total - Sanitation	<u>--</u>	<u>--</u>	<u>--</u>	<u>456</u>	<u>456</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>456</u>	<u>456</u>
Total Solid Waste Fund Revenues	\$ <u>25,309,901</u>	\$ <u>--</u>	\$ <u>25,309,901</u>	\$ <u>24,633,168</u>	\$ <u>(676,733)</u>

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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	\$ 884,014	\$ --	\$ (58,108)	\$ 825,906	\$ 411,344	\$ 210,778	\$ 203,784
Solid Waste Administration	4,944	1,316,564	--	1,321,508	1,085,072	7,957	228,479
Solid Waste ERS & FICA	--	1,848,961	--	1,848,961	1,556,334	--	292,627
Solid Waste Health Fund	--	1,108,612	--	1,108,612	1,062,954	--	45,658
Solid Waste Admin Overhead	--	3,697,383	--	3,697,383	3,600,601	--	96,782
Solid Waste Contribution to OPEB	--	562,741	--	562,741	562,741	--	--
Solid Waste Operations	<u>583,966</u>	<u>13,639,471</u>	<u>(148,610)</u>	<u>14,074,827</u>	<u>12,478,896</u>	<u>1,309,186</u>	<u>286,745</u>
Total Environmental Management	<u>1,472,924</u>	<u>22,173,732</u>	<u>(206,718)</u>	<u>23,439,938</u>	<u>20,757,942</u>	<u>1,527,921</u>	<u>1,154,075</u>
Total Sanitation	<u>1,472,924</u>	<u>22,173,732</u>	<u>(206,718)</u>	<u>23,439,938</u>	<u>20,757,942</u>	<u>1,527,921</u>	<u>1,154,075</u>
Totals for the Solid Waste Fund	\$ <u>1,472,924</u>	\$ <u>22,173,732</u>	\$ <u>(206,718)</u>	\$ <u>23,439,938</u>	\$ <u>20,757,942</u>	\$ <u>1,527,921</u>	\$ <u>1,154,075</u>

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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	\$ <u>2,282,587</u>	\$ <u>--</u>	\$ <u>2,282,587</u>	\$ <u>2,334,974</u>	\$ <u>52,387</u>
Total - Licenses and permits	<u>2,282,587</u>	<u>--</u>	<u>2,282,587</u>	<u>2,334,974</u>	<u>52,387</u>
Other revenues:					
Social welfare:					
Miscellaneous program receipts	<u>--</u>	<u>--</u>	<u>--</u>	<u>500</u>	<u>500</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>500</u>	<u>500</u>
Total Liquor Control Fund Revenues	\$ <u>2,282,587</u>	\$ <u>--</u>	\$ <u>2,282,587</u>	\$ <u>2,335,474</u>	\$ <u>52,887</u>

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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	\$ 60,527	\$ 2,120,018	\$ --	\$ 2,180,545	\$ 1,652,503	\$ 85,329	\$ 442,713
Liquor Admin Overhead Charges	<u>--</u>	<u>1,107,732</u>	<u>--</u>	<u>1,107,732</u>	<u>858,863</u>	<u>--</u>	<u>248,869</u>
Total Liquor Control	<u>60,527</u>	<u>3,227,750</u>	<u>--</u>	<u>3,288,277</u>	<u>2,511,366</u>	<u>85,329</u>	<u>691,582</u>
Total Social Welfare	<u>60,527</u>	<u>3,227,750</u>	<u>--</u>	<u>3,288,277</u>	<u>2,511,366</u>	<u>85,329</u>	<u>691,582</u>
Totals for the Liquor Control Fund	\$ <u>60,527</u>	\$ <u>3,227,750</u>	\$ <u>--</u>	\$ <u>3,288,277</u>	\$ <u>2,511,366</u>	\$ <u>85,329</u>	\$ <u>691,582</u>

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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>
Intergovernmental revenue:					
Capital improvement projects:					
State grants	\$ 9,775,000	\$ (177,416)	\$ 9,597,584	\$ 5,374,228	\$ (4,223,356)
Federal grants passed through the state	<u>7,434,689</u>	<u>(2,619,970)</u>	<u>4,814,719</u>	<u>8,775,779</u>	<u>3,961,060</u>
Total - Intergovernmental revenues	<u>17,209,689</u>	<u>(2,797,386)</u>	<u>14,412,303</u>	<u>14,150,007</u>	<u>(262,296)</u>
Interest and investment earnings:					
General revenue:					
Interest on investments	--	--	--	855,233	855,233
Capital improvement projects:					
Interest on investments	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,985</u>	<u>15,985</u>
Total - Interest and investment earnings	<u>--</u>	<u>--</u>	<u>--</u>	<u>871,218</u>	<u>871,218</u>
Other revenues:					
Capital improvement projects					
Capital contributions	<u>--</u>	<u>5,000</u>	<u>5,000</u>	<u>308,711</u>	<u>303,711</u>
Total - Other revenues	<u>--</u>	<u>5,000</u>	<u>5,000</u>	<u>308,711</u>	<u>303,711</u>
Total Capital Improvement Projects					
Fund Revenues	<u>\$ 17,209,689</u>	<u>\$ (2,792,386)</u>	<u>\$ 14,417,303</u>	<u>\$ 15,329,936</u>	<u>\$ 912,633</u>

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
EXPENDITURES:				
Capital outlay:				
Drainage	\$ 6,127,506	\$ 8,867,992	\$ 14,995,498	\$ 37,313,331
Other projects	3,320,209	12,497,685	15,817,894	24,444,012
Government facilities	4,765,861	16,184,496	20,950,357	143,114,386
Parks and recreation	11,236,809	20,519,419	31,756,228	66,096,651
Roads	46,402,057	22,898,362	69,300,419	120,631,769
Solid waste facilities	2,756,846	7,026,228	9,783,074	13,886,414
Wastewater facilities	<u>21,576,172</u>	<u>29,434,054</u>	<u>51,010,226</u>	<u>71,993,000</u>
Total Expenditures	\$ <u>96,185,460</u>	\$ <u>117,428,236</u>	\$ <u>213,613,696</u>	\$ <u>477,479,563</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2019 AND 2018

