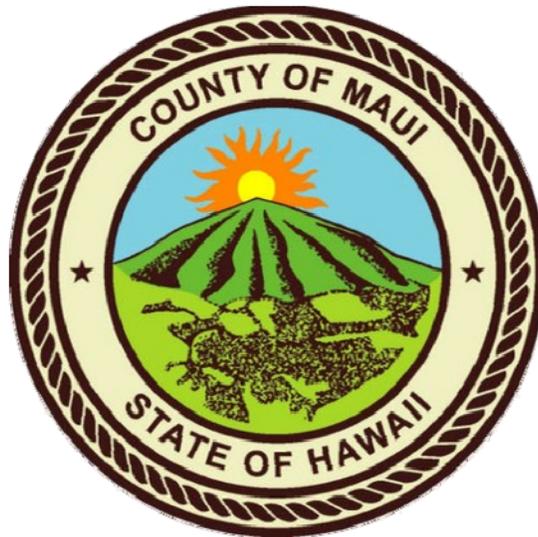


COUNTY OF MAUI

STATE OF HAWAII



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

**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, 2014**

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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

January 22, 2015

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)”

In conformance with the above Charter provision, 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, 2014. 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, 2014, 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, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

THE 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 has grown from 42,855 in 1960 to an estimated 160,292 in 2013 according to the U.S. Census Bureau. The increase from 2000 to 2013 of approximately 25% was the second highest percentage increase in the State. 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

Despite slower than anticipated tourism growth and a lack of meaningful residential construction activity, the Maui economy continues its incremental recovery. Though inconsistent, this recovery has been buoyed by the continuing strength of the real estate market and an improving labor market. Maui is fortunate to have a unique set of economic drivers including Hawaiian Commercial & Sugar (HC&S) Company, the Haleakala observatories, the Maui Research and Technology Park and the ever expanding campus at University of Hawaii (UH) Maui College. Each of these help to buffer the cyclical economics of the tourist sector and contribute to our overall economic growth. Looking forward, the County of Maui remains optimistic about the opportunities that the coming years will bring.

Tourism

The visitor industry is the largest component of the Maui economy accounting for approximately 40% of its overall GDP. The expected 2-3% increase in the rate of visitor arrivals has not materialized in 2014 and it is anticipated that the number of visitor arrivals will be level with the numbers achieved in 2013. Although visitor arrival growth has slowed, it is estimated that total arrivals for 2014 will be at or near the pre-recession peaks of 2006 and 2007. Visitor make up continues to consist primarily (85%) of travelers from the U.S. West and East coasts and Canada.

Commensurate with the leveling off of visitor arrival growth, visitor spending is also expected to slow in 2014. Visitor spending patterns have changed over the years and current visiting shoppers are generally more cautious about their outlays.

The County of Maui, in collaboration with the Maui Visitors Bureau, has begun to more aggressively market “Maui” in the greater Pacific Basin, with emphasis on Korea. This coupled

with the recent addition of room inventory (Andaz at Wailea, Montage at Kapalua, Westin at Kaanapali renovation's and the soon to be completed Hyatt time-share units) and the increase in flights from both Honolulu and direct flights from the mainland U.S., give reason to be optimistic for the balance of 2014 and into 2015.

Construction

The predicted rebound in the Maui construction industry has yet to occur, largely due to the lack of meaningful residential construction. Though commercial construction has been steady it has fallen short of prior year projections. The initial 70 acre increment of A&B's Maui Business Park is on the market as is fee-simple commercial space at Maui Lani's Village Center.

The infrastructure section remains the dominant contributor to the local construction industry. The new airport access road (\$53 million), the new centralized rental car facility (\$250 million), and the airport runway resurfacing project (\$3.2 million) are either underway or will be shortly. Additionally, various other airport improvement projects (totaling \$7 million) along with a County airport efficient lighting installation project (\$60 million) are scheduled to begin next year.

