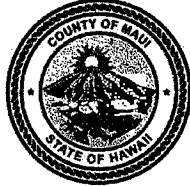


DEPT. COMM. NO. 289

ALAN M. ARAKAWA
Mayor



DANILO F. AGSALOG
Director

MARK R. WALKER
DEPUTY DIRECTOR

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

January 20, 2017

Honorable Ron Kouchi
Senate President
Hawaii State Capitol
415 S. Beretania St., Rm 218
Honolulu, HI 96813

Dear Mr. President Kouchi:

We are pleased to enclose the Comprehensive Annual Financial Report (CAFR) of the County of Maui for the fiscal year ended June 30, 2016, with the Independent Auditors' Report, submitted in compliance with County Charter, Section 9-13. This report is also accessible via the County's official website at <http://www.co.maui.hi.us/index.aspx?nid=1827>.

Please contact us at 808-270-7503 or email Steve.Tesoro@co.maui.hi.us if you do not wish to receive a hard copy of the report in the future.

Thank you for your interest in the County of Maui.

Sincerely,

A handwritten signature in black ink, appearing to read "Danilo F. Agsalog", is written over a horizontal line.

DANILO F. AGSALOG
Director of Finance

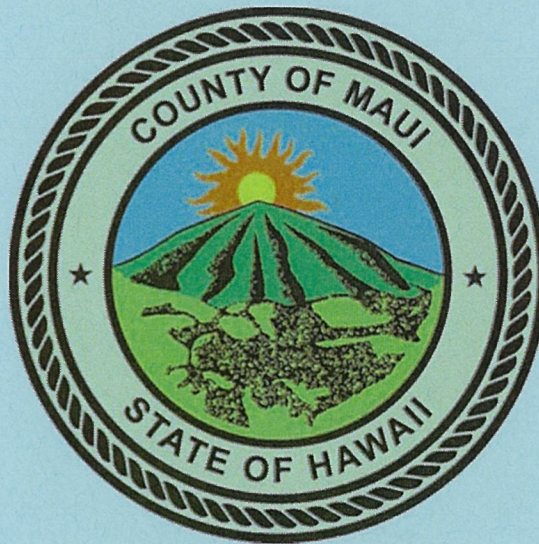
Enclosure

ORIGINAL

DEPT. COMM. NO. 289

COUNTY OF MAUI

STATE OF HAWAII



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**Prepared by:
DEPARTMENT OF FINANCE
Danilo F. Agsalog, Director of Finance**

**COUNTY OF MAUI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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COUNTY OF MAUI
INTRODUCTORY SECTION

ALAN M. ARAKAWA
Mayor



DANILO F. AGSALOG
Director of Finance

MARK R. WALKER
Deputy Director of Finance

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

December 13, 2016

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

Dear Mayor and Chair White and Members:

Pursuant to the requirements of the Charter of the County of Maui, Section 9-13. Audit of Accounts, which states:

“Within six (6) months after the beginning of each fiscal year, the county auditor shall conduct or cause to be conducted an independent financial audit of the funds, accounts, and other evidences of financial transactions of the county and of all operations for which the county is responsible for the audited fiscal year. The audit shall be conducted by a certified public accountant or firm of certified public accountants who have no personal interest, direct or indirect, in the fiscal affairs of the county or any of its operations. The audit shall include both financial accountability and adequacy of the financial and accounting system. If the State makes such an audit, the county auditor may accept it as satisfying the requirements of this section. The scope of the audit shall be in accordance with the terms of a written contract recommended by the county auditor and signed by the council chair as the contracting officer for the legislative branch, which contract shall encourage recommendations for better financial controls and procedures and shall provide for the completion of the audit within a reasonable time after the close of the previous fiscal year. A copy of the audit reports shall be filed with the county clerk and shall be a public record, unless otherwise provided by law.

In the case of the death, resignation, or removal of the director of finance, the council shall cause an independent audit to be made of the finance director’s accounts. (Amended 2012, 1988)”,

The Department of Finance has prepared and hereby issues the Comprehensive Annual Financial Report (CAFR) of the County of Maui for the fiscal year (FY) ended June 30, 2016. This report consists of management’s representations concerning the finances of the

County of Maui. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the County of Maui has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurances that the financial statement will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

As required by the Charter, the County of Maui's financial statements have been audited by a firm of licensed certified public accountants, N&K CPAs, Inc.. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Maui for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County of Maui financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Since fiscal year 2002, the County of Maui has prepared the CAFR using the financial reporting requirements as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34). This GASB Statement requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion & Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it.

In addition, effective with this last year's CAFR, the County of Maui is now required to comply with the new GASB Statement No. 68, "Accounting and Financial Reporting For Pensions - An amendment of GASB Statement No. 27". The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense for pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. I encourage you to look for these new required schedules and footnotes within this CAFR document.

THE REPORTING ENTITY AND ITS SERVICES

The County consists of the inhabited islands of Maui, Molokai and Lanai, and the uninhabited island of Kahoolawe. The County is the second largest of the four counties in the State of Hawaii, with land area of 1,162 square miles, approximately the size of Rhode Island. The population of the County is estimated at 164,637 in 2015 and has almost quadrupled since 1960 according to the U.S. Census Bureau. The County comprises an estimated 11.4% of the total population and 18.1% of the total land area of the State of Hawaii.

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

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

In Maui County, as well as in the three other counties within the State, there are no subordinate or separate municipal entities. The State government administers the school system, airport, harbors, hospitals, judicial system, and the State highway system. Most non-Federal taxes are administered and collected by the State under Hawaii's highly centralized tax system. The major sources of State revenue are the general excise tax, and the corporate and personal income taxes. There are no State personal or property taxes, local levies for school districts, or special assessments.

The annual budget serves as the foundation for the County of Maui's financial planning and control. The County Charter requires the Mayor on or before March 25 of each year to submit to the County Council an operating budget for the ensuing fiscal year, a capital program and an accompanying message. The operating budget and the capital program are prepared by the Mayor with the assistance of the Department of Finance. The operating budget presents a complete financial plan for the current operations of the County and its departments. The capital program contains capital improvements pending or proposed to be undertaken within the ensuing fiscal year and ensuing five fiscal years, together with the estimated cost of each improvement and pending or proposed method of financing. Chapter 46, Hawaii Revised Statutes was amended in 1993 to permit counties to prepare budgets on a one or two year period. The County Charter provides for one-year budgets.

The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget ordinance approved by the County Council. Activities of the

General Fund, special revenue funds, grant revenue, debt service fund, and capital projects fund are included in the annual budget ordinance.

The Mayor holds community meetings to receive input from citizens in the eight community plan areas throughout the County prior to preparing the Mayor's Proposed Budget for the ensuing fiscal year. Upon submission of the proposed budget in March additional public hearings are held with the community by the County Council between March and April in the year of submission. After public hearing, the operating budget and capital program are subject to review and amendment by the County Council. If, however, the County Council fails to adopt an operating budget on or before June 10 of a given year, the County Charter provides that the operating budget submitted by the Mayor will be deemed enacted as the operating budget for the ensuing fiscal year. The County Charter further states that the estimated revenues, proposed expenditures and total appropriations for the ensuing fiscal year shall be equal in amount.

The appropriated budget is prepared by fund, function, department, and program and/or activity. Every appropriation, except an appropriation for a capital improvement, lapses at the close of the fiscal year to the extent the same has not been expended or encumbered by a written contract. An appropriation for a capital improvement remains in force until the purpose for which it was made has been accomplished or abandoned. Under the current County Charter, an appropriation for a capital improvement will be deemed abandoned six months after the close of the fiscal year to the extent that it has not been expended or encumbered by a written contract. The County Charter provides that no payment may be authorized or made and no obligation incurred against the County except in accordance with appropriations duly made.

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

ECONOMIC CONDITION AND OUTLOOK

Maui County's near term economic outlook remains favorable based on the strength of an unexpected surge in tourism, increased residential construction contributions to the building sector and an energetic real estate market. Maui's unemployment rate is below 4% and the labor market is good for those seeking a job, though medium to high paying jobs remain at a premium. The closing of HC&S at the end of 2016 will negatively impact the economy and the delay in the privatization of Maui Medical Center, Maui's second largest employer, is a cause for concern. Despite these issues, Maui's economy should continue to show incremental improvement in 2016 and we remain confident about our prospects.

Tourism

Visitor arrivals reached a record 2.5 million in 2015, which was a 4.8% increase over 2014 results, buoyed by increased air seats (+14.7%) attributable in large part to additional flights to Maui by Alaska Airlines. Maui's visitor industry remains the largest component of the

County economy and growth is expected to continue in 2016, though at a more restrained rate than that experienced in 2015. Visitor make up consisted primarily (82%) of travelers from the continental U.S., with over 50% of the arrivals coming from visitors that live in the western United States. International arrivals, which continued to be impacted by a strong U.S. dollar, increased 4.1% with the bulk of growth (+6.3%) coming from Asia, which helped to off-set a decline in overall Canadian visitors.

Visitor spending decreased slightly (-1.8%) in 2015 as lodging expense as a percentage of daily visitor spending continued to impact visitors ability to spend for other things. The Island of Maui's average hotel room rate continued as the highest in the state in 2015 toping \$342 per night (+ 4.7%) followed by Hawaii Island at \$241 per night. The Hawaii Tourism Authority estimates that visitor spending on Maui in 2015 averaged \$11.3 million per day, second only to Oahu at \$20.2 million average per day.

Construction

In 2015, private (commercial & residential) building authorizations on Maui topped \$731 million, an increase of \$287.9 million or 64.9 percent over 2014.

Commercial construction activity in Maui County continued to move forward with the announcement of two major projects being issued building permits. The largest private building project on the island in recent memory, a \$304.5 million time-share resort on 26 acres at Kaanapali's North Beach, is planned by Starwood Vacation Ownership and will be called Westin Nanea Ocean Villas. Also, in early 2015 the County issued building permits for another large West Maui project, the \$46.5 million West Maui Village development in Napili planned for 9.6 acres north of Maui Preparatory Academy. Both projects are expected to be completed in 2017.

The long dormant residential construction sector showed meaningful signs of recovery with the ground breaking of the following projects in 2015; Kamalani phase I, a 102 unit residential condominium in North Kihei that is earmarked for residential workforce housing, Kalama Kai, a 40 unit condominium/apartment project in Central Kihei, Alohilani at Kehalani a 88 unit single family residential community by D.R. Horton, and two (2) single family residential projects in Wailuku by Towne Hawaii, the 138 unit Kamani at Kehalani, and the 200 unit Parkways at Maui Lani.

In the public infrastructure arena (County & State), Phase II of the State's new Kahului airport access road has opened and work is underway on the planned \$340 million centralized rental car facility with completion slated for late 2018.

Construction activity on Maui should remain strong in 2016 though not at 2015 levels. Unfortunately, beyond 2016 prospects are less sure as a number of forces will impact construction gains and ultimately precipitate the next industry downturn. These include deteriorating home affordability and rising construction costs.

Agriculture

The long anticipated announcement by HC&S that it will close its 36,000 acre sugar operations at the end of 2016 has added uncertainty to Maui's economy. In the end, the inability to compete in the world market due to its higher cost of production, despite being one of the most efficient sugar plantations in world, ultimately spelled doom for this 146 year old Maui

icon. The closure will certainly ripple through the Maui economy as many Maui businesses that engaged in commerce with the plantation will feel the economic ill effects of the shut-down. HC&S hopes to transition to a new diversified agricultural model by dividing the Maui plantation into smaller farms with a variety of uses including energy crops, food crops, support for the local cattle industry and developing an agriculture park. According to sources this effort will take years to fully implement. It is expected that 675 employees will be displaced as a result of the closure.

Jobs

The positive economic activity created by the surprisingly robust visitor industry, coupled with the considerable gains in the construction sector have led to an improved labor market on Maui. The labor force in the County of Maui at year end 2015 stood at approximately 86,000, surpassing the size of the labor force prior to the “Great Recession”. The unemployment rate for Maui County in 2015 was 3.8%, second only to the City and County of Honolulu (3.5%). High single-digit or low double digit construction job growth is projected for 2016, before growth rates slow as we approach the cyclical peak. With greater employment opportunities for the labor force, Maui employers continue to find it more difficult and costly to hire skilled/unskilled workers as potential employees have more options with the stronger local economy.

Strengthened by lower unemployment and restrained inflation, real personal income grew in the roughly 3.5-4.0% range last year across Hawaii’s counties. By 2018, it will slow to about 1% on Oahu and roughly 2.5% on the Neighbor Islands.

Real Estate

The Maui real estate market continued its steady march higher in 2015 as residential unit sales increased 15% over results posted in 2014 and the total dollar volume of sold units expanded to \$931 million (+13%). Even with these gains, the average sales price dropped slightly (-2%) to \$855,507. The median price for single family residential units increased modestly (+2%) to \$580,000 and reflect the economic reality that single-family home prices have basically returned to their pre-recession levels. Real Estate owned and short sales were on par with 2014, comprising approximately 11.8% of total sales volume. Condominium sales activity remained essentially unchanged in 2015, both in unit sales and total dollar volume of sales (\$763 million).

As discussed earlier, it appears the supply of new homes is increasing and despite increases in mortgage interest rates, they remain historically low. These factors should continue to fuel the market through 2016 as developers are reporting long lists of interested buyers for their new home offerings, especially in Central Maui. The market has caused some “Owners” to become “Sellers” as they put their homes on the market to take advantage of rising sales prices.

The commercial real estate market remains solid with good demand for office and warehouse space. A&B’s Maui Business Park South has sold 24 of its listed 50 lots and a number of new commercial buildings have broken ground in Central Maui. In early 2016 the Maui Mall was sold for \$86.4 million and the Lahaina Cannery Mall was sold for \$64.7 million.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. During Fiscal Year 2016, the County of Maui saw a 12.2 percent increase in the net position of governmental activities, partially due to an increase of \$20.2 million in the County's net investment in capital assets and an increase of \$9.2 million in cash and investments. The County's total revenue increased by 3.1% while expenses increased by only 2.8%. This was achieved through continued prudence and vigilance in fiscal policies, both essential core responsibilities' for County management. During FY 2016 Maui County continued to exhibit additive economic improvement largely due to record setting visitor arrivals, a much improved construction sector and an accelerating real estate market.

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

- Completed the \$5.4 million Hansen Road Pavement Reconstruction project and the \$1.5 million Kalalinui Bridge Replacement Project. Both of these projects were completed under the allotted contract time and under budget. These projects were particularly complex due to the required coordination with utility companies and the HC&S sugar mill. (Public Works)
- Ground was broken in March 2016 on the \$13.4 million Kulamalu Affordable Housing Project, an affordable rental project in Pukalani, Maui. The fifty-six (56) unit project consists of sixteen (16) one bedroom/one bath units and forty (40) two bedroom units. Construction is expected to be completed in April 2017, with full occupancy by July 2017. The project will be owned by the County of Maui and is being constructed using a combination of funding through the County of Maui Affordable Housing Fund Program and a Home Investment Partnerships (HOME) Program grant through the U.S. Department of Housing and Urban Development (HUD). The project will provide housing for residents with a range of incomes between 50% and 120% of the Area Median Income (AMI). (Housing & Human Concerns)
- Completed the \$20 million Iao Treatment Plant renovation and expansion is underway and is expected to be completed by mid- 2017. This project will substantially increase the reliable capacity available to serve the department's largest water supply district. The plant, located near Iao Valley Road, is adjacent to the 3 million gallon Iao Tank and will have a treatment capacity of 3.2 million gallons per day on raw water drawn from Wailuku Water Company's Iao-Waikapu Ditch. (Water Supply)
- Performed extensive maintenance of the Iao and Kahoma Flood Controls during late spring and the early summer of 2016. For the Iao Flood Control, the Wailuku District maintenance crews targeted vegetation control and completed weed and brush cutting efforts covering 300,000 square feet. Other work accomplished in this area included repairs to the concrete and the metal reinforcement of approximately one mile, over a mile of roadway repairs, sealing concrete joints, painting over graffiti, taking documentation video of drain lines, the cleaning of drain lines and weep holes as well as repairs to fencing and gates in excess of 100 lineal feet. For the Kahoma Flood Control, the Lahaina District crews did substantial maintenance during early summer expending approximately 1,075 work hours cleaning 1,214 weep holes as well as patching approximately 253,080 square feet of concrete and 4,760 lineal feet of cracks in the concrete channel. Trimming of vegetation and other maintenance work also occurred along the flood control area. (Public Works)

- Completed the \$4.6 million rehabilitation of pump station along Honoapiilani Highway across from Kaanapali Parkway. The project included the rehabilitation/replacement of wetwell, pumps, emergency generator, SCADA, odor control, and architectural/site improvements. Additionally, added new gravity sewer system (\$897K) to approximately 25 previously un-sewered lots on Lower Waiehu Beach Road. (Environmental Management)

In pursuit of its strategic goal of providing, *“An Efficient, Effective and Responsive Government”*, many departments of the County of Maui continued to review their processes and procedures in an effort to improve or expand service delivery. Some of these FY 2016 initiatives and service expansion efforts are highlighted below:

- Department of Public Works (PW) – As of the end of June 2016, the Development Services Administration division (DSA) was approximately 6 months into a 30 month implementation period for the new Maui Automated Permitting & Planning System (MAPPS). This land management tool is based on modern geospatial (GIS) technology software and will benefit Maui County citizens by sharing data, providing customer self-service and process automation. DSA completed the configuration and testing of two permit case prototypes (building-commercial and plumbing-commercial/residential) and identified approximately 55 other permit case types that will need to be configured and tested.
- Office of Economic Development (OED) – The Maui County Film Office, a division of OED, made significant progress in increasing the amount of “in-county” spending on films and commercials during FY 2016. Year over year, the Film Office logged an increase of \$8,243,000 in “in-county” spending in FY 2016 due largely to an increase in television and web commercials being filmed in Maui County, as well as an MTV series called “Are You the One?” which filmed its season on Maui and spent approximately \$7 million within the county. Further, OED funded and co-presented the 2nd Annual Made In Maui County Festival that attracted over 10,000 attendees (30% were off-island visitors). The festival produced \$416,000 in sales for the 140 local product vendors that were represented.
- Maui Fire Department (MFD) – The MFD is near completion of the process to become an “Accredited” fire department. With the assistance of the Center for Public Safety Excellence (CPSE), a non-profit organization that is the only fire accreditation organization in the world, MFD has set goals and objectives and this process has resulted in the need to create four (4) key documents in order to become an accredited agency; a Self-Assessment document addressing 10 categories, a Strategic Plan, a Standards of Cover document (how effective is MFD in serving the public and is manpower, staffing and facilities adequate), and a Risk Assessment document. The result of this two (2) plus year effort will be a dynamic “road map” for MFD to improve efficiency and focus on the needs of the community moving forward. Additionally, the process will drive decision making at all levels, especially budget and planning. MFD expects to receive accreditation in March 2017 and once this is achieved, annual improvement needs to be documented in identified weak areas and continual progress is required in order to maintain accreditation in the future.
- Department of Planning (DOP) – The department received County Council approval of the Lanai Community Plan update. This is the first community plan to be updated since the revisions to Chapter 2.80B, Maui County Code, and the adoption of the Maui Island Plan. Also in FY 2016, DOP began posting its board and commission meeting agendas online and they now post all of the meeting documents (including applications, staff reports and recommendations, agency comments, public testimony and other correspondence) online so that this information is available to the public as soon as the agendas are posted.

- Department of Parks and Recreation (DPR) - In FY 2016, the department finalized the transfer of the Ocean Safety Section to the Department of Fire and Public Safety effective as of July 1, 2016. This transfer of 60.5 equivalent personnel had been in process for many years and will provide for Ocean Safety to flourish in the public safety based department and provides future opportunities to create recreational opportunities through the department's Aquatics Division.
- Maui Police Department (MPD) – Received approval for a secondary Public Safety Answering Point (PSAP) site in Kihei to provide an emergency services dispatching capability to the community in the event the primary PSAP fails. This will provide for uninterrupted services during emergencies, and natural disasters. Funding from the State E911 Board assisted in paying for this secondary site. Also during FY2016, the department initiated the process to implement a body-worn camera program for the uniform services bureau. The move to body-worn cameras was deemed necessary to protect both the public and police officers from false complaints and to give an unbiased view if incidents that occur between the police department and the public. It is anticipated that implementation of the body-worn camera program will begin in early 2017.
- Department of Transportation (DOT) - The department finalized its second Short Range Transit Plan 2017-2022. Through rider surveys, community meetings, technical analysis and coordination with key stakeholders, the Maui Short Range Transit Plan was formulated. The plan includes the plan background, current fixed route system, rider demand analysis, service analysis and recommended improvements, financial plan and action plan. Also during FY2016, riders of the Maui Bus now have the ability to track the bus in real-time under a new tracking system implemented by the department and Roberts Hawaii. The TransLoc Rider app enables users to track buses live on a map and get accurate arrival predictions for their regular stops. The free app gives riders more control of their public transit experiences allowing them to be in control of their schedule by minimizing the wait time and avoiding missed buses. The app also allows riders to get customized alerts and receive system-wide announcements about schedule changes, detours and other up-to-the-minute alterations in service as well as provide feedback. On average, there are over 2,000 unduplicated users and over 30,000 hits a month.
- Department of Management (DOM) – The Information Technology Services Division (ITSD) continued taking important steps to place the data center at the Kihei Police station as a disaster recovery / failover data center for the County's main facilities in Wailuku. This is part of the efforts, supported by grants from the Department of Homeland Security, to ensure that County operations, especially in support of public safety, are resilient and hardened, to provide reliable information technology services during crisis events. Further, the County's cyber security protection continued to be improved through the implementation of additional protective measures. The result is an increase in early alerting of potential threats, allowing the ITSD staff to act to prevent cyber security events.
- Department of Housing and Human Concerns (DHHC) – Housing Division's Section 8 team opened up a wait list for the first time in decades and processed over 3,000 applications. In addition, changes were made to the Section 8 administrative rules to provide more opportunities for voucher-holders to find homes; and increases were made to payment standards to enable families on Section 8 to be more competitive in the market. Additionally, Maui County's Office on Aging was recognized as national leader for new Veteran initiatives. As the only County Area Agency on Aging to provide a Veterans-Directed Home and Community-Based Program, the program is able to leverage diversified funding sources to the County by receiving VA funds.

- Department of Water Supply (DWS) - The Maui Island Water Use and Development Plan (WUDP) provides a plan for the protection, management and use of water resources on Maui by all water users over a 20 year period. The process was jump started in 2016 to gauge issues, options and strategies to address the wide ranging and often contentious community issues surrounding the water resources of Maui. An assessment of the WUDP "Background, Existing Resources and Uses and Future Demands, 11/15/2016" is now online for review and education. The final draft of the WUDP will be available in March of 2017.

For The Future. Historically the County of Maui has been financially judicious in its fiscal policies as it moves towards its goals of long term financial stability and sustainability while maintaining the necessary levels of service for the community. This conservative and responsible approach has paid dividends for the County of Maui as its financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii. In this regard, the County has continued to diligently fund its Emergency Fund to an adopted level in FY 2017 of nearly \$35.2 million with a policy goal to increase the fund balance to a level equal to 20% of annual General Fund expenditures through the prudent management of its fiscal resources. Additionally, the County continued with its responsible reserve strategy by appropriating and funding \$5.45 million to the Affordable Housing Fund and \$16.2 million to the State of Hawaii Employer-Union Health Benefits Trust Fund (EUTF) in FY 2017.

In consideration of the County's current and future needs, strategic and long-range plans are being developed and continue to be reviewed and modified as required. Many factors are evaluated in the development of these plans, including revenue forecasting, rate of growth, inflationary factors, debt levels and costs, aging infrastructure replacement and expanding community needs.

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

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

OTHER FINANCIAL INFORMATION

Debt Management. The County of Maui's debt management policy is a written guideline for the amount and type of debt issued by a state or local government, the issuance

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

Investment Management. The County of Maui maintains an investment policy (revised July 2012) which governs all financial assets of the County. These funds are accounted for in the County's basic financial statements and include the General Fund, Special Revenue Funds, Capital Improvement Projects Funds, Enterprise Funds, Agency Funds, Debt Service Fund and any new funds unless specifically exempted. The County's Investment Policy key objectives include: 1) Safety – investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio; the objective will be to mitigate credit risk and interest rate risk; 2) Liquidity – the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated; and 3) Yield – the investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risks constraints and liquidity needs. The County's investment policy is in conformance with the Hawaii Revised Statutes, Chapter 46-50.

Cash Management. The primary objectives of the County's cash management and investment program are the safety and preservation of principal, liquidity, and yield. The County employs multiple portfolio accounts that include the General Investment Account Portfolio (GIAP) and various temporary general obligation bond account portfolios that terminate when the funds are fully expended. To ensure the most competitive rates in the GIAP, the cash resources of the individual funds are combined to form a pool of cash and investments, which are then invested over a maturity horizon not to exceed five (5) years using a comprehensive cash flow modeling tool developed by the Treasury Division to maximize investment returns. The investment portfolio is composed of obligations of the U.S. government and its agencies, certificates of deposit, and repurchase agreements fully collateralized by obligations of the U.S. government or its agencies, and short-term notes. Interest and investment earnings on a Countywide basis during FY 2016 was \$3.0 million or approximately twice what was earned in FY 2015. The increase can be attributed to the effective cash flow analysis modeling tool which allowed the County to maximize the term of its investments and thus increase its yields without sacrificing needed cash for shorter term obligations. Despite the continuing historically low interest rate environment, the County's average annual portfolio yield increased from .55% in Fiscal Year 2015 to 1.07% in Fiscal Year 2016. The portfolio yield in the last month of Fiscal Year 2016 was 1.28%.

Real Property Tax. Real property assessed values (\$ 40.7B) increased 12.3% during Fiscal 2016, while real property tax collections (\$249.7M) increased only 5.3%, reflecting a marginal tax rate decrease adopted by the County Council. Maui County's assessed real property values, while increasing, remain approximately 5% below the peak level experienced during Fiscal 2010, an indicator that the local economy in general has strengthened considerably since the economic downturn in 2009.

AWARDS AND ACKNOWLEDGMENTS

Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Maui for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This is the thirty-third consecutive year that the County of Maui has received this prestigious award.

To receive the Certificate of Achievement, the government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We have ensured that the GFOA standards have been adhered to and believe that the current report, which will be submitted to the GFOA, continues to conform to the Certificate of Achievement Program requirements.

Acknowledgements. The preparation of this report could not have been accomplished without the commitment and dedicated service of the entire staff of the Department of Finance, and the cooperation of the other County agencies and departments. I wish to express my appreciation to all members of the Finance Department and to the auditors, N&K CPAs, Inc. who assisted and contributed to its efficient preparation and extensive compilation. We also thank the Honorable Mayor Arakawa and the Maui County Council for their interest, trust and support in the progressive strategic planning and conduct of the financial operations of the County of Maui.

Respectfully Submitted,



DANILO F. AGSALOG
Director of Finance

DFA:mrw



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, 2015

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS June 30, 2016

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor

Alan M. Arakawa

LEGISLATIVE

Councilpersons

Council Chair
Mike White

Council Vice-Chair
Don S. Guzman

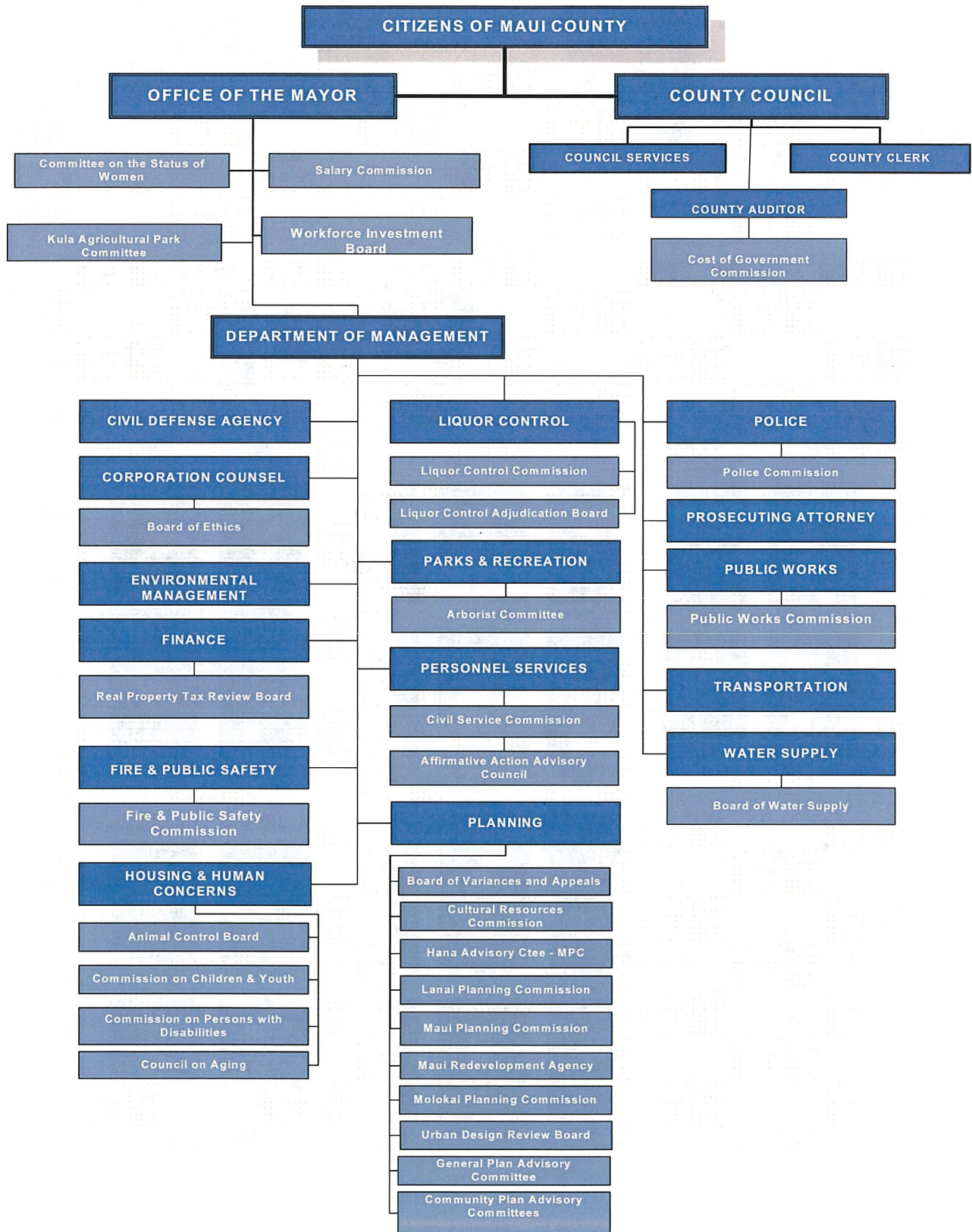
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.

Stacy Crivello
G. Riki Hokama
Michael P. Victorino

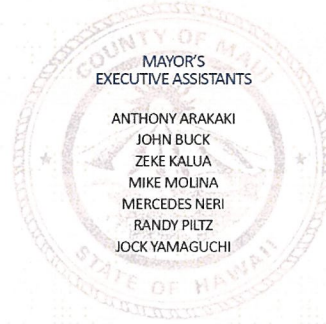
APPOINTED DEPARTMENT HEADS

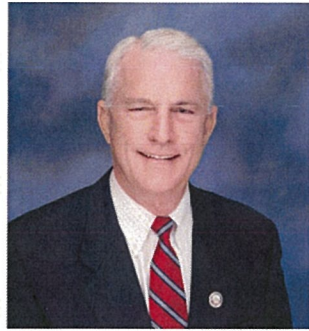
| | |
|--------------------------------------|-------------------|
| Director of Council Service | David M. Raatz |
| County Clerk | Danny Mateo |
| Managing Director | Keith A. Regan |
| Corporation Counsel | Patrick K. Wong |
| Prosecuting Attorney | John D. Kim |
| Director of Finance | Danilo F. Agsalog |
| Director of Environmental Management | Stewart Stant |
| Director of Public Works | David C. Goode |
| Director of Parks & Recreation | Kaala Buenconsejo |
| Fire Chief | Jeffrey A. Murray |
| Planning Director | William R. Spence |
| Director of Personnel Services | Lance T. Hiromoto |
| Director of Housing & Human Concerns | Carol Reimann |
| Director of Transportation | Don Medeiros |
| Director of Water Supply | David S. Taylor |
| Chief of Police | Tivoli Faamu |
| Director of Liquor Control | Glen Mukai |
| County Auditor | Lance Taguchi |

ORGANIZATION CHART



DIRECTORY OF COUNTY OFFICIALS





Council Chair Mike White



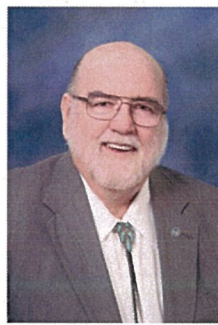
Council Vice - Chair Don S. Guzman



Presiding Officer Pro Tempore
Michael P. Victorino



Gladys C. Baisa
Councilmember



Robert Carroll
Councilmember



Elle Cochran
Councilmember



Don Couch
Councilmember



Stacy Crivello
Councilmember



Riki Hokama
Councilmember

Office of Council Services

David Raatz
Director

County Auditor

Lance Taguchi
County Auditor

County Clerk

Danny Mateo **Josiah Nishita**
County Clerk Deputy County Clerk

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COUNTY OF MAUI
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, State of Hawai'i (County), as of and for the fiscal year ended June 30, 2016, 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 financial statement presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the County of Maui, State of Hawaii as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Adjustment to Prior Period Financial Statements

As discussed in Note 15 to the financial statements, certain errors related to the recordation of pension expense and deferred inflows for the fiscal year ended June 30, 2015, were determined by management of the County. Accordingly, the accompanying financial statements have been restated to correct these errors. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 22 through 37), the budgetary comparison schedules for the general fund, highway fund and sewer fund (pages 93 through 97), the schedule of funding progress for the Hawaii Employer Union Health Benefit Trust Fund (page 98), the County's proportionate share of the net pension liability (page 99), and the schedule of employer pension contributions on (page 100), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the other

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

The other supplementary information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

N&K CPAs, Inc.

Honolulu, Hawai'i
December 13, 2016

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016. 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 \$610.2 million (*net position*).
- The County's total net position increased by \$37.2 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 \$192.3 million, which is an increase of \$3.7million or 2.0% from prior year.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$22.7 million, or 8.7% 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 \$1.1 million during the current fiscal year. The increase is primarily reflective of a \$2.1 million increase in GO bonds, offset by a decrease of \$1.0 million in SRF and United States Department of Agriculture (USDA) loans.

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, 2016

Basic Financial Statements

Government-Wide Financial Statements. The two government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. They provide a financial overview of the County from the economic resources measurement focus using the accrual basis of accounting.

The **Statement of Net Position** presents information on all of the County's assets (including capital assets) and deferred outflows of resources and liabilities (including long-term obligations) and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **Statement of Activities** presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, social welfare, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply, the Housing, Interim Financing, and Buy-Back Revolving Fund, and the Golf Course Special Fund.

These government-wide financial statements can be found in the first section of the basic financial statements.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. These funds are reported using an accounting method called modified accrual.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

The County has adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes five new fund balance classifications based upon the extent to which a governmental entity is bound to honor constraints on the specific purposes for which amounts in that fund can be spent. The fund balance categories are nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance includes amounts that are subject to constraint imposed or legally enforceable by external parties. Funds with restrictions imposed by the Hawaii Revised Statutes and the Maui County Charter are examples of such funds of the County. Committed fund balance includes amounts that are subject to constraint created by the County and can only be changed by the County's highest level of formal action. Assigned fund balance includes amounts constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. Lastly, unassigned fund balance includes amounts that have no constraints whatsoever and are available for spending at the County's discretion.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Most of the County's basic services are reported in the governmental funds. The County maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Highway, Sewer, Grant, Debt Service, and Capital Improvement Projects, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data from each of these non-major governmental funds is provided in the form of combining statements in the other supplementary information section.

The governmental funds financial statements are located immediately after the government-wide financial statements in the basic financial statements section. The two fund financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances of the governmental funds.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

Proprietary funds. Services for which the County operates similar to a business-type activity are generally reported in proprietary funds. These proprietary funds provide the same type of financial information (long and short-term) as the government-wide financial statements, only in more detail. The County's *enterprise funds* (one type of proprietary fund) are the same as its *business-type activities* reported in the government-wide financial statements.

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

The proprietary funds financial statements are the second set of fund financial statements and follow governmental funds financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary net position of the agency funds is the last of the fund financial statements and is found after the proprietary fund financial statements.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are the last section of the basic financial statements.

Required Supplementary Information (RSI)

The County adopts an annual appropriated budget for the General Fund, the Highway Fund, and the Sewer Fund. Budgetary comparison schedules have been provided for all these funds to demonstrate compliance with this budget.

The County is a participating employer in an agent, multiple-employer defined benefit plan providing health care and insurance benefits to all qualified employees and retirees. As described in Note 10, legislation has been enacted to set up an irrevocable trust for the Employer-Union Health Benefits Trust Fund. A schedule of funding progress is provided for this postemployment obligation.

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

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016**

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

Other Supplementary Information (OSI)

This section follows the RSI and displays the individual fund data of the five other non-major governmental funds in combining statements for the balance sheet and statement of revenues, expenditures, and changes in fund balances. These non-major governmental funds are the Liquor Control, County, Bikeway, Solid Waste, and Other Assessment Funds. The total of these five non-major funds is included in the *Other Governmental Funds* column in both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the governmental funds, which are the first two fund financial statements of the basic financial statements section.

Included in the OSI section is the combining statement of changes in assets and liabilities for the Agency Funds. In addition, the OSI section includes the budgetary comparison schedule for the Debt Service Fund, as well as the detail fund schedules of revenues - budget and actual and schedules of appropriations, expenditures, and encumbrances for the General, Highway, Sewer, Grant, Solid Waste, Liquor Control, and Capital Improvement Projects Funds.

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION
June 30, 2016 and 2015
(Dollars in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|------------------------------------|------------------------------|-------------------------------------|------------------------------|-------------------|------------------------------|
| | FY2016 | FY2015 (restated) | FY2016 | FY2015 (restated) | FY2016 | FY2015 (restated) |
| Assets and Deferred Outflows of Resources: | | | | | | |
| Current and other assets | \$ 239,540 | \$ 237,906 | \$ 73,051 | \$ 76,739 | \$ 312,591 | \$ 314,645 |
| Capital assets | 766,695 | 740,240 | 338,169 | 332,037 | 1,104,864 | 1,072,277 |
| Deferred outflows of resources | 72,121 | 49,829 | 4,837 | 3,245 | 76,958 | 53,074 |
| Total Assets and Deferred Outflows of Resources | <u>1,078,356</u> | <u>1,027,975</u> | <u>416,057</u> | <u>412,021</u> | <u>1,494,413</u> | <u>1,439,996</u> |
| Liabilities and Deferred Inflow of Resources: | | | | | | |
| Long-term liabilities outstanding | 372,769 | 370,680 | 53,071 | 54,097 | 425,840 | 424,777 |
| Other liabilities | 38,530 | 37,321 | 7,442 | 10,123 | 45,972 | 47,444 |
| Net pension liability | 352,685 | 311,699 | 28,695 | 26,050 | 381,380 | 337,749 |
| Deferred inflow of resources | 28,451 | 53,520 | 2,618 | 3,517 | 31,069 | 57,037 |
| Total Liabilities and Deferred Inflows of Resources | <u>792,435</u> | <u>773,220</u> | <u>91,826</u> | <u>93,787</u> | <u>884,261</u> | <u>867,007</u> |
| Net Position: | | | | | | |
| Net investment in capital assets | 498,764 | 478,521 | 291,052 | 282,110 | 789,816 | 760,631 |
| Restricted | 63,422 | 61,863 | 14,825 | 11,612 | 78,247 | 73,475 |
| Unrestricted | (276,265) | (285,629) | 18,354 | 24,512 | (257,911) | (261,117) |
| Total Net Position | <u>\$ 285,921</u> | <u>\$ 254,755</u> | <u>\$ 324,231</u> | <u>\$ 318,234</u> | <u>\$ 610,152</u> | <u>\$ 572,989</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 \$610.2 million at the close of the current fiscal year. This compares with the net position of \$573.0 million from the prior year, as restated. Total net position increased by \$37.2 million during the current fiscal year, including prior period adjustments of \$12.0 million. The governmental activities reflected an increase in net position of \$31.2 million, including prior period adjustments of \$11.3 million. The business-type activities increased net position by \$6.0 million, including prior period adjustments of \$0.7 million.

By far, the largest portion of the County's net position is its net investment in capital assets, which is comprised of the County's capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

An additional portion of the County's net position (12.8%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to \$-257.9 million at the end of the current fiscal year, with \$-276.2 million derived from governmental activities and the balance of \$18.3 million from business-type activities. The County's unrestricted net position increased by \$3.2 million as compared to last year.