	2019	2018
Governmental activities capital assets:		
Land	\$ 188,573,527	\$ 179,450,769
Buildings and systems	171,040,642	167,253,107
Improvements other than buildings	156,241,446	150,422,753
Machinery and equipment	166,516,839	159,569,584
Infrastructure	1,234,090,967	1,201,636,318
Construction in progress	146,800,016	89,179,817
Accumulated depreciation	<u>(1,175,121,222)</u>	<u>(1,130,019,904)</u>
Total governmental activities capital assets	\$ <u>888,142,215</u>	\$ <u>817,492,444</u>

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2019

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	\$ 18,942,212	\$ --	\$ 1,800,722	\$ 121,426	\$ --	\$ --	\$ (943,335)	\$ 19,921,025
Management	10,875,880	1,075,285	--	5,701,873	--	9,078,284	(4,485,496)	22,245,826
Corporation Counsel	--	--	--	91,719	--	--	(91,719)	--
Prosecuting Attorney	554,240	1,045,760	--	--	--	--	--	1,600,000
Finance	--	845,180	--	814,330	--	--	(1,481,147)	178,363
Planning	2,070,394	--	--	574,556	--	8,061,813	(525,336)	10,181,427
Parks and Recreation	2,893,700	306,300	--	--	--	--	(177,399)	3,022,601
Public Works	12,987,221	14,508,070	12,214,958	919,772	--	6,511,947	(22,642,184)	24,499,784
Total for General government	<u>48,323,647</u>	<u>17,780,595</u>	<u>14,015,680</u>	<u>8,223,676</u>	<u>--</u>	<u>23,652,044</u>	<u>(30,346,616)</u>	<u>81,649,026</u>
Public safety:								
Management	--	--	--	--	23,826,395	499,969	(3,753,049)	20,573,315
Prosecuting Attorney	--	--	--	230,741	--	--	(227,295)	3,446
Police	1,318,642	55,483,141	4,763,175	30,991,000	--	379,667	(55,278,049)	37,657,576
Fire and Public Safety	1,186,758	39,585,926	1,030,587	28,214,880	--	4,243,535	(50,644,798)	23,616,888
Emergency Management Agency	--	--	--	432,874	--	--	(398,270)	34,604
Total for Public safety	<u>2,505,400</u>	<u>95,069,067</u>	<u>5,793,762</u>	<u>59,869,495</u>	<u>23,826,395</u>	<u>5,123,171</u>	<u>(110,301,461)</u>	<u>81,885,829</u>
Highways and streets:								
Public Works	61,224,905	--	904,163	27,949,374	658,433,842	30,518,692	(506,589,372)	272,441,604
Transportation	--	2,783,973	--	15,414,043	--	432,612	(14,236,662)	4,393,966
Total for Highways and streets	<u>61,224,905</u>	<u>2,783,973</u>	<u>904,163</u>	<u>43,363,417</u>	<u>658,433,842</u>	<u>30,951,304</u>	<u>(520,826,034)</u>	<u>276,835,570</u>
Sanitation:								
Environmental Management	4,231,745	1,927,524	--	42,076,987	551,830,730	62,013,164	(370,928,804)	291,151,346
Total for Sanitation	<u>4,231,745</u>	<u>1,927,524</u>	<u>--</u>	<u>42,076,987</u>	<u>551,830,730</u>	<u>62,013,164</u>	<u>(370,928,804)</u>	<u>291,151,346</u>
Social welfare:								
Liquor Control	--	--	--	517,920	--	--	(378,295)	139,625
Housing and Human Concerns	521,622	14,455,693	1,091,405	1,622,178	--	34,292	(13,493,065)	4,232,125
Total for Social welfare	<u>521,622</u>	<u>14,455,693</u>	<u>1,091,405</u>	<u>2,140,098</u>	<u>--</u>	<u>34,292</u>	<u>(13,871,360)</u>	<u>4,371,750</u>
Culture and recreation:								
Parks and Recreation	71,766,208	39,023,790	134,436,436	10,620,323	--	25,026,041	(128,661,555)	152,211,243
Total for Culture and recreation	<u>71,766,208</u>	<u>39,023,790</u>	<u>134,436,436</u>	<u>10,620,323</u>	<u>--</u>	<u>25,026,041</u>	<u>(128,661,555)</u>	<u>152,211,243</u>
Legislative:								
County Council	--	--	--	123,798	--	--	(95,745)	28,053
County Clerk	--	--	--	99,045	--	--	(89,647)	9,398
Total for Legislative	<u>--</u>	<u>--</u>	<u>--</u>	<u>222,843</u>	<u>--</u>	<u>--</u>	<u>(185,392)</u>	<u>37,451</u>
Cost of capital assets used by governmental funds	\$ 188,573,527	\$ 171,040,642	\$ 156,241,446	\$ 166,516,839	\$ 1,234,090,967	\$ 146,800,016	\$ (1,175,121,222)	\$ 888,142,215

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Function and Department</u>	<u>Governmental Capital Assets July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Capital Assets June 30, 2019</u>
General government:				
Office of the Mayor	\$ 14,935,355	\$ 11,858,008	\$ 5,929,003	\$ 20,864,360
Management	20,183,641	6,547,681	--	26,731,322
Corporation Counsel	91,719	--	--	91,719
Prosecuting Attorney	--	1,600,000	--	1,600,000
Finance	1,669,339	1,700,553	1,710,382	1,659,510
Planning	7,173,461	5,625,629	2,092,327	10,706,763
Parks and Recreation	3,200,000	--	--	3,200,000
Public Works	42,515,484	5,167,424	540,940	47,141,968
Total for General government	<u>89,768,999</u>	<u>32,499,295</u>	<u>10,272,652</u>	<u>111,995,642</u>
Public safety:				
Management	23,735,272	6,881,719	6,290,627	24,326,364
Prosecuting Attorney	230,741	--	--	230,741
Police	92,686,113	2,276,485	2,026,973	92,935,625
Fire and Public Safety	70,064,646	4,241,272	44,232	74,261,686
Emergency Management Agency	432,874	--	--	432,874
Total for Public safety	<u>187,149,646</u>	<u>13,399,476</u>	<u>8,361,832</u>	<u>192,187,290</u>
Highways and streets:				
Public Works	749,193,430	45,922,003	16,084,457	779,030,976
Transportation	16,989,570	1,641,058	--	18,630,628
Total for Highways and streets	<u>766,183,000</u>	<u>47,563,061</u>	<u>16,084,457</u>	<u>797,661,604</u>
Sanitation:				
Environmental Management	625,495,380	50,121,674	13,536,904	662,080,150
Total for Sanitation	<u>625,495,380</u>	<u>50,121,674</u>	<u>13,536,904</u>	<u>662,080,150</u>
Social welfare:				
Liquor Control	477,182	65,124	24,386	517,920
Housing and Human Concerns	16,946,288	1,331,396	552,494	17,725,190
Total for Social welfare	<u>17,423,470</u>	<u>1,396,520</u>	<u>576,880</u>	<u>18,243,110</u>
Culture and recreation:				
Parks and Recreation	261,298,030	27,483,876	7,909,108	280,872,798
Total for Culture and recreation	<u>261,298,030</u>	<u>27,483,876</u>	<u>7,909,108</u>	<u>280,872,798</u>
Legislative:				
County Council	94,778	29,020	--	123,798
County Clerk	99,045	--	--	99,045
Total for Legislative	<u>193,823</u>	<u>29,020</u>	<u>--</u>	<u>222,843</u>
Cost of capital assets used by governmental funds	1,947,512,348	172,492,922	56,741,833	2,063,263,437
Less accumulated depreciation	<u>(1,130,019,904)</u>	<u>(47,945,512)</u>	<u>2,844,194</u>	<u>(1,175,121,222)</u>
Capital assets net of accumulated depreciation	<u>\$ 817,492,444</u>	<u>\$ 124,547,410</u>	<u>\$ 53,897,639</u>	<u>\$ 888,142,215</u>