Technology

According to the UH institute for Astronomy, the eight observatory facilities at Haleakala have an annual operating budget of \$40.4 million and support 167 jobs for county residents. This number is down over last year due to Federal spending and employment reductions. The new \$340 million Advanced Solar Technology Telescope project, recently renamed the Daniel K. Inouye Solar Telescope (DKIST), is well underway with completion slated for 2019. Local contractors will be paid an estimated \$29.5 million for labor/materials associated with site work and facility construction, with another \$49 million to be spent on Maui for the construction/assembly of the actual telescope. Once in operation, its annual budget is expected to add \$18 million and 35 local jobs to the Maui economy. The Research and Technology Park in Kihei continues to complement the work being done at the Haleakala observatories.

Education

UH Maui College continues to expand its physical plant as the \$4.5 million Daniel K. Inouye Allied Health Center is slated for completion by the end of 2014. Additionally, the \$3.5 million student housing renovation project should be underway prior to year end and a \$4.0 million food innovation center is currently in the design phase. Enrollment remains at approximately 4,000 students and is not expected to grow markedly over the next few years.

Agriculture

Agriculture provides Maui with an important additional economic component to that provided by tourism. Unfortunately, the four year run of increasing yearly sugar yields at HC&S has ended, largely due to excessive rainfall. Recent water rulings reducing the amount of surface water the plantation can receive will increase water pumping costs moving forward and will reduce the amount of excess electricity that the company can sell to Maui Electric. Despite the passage of the U.S. National farm bill, the future viability of HC&S and its 800 employees remains uncertain.

Two large seed corn companies, Monsanto and Dow Agro, have helped to diversify Maui County's agricultural base. Collectively these two agricultural companies employ 640 people

with an annual payroll in excess of \$17.8 million. Many in the community oppose their products and farming techniques. A recent ballot initiative requiring a moratorium on genetically modified organism (GMO) related farming activities is being contested in the courts. Should the initiative be upheld it is clear there will be a significant adverse near term economic impacts on both Maui and Molokai.

Jobs/Retail

Maui has regained approximately two-thirds of the almost 10,000 jobs it lost during the “Great Recession” which has reduced the County’s unemployment rate to 5%. The tourism related sectors (Accommodations, Food Service) had the largest jobs increases, however, job creation has been uneven at best across most of the other sectors of the local economy. The lack of affordable housing in proximity to the location of available jobs continues to be a problem for local employers.

From a retail perspective things appear to be improving. Increased revenues of 3-4% have been reported at Maui’s largest mall, Queen Kaahumanu Shopping Center, and additional retail capacity has been added with the new Foodland in Kehalani and Safeway store in Wailuku. Further, the new Target and TJ Maxx stores in Kahului signal increased investor confidence in the Maui retailing sector.

Real Estate

In general, the Maui real estate market has rebounded and is strong, driven mainly by the lack of supply, especially in the residential sector. The County’s Affordable Housing ordinance which requires developers to provide 50% of the units proposed for a development project to be at affordable prices combined with entitlement regulatory hurdles which often take years to overcome has helped to curtail residential development and put a damper on residential construction activity. This in turn has pushed median single family home prices back up to pre-2007 levels. The value of residential permits has declined from approximately 60% of all permits ten years ago to 30% today. On a more positive note, foreclosures now represent only 15% of the overall real estate transactions in 2014, down from 45% in 2011. Condominium sales activity is now above 2007 levels, while the median condo price continues to lag.

The recovering real estate market boosted real property assessed values which allowed the County to increase tax collections by approximately \$9.8 million in FY 2014.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. The County of Maui, in Fiscal Year 2014, the actual revenues were slightly higher than the budgetary forecast, while expenditures were 2.75% less than anticipated. The positive revenue variance would have been larger except for a timing difference in the recognition of a portion of the proceeds from the 2014 bond issuance. Revenue increases, while broad based across most revenue categories is largely the result of expanded Real Property Tax collections coupled with greater than expected revenues from Licenses and Permits. As discussed previously, while slowed visitor growth and sluggish residential construction have hampered a broader economic resurgence, Maui County exhibited cumulative economic improvement in FY 2014 thanks largely to a strengthening real estate market and an improved

labor market. Six years after the economic downturn, the requirement to maintain fiscal vigilance remains an essential core responsibility for County management.