The County's net capital assets increased by \$32.6 million due to capital improvement projects completed by the County during the current fiscal year. Further discussion on the County's capital assets is provided in the *Capital Assets* within this section.

The County's total amount of GO bonds, SRF loans, and other long-term debt outstanding increased by \$1.1 million during the current fiscal year. The increase is primarily reflective of a \$2.1 million increase in GO bonds, offset by a decrease of \$1.0 million in SRF and United States Department of Agriculture (USDA) loans.

Other long-term obligations increased by \$2.9 million, from \$87.7 million in fiscal year 2015 to \$90.6 million in fiscal year 2016 for governmental activities, and decreased by \$0.2 million from \$3.7 million in prior fiscal year to \$3.5 million in fiscal year 2016 for business-type activities. The increase in governmental activities is primarily due to a \$2.5 million increase in accrued landfill closure and post closure costs.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2016 and 2015
(Dollars in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|----------------------|-------------------|----------------------|
| | FY2016 | FY2015 (Restated) | FY2016 | FY2015 (Restated) | FY2016 | FY2015 (Restated) |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 106,731 | \$ 102,427 | \$ 61,887 | \$ 60,590 | \$ 168,618 | \$ 163,017 |
| Operating grants and contributions | 34,426 | 29,570 | - | - | 34,426 | 29,570 |
| Capital grants and contributions | 14,092 | 21,953 | 6,465 | 5,643 | 20,557 | 27,596 |
| General Revenues: | | | | | | |
| Real property taxes | 249,658 | 236,947 | - | - | 249,658 | 236,947 |
| Other taxes | 54,194 | 54,937 | - | - | 54,194 | 54,937 |
| Interest and investment earnings, net | 2,402 | 1,218 | 625 | 330 | 3,027 | 1,548 |
| Other revenues | 108 | 795 | - | - | 108 | 795 |
| Total Revenues | <u>461,611</u> | <u>447,847</u> | <u>68,977</u> | <u>66,563</u> | <u>530,588</u> | <u>514,410</u> |
| Expenses: | | | | | | |
| Governmental Activities: | | | | | | |
| General government | 116,738 | 109,323 | - | - | 116,738 | 109,323 |
| Public safety | 97,049 | 92,377 | - | - | 97,049 | 92,377 |
| Highway and streets | 49,808 | 49,174 | - | - | 49,808 | 49,174 |
| Sanitation | 68,962 | 68,235 | - | - | 68,962 | 68,235 |
| Social welfare | 46,301 | 43,078 | - | - | 46,301 | 43,078 |
| Culture and recreation | 34,821 | 34,837 | - | - | 34,821 | 34,837 |
| Legislative | 6,393 | 6,447 | - | - | 6,393 | 6,447 |
| Interest on long-term debt | 7,563 | 8,559 | - | - | 7,563 | 8,559 |
| Business-Type Activities: | | | | | | |
| Water Supply | - | - | 62,081 | 64,514 | 62,081 | 64,514 |
| Housing | - | - | 208 | 206 | 208 | 206 |
| Golf Course | - | - | 3,501 | 3,400 | 3,501 | 3,400 |
| Total Expenses | <u>427,635</u> | <u>412,030</u> | <u>65,790</u> | <u>68,120</u> | <u>493,425</u> | <u>480,150</u> |
| Increase (Decrease) in Net Position Before Transfers | 33,976 | 35,817 | 3,187 | (1,557) | 37,163 | 34,260 |
| Transfers | <u>(2,810)</u> | <u>(2,230)</u> | <u>2,810</u> | <u>2,230</u> | <u>-</u> | <u>-</u> |
| Change in Net Position | 31,166 | 33,587 | 5,997 | 673 | 37,163 | 34,260 |
| Net Position - Beginning of Year, as previously reported | 254,755 | 543,572 | 318,234 | 343,761 | 572,989 | 887,333 |
| Prior period adjustment | - | (322,404) | - | (26,200) | - | - |
| Net Position - Beginning of Year, as restated | <u>254,755</u> | <u>221,168</u> | <u>318,234</u> | <u>317,561</u> | <u>572,989</u> | <u>887,333</u> |
| Net Position - End of Year | <u>\$ 285,921</u> | <u>\$ 254,755</u> | <u>\$ 324,231</u> | <u>\$ 318,234</u> | <u>\$ 610,152</u> | <u>\$ 921,593</u> |

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

Governmental Activities. Governmental activities increased the County's net position by \$31.2 million. This compares with last year when net position increased by \$33.6 million, as restated. The increase of \$2.4 million of change in net position over last year is primarily attributable to higher collection in charges for services by \$4.3 million and real property taxes by \$12.7 million and operating grants and contributions by \$4.9 million, when compared to the prior year, offset by a decrease in capital grants and contributions by \$7.9 million and an increase in governmental activities expenses of \$15.6 million.

The increase in revenues from real property taxes was primarily due to higher certified values. The real property tax rates in fiscal year 2016 were decreased in all classifications.

Business-Type Activities. The three business-type activities increased County of Maui's net position by \$6.0 million, compared with no impact in last year's net position. The increase of \$6.0 million in change in net position over last year is primarily attributable to an increase in DWS' revenues collected for services by \$1.3 million and capital contributions by \$0.8 million, addition to a decrease in operating expenses by \$2.3 million.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$192.3 million, representing an increase of \$3.7 million or 2.0% as compared to the prior year. The increase in the governmental funds balance can be attributed to the increase in the Sewer Fund by \$4.1 million, Grant Fund by \$2.1 million and Other Governmental Funds by \$8.0 million; offset by decreases in General Fund by \$3.9 million, Highway Fund by \$1.6 million and Capital Improvement Project Fund by \$5.0 million.

Approximately \$22.7 million or 11.8% of the total fund balances of the governmental funds is comprised of unassigned funds. Unassigned funds have no constraints whatsoever and are available for spending at the County's discretion. The remainder of total governmental fund balances of \$169.6 million is comprised of \$70.7 million in restricted funds, \$52.5 million in committed funds, and \$46.4 million in assigned funds. There was a total of \$93.0 million in encumbered governmental funds comprised of \$80.6 million in the major funds and \$12.4 million in the non-major funds.

General Fund. The General Fund is the chief operating fund for the County. At the end of the current fiscal year, the fund balance of the General Fund was \$85.0 million, which included \$10.7 million in restricted funds, \$31.7 million in committed, \$19.9 million in assigned, and \$22.7 million in unassigned funds. The unassigned fund balance represents 8.7% of total General Fund expenditures, while the total fund balance of the General Fund represents 32.6% of the

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

expenditures. There was a total of \$19.9 million in encumbrances in the General Fund at the end of fiscal year 2016.

The fund balance for the General Fund decreased by \$3.9 million during the current fiscal year. This compares with a decrease of \$8.7 million from the prior year, as restated. Key factors for the decrease of \$3.9 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$12.9 million or 4.5% from prior year, largely reflective of increased revenues from taxes of \$12.8 million and interest and investment earnings of \$1.2 million, offset by decreased revenues from licenses of \$2.1 million, when compared to prior year.
- Total expenditures increased by \$12.4 million or 5.0% from prior year. The increase is primarily due to \$9.3 million expenditures in the General Government.
- Other Financing Uses, net increased \$4.4 million from prior year, due primarily to a decrease in transfers out to the Debt Service Fund of \$7.3 million, offset by an increase in the transfers out to the Capital Improvements Projects Fund of \$3.1 million. The \$4.4 million increase in Other Financing Uses, net coupled with the \$0.4 million increase in revenues over expenditures resulted in an increase of \$4.9 million in the net change in fund balance from the prior year.

Revenues from taxes increased by \$12.8 million, from \$246.5 million in fiscal year 2015 to \$259.3 million in fiscal year 2016.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$250.1 million represents 54.0% of all the revenues for the County governmental funds. This year's levy collection increased by \$13.4 million or 5.6% from last year's levy collection of \$236.7 million. The increase in real property tax collection in fiscal year 2016 was largely due to increased property tax valuations. The County's tax rate decreased for most property classifications at an average rate of 3.0% from prior year, while Homeowner tax rates decreased approximately 1.0% from prior year.

The property tax valuations for tax rate purposes (tax base) increased from \$36.2 billion in fiscal year 2015 to \$40.7 billion in fiscal year 2016, representing an increase of 12.4%. The tax rates in 2016 decreased for the following classifications: Residential from \$5.57 to \$5.40, Apartment from \$6.20 to \$6.00, Commercial from \$6.83 to \$6.60, Industrial from \$7.07 to \$6.85, Agricultural from \$5.86 to \$5.75, Conservation from \$6.06 to \$5.90, Hotel and Resort from \$9.11 to \$8.85, Time share from \$15.07 to \$14.55, Homeowner from \$2.78 to \$2.75 and Commercialized Residential from \$4.46 to \$4.35.

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

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 \$9.3 million, representing a slight decrease of \$0.5 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was \$9.7 million, of which the entire amount was restricted. A total of \$1.2 million in the Highway Fund was encumbered at the end of fiscal year 2016.

The revenues in the Highway Fund primarily derived from the fuel tax (\$12.5 million), franchise tax (\$9.0 million), and motor vehicle weight tax (\$20.5 million, classified as licenses and permits), and public transit bus fare (\$2.6 million) collectively made up 9.6% (\$44.6 million) of the revenues in the governmental funds. The fiscal year 2016 revenue collection was \$1.5 million more than the previous year primarily due to increased revenues from motor vehicle license and permit fees of \$1.8 million.

The expenditures of \$31.0 million for the Highway Fund are a slight increase of \$0.4 million or 1.3% from the prior fiscal year.

The total other financing sources (uses) for the Highway Fund decreased from (\$13.5) million in fiscal year 2015 to (\$15.2) million in fiscal year 2016. With a beginning fund balance of \$11.3 million, the Highway Fund ended with a fund balance of \$9.7 million, a decrease in fund balance of \$1.6 million.

Sewer Fund. At the end of the current fiscal year, the fund balance of the Sewer Fund was \$10.4 million which represented committed funds. A total of \$1.4 million in the Sewer Fund was encumbered at the end of fiscal year 2016.

The Sewer Fund revenues of sewer and cesspool fees of \$49.5 million reflect an increase of \$2.9 million or 6.2% from last year's revenue collection of \$46.7 million.

The Sewer Fund expenditures of \$26.5 million decreased \$2.5 million or 8.6% from the prior fiscal year, primarily due to a decrease in operating expenditures as it relates to waste water reclamation. With a beginning fund balance of \$6.3 million, the Sewer Fund ended with a fund balance of \$10.4 million, an increase in fund balance of \$4.1 million from fiscal year 2015 to fiscal year 2016.

Grant Fund. Total revenue for the Grant Fund was \$34.3 million, representing an increase of \$4.6 million or 15.3% over last year.

The Grant Fund expenditures in the current fiscal year increased by \$2.4 million or 8.1% compared to the prior year.

Capital Improvement Projects Fund. At the end of the current fiscal year, the fund balance of the Capital Improvement Projects (CIP) Fund was \$41.6 million, which included \$15.1 million in restricted funds and \$26.5 million in assigned funds. A total of \$52.9 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016

Expenditures for capital improvement projects for fiscal year 2016 were \$65.1 million (excluding bond issuance costs). This amount, compared with last year's expenditures of \$81.4 million, represents a decrease of \$16.2 million or 19.9%.

The largest expenditures were reflected in the Roads category of \$24.2 million, which comprised 36.9% of the total CIP expenditures. Capital projects under this category consisted primarily of the Wailea Alanui/Ike Drive Pavement in the amount of \$6.1 million, Hansen Road Pavement Reconstruction in the amount of \$2.8 million, Kihei Bikeway Phase II in the amount of \$2.8 million, and Kokomo Road Pavement Reconstruction in the amount of \$1.6 million.

The Sewer Systems category had expenditures of \$19.4 million or 29.6% of total expenditures of the Capital Improvements Projects Fund. The Wailuku-Kahului Wastewater Reclamation Facility in the amount of \$3.5 million, Lahaina Wastewater Pump Station #2 in the amount of \$1.8 million, Paia Wastewater Pump Station Replacement in the amount of \$1.7 million, Waiehu Wastewater Pump Station Modification in the amount of \$1.7 million, and Lahaina Wastewater Reclamation Facility in the amount of \$1.5 million were the major projects under this category.

Expenditures in the Parks category of \$6.2 million comprised 9.5% of the total expenditures in the Capital Improvement Projects Fund. The South Maui Parks System in the amount of \$1.2 million, West Maui Parks System in the amount of \$0.5 million, and Wailuku Gym Improvements in the amount of \$0.4 million were the major projects in this category.

Expenditures in the Governmental Facilities category of \$5.4 million comprised 8.2% of the total expenditures in the Capital Improvement Projects Fund. The major projects in this category were the land acquisition of the Waiako/Kula Gym in the amount of \$1.2 million, 2154 Kaohu Street Property in the amount of \$1.2 million, and County Service Center in the amount of \$0.6 million.

Expenses in the Other Projects category had expenditures of \$3.6 million or 5.5% of the total expenditures in the Capital Improvements Projects Fund. The major projects in this category were Public Safety Radio System Replacement in the amount of \$1.5 million and Bus Stops & Shelters in the amount of \$1.0 million.

Expenditures in the Solid Waste Facilities category of \$1.7 million comprised 2.6% of the total expenditures in the Capital Improvement Projects Fund. The projects in this category were the Central Maui Landfill Improvement in the amount of \$0.9 million and Hana Landfill Makai Berm Waste in the amount of \$0.2 million.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2016**

BUDGETARY HIGHLIGHTS

The General Fund budget changes for fiscal year 2016 primarily consisted of -\$11.6 million of which \$3.8 million relates to budget amendments; offset by budgetary transfer of \$14.9 million to the County Funds for the Countywide Costs under the Department of Finance and a budget amendment of \$1.5 million for the Department of Fire and Public Safety.

The major negative budget variance for revenues (final amended budget and actual amounts) in the General Fund was from real property taxes. It reflected a negative variance, with actual revenues of \$250.1 million below the budget by \$5.5 million, primarily due to a reserve put in place for property tax appeals of approximately \$18.0 million.

The major positive budget variance for expenditures in the General Fund was in General Government of \$9.6 million, followed by Public Safety of \$4.2 million. Savings from the Countywide Costs Program in the General Government category and Investigative Service Program, Uniformed Patrol Service Program, and Technical and Support Services Program in the Public Safety 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, 2016

CAPITAL ASSETS
(Dollars in Thousands)

| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
|-----------------------------------|---------------------|--------------------|----------------------|-------------------|---------------------|---------------------|
| | <u>FY2016</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2015</u> |
| Non-Depreciable Assets: | | | | | | |
| Land | \$ 171,461 | \$ 166,213 | \$ 10,150 | \$ 9,734 | \$ 181,611 | \$ 175,947 |
| Construction in progress | 59,729 | 95,082 | 40,903 | 45,327 | 100,632 | 140,409 |
| | <u>231,190</u> | <u>261,295</u> | <u>51,053</u> | <u>55,061</u> | <u>282,243</u> | <u>316,356</u> |
| Depreciable Assets: | | | | | | |
| Buildings and systems | 163,723 | 162,753 | 18,755 | 8,793 | 182,478 | 171,546 |
| Improvements other than buildings | 143,038 | 136,370 | 2,972 | 2,972 | 146,010 | 139,342 |
| Machinery and equipment | 140,892 | 136,315 | 47,477 | 31,580 | 188,369 | 167,895 |
| Infrastructure | 1,132,959 | 1,050,788 | 498,148 | 497,834 | 1,631,107 | 1,548,622 |
| | <u>1,580,612</u> | <u>1,486,226</u> | <u>567,352</u> | <u>541,179</u> | <u>2,147,964</u> | <u>2,027,405</u> |
| Accumulated Depreciation | <u>(1,045,107)</u> | <u>(1,007,281)</u> | <u>(280,236)</u> | <u>(264,203)</u> | <u>(1,325,343)</u> | <u>(1,271,484)</u> |
| Total Capital Assets, Net | <u>\$ 766,695</u> | <u>\$ 740,240</u> | <u>\$ 338,169</u> | <u>\$ 332,037</u> | <u>\$ 1,104,864</u> | <u>\$ 1,072,277</u> |

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounted to \$1.1 billion (net of accumulated depreciation). 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 2016, capital assets relating to governmental activities reflected additions of \$171.3 million, depreciation expense of \$44.1 million, and transfers/retirements of \$100.7 million (net), resulting in capital assets, net of \$766.7 million. Capital assets relating to business-type activities reflected additions of \$46.2 million, depreciation expense of \$16.7 million, and transfers/retirements of \$23.4 million (net) resulting in capital assets, net of \$338.2 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, 2016 for the governmental and business-type activities amounted to \$52.9 million and \$23.7 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, 2016

LONG-TERM DEBT
(Dollars in Thousands)

| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
|---|---------------------|-------------------|----------------------|------------------|-------------------|-------------------|
| | <u>FY2016</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2015</u> | <u>FY2016</u> | <u>FY2015</u> |
| General Obligation Bonds (excluding unamortized premiums and deferrals) | \$ 218,524 | \$ 215,136 | \$ 24,471 | \$ 27,413 | \$ 242,995 | \$ 242,549 |
| State Revolving Fund and USDA Loans | 46,801 | 55,184 | 22,260 | 20,469 | 69,061 | 75,653 |
| Total Long-Term Debt | <u>\$ 265,325</u> | <u>\$ 270,320</u> | <u>\$ 46,731</u> | <u>\$ 47,882</u> | <u>\$ 312,056</u> | <u>\$ 318,202</u> |

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$312.0 million (\$265.3 million related to governmental activities and \$46.7 million related to business-type activities). Of this amount, \$243.0 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$69.1 million represents SRF and USDA loans. The SRF loans are used for construction of wastewater facilities and projects relating to compliance with drinking water standards, and protection of public health and environment.

The County's total GO bonds and loans decreased by \$6.1 million during the current fiscal year. The decrease is primarily reflective of a \$6.6 million decrease in SRF and USDA loans.

The County issued \$60.1 million in GO Bonds in November 2015. A portion of the bond proceeds were used to current refund Series 2005ABC general obligation debt in the amount of \$12.7 million, current refund USDA loan in the amount of \$7.89 million and advance refund \$22.0 million of Series 2008A general obligation debt. 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 \$6.1 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2016, the County's current outstanding debt applicable to the limit of \$287.6 million represents only 4.71% 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, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Maui's near term economic outlook remains favorable based on the strength of an unexpected surge in the tourism sector, increased residential construction activity and an energetic real estate market, which has helped to fuel real property tax revenue growth. Maui's labor market is healthy with the unemployment rate below 4%, however, the closing of HC&S at the end of 2016 will negatively impact the economy and delay in the privatization of Maui Medical Center, Maui's second largest employer, is a cause for concern. Despite these issues, Maui's economy should continue to show incremental improvement in 2016 and we remain confident about our prospects. Please refer to the Letter of Transmittal for more detailed discussion regarding the state of the County economy.

The real property tax base for fiscal year 2017 of \$44.4 billion is an increase of \$3.7 billion or 9.1% from the fiscal year 2016.

The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2017 decreased for most of the ten classifications of property. Specifically, the following decreases were made in these categories: Residential from \$5.40 to \$5.30, Industrial from \$6.85 to \$6.69, Agricultural from \$5.75 to \$5.66, Conservation from \$5.90 to \$5.80, Hotel and Resort from \$8.85 to \$8.71, Time share from \$14.55 to \$14.31 and Homeowner from \$2.75 to \$2.70. The budgeted real property tax levy of \$273.5 million for fiscal year 2017 is an increase of \$17.9 million or 7.0% from fiscal year 2016, largely as a result of the higher tax base.

The fee structure for water rates in fiscal year 2017 increased by 5.5% or approximately \$7.60 per month for an average residential family using 32,000 gallons.

The fiscal year 2017 budget appropriated \$16.2 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, 2016**

| | Primary Government | | |
|--|----------------------------|-----------------------------|------------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS: | | | |
| Equity in pooled cash and investments held in County Treasury (Notes 2 and 14) | \$ 216,865,300 | \$ 65,115,938 | \$ 281,981,238 |
| Receivables (Note 4): | | | |
| Property taxes | 7,659,299 | -- | 7,659,299 |
| State of Hawaii | 6,562,514 | -- | 6,562,514 |
| Trade accounts, net | 4,241,036 | 6,020,918 | 10,261,954 |
| Federal government | 463,124 | -- | 463,124 |
| Other | 476,307 | -- | 476,307 |
| Inventory | -- | 1,411,131 | 1,411,131 |
| Other assets (Note 10) | 3,272,562 | 502,986 | 3,775,548 |
| Capital Assets (Note 6): | | | |
| Land | 171,460,971 | 10,150,254 | 181,611,225 |
| Buildings and systems | 163,722,690 | 18,755,366 | 182,478,056 |
| Improvements other than buildings | 143,037,911 | 2,971,632 | 146,009,543 |
| Machinery and equipment | 140,892,546 | 47,476,930 | 188,369,476 |
| Infrastructure | 1,132,958,660 | 498,147,820 | 1,631,106,480 |
| Construction in progress | 59,728,979 | 40,902,841 | 100,631,820 |
| Accumulated depreciation | <u>(1,045,106,688)</u> | <u>(280,236,113)</u> | <u>(1,325,342,801)</u> |
| Total Capital Assets, net | <u>766,695,069</u> | <u>338,168,730</u> | <u>1,104,863,799</u> |
| Total Assets | <u>1,006,235,211</u> | <u>411,219,703</u> | <u>1,417,454,914</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Deferred outflows related to pensions (Note 10) | 66,438,557 | 4,608,071 | 71,046,628 |
| Unamortized loss on advanced refunding | 5,682,467 | 228,730 | 5,911,197 |
| Total Deferred Outflows of Resources | <u>72,121,024</u> | <u>4,836,801</u> | <u>76,957,825</u> |
| Total Assets and Deferred Outflows of Resources | <u>1,078,356,235</u> | <u>416,056,504</u> | <u>1,494,412,739</u> |
| LIABILITIES: | | | |
| Accounts payable and accrued liabilities | 27,934,038 | 5,485,760 | 33,419,798 |
| Deposits | 2,036 | 609,343 | 611,379 |
| Unearned revenue | 5,617,314 | 1,013,500 | 6,630,814 |
| Advanced collections | 2,997,900 | 40,666 | 3,038,566 |
| Interest payable | 1,979,516 | 293,126 | 2,272,642 |
| Long-term obligations (Note 7): | | | |
| Due within one year | 62,843,886 | 5,780,442 | 68,624,328 |
| Due in more than one year | 309,924,656 | 47,290,084 | 357,214,740 |
| Net pension liability (Note 10) | <u>352,684,516</u> | <u>28,694,729</u> | <u>381,379,245</u> |
| Total Liabilities | <u>763,983,862</u> | <u>89,207,650</u> | <u>853,191,512</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Deferred inflows related to pensions (Note 10) | 27,673,193 | 2,166,851 | 29,840,044 |
| Unamortized gain of advanced refunding | -- | 450,680 | 450,680 |
| Deferred inflows - nonexchange transactions (Note 4) | 777,871 | -- | 777,871 |
| Total Deferred Inflows of Resources | <u>28,451,064</u> | <u>2,617,531</u> | <u>31,068,595</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>792,434,926</u> | <u>91,825,181</u> | <u>884,260,107</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 498,764,135 | 291,051,898 | 789,816,033 |
| Restricted for: | | | |
| Highways and streets | 9,700,055 | -- | 9,700,055 |
| Capital projects | 10,247,874 | -- | 10,247,874 |
| Open space and resources | 10,751,941 | -- | 10,751,941 |
| Affordable housing | 18,825,392 | -- | 18,825,392 |
| Water and other assessments (Note 14) | 13,896,679 | 14,825,370 | 28,722,049 |
| Unrestricted | <u>(276,264,767)</u> | <u>18,354,055</u> | <u>(257,910,712)</u> |
| Total Net Position | <u>\$ 285,921,309</u> | <u>\$ 324,231,323</u> | <u>\$ 610,152,632</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, 2016**

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenues and Changes in Net Position | | |
|--|-----------------------|-----------------------|--------------------------|----------------------------------|--|--------------------------|-------------------------|
| | Expenses | Charges for Services | Operating | | Governmental Activities | Primary Government | |
| | | | Grants and Contributions | Capital Grants and Contributions | | Business-type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 116,737,910 | \$ 14,281,926 | \$ 5,328,546 | \$ 140,080 | \$ (96,987,358) | \$ -- | \$ (96,987,358) |
| Public safety | 97,048,667 | 839,150 | 4,725,005 | -- | (91,484,512) | -- | (91,484,512) |
| Highways and streets | 49,808,371 | 23,914,381 | 1,154,073 | 11,495,596 | (13,244,321) | -- | (13,244,321) |
| Sanitation | 68,962,200 | 64,957,077 | 113,458 | 801,598 | (3,190,067) | -- | (3,190,067) |
| Social welfare | 46,301,200 | 2,160,742 | 22,563,637 | -- | (21,576,821) | -- | (21,576,821) |
| Culture and recreation | 34,821,442 | 672,796 | 541,432 | 1,655,199 | (31,952,015) | -- | (31,952,015) |
| Legislative | 6,392,457 | 4,681 | -- | -- | (6,387,776) | -- | (6,387,776) |
| Interest on long-term debt | 7,562,793 | -- | -- | -- | (7,562,793) | -- | (7,562,793) |
| Total Governmental Activities | <u>427,635,040</u> | <u>106,730,753</u> | <u>34,426,151</u> | <u>14,092,473</u> | <u>(272,385,663)</u> | <u>--</u> | <u>(272,385,663)</u> |
| Business-type Activities: | | | | | | | |
| Department of Water Supply | 62,080,504 | 60,543,612 | -- | 6,465,141 | -- | 4,928,249 | 4,928,249 |
| Housing, Interim Financing and Buy-Back Revolving Fund | 208,407 | 181,047 | -- | -- | (27,360) | (27,360) | (27,360) |
| Golf Course Special Fund | 3,501,315 | 1,163,327 | -- | -- | (2,337,988) | (2,337,988) | (2,337,988) |
| Total Business-type Activities | <u>65,790,226</u> | <u>61,887,986</u> | <u>--</u> | <u>6,465,141</u> | <u>--</u> | <u>2,562,901</u> | <u>2,562,901</u> |
| | <u>\$ 493,425,266</u> | <u>\$ 168,618,739</u> | <u>\$ 34,426,151</u> | <u>\$ 20,557,614</u> | <u>\$ (272,385,663)</u> | <u>\$ 2,562,901</u> | <u>\$ (269,822,762)</u> |

General Revenues:

| | | | |
|--|--------------------|--------------------|--------------------|
| Taxes: | | | |
| Property taxes | 249,657,789 | | 249,657,789 |
| Transient accommodation tax | 23,446,380 | | 23,446,380 |
| Public service company tax | 9,263,536 | | 9,263,536 |
| Franchise tax | 8,962,076 | | 8,962,076 |
| Fuel taxes | 12,522,137 | | 12,522,137 |
| Interest and investment earnings, net (Note 2) | 2,401,599 | 625,276 | 3,026,875 |
| Other | 108,055 | -- | 108,055 |
| Transfers (Note 5) | (2,809,697) | 2,809,697 | -- |
| Total General Revenues and Transfers | <u>303,551,875</u> | <u>3,434,973</u> | <u>306,986,848</u> |
| Change in Net Position | 31,166,212 | 5,997,874 | 37,164,086 |
| Net Position - Beginning of Year, as previously stated | 243,380,497 | 317,560,558 | 560,941,055 |
| Prior period adjustment (Note 15) | 11,374,600 | 672,891 | 12,047,491 |
| Net Position - Beginning of Year, as adjusted | <u>254,755,097</u> | <u>318,233,449</u> | <u>572,988,546</u> |
| Net Position - End of Year | <u>285,921,309</u> | <u>324,231,323</u> | <u>610,152,632</u> |

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

**COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

| | <u>General Fund</u> | <u>Highway Fund</u> | <u>Sewer Fund</u> | <u>Grant Fund</u> | <u>Debt Service Fund</u> | <u>Capital Improvement Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-----------------------|----------------------|----------------------|---------------------|--------------------------|--|---------------------------------|---------------------------------|
| ASSETS: | | | | | | | | |
| Equity in pooled cash and investments held in County Treasury (Note 2) | \$ 81,492,475 | \$ 9,762,051 | \$ 9,047,619 | \$ 2,382,336 | \$ -- | \$ 58,091,747 | \$ 48,517,184 | \$ 209,293,412 |
| Cash with fiscal agent | -- | -- | -- | -- | -- | 7,571,888 | -- | 7,571,888 |
| Receivables (Note 4): | | | | | | | | |
| Property taxes | 7,659,299 | -- | -- | -- | -- | -- | -- | 7,659,299 |
| Trade accounts, net | -- | -- | 2,359,624 | -- | -- | -- | 1,881,412 | 4,241,036 |
| State of Hawaii | -- | 951,842 | -- | 3,762,892 | -- | 1,847,780 | -- | 6,562,514 |
| Federal government | -- | -- | -- | 454,968 | -- | 8,156 | -- | 463,124 |
| Other receivables | -- | -- | -- | 14,800 | -- | 461,507 | -- | 476,307 |
| Due from other funds (Note 5) | 15,553,049 | -- | -- | -- | -- | -- | -- | 15,553,049 |
| Total Assets | <u>\$ 104,704,823</u> | <u>\$ 10,713,893</u> | <u>\$ 11,407,243</u> | <u>\$ 6,614,996</u> | <u>\$ --</u> | <u>\$ 67,981,078</u> | <u>\$ 50,398,596</u> | <u>\$ 251,820,629</u> |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES: | | | | | | | | |
| Liabilities: | | | | | | | | |
| Vouchers payable | \$ 3,001,756 | \$ 232,636 | \$ 380,195 | \$ 756,568 | \$ -- | \$ 1,401,996 | \$ 876,188 | \$ 6,649,339 |
| Accounts payable | 5,760,410 | 577,333 | 317,805 | 1,026,387 | -- | 5,261,090 | 1,524,466 | 14,467,491 |
| Contracts retentions payable | 31,910 | -- | 520 | -- | -- | 1,300,676 | 3,477 | 1,336,583 |
| Due to other funds (Note 5) | -- | -- | -- | -- | -- | 15,553,049 | -- | 15,553,049 |
| Deposits payable | -- | -- | -- | -- | -- | 2,036 | -- | 2,036 |
| Accrued wages payable | 4,791,233 | 203,869 | 221,775 | -- | -- | 10,773 | 252,975 | 5,480,625 |
| Deposits and unearned revenues | -- | -- | -- | 2,746,102 | -- | 2,871,212 | -- | 5,617,314 |
| Advanced collections | -- | -- | -- | -- | -- | -- | 2,997,900 | 2,997,900 |
| Total Liabilities | <u>13,585,309</u> | <u>1,013,838</u> | <u>920,295</u> | <u>4,529,057</u> | <u>--</u> | <u>26,400,832</u> | <u>5,655,006</u> | <u>52,104,337</u> |
| Deferred Inflows of Resources: | | | | | | | | |
| Deferred inflows - nonexchange | 515,531 | -- | -- | -- | -- | -- | 262,340 | 777,871 |
| Deferred inflows - unavailable revenues | 5,589,060 | -- | 79,787 | -- | -- | -- | 968,404 | 6,637,251 |
| Total Deferred Inflows of Resources | <u>6,104,591</u> | <u>--</u> | <u>79,787</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>1,230,744</u> | <u>7,415,122</u> |
| Fund Balances (Note 13): | | | | | | | | |
| Nonspendable | -- | -- | -- | -- | -- | -- | -- | -- |
| Restricted | 10,751,941 | 9,700,055 | -- | 2,085,939 | -- | 15,069,856 | 33,081,345 | 70,689,136 |
| Committed | 31,696,349 | -- | 10,407,161 | -- | -- | -- | 10,431,501 | 52,535,011 |
| Assigned | 19,859,006 | -- | -- | -- | -- | 26,510,390 | -- | 46,369,396 |
| Unassigned | 22,707,627 | -- | -- | -- | -- | -- | -- | 22,707,627 |
| Total Fund Balances | <u>85,014,923</u> | <u>9,700,055</u> | <u>10,407,161</u> | <u>2,085,939</u> | <u>--</u> | <u>41,580,246</u> | <u>43,512,846</u> | <u>192,301,170</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 104,704,823</u> | <u>\$ 10,713,893</u> | <u>\$ 11,407,243</u> | <u>\$ 6,614,996</u> | <u>\$ --</u> | <u>\$ 67,981,078</u> | <u>\$ 50,398,596</u> | <u>\$ 251,820,629</u> |

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

COUNTY OF MAUI
RECONCILIATION OF THE FUND BALANCES ON THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS TO THE NET POSITION
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
JUNE 30, 2016

| | | |
|---|---------------------|-----------------------|
| Total Fund Balances - Governmental Funds | | \$ 192,301,170 |
| 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. | | 766,695,069 |
| Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities. | | 6,637,251 |
| Interest payable is not reported in the governmental funds. | | (1,979,516) |
| Prepaid postemployment benefits are not reported in the governmental funds. | | 3,272,562 |
| 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. | | 5,682,467 |
| 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. | | 38,765,364 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of: | | |
| General obligation bonds | (235,318,184) | |
| SRF loans from the State of Hawaii | (46,801,265) | |
| Compensated absences | (31,706,739) | |
| Claims and judgments | (19,408,101) | |
| Net pension liability | (352,684,516) | |
| Accrued pollution remediation | (5,485,812) | |
| Landfill closure/post-closure costs | <u>(34,048,441)</u> | |
| Total Long-term Liabilities | | <u>(725,453,058)</u> |
| Net Position of Governmental Activities | | \$ <u>285,921,309</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, 2016**

| | General Fund | Highway Fund | Sewer Fund | Grant Fund | Debt Service Fund | Capital Improvement Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------|---------------|--------------|------------|-------------------|-----------------------------------|--------------------------|--------------------------|
| REVENUES: | | | | | | | | |
| Taxes | \$ 259,340,518 | \$ 21,484,213 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 280,824,731 |
| Licenses and permits | 7,744,762 | 20,462,844 | 31,600 | -- | -- | -- | 2,220,910 | 30,460,116 |
| Intergovernmental revenues | 23,528,433 | -- | -- | 33,902,342 | -- | 11,606,884 | -- | 69,037,669 |
| Charges for current services | 1,757,418 | 2,628,710 | 49,547,453 | 7,280 | -- | -- | 16,634,002 | 70,574,863 |
| Fines and forfeitures | 2,340,153 | -- | -- | -- | -- | -- | 196,992 | 2,537,145 |
| Interest and investment earnings, net (Note 2) | 2,536,761 | -- | -- | 12,892 | -- | 42,097 | -- | 2,591,750 |
| Other revenues | 1,729,135 | 200 | 11,284 | 421,653 | -- | 728 | 2,976,731 | 5,139,731 |
| Assessments | -- | -- | -- | -- | -- | -- | 2,344,771 | 2,344,771 |
| Total Revenues | 298,977,180 | 44,575,967 | 49,590,337 | 34,344,167 | -- | 11,649,719 | 24,373,406 | 463,510,776 |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 109,053,790 | -- | -- | 5,566,475 | -- | -- | 1,002,535 | 115,622,800 |
| Public safety | 87,747,431 | -- | -- | 4,679,019 | -- | -- | 384,575 | 92,811,025 |
| Highways and streets | 7,280,078 | 30,984,729 | -- | 1,154,073 | -- | -- | 408,104 | 39,826,984 |
| Sanitation | 559,054 | -- | 26,512,905 | 113,458 | -- | -- | 25,268,716 | 52,454,133 |
| Social welfare | 20,957,168 | -- | -- | 20,203,771 | -- | -- | 4,758,993 | 45,919,932 |
| Culture and recreation | 28,345,461 | -- | -- | 541,432 | -- | -- | 25,998 | 28,912,491 |
| Legislative | 6,493,145 | -- | -- | -- | -- | 65,146,733 | -- | 6,493,145 |
| Capital outlay | -- | -- | -- | -- | 20,824,943 | -- | -- | 20,824,943 |
| Debt Service: | | | | | | | | |
| Principal | -- | -- | -- | -- | 9,253,101 | -- | -- | 9,253,101 |
| Interest and other issuance cost | -- | -- | -- | -- | 30,078,044 | -- | -- | 30,078,044 |
| Total Expenditures | 260,436,127 | 30,984,729 | 26,512,905 | 32,258,228 | 30,078,044 | 65,500,810 | 31,848,521 | 477,619,364 |
| Excess (Deficiency) of Revenues Over Expenditures | 38,541,053 | 13,591,238 | 23,077,432 | 2,085,939 | (30,078,044) | (63,851,091) | (7,475,115) | (14,108,588) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Issuance of Debt (Note 7): | | | | | | | | |
| General obligation bonds | -- | -- | -- | -- | -- | 15,185,000 | -- | 15,185,000 |
| General obligation refunding bonds | -- | -- | -- | -- | -- | 39,541,763 | -- | 39,541,763 |
| Net premiums received | -- | -- | -- | -- | -- | 7,489,484 | -- | 7,489,484 |
| SRF and USDA loans | -- | -- | -- | -- | -- | 3,750,152 | -- | 3,750,152 |
| Use of Debt: | | | | | | | | |
| Payments to escrow for bond refunding | -- | -- | -- | -- | -- | (45,356,353) | -- | (45,356,353) |
| Transfers In (Note 5) | | | | | | | | |
| General Fund | -- | 75,000 | -- | -- | 30,078,044 | 12,697,804 | 18,577,098 | 61,427,946 |
| Special Revenue Funds | 15,830,760 | -- | -- | -- | -- | 18,657,668 | 4,359,397 | 38,847,825 |
| Capital Improvement Projects Fund | 1,148,036 | 1,513,604 | 2,748,466 | -- | -- | -- | 430,973 | 5,841,079 |
| Other Governmental Funds | 4,854,592 | 340,000 | -- | -- | -- | 2,683,469 | -- | 7,878,061 |
| Proprietary Funds | 239,930 | -- | -- | -- | -- | -- | -- | 239,930 |
| Transfers Out (Note 5) | | | | | | | | |
| General Fund | -- | (5,951,953) | (9,878,807) | -- | -- | (1,148,036) | (4,854,592) | (21,833,388) |
| Special Revenue Funds | (75,000) | -- | -- | -- | -- | (4,262,070) | (340,000) | (4,677,070) |
| Debt Service Fund | (30,078,044) | -- | -- | -- | -- | -- | -- | (30,078,044) |
| Capital Improvement Projects Fund | (12,697,804) | (10,527,668) | (8,130,000) | -- | -- | -- | (2,683,469) | (34,038,941) |
| Other Governmental Funds | (18,577,098) | (665,690) | (3,693,171) | -- | -- | (430,973) | -- | (23,367,468) |
| Proprietary Funds | (3,049,627) | -- | -- | -- | -- | -- | -- | (3,049,627) |
| Total Other Financing Sources (Uses) | (42,404,255) | (15,216,697) | (18,954,058) | -- | 30,078,044 | (48,807,908) | 15,489,407 | (17,800,349) |
| Net Change in Fund Balances | (3,863,202) | (1,625,459) | 4,123,374 | 2,085,939 | -- | (5,043,183) | 8,014,292 | 3,691,761 |
| Fund Balances, Beginning of Year | 88,878,125 | 11,325,514 | 6,283,787 | -- | -- | 46,623,429 | 35,498,554 | 188,609,409 |
| Fund Balances, End of Year | 85,014,923 | 9,700,055 | 10,407,161 | 2,085,939 | -- | 41,580,246 | 43,512,846 | 182,301,170 |