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 371,411	\$ 361,022	\$ 395,526	\$ 396,519	\$ 457,961	\$ 478,521	\$ 498,764	\$ 545,878	\$ 585,828	\$ 571,528
Restricted	83,950	91,162	71,585	68,375	47,433	61,863	63,422	51,730	49,599	50,942
Unrestricted ¹	<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>(587,846)</u>	<u>(624,083)</u>	<u>(554,605)</u>
Total governmental activities net position	<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>\$ 9,762</u>	<u>\$ 11,344</u>	<u>\$ 67,865</u>
Business-type activities										
Net investment in capital assets	\$ 285,042	\$ 290,830	\$ 286,968	\$ 290,752	\$ 284,637	\$ 282,110	\$ 291,052	\$ 295,171	\$ 313,510	\$ 314,194
Restricted	14,973	14,609	13,646	12,284	13,082	11,612	14,825	16,924	20,212	32,156
Unrestricted ¹	<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>793</u>	<u>7,841</u>	<u>15,170</u>
Total business-type activities net position	<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>\$ 312,888</u>	<u>\$ 341,563</u>	<u>\$ 361,520</u>
Primary government										
Net investment in capital assets	\$ 656,453	\$ 651,852	\$ 682,494	\$ 687,271	\$ 742,598	\$ 760,631	\$ 789,816	\$ 841,049	\$ 899,338	\$ 885,722
Restricted	98,923	105,771	85,231	80,659	60,515	73,475	78,247	68,654	69,811	83,098
Unrestricted ¹	<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>(587,053)</u>	<u>(616,242)</u>	<u>(539,435)</u>
Total primary government net position	<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>\$ 322,650</u>	<u>\$ 352,907</u>	<u>\$ 429,385</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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 100,571	\$ 126,334	\$ 134,646	\$ 107,565	\$ 118,866	\$ 109,324	\$ 116,872	\$ 133,763	\$ 144,002	\$ 144,051
Public safety	80,480	85,000	84,585	85,261	84,280	92,377	97,558	125,407	137,158	132,971
Highways and streets	48,876	51,132	46,329	45,106	51,607	49,174	49,842	53,976	58,656	61,255
Sanitation	69,920	58,654	62,793	65,402	69,856	68,234	69,022	74,741	77,892	82,425
Social welfare	44,303	40,782	42,989	46,866	46,072	43,078	46,333	59,429	47,479	59,449
Culture and recreation	36,310	36,239	34,396	33,018	34,418	34,837	34,896	37,626	37,165	36,298
Legislative	5,200	5,248	5,251	5,539	5,998	6,447	6,416	7,408	7,861	8,173
Interest on long-term debt	10,131	9,438	8,926	8,960	7,982	8,559	7,563	8,867	6,230	7,559
Total governmental activities expenses	\$ 395,791	\$ 412,827	\$ 419,915	\$ 397,717	\$ 419,079	\$ 412,030	\$ 428,502	\$ 499,217	\$ 516,443	\$ 532,181
Business-type activities:										
Department of Water Supply	\$ 46,827	\$ 46,687	\$ 54,013	\$ 53,612	\$ 55,539	\$ 64,514	\$ 62,275	\$ 62,208	\$ 63,437	\$ 63,551
Housing, Interim Financing and Buy-Back Revolving Fund	610	206	268	207	514	206	208	193	813	947
Golf Course Special Fund	2,389	2,088	2,096	2,235	2,348	3,400	3,500	3,884	3,830	3,312
Total business-type activities expenses	49,826	48,981	56,377	56,054	58,401	68,120	65,983	66,285	68,080	67,810
Total primary government expenses	\$ 445,617	\$ 461,808	\$ 476,292	\$ 453,771	\$ 477,480	\$ 480,150	\$ 494,485	\$ 565,502	\$ 584,523	\$ 599,991
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 10,950	\$ 12,433	\$ 12,602	\$ 13,265	\$ 13,104	\$ 14,455	\$ 14,287	\$ 14,066	\$ 15,788	\$ 16,954
Public safety	337	436	452	458	550	417	839	454	616	630
Highways and streets	12,097	17,821	20,066	21,272	21,859	22,229	23,914	24,488	26,960	29,049
Sanitation	54,093	59,082	60,568	61,559	59,583	62,359	64,857	73,004	78,989	87,369
Social welfare	2,563	2,360	2,534	2,403	3,202	2,488	2,161	2,558	2,576	2,594
Culture and recreation	584	511	574	617	670	479	673	611	741	590
Operating grants and contributions	39,353	35,216	34,017	34,447	38,917	29,570	34,426	41,470	33,967	44,669
Capital grants and contributions	7,413	6,191	12,530	11,332	15,142	21,953	14,092	9,607	6,212	16,799
Total governmental activities program revenues	\$ 127,390	\$ 134,050	\$ 143,283	\$ 145,353	\$ 153,027	\$ 153,950	\$ 155,249	\$ 166,258	\$ 165,849	\$ 198,654
Business-type activities:										
Charges for services:										
Department of Water Supply	\$ 46,453	\$ 47,214	\$ 50,992	\$ 54,439	\$ 55,245	\$ 59,286	\$ 60,544	\$ 63,633	\$ 64,297	\$ 64,460
Housing, Interim Financing and Buy-Back Revolving Fund	154	147	527	163	167	167	180	226	551	764
Golf Course Special Fund	1,138	1,158	1,106	1,116	1,087	1,136	1,163	1,108	1,072	869
Capital grants and contributions	9,983	11,901	2,541	5,552	4,369	5,643	6,465	11,366	11,866	14,276
Total business-type program revenues	57,728	60,420	55,166	61,270	60,868	66,232	68,352	76,333	77,786	80,369
Total primary government program revenues	\$ 185,118	\$ 194,470	\$ 198,449	\$ 206,623	\$ 213,895	\$ 220,182	\$ 223,601	\$ 242,591	\$ 243,635	\$ 279,023
Net (expense)/revenue ¹										
Governmental activities	\$ (268,401)	\$ (278,777)	\$ (276,632)	\$ (252,364)	\$ (266,052)	\$ (258,080)	\$ (273,253)	\$ (332,959)	\$ (350,594)	\$ (333,527)
Business-type activities	7,902	11,439	(1,211)	5,216	2,467	(1,888)	2,369	10,048	9,706	12,559
Total primary government net expense	\$ (260,499)	\$ (267,338)	\$ (277,843)	\$ (247,148)	\$ (263,585)	\$ (259,968)	\$ (270,884)	\$ (322,911)	\$ (340,888)	\$ (320,968)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 235,861	\$ 220,477	\$ 208,645	\$ 214,244	\$ 224,055	\$ 236,947	\$ 249,658	\$ 272,989	\$ 310,498	\$ 320,887
Transient accommodation tax	20,972	23,479	22,906	21,204	21,204	23,484	23,446	23,484	23,484	23,484
Public service corporation tax	10,265	6,094	9,622	9,767	9,834	9,771	9,264	7,662	6,958	7,821
Franchise tax	7,550	8,468	10,429	10,714	10,762	10,782	8,962	7,747	8,009	8,996
Fuel tax	9,679	11,085	10,438	10,618	10,676	10,900	12,522	15,655	16,450	16,430
Interest and investment earnings (losses)	9,858	6,489	1,283	908	1,579	1,218	2,402	2,940	(265)	13,231
Other	56	399	(4)	857	(132)	795	108	313	6,235	2,141
Transfers	(4,308)	(267)	(2,388)	(948)	(775)	(2,230)	(2,810)	(2,385)	(19,192)	(2,942)
Total governmental activities	\$ 289,933	\$ 276,224	\$ 260,931	\$ 267,364	\$ 277,203	\$ 291,667	\$ 303,552	\$ 328,405	\$ 352,177	\$ 390,048
Business-type activities:										
Interest and investment earnings	\$ 1,174	\$ 916	\$ 165	\$ 135	\$ 293	\$ 330	\$ 625	\$ 804	\$ (223)	\$ 3,982
Others	115	--	270	154	735	--	--	--	--	474
Transfers	4,308	267	2,388	948	775	2,230	2,810	2,385	19,192	2,942
Total business-type activities	5,597	1,183	2,823	1,237	1,803	2,560	3,435	3,189	18,969	7,398
Total primary government	\$ 295,530	\$ 277,407	\$ 263,754	\$ 268,601	\$ 279,006	\$ 294,227	\$ 306,987	\$ 331,594	\$ 371,146	\$ 397,446
Change in Net Position ¹										
Governmental activities	\$ 21,532	\$ (2,553)	\$ (15,701)	\$ 15,000	\$ 11,151	\$ 33,587	\$ 30,299	\$ (4,554)	\$ 1,583	\$ 56,521
Business-type activities	13,499	12,622	1,612	6,453	4,270	672	5,804	13,237	28,675	19,957
Total primary government	\$ 35,031	\$ 10,069	\$ (14,089)	\$ 21,453	\$ 15,421	\$ 34,259	\$ 36,103	\$ 8,683	\$ 30,258	\$ 76,478