The County successfully closed on a \$68.7 million general obligation bond sale on July 9, 2014. With this bond issuance, the County was able to secure a very attractive rate of 2.63% through a competitive bidding process. Due to the strong financial position of the County, the three rating agencies, Moody's Investors Service, Standard & Poor's and Fitch Ratings assigned ratings of "Aa1," "AA+" and "AA+", respectively, to this bond issue. All three qualified bond-rating agencies continue to rate the County's bonded debt at the next-to-highest category for safety. Furthermore, Maui County's bond rating continues to be the highest of any city, county or jurisdiction in the State of Hawaii. The County used the bond proceeds to refund (refinance) previously issued bonds totaling \$24.8 million and to repay \$50.1 million in loans from the General Fund that were used to fund a variety of infrastructure and CIP projects.

In the past year, the County continued its investment in infrastructure, capital improvements and equipment. In addition to the infrastructure improvements discussed earlier, other investments included water source infrastructure repair, roadway improvements, facilities upgrades, equipment purchases and land acquisition, some of which are highlighted below:

- Completed and dedicated the new Kihei Police station (\$30.8 million construction cost) which will accommodate approximately 56 authorized personnel from the Criminal Investigation Division, Juvenile Division, Vice Division, Training Division, and the Kihei Patrol Division, which includes both the Community Police Officers and Bicycle Patrol Unit (Police);
- Purchased 186 acres in Lahaina for future park and open space for \$13 million (Mayor's Office);
- Dedicated 10 new heavy duty low-floor 32 passenger fixed route Maui Buses and 1 specially-designed low-floor MV-1 vehicle for ADA passengers to the fleet at a cost of \$4.8 million (Transportation);
- Completed the Lahaina Waste Water Reclamation Facility UV treatment expansion project, which increased the R-1 waste water production and distribution capacities from 1.9 million gallons per day to 9 million gallons per day (Environmental Management);
- Initiated the first phase of a multi-year restroom facility rehabilitation project with the upgrade of 56 facilities at a cost of \$1.4 million (Parks & Recreation);
- Purchased a new machine for extracting soot/toxins for the Joint Training Center in Kahului, bringing to eight (8) the number of industrial extractors available for all-purpose decontamination of firefighting structural turnout ensembles in Hana, Makawao, Kahului, Wailea, Lahaina, Lanai and Molokai (Fire);
- Completed construction of the \$12 million Waikamoi Flume replacement project (Water);
- Engineering Division continued its road reconstruction work program with the completion of Kamehameha Ave., Wakea Ave., and Makani Road (Public Works);
- Constructed 11 bus shelters in South Maui and Pukalani (\$0.8 million) and completed designs for 8 bus stop shelters to be constructed in West Maui (Transportation), and;
- Completed waste water force main replacement projects for Wailuku/Kahului and Lahaina waste water pump stations (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 2014 initiatives are highlighted below:

- Department of Public Works – Development Services Administration worked diligently to digitize thousands of older documents commonly requested by the public, with the goal of providing a website link to these documents in FY2015.
- Department of Environmental Management completed the procurement and issuance of a waste conversion contract that is projected to divert/convert 80% of the material currently disposed of at the Central Maui Landfill to renewable energy.
- Maui Fire Department successfully integrated technology with hands-on skills training to improve firefighter requisite knowledge and proficiency. This was accomplished utilizing the Blue Card Command System. During the year the department also completed the first phase of the Smoke Alarm Maui (SAM) program. This program was designed to provide, as well as install, working smoke alarms in homes without them. This program was jump-started by Assistance to Firefighters-Fire Prevention grant awarded to the department. Under the watchful eye and direction of a dedicated FPB staff member, and with the help of the International Brotherhood of Electrical Workers (IBEW), the SAM program allowed us to install 580+ smoke alarms in 120+ homes that did not have working smoke alarms. We were also able to provide a home safety survey for each residence and educate the recipients about the importance of having a home evacuation plan.
- Department of Planning implemented a reorganization that created a new division, Plan Implementation, to focus on tracking and implementing of the Maui Island Plan and various community plans. During the fiscal year, the department also streamlined the duplex, apartment, hotel and business zoning district ordinances and updated them to better reflect modern uses and standards. Additionally, Planning created and implemented several internal programs for improved customer service and increased efficiency, including cross-training of staff to handle multiple duties, creating checklists for consistent and complete review of applications, and updating templates and application forms to ensure accurate submittals.
- Maui Police Department - Following the implementation of the Kihei Patrol District’s bicycle program in 2012, MPD expanded the department’s bicycle program to West Maui’s Lahaina Patrol District – Bicycle Patrol Unit. The Lahaina unit is used to conduct patrols focusing on Front Street and all adjoining alleyways and side streets. The 6 member unit has been heavily used during special events (i.e. Friday Nights, Parades, Halloween, etc.) to deter criminal activity on Front Street and surrounding areas. The department through it Plans & Training Division and Special Response Team has conducted year-round preparedness training for the general public in response to an “active shooter” scenario. MPD has partnered with various agencies such as the State Sheriff’s Office, Maui Fire Department, American Medical Response, UHMC and MMC Security personnel to coordinate these reality-based and dynamic training exercises. Venues have included the Queen Kaahumanu Center, Maui Memorial Medical Center, UH-Maui Campus, Adult Probations Office and the County’s “Kalana O Maui” Building. MPD has also worked with the Department of Education and has utilized their school facilities to train our Officers, as well as, the students and faculty members with regards to response and appropriate actions to take during an active shooter incident.

- Department of Parks & Recreation - Identified parameters needed to create a system that will accurately track facility maintenance and operational costs for each facility type that will assist in future budgeting and operating efficiencies. Also, during the year the department began the lengthy process of reinventing its permitting process with a series of community outreach meetings, internal departmental committees and extensive countywide collaboration.
- Department of Management – Information Technology Services (ITS) Division partnered with the Real Property Assessment Division in the project to upgrade the IAS system to IASWorld. Upgrading the Maui Police Department's dispatch system was another large and successful project, including the upgrade of about 170 mobile data terminals in police vehicles, located on all 3 islands. A new case tracking system for the Department of the Corporation Counsel was selected. Much progress was made in the installation of a new phone system, based on Voice-over-IP technology. The Police Department, much of the County's Wailuku campus, all of the offices on Molokai, and several other smaller locations were converted to the new system. The ITS Division was heavily involved in the design and construction of communications and computer facilities at the new Kihei Police Station. After its opening, much work was done to test and finalize all the functionality expected in the new building.
- Department of Housing and Human Concerns - Contributed to statewide coalitions for housing, homeless and substance abuse. These statewide forums provide opportunities to advocate for Maui County service providers and to promote collaborative funding options. The department also represented Maui County on the Governor's State of Hawaii Interagency Council on Homelessness (HICH) on behalf of Mayor Arakawa. Began work on revising the Residential Workforce Housing Policy, Chapter 2.96, Maui County Code.

During FY2014 it was determined by the County that the State of Hawaii Employer Union Trust Fund (EUTF) issues identified by the actuary, Aon Hewitt Consulting, in 2010 had been satisfactorily resolved and the County in turn transferred its accrued Other-Post Employment Benefit (OPEB) liability of \$97.2 million to the State of Hawaii in June of 2014. Please refer to the MD&A and Footnote 9 to the basic financial statements for additional information.

For The Future. The County of Maui has a long history of being financially prudent with a cost of government lower than many comparable municipalities. The turmoil in the U.S. and world financial markets over the last five years has only heightened the County's resolve to continue its conservative 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. In this regard, an Emergency Fund was created in 2005 that has been diligently funded to an adopted level in FY 2014 of nearly \$23.8 million with a policy goal to increase the fund balance to a level equal to 20% of annual General Fund revenue. The County's intention is to reach this objective by FY 2017 through judicious management of its fiscal resources and appropriation of approximately \$5 million per year for the next three years. Additionally, the County continues to appropriate and fund both its Affordable Housing and OPEB Funds as a part of its responsible reserve strategy.