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

COUNTY OF MAUI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | | |
|---|----|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 3,691,761. |
| Amounts reported for governmental activities in the Statement of Activities are different due to: | | |
| Governmental funds report capital outlays as expenditures and do not report depreciation expense. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital outlays reported in the Capital Improvement Project Fund and other funds, net of retirements | | 70,579,418 |
| Depreciation expense | | (44,124,549) |
| 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. | | (3,387,781) |
| This is the amount by which loans principal payments exceeded loan proceeds. | | 8,383,166 |
| Certain expenses related to the accrual of vacation, landfill closure, postemployment benefits, and claims and judgments are not current financial resources and, therefore, are not reported as expenditures in the governmental funds: | | |
| This is the amount by which vacation accrual exceeded the payments. | | (1,184,341) |
| This is the amount by which landfill closure accrual exceeded the payments. | | (2,523,715) |
| This is the amount by which postemployment benefit accrual exceeded payments. | | (35,057) |
| This is the amount by which claims and judgments payments exceeded the accrual. | | 930,973 |
| This is the amount by which pollution remediation accrual exceeded the payments. | | (211,651) |
| Accrued interest reported is an expense in the Statement of Activities but not reported as an expenditure in the governmental funds. | | 449,664 |
| Unavailable revenues are recognized in the Statement of Activities which differs from the current financial resource measurement of the governmental funds. | | (1,899,827) |
| 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. | | (4,095,699) |
| 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. | | 909,933 |
| The County's proportionate share of pension expense requiring immediate recognition, but not reported as expenditures in the governmental funds. This is the net difference between fiscal year 2016 employer paid contributions, recorded as deferred outflows in the current year and fiscal year 2015 employer paid contributions being expensed in the Statement of Activities. | | <u>3,683,917</u> |
| Change in Net Position of Governmental Activities - Government-Wide Statement of Activities | \$ | <u>31,166,212</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, 2016**

| | 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) | \$ 44,162,398 | \$ 1,582,098 | \$ 1,357,920 | \$ 47,102,416 |
| Trade accounts, net (Note 4) | 6,005,975 | 14,943 | -- | 6,020,918 |
| Inventory | 1,411,131 | -- | -- | 1,411,131 |
| Other current assets | 244,832 | 258,154 | -- | 502,986 |
| Total Current Unrestricted Assets | 51,824,336 | 1,855,195 | 1,357,920 | 55,037,451 |
| Restricted: | | | | |
| Equity in pooled cash and investments held in County Treasury (Notes 2 and 14) | 18,013,522 | -- | -- | 18,013,522 |
| Total Current Assets | 69,837,858 | 1,855,195 | 1,357,920 | 73,050,973 |
| Capital assets (Note 6): | | | | |
| Land | 7,347,248 | 2,427,000 | 376,006 | 10,150,254 |
| Buildings and systems | 13,269,642 | 1,920,144 | 3,565,580 | 18,755,366 |
| Improvements other than buildings | -- | -- | 2,971,632 | 2,971,632 |
| Machinery and equipment | 45,856,104 | 4,884 | 1,615,942 | 47,476,930 |
| Infrastructure | 498,147,820 | -- | -- | 498,147,820 |
| Construction in progress | 40,902,841 | -- | -- | 40,902,841 |
| Accumulated depreciation | (273,532,918) | (1,114,911) | (5,588,284) | (280,236,113) |
| Total Capital Assets, net | 331,990,737 | 3,237,117 | 2,940,876 | 338,168,730 |
| Total Assets | 401,828,595 | 5,092,312 | 4,298,796 | 411,219,703 |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Deferred outflows related to pensions | 4,313,509 | -- | 294,562 | 4,608,071 |
| Unamortized loss on advanced refunding | 228,730 | -- | -- | 228,730 |
| Total Deferred Outflow of Resources | 4,542,239 | -- | 294,562 | 4,836,801 |
| Total Assets and Deferred Outflows of Resources | 406,370,834 | 5,092,312 | 4,593,358 | 416,056,504 |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 5,431,517 | 36 | 54,207 | 5,485,760 |
| Bonds payable - current portion (Note 7) | 2,352,483 | -- | -- | 2,352,483 |
| Notes payable - current portion (Note 7) | 1,301,828 | -- | -- | 1,301,828 |
| Claims and judgments - current portion (Note 7 and 11) | 1,239,213 | -- | -- | 1,239,213 |
| Accrued vacation - current portion (Note 7) | 817,781 | -- | 69,137 | 886,918 |
| Deposits | 609,343 | -- | -- | 609,343 |
| Unearned revenue | 1,000,000 | 13,500 | -- | 1,013,500 |
| Advanced collections | 40,666 | -- | -- | 40,666 |
| Interest payable | 293,126 | -- | -- | 293,126 |
| Total Current Liabilities | 13,085,957 | 13,536 | 123,344 | 13,222,837 |
| Noncurrent Liabilities: | | | | |
| Bonds payable - less current portion (Note 7) | 24,932,975 | -- | -- | 24,932,975 |
| Notes payable - less current portion (Note 7) | 20,957,731 | -- | -- | 20,957,731 |
| Accrued vacation - less current portion (Note 7) | 1,226,308 | -- | 173,070 | 1,399,378 |
| Net pension liability (Note 10) | 26,679,011 | -- | 2,015,718 | 28,694,729 |
| Total Noncurrent Liabilities | 73,796,025 | -- | 2,188,788 | 75,984,813 |
| Total Liabilities | 86,881,982 | 13,536 | 2,312,132 | 89,207,650 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Unamortized gain on advanced refunding | 450,680 | -- | -- | 450,680 |
| Deferred inflows related to pensions | 2,006,618 | -- | 160,233 | 2,166,851 |
| Total Deferred Inflow of Resources | 2,457,298 | -- | 160,233 | 2,617,531 |
| Total Liabilities and Deferred Inflow of Resources | 89,339,280 | 13,536 | 2,472,365 | 91,825,181 |
| NET POSITION: | | | | |
| Net investment in capital assets | 284,873,905 | 3,237,117 | 2,940,876 | 291,051,898 |
| Restricted - water (Note 14) | 14,825,370 | -- | -- | 14,825,370 |
| Unrestricted | 17,332,279 | 1,841,659 | (819,883) | 18,354,055 |
| Total Net Position | \$ 317,031,554 | \$ 5,078,776 | \$ 2,120,993 | \$ 324,231,323 |

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, 2016

| | Department of Water Supply | Housing, Interim Financing, and Buy-Back Revolving Fund | Golf Course Special Fund | Total |
|--|-------------------------------|--|-----------------------------|-----------------------|
| Operating Revenues: | | | | |
| Charges for services | \$ 60,543,612 | \$ 181,047 | \$ 1,163,327 | \$ 61,887,986 |
| Total Operating Revenues | <u>60,543,612</u> | <u>181,047</u> | <u>1,163,327</u> | <u>61,887,986</u> |
| Operating Expenses: | | | | |
| Salaries and personnel services | 10,633,649 | -- | 944,309 | 11,577,958 |
| Other operating expenses | 34,272,983 | 155,386 | 2,205,303 | 36,633,672 |
| Depreciation and amortization (Note 6) | 16,254,652 | 53,021 | 351,703 | 16,659,376 |
| Total Operating Expenses | <u>61,161,284</u> | <u>208,407</u> | <u>3,501,315</u> | <u>64,871,006</u> |
| Operating Income (Loss) | <u>(617,672)</u> | <u>(27,360)</u> | <u>(2,337,988)</u> | <u>(2,983,020)</u> |
| Nonoperating Revenues (Expenses): | | | | |
| Interest and investment earnings, net | 610,572 | 14,704 | -- | 625,276 |
| Interest expense, net of capitalized interest | (919,220) | -- | -- | (919,220) |
| Total Non-Operating Revenues (Expenses), Net | <u>(308,648)</u> | <u>14,704</u> | <u>--</u> | <u>(293,944)</u> |
| Income (Loss) Before Capital Contributions and Transfers | <u>(926,320)</u> | <u>(12,656)</u> | <u>(2,337,988)</u> | <u>(3,276,964)</u> |
| Capital Contributions | 6,465,141 | -- | -- | 6,465,141 |
| Transfers In (Note 5) | -- | -- | 3,049,627 | 3,049,627 |
| Transfers Out (Note 5) | <u>--</u> | <u>--</u> | <u>(239,930)</u> | <u>(239,930)</u> |
| Change in Net Position | 5,538,821 | (12,656) | 471,709 | 5,997,874 |
| Net Position, Beginning of Year, as previously stated | 310,863,949 | 5,091,432 | 1,605,177 | 317,560,558 |
| Prior period adjustment (Note 15) | 628,784 | -- | 44,107 | 672,891 |
| Net Position, Beginning of Year, as restated | <u>311,492,733</u> | <u>5,091,432</u> | <u>1,649,284</u> | <u>318,233,449</u> |
| Net Position, End of Year | <u>\$ 317,031,554</u> | <u>\$ 5,078,776</u> | <u>\$ 2,120,993</u> | <u>\$ 324,231,323</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, 2016**

| | 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 | \$ 60,548,141 | \$ 172,848 | \$ 1,163,326 | \$ 61,884,315 |
| Payments to employees | (10,458,119) | -- | (865,301) | (11,323,420) |
| Payments to suppliers | (36,893,813) | (188,893) | (2,289,927) | (39,372,633) |
| Refunds of utility construction advances | (129,123) | -- | -- | (129,123) |
| Net cash provided by (used in) operating activities | <u>13,067,086</u> | <u>(16,045)</u> | <u>(1,991,902)</u> | <u>11,059,139</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Cash paid for the acquisition and construction of capital assets | (19,081,112) | (29,259) | (147,234) | (19,257,605) |
| Principal paid on bonds and notes payable | (9,203,987) | -- | -- | (9,203,987) |
| Proceeds from bonds and notes payable | 9,247,860 | -- | -- | 9,247,860 |
| Cash received from capital contributions | 2,996,313 | -- | -- | 2,996,313 |
| Interest paid on bonds and notes payable | (1,608,839) | -- | -- | (1,608,839) |
| Net cash provided by (used in) capital and related financing activities | <u>(17,649,765)</u> | <u>(29,259)</u> | <u>(147,234)</u> | <u>(17,826,258)</u> |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Transfers in | -- | -- | 3,049,627 | 3,049,627 |
| Transfers out | -- | -- | (239,930) | (239,930) |
| Net cash provided by (used in) non-capital financing activities | <u>--</u> | <u>--</u> | <u>2,809,697</u> | <u>2,809,697</u> |
| Cash Flows from Investing Activities: | | | | |
| Interest and investment earnings received from investments | 610,572 | 14,704 | -- | 625,276 |
| Net cash provided by investing activities | <u>610,572</u> | <u>14,704</u> | <u>--</u> | <u>625,276</u> |
| Change in Cash and Cash Equivalents | (3,972,107) | (30,600) | 670,561 | (3,332,146) |
| Cash and Cash Equivalents, Beginning of Year | <u>66,148,027</u> | <u>1,612,698</u> | <u>687,359</u> | <u>68,448,084</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 62,175,920</u> | <u>\$ 1,582,098</u> | <u>\$ 1,357,920</u> | <u>\$ 65,115,938</u> |
| Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Operating income (loss) | \$ (617,672) | \$ (27,360) | \$ (2,337,988) | \$ (2,983,020) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 16,254,652 | 53,021 | 351,703 | 16,659,376 |
| Bad debt | 26,174 | -- | -- | 26,174 |
| Pension expense | 2,257,225 | -- | 158,338 | 2,415,563 |
| Net (increase) decrease in receivables, inventory, other current assets, and deferred outflows | (2,094,746) | (15,025) | (161,327) | (2,271,098) |
| Net increase (decrease) in accounts payable, accrued vacation, other current liabilities, and deferred inflows | (2,758,547) | (26,681) | (2,628) | (2,787,856) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 13,067,086</u> | <u>\$ (16,045)</u> | <u>\$ (1,991,902)</u> | <u>\$ 11,059,139</u> |
| Noncash Capital Financing Activities | | | | |
| Capital contributions | <u>\$ 3,468,828</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 3,468,828</u> |

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, 2016**

| | <u>Agency Funds</u> |
|--|-------------------------|
| ASSETS: | |
| Equity in pooled cash and investments held in County Treasury (Note 2) | \$ 49,734,018 |
| Other current assets | 976,990 |
| Other non-current assets | <u>95,655</u> |
| Total Assets | \$ <u>50,806,663</u> |
| LIABILITIES: | |
| Deposits | \$ 50,711,008 |
| Due to State of Hawaii | <u>95,655</u> |
| Total Liabilities | \$ <u>50,806,663</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, 2016

**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 2014.

The accompanying basic financial statements present all operations of the County as the primary government. The County's governmental activities are organized by the following general functions: general government, public safety, highways and streets, sanitation, social welfare, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply, the Housing, Interim Financing, and Buy-Back Revolving Fund, and the Golf Course Special Fund.

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

Financial Statement Presentation –

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

**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 fund 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 fund 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, 2016

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

Summary of Significant Accounting Policies -

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

Investments in time certificates of deposits and repurchase agreements are carried at cost, which approximates fair value. Investments in U.S. Treasury and U.S. agencies obligations are carried at amortized cost, which approximates 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, 2016 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.

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

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized but charged to operations as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities and enterprise funds, if any, is included as part of the capitalized value of the assets constructed.

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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 fund net position.

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

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

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

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

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 advance refundings 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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences - In the governmental fund financial statements, vacation pay is recorded as expenditures when liquidated with expendable available financial resources. Vested or accumulated vacation leave of proprietary funds and in the government-wide financial statements is recorded as an expense and liability of those funds and activities as the benefits accrue to employees. Vacation benefits accrue at one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year.

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued on either the government-wide or fund financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2016, accumulated sick leave amounted to approximately \$82.5 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.

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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

Fund Balance Policies - Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. As of June 30, 2016, 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.

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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. 72, *Fair Value Measurement and Application*. The Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The Statement will also enhance fair value application guidance and disclosure. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Management has adopted the new standard as presented in the County's financial statements.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Statement establishes accounting and financial reporting requirements by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68. The requirements of this Statement are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. Management has adopted the applicable requirements of the new standard as presented in the County's financial statements.

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The Statement will require the liability of employers for defined benefit OPEB to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the OPEB plan's fiduciary net position. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017. Management has not yet determined the effect this Statement will have on the County's financial statements, but anticipate that it will materially impact the County's financial statements.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Statement reduces the generally accepted accounting principles ("GAAP") to two categories of authoritative GAAP. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category includes GASB Implementation Guides, GASB Technical Bulletins, and guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. Management has adopted the applicable requirements of the new standard as presented in the County's financial statements.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*. The Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Management has 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, 2016

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

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

The GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Statement addresses how certain state and local government external investment pools – and participants in those pools – may measure and report their investments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions, which are effective for reporting periods beginning after December 15, 2015. Management has determined that this Statement does not have a material effect on the County's financial statements.

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

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

The GASB issued Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management has 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, 2016**

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, 2016, at fair value, are as follows:

| | Governmental Activities | Business-Type Activities | Fiduciary Funds | Fair Value |
|--|----------------------------|-----------------------------|---|-----------------------|
| Equity in pooled cash and investments | \$ 216,865,300 | \$ 47,102,416 | \$ 49,734,018 | \$ 313,701,734 |
| Restricted investments – equity in pooled cash and investments | — | 18,013,522 | — | 18,013,522 |
| Total equity in pooled cash and investments | \$ <u>216,865,300</u> | \$ <u>65,115,938</u> | \$ <u>49,734,018</u> | \$ <u>331,715,256</u> |
| | | | Cash on hand and deposits | \$ 69,889,618 |
| | | | Certificates of deposit | 89,429,686 |
| | | | Investments | <u>172,395,952</u> |
| | | | Total equity in pooled cash and investments | \$ <u>331,715,256</u> |

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the accompanying balance sheets and statements of net position as "Equity in pooled cash and investments held in County Treasury".

County's Investment Policy -

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

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

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

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

Investment Risk - The investments are subject to certain types of risk, including interest rate risk, credit quality risk, concentration of credit risk, custodial credit risk, and foreign currency 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 Risk - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligation. The County's investment policy limits investments in state and U.S. Treasury securities, time certificates of deposit, U.S. agency obligations, repurchase agreements, commercial paper, bankers' acceptances, money market funds, and auction rate securities collateralized by student loans maintaining a Triple-A rating. The bond ratings for the County's investments in U.S. agency obligations (government sponsored enterprises) at June 30, 2016 were "Aa1", "AA+" and "AA+" by Moody's, Standard & Poor's, and Fitch, respectively.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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, 2016, substantially all of the County's cash balance of \$69.9 million and certificates of deposit of \$89.4 million were insured or collateralized.

Investments -

As of June 30, 2016, 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 | 0.672 - 1.732 | \$ 2,000,000 | \$ 1,000,000 | \$ 11,500,000 | \$ 27,500,000 | \$ 307,314 | \$ 42,307,314 |
| Federal Home Loan Bank Notes | 0.760 - 2.002 | - | - | 3,500,000 | 50,225,000 | (970) | 53,724,030 |
| Federal Farm Credit Bank Notes | 0.752 - 0.938 | - | - | 750,000 | 4,000,000 | 3,036 | 4,753,036 |
| Federal Agricultural Mortgage Corporation Notes | 0.640 - 0.875 | - | 100,000 | - | 19,000,000 | 599 | 19,100,599 |
| Federal Home Loan Mortgage Corporation Notes | 0.901 - 1.906 | - | - | 3,000,000 | 21,500,000 | 3,858 | 24,503,858 |
| State and County obligations | 0.762 - 2.037 | - | - | - | 21,400,000 | 90,941 | 21,490,941 |
| U.S. Treasury Bills | 1.399 | - | - | - | 3,000,000 | (84,989) | 2,915,011 |
| U.S. Treasury Notes | 0.967 - 1.188 | - | - | 825,000 | 2,800,000 | (23,837) | 3,601,163 |
| Total investments | | \$ 2,000,000 | \$ 1,100,000 | \$ 19,575,000 | \$ 149,425,000 | \$ 295,952 | 172,395,952 |
| Type of Deposits | | | | | | | |
| Various certificates of deposit | 0.10 - 2.30 | \$ - | \$ - | \$ - | \$ 89,429,686 | | 89,429,686 |
| | | | | | Total investments and certificates of deposit | | 261,825,638 |
| | | | | | Cash on hand and deposits | | 69,889,618 |
| | | | | | Total equity in pooled cash and investments | | \$ 331,715,256 |

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

| | Assets at Fair Value at June 30, 2016 | | | |
|------------------------------|---------------------------------------|---------------------|-----------------------|--------------|
| | Total | Level 1 | Level 2 | Level 3 |
| U. S. Treasury obligations | \$ 6,516,174 | \$ 6,516,174 | \$ -- | \$ -- |
| U. S. government agencies | 144,388,837 | -- | 144,388,837 | -- |
| State and County obligations | 21,490,941 | -- | 21,490,941 | -- |
| | <u>\$ 172,395,952</u> | <u>\$ 6,516,174</u> | <u>\$ 165,879,778</u> | <u>\$ --</u> |

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2016, for the County's governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Highway Fund | Sewer Fund | Grant Fund | Capital Improvement Projects Fund | Other Governmental Funds | Total Governmental Activities |
|--|---------------------|-------------------|---------------------|---------------------|-----------------------------------|--------------------------|-------------------------------|
| Receivables, net | | | | | | | |
| Real property taxes | \$ 7,659,299 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 7,659,299 |
| Intergovernmental | -- | 951,842 | -- | 4,217,860 | 1,855,936 | -- | 7,025,638 |
| Sewer charges | -- | -- | 2,660,341 | -- | -- | -- | 2,660,341 |
| Landfill charges | -- | -- | -- | -- | -- | 2,502,052 | 2,502,052 |
| Other | -- | -- | -- | 14,800 | 461,507 | -- | 476,307 |
| Less: allowance for uncollectible accounts | -- | -- | (300,717) | -- | -- | (620,640) | (921,357) |
| Total Receivables, net | <u>\$ 7,659,299</u> | <u>\$ 951,842</u> | <u>\$ 2,359,624</u> | <u>\$ 4,232,660</u> | <u>\$ 2,317,443</u> | <u>\$ 1,881,412</u> | <u>\$ 19,402,280</u> |

Receivables included in the County's proprietary funds as of June 30, 2016 were as follows:

| | Department of Water Supply | Housing, Interim Financing, and Buy-Back Revolving Fund | Total Business-Type Activities |
|---|----------------------------|---|--------------------------------|
| Receivables, net | | | |
| Charges for services | \$ 6,147,499 | \$ 14,943 | \$ 6,162,442 |
| Less: allowance for uncollectible charges | (141,524) | -- | (141,524) |
| Total Receivables, net | <u>\$ 6,005,975</u> | <u>\$ 14,943</u> | <u>\$ 6,020,918</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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 - RECEIVABLES (Continued)

At June 30, 2016, the various components of deferred inflows of resources were as follows:

| | <u>Unavailable</u> | <u>Unearned</u> |
|--|---------------------|-------------------|
| Delinquent real property tax receivables not collected within 60 days of year-end (General Fund) | \$ 5,589,060 | \$ -- |
| Real property tax collections received in advance (General Fund) | -- | 515,531 |
| Sewer and landfill fees not collected within 60 days of year-end (Sewer and Non-Major Fund) | 1,048,191 | -- |
| Fees collected in advance for liquor licenses (Non-Major Fund) | <u> --</u> | <u>262,340</u> |
| | <u>\$ 6,637,251</u> | <u>\$ 777,871</u> |

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

Amounts due from and due to other funds as of June 30, 2016 were as follows:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|----------------------------------|---------------------------------|-------------------------------|
| Major Governmental Funds: | | |
| General Fund | \$ 15,553,049 | \$ -- |
| Capital Improvement Project Fund | <u> --</u> | <u>15,553,049</u> |
| | <u>\$ 15,553,049</u> | <u>\$ 15,553,049</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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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

A summary of the inter-fund transfers as of June 30, 2016 are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---|-----------------------|-----------------------|
| Major Governmental Funds: | | |
| General Fund | \$ 22,073,318 | \$ 64,477,573 |
| Highway Fund | 1,928,604 | 17,145,301 |
| Sewer Fund | 2,748,466 | 21,702,524 |
| Debt Service Fund | 30,078,044 | -- |
| Capital Improvement Project Fund | 34,038,941 | 5,841,079 |
| Non-Major Governmental Funds | 23,367,468 | 7,878,061 |
| Major Proprietary Fund – Golf Course Special Fund | <u>3,049,627</u> | <u>239,930</u> |
| | \$ 117,284,468 | \$ 117,284,468 |

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

NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2016, was as follows:

| | <u>Balance July 1, 2015</u> | <u>Additions</u> | <u>Reductions/ Retirements</u> | <u>Balance June 30, 2016</u> |
|--|---------------------------------|-----------------------|------------------------------------|----------------------------------|
| Governmental Activities: | | | | |
| Non-depreciable assets: | | | | |
| Land | \$ 166,213,559 | \$ 5,247,412 | \$ -- | \$ 171,460,971 |
| Construction in progress | 95,081,653 | 65,146,734 | (100,499,408) | 59,728,979 |
| | <u>261,295,212</u> | <u>70,394,146</u> | <u>(100,499,408)</u> | <u>231,189,950</u> |
| Depreciable assets: | | | | |
| Buildings and systems | 162,753,447 | 969,243 | -- | 163,722,690 |
| Improvements other than buildings | 136,370,151 | 6,667,760 | -- | 143,037,911 |
| Machinery and equipment | 136,314,637 | 11,108,411 | (6,530,502) | 140,892,546 |
| Infrastructure | 1,050,787,986 | 82,170,674 | -- | 1,132,958,660 |
| | <u>1,486,226,221</u> | <u>100,916,088</u> | <u>(6,530,502)</u> | <u>1,580,611,807</u> |
| Accumulated depreciation | | | | |
| Buildings and improvements | 85,470,307 | 5,443,846 | -- | 90,914,153 |
| Improvements other than buildings | 81,120,859 | 5,446,236 | -- | 86,567,095 |
| Machinery and equipment | 110,824,942 | 9,808,330 | (6,299,094) | 114,334,178 |
| Infrastructure | 729,865,125 | 23,426,137 | -- | 753,291,262 |
| | <u>1,007,281,233</u> | <u>44,124,549</u> | <u>(6,299,094)</u> | <u>1,045,106,688</u> |
| Total Governmental Activities - | | | | |
| Capital Assets, Net | \$ 740,240,200 | \$ 127,185,685 | \$ (100,730,816) | \$ 766,695,069 |

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 - CAPITAL ASSETS (Continued)

| | Balance July 1, 2015 | Additions | Transfers/ Reductions/ Retirements | Balance June 30, 2016 |
|---|-------------------------|----------------------|--|--------------------------|
| Business-type Activities: | | | | |
| Non-depreciable assets: | | | | |
| Land | \$ 9,734,009 | \$ 416,245 | \$ -- | \$ 10,150,254 |
| Construction in progress | <u>45,327,370</u> | <u>18,977,928</u> | <u>(23,402,457)</u> | <u>40,902,841</u> |
| | <u>55,061,379</u> | <u>19,394,173</u> | <u>(23,402,457)</u> | <u>51,053,095</u> |
| Depreciable assets: | | | | |
| Buildings and systems | 8,793,167 | 9,962,199 | -- | 18,755,366 |
| Improvements other than buildings | 2,971,632 | -- | -- | 2,971,632 |
| Machinery and equipment | 31,579,567 | 16,528,450 | (631,087) | 47,476,930 |
| Infrastructure | <u>497,834,001</u> | <u>313,819</u> | <u>--</u> | <u>498,147,820</u> |
| | <u>541,178,367</u> | <u>26,804,468</u> | <u>(631,087)</u> | <u>567,351,748</u> |
| Accumulated depreciation: | | | | |
| Buildings and systems | 4,902,782 | 4,530,131 | -- | 9,432,913 |
| Improvements other than buildings | 2,792,381 | 56,280 | -- | 2,848,661 |
| Machinery and equipment | 17,149,483 | 11,956,179 | (625,824) | 28,479,838 |
| Infrastructure | <u>239,357,915</u> | <u>116,786</u> | <u>--</u> | <u>239,474,701</u> |
| | <u>264,202,561</u> | <u>16,659,376</u> | <u>(625,824)</u> | <u>280,236,113</u> |
| Business-type Activities - Capital Assets, net | <u>\$ 332,037,185</u> | <u>\$ 29,539,265</u> | <u>\$ (23,407,720)</u> | <u>\$ 338,168,730</u> |

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

Governmental Activities:

| | |
|------------------------|---------------|
| General government | \$ 1,045,210 |
| Public safety | 8,324,688 |
| Highways and streets | 11,437,923 |
| Sanitation | 16,569,326 |
| Social and welfare | 662,016 |
| Culture and recreation | 6,072,369 |
| Legislative | <u>13,017</u> |

Total Depreciation Expense - Governmental Activities \$ 44,124,549

Business-type Activities:

| | |
|--|---------------|
| Department of Water Supply | \$ 16,254,652 |
| Golf Course Special Fund | 351,703 |
| Housing, Interim Financing and Buy-Back Revolving Fund | <u>53,021</u> |

Total Depreciation Expense - Business-type Activities \$ 16,659,376

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 - CAPITAL ASSETS (Continued)

Construction in progress is comprised of the following as of June 30, 2016:

| | Project Authorized (Appropriated) | Expended to June 30, 2016 | Committed (Encumbered) |
|---------------------------------|--|--------------------------------------|-----------------------------------|
| Governmental Activities: | | | |
| Government facilities | \$ 42,680,664 | \$ 8,647,679 | \$ 2,995,564 |
| Roadway systems | 88,108,359 | 13,096,638 | 15,961,136 |
| Sewer systems | 70,856,820 | 21,021,679 | 11,571,991 |
| Sanitation | 4,000,000 | 838,123 | 979,467 |
| Parks and recreation | 31,357,500 | 4,006,116 | 3,480,746 |
| Drainage | 18,347,621 | 5,521,510 | 3,774,691 |
| Other | 18,768,515 | 6,597,234 | 4,547,146 |
| Total | \$ 274,119,479 | \$ 59,728,979 | \$ 43,310,741 |

| | Project Authorized (Appropriated) | Expended to June 30, 2016 | Committed (Encumbered) |
|----------------------------------|--|--------------------------------------|-----------------------------------|
| Business-Type Activities: | | | |
| Department of Water Supply | \$ 97,164,062 | \$ 40,902,841 | \$ 20,071,044 |

NOTE 7 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2016:

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 | Due Within One Year |
|--|----------------------------------|----------------------|----------------------|----------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 227,834,704 | \$ 62,216,248 | \$ 54,732,768 | \$ 235,318,184 | \$ 22,522,517 |
| State Revolving Fund and USDA loans | 55,184,431 | 3,750,152 | 12,133,318 | 46,801,265 | 3,509,390 |
| Total | \$ 283,019,135 | \$ 65,966,400 | \$ 66,866,086 | \$ 282,119,449 | \$ 26,031,907 |
| Business-Type Activities: | | | | | |
| General obligation bonds | \$ 29,945,670 | \$ 6,255,413 | \$ 8,915,625 | \$ 27,285,458 | \$ 2,352,483 |
| Notes payable | 20,468,900 | 2,992,447 | 1,201,788 | 22,259,559 | 1,301,828 |
| Total | \$ 50,414,570 | \$ 9,247,860 | \$ 10,117,413 | \$ 49,545,017 | \$ 3,654,311 |

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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, 2016 are comprised of the following individual issues:

| Year | Description | Interest Rates | Original Issue Amount | Final Maturity | Outstanding Balance June 30, 2016 |
|------|--|----------------|-----------------------|----------------|-----------------------------------|
| 2006 | Series A,B,C GO and Refunding | 4.00%-5.00% | \$ 54,615,000 | 2022 | \$ 16,330,000 |
| 2008 | Series A GO | 3.50%-5.00% | 34,000,000 | 2028 | 3,312,887 |
| 2010 | Series A GO | 0.53%-5.95% | 23,375,000 | 2030 | 17,620,000 |
| 2010 | Series B GO | 3.00%-5.00% | 46,300,000 | 2021 | 23,076,390 |
| 2012 | Series A,B, and D GO and Refunding | 2.00%-5.00% | 56,885,000 | 2032 | 47,702,717 |
| 2014 | Series A,B,D and E GO and Refunding | 2.00%-5.00% | 61,875,000 | 2034 | 55,755,000 |
| 2015 | Series A,B,C and D GO and Refunding | 3.00%-5.00% | 54,726,764 | 2036 | 54,726,764 |
| | Total general obligation bonds | | \$ 331,776,764 | | 218,523,758 |
| | Unamortized premium | | | | 16,794,426 |
| | Net general obligation bonds outstanding | | | | \$ 235,318,184 |

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 \$67.6 million and outstanding principal amounted to \$46.8 million at June 30, 2016, and bear interest at 0.25% to 2.60%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2035. The County has 22 projects funded with these SRF loans.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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

The schedule below shows the State Revolving Fund Loans outstanding as of June 30, 2016:

| Year | Description | Loan Number | Original Issue Amount | Final Maturity | Outstanding Balance June 30, 2016 |
|------------------------------------|---|----------------|--------------------------|-------------------|---|
| State Revolving Fund Loans: | | | | | |
| 1998 | Kihei Reuse Core Distribution System | C150077-09 | \$ 3,231,080 | 2018 | \$ 312,981 |
| 2004 | Lahaina Pump Station Nos. 5 & 6 | C150054-12 | 3,300,000 | 2026 | 1,752,262 |
| 2004 | Kahului Pump Station Modification | C150052-30 | 2,623,957 | 2026 | 1,408,217 |
| 2006 | Lahaina Pump Station No. 4 | C150054-09 | 1,700,000 | 2027 | 1,001,994 |
| 2008 | Wailuku-Kahului Wastewater Pump Station | C150052-19 | 9,931,786 | 2028 | 6,265,972 |
| 2009 | Wailuku-Kahului Wastewater Reclamation | C150052-32 | 2,000,000 | 2029 | 1,302,834 |
| 2009 | Lahaina Wastewater Pump Station No. 1 | C150054-06 | 7,050,000 | 2029 | 4,655,155 |
| 2009 | Central Maui Landfill Gas Collection | NPS0052-39 | 3,502,173 | 2029 | 2,287,808 |
| 2009 | Islandwide EPA Consent Decree | C150052-31 | 8,438,770 | 2029 | 5,547,392 |
| 2009 | Molokai Integrated Solid Waste Facility | NPS0041-07 | 3,241,038 | 2029 | 2,232,215 |
| 2010 | Front Street Sewer Line Rehabilitation | C150054-11 | 447,454 | 2029 | 318,386 |
| 2010 | Hyatt/Kaanapali Force Main Replacements | C150054-25 | 1,737,541 | 2030 | 1,262,966 |
| 2010 | Countywide Pump Station Renovations | C150052-28 | 928,608 | 2029 | 690,577 |
| 2011 | Kihei No. 2 Force Main Replacement | C150077-20 | 1,022,919 | 2032 | 787,596 |
| 2013 | Alamaha Force Main Replacement | C150052-40 | 1,128,000 | 2033 | 960,791 |
| 2013 | West Maui Recycled Water | C150054-23 | 1,205,090 | 2033 | 1,091,444 |
| 2012 | Wailuku-Kahului Force Main Replacement | C150052-35 | 3,621,040 | 2034 | 3,294,100 |
| 2012 | Countywide Pump Station Renovations | C150054-34 | 2,727,744 | 2034 | 2,509,342 |
| 2010 | Central Operations and Maintenance Facility | C150052-33 | 500,000 | 2034 | 450,013 |
| 2013 | Lahaina No. 3 Force Main Replacement | C150054-28 | 4,719,007 | 2034 | 4,279,995 |
| 2013 | Lahaina Wastewater Pump Station No. 2 | C150054-10 | 2,041,221 | 2034 | 1,965,241 |
| 2013 | South Maui Recycled Water Distribution System | C150077-17 | 2,543,970 | 2035 | 2,423,984 |
| | | | <u>\$ 67,641,398</u> | | <u>\$ 46,801,265</u> |

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016, 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> |
| 2017 | \$ 22,522,517 | \$ 9,112,907 | \$ 31,635,424 |
| 2018 | 20,428,269 | 8,116,569 | 28,544,838 |
| 2019 | 21,486,102 | 7,125,003 | 28,611,105 |
| 2020 | 22,479,292 | 6,115,950 | 28,595,242 |
| 2021 | 18,817,303 | 5,142,117 | 23,959,420 |
| 2022-2026 | 60,044,922 | 16,002,054 | 76,046,976 |
| 2027-2031 | 38,127,834 | 5,931,694 | 44,059,528 |
| 2032-2036 | 14,617,519 | 930,969 | 15,548,488 |
| Total | <u>\$ 218,523,758</u> | <u>\$ 58,477,263</u> | <u>\$ 277,001,021</u> |

| <u>Year Ending June 30,</u> | <u>Governmental Activities - SRF Loans</u> | | |
|-----------------------------|--|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2017 | \$ 3,509,390 | \$ 376,832 | \$ 3,886,222 |
| 2018 | 3,421,099 | 343,298 | 3,764,397 |
| 2019 | 3,330,426 | 315,115 | 3,645,541 |
| 2020 | 3,344,889 | 288,835 | 3,633,724 |
| 2021 | 3,359,807 | 262,056 | 3,621,863 |
| 2022-2026 | 17,020,187 | 909,000 | 17,929,187 |
| 2027-2031 | 10,234,017 | 301,449 | 10,535,466 |
| 2032-2035 | 2,581,450 | 37,596 | 2,619,046 |
| Total | <u>\$ 46,801,265</u> | <u>\$ 2,834,181</u> | <u>\$ 49,635,446</u> |

Some of the general obligation bonds may be subject to early redemption at the option of the County during specific years at 100% of their face value.

Business-Type Activities - General Obligation Bonds

The Department of Water Supply (DWS) issues general obligation bonds for the construction of major capital facilities. These general obligation bonds are considered reimbursable bonds to be repaid from the net revenues of the DWS, and accordingly, are excluded from funded debt pursuant to the State Constitution.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016 are comprised of the following individual issues:

| Year | Description | Interest Rates | Final Maturity | Outstanding Balance June 30, 2016 |
|------|--|----------------|----------------|--------------------------------------|
| 2008 | Series A GO Refunding Bonds | 3.50%-5.00% | 7/1/2028 | \$ 537,113 |
| 2010 | Series B GO Refunding Bonds | 4.00%-5.00% | 6/1/2021 | 2,003,610 |
| 2012 | Series B and C GO and Refunding | 2.10%-5.00% | 6/1/2032 | 10,187,283 |
| 2014 | Series C GO Bonds | 3.00%-5.00% | 6/1/2034 | 6,315,000 |
| 2015 | Series B and D GO Refunding Bonds | 3.00%-5.00% | 9/1/2026 | 5,428,236 |
| | Total general obligation bonds | | | 24,471,242 |
| | Unamortized premium | | | 2,814,216 |
| | Net general obligation bonds outstanding | | | \$ <u>27,285,458</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, 2016, were as follows:

| Fiscal Year Ending June 30, | <u>Business-Type Activities – General Obligation Bonds</u> | | |
|-----------------------------|--|---------------------|----------------------|
| | Principal | Interest | Total |
| 2017 | \$ 2,352,483 | \$ 1,040,912 | \$ 3,393,395 |
| 2018 | 2,446,731 | 929,821 | 3,376,552 |
| 2019 | 2,578,898 | 807,512 | 3,386,410 |
| 2020 | 2,705,708 | 681,528 | 3,387,236 |
| 2021 | 2,232,697 | 564,404 | 2,797,101 |
| 2022 - 2026 | 6,805,078 | 1,524,183 | 8,329,261 |
| 2027 - 2031 | 3,717,166 | 575,826 | 4,292,992 |
| 2032 - 2034 | <u>1,632,481</u> | <u>97,199</u> | <u>1,729,680</u> |
| Total | \$ <u>24,471,242</u> | \$ <u>6,221,385</u> | \$ <u>30,692,627</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, 2016**

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

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

At June 30, 2016, notes payable of the Department consisted of the following:

| | <u>Amount</u> |
|---|----------------------|
| Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.37%, and loan fee rate of 3.25%, maturing in 2029. | \$ 1,210,648 |
| 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 rate of 3.25%, maturing in 2031. | 518,776 |
| Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.35%, loan fee rate of 3.25%, maturing in 2032. | 2,771,600 |
| Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 3.25%, maturing in 2032. | 905,569 |
| 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. | 199,510 |
| 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. | 1,846,775 |
| 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. | 746,910 |
| 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. | <u>7,012,100</u> |
| Balance forward | \$ <u>15,211,888</u> |

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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

| | <u>Amount</u> |
|--|-----------------------------|
| Balance carried forward | \$ 15,211,888 |
| 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. | 3,884,885 |
| Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00% maturing in 2034. | 1,884,268 |
| Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00% maturing in 2035. | <u>1,278,518</u> |
| | 22,259,559 |
| Less current maturities | <u>(1,301,828)</u> |
| | \$ <u>20,957,731</u> |

Annual debt service requirements of these notes payable at June 30, 2016 were as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Business-Type Activities Notes Payable</u> | | |
|------------------------------------|---|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2017 | \$ 1,301,828 | \$ 421,145 | \$ 1,722,973 |
| 2018 | 1,305,888 | 395,988 | 1,701,876 |
| 2019 | 1,310,576 | 370,139 | 1,680,715 |
| 2020 | 1,315,217 | 344,269 | 1,659,486 |
| 2021 | 1,320,127 | 318,061 | 1,638,188 |
| 2022-2026 | 6,672,735 | 1,196,289 | 7,869,024 |
| 2027-2031 | 6,605,259 | 534,501 | 7,139,760 |
| 2032-2035 | <u>2,427,929</u> | <u>55,344</u> | <u>2,483,273</u> |
| Totals | \$ <u>22,259,559</u> | \$ <u>3,635,736</u> | \$ <u>25,895,295</u> |

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

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, 2016. The line of credit agreement requires interest-only payments at the bank's base rate plus 0.90% (3.94% at June 30, 2016), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2016 and has been renewed to July 30, 2017.

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, 2016, are approximately \$6.1 billion and \$5.8 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, 2016.

Refunded Bonds

In September 2015, the County issued \$60,155,000 in general obligation bonds which consisted of \$15,185,000 of 2015 Series A, \$14,520,000 of 2015 Series B bonds, \$6,965,000 in 2015 Series C bonds and \$23,485,000 in 2015 Series D bonds. The proceeds of the issuance were used to prepay the County's outstanding loan from the United States Department of Agriculture, refund all of the outstanding Series 2005 bonds and to defease and advance refund the County's Series 2008 bonds. Consequently, the Series 2005 bonds and the Series 2008 bonds were considered defeased and were removed from the County's and Department's financial statements in 2016. This refunding was undertaken to reduce total debt service payments by approximately \$6,024,000 and resulted in an economic gain of approximately \$5,304,000. At June 30, 2016, defeased bonds totaled \$44,795,000.