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

**TABLE 3
COUNTY OF MAUI
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Fiscal Year	Property Tax	Transient Accommodation Tax	Public Service Corporation Tax	Franchise Tax	Fuel Tax	Total
2010	\$ 235,861	\$ 20,972	\$ 10,265	\$ 7,550	\$ 9,679	\$ 284,327
2011	220,477	23,479	6,094	8,468	11,085	269,603
2012	208,645	22,906	9,622	10,429	10,438	262,040
2013	214,244	21,204	9,767	10,714	10,618	266,547
2014	224,055	21,204	9,834	10,762	10,676	276,531
2015	236,947	23,484	9,771	10,782	10,900	291,884
2016	249,658	23,446	9,264	8,962	12,522	303,852
2017	272,989	23,484	7,662	7,747	15,655	327,537
2018	310,499	23,484	6,958	8,009	16,450	365,400
2019	320,887	23,484	7,821	8,996	16,430	377,618

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)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund										
Reserved	\$ 17,549	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved ³	68,306 ²	--	--	--	--	--	--	--	--	--
Restricted	--	12,113	13,189	15,317	5,819	8,196	10,752	3,987	4,669	7,582
Committed	--	49,042	75,114	100,727	30,009	28,307	31,696	34,401	190	190
Assigned	--	22,153	16,681	16,430	19,388	20,718	19,859	18,247	33,204	24,329
Unassigned ³	--	87,319 ²	51,006 ²	51,979 ²	42,404	31,657	22,708	25,062	75,440	118,386
Total general fund	<u>\$ 85,855</u>	<u>\$ 170,627</u>	<u>\$ 155,990</u>	<u>\$ 184,453</u>	<u>\$ 97,620</u>	<u>\$ 88,878</u>	<u>\$ 85,015</u>	<u>\$ 81,697</u>	<u>\$ 113,503</u>	<u>\$ 150,487</u>
All other governmental funds										
Reserved	\$ 81,585	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved, reported in: ³										
Special revenue funds	102,777	--	--	--	--	--	--	--	--	--
Capital projects fund	(23,132)	--	--	--	--	--	--	--	--	--
Restricted	--	78,768	56,745	60,479	40,722	54,824	59,937	43,590	48,910	53,485
Committed	--	43,626	44,561	48,599	38,535	13,811	20,839	26,938	32,699	35,738
Assigned	--	4,253	19,155	12,543	11,715	31,097	26,510	38,919	6,298	78,869
Total all other governmental funds	<u>\$ 161,230</u>	<u>\$ 126,647</u>	<u>\$ 120,461</u>	<u>\$ 121,621</u>	<u>\$ 90,972</u>	<u>\$ 99,732</u>	<u>\$ 107,286</u>	<u>\$ 109,447</u>	<u>\$ 87,907</u>	<u>\$ 168,092</u>