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

inflationary factors, debt levels and costs, aging infrastructure replacement and expanding community needs.

Since FY 2013, the County's budget process has been focusing on results through its adoption of 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 January 2008) 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. 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 income during FY 2014 on a budgetary basis for the GIAP was \$1.9 million or approximately \$1.0 million more than the prior fiscal year. The increase was due to the continued implementation of the revised Treasury investment strategy and an increase, albeit small, in interest rates.

Real Property Tax. Real property assessed values of \$33.4 billion increased by 2.89% during Fiscal 2014, while real property tax revenue of \$225 million increased a modest 0.7%, reflecting the marginal tax rate increases adopted by the County Council. Revenue collection was aided by a 12% reduction in the number of real property tax appeals and disputed assessed values, a continuing testament to the accuracy and professionalism of the Real Property Assessment Division. Maui County’s assessed real property values, while increasing, remain approximately 22% below the peak level experienced during FY 2010, a further indicator that the local economy has not fully rebounded from the effects of the economic down turn.

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, 2013. This is the thirty-first 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 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, 2013

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS June 30, 2014

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor

Alan M. Arakawa

LEGISLATIVE

Councilpersons

Council Chair
Gladys C. Baisa

Council Vice-Chair
Robert Carroll

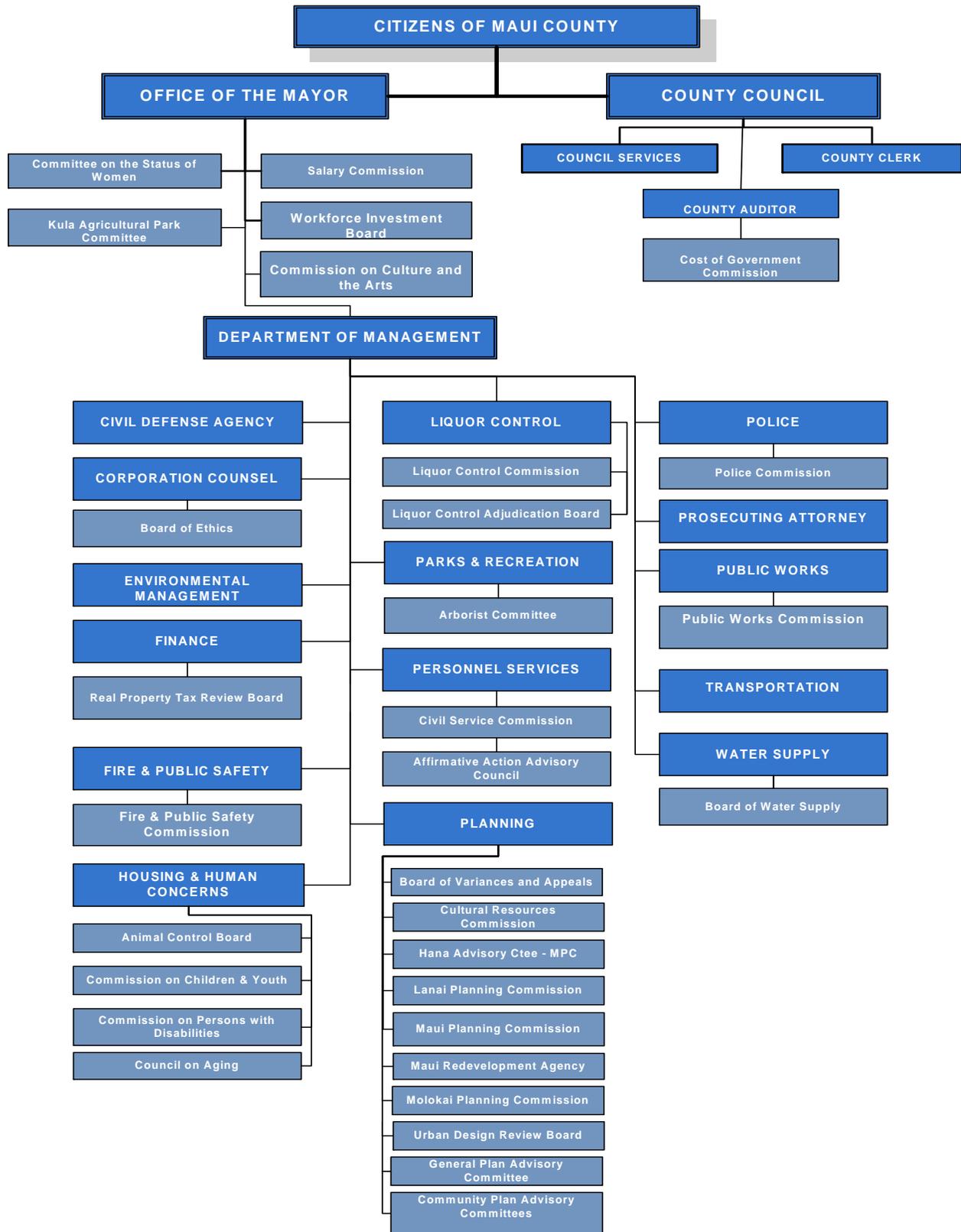
Elle Cochran
Donald G. Couch, Jr.
Stacy Crivello
Don S. Guzman