Other Obligations

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

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

A summary of long-term debt and other long-term general obligations for the year ended June 30, 2016 is as follows:

| | <u>Balance</u> <u>July 1, 2015</u> | <u>Prepaid</u> <u>Balance</u> <u>June 30, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2016</u> | <u>Prepaid</u> <u>Balance</u> <u>June 30, 2016</u> | <u>Due Within</u> <u>One Year</u> |
|--|---------------------------------------|--|-----------------------|--|--|--|--------------------------------------|
| Governmental Activities: | | | | | | | |
| Accrued vacation | \$ 30,522,398 | \$ - | \$ 15,604,124 | \$ 14,419,783 | \$ 31,706,739 | \$ - | \$ 14,419,783 |
| Accrued landfill closure and postclosure costs (Note 9) | 31,524,726 | - | 2,776,481 | 252,766 | 34,048,441 | - | 248,284 |
| Accrued pollution remediation | 5,274,161 | - | 378,583 | 166,932 | 5,485,812 | - | 2,735,811 |
| Accrued postemployment benefits (Note 10) | - | (3,307,619) | 29,212,247 | 29,177,190 | - | (3,272,562) | - |
| Claims and judgments | 20,339,074 | - | 6,775,836 | 7,706,809 | 19,408,101 | - | 19,408,101 |
| Total Other General Obligations | 87,660,359 | (3,307,619) | 54,747,271 | 51,723,480 | 90,649,093 | (3,272,562) | 36,811,979 |
| Long-Term Debt | 283,019,135 | - | 65,966,400 | 66,866,086 | 282,119,449 | - | 26,031,907 |
| Total Long-Term Obligations | <u>\$ 370,679,494</u> | <u>\$ (3,307,619)</u> | <u>\$ 120,713,671</u> | <u>\$ 118,589,566</u> | <u>\$ 372,768,542</u> | <u>\$ (3,272,562)</u> | <u>\$ 62,843,886</u> |
| | | | | | | | |
| | <u>Balance</u> <u>July 1, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2016</u> | <u>Due Within</u> <u>One Year</u> | | |
| Business-Type Activities: | | | | | | | |
| Accrued vacation | \$ 2,237,235 | \$ 921,966 | \$ 871,904 | \$ 2,287,297 | \$ 886,918 | | |
| Claims and judgments | 1,444,995 | 314,863 | 520,645 | 1,239,213 | 1,239,213 | | |
| Total Other General Obligations | 3,682,230 | 1,236,829 | 1,392,549 | 3,526,510 | 2,126,131 | | |
| Long-Term Debt | 50,414,570 | 9,247,860 | 10,117,413 | 49,545,017 | 3,654,311 | | |
| Total Long-Term Obligations | <u>\$ 54,096,800</u> | <u>\$ 10,484,689</u> | <u>\$ 11,509,962</u> | <u>\$ 53,071,527</u> | <u>\$ 5,780,442</u> | | |

NOTE 8 - OPERATING LEASES

The County is party to various operating lease agreements, predominantly for the purposes of office space and facility use. Lease terms range from month-to-month to 5 years and annual rents range from \$1,200 to approximately \$248,000. Total annual rent expenditures for the fiscal year 2016 were approximately \$3.5 million.

As of June 30, 2016, the future minimum noncancelable operating lease payments were as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2017 | \$ 1,232,000 |
| 2018 | 515,000 |
| 2019 | 229,000 |
| 2020 | 166,000 |
| 2021 | <u>169,000</u> |
| | <u>\$ 2,311,000</u> |

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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.

The \$34 million of accrued landfill closure and post-closure costs at June 30, 2016 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 of \$16.0 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 2016. 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:

| <u>Landfill</u> | <u>Capacity Used</u> | <u>Remaining Life (Years)</u> |
|-----------------------------|----------------------|-------------------------------|
| Central Maui Phase I and II | 100% | 0 |
| Central Maui Phase IV | 74% | 4 |
| Central Maui Phase V | 63% | 4 |
| Hana | 43% | 42 |
| Molokai | 85% | 4 |
| Lanai | 67% | 23 |

The County incurred closure costs of approximately \$252,800 in fiscal year 2016, with an additional \$248,300 estimated to be incurred in fiscal year 2017. Post-closure costs of approximately \$22.9 million are estimated over the next 30 years.

Federal regulations require owners and operators of landfills to demonstrate financial assurance for the costs of closure and post-closure care. Under the proposed federal rules for financial assurance mechanism available to local governments, the County's current investment grade bond ratings of "Aa1", "AA+", and "AA+" by Moody's, Standard & Poor's and Fitch, respectively, exceed the required rating.

In July 2013, a landfill compliance inspection was completed by the State of Hawaii, Department of Health (DOH) at the Hana Municipal Solid Waste Landfill. The County of Maui was notified of a potential violation due to "Constructing and operating a waste disposal unit outside the "existing" limits of waste, without complying with the design criteria for municipal solid waste landfills, and without a solid waste management permit." As a result of the inspection, the County engaged a third-party consulting firm to provide different alternatives to remediate the potential violation. The two options presented were as follows: 1) Capping and covering with soil in conformance with DOH standards for unlined landfills; and 2) Clean closure by the removal of all waste. In 2014, the County elected Option 1 and included the estimated cost of closure and post-closure 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 \$5.49 million with \$249,000 already being spent in fiscal years 2014 through fiscal year 2016.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - RETIREMENT BENEFITS

Pensions

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

Benefits Provided - The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% or 2%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

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

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 10 years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or dependent children, no benefit is payable.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - RETIREMENT BENEFITS (Continued)

Ten years of credited service is required for ordinary death benefits. For ordinary death benefits, the surviving spouse/reciprocal beneficiary (until remarriage/reentry 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 Plan 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 as 2.5% of average final compensation for each year of service up to a maximum of 80%. Police and firefighters with ten 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 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 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 1 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 10 years of service and designated one beneficiary, or 100% Joint and Survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Plan for Employees Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60. Judges and elected officers' retirement benefits are determined as 3.0% of average final compensation multiplied by the years of credited service up to a maximum of 75%. Judges and elected officers with 10 years of credited service are eligible to retire at age 60.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - RETIREMENT BENEFITS (Continued)

Police and firefighters' retirement benefits are determined as 2.25% of average final compensation for each year of service up to a maximum of 80%. Police and firefighters with 10 years of credited service are eligible to retire at age 60.

Disability and Death Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are 3.0% of average final compensation for each year of service for judges and elected officers and 1.75% of average final compensation for each year of service for police and firefighters and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

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

Hybrid Plan 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 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 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 5 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 10 years of service and designated one beneficiary, or 100% Joint and Survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Plan 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 10 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 EMTs may retire with 25 years of credited service at age 55.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - RETIREMENT BENEFITS (Continued)

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 10 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 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 established 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 2016 were 25.00% for police and firefighters and 17.00% for all other employees. Contributions to the pension plan from the County were \$30,874,345, for the fiscal year ended June 30, 2016.

The employer is required to make all contributions for members in the noncontributory plan. For contributory plan employees hired prior to July 1, 2012, general employees are required to contribute 7.8% of their salary and police and firefighters are required to contribute 12.2% of their salary. For contributory plan employees hired after June 30, 2012, judges and elected officials are required to contribute 9.8% of their salary and police and firefighters are required to contribute 14.2% of their salary. Hybrid plan members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid plan 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, 2016, the County reported a liability of \$381.4 million, for the County's proportionate share of net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the County's proportion was 4.3671% which was an increase of 0.1542% from its proportion measured as of June 30, 2014.

There were no changes in other assumptions and inputs that affected the measurement of the total pension liability since the prior measurement date other than the investment return assumption. Fiscal year 2016 was the first year of the three-year phase-in of the investment return assumption. The investment return rate decreased beginning in fiscal year 2016 to 7.65% and will continue to decrease to 7.55% in fiscal year 2017 and to 7.50% in fiscal year 2018, and will remain at 7.50% thereafter. There were no other changes between the measurement date, June 30, 2015, and the reporting date, June 30, 2016, 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, 2016

NOTE 10 - RETIREMENT BENEFITS (Continued)

For the fiscal year ended June 30, 2016, the County recognized pension expense of \$42,921,836. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 8,267,506 | \$ (9,055,684) |
| Net difference between projected and actual earnings on pension plan investments | -- | (14,828,334) |
| Changes in proportion and difference between County contributions and proportionate share of contributions | 7,209,962 | (5,956,026) |
| Changes in assumptions | 10,006,665 | -- |
| County contributions subsequent to the measurement date | 45,562,495 | -- |
| | \$ 71,046,628 | \$ (29,840,044) |

The \$45.6 million reported as deferred outflows of resources related to pensions resulted from contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Amount</u> |
|------------------------------------|-----------------------|
| 2017 | \$ (4,362,838) |
| 2018 | (4,362,838) |
| 2019 | (4,362,838) |
| 2020 | 7,388,741 |
| 2021 | 1,343,862 |
| Total | \$ (4,355,911) |

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|----------------|
| Inflation | 3.00% |
| Payroll growth | 3.50% |
| Salary increases, including inflation at 3.00% | |
| Police and fire employees | 5.00 to 19.00% |
| General employees | 4.00% to 8.00% |
| Teachers | 4.50 to 8.50% |
| Investment rate of return, including inflation at 3.00% | 7.65% |
| Cost of living adjustments (COLAs) | 2.50%/1.50% |
| COLAs are not compounded; and are based on original pension amounts | |

Post-retirement mortality rates are based on Client Specific Tables and the 1994 US Group Annuity Mortality Statistic Tables for police and firefighters. Pre-retirement mortality rates are based on the RP-2000 tables.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - RETIREMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2015 valuation were based on the most recent experience study dated December 20, 2010. Between experience studies, the Board of Trustees of the Employees' Retirement System of the State of Hawaii elected to lower the investment return assumption effective with the June 30, 2015 valuation.

The long-term expected rate of return on pension plan investments was determined using a "top down approach" of the Bespoke Client Constrained Simulation-based Optimization Model (a statistical technique known as "re-sampling with replacement" that directly keys in on specific plan-level risk factors as stipulated by the ERS Board) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset class</u> | <u>Target Allocation</u> | <u>Long-term Expected Arithmetic Rate of Return</u> |
|----------------------|--------------------------|---|
| Domestic equity | 30.00% | 8.50% |
| International equity | 26.00% | 9.00% |
| Total fixed income | 20.00% | 3.10% |
| Real estate | 7.00%* | 9.20% |
| Private equity | 7.00%* | 11.90% |
| Real return | 5.00%* | 6.70% |
| Covered calls | <u>5.00%</u> | 7.70% |
| | <u>100%</u> | |

*The real estate, private equity, and real return targets will be the percentage actually invested up to 7%, 7%, and 5%, respectively of the total fund. Changes in the real estate, private equity, and real return targets will be offset by an equal percentage change in the large cap domestic equity target.

Discount Rate - The discount rate used to measure the net pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. There has been no change in the discount rate since the prior measurement date.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.65%, 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 (6.65%) or 1-percentage point higher (8.65%) than the current rate:

| | <u>1% Decrease (6.65%)</u> | <u>Discount Rate (7.65%)</u> | <u>1% Increase (8.65%)</u> |
|---|--------------------------------|----------------------------------|--------------------------------|
| County's proportionate share of the net pension liability | \$ <u>488,313,807</u> | \$ <u>381,379,245</u> | \$ <u>274,444,676</u> |

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - RETIREMENT BENEFITS (Continued)

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

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. ERS's complete financial statements are available at <http://www.ers.ehawaii.gov>.

Payables to the Pension Plan

As of June 30, 2016, the County had \$4,138,343 payable to the pension plan.

Postemployment Benefits –

In addition to providing pension benefits, the County, pursuant to HRS Chapter 87A, is a participating employer in an agent, multiple-employer defined benefit plan providing certain healthcare and life insurance benefits to all qualified employees and retirees. The Hawaii Employer-Union Health Benefits Trust Fund (the EUTF) was established on July 1, 2003 to design, provide, and administer medical, prescription drug, dental, vision, chiropractic, dual-coverage medical and prescription drug, and group life benefits.

For employees hired prior to July 1, 1996, the County pays the entire base monthly contribution for employees retiring with 10 or more years of credited service, and 50% of the base monthly contribution for employees retiring with fewer than 10 years of credited service. A retiree can elect a family plan to cover benefits.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with 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 employees who retire with at least 15 years but fewer than 25 years of service, the County pays 75% of base monthly contribution. For those retiring with at least 25 years of service, the County pays the entire base monthly contribution. A retiree can elect a family plan to cover dependents.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - RETIREMENT BENEFITS (Continued)

For employees hired after June 30, 2001, and who retire with fewer than 10 years of service, the County makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the County pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the County pays 75% of the base monthly contribution. For those retiring with at least 25 years of service, the County pays the entire base monthly contribution. Retirees can elect family coverage, but must pay the difference.

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

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

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

The following tables present the annual OPEB cost, the amount contributed to the plan, and the net OPEB asset as of and for the fiscal year ended June 30, 2016:

| | |
|--|----------------------------------|
| Annual required contribution | \$ 29,229,000 |
| Interest on net OPEB asset | (231,533) |
| Adjustment to annual required contribution | <u>214,780</u> |
| Annual OPEB cost | 29,212,247 |
| Contributions made | <u>(29,177,190)</u> |
| Increase in net OPEB obligation | 35,057 |
| Net OPEB asset at beginning of year | <u>(3,307,619)</u> |
| Net OPEB asset at end of year | \$ <u><u>(3,272,562)</u></u> |

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - RETIREMENT BENEFITS (Continued)

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

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

The initial unfunded liability is amortized over a period of 30 years, ending June 30, 2037. Closed bases are established at each valuation for new unfunded liabilities. If experience produces a loss during a valuation cycle, the new base will be amortized over a period of 30 years. If experience produces a gain during a valuation cycle, the new base will be netted against prior loss bases by setting the amortization period to that of the loss base. For example, the 2011 and 2013 gains are being amortized over the same 24 year period as the 2009 loss. This process substantially reduces volatility as bases are fully amortized. For fiscal year ending June 30, 2016, the Equivalent Single Amortization Period equals 21.8.

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2016, 2015, and 2014 were as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation / (Asset)</u> |
|------------------------------|-----------------------------|---|--|
| June 30, 2014 | \$ 32,239,000 | 340.3% | (3,440,180) |
| June 30, 2015 | \$ 28,217,000 | 99.5% | (3,307,619) |
| June 30, 2016 | \$ 29,212,000 | 99.9% | (3,272,562) |

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - RETIREMENT BENEFITS (Continued)

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

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

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

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

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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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 \$20.6 million, with respect to claims and judgments, including claims incurred but not reported and related loss adjustment expenses by the claimant and settled claims is presented on the statement of net position on the government-wide financial statements.

Claim liabilities are calculated and periodically re-evaluated taking into consideration the effect of inflation, recent claim settlement trends, including frequency and amount of compensation subject to settlements, and other economic and social factors.

Changes in the claims and judgments liability account for the fiscal years ended June 30, 2016 and 2015 were as follows:

| | 2016 - Claims and Judgments | | | | |
|---|-----------------------------|---|---------------------|--------------------------|------------------------|
| | Balance July 1, 2015 | Change to Estimate Additions/ (Reductions) | Claim Payments | Balance June 30, 2016 | Due Within One Year |
| Governmental Activities: | | | | | |
| Workers' compensation | \$ 7,092,837 | \$ 4,405,037 | \$ 5,113,619 | \$ 6,384,255 | \$ 6,384,255 |
| Automobile, general liability and other civil litigation | <u>13,246,237</u> | <u>2,370,799</u> | <u>2,593,190</u> | <u>13,023,846</u> | <u>13,023,846</u> |
| | <u>\$ 20,339,074</u> | <u>\$ 6,775,836</u> | <u>\$ 7,706,809</u> | <u>\$ 19,408,101</u> | <u>\$ 19,408,101</u> |
| Business-Type Activities: | | | | | |
| Workers' compensation | \$ 1,059,139 | \$ 295,353 | \$ 512,914 | \$ 841,578 | \$ 841,578 |
| Automobile, general liability and other | <u>385,856</u> | <u>19,510</u> | <u>7,731</u> | <u>397,635</u> | <u>397,635</u> |
| | <u>\$ 1,444,995</u> | <u>\$ 314,863</u> | <u>\$ 520,645</u> | <u>\$ 1,239,213</u> | <u>\$ 1,239,213</u> |

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 - CLAIMS AND JUDGMENTS (Continued)

| | 2015 - Claims and Judgments | | | | |
|---|-----------------------------|---|---------------------|--------------------------|------------------------|
| | Balance July 1, 2014 | Change to Estimate Additions/ (Reductions) | Claim Payments | Balance June 30, 2015 | Due Within One Year |
| Governmental Activities: | | | | | |
| Workers' compensation | \$ 6,827,328 | \$ 2,135,484 | \$ 1,869,975 | \$ 7,092,837 | \$ 7,092,837 |
| Automobile, general liability and other civil litigation | <u>13,287,183</u> | <u>4,179,442</u> | <u>4,220,388</u> | <u>13,246,237</u> | <u>13,246,237</u> |
| | <u>\$ 20,114,511</u> | <u>\$ 6,314,926</u> | <u>\$ 6,090,363</u> | <u>\$ 20,339,074</u> | <u>\$ 20,339,074</u> |
| Business-Type Activities: | | | | | |
| Workers' compensation | \$ 656,432 | \$ 814,810 | \$ 412,103 | \$ 1,059,139 | \$ 1,059,139 |
| Automobile, general liability and other | <u>5,000</u> | <u>380,997</u> | <u>141</u> | <u>385,856</u> | <u>385,856</u> |
| | <u>\$ 661,432</u> | <u>\$ 1,195,807</u> | <u>\$ 412,244</u> | <u>\$ 1,444,995</u> | <u>\$ 1,444,995</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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Contractual commitments -

Contractual commitments for capital projects, expenditures, and supplies for the governmental funds amounted to \$93.0 million at June 30, 2016. Contractual commitments for the proprietary funds amounted to \$23.7 million at June 30, 2016.

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 the 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, 2016, these programs are still subject to financial and compliance audits by federal auditors. In the opinion of management of the County, disallowed costs, if any, would not be material.

State Grants -

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 - FUND BALANCES

Fund balances for all the major and other governmental funds as of June 30, 2016, are distributed as follows:

| | General Fund | Highway Fund | Sewer Fund | Grant Fund | Capital Improvements Project Fund | Other Governmental Funds | Total |
|-------------------------------------|----------------------|---------------------|----------------------|---------------------|---|--------------------------------|-----------------------|
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted for: | | | | | | | |
| Capital improvement projects | - | - | - | - | 15,069,856 | - | 15,069,856 |
| Housing and human concerns | - | - | - | 2,085,939 | - | 19,070,140 | 21,156,079 |
| Liquor control | - | - | - | - | - | 1,833,228 | 1,833,228 |
| Other expenditures | - | - | - | - | - | 42,850 | 42,850 |
| Parks and recreation | - | - | - | - | - | 6,661,517 | 6,661,517 |
| Highway and transportation services | - | 9,700,055 | - | - | - | - | 9,700,055 |
| Wastewater services | - | - | - | - | - | 5,114,337 | 5,114,337 |
| Open space preservation | 10,751,941 | - | - | - | - | - | 10,751,941 |
| Bikeway service | - | - | - | - | - | 359,273 | 359,273 |
| Subtotal | <u>10,751,941</u> | <u>9,700,055</u> | <u>-</u> | <u>2,085,939</u> | <u>15,069,856</u> | <u>33,081,345</u> | <u>70,689,136</u> |
| Committed to: | | | | | | | |
| Emergency reserve | 31,201,918 | - | - | - | - | - | 31,201,918 |
| Countywide costs | 234,431 | - | - | - | - | - | 234,431 |
| Economic development | 260,000 | - | - | - | - | - | 260,000 |
| Fire control | - | - | - | - | - | 477,753 | 477,753 |
| Housing and human concerns | - | - | - | - | - | 521,666 | 521,666 |
| Parks and recreation | - | - | - | - | - | 624,429 | 624,429 |
| Highway and transportation services | - | - | - | - | - | 4,624,254 | 4,624,254 |
| Solid waste services | - | - | - | - | - | 2,310,879 | 2,310,879 |
| Wastewater services | - | - | 10,407,161 | - | - | 1,872,520 | 12,279,681 |
| Subtotal | <u>31,696,349</u> | <u>-</u> | <u>10,407,161</u> | <u>-</u> | <u>-</u> | <u>10,431,501</u> | <u>52,535,011</u> |
| Assigned to: | | | | | | | |
| Administrative | 5,384,007 | - | - | - | - | - | 5,384,007 |
| Capital improvement projects | - | - | - | - | 26,510,390 | - | 26,510,390 |
| Civil defense | 584 | - | - | - | - | - | 584 |
| Countywide costs | 1,010,704 | - | - | - | - | - | 1,010,704 |
| Economic development | 4,584,587 | - | - | - | - | - | 4,584,587 |
| Environmental services | 7,096 | - | - | - | - | - | 7,096 |
| Fire control | 753,629 | - | - | - | - | - | 753,629 |
| Highway and transportation services | 957,292 | - | - | - | - | - | 957,292 |
| Housing and human concerns | 764,402 | - | - | - | - | - | 764,402 |
| Legislative | 580,123 | - | - | - | - | - | 580,123 |
| Parks and recreation | 3,071,379 | - | - | - | - | - | 3,071,379 |
| Personnel | 16,333 | - | - | - | - | - | 16,333 |
| Planning | 337,651 | - | - | - | - | - | 337,651 |
| Police Services | 1,705,503 | - | - | - | - | - | 1,705,503 |
| Public works | 685,716 | - | - | - | - | - | 685,716 |
| Subtotal | <u>19,859,006</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,510,390</u> | <u>-</u> | <u>46,369,396</u> |
| Unassigned | <u>22,707,627</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>22,707,627</u> |
| Total | <u>\$ 85,014,923</u> | <u>\$ 9,700,055</u> | <u>\$ 10,407,161</u> | <u>\$ 2,085,939</u> | <u>\$ 41,580,246</u> | <u>\$ 43,512,846</u> | <u>\$ 192,301,170</u> |

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 - FUND BALANCES (Continued)

The County's General Fund classifications of fund balance are listed below with the June 30, 2016 balances:

| | | |
|--|--------|-----------------------|
| Restricted: | | |
| Open space, natural resources, cultural resources and scenic views preservation fund | \$ | 10,751,941 |
| Committed: | | |
| Other postemployment obligations fund | | 234,431 |
| Emergency fund | | 31,201,918 |
| Economic development fund | | 260,000 |
| Assigned: | | |
| Encumbrances | | 19,859,006 |
| Unassigned: | | <u>22,707,627</u> |
| Total | \$ | <u>85,014,923</u> |

Open space, natural resources, cultural resources, and scenic views preservation fund - This classification is to fund acquiring lands or property entitlements for land conservation. In adopting each fiscal year's budget and capital program, the Council appropriates a minimum of one percent of the certified real property tax revenues to the open space, natural resources, cultural resources, and scenic views preservation fund. Any balance remaining in this fund at the end of the fiscal year does not lapse, but shall remain in the fund, and accumulates from year to year.

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

Emergency fund - This classification is to fund a public emergency threatening life, health, property, or economic viability of the County. Additions to this fund are appropriated by the County Council. Any balance remaining in this fund at the end of the fiscal year does not lapse, but shall remain in the fund.

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

Encumbrances -

Encumbrance accounting is employed in the governmental funds. Under this method, purchase orders, contracts, and other commitments outstanding at year-end do not constitute expenditures or liabilities. Encumbrances of balances within the General Fund are classified as assigned. Encumbrances of the other governmental funds are classified as restricted, committed, or assigned.

These encumbrances at June 30, 2016 are not separately classified in the financial statements, and are summarized as follows:

| | | |
|-----------------------------------|--------|-----------------------|
| General Fund | \$ | 19,859,006 |
| Highway Fund | | 1,185,398 |
| Sewer Fund | | 1,446,471 |
| Grant Fund | | 5,176,039 |
| Capital Improvement Projects Fund | | 52,924,084 |
| Non-Major Governmental Funds | | <u>12,364,064</u> |
| Total | \$ | <u>92,955,062</u> |

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - BUSINESS-TYPE ACTIVITY - DEPARTMENT OF WATER SUPPLY

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

Unrestricted Cash and Investments

Unrestricted cash, cash equivalents, and investments at June 30, 2016 include funds for the following purposes:

| | | |
|------------------------|----|-------------------|
| Board-designated | | |
| Capital improvements | \$ | 14,073,479 |
| Debt service | | <u>1,655,883</u> |
| Total board-designated | | <u>15,729,362</u> |
| Undesignated | | <u>28,433,036</u> |
| Total | \$ | <u>44,162,398</u> |

At June 30, 2016, construction voucher and contract payables, including retentions, to be paid with board-designated funds were approximately \$800,000. Construction contract commitments as of June 30, 2016, to be paid with board-designated funds aggregated approximately \$5.9 million. There are no amounts included in the construction contract commitment amounts for 2016 for maintenance of compliance-order projects to get the water system up to Environmental Protection Agency standards. There are no amounts included in the construction contract commitment amounts for 2016 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, 2016:

| | | |
|-------------------------------------|----|-------------------|
| Water system development fee | \$ | 8,657,633 |
| State funds | | 5,000,000 |
| Bond funds | | 2,650,134 |
| Customer deposits | | 609,286 |
| Federal funds | | 605,529 |
| Special assessment fund for storage | | 273,829 |
| Source development fund assessments | | 205,525 |
| Construction fund | | <u>11,586</u> |
| Total | \$ | <u>18,013,522</u> |

At June 30, 2016, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$2.3 million. The construction contract commitments as of June 30, 2016, to be paid with restricted assets, aggregated approximately \$14.2 million.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - BUSINESS-TYPE ACTIVITY - DEPARTMENT OF WATER SUPPLY (Continued)

Restricted Net Position

At June 30, 2016, restricted net position consisted of the following:

| | | |
|-------------------------------------|----|-------------------|
| Water system development fee | \$ | 8,657,633 |
| Special assessment fund for storage | | 273,829 |
| Source development fund assessments | | 205,525 |
| Other restricted funds | | <u>5,688,383</u> |
| Total | \$ | <u>14,825,370</u> |

NOTE 15 - RESTATEMENT OF NET POSITION

The accompanying financial statements reflect an adjustment resulting from a restatement of the beginning net position as of June 30, 2015 due to \$12,047,491 in employer paid, employee contributions made after the measurement date for the net pension liability, which were not included in the deferred outflow of resources. The adjustment resulted in an increase in beginning net position of \$11.4 million for governmental activities and \$0.7 million for business-type activities at July 1, 2015. The effect for the fiscal year ended June 30, 2015 was an increase to the change in net position of \$11,374,600 for governmental activities and \$672,891 for business-type activities. The impact on beginning net position is summarized as follows:

| | Governmental Activities | Business-type Activities |
|--|----------------------------|-----------------------------|
| Net position at beginning of fiscal year, as previously reported | \$ 243,380,497 | \$ 317,560,558 |
| Prior period adjustment: | | |
| Employer paid employee contributions made subsequent to the measurement date that should have been recorded as a deferred outflow of resources as of June 30, 2015. | 11,374,600 | 672,891 |
| Net position at beginning of fiscal year, as restated | \$ <u>254,755,097</u> | \$ <u>318,233,449</u> |

COUNTY OF MAUI

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

Required Supplementary Information

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

- General Fund
- Highway Fund
- Sewer Fund

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

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

Schedule of Employer Pension Contributions

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 264,645,962 | \$ 264,645,962 | \$ 259,340,518 | \$ (5,305,444) |
| Licenses and permits | 6,643,000 | 6,643,000 | 7,744,762 | 1,101,762 |
| Intergovernmental revenues | 23,345,000 | 23,345,000 | 23,528,433 | 183,433 |
| Charges for services | 1,129,000 | 1,129,000 | 1,757,418 | 628,418 |
| Fines and forfeitures | 1,800,000 | 1,800,000 | 2,340,153 | 540,153 |
| Interest and investment earnings, net | 800,000 | 800,000 | 2,532,792 | 1,732,792 |
| Other revenues | 800,000 | 800,000 | 1,729,135 | 929,135 |
| Total Revenues | <u>299,162,962</u> | <u>299,162,962</u> | <u>298,973,211</u> | <u>(189,751)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 116,135,171 | 104,627,775 | 94,986,148 | 9,641,627 |
| Public safety | 89,507,893 | 91,027,893 | 86,861,337 | 4,166,556 |
| Highways and streets | 8,386,316 | 8,386,316 | 8,168,141 | 218,175 |
| Sanitation | 597,615 | 597,615 | 563,452 | 34,163 |
| Social welfare | 18,934,950 | 18,934,950 | 18,196,444 | 738,506 |
| Culture and recreation | 30,743,728 | 30,728,708 | 28,730,537 | 1,998,171 |
| Legislative | 8,268,399 | 8,268,399 | 6,524,771 | 1,743,628 |
| Total Expenditures | <u>272,574,072</u> | <u>262,571,656</u> | <u>244,030,830</u> | <u>18,540,826</u> |
| Excess Revenues over Expenditures | <u>26,588,890</u> | <u>36,591,306</u> | <u>54,942,381</u> | <u>18,351,075</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in: | | | | |
| Special Revenue Funds | 15,713,440 | 16,096,440 | 15,830,760 | (265,680) |
| Capital Improvement Projects Fund | - | - | 1,148,036 | 1,148,036 |
| Other Governmental Funds | 4,854,592 | 4,854,592 | 4,854,592 | - |
| Proprietary Funds | 1,453,458 | 1,453,458 | 239,930 | (1,213,528) |
| Transfers out: | | | | |
| Special Revenue Funds | (75,000) | (75,000) | (75,000) | - |
| Debt Service Fund | (30,072,227) | (30,078,044) | (30,078,044) | - |
| Capital Improvement Projects Fund | - | (12,697,804) | (12,697,804) | - |
| Other Governmental Funds | (18,506,924) | (18,577,098) | (18,577,098) | - |
| Proprietary Funds | (3,007,235) | (3,049,627) | (3,049,627) | - |
| Total Other Financing Sources (Uses) | <u>(29,639,896)</u> | <u>(42,073,083)</u> | <u>(42,404,255)</u> | <u>(331,172)</u> |
| Net Change in Fund Balance | (3,051,006) | (5,481,777) | 12,538,126 | 18,019,903 |
| Fund Balance - Beginning | 31,655,347 | 31,655,347 | 31,655,347 | - |
| Fund Balance - Ending | <u>\$ 28,604,341</u> | <u>\$ 26,173,570</u> | <u>\$ 44,193,473</u> | <u>\$ 18,019,903</u> |

See accompanying notes to budgetary comparison schedule.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget- Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 22,430,000 | \$ 22,430,000 | \$ 21,484,213 | \$ (945,787) |
| Licenses and permits | 19,000,000 | 19,000,000 | 20,462,844 | 1,462,844 |
| Charges for services | 2,500,000 | 2,500,000 | 2,628,710 | 128,710 |
| Other revenues | -- | -- | 200 | 200 |
| Total Revenues | <u>43,930,000</u> | <u>43,930,000</u> | <u>44,575,967</u> | <u>645,967</u> |
| EXPENDITURES: | | | | |
| Current | | | | |
| Highways and streets | 31,617,784 | 31,341,719 | 29,722,654 | 1,619,065 |
| Excess Revenues over Expenditures | <u>12,312,216</u> | <u>12,588,281</u> | <u>14,853,313</u> | <u>2,265,032</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in: | | | | |
| General Fund | 75,000 | 75,000 | 75,000 | -- |
| Capital Improvement Projects Fund | -- | -- | 1,513,604 | 1,513,604 |
| Other Governmental Funds | 340,000 | 340,000 | 340,000 | -- |
| Transfers out: | | | | |
| General Fund | (5,951,953) | (5,951,953) | (5,951,953) | -- |
| Capital Improvement Projects Fund | -- | (10,527,668) | (10,527,668) | -- |
| Other Governmental Funds | (265,680) | (665,680) | (665,680) | -- |
| Total Other Financing Sources (Uses) | <u>(5,802,633)</u> | <u>(16,730,301)</u> | <u>(15,216,697)</u> | <u>1,513,604</u> |
| Net Change in Fund Balance | 6,509,583 | (4,142,020) | (363,384) | 3,778,636 |
| Fund Balance - Beginning | 8,878,041 | 8,878,041 | 8,878,041 | -- |
| Fund Balance - Ending | <u>\$ 15,387,624</u> | <u>\$ 4,736,021</u> | <u>\$ 8,514,657</u> | <u>\$ 3,778,636</u> |

See accompanying notes to budgetary comparison schedule.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|--------------|-------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Licenses and permits | \$ - | \$ - | \$ 31,600 | \$ 31,600 |
| Charges for services | 47,827,100 | 47,827,100 | 49,547,453 | 1,720,353 |
| Other revenues | 40,000 | 40,000 | 11,284 | (28,716) |
| Total Revenues | 47,867,100 | 47,867,100 | 49,590,337 | 1,723,237 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Sanitation | 29,064,865 | 29,151,063 | 27,065,159 | 2,085,904 |
| Excess Revenues over Expenditures | 18,802,235 | 18,716,037 | 22,525,178 | 3,809,141 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in: | | | | |
| Capital Improvement Projects Fund | - | - | 2,748,466 | 2,748,466 |
| Transfers out: | | | | |
| General Fund | (9,495,807) | (9,878,807) | (9,878,807) | - |
| Special Revenue Funds | (4,012,768) | - | - | - |
| Capital Improvement Projects Fund | - | (8,130,000) | (8,130,000) | - |
| Other Governmental Funds | - | (4,012,768) | (3,693,717) | 319,051 |
| Total Other Financing Sources (Uses) | (13,508,575) | (22,021,575) | (18,954,058) | 3,067,517 |
| Net Change in Fund Balance | 5,293,660 | (3,305,538) | 3,571,120 | 6,876,658 |
| Fund Balance - Beginning | 5,389,571 | 5,389,571 | 5,389,571 | - |
| Fund Balance - Ending | \$ 10,683,231 | \$ 2,084,033 | \$ 8,960,691 | \$ 6,876,658 |

See accompanying notes to budgetary comparison schedule.

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a summary of the adjustments necessary to convert major funds from the GAAP basis to the non-GAAP budgetary basis for the fiscal year ended June 30, 2016.

| | <u>General Fund</u> | <u>Highway Fund</u> | <u>Sewer Fund</u> |
|--|-------------------------|-------------------------|-----------------------|
| GAAP Basis - Net change in fund balances | \$ (3,863,202) | \$ (1,625,459) | \$ 4,123,374 |
| Less adjustments for revenues (\$3,969), expenditures (\$15,545,005) related to certain funds included in General Fund GAAP basis financial statements, but included in special revenue funds for budgetary purposes (fund perspective difference) | 15,542,102 | -- | -- |
| Less encumbrances of budgeted funds June 30, 2016 | (19,859,006) | (1,185,398) | (1,446,471) |
| Add encumbrances of budgeted funds July 1, 2015 | <u>20,718,232</u> | <u>2,447,473</u> | <u>894,217</u> |
| Non-GAAP Budgetary Basis - net change in fund balances | \$ <u>12,538,126</u> | \$ <u>(363,384)</u> | \$ <u>3,571,120</u> |

COUNTY OF MAUI
SCHEDULE OF FUNDING PROGRESS FOR THE HAWAII
EMPLOYER-UNION HEALTH BENEFIT TRUST FUND (EUTF)
(DOLLARS IN THOUSANDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------|----------------|----------------|
| County's proportion of the Net Pension Liability | 4.367 % | 4.213 % | 4.336 % |
| County's proportionate share of the Net Pension Liability | \$ 381,379,245 | \$ 337,749,364 | \$ 387,246,181 |
| County's Covered Payroll | \$ 159,017,000 | \$ 144,037,000 | \$ 143,438,000 |
| Proportionate Share of the Net Pension as a percentage of Covered Payroll | 239.836 % | 234.488 % | 269.975 % |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 62.42 % | 63.92 % | 57.96 % |

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

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

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

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

COUNTY OF MAUI
OTHER SUPPLEMENTARY INFORMATION

Other Supplementary Information

Liquor Control Fund – The liquor control fund receives revenues from all liquor license fees. Fund revenues are expended for the operation and administration of the Liquor Control Commission, Liquor Control Adjudication Board, and the Department of Liquor Control.

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

Bikeway Fund – The bikeway fund was established to collect revenue from bicycle licenses. The revenue is expended for bikeway construction and maintenance.

Solid Waste Fund – The solid waste fund was established to receive all refuse collection fees and landfill disposal charges. The fund is used for the operation and maintenance of the County's collections and disposal program as well as for diversion programs such as resource recovery and recycling programs.

Other Assessment Funds – These funds were established to account for special assessments to developers and others for which the funds are to be used for sewer and park improvements in a designated community or district, as well as to account for road assessments.