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

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

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

TABLE 5
COUNTY OF MAUI
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS -
UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES										
Taxes	\$ 261,332	\$ 244,852	\$ 238,829	\$ 246,315	\$ 255,440	\$ 268,178	\$ 280,825	\$ 303,701	\$ 342,520	\$ 353,226
Charges for current services	57,633	62,234	64,364	66,036	64,251	64,839	70,575	76,902	82,657	92,115
Intergovernmental revenues	62,707	63,792	68,001	64,074	69,449	72,049	69,037	70,996	61,917	81,101
Licenses and permits	17,946	22,362	26,650	27,231	28,185	30,946	30,460	32,032	36,117	37,281
Fines and forfeitures	2,712	2,767	2,131	3,018	2,250	2,075	2,537	2,226	2,379	2,606
Interest and investment earnings (losses)	9,973	6,594	1,416	1,018	1,747	1,358	2,592	3,120	(44)	13,305
Assessments	231	670	1,219	791	1,086	1,322	2,345	1,742	1,249	2,339
Other revenues	<u>7,507</u>	<u>5,387</u>	<u>3,842</u>	<u>6,076</u>	<u>6,882</u>	<u>4,604</u>	<u>5,140</u>	<u>6,042</u>	<u>10,999</u>	<u>8,545</u>
Total revenues	<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>	<u>537,794</u>	<u>590,519</u>
EXPENDITURES ¹										
Current:										
General government	90,136	90,652	105,552	89,510	190,718	105,479	115,623	126,512	132,344	143,301
Public safety	80,376	78,703	79,427	80,781	78,981	90,349	92,811	99,701	103,913	106,070
Capital outlay	54,804	57,278	57,976	68,648	77,097	81,371	65,147	48,112	87,052	118,260
Sanitation	40,832	39,835	41,891	45,366	46,344	54,551	52,454	54,842	58,256	58,567
Social welfare	43,509	43,999	42,459	46,315	45,298	42,579	45,920	57,125	46,012	58,013
Highways and streets	35,039	32,484	33,798	35,926	44,878	40,260	39,827	40,032	40,898	46,114
Culture and recreation	27,034	23,652	27,257	26,346	39,739	29,530	28,912	38,325	29,505	28,510
Legislative	5,199	5,238	5,251	5,533	5,987	6,559	6,493	6,523	6,796	7,442
Debt service:										
Principal	20,485	26,894	22,469	23,770	24,593	26,926	20,825	26,150	25,686	25,507
Interest and other issuance costs	<u>10,219</u>	<u>10,332</u>	<u>9,604</u>	<u>10,051</u>	<u>9,423</u>	<u>10,905</u>	<u>9,607</u>	<u>9,174</u>	<u>8,277</u>	<u>9,744</u>
Total expenditures	<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>	<u>538,739</u>	<u>601,528</u>
Excess (deficiency) of revenues over expenditures	12,408	(409)	(19,232)	(17,687)	(133,768)	(43,138)	(14,108)	(9,735)	(945)	(11,009)
OTHER FINANCING SOURCES (USES)										
Issuance of debt:										
General obligation bond proceeds	--	46,300	--	38,375	17,061	40,015	15,185	--	--	95,010
General obligation refunding bonds	--	23,375	--	18,510	--	21,860	39,542	--	--	7,265
Net premiums received	--	4,606	--	6,806	--	6,283	7,489	--	--	7,034
State revolving fund loan proceeds	9,906	2,856	1,095	2,053	--	6,631	3,750	10,962	13,244	29,416
Use of debt:										
Payment to escrow for bond refunding	--	(25,939)	--	(21,321)	--	(24,827)	(45,356)	--	--	(7,604)
Transfers in:										
General Fund	80,932	46,097	57,950	47,832	51,346	66,885	61,428	69,955	65,376	62,590
Special Revenue Funds	30,306	34,428	39,126	47,880	46,065	40,717	38,848	43,350	42,971	47,372
Other Governmental Funds	11,454	7,520	6,692	7,317	7,015	9,094	7,878	7,437	231	9,436
Capital Projects Fund	6,675	8,903	3,748	6,889	7,814	4,411	5,841	6,866	4,850	3,408
Proprietary Funds	415	402	407	378	352	315	240	382	19,026	230
Transfers out:										
Capital Projects Fund	(31,127)	(16,885)	(35,034)	(34,693)	(32,514)	(35,547)	(34,039)	(34,926)	(39,605)	(47,733)
Debt Service Fund	(30,704)	(36,860)	(32,073)	(33,392)	(34,016)	(37,386)	(30,078)	(35,325)	(33,963)	(34,475)
Other Governmental Funds	(4,723)	(10,668)	(15,070)	(11,888)	(13,752)	(22,469)	(23,368)	(22,784)	(25,745)	(16,628)
General Fund	(22,932)	(26,089)	(20,695)	(23,667)	(24,078)	(22,279)	(21,833)	(31,077)	(23,752)	(22,019)
Special Revenue Funds	(9,196)	(6,447)	(4,644)	(6,277)	(7,879)	(3,427)	(4,677)	(3,495)	(9,159)	(1,951)
Proprietary Funds	<u>(35,409)</u>	<u>(669)</u>	<u>(2,795)</u>	<u>(1,326)</u>	<u>(1,127)</u>	<u>(2,545)</u>	<u>(3,050)</u>	<u>(2,767)</u>	<u>(2,263)</u>	<u>(3,172)</u>
Total financing sources, net	<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>	<u>11,211</u>	<u>128,179</u>
Net Change in Fund Balances	\$ <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>	\$ <u>10,266</u>	\$ <u>117,170</u>
Capital outlays reported in the CIP fund and other funds	62,735	38,566	54,275	66,282	93,420	88,043	70,811	61,836	69,664	118,839
Debt service as a percentage of noncapital expenditures	8.90%	10.05%	8.64%	9.24%	7.24%	9.45%	7.48%	7.94%	7.24%	7.30%
Total expenditures less capital outlays	344,898	370,501	371,409	365,964	469,638	400,466	406,808	444,660	469,075	482,689
Debt service (payments)	30,704	37,226	32,073	33,821	34,016	37,831	30,432	35,324	33,963	35,251