G. Riki Hokama
Michael P. Victorino
Mike White

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. Aagsalog
Director of Environmental Management	Kyle K. Ginoza
Director of Public Works	David C. Goode
Interim Director of Parks & Recreation	Brianne Savage
Fire Chief	Jeffrey A. Murray
Planning Director	William R. Spence
Director of Personnel Services	Lance T. Hiromoto
Director of Housing & Human Concerns	Jo-Ann T. Ridao
Director of Transportation	Jo-Anne Johnson Winer
Director of Water Supply	David S. Taylor
Chief of Police	Gary A. Yabuta
Director of Liquor Control	Franklyn L. Silva

ORGANIZATION CHART



DIRECTORY OF COUNTY OFFICIALS



CIVIL DEFENSE AGENCY





Gladys Coelho Baisa
Council Chair



Robert Carroll
Council Vice-Chair



Elle Cochran
Council Member



Donald G. Couch, Jr.
Council Member



Stacy Crivello
Council Member



Don S. Guzman
Council Member



G. Riki Hokama
Council Member



Mike P. Victorino
Council Member



Mike White
Council Member

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, 2014, 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, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 22 through 37), the budgetary comparison schedules for the general fund, highway fund and sewer fund (pages 89 through 93) and the schedule of funding progress for the Hawaii Employer Union Health Benefit Trust Fund (page 94) 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.

Adjustment to Prior Period Financial Statements

As discussed in Note 14 to the financial statements, the County has adjusted its 2013 financial statements to retroactively apply the change in accounting for deferred bond costs, unamortized loss on advanced refunding of bonds, and deferred inflows of resources as required by the provisions of Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Also as discussed in Note 14 to the financial statements, the County has adjusted its 2013 financial statements to properly report revenues that were previously reported in the agency funds. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, 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
January 22, 2015

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014. 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 \$891.9 million (*net position*).
- The County's total net position increased by \$15.4 million (as restated) during the current fiscal year.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$188.6 million, a decrease of \$117.5 million in comparison with the prior year. The decrease is primarily due to a \$97.2 million contribution to the EUTF OPEB Trust.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$42.4 million, or 12.9% of total General Fund expenditures.
- The County's total amount of General Obligation (GO) bonds, State Revolving Fund (SRF) loans and other long-term debt outstanding decreased by \$68.4 million during the current fiscal year. The decrease is primarily reflective of a \$97.2 million contribution to the EUTF OPEB Trust offset by an increase 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, 2014

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, 2014

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, 2014

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, 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 9, 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.