**COUNTY OF MAUI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

| | Liquor Control Fund | County Funds | Bikeway Fund | Solid Waste Fund | Other Assessment Funds | Total Non-Major Governmental Funds |
|---|------------------------|----------------------|-------------------|---------------------|------------------------------|--|
| Assets: | | | | | | |
| Equity in pooled cash and investments | \$ 1,849,974 | \$ 28,789,034 | \$ 359,273 | \$ 5,700,199 | \$ 11,818,704 | \$ 48,517,184 |
| hold in County Treasury | -- | -- | -- | 1,881,412 | -- | 1,881,412 |
| Trade receivables, net | 1,849,974 | 28,789,034 | 359,273 | 7,581,611 | 11,818,704 | 50,398,596 |
| Total Assets | \$ 1,849,974 | \$ 28,789,034 | \$ 359,273 | \$ 7,581,611 | \$ 11,818,704 | \$ 50,398,596 |
| Liabilities: | | | | | | |
| Vouchers payable | \$ 4,465 | \$ 502,130 | \$ -- | \$ 369,593 | \$ -- | \$ 876,188 |
| Accounts payable | -- | 619,924 | -- | 904,542 | -- | 1,524,466 |
| Contracts retention payable | -- | 3,477 | -- | -- | -- | 3,477 |
| Accrued wages payable | 52,073 | 28,634 | -- | 172,268 | -- | 252,975 |
| Advanced collections | -- | -- | -- | 2,997,900 | -- | 2,997,900 |
| Total Liabilities | \$ 56,538 | \$ 1,154,165 | \$ -- | \$ 4,444,303 | \$ -- | \$ 5,655,006 |
| Deferred Inflows of Resources: | | | | | | |
| Deferred inflows - nonexchange | 262,340 | -- | -- | -- | -- | 262,340 |
| Deferred inflows - unavailable revenues | -- | -- | -- | 968,404 | -- | 968,404 |
| Total Deferred Inflows of Resources | \$ 262,340 | \$ -- | \$ -- | \$ 968,404 | \$ -- | \$ 1,230,744 |
| Fund Balances: | | | | | | |
| Restricted | 1,531,096 | 19,372,272 | 359,273 | -- | 11,818,704 | 33,081,345 |
| Committed | -- | 8,262,597 | -- | 2,168,904 | -- | 10,431,501 |
| Total Fund Balances | \$ 1,531,096 | \$ 27,634,869 | \$ 359,273 | \$ 2,168,904 | \$ 11,818,704 | \$ 43,512,846 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,849,974 | \$ 28,789,034 | \$ 359,273 | \$ 7,581,611 | \$ 11,818,704 | \$ 50,398,596 |

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Liquor Control Fund | County Funds | Bikeway Fund | Solid Waste Fund | Other Assessment Funds | Total Non-major Governmental Funds |
|--|---------------------|----------------------|-------------------|---------------------|------------------------|------------------------------------|
| REVENUES: | | | | | | |
| Licenses and permits | \$ 2,002,512 | \$ 168,701 | \$ 49,697 | \$ -- | \$ -- | \$ 2,220,910 |
| Charges for current services | -- | 2,231 | 5 | 16,631,766 | -- | 16,634,002 |
| Fines and forfeitures | -- | 196,992 | -- | -- | -- | 196,992 |
| Other revenues | -- | 2,948,297 | -- | 28,434 | -- | 2,976,731 |
| Assessments | -- | -- | -- | -- | 2,344,771 | 2,344,771 |
| Total Revenues | <u>2,002,512</u> | <u>3,316,221</u> | <u>49,702</u> | <u>16,660,200</u> | <u>2,344,771</u> | <u>24,373,406</u> |
| EXPENDITURES: | | | | | | |
| General government | -- | 1,002,535 | -- | -- | -- | 1,002,535 |
| Public safety | -- | 384,575 | -- | -- | -- | 384,575 |
| Highways and streets | -- | 408,104 | -- | -- | -- | 408,104 |
| Sanitation | -- | 827,515 | -- | 24,441,201 | -- | 25,268,716 |
| Social welfare | 2,209,904 | 2,549,089 | -- | -- | -- | 4,758,993 |
| Culture and recreation | -- | 25,598 | -- | -- | -- | 25,598 |
| Total Expenditures | <u>2,209,904</u> | <u>5,197,416</u> | <u>--</u> | <u>24,441,201</u> | <u>--</u> | <u>31,848,521</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(207,392)</u> | <u>(1,881,195)</u> | <u>49,702</u> | <u>(7,781,001)</u> | <u>2,344,771</u> | <u>(7,475,115)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers In: | | | | | | |
| General Fund | -- | 5,111,683 | -- | 13,465,415 | -- | 18,577,098 |
| Special Revenue Funds | -- | 2,268,567 | 265,680 | 1,825,150 | -- | 4,359,397 |
| Capital Improvement Projects Fund | 747 | -- | 223,650 | 28,976 | 177,600 | 430,973 |
| Transfers Out: | | | | | | |
| General Fund | -- | -- | -- | (4,854,592) | -- | (4,854,592) |
| Special Revenue Funds | -- | -- | -- | (340,000) | -- | (340,000) |
| Capital Improvement Projects Fund | -- | -- | (653,469) | (1,550,000) | (480,000) | (2,683,469) |
| Total Other Financing Sources (Uses) | <u>747</u> | <u>7,380,250</u> | <u>(164,139)</u> | <u>8,574,949</u> | <u>(302,400)</u> | <u>15,489,407</u> |
| Net Change in Fund Balances | <u>(206,645)</u> | <u>5,499,055</u> | <u>(114,437)</u> | <u>793,948</u> | <u>2,042,371</u> | <u>8,014,292</u> |
| Fund Balance - Beginning of Year | <u>1,737,741</u> | <u>22,135,814</u> | <u>473,710</u> | <u>1,374,956</u> | <u>9,776,333</u> | <u>35,498,554</u> |
| Fund Balance - End of Year | <u>\$ 1,531,096</u> | <u>\$ 27,634,869</u> | <u>\$ 359,273</u> | <u>\$ 2,168,904</u> | <u>\$ 11,818,704</u> | <u>\$ 43,512,846</u> |

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|--------------------------|-----------------------|-----------------------|--------------------------|
| Refundable Deposits Fund: | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments held in County Treasury | \$ 22,641,085 | \$ 1,598,610 | \$ 1,767,410 | \$ 22,472,285 |
| Other current assets | 476,990 | -- | -- | 476,990 |
| Other non-current assets | 95,655 | -- | -- | 95,655 |
| Total Assets | <u>\$ 23,213,730</u> | <u>\$ 1,598,610</u> | <u>\$ 1,767,410</u> | <u>\$ 23,044,930</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 71,952 | \$ 1,531,180 | \$ 1,515,480 | \$ 87,652 |
| Deposits | 22,992,883 | 1,564,585 | 1,695,845 | 22,861,623 |
| Due to State of Hawaii | 148,895 | -- | 53,240 | 95,655 |
| Total Liabilities | <u>\$ 23,213,730</u> | <u>\$ 3,095,765</u> | <u>\$ 3,264,565</u> | <u>\$ 23,044,930</u> |
| Liquor Control Fund: | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments held in County Treasury | \$ 1,594 | \$ 272,120 | \$ 272,050 | \$ 1,664 |
| Total Assets | <u>\$ 1,594</u> | <u>\$ 272,120</u> | <u>\$ 272,050</u> | <u>\$ 1,664</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 1,594 | \$ 8,116 | \$ 9,710 | \$ -- |
| Deposits | -- | 272,119 | 270,455 | 1,664 |
| Total Liabilities | <u>\$ 1,594</u> | <u>\$ 280,235</u> | <u>\$ 280,165</u> | <u>\$ 1,664</u> |
| State Highway Fund: | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments held in County Treasury | \$ 929,398 | \$ 21,047,188 | \$ 20,536,852 | \$ 1,439,734 |
| Total Assets | <u>\$ 929,398</u> | <u>\$ 21,047,188</u> | <u>\$ 20,536,852</u> | <u>\$ 1,439,734</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 15 | \$ 19,212,620 | \$ 19,268,994 | \$ (56,359) |
| Deposits | 929,383 | 21,047,666 | 20,480,956 | 1,496,093 |
| Total Liabilities | <u>\$ 929,398</u> | <u>\$ 40,260,286</u> | <u>\$ 39,749,950</u> | <u>\$ 1,439,734</u> |
| Other Funds: | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments held in County Treasury | \$ 7,865,192 | \$ 67,563,241 | \$ 49,608,098 | \$ 25,820,335 |
| Other current assets | 500,000 | -- | -- | 500,000 |
| Total Assets | <u>\$ 8,365,192</u> | <u>\$ 67,563,241</u> | <u>\$ 49,608,098</u> | <u>\$ 26,320,335</u> |
| Liabilities: | | | | |
| Accounts payable | \$ (31,110) | \$ 33,292,358 | \$ 33,292,541 | \$ (31,293) |
| Deposits | 8,396,302 | 67,564,956 | 49,609,630 | 26,351,628 |
| Unearned revenue | -- | 144 | 144 | -- |
| Total Liabilities | <u>\$ 8,365,192</u> | <u>\$ 100,857,458</u> | <u>\$ 82,902,315</u> | <u>\$ 26,320,335</u> |
| Total - All Agency Funds | | | | |
| Assets: | | | | |
| Equity in pooled cash and investments held in County Treasury | \$ 31,437,269 | \$ 90,481,159 | \$ 72,184,410 | \$ 49,734,018 |
| Other current assets | 976,990 | -- | -- | 976,990 |
| Other non-current assets | 95,655 | -- | -- | 95,655 |
| Total Assets | <u>\$ 32,509,914</u> | <u>\$ 90,481,159</u> | <u>\$ 72,184,410</u> | <u>\$ 50,806,663</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 42,451 | \$ 54,044,274 | \$ 54,086,725 | \$ -- |
| Deposits | 32,318,568 | 90,449,326 | 72,056,886 | 50,711,008 |
| Unearned revenue | -- | 144 | 144 | -- |
| Due to State of Hawaii | 148,895 | -- | 53,240 | 95,655 |
| Total Liabilities | <u>\$ 32,509,914</u> | <u>\$ 144,493,744</u> | <u>\$ 126,196,995</u> | <u>\$ 50,806,663</u> |

**COUNTY OF MAUI
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal payments | \$ 20,824,944 | \$ 20,824,943 | \$ 20,824,943 | \$ - |
| Interest and other issuance cost | 9,247,283 | 9,253,101 | 9,253,101 | - |
| Total Expenditures | <u>30,072,227</u> | <u>30,078,044</u> | <u>30,078,044</u> | <u>-</u> |
| Deficiency of Revenues over Expenditures | <u>(30,072,227)</u> | <u>(30,078,044)</u> | <u>(30,078,044)</u> | <u>-</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in: | | | | |
| General Fund | <u>30,072,227</u> | <u>30,078,044</u> | <u>30,078,044</u> | <u>-</u> |
| Total Other Financing Sources | <u>30,072,227</u> | <u>30,078,044</u> | <u>30,078,044</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|---|--------------------|--------------------------|--------------------|--------------------|-----------------------------------|
| Taxes: | | | | | |
| General revenues: | | | | | |
| Real property taxes | \$ 255,584,150 | -- | \$ 255,584,150 | \$ 250,076,982 | \$ (5,507,168) |
| Public service company tax | 9,061,812 | -- | 9,061,812 | 9,263,536 | 201,724 |
| Total - General revenue | <u>264,645,962</u> | <u>--</u> | <u>264,645,962</u> | <u>259,340,518</u> | <u>(5,305,444)</u> |
| Total - Taxes | <u>264,645,962</u> | <u>--</u> | <u>264,645,962</u> | <u>259,340,518</u> | <u>(5,305,444)</u> |
| Licenses and permits: | | | | | |
| General government: | | | | | |
| Business licenses and permits | 22,000 | -- | 22,000 | 24,554 | 2,554 |
| Other licenses and permits | 3,000,000 | -- | 3,000,000 | 3,763,326 | 763,326 |
| Motor vehicle licenses and fees | 3,621,000 | -- | 3,621,000 | 3,953,333 | 332,333 |
| Total - General government | <u>6,643,000</u> | <u>--</u> | <u>6,643,000</u> | <u>7,741,213</u> | <u>1,098,213</u> |
| Culture and recreation | | | | | |
| Business licenses and permits | -- | -- | -- | 3,549 | 3,549 |
| Total - Licenses and permits | <u>6,643,000</u> | <u>--</u> | <u>6,643,000</u> | <u>7,744,762</u> | <u>1,101,762</u> |
| Intergovernmental revenues: | | | | | |
| General revenue: | | | | | |
| Federal payment in lieu of taxes | 5,463 | -- | 5,463 | 32,145 | 26,682 |
| Transient accommodation taxes | 23,280,000 | -- | 23,280,000 | 23,446,380 | 166,380 |
| State payment in lieu of taxes | 5,225 | -- | 5,225 | -- | (5,225) |
| Total - General revenue | <u>23,290,688</u> | <u>--</u> | <u>23,290,688</u> | <u>23,478,525</u> | <u>187,837</u> |
| Public safety: | | | | | |
| Federal grants passed through the state | 46,000 | -- | 46,000 | -- | (46,000) |
| Social welfare: | | | | | |
| Federal grants | 8,312 | -- | 8,312 | 49,908 | 41,596 |
| Total - Intergovernmental revenues | <u>23,345,000</u> | <u>--</u> | <u>23,345,000</u> | <u>23,528,433</u> | <u>183,433</u> |
| Charges for current services: | | | | | |
| General government: | | | | | |
| General government | 74,390 | -- | 74,390 | 582,821 | 508,431 |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|--|-------------------|--------------------------|----------------|-----------------|-----------------------------------|
| Safety | \$ 542,279 | - | \$ 542,279 | \$ 642,527 | \$ 100,248 |
| Total - General government | 616,669 | - | 616,669 | 1,225,348 | 608,679 |
| Public Safety: | | | | | |
| General government | 25,610 | - | 25,610 | 14,416 | (11,194) |
| Safety | 28,721 | - | 28,721 | 59,235 | 30,514 |
| Total - Public safety | 54,331 | - | 54,331 | 73,651 | 19,320 |
| Social welfare: | | | | | |
| Safety | - | - | - | 150 | 150 |
| Culture and recreation: | | | | | |
| Recreation | 458,000 | - | 458,000 | 453,843 | (4,157) |
| Legislative: | | | | | |
| General government | - | - | - | 4,426 | 4,426 |
| Total - Charges for current services | 1,129,000 | - | 1,129,000 | 1,757,418 | 628,418 |
| Fines and forfeitures: | | | | | |
| General government: | | | | | |
| Penalties and interest | 1,800,000 | - | 1,800,000 | 2,236,934 | 436,934 |
| Fines | - | - | - | 75,500 | 75,500 |
| Total - General government | 1,800,000 | - | 1,800,000 | 2,312,434 | 512,434 |
| Public safety: | | | | | |
| Unclaimed monies | - | - | - | 27,719 | 27,719 |
| Total - Fines and forfeitures | 1,800,000 | - | 1,800,000 | 2,340,153 | 540,153 |
| Interest and Investment earnings: | | | | | |
| General revenue: | | | | | |
| Interest on investments | 700,000 | - | 700,000 | 2,342,642 | 1,642,642 |
| General government: | | | | | |
| Rental income | 48,000 | - | 48,000 | 130,974 | 82,974 |
| Culture and recreation: | | | | | |
| Rental income | 52,000 | - | 52,000 | 59,176 | 7,176 |
| Total - Interest and investment earnings | 800,000 | - | 800,000 | 2,532,792 | 1,732,792 |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|------------------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------------------|
| Other revenues: | | | | | |
| General revenue: | | | | | |
| Miscellaneous general receipts | \$ 40,000 | \$ -- | \$ 40,000 | \$ 90,979 | \$ 50,979 |
| General government: | | | | | |
| Miscellaneous general receipts | -- | -- | -- | 10,298 | 10,298 |
| Miscellaneous program receipts | 760,000 | -- | 760,000 | 1,217,560 | 457,560 |
| Total - General government | 760,000 | -- | 760,000 | 1,227,858 | 467,858 |
| Public safety: | | | | | |
| Miscellaneous general receipts | -- | -- | -- | 6,697 | 6,697 |
| Miscellaneous program receipts | -- | -- | -- | 344,064 | 344,064 |
| Total - Public safety | -- | -- | -- | 350,761 | 350,761 |
| Highways and streets: | | | | | |
| Miscellaneous program receipts | -- | -- | -- | 7,544 | 7,544 |
| Social welfare: | | | | | |
| Miscellaneous program receipts | -- | -- | -- | 51,710 | 51,710 |
| Culture and recreation: | | | | | |
| Miscellaneous program receipts | -- | -- | -- | 27 | 27 |
| Legislative: | | | | | |
| Miscellaneous program receipts | -- | -- | -- | 256 | 256 |
| Total - Other revenues | 800,000 | -- | 800,000 | 1,729,135 | 929,135 |
| Total General Fund Revenues | \$ 299,162,962 | \$ -- | \$ 299,162,962 | \$ 298,973,211 | \$ (189,751) |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances | | Transfers and Additions | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|---|-----------|----------------|-------------------------|------|--------------|--------------|---------------------------|-----------------------|
| | Forwarded | Appropriations | | | | | | |
| General government: | | | | | | | | |
| Office of the Mayor: | | | | | | | | |
| Office of Mayor Administration | \$ 3,393 | \$ 1,470,155 | \$ - | \$ - | \$ 1,473,548 | \$ 1,399,057 | \$ 4,692 | \$ 69,799 |
| Economic Development | 6,273 | 1,203,498 | - | - | 1,209,771 | 1,120,902 | 6,588 | 82,281 |
| Molokai Economic Development & Cultural | 71,859 | 120,000 | - | - | 191,859 | 81,185 | 104,761 | 5,913 |
| Agriculture Promotion | 82,682 | 150,000 | - | - | 232,682 | 140,570 | 84,807 | 7,305 |
| Aquaculture & Marine Resources | 40,000 | 40,000 | - | - | 80,000 | 44,461 | 35,311 | 228 |
| Film Industry Promotions | 25,000 | 125,000 | - | - | 150,000 | 139,920 | 1,214 | 8,866 |
| Maui County Farm Bureau | 193,572 | 319,793 | - | - | 513,365 | 363,206 | 148,478 | 1,681 |
| Maui Economic Development Board | 398,842 | 730,000 | - | - | 1,128,842 | 894,003 | 234,838 | 1 |
| Maui Visitors Bureau | 14,250 | 4,000,000 | - | - | 4,014,250 | 4,011,877 | 181 | 2,192 |
| Small Business & High Tech Promo | 5,550 | 190,000 | (25,000) | - | 170,550 | 144,877 | 11,261 | 14,412 |
| Maui Arts & Cultural Center | 31,827 | 318,270 | - | - | 350,097 | 318,270 | 31,827 | - |
| Business Research Library | 37,712 | 72,100 | - | - | 109,812 | 75,655 | 33,256 | 901 |
| Environmental Protection | 1,496,634 | 1,400,000 | - | - | 2,896,634 | 1,665,683 | 1,202,854 | 28,097 |
| East Maui Econ Development & Cultural | 103,436 | 100,000 | - | - | 203,436 | 135,328 | 56,773 | 11,335 |
| Agricultural Processing Plant | 72,380 | - | - | - | 72,380 | 72,380 | - | - |
| UH Tropical Agricultural & Human Resources | 81,816 | 100,000 | - | - | 181,816 | 90,986 | 90,830 | - |
| MEO Bus Development CP Microenterprise | 139,090 | 245,000 | - | - | 384,090 | 278,651 | 105,438 | 1 |
| Maui Nui Botanical Gardens | 157,590 | 157,590 | - | - | 315,180 | 276,130 | 39,050 | - |
| Maui Arts & Cultural Capital | 400,000 | 470,000 | - | - | 870,000 | - | 870,000 | - |
| Grant - Maui Comm Theater - Iao Improvement | 15,255 | 53,045 | - | - | 68,300 | 16,180 | 45,518 | 6,602 |
| Maui Soil & Water Conservation | - | 135,000 | - | - | 135,000 | 135,000 | - | - |
| Soil & Water Conservation - Molokai | 23,863 | 22,000 | - | - | 45,863 | 45,863 | - | - |
| Culture & Arts Program | 29,877 | 70,000 | - | - | 99,877 | 78,682 | 21,195 | - |
| Molokai Livestock Cooperative | - | 10,300 | - | - | 10,300 | - | 10,300 | - |
| Academy of Hospitality & Tourism | 10,000 | 10,000 | - | - | 20,000 | 3,800 | 16,200 | - |
| Ke Ao I Ka Makani Ho'eha'ili | 25,000 | - | - | - | 25,000 | 18,234 | 6,766 | - |
| Ka 'ohana O Kalaupapa | 100,000 | - | - | - | 100,000 | 76,416 | 23,584 | - |
| MCC Nursing & Dental Assistant Program | 11,015 | - | - | - | 11,015 | 8,964 | - | 2,051 |
| Ka Ipu Kukui Fellows Leadership | 16,893 | 25,750 | - | - | 42,643 | 40,088 | 2,555 | - |
| Renewable Energy Programs | 3,316 | 75,000 | - | - | 78,316 | 71,432 | - | 6,884 |
| Grants Friends of Maui High School | 19,309 | 82,400 | - | - | 101,709 | 67,114 | 12,876 | 21,719 |
| 4-H UPCOUNTRY FAIR | 29,900 | 35,000 | - | - | 64,900 | 63,533 | 1,367 | - |
| HANAARTS | - | 20,000 | - | - | 20,000 | - | 20,000 | - |
| Maui Economic Development Board - Maui HS Program | 52,757 | 45,000 | - | - | 97,757 | 46,977 | 50,780 | - |
| COQUI FROG ERADICATION PROJECT | - | 1,200,000 | - | - | 1,200,000 | 95,003 | 1,104,997 | - |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances | | Transfers and Additions | | Total | Expenditures | | Reserves and Encumbrances | | Lapsed Appropriations | |
|--|-----------|--------------|-------------------------|--------|--------------|--------------|----|---------------------------|----|-----------------------|-------------|
| | Forwarded | \$ | \$ | \$ | | \$ | \$ | \$ | \$ | \$ | \$ |
| Aha Kūiui O Molokai for Canoe | 51,351 | | | | 51,351 | | | | | | 51,351 |
| Hai-Mak-Pai Economic Development & Cultural Programs | 79,398 | 120,000 | | | 199,398 | 165,696 | | 28,673 | | | 5,029 |
| Ma Ka Hana Ka Ike - OED | 90,000 | 90,000 | | | 180,000 | 180,000 | | | | | |
| The Royal Order of Kamehameha | | | 60,000 | | 60,000 | | | | | | 60,000 |
| Festivals of Aloha | | | 42,436 | | 42,436 | 41,349 | | | | | 1,087 |
| Lanai Economic Development & Cultural Programs | 108,463 | 120,000 | | | 228,463 | 88,536 | | 87,963 | | | 51,964 |
| Sister City Program | 14,958 | 30,000 | | | 44,958 | 21,837 | | 22,500 | | | 621 |
| Maui Film Festival | | | | | 25,000 | | | 25,000 | | | |
| Lahaina Boat Day | | | | | 25,750 | 22,870 | | 2,880 | | | |
| Economic Development Initiatives Program | 35,219 | 185,000 | | | 220,219 | 170,403 | | 43,967 | | | 5,849 |
| Budget | | 441,946 | | | 441,946 | 376,605 | | 21,572 | | | 43,769 |
| Total Office of the Mayor | 4,078,480 | 14,075,033 | | 35,000 | 18,188,513 | 13,087,723 | | 4,610,852 | | | 489,938 |
| Management: | | | | | | | | | | | |
| Management | 210,982 | 1,451,958 | | | 1,662,940 | 1,359,609 | | 173,503 | | | 129,828 |
| County Facilities Security Program | | 183,000 | | | 183,000 | 181,903 | | | | | 1,097 |
| Management Information Systems | 3,144,133 | 9,071,548 | | | 12,215,681 | 8,351,639 | | 3,610,494 | | | 253,548 |
| Geographic Information Systems | 19,954 | 464,595 | | | 484,549 | 355,435 | | 5,235 | | | 123,879 |
| Total Management | 3,375,069 | 11,171,101 | | | 14,546,170 | 10,248,586 | | 3,789,232 | | | 508,352 |
| Corporation Counsel: | | | | | | | | | | | |
| Legal Services | 75,824 | 3,342,021 | | | 3,417,845 | 2,913,310 | | 49,109 | | | 455,426 |
| Finance: | | | | | | | | | | | |
| Finance Administration | 38,197 | 705,032 | | | 743,229 | 705,951 | | 2,990.00 | | | 34,288 |
| Treasury | 164,873 | 985,892 | | | 1,150,765 | 879,379 | | 64,970 | | | 206,416 |
| Accounts | 100,895 | 1,353,750 | 85,000 | | 1,538,445 | 1,377,878 | | 45,023 | | | 116,744 |
| Purchasing | 12,856 | 451,004 | | | 463,860 | 404,819 | | 10,332 | | | 48,709 |
| Financial Services | 1,055,797 | 6,021,551 | | | 7,077,348 | 5,325,111 | | 1,203,469 | | | 548,768 |
| CW Services Center - Annual Lease Costs | 62,883 | 506,800 | | | 569,683 | 382,095 | | 187,586 | | | 2 |
| Countywide Fringe Benefits | 249,853 | 69,484,073 | 2,071,336 | | 71,805,262 | 70,633,568 | | 261,743 | | | 909,951 |
| Interfund Fringe Reimbursement | | (18,763,428) | (142,559) | | (18,905,987) | (17,724,491) | | | | | (1,181,496) |
| Bond Issuance & Debt Services | 81,000 | 5,423,787 | | | 5,504,787 | 7,983 | | | | | 5,496,804 |
| Insurance & Self Insurance | 489,655 | 9,000,000 | 1,500,000 | | 10,989,655 | 9,665,073 | | 725,917 | | | 598,665 |
| Countywide General Costs | 4,783 | 1,095,126 | | | 1,099,909 | 1,017,446 | | 23,044 | | | 59,419 |
| Overhead Reimbursement | | (20,516,841) | (151,173) | | (20,668,014) | (19,815,583) | | | | | (852,431) |
| Post-Employment Obligations Fund | | 14,930,000 | (14,930,000) | | | | | | | | |
| Total Finance | 2,260,592 | 70,676,746 | (11,567,396) | | 61,369,942 | 52,859,029 | | 2,525,074 | | | 5,985,839 |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Appropriations | | Transfers and Additions | | Total | | Expenditures | | Reserves and Encumbrances | | Lapsed Appropriations | |
|--------------------------------------|--------------------|--|--------------------|--|-------------------------|--|--------------------|--|-------------------|--|---------------------------|--|-----------------------|--|
| | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| Personnel Services: | | | | | | | | | | | | | | |
| Personnel Services | 60,294 | | 1,487,347 | | | | 1,547,641 | | 1,451,217 | | 16,333 | | 80,091 | |
| Planning: | | | | | | | | | | | | | | |
| Planning | 171,863 | | 5,034,144 | | | | 5,206,007 | | 4,582,655 | | 108,775 | | 514,577 | |
| Development Fee Impact Study | 3,095 | | | | | | 3,095 | | | | 3,095 | | | |
| General Plan Update | 59,963 | | | | | | 59,963 | | 3,750 | | 56,213 | | | |
| Maui Redevelopment Agency | 18,712 | | 250,000 | | 25,000 | | 293,712 | | 116,396 | | 125,820 | | 51,496 | |
| UH-Maui Sea Grant | 7 | | 88,975 | | | | 88,982 | | 93,657 | | | | (4,675) | |
| Development Mitigation Fee Study | 15,280 | | | | | | 15,280 | | | | 15,280 | | | |
| Small Town Planning | 57,496 | | | | | | 57,496 | | 22,433 | | 15,178 | | 19,885 | |
| Cultural Resource Management | | | 25,000 | | | | 25,000 | | | | | | 25,000 | |
| Puunene Airport Master Plan Update | 9,123 | | | | | | 9,123 | | | | 9,123 | | | |
| Environmental Assessments - Planning | 4,164 | | | | | | 4,164 | | | | 4,164 | | | |
| Total Planning | 339,703 | | 5,398,119 | | 25,000 | | 5,762,822 | | 4,818,891 | | 337,648 | | 606,283 | |
| Public Works: | | | | | | | | | | | | | | |
| Public Works Administration | 18,793 | | 562,239 | | | | 581,032 | | 510,343 | | 14,015 | | 56,674 | |
| Engineering | 152,909 | | 4,060,465 | | | | 4,213,374 | | 3,095,208 | | 597,740 | | 520,426 | |
| Special Maintenance | 133,378 | | 2,884,856 | | | | 3,018,234 | | 2,226,169 | | 62,578 | | 729,487 | |
| Development Services Administration | 26,009 | | 2,321,744 | | | | 2,347,753 | | 2,127,260 | | 11,382 | | 209,111 | |
| Total Public Works | 331,089 | | 9,829,304 | | | | 10,160,393 | | 7,958,980 | | 685,715 | | 1,515,698 | |
| Environmental Management: | | | | | | | | | | | | | | |
| Community Work Day | 15,550 | | 155,500 | | | | 171,050 | | 171,050 | | | | | |
| Total General Government | 10,536,601 | | 116,135,171 | | (11,507,396) | | 115,164,376 | | 93,508,786 | | 12,013,963 | | 9,641,627 | |
| Public safety: | | | | | | | | | | | | | | |
| Prosecuting Attorney: | | | | | | | | | | | | | | |
| Prosecutors Administration | 3,592 | | 827,561 | | 70,000 | | 901,153 | | 876,651 | | 4,193 | | 20,309 | |
| General Prosecution | 11,426 | | 5,196,810 | | (70,000) | | 5,138,236 | | 4,671,526 | | 841 | | 465,869 | |
| Total Prosecuting Attorney | 15,018 | | 6,024,371 | | | | 6,039,389 | | 5,548,177 | | 5,034 | | 486,178 | |
| Police: | | | | | | | | | | | | | | |
| Police Administration | 114,920 | | 4,814,935 | | | | 4,929,855 | | 4,768,328 | | 83,109.00 | | 78,418 | |
| Investigative Service | 173,996 | | 10,264,777 | | | | 10,438,773 | | 9,398,470 | | 46,267 | | 994,036 | |
| Uniformed Patrol Services | 1,315,521 | | 27,877,178 | | | | 29,192,699 | | 27,670,196 | | 761,279 | | 761,224 | |
| Technical and Support Services | 847,980 | | 8,665,848 | | | | 9,513,828 | | 7,711,417 | | 814,849 | | 987,562 | |
| Total Police | 2,452,417 | | 51,622,738 | | | | 54,075,155 | | 49,548,411 | | 1,705,504 | | 2,821,240 | |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Transfers and Additions | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|---|--------------------|----|-------------------------|------------------|-------------------|-------------------|---------------------------|-----------------------|
| | \$ | | \$ | | | | | |
| Fire and Public Safety: | | | | | | | | |
| Fire Control Administration and Maintenance | 337,109 | \$ | 2,605,257 | \$ (110,000) | 2,832,366 | 2,588,013 | 180,856 | 63,497 |
| Fire Control Training | 163,871 | | 1,258,598 | (175,000) | 1,247,469 | 1,042,035 | 81,078 | 124,366 |
| Fire Rescue Operations | 361,155 | | 26,543,757 | 1,900,000 | 28,804,912 | 27,859,250 | 483,389 | 462,273 |
| Fire Prevention | 20,126 | | 887,081 | (95,000) | 812,207 | 733,231 | 8,305 | 70,871.00 |
| Total Fire and Public Safety | 882,261 | | 31,294,693 | 1,520,000 | 33,696,954 | 32,222,529 | 753,628 | 720,797 |
| Civil Defense: | | | | | | | | |
| Civil Defense | 1,148 | | 541,091 | - | 542,239 | 403,314 | 584 | 138,341 |
| Grant American Red Cross | - | | 25,000 | - | 25,000 | 25,000 | - | - |
| Total Civil Defense | 1,148 | | 566,091 | - | 567,239 | 428,314 | 584 | 138,341 |
| Total Public Safety | 3,350,844 | | 89,507,893 | 1,520,000 | 94,378,737 | 87,747,431 | 2,464,750 | 4,166,556 |
| Highways and Streets: | | | | | | | | |
| Transportation: | | | | | | | | |
| Transportation Administration | 31,255 | | 813,961 | - | 844,916 | 614,406 | 207,292 | 23,218 |
| Human Service Transportation | - | | 6,900,440 | - | 6,900,440 | 5,964,405 | 750,000 | 186,035 |
| MEO Vet 1 Call 1 Click | 37,974 | | - | - | 37,974 | 29,052 | - | 8,922 |
| Air Ambulance Program | - | | 672,215 | - | 672,215 | 672,215 | - | - |
| Total Transportation | 69,229 | | 8,386,316 | - | 8,455,545 | 7,280,078 | 957,292 | 218,175 |
| Total Highways and Streets | 69,229 | | 8,386,316 | - | 8,455,545 | 7,280,078 | 957,292 | 218,175 |
| Sanitation: | | | | | | | | |
| Environmental Management | 2,698 | | 597,615.00 | - | 600,313 | 559,054 | 7,096 | 34,163 |
| Environmental Management Administration | - | | - | - | - | - | - | - |
| Total Sanitation | 2,698 | | 597,615 | - | 600,313 | 559,054 | 7,096 | 34,163 |
| Social Welfare: | | | | | | | | |
| Housing and Human Concerns: | | | | | | | | |
| Housing and Human Concerns Administration | 9,630 | | 550,319 | - | 559,949 | 519,814 | 9,642 | 30,493 |
| Housing | 16,131 | | 612,091 | - | 628,222 | 408,562 | 17,465 | 202,195 |
| Affordable Rental Housing Program | 77,350 | | 943,500 | - | 1,020,850 | 1,020,850 | - | - |
| Hale Mahaolu - Homeownership/Housing | 10,827 | | 60,000 | - | 70,827 | 70,827 | - | - |
| Human Concerns - General | 94,183 | | 4,796,569 | - | 4,890,752 | 4,629,279 | 89,408 | 172,065 |
| Hana Youth Center, Inc. | 14,276 | | 142,758 | - | 157,034 | 154,468 | 1,363 | 1,203 |
| Women Helping Women | 20,085 | | 210,850 | - | 230,935 | 230,935 | - | - |
| Early Childhood | 25,750 | | 103,000 | - | 128,750 | 128,750 | - | - |
| Substance Abuse | 147,397 | | 483,650 | - | 631,047 | 523,647 | 55,849 | 51,551 |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances | | Transfers and Additions | | Total | Expenditures | | Reserves and Encumbrances | | Lapsed Appropriations | |
|--|-----------|----|-------------------------|----|-----------|--------------|-----------|---------------------------|---------|-----------------------|--------|
| | Forwarded | \$ | Appropriations | \$ | | \$ | \$ | \$ | \$ | | |
| E Malama I Na Keiki Preschool | 24,373 | \$ | 83,821 | \$ | 108,194 | \$ | 97,629 | \$ | 3,459 | \$ | 7,106 |
| Homelessness Programs | 80,724 | | 641,000 | | 721,724 | | 705,000 | | - | | 16,724 |
| Maui Adult Day Care Center | 34,800 | | 348,000 | | 382,800 | | 382,800 | | - | | - |
| MCC Cooperative Education | 2,500 | | 25,000 | | 27,500 | | 26,197 | | 996 | | 307 |
| MEO Headstart After School | 23,791 | | 237,903 | | 261,694 | | 261,694 | | - | | - |
| MEO Headstart Summer | 168,428 | | 175,000 | | 343,428 | | 325,928 | | 17,500 | | - |
| Community Partnership Grants | 106,488 | | 1,110,845 | | 1,217,333 | | 1,154,887 | | 32,089 | | 30,357 |
| Lanai Youth Center | 15,357 | | 153,573 | | 168,930 | | 162,464 | | - | | 6,466 |
| Kihei Youth Center | 21,795 | | 217,950 | | 239,745 | | 237,788 | | 1,957 | | - |
| Youth | 9,662 | | 107,108 | | 116,770 | | 94,734 | | 11,548 | | 10,488 |
| Maui Family Support Services | 63,654 | | 63,654 | | 127,308 | | 127,308 | | - | | - |
| J. Water Cameron Center Expansion | 125,000 | | - | | 125,000 | | 75,000 | | - | | 50,000 |
| Big Brothers and Big Sisters | 9,401 | | 94,012 | | 103,413 | | 103,413 | | - | | - |
| Mental Health Association | 2,521 | | 25,207 | | 27,728 | | 27,728 | | - | | - |
| Self Sufficiency | 25,099 | | 144,200 | | 169,299 | | 161,970 | | 2,634 | | 4,695 |
| Hana Community Association | - | | 82,391 | | 82,391 | | 74,152 | | 8,239 | | - |
| MEO Infant Toddler Care | 8,831 | | 95,000 | | 103,831 | | 103,831 | | - | | - |
| Maui Community Food Bank | 34,505 | | 345,000 | | 379,505 | | 379,505 | | - | | - |
| Maui Arts & Performing Academy | - | | 15,000 | | 15,000 | | 15,000 | | - | | - |
| Hui Malama Learning Center | - | | 274,606 | | 274,606 | | 274,606 | | - | | - |
| Family Spt - Teen Voices | - | | 42,630 | | 42,630 | | 42,629 | | 1 | | - |
| Boy Scouts of America | 250,000 | | - | | 250,000 | | 205,572 | | 44,428 | | - |
| Salvation Army | 13,802 | | 138,020 | | 151,822 | | 151,822 | | - | | - |
| Grant for Moloikai Youth Center | 24,525 | | 245,250 | | 269,775 | | 269,775 | | - | | - |
| Imua Family Services | - | | 35,000 | | 35,000 | | 35,000 | | - | | - |
| Pala Youth Council, Inc. | - | | 224,250 | | 224,250 | | 224,250 | | - | | - |
| Boys and Girls Club of Maui, Inc. | - | | 997,000 | | 997,000 | | 997,000 | | - | | - |
| Maui Farm | - | | 235,508 | | 235,508 | | 235,508 | | - | | - |
| Youth Alcohol Education Awareness | 20,000 | | 100,000 | | 120,000 | | 84,131 | | 30,000 | | 5,869 |
| Coalition for Drug Free Lanai | 4,201 | | 42,012 | | 46,213 | | 46,213 | | - | | - |
| MEO Enhance Hispano Program | 9,555 | | 95,550 | | 105,105 | | 105,105 | | - | | - |
| Lahaina Tutoring Project | 1,100 | | 11,000 | | 12,100 | | 12,100 | | - | | - |
| Volunteer Center Project Graduation | 4,774 | | 47,741 | | 52,515 | | 52,515 | | - | | - |
| Ohana Makamae | 9,071 | | 90,707 | | 99,778 | | 75,690 | | 22,677 | | 1,411 |
| Lanai Women's Center | - | | 80,204 | | 80,204 | | 80,204 | | - | | - |
| Grants/Disability Services - Frail/Elderly | 104,230 | | 661,739 | | 765,969 | | 562,636 | | 203,312 | | 21 |
| Kansha Preschool | 10,609 | | 10,000 | | 20,609 | | 10,609 | | 10,000 | | - |
| MEO Underage Drinking | - | | 50,000 | | 50,000 | | 50,000 | | - | | - |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Appropriations | | Transfers and Additions | | Total | | Expenditures | | Reserves and Encumbrances | | Lapsed Appropriations | |
|-------------------------------------|--------------------|-------|-------------------|--|-------------------------|--|-------------------|--|-------------------|--|---------------------------|--|-----------------------|----------------|
| | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| MEO Planning & Coordinating | 8,000 | | 83,000 | | | | 91,000 | | 91,000 | | | | | |
| Molokai Community Health Center | 275,000 | | | | | | 275,000 | | 274,992 | | 8 | | | |
| Grants - Best Buddies Program | | | 84,000 | | | | 84,000 | | 84,000 | | | | | |
| MEO B.E.S.T Reintegration | | | 103,000 | | | | 103,000 | | 103,000 | | | | | |
| Hale Makua | | | 200,000 | | | | 200,000 | | 200,000 | | | | | |
| Lanai Youth Center Facility | 10,000 | | 100,000 | | | | 110,000 | | 35,000 | | 75,000 | | | |
| Hawaiian Kamalii Inc. | | | 18,672 | | | | 18,672 | | 18,672 | | | | | |
| MEO Youth Services | 18,672 | | 195,000 | | | | 213,672 | | 208,240 | | 5,432 | | | |
| Feed My Sleep | | | 65,000 | | | | 65,000 | | 65,000 | | | | | |
| Hale Mahaolu Personal Care Program | | | 103,000 | | | | 103,000 | | 51,500 | | 51,500 | | | |
| Special Olympics Hawaii Grants | | 3,713 | 37,132 | | | | 40,845 | | 40,845 | | | | | |
| Arts Education/Innovative Program | 42,436 | | 424,360 | | | | 466,796 | | 460,590 | | 6,206.00 | | | |
| Heritage Hall, Inc. | 1,503,052 | | 500,000 | | | | 2,003,052 | | 2,003,052 | | | | | |
| Roman Catholic Church | | | 30,000 | | | | 30,000 | | 27,000 | | 3,000 | | | |
| Kupuna Care Service | | | 200,000 | | | | 200,000 | | 156,463 | | 42,357 | | | 1,180 |
| Animal Management | 22,535 | | 100,000 | | | | 122,535 | | 7,725 | | | | | 114,810 |
| Animal Sheltering Program | 10,300 | | 930,675 | | | | 940,975 | | 928,819 | | 12,156 | | | |
| Animal Enforcement Program | 5,000 | | 402,482 | | | | 407,482 | | 401,306 | | 6,176 | | | |
| Grant - Lanai Animal Rescue | 1,000 | | | | | | 1,000 | | | | | | | 1,000 |
| Total Housing and Human Concerns | 3,524,133 | | 18,824,939 | | | | 22,349,072 | | 20,876,729 | | 764,402 | | | 707,941 |
| Public Works: | | | | | | | | | | | | | | |
| Special Maintenance | 994 | | 110,011.00 | | | | 111,005 | | 80,440 | | | | | 30,565 |
| Total Social Welfare | 3,525,127 | | 18,934,950 | | | | 22,460,077 | | 20,957,169 | | 764,402 | | | 738,506 |
| Culture and Recreation: | | | | | | | | | | | | | | |
| Parks and Recreation: | | | | | | | | | | | | | | |
| Parks and Recreation Administration | 46,227 | | 1,399,260 | | | | 1,445,487 | | 1,397,211 | | 36,385 | | | 11,891 |
| MCCC Workline | 117,000 | | 117,000 | | | | 234,000 | | 208,779 | | | | | 25,221 |
| Lahaina Restoration Foundation | 98,881 | | 178,828 | | | | 277,709 | | 277,709 | | | | | |
| Lahaina Restoration Capital | 675,703 | | 75,000 | | | | 750,703 | | 62,632 | | 688,071 | | | |
| Haiku Community Assoc Kalakupua | 75,000 | | | | | | 75,000 | | 48,804 | | 26,196 | | | |
| Park Maintenance | 379,446 | | 4,167,396 | | (15,020) | | 4,531,822 | | 3,194,979 | | 862,851 | | | 473,992 |
| Parks Program | | | | | | | | | (8,503) | | | | | 8,503 |
| Planning and Development | 10,616 | | 626,592 | | | | 637,208 | | 412,953 | | 203,539 | | | 20,716 |
| Recreation and Support Services | 894,799 | | 16,109,298 | | | | 17,004,097 | | 15,552,910 | | 855,730 | | | 595,457 |

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Transfers and Additions | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|------------------------------|--------------------|--|-------------------------|--------------|-------------|--------------|---------------------------|-----------------------|
| | \$ | | \$ | | | | | |
| PALS | 159,703 | | 1,977,326 | | 2,137,029 | 1,238,293 | 124,798 | 773,938 |
| Aquatics | 227,861 | | 6,093,028 | | 6,320,889 | 5,958,627 | 273,809 | 88,453 |
| Total Parks and Recreation | 2,685,236 | | 30,743,728 | (15,020) | 33,413,944 | 28,344,394 | 3,071,379 | 1,998,171 |
| Total Culture and Recreation | 2,685,236 | | 30,743,728 | (15,020) | 33,413,944 | 28,344,394 | 3,071,379 | 1,998,171 |
| Legislative: | | | | | | | | |
| County Council: | | | | | | | | |
| Council Services | 263,133 | | 5,473,759 | | 5,736,892 | 4,763,613 | 215,478 | 757,801 |
| County Auditor Program | 239,380 | | 1,150,450 | | 1,389,830 | 659,775 | 261,363 | 488,692 |
| Total County Council | 502,513 | | 6,624,209 | | 7,126,722 | 5,423,388 | 476,841 | 1,226,493 |
| County Clerk: | | | | | | | | |
| County Clerk | 45,984 | | 1,644,190 | | 1,690,174 | 1,069,756 | 103,283 | 517,135 |
| Total Legislative | 548,497 | | 8,268,399 | | 8,816,896 | 6,493,144 | 580,124 | 1,743,628 |
| Totals for the General Fund | 20,718,232 | | 272,574,072 | (10,002,416) | 283,289,888 | 244,890,056 | 19,859,006 | 18,540,826 |

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------------|-----------------------------------|
| Taxes: | | | | | |
| General revenues: | | | | | |
| Franchise tax | \$ 10,600,000 | -- | \$ 10,600,000 | \$ 8,962,076 | \$ (1,637,924) |
| Fuel tax | 11,830,000 | -- | 11,830,000 | 12,522,137 | 692,137 |
| Total - General revenue | <u>22,430,000</u> | <u>--</u> | <u>22,430,000</u> | <u>21,484,213</u> | <u>(945,787)</u> |
| Total - Taxes | <u>22,430,000</u> | <u>--</u> | <u>22,430,000</u> | <u>21,484,213</u> | <u>(945,787)</u> |
| Licenses and permits: | | | | | |
| Highways and streets: | | | | | |
| Motor vehicle licenses and fees | 19,000,000 | -- | 19,000,000 | 20,462,844 | 1,462,844 |
| Total - Licenses and permits | <u>19,000,000</u> | <u>--</u> | <u>19,000,000</u> | <u>20,462,844</u> | <u>1,462,844</u> |
| Charges for current services: | | | | | |
| Highways and streets: | | | | | |
| Public transit bus fare | 2,500,000 | -- | 2,500,000 | 2,628,710 | 128,710 |
| Total - Charges for current services | <u>2,500,000</u> | <u>--</u> | <u>2,500,000</u> | <u>2,628,710</u> | <u>128,710</u> |
| Other revenues: | | | | | |
| Highways and streets: | | | | | |
| Miscellaneous program receipts | -- | -- | -- | 200 | 200 |
| Total - Other revenues | <u>--</u> | <u>--</u> | <u>--</u> | <u>200</u> | <u>200</u> |
| Total Highway Fund Revenues | <u>\$ 43,930,000</u> | <u>\$ --</u> | <u>\$ 43,930,000</u> | <u>\$ 44,575,967</u> | <u>\$ 645,967</u> |