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

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

Fiscal Year Ended June 30	Classification											
	Improved Residential		Apartment		Commercial		Industrial		Agricultural		Commercial Residential	
	Taxable Assessed Value	Tax Rate ¹										
2010	\$ 6,906,546	4.85	\$ 5,983,881	4.55	\$ 2,134,769	6.25	\$ 1,609,950	6.50	\$ 3,934,471	4.50	\$ --	--
2011	5,795,214	5.00	5,659,454	5.00	2,121,834	6.25	1,614,057	6.50	3,452,417	5.00	73,191 ²	4.00
2012	5,645,593	5.55	5,016,127	5.50	2,126,142	6.25	1,466,957	7.00	2,978,918	5.80	70,301	4.20
2013	5,241,369	5.75	4,623,504	6.20	1,910,261	6.90	1,522,372	7.10	2,975,466	6.00	75,166	4.50
2014	5,461,103	5.75	4,782,464	6.40	1,952,055	7.05	1,676,982	7.30	3,194,538	6.05	94,183	4.60
2015	5,570,175	5.57	5,118,013	6.20	1,998,655	6.83	1,546,738	7.07	3,318,065	5.86	109,353	4.46
2016	6,226,697	5.40	5,793,112	6.00	2,824,233	6.60	1,750,774	6.85	3,536,472	5.75	120,166	4.35
2017	6,759,362	5.30	6,134,056	6.00	3,224,554	6.60	2,053,224	6.69	3,772,117	5.66	163,441	4.35
2018	7,153,681	5.54	6,443,531	6.32	3,233,112	7.28	2,026,784	7.49	3,924,967	6.01	172,476	4.56
2019	7,721,680	5.52	6,544,442	6.31	2,911,448	7.25	2,132,863	7.45	4,330,328	6.00	197,032	4.55

Fiscal Year Ended June 30	Classification													
	Conservation		Hotel & Resort		Time Share		Unimproved Residential		Homeowner		Short Term Rental		Total	
	Taxable Assessed Value	Tax Rate ¹	Taxable Assessed Value	Direct Tax Rate ¹										
2010	\$ 385,496	4.75	\$ 9,940,281	8.20	\$ 1,743,996	14.00	\$ 521,227	5.35	\$ 9,907,664	2.00	\$ --	--	\$ 43,068,281	5.42
2011	445,265	5.00	8,183,430	8.30	1,776,953	14.00	331,079	6.25	7,803,966	2.50	--	--	37,256,860	5.78
2012	362,724	5.60	7,471,672	9.00	1,607,462	15.00	--	--	6,174,696	2.50	--	--	32,920,592	6.34
2013	359,573	6.20	7,304,445	9.15	1,508,875	15.50	--	--	6,952,272	2.75	--	--	32,473,303	6.55
2014	409,933	6.25	7,303,708	9.40	1,483,432	15.55	--	--	7,053,159	2.87	--	--	33,411,557	6.65
2015	391,136	6.06	8,865,184	9.11	1,591,353	15.07	--	--	7,740,439	2.78	--	--	36,249,111	6.51
2016	406,824	5.90	9,296,145	8.85	1,693,560	14.55	--	--	9,063,738	2.75	--	--	40,711,721	6.24
2017	424,471	5.80	9,745,148	8.71	1,896,669	14.31	--	--	10,190,495	2.70	--	--	44,363,537	6.12
2018	427,198	6.37	10,009,936	9.37	1,943,561	15.43	--	--	10,628,945	2.86	--	--	45,964,191	6.53
2019	438,828	6.35	2,309,315	9.37	2,242,684	15.41	--	--	11,454,863	2.85	8,565,108 ²	9.28	48,848,591	6.53

¹ Tax rates per \$1,000 of net taxable assessed valuation for each class of property. Assessed valuation base is 100% of appraised fair market value.

² First year of tax.

**TABLE 7
COUNTY OF MAUI
PRINCIPAL TAXPAYERS
FISCAL YEARS 2019 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Taxpayer	Type of Business	2019 ¹			2010 ²	
		Percentage of Total Tax			Percentage of Total Tax	
		Taxes	Levy	Rank	Taxes	Levy
Westin Maui Corp. (Leasehold), SVO Pacific, Inc., Ocean Resort Villas Vacation	Hotel (Westin) / Time Share	\$ 13,163	4.05%	1		
Marriott Ownership Resorts	Time Share	7,258	2.23%	2		
HMC Maui LP, HMC Kea Lani LP	Hotel (Kea Lani & Hyatt)	4,238	1.30%	3		
Alexander & Baldwin, A & B, East Maui Irrigation	Development/Property Management	3,499	1.39%	4		
Bre Iconic GWR Owner LLC	Hotel (Grand Wailea)	3,167	0.98%	5		
Island Acquisitions Kapalua LLC	Time Share, Hotel (Montage)	3,161	1.12%	6		
HV Global Management Corp, Maui Timeshare Venture LLC	Time Share (Hyatt Regency)	2,870	0.88%	7		
West Maui Resort Partners LP	Time Share/Hotel (Kaanapali Beach Club)	2,835	0.96%	8		
Lanai Resorts LLC, Lanai Develops LLC	Hotel (Manele Bay), Golf Course, Development	2,780	0.86%	9		
Hart Wailea LLC	Shopping Center (Shops at Wailea)	2,346	0.72%	10		
Westin Maui Corp. (Leasehold), SVO Pacific Corp, Ocean Resort Villas	Hotel (Westin) / Time Share				\$ 14,824	6.15%
Marriott Ownership Resorts	Time Share (Marriott)				5,634	2.34%
HMC Maui LLC, HMC Kea Lani LLC	Hotel (Kea Lani & Hyatt)				4,712	1.95%
Maui Land & Pineapple Co., Kapalua Bay LLC, W2005 Kapalua/Gengate	Development, Hotel, Golf Course, Property Management, Pineapple				4,665	1.93%
Consolidated Maui Inc.	Time Shares				4,091	1.70%
Grand Wailea Investments, CNL Grand Wailea Resort LP	Hotel (Grand Wailea)				3,640	1.51%
West Maui Resort Partners	Time Share/Hotel (Embassy Suites)				2,554	1.06%
Castle & Cooke, Inc. Resorts LLC, Lanai Properties, Dole, Lanai Co., Lanai Developers	Development/Property Management/Hotel/Golf Course				2,162	0.90%
Alexander & Baldwin Inc., East Maui Irrigation Co., A & B Properties Inc., A & B Hawaii Inc.	Sugar/Development/Property Management				2,100	0.87%
KYO-YA Co. Ltd.	Hotel (Sheraton)				1,762	0.73%
TOTALS		\$ 45,316	14.49%		\$ 46,144	19.14%