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

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 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 provide details of capital assets followed by function and department.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION
June 30, 2014 and 2013
(Dollars in Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Assets and Deferred Outflows of Resources:						
Current and other assets	\$ 230,083	\$ 345,400	\$ 71,348	\$ 68,774	\$ 301,431	\$ 414,174
Capital assets	695,558	642,955	326,241	320,275	1,021,799	963,230
Deferred outflows of resources	3,798	4,504	171	226	3,969	4,730
Total Assets and Deferred						
Outflows of Resources	929,439	992,859	397,760	389,275	1,327,199	1,382,134
Liabilities and Deferred Inflow of Resources:						
Long-term liabilities outstanding	347,108	420,380	46,245	41,189	393,353	461,569
Other liabilities	30,179	29,516	7,754	8,594	37,933	38,110
Deferred inflow of resources	4,005	5,966	-	-	4,005	5,966
Total Liabilities and Deferred						
Inflows of Resources	381,292	455,862	53,999	49,783	435,291	505,645
Net Position:						
Invested in capital assets, net						
of related debt	457,962	396,519	284,637	290,752	742,599	687,271
Restricted	47,432	68,375	13,082	12,284	60,514	80,659
Unrestricted	42,753	72,103	46,042	36,456	88,795	108,559
Total Net Position	<u>\$ 548,147</u>	<u>\$ 536,997</u>	<u>\$343,761</u>	<u>\$ 339,492</u>	<u>\$ 891,908</u>	<u>\$ 876,489</u>

At the end of the current fiscal year, the County reported positive balances in all of the three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities. 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 \$891.9 million at the close of the current fiscal year. This compares with the net position of \$876.5 million from the prior year, as restated. Total net position increased by \$15.4 million during the current fiscal year. The governmental activities reflected an increase in net position of \$11.1 million, while the business-type activities increased net position by \$4.3 million.

By far, the largest portion of the County's net position (83.3%) 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, 2014

An additional portion of the County's net position (6.8%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to \$88.8 million at the end of the current fiscal year, with \$42.8 million derived from governmental activities and the balance of \$46.0 million from business-type activities. Unrestricted net position decreased \$19.8 million as compared to last year.

The County's net capital assets increased by \$52.6 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 decreased by \$68.4 million during the current fiscal year. The decrease is primarily reflective of a \$97.2 contribution to the EUTF OPEB Trust offset by an increase in SRF and USDA loans by \$23.9 million.

Other long-term obligations decreased by \$61.9 million, from \$147.4 million in fiscal year 2013 to \$85.5 million in fiscal year 2014 for governmental activities, and decreased by \$4.7 million from \$7.7 million in prior fiscal year to \$3.0 million in fiscal year 2014 for business-type activities. The decrease in both governmental activities and business type activities is primarily due to a \$97.2 million contribution to the EUTF OPEB Trust offset by an increase in accrued landfill and post-closure costs of \$7.6 million. Please refer to Note 9 of the basic financial statements for greater discussion regarding the OPEB contribution.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