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Transfers and Additions | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|------------------------------------|---------------------|----------------------|-------------------------|-------------|----------------------|----------------------|---------------------------|-----------------------|
| | \$ | | \$ | | | | | |
| Highways and streets: | | | | | | | | |
| Public Works: | | | | | | | | |
| Highway Administration | \$ - | \$ 523,768 | \$ 18,788 | \$ - | \$ 542,556 | \$ 463,303 | \$ 858 | \$ 78,395 |
| Highway ERS & FICA | - | 1,495,565 | 13,926 | - | 1,509,491 | 1,509,491 | - | - |
| Highway Health Fund | - | 1,057,513 | 9,847 | - | 1,067,360 | 1,067,360 | - | - |
| Highway Admin Overhead | - | 3,865,152 | 36,090 | - | 3,901,242 | 3,901,242 | - | - |
| Highway Contribution to OPEB | - | 813,611 | 7,576 | - | 821,187 | 821,187 | - | - |
| Road/Bridge/Drain Maintenance | 825,546 | 10,679,515 | (306,684) | - | 11,198,377 | 9,895,042 | 476,196 | 827,139 |
| Traffic Signs & Marking | 62,806 | 1,536,547 | (55,608) | - | 1,543,745 | 1,028,440 | 42,230 | 473,075 |
| Garage Services | 63,283 | 1,290,613 | - | - | 1,353,896 | 1,127,357 | 41,368 | 185,171 |
| Total Public Works | 951,635 | 21,262,284 | (276,065) | - | 21,937,854 | 19,813,422 | 560,652 | 1,563,780 |
| Transportation: | | | | | | | | |
| Transportation Admin | 440,875 | 50,000 | - | - | 490,875 | 440,875 | - | 50,000 |
| Transportation Shelter Cleaning | 18,660 | - | - | - | 18,660 | 11,565 | 7,095 | - |
| Public Transit-Highway Funds | 1,036,303 | 10,305,500 | - | - | 11,341,803 | 10,718,867 | 617,651 | 5,285 |
| Total Transportation | 1,495,838 | 10,355,500 | - | - | 11,851,338 | 11,171,307 | 624,746 | 55,285 |
| Total Highways and Streets | 2,447,473 | 31,617,784 | (276,065) | - | 33,789,192 | 30,984,729 | 1,185,398 | 1,619,065 |
| Totals for the Highway Fund | \$ 2,447,473 | \$ 31,617,784 | \$ (276,065) | \$ - | \$ 33,789,192 | \$ 30,984,729 | \$ 1,185,398 | \$ 1,619,065 |

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|
| | | | | | Over or (Under) Estimate |
| Licenses and permits: | | | | | |
| Sanitation: | | | | | |
| Other licenses and permits | \$ -- | -- | -- | \$ 31,600 | \$ 31,600 |
| Total - Licenses and permits | -- | -- | -- | 31,600 | 31,600 |
| Charges for current services: | | | | | |
| Sanitation: | | | | | |
| Waste management | 47,827,100 | -- | 47,827,100 | 49,547,453 | 1,720,353 |
| Total - Charges for current services | 47,827,100 | -- | 47,827,100 | 49,547,453 | 1,720,353 |
| Other revenues: | | | | | |
| Sanitation: | | | | | |
| Miscellaneous program receipts | 40,000 | -- | 40,000 | 11,284 | (28,716) |
| Total - Other revenues | 40,000 | -- | 40,000 | 11,284 | (28,716) |
| Total Sewer Fund Revenues | \$ 47,867,100 | \$ -- | \$ 47,867,100 | \$ 49,590,337 | \$ 1,723,237 |

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances | | Transfers and Additions | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|----------------------------------|-------------------|----------------------|-------------------------|----------------------|----------------------|---------------------|---------------------------|-----------------------|
| | Forwarded | Appropriations | | | | | | |
| Sanitation: | | | | | | | | |
| Environmental Management: | | | | | | | | |
| Wastewater Administration | \$ 49,725 | \$ 2,511,510 | \$ 10,212 | \$ 2,571,447 | \$ 2,397,155 | \$ 73,032 | \$ 101,260 | |
| Wastewater ERS & FICA | -- | 1,652,486 | 10,072 | 1,662,558 | 1,552,975 | -- | 109,583 | |
| Wastewater Health Fund | -- | 1,168,472 | 7,122 | 1,175,594 | 1,113,172 | -- | 62,422 | |
| Wastewater Admin Overhead | -- | 3,734,737 | 22,665 | 3,757,402 | 3,560,007 | -- | 197,395 | |
| Wastewater contribution to OPEB | -- | 898,979 | 5,479 | 904,458 | 904,458 | -- | -- | |
| Wastewater Reclamation | 844,492 | 19,098,681 | 30,648 | 19,973,821 | 16,985,138 | 1,373,439 | 1,615,244 | |
| Total Environmental Management | 894,217 | 29,064,865 | 86,198 | 30,045,280 | 26,512,905 | 1,446,471 | 2,085,904 | |
| Total Sanitation | 894,217 | 29,064,865 | 86,198 | 30,045,280 | 26,512,905 | 1,446,471 | 2,085,904 | |
| Totals for the Sewer Fund | \$ 894,217 | \$ 29,064,865 | \$ 86,198 | \$ 30,045,280 | \$ 26,512,905 | \$ 1,446,471 | \$ 2,085,904 | |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues | |
|---|-------------------|--------------------------|----------------|-----------------|-----------------|-------------|
| | | | | | Over or (Under) | Estimate |
| Intergovernmental revenues: | | | | | | |
| General government | | | | | | |
| Federal grants | \$ -- | \$ 1,716,813 | \$ 1,716,813 | \$ 2,482,647 | \$ | \$ 765,834 |
| State grants | -- | 1,850,512 | 1,850,512 | 1,752,280 | | (98,232) |
| Federal grants passed through the state | -- | 1,194,866 | 1,194,866 | 1,233,856 | | 38,990 |
| Total - General government | -- | 4,762,191 | 4,762,191 | 5,468,783 | | 706,592 |
| Public Safety: | | | | | | |
| Federal grants | -- | 611,520 | 611,520 | 586,246 | | (25,274) |
| State grants | -- | 2,539,466 | 2,539,466 | 1,506,100 | | (1,033,366) |
| Federal grants passed through the state | -- | 2,618,514 | 2,618,514 | 2,628,664 | | 10,150 |
| Total - Public safety | -- | 5,769,500 | 5,769,500 | 4,721,010 | | (1,048,490) |
| Highways and streets: | | | | | | |
| State grants | -- | 2,500 | 2,500 | 2,500 | | -- |
| Federal grants passed through the state | -- | 707,500 | 707,500 | 1,151,573 | | 444,073 |
| Total - Highways and streets | -- | 710,000 | 710,000 | 1,154,073 | | 444,073 |
| Sanitation: | | | | | | |
| State grants | -- | 133,000 | 133,000 | 113,458 | | (19,542) |
| Social welfare: | | | | | | |
| Federal grants | -- | 17,891,786 | 17,891,786 | 19,298,210 | | 1,406,424 |
| State grants | -- | 1,438,261 | 1,438,261 | 1,504,566 | | 66,305 |
| Federal grants passed through the state | -- | 1,005,363 | 1,005,363 | 1,100,809 | | 95,446 |
| Total - Social welfare | -- | 20,335,410 | 20,335,410 | 21,903,585 | | 1,568,175 |
| Cultural and recreation: | | | | | | |
| State grants | -- | 606,469 | 606,469 | 467,437 | | (139,032) |
| Federal grants passed through the state | -- | 100,000 | 100,000 | 73,996 | | (26,004) |
| Total - Cultural and recreation | -- | 706,469 | 706,469 | 541,433 | | (165,036) |
| Total - Intergovernmental revenues | -- | 32,416,570 | 32,416,570 | 33,902,342 | | 1,485,772 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|--|----------------------|-----------------------------|----------------------|----------------------|---|
| Charges for current services: | | | | | |
| Public safety: | | | | | |
| General government | \$ -- | -- | \$ -- | 7,280 | \$ 7,280 |
| Total - Fines and forfeitures | -- | -- | -- | 7,280 | 7,280 |
| Interest and investment earnings: | | | | | |
| Social welfare: | | | | | |
| Interest on investments | -- | 1,273 | 1,273 | 12,892 | 11,619 |
| Total - Interest and investment earnings | -- | 1,273 | 1,273 | 12,892 | 11,619 |
| Other revenues: | | | | | |
| General government: | | | | | |
| Operating contributions | -- | -- | -- | (158) | (158) |
| Miscellaneous program receipts | -- | -- | -- | 97,849 | 97,849 |
| Total - General government | -- | -- | -- | 97,691 | 97,691 |
| Public safety: | | | | | |
| Operating contributions | -- | -- | -- | 3,996 | 3,996 |
| Miscellaneous program receipts | -- | -- | -- | (53,267) | (53,267) |
| Total - Public safety | -- | -- | -- | (49,271) | (49,271) |
| Social welfare: | | | | | |
| Miscellaneous program receipts | -- | 21,161 | 21,161 | 21,161 | -- |
| Operating contributions | -- | 419,206 | 419,206 | 352,072 | (67,134) |
| Total - Social welfare | -- | 440,367 | 440,367 | 373,233 | (67,134) |
| Total - Other revenues | -- | 440,367 | 440,367 | 421,653 | (18,714) |
| Total Grant Fund Revenues | \$ -- | \$ 32,858,210 | \$ 32,858,210 | \$ 34,344,167 | \$ 1,485,957 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations & Amendments | Total | Expenditures | Reserves and Encumbrances | Unexpended Appropriations |
|---|--------------------|-----------------------------|---------|--------------|---------------------------|---------------------------|
| General Government: | | | | | | |
| Office of the Mayor: | | | | | | |
| ARRA09 Easter Seals of HI Facility Rehab | \$ 103,595 | \$ (103,595) | \$ - | \$ - | \$ - | \$ - |
| Energy Efficiency/Conservation Block Grant | 34,892 | - | 34,892 | 34,892 | - | - |
| Workforce Investment PY09-Dslcld Worker | 12,390 | (12,390) | - | - | - | - |
| Hana Police Station Rehabilitation | 467 | (467) | - | - | - | - |
| CDBG Program Admin FY2011 | 21,405 | (21,405) | - | - | - | - |
| The Maui Farm Rehabilitation | - | 21,405 | 21,405 | 21,405 | - | - |
| ARRA09 State Energy Scrt Training Grant | 3,222 | - | 3,222 | 3,222 | - | - |
| Ka Hale A Ke Ola Rehabilitation/Improvement | 5,222 | (5,222) | - | - | - | - |
| The Maui Farm Rehabilitation | - | 5,222 | 5,222 | - | - | 5,222 |
| LCHC Infrastructure 13-4 | 738 | - | 738 | 738 | - | - |
| Molokai Tanker-reprtg | 25,320 | - | 25,320 | 25,320 | - | - |
| Food and Energy Security Project | 71,811 | - | 71,811 | - | - | 71,811 |
| Molokai Youth Opportunity | 275,608 | (276,238) | (630) | (630) | - | - |
| Workforce Investment Act PY11-Adult | 12,854 | - | 12,854 | - | - | 12,854 |
| Workforce Investment Act PY11-Admin | 6,162 | - | 6,162 | (2,255) | - | 8,417 |
| Workforce Investment Act PY11-Dslcld Wkrk | - | - | - | (3,052) | - | 3,052 |
| LCHC Infrastructure 13-4 | 370,818 | - | 370,818 | 370,818 | - | - |
| Lanai Community Land Acquisition | 40,966 | (40,966) | - | - | - | - |
| Maui Food Bank Rehab | - | 8,966 | 8,966 | 8,966 | - | - |
| The Maui Farm Rehabilitation | - | 32,000 | 32,000 | 30,293 | - | 1,707 |
| Workforce Investment Act (WIA) PY02 | 427,378 | (427,378) | - | - | - | - |
| WIA Youth Program - PY2012 | 951 | (617) | 334 | 334 | - | - |
| WIA Adult Program - PY2012 | 1,665 | (492) | 1,173 | 1,172 | - | 1 |
| WIA Administrative PY2012 | 7,913 | (108) | 7,805 | 7,805 | - | - |
| WIA Dislocated Worker PY2012 | 4,939 | (925) | 4,014 | 4,014 | - | - |
| Molokai Youth Opportunity - 04DOL | 12,364 | - | 12,364 | - | - | 12,364 |
| Workforce Investment Act Admin | 6,462 | (6,697) | (235) | (236) | - | 1 |
| Workforce Investment Act DWP | 13,314 | - | 13,314 | (1,183) | 11,087 | 3,410 |
| Workforce Investment Act Adult | 13,916 | - | 13,916 | (460) | 13,873 | 503 |
| Workforce Investment Act Youth | 11,434 | 6,475 | 17,909 | 17,909 | - | - |
| HTA Product Enrichment CY14 | 13 | - | 13 | 13 | - | - |
| Lanai Brush Truck | 500 | (500) | - | - | - | - |
| Molokai Landfill Dump Truck | 16,794 | - | 16,794 | - | - | 16,794 |
| Hana Landfill Water Truck | 41,966 | (40,534) | 1,432 | - | - | 1,432 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations & Amendments | Total | Expenditures | Reserves and Encumbrances | Unexpended Appropriations |
|---------------------------------------|--------------------|-----------------------------|------------------|------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Women Helping Women Dom Violence | 80,169 | - | 80,169 | 7,738 | 72,431 | - |
| Na Pu'uwai Adult Day Care Exp | 300,000 | (190,000) | 110,000 | - | - | 110,000 |
| Lanai Community Health Center Infrass | 313,872 | - | 313,872 | 313,872 | - | - |
| CDBG Program Admin FY2014 | 23,436 | - | 23,436 | 23,431 | - | 5 |
| KHAKO renewal prj ph-1 | - | 190,000 | 190,000 | 81,101 | 108,899 | - |
| Maui Food Bank Rehab | - | 41,034 | 41,034 | 41,034 | - | - |
| Molokai Youth Opportunity 05DOL | 630 | - | 630 | 630 | - | - |
| Workforce Investment Act Admin | 37,719 | - | 37,719 | 37,719 | - | - |
| Workforce Investment Act DWP | 50,967 | - | 50,967 | 41,110 | - | 9,857 |
| The Maui Farm Rehabilitation | 125,725 | - | 125,725 | 125,725 | - | - |
| Maui Food Bank Rehab | 400,085 | - | 400,085 | 400,085 | - | - |
| Workforce Investment Act Adult | 108,083 | - | 108,083 | 96,518 | - | 11,565 |
| Workforce Investment Act Youth | 123,853 | - | 123,853 | 123,853 | - | - |
| HTA Product Enrichment CY14 | 297,991 | - | 297,991 | 245,835 | 20,000 | 32,156 |
| Lanai ER Incident Resp Vehicle | 39,300 | (17,500) | 21,800 | - | - | 21,800 |
| Molokai Tanker | 675,000 | - | 675,000 | 675,000 | - | - |
| Iao House Rehabilitation | - | 17,500 | 17,500 | - | 17,500 | - |
| CDBG Program Admin FY15 | 19,736 | - | 19,736 | 19,645 | - | 91 |
| Coqui Frog Education Act51 SLH04 | - | - | - | (80,000) | - | 80,000 |
| Workforce Innovation Opportunity | - | 206,479 | 206,479 | 22,722 | 146,607 | 37,150 |
| Ho'olehua Pumper | - | 900,000 | 900,000 | - | 898,447 | 1,553 |
| LCHC New Facility | - | 499,226 | 499,226 | - | 499,226 | - |
| CDBG Program Admin FY16 | - | 312,365 | 312,365 | 293,776 | 4,278 | 14,311 |
| HTA Product Enrichment CY16 | - | 400,000 | 400,000 | 143,428 | 111,900 | 144,672 |
| WMOA Adult & Dislocated Worker | - | 372,308 | 372,308 | 23,796 | 260,000 | 88,512 |
| WMOA Admin PY2015 | - | 64,307 | 64,307 | 55,876 | - | 8,431 |
| Housing Rehab Loan Project Inc | 13,093 | - | 13,093 | - | - | 13,093 |
| Molokai Tanker - Reprtg | 8,180 | - | 8,180 | 8,180 | - | - |
| Storms 12-4-707 FEMA#1743 | 32,616 | 139,425 | 172,041 | 172,041 | - | - |
| Hazard Mitigation Kula Ag Park | 3,365 | - | 3,365 | - | - | 3,365 |
| Total Office of the Mayor | 4,198,899 | 2,071,678 | 6,270,577 | 3,392,200 | 2,164,248 | 714,129 |
| Management: | | | | | | |
| Energy Emergency Planning | 4,575 | - | 4,575 | 4,575 | - | - |
| Dell Online Self-Dispatch Program | 12,000 | - | 12,000 | - | - | 12,000 |
| HI Integrated Justice IS Program | - | 28,000 | 28,000 | 27,840 | - | 160 |
| Total Management | 16,575 | 28,000 | 44,575 | 32,415 | - | 12,160 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations & Amendments | Total | Expenditures | Reserves and Encumbrances | Unexpended Appropriations |
|--|--------------------|-----------------------------|------------------|------------------|---------------------------|---------------------------|
| Finance: | | | | | | |
| State Disability & Comm | \$ - | \$ 11,504 | \$ 11,504 | \$ - | \$ - | \$ 11,504 |
| Commercial Driver License Program FY16 | - | 458,147 | 458,147 | 458,147 | - | - |
| Periodic Motor Vehicle Inspection FY16 | - | 453,167 | 453,167 | 453,167 | - | - |
| State Identification Program | - | 226,460 | 226,460 | 225,883 | 577 | - |
| State Motor Vehicle Registration | - | 301,233 | 301,233 | - | - | - |
| Total Finance | - | 1,450,511 | 1,450,511 | 1,438,430 | 577 | 11,504 |
| Planning: | | | | | | |
| EDA Economic Adjustment Assistance | 1,200,000 | - | 1,200,000 | - | - | 1,200,000 |
| Private donation-planning-hutatif | - | 52 | 52 | 52 | - | - |
| Coastal Zone Management Program | 25,436 | - | 25,436 | - | - | 25,436 |
| Coastal Zone Management Program | - | 206,777 | 206,777 | 206,777 | - | - |
| Coastal Zone Management FY15 | 165,187 | (5,213) | 159,974 | 159,974 | - | - |
| Certified Local Government Program | 22,500 | - | 22,500 | - | - | 22,500 |
| Coastal Zone Management FY16 | - | 348,465 | 348,465 | 194,616 | - | 153,849 |
| Total Planning | 1,413,123 | 550,081 | 1,963,204 | 561,419 | - | 1,401,785 |
| Public Works: | | | | | | |
| Bridge Inspection/Appropriation BRN NBIS #44 | - | (2,750) | (2,750) | (2,750) | - | - |
| FHWA Projects State Reviews | 5,821 | 106,000 | 111,821 | 66,863 | - | 44,958 |
| Bridge Inspection NBIS(057) | 12,960 | - | 12,960 | 12,960 | - | - |
| FHWA Various Projects County | 6,875 | 62,833 | 69,708 | 64,938 | - | 4,770 |
| Total Public Works | 25,656 | 166,083 | 191,739 | 142,011 | - | 49,728 |
| Total General Government | 5,654,253 | 4,266,353 | 9,920,606 | 5,566,475 | 2,164,825 | 2,189,306 |
| Public safety: | | | | | | |
| Prosecuting Attorney: | | | | | | |
| Food stamp prg prosecutions | - | 283 | 283 | 283 | - | - |
| Defendant/Witness Trial Program 12 | 71,867 | (71,867) | - | - | - | - |
| Pros Atty Asset Forfeits ST12 | 3,508 | (3,508) | - | - | - | - |
| Defendant/Witness Trial Program | 88,880 | (89,167) | (287) | (287) | - | - |
| Defendant/Witness Trial Program | 37,862 | (37,252) | 610 | 610 | - | - |
| Victim/Witness Assistance Program | 697 | - | 697 | 697 | - | - |
| Criminal Justice Info System | 24,738 | - | 24,738 | 24,738 | - | - |
| Prosecutors Hwy Sfty Training | 3,863 | (3,863) | - | - | - | - |
| Defendant/Witness Trial Prg | 104,371 | (98,780) | 5,591 | 5,591 | - | - |
| Victim/Witness Assistance Program | 24,516 | (6,487) | 18,029 | 18,029 | - | - |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations & Amendments | Total | Expenditures | Reserves and Encumbrances | Unexpended Appropriations |
|--------------------------------------|--------------------|-----------------------------|-----------|--------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Career Criminal Program | 7,218 | - | 7,218 | 7,218 | - | - |
| E Byrne Memorial Jag FY15 | 67,060 | - | 67,060 | 9,572 | - | 57,488 |
| Special Needs Advocacy Program | 13,957 | 3,004 | 16,961 | 16,961 | - | - |
| Asset Forfeitures Program | 37,363 | (37,363) | - | - | - | - |
| Maui Prosecutors Traffic Rec | 4,237 | (4,237) | - | - | - | - |
| E Byrne/Prosecutors of Drug Crimes | 140,075 | - | 140,075 | 140,075 | - | - |
| Domestic Violence Investigations | 11,870 | - | 11,870 | 11,870 | - | - |
| Highway Safety Grant | 7,119 | - | 7,119 | 6,067 | - | 1,052 |
| Justice Reinvestment Initiative | 12,905 | - | 12,905 | - | - | 12,905 |
| Special Needs Advocacy Program | - | 388,175 | 388,175 | 307,533 | - | 80,642 |
| Asset Forfeitures Program | - | 100,000 | 100,000 | 60,945 | - | 39,055 |
| Victim/Witness Assistance Program | - | 64,864 | 64,864 | 51,509 | - | 13,355 |
| Career criminal program | - | 130,262 | 130,262 | 130,262 | - | - |
| Defendant/Witness Trial Program | - | 170,000 | 170,000 | 90,632 | - | 79,368 |
| Prosecutors Training Program | - | 50,000 | 50,000 | - | - | 50,000 |
| Highway Safety/Impaired Driving | - | 14,642 | 14,642 | 7,630 | - | 7,012 |
| Highway Safety/Traffic Records | - | 8,325 | 8,325 | 4,508 | - | 3,817 |
| SOH Grant-In-Aid | - | 135,000 | 135,000 | 33,852 | 56,230 | 44,918 |
| Defendant/Witness Trial Program | - | - | - | - | - | - |
| Victim/Witness Books | 7,280 | (14,745) | (7,465) | (7,465) | - | - |
| Total Prosecuting Attorney | 669,386 | 697,286 | 1,366,672 | 920,830 | 56,230 | 389,612 |
| Planning: | | | | | | |
| UH Sea Grant College Program | 2,356 | - | 2,356 | 2,356 | - | - |
| Police: | | | | | | |
| G.R.E.A.T ATC 000110 | - | (304) | (304) | (304) | - | - |
| D.A.R.E (DOE) FY10 MOA DO413#5 | - | (479) | (479) | (479) | - | - |
| Juvenile Act Incentive DHS01 | - | (659) | (659) | (659) | - | - |
| Maui Child Passenger Safety | 541 | - | 541 | 541 | - | - |
| Cops Hiring Program | 42,999 | (42,999) | - | - | - | - |
| Cops Technology Grant USDJ | 463 | - | 463 | 463 | - | - |
| Bulletproof Vest Grant USDJ | - | 13,085 | 13,085 | 13,085 | - | - |
| Youth Gang DHS-2000-OYS-8048 | - | (195) | (195) | (195) | - | - |
| Safe & Drug Free Schools #2 DHS | 252 | - | 252 | 252 | - | - |
| Training Grants - SOH Various FY2011 | 9,450 | (9,450) | - | - | - | - |
| LLE Block Grant 2001-LB-BX1458 | - | (132) | (132) | (132) | - | - |
| MPD Roadblock Program-A102-02 | - | (322) | (322) | (322) | - | - |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Appropriations & Amendments | | Total | | Expenditures | | Reserves and Encumbrances | | Unexpended Appropriations | |
|---|--------------------|---|-----------------------------|---|----------|---|--------------|---|---------------------------|---|---------------------------|---|
| | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| Juvenile Act/Inc BG DHS-2-OYS-1160A | 7,483 | - | - | - | 7,483 | - | 7,483 | - | - | - | - | - |
| Juvenile Act/Inc BG DHS-2-OYS-1160B | 580 | - | - | - | 580 | - | 580 | - | - | - | - | - |
| Prohibiting Alcohol Sales to Minors | 4,315 | - | - | - | 4,315 | - | - | - | - | - | 4,315 | - |
| Maui Safe Community Speed SC02-06 | 1,177 | - | - | - | 1,177 | - | 1,177 | - | - | - | - | - |
| Keiki Injury Prctm CLTN(02-05) | - | - | (2,383) | - | (2,383) | - | (2,383) | - | - | - | - | - |
| Maui Seat Belt Enfct OPO2-05 | - | - | (11,870) | - | (11,870) | - | (11,870) | - | - | - | - | - |
| Federal Equity/Sharing Forfeiture Policy | 864 | - | - | - | 864 | - | - | - | - | - | 864 | - |
| 911 Emergency Medical FY02 | 1,200 | - | - | - | 1,200 | - | 1,200 | - | - | - | - | - |
| Clandestine Lab Response TM00DB18 | - | - | (276) | - | (276) | - | (276) | - | - | - | - | - |
| Cops in School Award | 38,462 | - | - | - | 38,462 | - | 38,462 | - | - | - | - | - |
| SW Marijuana Erad #01-db-4 | - | - | - | - | - | - | (830) | - | - | - | 830 | - |
| Marijuana Eradication DEA 2002 | 1,035 | - | - | - | 1,035 | - | - | - | - | - | 1,035 | - |
| SW Narcotics Task Force 01db11 | - | - | - | - | - | - | (6,500) | - | - | - | 6,500 | - |
| Safe/Drug Free Schools #3 DHS | - | - | (4,291) | - | (4,291) | - | (4,291) | - | - | - | - | - |
| D.A.R.E Program (DOE) 02#18475 | - | - | (1,339) | - | (1,339) | - | (1,339) | - | - | - | - | - |
| Training Grants - SOH Various | 251,232 | - | - | - | 251,232 | - | (1,155) | - | - | - | 252,387 | - |
| State e911 Wireless Commission | 120,536 | - | - | - | 120,536 | - | 2,467 | - | 105,769 | - | 12,300 | - |
| Vawa/Domestic Violence Outreach | 24,574 | - | - | - | 24,574 | - | 24,574 | - | - | - | - | - |
| High Intensity Drug Trafficking | 9,122 | - | (9,122) | - | - | - | - | - | - | - | - | - |
| DOH-ADAD Tobacco Sales - Minors | 1,016 | - | - | - | 1,016 | - | 1,016 | - | - | - | - | - |
| Juv Act/Incentive Block Grant Proj#P.O.I. | 6,678 | - | - | - | 6,678 | - | 6,678 | - | - | - | - | - |
| Juv Act/Incentive Block Grant Proj #Comp Stra | 2,227 | - | - | - | 2,227 | - | 2,227 | - | - | - | - | - |
| Maui Safe Community Speed | 3,526 | - | - | - | 3,526 | - | 3,526 | - | - | - | - | - |
| MPD Seatbelt Program - OPO3-05 | 32,203 | - | - | - | 32,203 | - | 32,203 | - | - | - | - | - |
| Federal Equity/Sharing Forfeiture Policy | 135 | - | - | - | 135 | - | - | - | - | - | 135 | - |
| 911 EMS FY03Log#98-320 MOD#5 | - | - | (67,631) | - | (67,631) | - | (67,631) | - | - | - | - | - |
| DOH Prohibiting Tobacco Sales | 1,535 | - | (1,535) | - | - | - | - | - | - | - | - | - |
| Public Housing Drug Elimination RSS0301 | 6,364 | - | - | - | 6,364 | - | - | - | - | - | 6,364 | - |
| Training Grants FY2013 | 72,776 | - | - | - | 72,776 | - | - | - | - | - | 72,776 | - |
| HI Intragency Mobile Police 02 | 2,507 | - | - | - | 2,507 | - | - | - | - | - | 2,507 | - |
| Training Grants FY2014 | 72,125 | - | - | - | 72,125 | - | - | - | - | - | 72,125 | - |
| State e911 Wireless Commission | 507,432 | - | (507,494) | - | (62) | - | (62) | - | - | - | - | - |
| 911 Emergency Medical Service | 70,744 | - | (70,744) | - | - | - | - | - | - | - | - | - |
| Distracted Driving Enforcement | 17,744 | - | (17,744) | - | - | - | - | - | - | - | - | - |
| FFY14 MPD Seat Belt Program | 59,432 | - | (59,432) | - | - | - | - | - | - | - | - | - |
| FFY14 MPD Traffic Data Records | 29,352 | - | (29,352) | - | - | - | - | - | - | - | - | - |
| MPD Child Restraint Project | 43,998 | - | - | - | 43,998 | - | (85) | - | - | - | 44,083 | - |
| MPD Roadblock Program | 68,975 | - | (68,975) | - | - | - | - | - | - | - | - | - |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Appropriations & Amendments | | Total | | Expenditures | | Reserves and Encumbrances | | Unexpended Appropriations | |
|-------------------------------------|--------------------|--|-----------------------------|--|-----------|--|--------------|--|---------------------------|--|---------------------------|--|
| | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| Violence Against Women Act | 21,747 | | | | 21,747 | | 10,750 | | | | 10,997 | |
| Juvenile Account Incentive Block | 286 | | | | 286 | | 285 | | | | 1 | |
| SW Marijuana Eradication | 42,070 | | | | 42,070 | | 42,070 | | | | | |
| Domestic Cannabis DEA | 33,348 | | (33,348) | | | | | | | | | |
| E Byrne/Epic Awareness | 90,341 | | | | 90,341 | | 89,513 | | | | 828 | |
| 911 EMS DOH 04 Log #04-337 | | | (22,572) | | | | (22,572) | | | | | |
| Analytical Equip & Info Mgt Sy | | | (4,814) | | | | (4,814) | | | | | |
| Marijuana Eradication DEA 2003-51 | 6,254 | | | | 6,254 | | 322 | | | | 5,932 | |
| Domestic Cannabis DEA 2004-53 | 13,772 | | | | 13,772 | | 833 | | | | 12,939 | |
| Training Grants FY2015 | 87,815 | | | | 87,815 | | (4,185) | | | | 92,000 | |
| State e911 Wireless Commission | 174,666 | | | | 174,666 | | 283 | | | | 174,383 | |
| 911 Emergency Medical Service | 50,763 | | (35,678) | | 15,085 | | 15,085 | | | | | |
| MPD Traffic Services | 15,842 | | (12,635) | | 3,207 | | 3,207 | | | | | |
| Prohibit Tobacco Sales to Minors | 8,000 | | 8,000 | | 16,000 | | 10,876 | | | | 5,324 | |
| FFY15 MPD Seat Belt Program | 91,082 | | (78,309) | | 12,773 | | 12,772 | | | | 1 | |
| FFY15 Speed Enforcement | 92,092 | | (73,062) | | 19,030 | | 19,030 | | | | | |
| FFY15 MPD Traffic Data Records | 77,170 | | (58,470) | | 18,700 | | 18,700 | | | | | |
| Distracted Driving Enforcement | 48,961 | | (46,911) | | 2,050 | | 2,049 | | | | 1 | |
| MPD Roadblock Program | 132,270 | | (9,758) | | 122,512 | | 122,512 | | | | | |
| Kalo Program | 126 | | | | 126 | | 126 | | | | | |
| Domestic Cannabis DEA | 88,362 | | | | 88,362 | | 88,362 | | | | | |
| Hawaii Narcotics Task Force | 14,120 | | | | 14,120 | | 14,120 | | | | | |
| High Intensity Drug Trafficking | 64,904 | | 66,187 | | 131,091 | | 131,091 | | | | | |
| MPD Child Restraint Project | 61,163 | | (52,989) | | 8,174 | | 8,174 | | | | | |
| Juv/Act/Bg POI DHS-05OYS-2153 | 56,971 | | 13,800 | | 70,771 | | 70,771 | | | | | |
| G.R.E.A.T. ATF 2004-JV-FX-0133 | 4,956 | | | | 4,956 | | 4,956 | | | | | |
| Domestic Cannabis DEA 2005-60 | 110 | | | | 110 | | 110 | | | | | |
| HI Interagency Mobile Police 03 | 3,883 | | | | 3,883 | | 3,883 | | | | | |
| SW Marijuana Eradication Task Force | 4,279 | | | | 4,279 | | | | | | 4,279 | |
| Police Against Street Sales 06 | 23,893 | | | | 23,893 | | 23,893 | | | | | |
| State e911 Wireless Communication | 423 | | | | 423 | | | | | | 423 | |
| Training Grants FY2016 | | | 1,159,227 | | 1,159,227 | | 782,335 | | 44,553 | | 332,339 | |
| 911 EMS Dispatch Communication | | | 98,550 | | 98,550 | | 22,561 | | | | 75,989 | |
| Domestic Violence: Strangulation | | | 376,866 | | 376,866 | | 354,514 | | | | 22,352 | |
| Kalo Program | | | 51,289 | | 51,289 | | 18,896 | | 997 | | 31,396 | |
| MPD Traffic Services | | | 89,000 | | 89,000 | | 88,562 | | 433 | | 5 | |
| MPD Traffic Data Records | | | 46,200 | | 46,200 | | 40,278 | | | | 5,922 | |
| | | | 227,095 | | 227,095 | | 209,737 | | | | 17,358 | |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Appropriations & Amendments | | Total | Expenditures | | Reserves and Encumbrances | | Unexpended Appropriations |
|--|--------------------|----------|-----------------------------|----------|------------------|------------------|----------|---------------------------|----------|---------------------------|
| | \$ | | \$ | | | \$ | | \$ | | |
| MPD Speed Enforcement | - | - | 120,732 | - | 120,732 | 76,959 | - | - | - | 43,773 |
| MPD Roadblock Program | - | - | 402,290 | - | 402,290 | 206,644 | - | 14,596 | - | 181,050 |
| Distracted Driving Enforcement | - | - | 50,065 | - | 50,065 | 43,867 | - | - | - | 6,198 |
| Hawaii Narcotics Task Force | - | - | 22,848 | - | 22,848 | 22,848 | - | - | - | - |
| MPD Seat Belt Program | - | - | 119,587 | - | 119,587 | 25,872 | - | - | - | 93,715 |
| High Intensity Drug Trafficking | - | - | 163,695 | - | 163,695 | 152,326 | - | - | - | 11,369 |
| MPD Child Restraint Project | - | - | 72,100 | - | 72,100 | 13,348 | - | - | - | 58,752 |
| E Byrne Memorial Jag | - | - | 78,309 | - | 78,309 | - | - | - | - | 78,309 |
| Hawaii Narcotics Task Force | - | - | 30,379 | - | 30,379 | 5,232 | - | - | - | 25,147 |
| SW Marijuana Eradication | - | - | 46,727 | - | 46,727 | 11,264 | - | 10,055 | - | 25,408 |
| Body Worn Camera Impl Project | - | - | 109,191 | - | 109,191 | - | - | - | - | 109,191 |
| Sex Assault | - | - | 53,382 | - | 53,382 | 504 | - | - | - | 52,878 |
| Drug Enforcement Agency | - | - | 72,000 | - | 72,000 | 9,055 | - | - | - | 62,945 |
| Positive Outreach Intervention | - | - | 85,263 | - | 85,263 | 10,648 | - | - | - | 74,615 |
| PC Forensic Sciences Improvement Act | - | - | 7,410 | - | 7,410 | - | - | - | - | 7,410 |
| SW Juvenile Justice Information/System | 15,964 | - | - | - | 15,964 | 15,964 | - | - | - | - |
| Domestic Violence Victims 02WF17 | 20,359 | - | - | - | 20,359 | 20,359 | - | - | - | - |
| MPD Child Restraint Program FY2009 | - | - | (95) | - | (95) | (95) | - | - | - | - |
| Fed. Justice Police Forfeitures | 23,835 | - | (5,257) | - | 18,578 | (469) | - | - | - | 19,047 |
| SW Narcotics Task Force 98DB6 | - | - | 509 | - | 509 | 509 | - | - | - | - |
| Wailea Speed Enforcement | - | - | 3,996 | - | 3,996 | 3,996 | - | - | - | - |
| Total Police | 2,882,881 | - | 2,247,156 | - | 5,130,037 | 2,835,137 | - | 176,403 | - | 2,118,497 |
| Fire and Public Safety: | | | | | | | | | | |
| Volunteer Fire Assistance DLNR10 | 180 | - | - | - | 180 | - | - | - | - | 180 |
| EMS (Fire) Training (PVT) IAAI | 1,276 | - | - | - | 1,276 | - | - | - | - | 1,276 |
| Fire/LEPC (DOH) HMEP | 21,705 | - | - | - | 21,705 | 12,390 | - | - | - | 9,315 |
| Volunteer Fire Assistance DLNR11 | 1,432 | - | - | - | 1,432 | - | - | - | - | 1,432 |
| MFD Equipment Purchase EMOL-04 | 163 | - | - | - | 163 | - | - | - | - | 163 |
| Private Donations - Fire Dept | 20,200 | - | - | - | 20,200 | - | - | - | - | 20,200 |
| Hazardous Materials (HMEP) Grant11 | 147,618 | - | - | - | 147,618 | - | - | - | - | 147,618 |
| FEMA-1967-Dr-Hi-Tsunami MFD | 16,631 | - | - | - | 16,631 | - | - | - | - | 16,631 |
| HMEP Hazardous Materials EM | 24,999 | - | (24,999) | - | - | - | - | - | - | - |
| Wellness/Fitness Fire Act Grant | 1,000 | - | - | - | 1,000 | - | - | - | - | 1,000 |
| NHTSA MFD Pneumatic Struts | 153 | - | - | - | 153 | - | - | - | - | 153 |
| Fire Safety HSE-EMM2003FP01732 | 3,452 | - | - | - | 3,452 | - | - | - | - | 3,452 |
| Vol Fire Assistance Grant FY15 | 18,750 | - | - | - | 18,750 | 18,750 | - | - | - | - |
| Fire Inoperability Grant FE15141 | 96 | - | - | - | 96 | - | - | - | - | 96 |
| Vol Fire Assistance Grant FY16 | - | - | 10,000 | - | 10,000 | - | - | - | - | 10,000 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations & Amendments | Total | Expenditures | Reserves and Encumbrances | Unexpended Appropriations |
|--------------------------------------|--------------------|-----------------------------|------------------|------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Oluwalu Fire Break Comp Wui | - | 22,138 | 22,138 | 18,850 | - | 3,288 |
| USDA Rural 1st Responder Lanai | 9,083 | - | 9,083 | - | - | 9,083 |
| USDA Rural 1st Responder Molokai | 3,548 | - | 3,548 | - | - | 3,548 |
| Firefighters Charitable Foundation | 550 | - | 550 | - | - | 550 |
| FEMA Fire Training Funds | 13,166 | - | 13,166 | 3,082 | - | 10,084 |
| Total Fire and Public Safety | 284,002 | 7,139 | 291,141 | 53,072 | - | 238,069 |
| Civil Defense: | | | | | | |
| Intropribl Emergency Comm Grant | 19,163 | (12,206) | 6,957 | 6,957 | - | - |
| FFY10 St Homelnd Security Program | 17,808 | (17,287) | 521 | 521 | - | - |
| FFY11 Statewide Outreach/CCP | 9,788 | - | 9,788 | - | - | 9,788 |
| FFY11 State Homelnd Security Program | 11,280 | - | 11,280 | - | - | 11,280 |
| Disaster Preparedness Train | 19,957 | - | 19,957 | - | - | 19,957 |
| FFY12 Community Outreach/CCP | 7,485 | (6,623) | 862 | 862 | - | - |
| FFY12 State Homelnd Security Grant | 2,524 | (2,348) | 176 | 176 | - | - |
| Interoperable ER Communications | 19,000 | - | 19,000 | - | - | 19,000 |
| Inoperable ER Communications | 3,459 | (3,459) | - | - | - | - |
| Emergency Mgt Performance Grant | 85,000 | - | 85,000 | - | - | 85,000 |
| Emergency Mgt Performance Grant | 69,672 | (380) | 69,292 | 69,292 | - | - |
| FFY13 State Homelnd Security Grant | 186,579 | 6,175 | 192,754 | 192,758 | - | (4) |
| FFY13 SHSG Community & Citizen Prep | 13,813 | - | 13,813 | 5,681 | - | 8,132 |
| State Homelnd Security | 520,200 | - | 520,200 | 245,950 | 221,406 | 52,844 |
| Citizens Corps Program | 25,552 | - | 25,552 | 24,112 | - | 1,440 |
| Emergency Mgt Performance Grant | 86,500 | - | 86,500 | 86,500 | - | - |
| Emergency Mgt Performance Grant | - | 100,000 | 100,000 | 100,000 | - | - |
| State Homelnd Security | - | 744,000 | 744,000 | 134,815 | 25,679 | 583,506 |
| Total Civil Defense | 1,097,780 | 807,872 | 1,905,652 | 867,624 | 247,085 | 790,943 |
| Total Public Safety | 4,936,405 | 3,759,453 | 8,695,858 | 4,679,019 | 479,718 | 3,537,121 |
| Highways and Streets: | | | | | | |
| Public Works: | | | | | | |
| Complete Streets Training | - | 10,000 | 10,000 | 10,000 | - | - |
| Transportation: | | | | | | |
| FTA 5309 FFY2010 Bus & Facilities | 973,045 | (987,195) | (14,150) | (14,150) | - | - |
| FTA Rural Trnst Assistance FFY12 | 15,808 | - | 15,808 | 2,163 | - | 13,645 |
| FTA#5309 Formula Funds Program | 1,951,895 | - | 1,951,895 | 116,208 | - | 1,835,687 |
| FTA5309 Livability Program FY13 | 20,286 | - | 20,286 | - | - | 20,286 |
| FTA Sec 5311 Non-Urbanized Area | 595,843 | - | 595,843 | 500,125 | 95,718 | - |
| FTA Rural Trnst Asst- RTAP | 4,178 | - | 4,178 | 3,074 | - | 1,104 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations & Amendments | Total | Expenditures | Reserves and Encumbrances | Unexpended Appropriations |
|------------------------------------|--------------------|-----------------------------|------------------|------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| FTA Planning Program 6305(e) | 38,662 | - | 38,662 | 36,390 | - | 2,272 |
| Rural Transit Assistance Program06 | - | 263 | 263 | 263 | - | - |
| FTA Sec5311 FFY2013 Grant | - | 500,000 | 500,000 | 500,000 | - | - |
| FTA Sec5305 Metropolitan Trans | - | 200,000 | 200,000 | - | - | 200,000 |
| Total Transportation | 3,599,717 | (286,932) | 3,312,785 | 1,144,073 | 95,718 | 2,072,994 |
| Total Highways and Streets | 3,599,717 | (276,932) | 3,322,785 | 1,154,073 | 95,718 | 2,072,994 |
| Sanitation: | | | | | | |
| Environmental Management: | | | | | | |
| Glass Recovery DOH ASO#11-005 | 3,250 | - | 3,250 | - | - | 3,250 |
| W Maui Recycled Water System Exp | 671,000 | - | 671,000 | - | - | 671,000 |
| Hyatt/W Maui Recycled Water | 501,237 | - | 501,237 | - | - | 501,237 |
| Stanwood/W Maui Recycled Water | 1,863,840 | - | 1,863,840 | - | - | 1,863,840 |
| Dep Beverage Container DOH-MDL | 11,824 | - | 11,824 | - | - | 11,824 |
| Used Motor Oil Collection FY 15 | 10,333 | - | 10,333 | 8,125 | - | 2,208 |
| Glass Recovery Program | 49,360 | - | 49,360 | - | - | 49,360 |
| Advance glass disposal fee | - | 83,000 | 83,000 | 55,333 | - | 27,667 |
| Electronic Device Recycling | - | 50,000 | 50,000 | 50,000 | - | - |
| Used Oil Recovery07 aso06145#2 | 339 | - | 339 | - | - | 339 |
| Total Environmental Management | 3,111,183 | 133,000 | 3,244,183 | 113,458 | - | 3,130,725 |
| Total Sanitation | 3,111,183 | 133,000 | 3,244,183 | 113,458 | - | 3,130,725 |
| Social Welfare: | | | | | | |
| Office of the Mayor: | | | | | | |
| Hawaii St Comm/Status Women | 649 | - | 649 | - | - | 649 |
| Hawaii St Comm/Status Women | 2,022 | - | 2,022 | 1,791 | - | 231 |
| Hawaii St Comm/Status Women | - | 4,000 | 4,000 | 1,261 | - | 2,739 |
| Innovate Hawaii | - | 10,000 | 10,000 | - | - | 10,000 |
| Total Office of the Mayor | 2,671 | 14,000 | 16,671 | 3,052 | - | 13,619 |
| Housing and Human Concerns: | | | | | | |
| Aging/Disability Rsrc Center ST/HL | 3,352 | (50,000) | (46,648) | (46,648) | - | - |
| Hawaii Community Living 2010.11N | 1,301 | - | 1,301 | 1,301 | - | - |
| HI Mental Health Transform Sig | 24,000 | - | 24,000 | - | - | 24,000 |
| Home - 1st Time Homebuyers Proj | - | 21,161 | 21,161 | 21,161 | - | - |
| Hospital Discharge Png Grant | 3,350 | - | 3,350 | (12,145) | - | 15,495 |
| Aging/Disability Rsrc Ctr 2010N | 15,720 | - | 15,720 | 10,844 | - | 4,876 |
| ARRA09 Healthy Aging Partnership | 511 | - | 511 | - | - | 511 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances | | Appropriations & Amendments | Total | Expenditures | | Reserves and Encumbrances | | Unexpended Appropriations |
|-------------------------------------|-----------|-------------|--------------------------------|-------------|--------------|--------|------------------------------|----|------------------------------|
| | Forwarded | | | | | | | | |
| Aging Title III DHHS FY11 MA201103 | \$ 73,232 | \$ (27,033) | \$ (100,265) | \$ (27,033) | \$ (27,223) | \$ 190 | \$ | \$ | \$ 3,664 |
| Elder Abuse Related Services - FY11 | 3,664 | - | - | 3,664 | - | - | - | - | 3,664 |
| EOADOH MAKC.FB10-11.a FY11 | 6,459 | - | - | 6,459 | 3,120 | - | - | - | 3,339 |
| Home FFY10 Administration | 8,539 | - | - | 8,539 | 8,103 | 6 | - | - | 430 |
| MSC Leisure FY2011 | 40 | - | - | 40 | 40 | - | - | - | - |
| I&A Outreach Aging 00/01 | 597 | - | - | 597 | - | - | - | - | 597 |
| Hospital Discharge Png Grant | 25,736 | - | - | 25,736 | (9,981) | - | - | - | 35,717 |
| Aging/Disability Rsrc Ctr 2010N | 13,156 | - | - | 13,156 | 4,472 | - | - | - | 8,684 |
| ARRA09 Healthy Aging Partnership | 2,260 | - | - | 2,260 | - | - | - | - | 2,260 |
| Aging Title III DHHS FY12 | 550 | - | - | 550 | 64 | - | - | - | 486 |
| Mental Health Transformation Grant | 16 | - | - | 16 | - | - | - | - | 16 |
| Aging EOADOH Kupuna Care FY12 | 46,113 | - | (46,113) | - | - | - | - | - | - |
| Home FFY11 Administration | 2,214 | - | - | 2,214 | 818 | - | - | - | 1,010 |
| MSC Leisure FY2012 | 50,374 | - | - | 50,374 | 19,886 | 8,289 | - | - | 22,199 |
| Healthy Aging Partners hip | 1 | 1,240 | - | 1,241 | 1,241 | - | - | - | - |
| Aging Title III Programs | 94 | 1,713 | - | 1,807 | 1,148 | - | - | - | 659 |
| Elder Abuse Prevention SFY13 | 125 | - | - | 125 | (64) | - | - | - | 189 |
| Elder Abuse Prevention SFY12 | 14,715 | - | - | 14,715 | (11,778) | - | - | - | 26,493 |
| Kupuna Care Program | 29,557 | - | (10,997) | 18,560 | 18,357 | - | - | - | 203 |
| Aging & Disability Resource | 2,153 | - | - | 2,153 | 2,153 | - | - | - | - |
| Congregate Meals Title III | 30,254 | - | (49,123) | (18,869) | (18,869) | - | - | - | - |
| Congregate Meals Private Donation | 3 | - | - | 3 | 3 | - | - | - | - |
| Leisure Activities FY13 | 3,534 | - | - | 3,534 | - | - | - | - | 3,534 |
| Sec 8 Housing Admin Prg FY2013 | 45 | - | - | 45 | - | 45 | - | - | - |
| Kupuna Care Program SF14 | 1,083 | - | (19,262) | (18,179) | (18,179) | - | - | - | - |
| Elder Abuse Prevention SF14 | 2 | - | - | 2 | 1 | - | - | - | 1 |
| Leisure Activities FY14 | 51,203 | - | - | 51,203 | - | - | - | - | 51,203 |
| Congregate Meals NSIP FY14 | 547 | 463 | - | 1,010 | 1,010 | - | - | - | - |
| Home Delivered Meals - NSIP FY14 | 4 | - | - | 4 | 4 | - | - | - | - |
| Aging Title III Programs | 59,321 | - | (70,789) | (11,468) | (11,468) | - | - | - | - |
| Care Transition Program | 184,391 | - | - | 184,391 | 1,229 | - | - | - | 183,162 |
| Aging & Disability Resource | 49,594 | 3,817 | - | 53,411 | 53,411 | - | - | - | - |
| Aging Title III Voluntary | - | 10,357 | - | 10,357 | 10,357 | - | - | - | - |
| Sec 8 Housing Admin FY2014 | 198,283 | - | - | 198,283 | - | 148 | - | - | 198,135 |
| Kupuna Care Program | 138,701 | (26,160) | - | 112,541 | 112,541 | - | - | - | - |
| Elder Abuse Prevention SF15 | 22,675 | - | - | 22,675 | 9,870 | 2,924 | - | - | 9,881 |
| Leisure Activities FY15 | 81,117 | - | - | 81,117 | 13,696 | 2,304 | - | - | 65,117 |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | | Appropriations & Amendments | | Total | Expenditures | | Reserves and Encumbrances | | Unexpended Appropriations |
|--------------------------------------|--------------------|-----------|-----------------------------|-----------|-----------|--------------|----------|---------------------------|----|---------------------------|
| | \$ | 623 | \$ | (623) | | \$ | \$ | \$ | \$ | |
| Congregate Meals Title III | | 687 | | - | 687 | | 687 | | | |
| Banfield Charitable Trust | | 29,476 | | 14,165 | 43,641 | | 43,641 | | | |
| Congregate Meals NSIP FY15 | | - | | (26,180) | (26,180) | | (26,180) | | | |
| Home Delivered Meals Kupuna | | 41,983 | | - | 41,983 | | 41,983 | | | |
| Home Delivered Meals - NSIP FY15 | | 26,180 | | - | 26,180 | | 26,180 | | | |
| Home Delivered Meals Title III | | 208,085 | | (80,334) | 127,751 | | 97,538 | 14,794 | | 15,419 |
| Aging Title III Programs | | 530,843 | | 455,938 | 986,781 | | 617,880 | 25,000 | | 343,901 |
| Aging & Disability Resource | | 1,000 | | - | 1,000 | | - | - | | 1,000 |
| Private Donation/Matson | | 20,000 | | - | 20,000 | | - | - | | 20,000 |
| Voluntary Contributions | | 172,648 | | - | 172,648 | | 19,861 | - | | 152,987 |
| Healthy Aging Partnership | | 51,866 | | 3,000 | 54,866 | | 54,866 | - | | - |
| RSVP Retired & Sr Vol Program | | 133,543 | | (133,543) | - | | - | - | | - |
| NSIP Nutrition Services Incentive | | 32,970 | | 40,047 | 73,017 | | 68,143 | - | | 4,874 |
| Healthy Aging Voluntary Contribution | | 20,000 | | - | 20,000 | | 20,000 | - | | - |
| A&B Kokua Giving Contribution | | - | | - | - | | (21,161) | - | | 21,161 |
| Home FFY14 Kulamalu Reprg | | 150,064 | | - | 150,064 | | 44,531 | 475 | | 105,058 |
| Home FFY14 Administration | | 2,263,415 | | - | 2,263,415 | | 318,803 | 1,944,612 | | - |
| Home FFY14 Kulamalu Aft Pj | | 163,687 | | (171,316) | (7,629) | | (7,629) | - | | - |
| Sec 8 Housing Voucher FY2015 | | 305,154 | | (302,902) | 2,252 | | 835 | 1,417 | | - |
| Sec 8 Housing Admin FY2015 | | 7,349 | | - | 7,349 | | 7,296 | - | | 53 |
| Home FFY04 Administration | | 115 | | - | 115 | | - | - | | - |
| MSC Leisure Activity FY06 | | - | | 834,819 | 834,819 | | 577,758 | 82,726 | | 174,335 |
| Kupuna care program | | - | | 20,000 | 20,000 | | 10,389 | - | | 9,611 |
| A&b Kokua Giving Contrib | | - | | 12,774 | 12,774 | | 12,774 | - | | - |
| Assisted Transport Pt | | - | | 60,604 | 60,604 | | 17,782 | - | | 42,822 |
| Congregate Meals NSIP FY16 | | - | | 104,068 | 104,068 | | 104,068 | - | | - |
| Congregate Mls Pt Donation | | - | | 60,603 | 60,603 | | 15,078 | - | | 45,525 |
| Home Delivered Meals NSIP FY16 | | - | | 77,532 | 77,532 | | 77,532 | - | | - |
| Home Del Meals Pt Donation | | - | | 121,602 | 121,602 | | 19,387 | - | | 102,215 |
| Leisure Activities FY 16 | | - | | 79,037 | 79,037 | | 79,037 | - | | - |
| Assist Transport-Kupuna | | - | | 131,368 | 131,368 | | 131,368 | - | | - |
| Congregate Meals Title III | | - | | 56,994 | 56,994 | | 56,994 | - | | - |
| Home Delivered Meals Kupuna | | - | | 130,925 | 130,925 | | 130,925 | - | | - |
| Home Delivered Mls Title III | | - | | 2,000 | 2,000 | | - | - | | 2,000 |
| Matson Foundation Contrib | | - | | 566,429 | 566,429 | | 260,265 | 92,208 | | 213,956 |
| Aging Title III Prgs | | - | | 200 | 200 | | - | - | | 200 |
| Kupuna Care Vol Contrib | | - | | 65,850 | 65,850 | | 11,855 | - | | 53,995 |
| RSVP Retired & Sr Vol Prg | | - | | - | - | | - | - | | - |