¹ Fiscal Year 2019 taxes were calculated from the January 1, 2018 assessment. The taxes levied are for the fiscal year July 1, 2018 through June 30, 2019.

² Fiscal Year 2010 taxes were calculated from the January 1, 2009 assessment. The taxes levied are for the fiscal year July 1, 2009 through June 30, 2010.

**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	Adjustments ¹	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
2010	\$ 241,116	\$ (6,587)	\$ 234,529	\$ 236,084	100.7%	\$ (1,812)	\$ 234,272	99.9%
2011	225,034	(6,199)	218,835	217,843	99.5%	1,318	219,161	100.1%
2012	211,712	(2,792)	208,920	205,489	98.4%	2,071	207,560	99.3%
2013	215,417	(598)	214,819	211,855	98.6%	--	211,855	98.6%
2014	225,766	(78)	225,688	223,076	98.8%	--	223,076	98.8%
2015	238,934	(1,069)	237,865	235,260	98.9%	(8)	235,252	98.9%
2016	260,047	(1,764)	258,283	255,692	99.0%	(11)	255,681	99.0%
2017	277,570	(3,824)	273,746	271,201	99.1%	823	272,024	99.4%
2018	305,705	(1,687)	304,018	301,119	99.0%	15	301,134	99.1%
2019	324,771	(1,737)	323,034	315,593	97.7%	(55)	315,538	97.7%

¹ 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
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%	1,874
2014	208,298	53,293	25,602	17,672	304,865	4.61% ⁵	1,870 ⁶
2015	227,835	55,184	29,946	20,469	333,434	4.74% ⁵	2,033 ⁶
2016	235,318	46,801	27,285	22,260	331,664	4.51% ⁵	2,003 ⁶
2017	209,578	54,137	24,531	29,168	317,414	4.04% ⁵	1,908 ⁶
2018	186,355	62,122	21,719	46,123	316,319	4.03% ¹	1,892 ⁶
2019	263,904	87,517	23,419	45,398	420,238	5.35% ¹	2,513 ²

¹ 2018 and 2019 Personal Income are not available, 2017 data is utilized.

² 2019 Total Resident Population data is not available, 2018 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 Bonds ⁴</u>	<u>Percentage of Estimated Actual Taxable Value of Property ¹</u>	<u>Per Capita ²</u>
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%	1,571
2016	262,603	0.645%	1,586
2017	234,109	0.528%	1,407
2018	208,074	0.453%	1,244
2019	287,324	0.588%	1,718 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 2019 Population data not available; 2018 Maui population from the Maui County Data Book 2018.

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)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit ¹	\$ 6,460,242	\$ 5,588,529	\$ 4,938,089	\$ 4,870,995	\$ 5,011,734	\$ 5,409,678	\$ 6,106,758	\$ 6,654,531	\$ 6,894,629	\$ 7,327,289
Debt applicable to limit	<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>	<u>283,818</u>	<u>381,772</u>
Legal debt margin ²	\$ <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>	\$ <u>6,610,811</u>	\$ <u>6,945,517</u>
Debt applicable to the limit as a percentage of debt limit	4.03%	5.03%	5.29%	5.48%	5.39%	5.38%	4.71%	4.20%	4.12%	5.21%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessor's net taxable income	\$ 49,311,680
Less: 50% of valuation on appeal	<u>463,088</u>
Valuation for tax rate purpose	\$ <u>48,848,592</u>
Debt limit (15% of total assessed value)	\$ 7,327,289
Debt applicable to limit	<u>381,772</u>
Legal debt margin	\$ <u>6,945,517</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	Personal Income (x\$1,000)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2010	\$ 154,834	\$ 5,528 ³	\$ 35,646 ³	39.6 ¹	21,316	8.50%
2011	156,911 ³	5,863 ³	37,361 ³	39.5 ¹	20,779	7.90%
2012	158,888 ³	6,306 ³	39,715 ³	40.0 ²	21,119	6.40%
2013	161,016 ³	6,318 ³	39,218 ³	40.0 ²	21,330	5.20%
2014	163,064 ³	6,733 ³	41,181 ³	40.0 ³	20,950	4.50%
2015	164,042	7,164 ³	43,557 ³	40.0 ³	20,937	3.70%
2016	165,624 ³	7,456 ³	45,062 ³	40.0 ²	21,010	3.10%
2017	166,403 ³	7,856 ³	47,226 ³	N/A	21,105	2.60% ³
2018	167,207 ³	N/A	N/A	N/A	N/A	2.40% ³
2019	N/A	N/A	N/A	N/A	N/A	N/A

¹ U.S. Census Bureau; Median Age for 2011-2015.

² U.S. Census Bureau; Median Age for 2012-2016.

³ Revised from Maui County Data Book 2018.

N/A = Not Available.

**TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2019 AND NINE YEARS AGO - (UNAUDITED)**

EMPLOYER ¹	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Hawaii ²	4,870	1	5.79%	6,061	1	8.39%
County Government ³	2,402	2	2.86%	2,687	2	3.72%
Grand Wailea-Waldorf Astoria	1,400	3	1.67%	1,400	4	1.94%
Ritz-Carlton-Kapalua	1,000	4	1.19%			
Federal Government ²	880	5	1.05%	868	6	1.20%
Maui Memorial Medical Center	800	6	0.95%			
Four Seasons Resort Maui	800	6	0.95%			
Fairmont Kea Lani	700	7	0.83%			
Four Seasons Resort Lanai	700	7	0.83%			
Westin Maui Resort & Spa on Kaanapali Beach	700	7	0.83%			
Kea Lani Maui Restaurant	600	8	0.71%			
Adult Day Health By Hale Makua	500	9	0.59%			
Kaanapali Beach Club	500	9	0.59%			
Montage Kapalua Bay	500	9	0.59%			
Walmart	500	9	0.59%			
Royal Lahaina Resort	500	9	0.59%			
Wailea Beach Resort Marriott	420	10	0.50%			
TS Restaurant of Hawaii & California				1,750	3	2.42%
Grand Wailea Hotel & Spa				1,220	5	1.69%
Maui Land & Pineapple Co., Inc.				800	7	1.11%
Hyatt Regency Maui Resort & Spa LLC				800	7	1.11%
Four Seasons Resort, Wailea				650	8	0.90%
Hale Makua				501	9	0.69%
Wailea Beach Marriott Resort & Spa				403	10	0.56%
Total	17,772		21.14%	17,140		23.74%

¹ FY 2019 Employees - ReferenceUSAGov (Infogroup Government Division), as of 10/25/2019; FY 2010 Employees - Maui County Data Book 2010.

² FY 2019 Hawaii Department of Business, Economic Development & Tourism, Monthly Economic Indicators. Data rounded to nearest 10. Average based on January 2019 to August 2019 period. <https://dbedt.hawaii.gov/economic/mei/>; FY 2010 Hawaii Workforce Informer, Quarterly Census of Employment & Wages by Industry, 4th quarter calendar year 2009.

³ County of Maui actual employee count.

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

<u>Function</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>	<u>2018</u>	<u>2019</u>
General government	435	481	495	517	508	529	527	525	538	590
Public Safety										
Police										
Officers	494	332	331	343	341	359	371	370	356	337
Civilians	117	149	134	143	103	111	111	108	105	106
Fire and Public Safety										
Firefighters and officers	282	286	282	290	298	302	293	288	284	292
Civilians	23	12	11	12	33	13	14	76	77	77
Highways and Streets										
Engineering	33	33	35	35	35	32	30	30	33	16
Maintenance	235	220	217	217	216	211	214	220	224	185
Sanitation	109	147	99	106	153	97	97	99	101	96
Social Welfare	184	131	154	164	106	101	108	111	103	100
Culture and Recreation	455	449	366	371	329	332	348	282	293	293
Sewer	120	104	95	107	110	112	110	116	113	110
Department of Water Supply	<u>200</u>	<u>205</u>	<u>192</u>	<u>194</u>	<u>205</u>	<u>200</u>	<u>196</u>	<u>205</u>	<u>196</u>	<u>200</u>
Total	<u><u>2,687</u></u>	<u><u>2,549</u></u>	<u><u>2,411</u></u>	<u><u>2,499</u></u>	<u><u>2,437</u></u>	<u><u>2,399</u></u>	<u><u>2,419</u></u>	<u><u>2,430</u></u>	<u><u>2,423</u></u>	<u><u>2,402</u></u>

Source: Annual Government Survey submitted by Payroll.

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	4,700	4,200	5,000	9,541	9,830	9,912	9,672	9,631	9,533	8,662
Parking violations	10,300	12,000	11,200	8,883	8,934	9,235	2,743	12,331	12,277	10,371
Fire										
Number of calls answered	7,480	8,043	8,816	9,834	10,930	10,714	10,931	11,275	12,167	12,740
Inspections	646	1,368	1,461	1,152	849	901	557	610	567	724
Highways and streets										
Street resurfacing (miles)	18	21	49	26	23	23	25	19	16	23
Sanitation										
Refuse collected (tons/day)	474	469	436 ¹	436 ²	459 ²	479	507	570	597	614
Recyclables collected (tons/day)	328	324	440	209	168	162	283	314	178	187
Culture and recreation										
Athletic field permits issued	1,012	902	924	895	848	771	719	424	463	516
Camping center permits issued	2,368	2,429	2,671	2,650	2,400	2,203	1,978	994	848	891
Community center permits issued	2,461	2,401	2,237	2,286	2,220	2,448	2,094	2,412	1,804	1,910
Water										
New connections	71	87	55	25	174	64	107	154	250	104
Water main breaks	806	483	371	252	253	174	147	40	164	206
Average daily consumption (thousands of gallons)	30,640	29,660	30,150	34,250	32,471	33,771	32,289	31,962	32,870	31,045
Wastewater										
Average daily sewage treatment (thousands of gallons)	12,152	13,000	12,100	12,451	12,710	13,067	13,309	14,047	14,119	13,848

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety										
Police:										
Stations	6	6	6	6	6	6	6	6	6	6
Patrol units	6	6	6	6	6	6	6	6	26 ⁴	26 ⁴
Fire stations	14	14	14	15	14	14	14	14	14	14
Sanitation										
Collection trucks	29	31	33	32	32	33	34	34	32	32
Highways and streets										
Streets (miles)	565	566	566	566	568	568	569	570	570	577
Street lights	4,228	4,228	4,228	4,228	4,719	4,720	4,954	4,894	4,912	4,959
Traffic signals	35	30	31	31	32	35	35	35	35	35
Culture and recreation										
Parks acreage										
(includes underdeveloped parks)	NA ¹	NA ¹	1,721 ²	1,807 ²	2,117 ²	2,154	2,212	2,506	2,545	2,547
Parks	1,395 ¹	1,620 ¹	136 ²	138 ²	143 ²	144	148	150	159	158
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	55	55	55	55	53	53	53	53	53	49
Community centers	22	22	22	22	22	22	22	22	22	21
Other enterprise										
Golf course	1	1	1	1	1	1	1	1	1	1
Water										
Fire hydrants/stand pipes	6,936	6,981	7,016	7,016	7,091	7,122	7,366	7,443	7,317	7,362
Maximum daily capacity										
(thousands of gallons)	57,000	42,000	57,000	41,310	68,595 ³	52,800	59,890	60,100	60,098	57,791
Sewer										
Sanitary sewers (miles)	242	223.6	223.2	248.6	248.7	249.8	259.5	261.1	258.9	259.2
Maximum daily treatment capacity										
(thousands of gallons)	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700

Source: Various County departments.

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

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

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

⁴ Patrol beats.