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances | Appropriations | Total | Expenditures | Reserves and | Unexpended |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| | Forwarded | & Amendments | | | Encumbrances | Appropriations |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Nutrition Svcs Incentive | - | 88,347 | 88,347 | - | - | 88,347 |
| Elder Abuse Prevention SY16 | - | 26,492 | 26,492 | - | - | 26,492 |
| Strategic Prevention Framework | - | 110,000 | 110,000 | - | - | 110,000 |
| Sec 8 Housing Voucher FY16 | - | 16,338,728 | 16,338,728 | 15,909,363 | - | 429,365 |
| Sec 8 Housing Admin FY16 | - | 1,425,848 | 1,425,848 | 1,279,918 | 3,522 | 142,408 |
| Fss Coordinator Grant | - | 69,000 | 69,000 | 28,957 | - | 40,043 |
| Title V Local Delinquency Prevention | 66,404 | (66,404) | - | - | - | - |
| MSC Leisure Activity FY07 | 7,909 | - | 7,909 | 5,352 | - | 2,557 |
| Sec 8 Family Self-Sufficient | 67,154 | 35,551 | 102,705 | 18,547 | - | 84,158 |
| Aging EO/DOH MA-KC-2008-09(a) | 1 | (1) | - | - | - | - |
| Home FFY06 administration | 9,217 | (9,217) | - | - | - | - |
| Assisted Transportation SH POS08 | 42,167 | - | 42,167 | 8,395 | - | 33,772 |
| Home FFY08 Administration | 925 | - | 925 | (689) | 354 | 1,260 |
| Sec8 Hsg Asst Pymts (HAP)-NRA | 93,295 | 261,310 | 354,605 | - | - | 354,605 |
| Sec8 Hsg Asst Pymts (Adm)-NRA | 626,894 | 448,690 | 1,075,584 | - | - | 1,075,584 |
| Total Housing and Human Concerns | 6,222,240 | 20,517,443 | 26,739,683 | 20,200,719 | 2,179,400 | 4,359,564 |
| Total Social Welfare | 6,224,911 | 20,531,443 | 26,756,354 | 20,203,771 | 2,179,400 | 4,373,183 |
| Culture and Recreation: | | | | | | |
| Parks and Recreation: | | | | | | |
| Playground Equipment One Aji Park - USDA | 19,042 | (19,042) | - | - | - | - |
| ST/HI VMSTDMPA SYS SLH2010 | 145,000 | - | 145,000 | - | - | 145,000 |
| ST/HI Nahiku Community Center | 250,000 | - | 250,000 | - | 250,000 | - |
| War Memorial Stadium | 829,855 | - | 829,855 | - | - | 829,855 |
| Makana Lifeguard Services | 149,565 | - | 149,565 | 149,478 | 84 | 3 |
| Play & Learn Sessions (PALS) | - | 100,000 | 100,000 | 73,996 | - | 26,004 |
| Makana Lifeguard Services | - | 606,469 | 606,469 | 317,958 | 6,294 | 282,217 |
| Total Parks and Recreation | 1,393,462 | 687,427 | 2,080,889 | 541,432 | 256,378 | 1,283,079 |
| Total Culture and Recreation | 1,393,462 | 687,427 | 2,080,889 | 541,432 | 256,378 | 1,283,079 |
| Totals for the Intergovernmental Grants Fund | \$ 24,919,931 | \$ 29,100,744 | \$ 54,020,675 | \$ 32,258,228 | \$ 5,176,039 | \$ 16,586,408 |

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues |
|--|----------------------|--------------------------|----------------------|----------------------|--------------------------|
| | | | | | Over or (Under) Estimate |
| Charges for current services: | | | | | |
| Sanitation: | | | | | |
| Refuse | \$ 6,864,000 | \$ -- | \$ 6,864,000 | \$ 6,979,899 | \$ 115,899 |
| Landfill disposal fee | 9,979,339 | -- | 9,979,339 | 9,651,867 | (327,472) |
| Total - Sanitation | 16,843,339 | -- | 16,843,339 | 16,631,766 | (211,573) |
| Total - Charges for current services | 16,843,339 | -- | 16,843,339 | 16,631,766 | (211,573) |
| Other revenues: | | | | | |
| Sanitation: | | | | | |
| Miscellaneous general receipts | -- | -- | -- | 82 | 82 |
| Miscellaneous program receipts | -- | -- | -- | 28,352 | 28,352 |
| Total - Sanitation | -- | -- | -- | 28,434 | 28,434 |
| Total - Other revenues | -- | -- | -- | 28,434 | 28,434 |
| Total Solid Waste Fund Revenues | \$ 16,843,339 | \$ -- | \$ 16,843,339 | \$ 16,660,200 | \$ (183,139) |

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Department and Appropriation | Balances Forwarded | Appropriations | Transfers and Additions | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|--|---------------------|----------------------|-------------------------|-------------|----------------------|----------------------|---------------------------|-----------------------|
| | | | | | | | | |
| Sanitation: | | | | | | | | |
| Environmental Management: | | | | | | | | |
| EP&S Solid Waste Alternative | \$ - | \$ 4,550,414 | \$ 1,572 | \$ - | \$ 4,551,986 | \$ 3,964,357 | \$ 262,190 | \$ 325,439 |
| Solid Waste Administration | 29,856 | 1,174,882 | 8,940 | - | 1,213,678 | 1,038,416 | 4,609 | 170,653 |
| Solid Waste ERS & FICA | - | 1,383,743 | 7,289 | - | 1,391,032 | 1,267,139 | - | 123,893 |
| Solid Waste Health Fund | - | 978,443 | 5,154 | - | 983,597 | 915,813 | - | 67,784 |
| Solid Waste Admin Overhead | - | 4,656,921 | 24,198 | - | 4,681,119 | 4,318,833 | - | 362,286 |
| Solid Waste Contribution to OFEB | - | 752,778 | 3,965 | - | 756,743 | 756,743 | - | - |
| Solid Waste Operations | 2,031,325 | 11,318,883 | 19,056 | - | 13,369,264 | 12,131,394 | 661,379 | 576,491 |
| Abandoned Vehicle Scrap Metal | 50,769 | - | - | - | 50,769 | 48,506 | - | 2,263 |
| Total Environmental Management | 2,111,950 | 24,816,064 | 70,174 | - | 26,998,188 | 24,441,201 | 928,178 | 1,628,809 |
| Total Sanitation | 2,111,950 | 24,816,064 | 70,174 | - | 26,998,188 | 24,441,201 | 928,178 | 1,628,809 |
| Totals for the Solid Waste Fund | \$ 2,111,950 | \$ 24,816,064 | \$ 70,174 | \$ - | \$ 26,998,188 | \$ 24,441,201 | \$ 928,178 | \$ 1,628,809 |

COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|---|----------------------|-----------------------------|---------------------|---------------------|---|
| Licenses and permits: | | | | | |
| Social Welfare: | | | | | |
| Business licenses and permits | \$ 2,060,977 | \$ 43,032 | \$ 2,104,009 | \$ 2,002,512 | \$ (101,497) |
| Total - Licenses and permits | <u>2,060,977</u> | <u>43,032</u> | <u>2,104,009</u> | <u>2,002,512</u> | <u>(101,497)</u> |
| Total Liquor Control Fund Revenues | <u>\$ 2,060,977</u> | <u>\$ 43,032</u> | <u>\$ 2,104,009</u> | <u>\$ 2,002,512</u> | <u>\$ (101,497)</u> |

COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| Department and Appropriation | Balances | | Transfers and | | Total | Expenditures | Reserves and Encumbrances | Lapsed Appropriations |
|---|------------------|---------------------|------------------|---------------------|---------------------|------------------|---------------------------|-----------------------|
| | Forwarded | Appropriations | Additions | | | | | |
| Social Welfare: | | | | | | | | |
| Liquor Control: | | | | | | | | |
| Liquor Control General | \$ 32,551 | \$ 1,872,625 | \$ 43,032 | \$ 1,948,208 | \$ 1,455,570 | \$ 11,114 | \$ 481,524 | |
| Liquor Admin Overhead Charges | — | 1,052,627 | — | 1,052,627 | 754,334 | — | 286,293 | |
| Total Liquor Control | 32,551 | 2,925,252 | 43,032 | 3,000,835 | 2,209,904 | 11,114 | 779,817 | |
| Total Social Welfare | 32,551 | 2,925,252 | 43,032 | 3,000,835 | 2,209,904 | 11,114 | 779,817 | |
| Totals for the Liquor Control Fund | \$ 32,551 | \$ 2,925,252 | \$ 43,032 | \$ 3,000,835 | \$ 2,209,904 | \$ 11,114 | \$ 779,817 | |

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Source of Revenues | Original Estimate | Amendments and Transfers | Final Estimate | Actual Revenues | Revenues Over or (Under) Estimate |
|---|----------------------|-----------------------------|---------------------|----------------------|---|
| Intergovernmental revenue: | | | | | |
| Capital improvement projects: | | | | | |
| State grants | \$ 2,150,000 | \$ (314,089) | \$ 1,835,911 | \$ -- | \$ (1,835,911) |
| Federal grants passed through the state | 4,866,734 | 89,095 | 4,955,829 | 11,606,894 | 6,651,065 |
| Total - Intergovernmental revenues | <u>7,016,734</u> | <u>(224,994)</u> | <u>6,791,740</u> | <u>11,606,894</u> | <u>4,815,154</u> |
| Interest and investment earnings: | | | | | |
| General revenue: | | | | | |
| Interest on investments | -- | -- | -- | 29,443.00 | 29,443 |
| Capital improvement projects: | | | | | |
| Interest on investments | -- | -- | -- | 12,654 | 12,654 |
| Total - Interest and investment earnings | <u>--</u> | <u>--</u> | <u>--</u> | <u>42,097</u> | <u>42,097</u> |
| Other revenues: | | | | | |
| Capital improvement projects: | | | | | |
| Capital contributions | 1,992,909 | -- | 1,992,909 | 728 | (1,992,181) |
| Total - Other revenues | <u>1,992,909</u> | <u>--</u> | <u>1,992,909</u> | <u>728</u> | <u>(1,992,181)</u> |
| Total Capital Improvement Projects Fund Revenues | \$ 9,009,643 | \$ (224,994) | \$ 8,784,649 | \$ 11,649,719 | \$ 2,865,070 |

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Years Actual</u> | <u>Current Year Actual</u> | <u>Total Actual to Date</u> | <u>Project Authorization</u> |
|------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| EXPENDITURES: | | | | |
| Capital outlay: | | | | |
| Drainage | \$ 2,804,583 | \$ 4,682,275 | \$ 7,486,858 | \$ 17,351,812 |
| Other projects | 4,250,047 | 3,621,617 | 7,871,664 | 14,101,530 |
| Government facilities | 5,676,867 | 5,392,992 | 11,069,859 | 25,380,668 |
| Parks and recreation | 2,441,191 | 6,212,787 | 8,653,978 | 33,284,879 |
| Roads | 24,072,800 | 24,156,544 | 48,229,344 | 95,244,498 |
| Solid waste facilities | 1,797 | 1,696,209 | 1,698,006 | 4,470,515 |
| Wastewater facilities | <u>13,543,013</u> | <u>19,384,309</u> | <u>32,927,322</u> | <u>56,392,625</u> |
| Total Expenditures | <u>\$ 52,790,298</u> | <u>\$ 65,146,733</u> | <u>\$ 117,937,031</u> | <u>\$ 246,226,527</u> |

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2016 AND 2015

| | 2016 | 2015 |
|--|------------------------|------------------------|
| Governmental activities capital assets: | | |
| Land | \$ 171,460,971 | \$ 166,213,559 |
| Buildings and systems | 163,722,690 | 162,753,447 |
| Improvements other than buildings | 143,037,911 | 136,370,151 |
| Machinery and equipment | 140,892,546 | 136,314,637 |
| Infrastructure | 1,132,958,660 | 1,050,787,986 |
| Construction in progress | 59,728,979 | 95,081,653 |
| Accumulated depreciation | <u>(1,045,106,688)</u> | <u>(1,007,281,233)</u> |
| Total governmental activities capital assets | <u>\$ 766,695,069</u> | <u>\$ 740,240,200</u> |

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2016

| Function and Department | Land | Improvements | | | Machinery and Equipment | Infrastructure | Construction In Progress | Accumulated Depreciation | Total |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------------|---------------------------|--------------------------|-------|
| | | Buildings and Systems | Other Than Buildings | | | | | | |
| General government: | | | | | | | | | |
| Office of the Mayor | \$ 13,013,208 | \$ - | \$ 1,800,722 | \$ 105,994 | \$ - | \$ - | \$ (654,265) | \$ 14,265,659 | |
| Management | 10,875,881 | 1,075,286 | - | 3,637,665 | - | 3,315,865 | (3,081,836) | 15,822,861 | |
| Corporation Counsel | - | - | - | 91,719 | - | - | (91,719) | - | |
| Finance | - | 845,180 | - | 827,707 | - | 15,176 | (1,374,602) | 313,461 | |
| Planning | - | - | - | 547,108 | - | 1,094,765 | (542,758) | 1,099,115 | |
| Parks and Recreation | 2,893,700 | 306,300 | - | - | - | - | (131,454) | 3,068,546 | |
| Public Works | 12,987,221 | 14,508,070 | 11,024,173 | 1,124,951 | - | 1,584,361 | (21,390,774) | 19,838,002 | |
| Total for General government | 39,770,010 | 16,734,836 | 12,824,895 | 6,335,144 | - | 6,010,167 | (27,267,408) | 54,407,644 | |
| Public safety: | | | | | | | | | |
| Management | - | - | - | - | 16,678,436 | 6,264,838 | (1,134,167) | 21,809,107 | |
| Prosecuting Attorney | - | - | - | 223,082 | - | - | (223,082) | - | |
| Police | 1,318,642 | 54,752,806 | 4,763,175 | 30,256,552 | - | 116,600 | (45,352,251) | 45,855,524 | |
| Fire and Public Safety | 1,186,759 | 38,784,186 | 892,496 | 23,589,868 | - | 936,990 | (41,124,977) | 24,265,322 | |
| Civil Defense | - | 497,445 | - | 572,999 | - | - | (478,181) | 592,263 | |
| Total for Public safety | 2,505,401 | 94,034,437 | 5,655,671 | 54,642,501 | - | 7,318,428 | (88,312,658) | 92,522,216 | |
| Highways and streets: | | | | | | | | | |
| Public Works | 61,177,405 | - | 643,822 | 23,163,351 | 603,790,514 | 18,818,595 | (470,383,084) | 237,210,603 | |
| Transportation | - | 1,115,019 | - | 14,731,040 | - | 814,624 | (10,468,577) | 6,192,106 | |
| Total for Highways and streets | 61,177,405 | 1,115,019 | 643,822 | 37,894,391 | 603,790,514 | 19,633,219 | (480,851,661) | 243,402,709 | |
| Sanitation: | | | | | | | | | |
| Environmental Management | 4,231,745 | 1,927,524 | - | 30,007,841 | 512,489,710 | 21,859,804 | (324,759,816) | 245,756,808 | |
| Total for Sanitation | 4,231,745 | 1,927,524 | - | 30,007,841 | 512,489,710 | 21,859,804 | (324,759,816) | 245,756,808 | |
| Social welfare: | | | | | | | | | |
| Liquor Control | - | - | - | 476,453 | - | - | (430,094) | 46,359 | |
| Housing and Human Concerns | 3,855,202 | 14,455,693 | 963,124 | 1,318,351 | - | 798,172 | (11,740,538) | 9,670,004 | |
| Total for Social welfare | 3,855,202 | 14,455,693 | 963,124 | 1,794,804 | - | 798,172 | (12,170,632) | 9,716,363 | |
| Culture and recreation: | | | | | | | | | |
| Parks and Recreation | 59,921,208 | 35,455,181 | 122,930,399 | 10,068,221 | - | 4,109,189 | (111,605,166) | 120,879,032 | |
| Total for Culture and recreation | 59,921,208 | 35,455,181 | 122,930,399 | 10,068,221 | - | 4,109,189 | (111,605,166) | 120,879,032 | |
| Legislative: | | | | | | | | | |
| County Council | - | - | - | 94,777 | - | - | (92,062) | 2,715 | |
| County Clerk | - | - | - | 54,867 | - | - | (47,285) | 7,582 | |
| Total for Legislative | - | - | - | 149,644 | - | - | (139,347) | 10,297 | |
| Cost of capital assets used by governmental funds | \$ 171,460,971 | \$ 163,722,660 | \$ 143,037,911 | \$ 140,892,546 | \$ 1,132,958,660 | \$ 59,728,979 | \$ (1,045,106,688) | \$ 766,695,069 | |

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2016

| Function and Department | Governmental Capital Assets July 1, 2015 | Additions | Deductions | Governmental Capital Assets June 30, 2016 |
|---|--|-----------------------|-------------------------|---|
| General government: | | | | |
| Office of the Mayor | \$ 15,027,993 | \$ 17,179 | \$ (125,248) | \$ 14,919,924 |
| Management | 16,323,608 | 3,795,929 | (1,214,840) | 18,904,697 |
| Corporation Counsel | 91,719 | - | - | 91,719 |
| Finance | 1,703,137 | 322,172 | (337,246) | 1,688,063 |
| Planning | 1,741,615 | - | (99,742) | 1,641,873 |
| Liquor Control | - | 234 | (234) | - |
| Parks and Recreation | 3,200,000 | - | - | 3,200,000 |
| Public Works | 40,743,133 | 2,875,897 | (2,390,254) | 41,228,776 |
| Total for General government | <u>78,831,205</u> | <u>7,011,411</u> | <u>(4,167,564)</u> | <u>81,675,052</u> |
| Public safety: | | | | |
| Management | 21,661,739 | 18,176,348 | (16,894,813) | 22,943,274 |
| Prosecuting Attorney | 223,082 | - | - | 223,082 |
| Police | 90,005,630 | 1,922,533 | (720,388) | 91,207,775 |
| Fire and Public Safety | 65,010,375 | 1,459,240 | (1,079,316) | 65,390,299 |
| Civil Defense | 1,561,356 | 105,204 | (596,116) | 1,070,444 |
| Total for Public safety | <u>178,462,182</u> | <u>21,663,325</u> | <u>(19,290,633)</u> | <u>180,834,874</u> |
| Highways and streets: | | | | |
| Public Works | 676,735,415 | 84,840,053 | (53,981,781) | 707,593,687 |
| Transportation | 16,347,743 | 2,288,523 | (1,975,583) | 16,660,683 |
| Total for Highways and streets | <u>693,083,158</u> | <u>87,128,576</u> | <u>(55,957,364)</u> | <u>724,254,370</u> |
| Sanitation: | | | | |
| Environmental Management | 549,641,274 | 41,946,000 | (21,070,650) | 570,516,624 |
| Total for Sanitation | <u>549,641,274</u> | <u>41,946,000</u> | <u>(21,070,650)</u> | <u>570,516,624</u> |
| Social welfare: | | | | |
| Liquor Control | 470,973 | 5,480 | - | 476,453 |
| Housing and Human Concerns | 21,384,478 | 143,847 | (117,783) | 21,410,542 |
| Total for Social welfare | <u>21,855,451</u> | <u>149,327</u> | <u>(117,783)</u> | <u>21,886,995</u> |
| Culture and recreation: | | | | |
| Parks and Recreation | 225,516,050 | 14,960,433 | (7,992,285) | 232,484,198 |
| Total for Culture and recreation | <u>225,516,050</u> | <u>14,960,433</u> | <u>(7,992,285)</u> | <u>232,484,198</u> |
| Legislative: | | | | |
| County Council | 108,117 | - | (13,340) | 94,777 |
| County Clerk | 23,996 | 30,871 | - | 54,867 |
| Total for Legislative | <u>132,113</u> | <u>30,871</u> | <u>(13,340)</u> | <u>149,644</u> |
| Economic development: | | | | |
| Environmental Management | - | - | - | - |
| Total for Economic development | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cost of capital assets used by governmental funds | 1,747,521,433 | 172,889,943 | (108,609,619) | 1,811,801,757 |
| Less accumulated depreciation | <u>(1,007,281,233)</u> | <u>(44,124,549)</u> | <u>6,299,094</u> | <u>(1,045,106,688)</u> |
| Capital assets net of accumulated depreciation | <u>\$ 740,240,200</u> | <u>\$ 128,765,394</u> | <u>\$ (102,310,525)</u> | <u>\$ 766,695,069</u> |

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COUNTY OF MAUI

Statistical Section (Unaudited)

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for use in evaluating the information contained in the basic financial statements, notes to the basic financial statements, and required supplementary information with the goal of providing the user a better understanding of the County's economic condition.

| Contents | Tables |
|---|---------------|
| Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. | 1 - 5 |
| Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. | 6 - 8 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. | 9 - 11 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. | 12 - 14 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial statements relates to the services the County provides and the activities it performs. | 15 - 16 |

TABLE 1
COUNTY OF MAUI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 276,942 | \$ 287,157 | \$ 343,638 | \$ 371,411 | \$ 361,022 | \$ 395,526 | \$ 396,519 | \$ 457,961 | \$ 478,521 | \$ 498,764 |
| Restricted | 122,451 | 91,444 | 76,825 | 83,950 | 91,162 | 71,585 | 68,375 | 47,433 | 61,863 | 63,422 |
| Unrestricted ¹ | 41,913 | 119,560 | 98,814 | 85,356 | 85,850 | 55,090 | 72,103 | 42,753 | (285,629) | (276,265) |
| Total governmental activities net position | \$ 441,306 | \$ 498,161 | \$ 519,277 | \$ 540,717 | \$ 538,034 | \$ 522,201 | \$ 536,997 | \$ 548,147 | \$ 254,755 | \$ 285,921 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 261,268 | \$ 267,744 | \$ 271,646 | \$ 285,042 | \$ 290,830 | \$ 286,968 | \$ 290,752 | \$ 284,637 | \$ 282,110 | \$ 291,052 |
| Restricted | 18,518 | 15,999 | 14,816 | 14,973 | 14,609 | 13,646 | 12,284 | 13,082 | 11,612 | 14,825 |
| Unrestricted ¹ | 15,146 | 20,563 | 19,023 | 18,970 | 26,167 | 32,605 | 36,456 | 46,042 | 24,512 | 18,354 |
| Total business-type activities net position | \$ 294,932 | \$ 304,306 | \$ 305,485 | \$ 318,985 | \$ 331,606 | \$ 333,219 | \$ 339,492 | \$ 343,761 | \$ 318,234 | \$ 324,231 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 538,210 | \$ 554,901 | \$ 615,284 | \$ 656,453 | \$ 651,852 | \$ 682,494 | \$ 687,271 | \$ 742,598 | \$ 760,631 | \$ 789,816 |
| Restricted | 140,969 | 107,443 | 91,641 | 98,923 | 105,771 | 85,231 | 80,659 | 60,515 | 73,475 | 78,247 |
| Unrestricted ¹ | 57,059 | 140,123 | 117,837 | 104,326 | 112,017 | 87,695 | 108,559 | 88,795 | (261,117) | (257,911) |
| Total Primary Government Net Position | \$ 736,238 | \$ 802,467 | \$ 824,762 | \$ 859,702 | \$ 869,640 | \$ 855,420 | \$ 876,489 | \$ 891,908 | \$ 572,989 | \$ 610,152 |

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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ 68,533 | \$ 101,570 | \$ 96,688 | \$ 100,571 | \$ 126,334 | \$ 134,646 | \$ 107,565 | \$ 118,866 | \$ 109,324 | \$ 116,738 |
| Public safety | 65,216 | 71,018 | 83,079 | 80,480 | 85,000 | 84,585 | 85,261 | 84,280 | 92,377 | 97,049 |
| Highways and streets | 31,534 | 36,765 | 47,619 | 48,876 | 51,132 | 46,329 | 45,106 | 51,607 | 49,174 | 49,808 |
| Sanitation | 49,044 | 39,017 | 55,094 | 69,920 | 58,654 | 62,793 | 65,402 | 69,856 | 68,234 | 68,962 |
| Social welfare | 35,393 | 38,537 | 43,522 | 44,303 | 40,782 | 42,989 | 46,866 | 46,072 | 43,078 | 46,301 |
| Culture and recreation | 26,693 | 29,478 | 30,698 | 36,310 | 36,239 | 34,396 | 33,018 | 34,418 | 34,837 | 34,821 |
| Legislative | 4,592 | 4,779 | 5,318 | 5,200 | 5,248 | 5,251 | 5,539 | 5,998 | 6,447 | 6,393 |
| Interest on long term debt | 10,487 | 13,547 | 10,628 | 10,131 | 9,438 | 8,926 | 8,960 | 7,982 | 8,559 | 7,563 |
| Total governmental activities expenses | \$ 291,492 | \$ 334,711 | \$ 372,646 | \$ 395,791 | \$ 412,827 | \$ 419,915 | \$ 397,717 | \$ 419,079 | \$ 412,030 | \$ 427,635 |
| Business-Type activities: | | | | | | | | | | |
| Department of Water Supply | \$ 42,021 | \$ 44,390 | \$ 46,959 | \$ 46,827 | \$ 46,687 | \$ 54,013 | \$ 53,612 | \$ 55,539 | \$ 64,514 | \$ 62,081 |
| Housing, Interim Financing and Buy-Back Revolving Fund | 186 | 181 | 175 | 610 | 206 | 268 | 207 | 514 | 206 | 208 |
| Municipal Golf Course | 1,838 | 1,949 | 2,138 | 2,389 | 2,088 | 2,096 | 2,235 | 2,348 | 3,400 | 3,501 |
| Total business-type activities expenses | 44,045 | 46,520 | 49,272 | 49,826 | 48,981 | 56,377 | 56,054 | 58,401 | 68,120 | 65,790 |
| Total primary government expenses | \$ 335,537 | \$ 381,231 | \$ 421,918 | \$ 445,617 | \$ 461,808 | \$ 476,292 | \$ 453,771 | \$ 477,480 | \$ 480,150 | \$ 493,425 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 12,806 | \$ 11,765 | \$ 12,663 | \$ 10,950 | \$ 12,433 | \$ 12,602 | \$ 13,265 | \$ 13,104 | \$ 14,455 | \$ 14,287 |
| Public safety | 527 | 384 | 1,465 | 337 | 436 | 452 | 458 | 550 | 417 | 839 |
| Highways and streets | 9,277 | 10,006 | 10,166 | 12,097 | 17,821 | 20,006 | 21,272 | 21,859 | 22,229 | 23,914 |
| Sanitation | 42,451 | 47,075 | 48,682 | 54,093 | 59,082 | 60,568 | 61,559 | 59,583 | 62,359 | 64,857 |
| Social welfare | 1,581 | 2,537 | 2,518 | 2,563 | 2,360 | 2,534 | 2,403 | 3,202 | 2,488 | 2,161 |
| Culture and recreation | 500 | 439 | 542 | 584 | 511 | 574 | 617 | 670 | 479 | 673 |
| Operating grants and contributions | 30,087 | 32,907 | 40,534 | 39,353 | 35,216 | 34,017 | 34,447 | 38,917 | 29,570 | 34,426 |
| Capital grants and contributions | 10,960 | 4,361 | 8,446 | 7,413 | 6,191 | 12,530 | 11,332 | 15,142 | 21,953 | 14,092 |
| Total governmental activities program revenues | \$ 108,189 | \$ 109,474 | \$ 125,016 | \$ 127,390 | \$ 134,050 | \$ 143,283 | \$ 145,353 | \$ 153,027 | \$ 153,950 | \$ 155,249 |
| Business-Type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Department of Water Supply | \$ 37,663 | \$ 40,722 | \$ 42,641 | \$ 46,453 | \$ 47,214 | \$ 50,992 | \$ 54,439 | \$ 55,245 | \$ 59,286 | \$ 60,544 |
| Housing, Interim Financing and Buy-Back Revolving Fund | 148 | 149 | 157 | 154 | 147 | 527 | 163 | 167 | 167 | 181 |
| Municipal Golf Course | 1,427 | 1,403 | 1,229 | 1,138 | 1,158 | 1,106 | 1,116 | 1,087 | 1,136 | 1,163 |
| Capital grants and contributions | 16,586 | 11,317 | 5,865 | 9,983 | 11,901 | 2,541 | 5,552 | 4,369 | 5,643 | 6,465 |
| Total business-type program revenues | 55,824 | 53,591 | 49,892 | 57,728 | 60,420 | 55,166 | 61,270 | 60,868 | 66,232 | 68,353 |
| Total primary government program revenues | \$ 164,013 | \$ 163,065 | \$ 174,908 | \$ 185,118 | \$ 194,470 | \$ 198,449 | \$ 206,623 | \$ 213,895 | \$ 220,182 | \$ 223,602 |
| Net (expense)/revenue ¹ | | | | | | | | | | |
| Governmental activities | \$ (183,303) | \$ (225,237) | \$ (247,630) | \$ (268,401) | \$ (278,777) | \$ (276,632) | \$ (252,364) | \$ (266,052) | \$ (258,060) | \$ (272,386) |
| Business-Type activities | 11,779 | 7,071 | 620 | 7,902 | 11,439 | (1,211) | 5,216 | 2,467 | (1,888) | 2,563 |
| Total primary government net expense | \$ (171,524) | \$ (218,166) | \$ (247,010) | \$ (260,499) | \$ (267,338) | \$ (277,843) | \$ (247,148) | \$ (263,585) | \$ (259,968) | \$ (269,823) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 194,467 | \$ 216,306 | \$ 215,005 | \$ 235,861 | \$ 220,477 | \$ 208,645 | \$ 214,244 | \$ 224,055 | \$ 236,947 | \$ 249,658 |
| Transient accommodation tax | 22,911 | 23,412 | 21,315 | 20,972 | 23,479 | 22,906 | 21,204 | 21,204 | 23,484 | 23,446 |
| Public service corporation tax | 7,887 | 7,983 | 9,335 | 10,265 | 6,094 | 9,622 | 9,767 | 9,834 | 9,771 | 9,264 |
| Franchise tax | 8,673 | 8,743 | 11,298 | 7,550 | 8,468 | 10,429 | 10,714 | 10,762 | 10,782 | 8,962 |
| Fuel tax | 11,837 | 11,383 | 10,498 | 9,679 | 11,085 | 10,438 | 10,618 | 10,676 | 10,900 | 12,522 |
| Interest and investment earnings | 11,431 | 13,935 | 1,538 | 9,858 | 6,489 | 1,283 | 908 | 1,579 | 1,218 | 2,402 |
| Other | 182 | 546 | 209 | 56 | 399 | (4) | 857 | (132) | 795 | 108 |
| Transfers | (285) | (136) | (359) | (4,308) | (267) | (2,388) | (948) | (775) | (2,230) | (2,810) |
| Total governmental activities | \$ 257,123 | \$ 282,172 | \$ 268,839 | \$ 289,933 | \$ 276,224 | \$ 260,931 | \$ 267,364 | \$ 277,203 | \$ 291,667 | \$ 303,552 |
| Business-Type activities: | | | | | | | | | | |
| Interest and investment earnings | \$ 1,851 | \$ 1,924 | \$ 193 | \$ 1,174 | \$ 916 | \$ 165 | \$ 135 | \$ 293 | \$ 330 | \$ 625 |
| Others | - | 243 | 7 | 115 | - | 270 | 154 | 735 | - | - |
| Transfers | 265 | 136 | 359 | 4,308 | 267 | 2,388 | 948 | 775 | 2,230 | 2,810 |
| Total business-type activities | 2,116 | 2,303 | 559 | 5,597 | 1,183 | 2,823 | 1,237 | 1,803 | 2,560 | 3,435 |
| Total primary government | \$ 259,239 | \$ 284,475 | \$ 269,398 | \$ 295,530 | \$ 277,407 | \$ 263,754 | \$ 268,601 | \$ 279,006 | \$ 294,227 | \$ 306,987 |
| Change in Net Position ¹ | | | | | | | | | | |
| Governmental activities | \$ 73,820 | \$ 56,935 | \$ 21,209 | \$ 21,532 | \$ (2,553) | \$ (15,701) | \$ 15,000 | \$ 11,151 | \$ 33,587 | \$ 31,166 |
| Business-Type activities | 13,895 | 9,374 | 1,179 | 13,499 | 12,622 | 1,612 | 6,453 | 4,270 | 672 | 5,998 |
| Total primary government | \$ 87,715 | \$ 66,309 | \$ 22,388 | \$ 35,031 | \$ 10,069 | \$ (14,089) | \$ 21,453 | \$ 15,421 | \$ 34,259 | \$ 37,164 |

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

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Transient Accommodation Tax</u> | <u>Public Service Corporation Tax</u> | <u>Franchise Tax</u> | <u>Fuel Tax</u> | <u>Total</u> |
|--------------------|---------------------|--|---|--------------------------|-----------------|--------------|
| 2007 | \$ 194,467 | \$ 22,911 | \$ 7,887 | \$ 8,673 | \$ 11,837 | \$ 245,775 |
| 2008 | 216,306 | 23,412 | 7,983 | 8,743 | 11,383 | 267,827 |
| 2009 | 215,005 | 21,315 | 9,335 | 11,298 | 10,498 | 267,451 |
| 2010 | 235,861 | 20,972 | 10,265 | 7,550 | 9,679 | 284,327 |
| 2011 | 220,477 | 23,479 | 6,094 | 8,468 | 11,085 | 269,603 |
| 2012 | 208,645 | 22,906 | 9,622 | 10,429 | 10,438 | 262,040 |
| 2013 | 214,244 | 21,204 | 9,767 | 10,714 | 10,618 | 266,547 |
| 2014 | 224,055 | 21,204 | 9,834 | 10,762 | 10,676 | 276,531 |
| 2015 | 236,947 | 23,484 | 9,771 | 10,782 | 10,900 | 291,884 |
| 2016 | 249,658 | 23,446 | 9,264 | 8,962 | 12,522 | 303,852 |

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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|------------------|-------------------|
| General fund | | | | | | | | | | |
| Reserved | \$ 26,590 | \$ 31,022 | \$ 25,717 | \$ 17,549 | | | | | | |
| Unreserved ³ | 64,887 ² | 56,376 ² | 49,748 ² | 68,306 ² | \$ 12,113 | \$ 13,189 | \$ 15,317 | \$ 5,819 | \$ 8,196 | \$ 10,752 |
| Restricted | | | | | 49,042 | 75,114 | 100,727 | 30,009 | 28,307 | 31,696 |
| Committed | | | | | 22,153 | 16,681 | 16,430 | 19,388 | 20,718 | 19,859 |
| Assigned | | | | | 87,319 ² | 51,006 ² | 51,979 ² | 42,404 | 31,657 | 22,708 |
| Unassigned ³ | | | | | | | | | | |
| Total general fund | \$ 91,477 | \$ 87,398 | \$ 75,465 | \$ 85,855 | \$ 170,627 | \$ 155,990 | \$ 184,453 | \$ 97,620 | \$ 88,878 | \$ 85,015 |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 58,228 | \$ 100,207 | \$ 86,117 | \$ 81,585 | | | | | | |
| Unreserved, reported in: ³ | | | | | | | | | | |
| Special revenue funds | 55,074 | 62,160 | 78,114 | 102,777 | | | | | | |
| Capital projects fund | 9,149 | 9,956 | (10,142) | (23,132) | | | | | | |
| Restricted | | | | | \$ 78,768 | \$ 56,745 | \$ 60,479 | \$ 40,722 | \$ 54,824 | \$ 59,937 |
| Committed | | | | | 43,626 | 44,561 | 48,599 | 38,535 | 13,811 | 20,839 |
| Assigned | | | | | 4,253 | 19,155 | 12,543 | 11,715 | 31,097 | 26,510 |
| Total all other governmental funds | \$ 122,451 | \$ 172,323 | \$ 154,089 | \$ 161,230 | \$ 126,647 | \$ 120,461 | \$ 121,621 | \$ 90,972 | \$ 99,732 | \$ 107,286 |

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

² Includes restatement made to property taxes and planning fee deposits

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

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|------------|------------|-------------|------------|------------|-------------|------------|--------------|------------|------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 223,058 | \$ 243,510 | \$ 245,267 | \$ 261,332 | \$ 244,852 | \$ 238,829 | \$ 246,315 | \$ 255,440 | \$ 268,178 | \$ 280,825 |
| Licenses and permits | 16,996 | 17,719 | 16,278 | 17,946 | 22,362 | 26,650 | 27,231 | 28,185 | 30,946 | 30,460 |
| Intergovernmental revenues | 53,117 | 57,001 | 66,185 | 62,707 | 63,792 | 68,001 | 64,074 | 69,449 | 72,049 | 69,037 |
| Charges for current services | 44,159 | 49,196 | 51,525 | 57,633 | 62,234 | 64,364 | 66,036 | 64,251 | 64,839 | 70,575 |
| Fines and forfeitures | 1,778 | 2,049 | 2,294 | 2,712 | 2,767 | 2,131 | 3,018 | 2,250 | 2,075 | 2,537 |
| Interest and investment earnings | 11,953 | 14,164 | 1,706 | 9,973 | 6,594 | 1,416 | 1,018 | 1,747 | 1,358 | 2,592 |
| Assessments | 10,370 | 3,149 | 1,213 | 231 | 670 | 1,219 | 791 | 1,086 | 1,322 | 2,345 |
| Other revenues | 4,186 | 3,809 | 9,128 | 7,507 | 5,387 | 3,842 | 6,076 | 6,882 | 4,604 | 5,140 |
| Total revenues | 365,617 | 390,597 | 393,596 | 420,041 | 408,658 | 406,452 | 414,559 | 429,290 | 445,371 | 463,511 |
| EXPENDITURES ¹ | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 70,467 | 98,268 | 94,429 | 90,136 | 90,652 | 105,552 | 89,510 | 190,718 | 105,479 | 115,623 |
| Public safety | 64,080 | 72,293 | 78,163 | 80,376 | 78,703 | 79,427 | 80,781 | 78,981 | 90,349 | 92,811 |
| Highways and streets | 25,123 | 30,786 | 33,711 | 35,039 | 32,484 | 33,798 | 35,926 | 44,878 | 40,260 | 39,827 |
| Sanitation | 34,419 | 39,363 | 43,875 | 40,832 | 39,835 | 41,891 | 45,366 | 46,344 | 54,551 | 52,454 |
| Social welfare | 34,840 | 38,105 | 42,893 | 43,509 | 43,999 | 42,459 | 46,315 | 45,298 | 42,579 | 45,920 |
| Culture and recreation | 23,149 | 26,418 | 27,592 | 27,034 | 23,652 | 27,257 | 26,346 | 39,739 | 29,530 | 28,912 |
| Legislative | 4,602 | 4,767 | 5,336 | 5,199 | 5,238 | 5,251 | 5,533 | 5,987 | 6,559 | 6,493 |
| Capital outlay | 38,027 | 46,964 | 88,612 | 54,804 | 57,278 | 57,976 | 68,648 | 77,097 | 81,371 | 65,147 |
| Debt service: | | | | | | | | | | |
| Principal | 17,864 | 18,373 | 18,879 | 20,485 | 26,894 | 22,469 | 23,770 | 24,593 | 26,926 | 20,825 |
| Interest and other issuance costs | 9,822 | 9,954 | 10,689 | 10,219 | 10,332 | 9,604 | 10,051 | 9,423 | 10,905 | 9,607 |
| Total expenditures | 322,393 | 385,291 | 444,179 | 407,633 | 409,067 | 425,684 | 432,246 | 563,058 | 488,509 | 477,619 |
| Excess (deficiency) of revenues over expenditures | 43,224 | 5,306 | (50,583) | 12,408 | (409) | (19,232) | (17,687) | (133,768) | (43,138) | (14,108) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Issuance of debt: | | | | | | | | | | |
| General obligation bond proceeds | 30,010 | 35,094 | - | - | 46,300 | - | 38,375 | 17,061 | 40,015 | 15,185 |
| General obligation refunding bonds | 25,183 | - | - | - | 23,375 | - | 18,510 | - | 21,860 | 39,542 |
| Net premiums received | 520 | - | - | - | 4,606 | - | 6,806 | - | 6,283 | 7,489 |
| State revolving fund loan proceeds | 5,113 | 5,721 | 21,048 | 9,906 | 2,856 | 1,095 | 2,053 | - | 6,631 | 3,750 |
| Capital lease obligations | 63 | 118 | 230 | - | - | - | - | - | - | - |
| Use of debt: | | | | | | | | | | |
| Payment to escrow for bond refunding | (25,524) | - | - | - | (25,939) | - | (21,321) | - | (24,827) | (45,356) |
| Transfers in: | | | | | | | | | | |
| General Fund | 72,489 | 99,600 | 87,987 | 80,932 | 46,097 | 57,950 | 47,832 | 51,346 | 66,885 | 61,428 |
| Special Revenue Funds | 25,462 | 56,345 | 34,174 | 30,306 | 34,428 | 39,126 | 47,880 | 46,065 | 40,717 | 38,848 |
| Capital Projects Fund | 12,566 | 16,500 | 9,978 | 6,675 | 8,903 | 3,748 | 6,889 | 7,814 | 4,411 | 5,841 |
| Proprietary Funds | 132 | - | 313 | 415 | 402 | 407 | 378 | 352 | 315 | 240 |
| Other Governmental Funds | 2,744 | 3,230 | 10,642 | 11,454 | 7,520 | 6,692 | 7,317 | 7,015 | 9,094 | 7,878 |
| Transfers out: | | | | | | | | | | |
| General Fund | (17,285) | (27,866) | (22,185) | (22,932) | (26,089) | (20,695) | (23,667) | (24,078) | (22,279) | (21,833) |
| Special Revenue Funds | (19,075) | (60,497) | (28,674) | (9,196) | (6,447) | (4,644) | (6,277) | (7,879) | (3,427) | (4,677) |
| Debt Service Fund | (27,506) | (28,326) | (29,567) | (30,704) | (36,860) | (32,073) | (33,392) | (34,016) | (37,386) | (30,078) |
| Capital Projects Fund | (49,395) | (58,985) | (36,571) | (31,127) | (16,885) | (35,034) | (34,693) | (32,514) | (35,547) | (34,039) |
| Proprietary Funds | (397) | (136) | (672) | (35,409) | (669) | (2,795) | (1,326) | (1,127) | (2,545) | (3,050) |
| Other Governmental Funds | - | - | (25,785) | (4,723) | (10,668) | (15,070) | (11,888) | (13,752) | (22,469) | (23,368) |
| Total financing sources, net | 35,100 | 40,798 | 20,918 | 5,597 | 50,930 | (1,293) | 43,476 | 16,287 | 47,731 | 17,800 |
| Net Change in Fund Balances | \$ 78,324 | \$ 46,104 | \$ (29,665) | \$ 18,005 | \$ 50,521 | \$ (20,525) | \$ 25,789 | \$ (117,481) | \$ 4,593 | \$ 3,692 |
| Capital outlays reported in the CIP fund and other funds, net of retirements | | | | | | | | | | |
| | 34,380 | 58,288 | 90,670 | 59,804 | 38,566 | 54,259 | 66,231 | 93,404 | 86,719 | 70,579 |
| Debt service as a percentage of noncapital expenditures | | | | | | | | | | |
| | 9.61% | 8.66% | 8.36% | 8.83% | 10.05% | 8.64% | 9.24% | 7.24% | 9.42% | 7.48% |

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

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

| Fiscal Year Ended June 30 | Classification | | | | | | | | | | | |
|------------------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| | Improved Residential | | Apartment | | Commercial | | Industrial | | Agricultural | | Commercial Residential | |
| | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ |
| 2007 | \$ 6,414,981 | 5.00 | \$ 4,633,340 | 5.00 | \$ 1,775,355 | 6.00 | \$ 1,222,432 | 6.50 | \$ 3,566,910 | 4.50 | | |
| 2008 | 7,070,528 | 4.85 | 5,302,077 | 4.55 | 1,905,614 | 6.25 | 1,409,941 | 6.50 | 3,930,246 | 4.50 | | |
| 2009 | 7,287,327 | 4.85 | 5,595,854 | 4.55 | 2,047,183 | 6.25 | 1,548,914 | 6.50 | 4,065,811 | 4.50 | | |
| 2010 | 6,906,546 | 4.85 | 5,983,881 | 4.55 | 2,134,769 | 6.25 | 1,609,950 | 6.50 | 3,934,471 | 4.50 | | |
| 2011 | 5,795,214 | 5.00 | 5,659,454 | 5.00 | 2,121,834 | 6.25 | 1,614,057 | 6.50 | 3,452,417 | 5.00 | \$ 73,191 ² | 4.00 |
| 2012 | 5,645,593 | 5.55 | 5,016,127 | 5.50 | 2,126,142 | 6.25 | 1,466,957 | 7.00 | 2,978,918 | 5.80 | 70,301 | 4.20 |
| 2013 | 5,241,369 | 5.75 | 4,623,504 | 6.20 | 1,910,261 | 6.90 | 1,522,372 | 7.10 | 2,975,466 | 6.00 | 75,166 | 4.50 |
| 2014 | 5,461,103 | 5.75 | 4,782,464 | 6.40 | 1,952,055 | 7.05 | 1,676,982 | 7.30 | 3,194,538 | 6.05 | 94,183 | 4.60 |
| 2015 | 5,570,175 | 5.57 | 5,118,013 | 6.20 | 1,998,655 | 6.83 | 1,546,738 | 7.07 | 3,318,065 | 5.86 | 109,353 | 4.46 |
| 2016 | 6,226,697 | 5.40 | 5,793,112 | 6.00 | 2,824,233 | 6.60 | 1,750,774 | 6.85 | 3,536,472 | 5.75 | 120,166 | 4.35 |

| Fiscal Year Ended June 30 | Classification | | | | | | | | | | | |
|------------------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|
| | Conservation | | Hotel & Resort | | Time Share | | Unimproved Residential | | Homeowner | | Total | |
| | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ | Taxable Assessed Value | Tax Rate ¹ |
| 2007 | \$ 336,500 | 4.75 | \$ 8,559,967 | 8.20 | \$ 863,831 | 14.00 | \$ 576,458 | 5.86 | \$ 6,794,406 | 2.50 | \$ 34,744,180 | 5.60 |
| 2008 | 349,991 | 4.75 | 9,792,338 | 8.20 | 1,011,247 | 14.00 | 560,716 | 5.35 | 9,835,022 | 2.00 | 41,167,720 | 5.25 |
| 2009 | 417,141 | 4.75 | 9,616,912 | 8.20 | 1,104,768 | 14.00 | 513,894 | 5.35 | 10,381,295 | 2.00 | 42,579,099 | 5.21 |
| 2010 | 385,496 | 4.75 | 9,940,281 | 8.20 | 1,743,996 | 14.00 | 521,227 | 5.35 | 9,907,664 | 2.00 | 43,068,281 | 5.42 |
| 2011 | 445,265 | 5.00 | 8,183,430 | 8.30 | 1,776,953 | 14.00 | 331,079 | 6.25 | 7,803,966 | 2.50 | 37,256,860 | 5.78 |
| 2012 | 362,724 | 5.60 | 7,471,672 | 9.00 | 1,607,462 | 15.00 | - | - | 6,174,696 | 2.50 | 32,920,592 | 6.34 |
| 2013 | 359,573 | 6.20 | 7,304,445 | 9.15 | 1,508,875 | 15.50 | - | - | 6,952,272 | 2.75 | 32,473,303 | 6.55 |
| 2014 | 409,933 | 6.25 | 7,303,708 | 9.40 | 1,483,432 | 15.55 | - | - | 7,053,159 | 2.87 | 33,411,557 | 6.65 |
| 2015 | 391,136 | 6.06 | 8,865,184 | 9.11 | 1,591,353 | 15.07 | - | - | 7,740,439 | 2.78 | 36,249,111 | 6.51 |
| 2016 | 406,824 | 5.90 | 9,296,145 | 8.85 | 1,693,560 | 14.55 | - | - | 9,063,738 | 2.75 | 40,711,721 | 6.24 |

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 2016 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

| Taxpayer | Type of Business | 2016 ¹ | | | 2007 ² | | |
|---|--|-------------------|------------------------------|------|-------------------|------------------------------|------|
| | | Taxes | Percentage of Total tax Levy | Rank | Taxes | Percentage of Total tax Levy | Rank |
| Westin Maui Corp (Leasehold), SVO Pacific, Inc., Ocean Resort Villas Vacation | Hotel (Westin) / Time Share | \$ 10,197 | 3.92% | 1 | \$ 3,537 | 1.80% | 2 |
| Marriott Ownership Resorts | Time Share | 6,214 | 2.39% | 2 | 1,446 | 0.73% | 10 |
| HMC Maui LP, HMC Kea Lani LLC | Hotel (Kea Lani & Hyatt) | 3,830 | 1.47% | 3 | 3,403 | 1.73% | 3 |
| Alexander & Baldwin, A & B, East Maui Irrigation | Sugar, Development, Property Management | 3,031 | 1.17% | 4 | | | |
| GWR Wailea Property LLC | Hotel (Grand Wailea) | 2,849 | 1.10% | 5 | | | |
| West Maui Resort Partners LP | Time Share/Hotel (Kaanapali Beach Club timeshare) | 2,426 | 0.93% | 6 | | | |
| Lanai Resorts LLC | Hotel, Golf Course | 2,320 | 0.89% | 7 | | | |
| Island Acquisitions Kapalua LLC | Time Share, Hotel (Montage) | 2,110 | 0.81% | 8 | | | |
| 3900 WA Associates LLC | Hotel (Four Seasons Resort) | 1,451 | 0.56% | 9 | | | |
| KYO-YA Hotels & Resorts LP | Hotel (Sheraton) | 1,270 | 0.49% | 10 | | | |
| Consolidated Maui Inc. | Time Shares | | | | 3,851 | 1.96% | 1 |
| Grand Wailea Investments, CNL Grand Wailea Resort LP | Hotel (Grand Wailea) | | | | 2,746 | 1.39% | 4 |
| Alexander & Baldwin Inc., East Maui Irrigation Co., A & B Properties Inc., A & B Hawaii Inc. | Sugar/Development/Property Management | | | | 2,110 | 1.07% | 5 |
| Castle & Cooke, Inc. Resorts LLC, Lanai Properties, Dole Lanai Co., Lanai Developers | Development/Property Management/Hotel/Golf Course | | | | 1,802 | 0.92% | 6 |
| Maui Land & Pineapple Co. | Development/Property Management/Hotel/Golf Course/Pineapple | | | | 1,798 | 0.91% | 7 |
| West Maui Resorts Partners | Time Share/Hotel (Embassy Suites) | | | | 1,537 | 0.78% | 8 |
| Seibu: Makena Golf Corp, Makena Aina Corp, Maui Prince Hotel LLC, Ainamua Corp | Hotel/Golf Course/Development | | | | 1,511 | 0.77% | 9 |
| TOTALS | | \$ 35,698 | 13.73% | | \$ 23,741 | 12.06% | |

¹ Fiscal Year 2016 taxes were calculated from the January 1, 2015 assessment. The taxes levied are for the fiscal year July 1, 2015 through June 30, 2016.

² Fiscal Year 2007 taxes were calculated from the January 1, 2006 assessment. The taxes levied are for the fiscal year July 1, 2006 through June 30, 2007.

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 | Adjusted | | | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | | Total Collections to Date | |
|---------------------------|--------------------------------|-------------|----------------|------------|--|---------|---------------------------------|------------|---------------------------|--|
| | | Adjustments | 2 Taxes Levied | Amount | Percentage of Levy | Amount | Percentage of Levy | Amount | Percentage of Levy | |
| 2007 | \$ 192,997 | 1 | 192,947 | \$ 192,771 | 99.9% | \$ | (17) | \$ 192,754 | 99.9% | |
| 2008 | 214,785 | 1 | 212,515 | 213,193 | 100.3% | (831) | | 212,362 | 99.9% | |
| 2009 | 224,420 | | 221,878 | 219,056 | 98.7% | 2,689 | | 221,745 | 99.9% | |
| 2010 | 241,116 | | 234,529 | 236,084 | 100.7% | (1,812) | | 234,272 | 99.9% | |
| 2011 | 225,034 | | 218,835 | 217,843 | 99.5% | 1,318 | | 219,161 | 100.1% | |
| 2012 | 211,712 | | 208,920 | 205,489 | 98.4% | 2,071 | | 207,560 | 99.3% | |
| 2013 | 215,417 | | 214,819 | 211,855 | 98.6% | - | | 211,855 | 98.6% | |
| 2014 | 225,766 | | 225,688 | 223,076 | 98.8% | - | | 223,076 | 98.8% | |
| 2015 | 238,934 | | 237,865 | 235,260 | 98.9% | (8) | | 235,252 | 98.9% | |
| 2016 | 260,047 | | 258,283 | 255,692 | 99.0% | (11) | | 255,681 | 99.0% | |

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

² Adjustments include appeals.

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

| Fiscal Year | Government Activities | | | Business-Type Activities | | | Total Primary Government | | |
|-------------|--------------------------|---------------|---------------|--------------------------|---------------|--------------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | Notes Payable | Notes Payable | General Obligation Bonds | Notes Payable | Notes Payable | Total Outstanding Debt | Percentage of Personal Income | Per Capita |
| | | | | | | | | | |
| 2007 | \$ 201,751 | \$ 31,102 | \$ 24,969 | \$ 8,976 | \$ 266,798 | 5.03% | 1,886 | | |
| 2008 | 221,085 | 34,272 | 26,173 | 12,990 | 294,520 | 5.43% | 2,050 | | |
| 2009 | 204,934 | 52,660 | 21,114 | 12,918 | 291,626 | 5.49% | 2,008 | | |
| 2010 | 188,613 | 57,993 | 16,104 | 13,264 | 275,974 | 5.18% | 1,782 | | |
| 2011 | 214,402 | 56,308 | 17,512 | 13,331 | 301,553 | 5.66% | 1,925 | | |
| 2012 | 196,017 | 52,720 | 14,443 | 14,609 | 277,789 | 5.21% | 1,756 | | |
| 2013 | 226,631 | 41,828 | 27,961 | 5,262 | 301,682 | 4.86% | 1,875 | | |
| 2014 | 208,298 | 53,293 | 25,602 | 17,672 | 304,865 | 4.91% | 1,870 | | |
| 2015 | 227,835 | 55,184 | 29,946 | 20,469 | 333,434 | 5.37% ¹ | 2,045 | | |
| 2016 | 235,318 | 46,801 | 27,285 | 22,260 | 331,664 | 5.16% ¹ | 2,015 ² | | |

¹ 2015 and 2016 Personal Income is not available, 2014 data is utilized.

² 2016 Total Resident Population data is not available, 2015 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.

TABLE 10
COUNTY OF MAUI
RATIOS OF GENERAL OBLIGATIONS BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT - UNAUDITED)

| <u>Fiscal Year</u> | <u>General Obligation Bonds⁴</u> | <u>Percentage of Estimated Actual Taxable Value of Property¹</u> | <u>Per Capita²</u> |
|--------------------|---|---|-------------------------------|
| 2007 | \$ 226,720 | 0.653% | 1,531 |
| 2008 | 247,258 | 0.601% | 1,633 |
| 2009 | 226,048 | 0.531% | 1,474 |
| 2010 | 204,717 | 0.475% | 1,321 |
| 2011 | 231,914 | 0.622% | 1,478 |
| 2012 | 210,460 | 0.639% | 1,327 |
| 2013 | 254,592 | 0.784% | 1,581 |
| 2014 | 233,900 | 0.700% | 1,431 |
| 2015 | 257,781 | 0.711% | 1,566 |
| 2016 | 262,603 | 0.724% | 1,595 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 2016 Population data not available; 2015 Maui population from the inter-U.S. Census Bureau.

⁴ Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

**TABLE 11
COUNTY OF MAUI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Debt limit ¹ | \$ 5,568,087 | \$ 6,175,158 | \$ 6,386,865 | \$ 6,460,242 | \$ 5,588,529 | \$ 4,938,089 | \$ 4,870,995 | \$ 5,011,734 | \$ 5,409,678 | \$ 6,106,758 |
| Debt applicable to limit | 243,502 | 268,865 | 270,961 | 260,287 | 280,983 | 261,356 | 283,244 | 287,007 | 290,789 | 287,585 |
| Legal debt margin ² | \$ 5,324,585 | \$ 5,906,293 | \$ 6,115,904 | \$ 6,199,955 | \$ 5,307,546 | \$ 4,676,733 | \$ 4,587,751 | \$ 4,724,727 | \$ 5,118,889 | \$ 5,819,173 |
| Debt applicable to the limit as a percentage of debt limit | 4.37% | 4.35% | 4.24% | 4.03% | 5.03% | 5.29% | 5.81% | 5.73% | 5.38% | 4.71% |

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|--|----------------------|
| Assessor's net taxable income | \$ 41,274,225 |
| Less: 50% of valuation on appeal | 562,504 |
| Valuation for tax rate purpose | <u>\$ 40,711,721</u> |
| Debt limit (15% of total assessed value) | \$ 6,106,758 |
| Debt applicable to limit | \$ 287,585 |
| Legal debt margin | <u>\$ 5,819,173</u> |

Notes:

¹ State finance statutes limit the County's outstanding general debt to no more than 15 percent of the net assessed value of property.

² The legal debt margin is the County's available borrowing authority under the state finance statutes and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

TABLE 12
COUNTY OF MAUI
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)

| Fiscal Year | Population ¹ | Personal Income (x\$1,000) ¹ | Per Capita Personal Income ¹ | Median Age ² | School Enrollment ¹ | Unemployment Rate ¹ |
|-------------|-------------------------|---|---|-------------------------|--------------------------------|--------------------------------|
| | | | | | | |
| 2007 | 148,117 ^a | 5,273 | \$ 35,600 | 38.2 | 24,359 | 2.80% |
| 2008 | 151,424 ^a | 5,530 | 36,517 | 38.0 | 25,121 | 4.90% ^a |
| 2009 | 153,393 ^a | 5,257 | 34,269 | 37.9 | 21,151 | 9.10% ^a |
| 2010 | 154,924 ^a | 5,428 | 35,006 | 39.6 | 21,316 | 8.50% ^a |
| 2011 | 156,891 ^a | 5,677 | 36,194 | 39.5 | 20,779 ^a | 7.90% ^a |
| 2012 | 158,599 ^a | 6,062 | 38,240 | 39.5 | 21,119 ^a | 6.40% ^a |
| 2013 | 161,036 ^a | 6,086 | 39,439 | 39.8 | 21,330 ^a | 5.10% ^a |
| 2014 | 163,487 ^a | 6,433 | N/A | 40.0 | 20,950 ^a | 4.50% ^a |
| 2015 | 164,637 ² | N/A | N/A | N/A | 20,937 ^a | 3.80% ^a |
| 2016 | N/A | N/A | N/A | N/A | N/A | N/A |

¹ Source: Maui County Data Book; Population, Personal Income, Per Capita, School Enrollment and Unemployment Rate for 2015

² U.S. Census Bureau; Median Age for 2010-2014

^a Revised from Maui County Data Book, 2015

N/A = Not Available

**TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2016 AND NINE YEARS AGO - (UNAUDITED)**

| Employer | 2016 | | | 2007 | | |
|--------------------------------------|------------------------|------|---------------------------------------|------------------------|------|---------------------------------------|
| | Employees ³ | Rank | Percentage of Total County Employment | Employees ¹ | Rank | Percentage of Total County Employment |
| State of Hawaii ² | 6,400 ³ | 1 | 7.90% | 5,673 ¹ | 1 | 8.35% |
| County Government | 2,419 ² | 2 | 2.98% | 2,309 ² | 2 | 3.83% |
| Town Realty of Hawaii | 2,001 | 3 | 2.47% | | | |
| Grand Wailea-Waldorf Astoria | 1,400 | 4 | 1.73% | | | |
| Ritz-Carlton-Kapalua | 1,000 | 5 | 1.23% | | | |
| Federal Government ² | 800 ¹ | 6 | 0.99% | 776 | 6 | 1.14% |
| Four Seasons Resort-Maui | 800 | 6 | 0.99% | 810 | 5 | 1.19% |
| Maui Brand Sugar | 800 | 6 | 0.99% | | | |
| Maui Memorial Medical Center | 800 | 6 | 0.99% | | | |
| Four Seasons Resort-Lanai | 700 | 7 | 0.86% | | | |
| Westin-Maui Resort & Spa | 700 | 7 | 0.86% | | | |
| Fairmont-Kea Lani Maui | 600 | 8 | 0.74% | | | |
| Hyatt Regency-Maui Resort & Spa | 600 | 8 | 0.74% | | | |
| Makena Beach & Golf Resort | 518 | 9 | 0.64% | | | |
| Kaanapali Beach Club | 500 | 10 | 0.62% | | | |
| Royal Lahaina Resort | 500 | 10 | 0.62% | | | |
| Walmart | 500 | 10 | 0.62% | | | |
| TS Restaurant of Hawaii & California | | | | 1,800 | 3 | 2.65% |
| Maui Land & Pineapple Co., Inc. | | | | 1,275 | 4 | 1.88% |
| Hale Makua | | | | 450 | 7 | 0.66% |
| West Maui Resort Partners LP | | | | 440 | 8 | 0.65% |
| Dorvin D. Leis Co., Inc. | | | | 375 | 9 | 0.55% |
| Maui Medical Group | | | | 237 | 10 | 0.35% |
| Total | <u>21,038</u> | | <u>25.97%</u> | <u>14,145</u> | | <u>21.25%</u> |

¹ Maui County Data Book 2008 & 2015

² 2007, 2016 County of Maui actual employee count.

³ Hawaii Business Research Library

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

| Function | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General government | 349 | 401 | 410 | 435 | 481 | 495 | 517 | 508 | 529 | 527 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 425 | 436 | 476 | 494 | 332 | 331 | 343 | 341 | 359 | 371 |
| Civilians | 104 | 104 | 104 | 117 | 149 | 134 | 143 | 103 | 111 | 111 |
| Fire and Public Safety | | | | | | | | | | |
| Firefighters and officers | 295 | 300 | 288 | 282 | 286 | 282 | 290 | 298 | 302 | 293 |
| Civilians | 14 | 10 | 10 | 23 | 12 | 11 | 12 | 33 | 13 | 14 |
| Highways and Streets | | | | | | | | | | |
| Engineering | 36 | 33 | 32 | 33 | 33 | 35 | 35 | 35 | 32 | 30 |
| Maintenance | 209 | 224 | 225 | 235 | 220 | 217 | 217 | 216 | 211 | 214 |
| Sanitation | 81 | 94 | 93 | 109 | 147 | 99 | 106 | 153 | 97 | 97 |
| Social Welfare | 170 | 173 | 185 | 184 | 131 | 154 | 164 | 106 | 101 | 108 |
| Culture and Recreation | 338 | 424 | 466 | 455 | 449 | 366 | 371 | 329 | 332 | 348 |
| Sewer | 99 | 101 | 120 | 120 | 104 | 95 | 107 | 110 | 112 | 110 |
| Department of Water Supply | 189 | 193 | 202 | 200 | 205 | 192 | 194 | 205 | 200 | 196 |
| Total | 2,309 | 2,493 | 2,611 | 2,687 | 2,549 | 2,411 | 2,499 | 2,437 | 2,399 | 2,419 |

Source: Annual Govt Survey submitted by Payroll.

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

| Function | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police | | | | | | | | | | |
| Physical arrests | 4,742 | 4,451 | 4,400 | 4,700 | 4,200 | 5,000 | 9,541 | 9,830 | 9,912 | 9,672 |
| Parking violations | 9,721 | 12,151 | 12,000 | 10,300 | 12,000 | 11,200 | 8,883 | 8,934 | 9,235 | 2,743 |
| Fire | | | | | | | | | | |
| Number of calls answered | 6,623 | 6,908 | 6,600 | 7,480 | 8,043 | 8,816 | 9,834 | 10,930 | 10,714 | 10,931 |
| Inspections | 515 | 995 | 1,160 | 646 | 1,368 | 1,461 | 1,152 | 849 | 901 | 557 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 21 | 21 | 18 | 18 | 21 | 49 | 26 | 23 | 23 | 25 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/day) | 115 | 403 | 463 | 474 | 469 | 436 | 436 | 459 | 479 | 507 |
| Recyclables collected (tons/day) | 311 | 354 | 342 | 328 | 324 | 440 | 209 | 168 | 162 | 283 |
| Culture and recreation | | | | | | | | | | |
| Athletic field permits issued | 1,757 | 1,107 | 3,417 | 1,012 | 902 | 924 | 895 | 848 | 771 | 719 |
| Camping center permits issued | 615 | 2,501 | 1,347 | 2,368 | 2,429 | 2,671 | 2,650 | 2,400 | 2,203 | 1,978 |
| Community center permits issued | 2,010 | 2,806 | 4,101 | 2,461 | 2,401 | 2,237 | 2,286 | 2,220 | 2,448 | 2,094 |
| Water | | | | | | | | | | |
| New connections | 1,007 | 762 | 96 | 71 | 87 | 55 | 25 | 174 | 64 | 107 |
| Water mains breaks | 243 | 64 | 577 | 806 | 483 | 371 | 252 | 253 | 174 | 147 |
| Average daily consumption (thousands of gallons) | 36,322 | 35,061 | 33,079 | 30,640 | 29,660 | 30,150 | 34,250 | 32,471 | 33,771 | 32,289 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 14,743 | 14,743 | 12,622 | 12,152 | 13,000 | 12,100 | 12,451 | 12,710 | 13,067 | 13,309 |

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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------|--------|--------|--------------------|--------------------|--------------------|--------------------|---------------------|--------|--------|
| Public safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Patrol units | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Fire stations | 14 | 14 | 14 | 14 | 14 | 14 | 15 | 14 | 14 | 14 |
| Sanitation | | | | | | | | | | |
| Collection trucks | 31 | 32 | 25 | 29 | 31 | 33 | 32 | 32 | 33 | 34 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 563 | 563 | 563 | 565 | 565.64 | 565.64 | 566 | 568 | 568 | 569 |
| Street lights | 4,147 | 4,147 | 4,228 | 4,228 | 4,228 | 4,228 | 4,228 | 4,719 | 4,720 | 4,954 |
| Traffic signals | 35 | 35 | 35 | 35 | 30 | 31 | 31 | 32 | 35 | 35 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage (includes undeveloped parks) | 42,902 | 41,581 | 41,581 | NA ¹ | NA ¹ | 1,721 ² | 1,807 ² | 2,117 ² | 2,154 | 2,212 |
| Parks | NA | NA | NA | 1,395 ¹ | 1,620 ¹ | 136 ² | 138 ² | 143 ² | 144 | 148 |
| Swimming pools | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Tennis courts | 39 | 39 | 49 | 55 | 55 | 55 | 55 | 53 | 53 | 53 |
| Community centers | 21 | 21 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Other Enterprise | | | | | | | | | | |
| Golf Course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Fire hydrants/stand pipes | 6,643 | 6,846 | 6,879 | 6,936 | 6,981 | 7,016 | 7,016 | 7,091 | 7,122 | 7,366 |
| Maximum daily capacity (thousands of gallons) | 50,000 | 50,000 | 57,000 | 57,000 | 42,000 | 57,000 | 41,310 | 68,595 ³ | 52,800 | 59,890 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 219 | 215 | 277 | 242 | 223.6 | 223.2 | 248.6 | 248.7 | 249.8 | 259.5 |
| 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 |

Sources: Various county departments

¹ Parks acreage has been revised based on R.M. Towill's March 2007 report and inclusion of undeveloped parks acreage. The department is currently working with MS 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 CWMRM and rated capacity for treatment plants.