CHANGES IN NET POSITION
For the Years Ended June 30, 2014 and 2013
(Dollars in Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 98,968	\$ 99,575	\$ 56,499	\$ 55,718	\$ 155,467	\$ 155,293
Operating grants and contributions	38,917	34,447	-	-	38,917	34,447
Capital grants and contributions	15,142	11,332	4,369	5,552	19,511	16,884
General Revenues:						
Real property taxes	224,055	214,244	-	-	224,055	214,244
Other taxes	52,477	52,303	-	-	52,477	52,303
Interest and investment earnings, net	1,579	908	293	135	1,872	1,043
Other revenues	(132)	857	734	48	602	905
Total Revenues	<u>431,006</u>	<u>413,666</u>	<u>61,895</u>	<u>61,453</u>	<u>492,901</u>	<u>475,119</u>
Expenses:						
Governmental Activities:						
General government	118,866	107,566	-	-	118,866	107,566
Public safety	84,280	85,261	-	-	84,280	85,261
Highway and streets	51,608	45,106	-	-	51,608	45,106
Sanitation	69,856	65,402	-	-	69,856	65,402
Social welfare	46,072	46,866	-	-	46,072	46,866
Culture and recreation	34,419	33,018	-	-	34,419	33,018
Legislative	5,998	5,539	-	-	5,998	5,539
Interest on long-term debt	7,982	9,164	-	-	7,982	9,164
Business-Type Activities:						
Water Supply	-	-	55,539	53,612	55,539	53,612
Housing	-	-	514	207	514	207
Golf Course	-	-	2,348	2,235	2,348	2,235
Total Expenses	<u>419,081</u>	<u>397,922</u>	<u>58,401</u>	<u>56,054</u>	<u>477,482</u>	<u>453,976</u>
Increase (Decrease) in Net Position Before Transfers	11,925	15,744	3,494	5,399	15,419	21,143
Transfers	<u>(775)</u>	<u>(948)</u>	<u>775</u>	<u>948</u>	<u>-</u>	<u>-</u>
Change in Net Position	11,150	14,796	4,269	6,347	15,419	21,143
Net Position - Beginning of Year, as previously reported	536,997	519,231	339,492	333,218	876,489	852,449
Prior period adjustment	-	2,970	-	(73)	-	2,897
Net Position - Beginning of Year, as restated	<u>536,997</u>	<u>522,201</u>	<u>339,492</u>	<u>333,145</u>	<u>876,489</u>	<u>855,346</u>
Net Position - End of Year	<u>\$ 548,147</u>	<u>\$ 536,997</u>	<u>\$ 343,761</u>	<u>\$ 339,492</u>	<u>\$ 891,908</u>	<u>\$ 876,489</u>

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

Governmental Activities. Governmental activities increased the County's net position by \$11.1 million. This compares with last year when net position increased by \$14.8 million, as restated. The decrease of \$3.7 million of change in net position over last year is primarily attributable to an increase in General Government expenses of \$11.3 million due to higher expenditures for Fringe Benefits and Terminal Pay.

Real property taxes increased by \$9.8 million primarily due to increased tax rates. Operating grants and contributions increased by \$4.5 million and Capital grants and contributions increased by \$3.8 million.

Business-Type Activities. The three business-type activities increased the County of Maui's net position by \$4.2 million. The Golf Course Fund reflected a decrease of \$0.5 million and the Housing Interim Financing Fund reflected an increase in net position of \$0.8 million while the Department of Water Supply (DWS) reflected an increase in net position of \$3.9 million. DWS charges for services slightly increased by \$0.8 million, operating expenses increased by \$2.0 million, and capital contributions decreased by \$2.3 million. The increase in total business-type net position of \$4.2 million for this year is a decrease by \$2.1 million compared with last year's increase in net position of \$6.3 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 \$188.6 million, representing a decrease of \$117.5 million or 38.4% as compared to the prior year. The \$117.5 million decrease in the governmental funds balance can be attributed to the decreases in all of the County Funds as follows: General Fund by \$86.8 million, Capital Improvement Projects Fund by \$23.3 million, Sewer Fund by \$3.6 million, Highway Fund by \$2.1 million and Other Governmental Funds by \$1.7 million.

Approximately \$42.4 million or 22.5% 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 \$146.2 million is comprised of \$46.5 million in restricted funds, \$68.6 million in committed funds, and \$31.1 million in assigned funds. There was a total of \$113.2 million in encumbered governmental funds comprised of \$108.6 million in the major funds and \$4.7 million in the non-major funds.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

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 \$97.6 million, which included \$5.8 million in restricted funds, \$30.0 million in committed, \$19.4 million in assigned, and \$42.4 million in unassigned funds. The unassigned fund balance represents 12.9% of total General Fund expenditures, while the total fund balance of the General Fund represents 29.7% of the expenditures. There was a total of \$19.4 million in encumbrances in the General Fund at the end of fiscal year 2014.

The fund balance for the General Fund decreased by \$86.8 million during the current fiscal year. This compares with an increase of \$28.7 million from the prior year, as restated. Key factors for the decrease of \$86.8 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$4.0 million or 1.5% from prior year, largely reflective of increased revenues from taxes of \$8.2 million, offset by decreased revenues from charges for services of \$3.5 million.
- Total expenditures increased by \$116.6 million or 55.0% from prior year. The increase is due to increases in expenditures in the General Government (a \$97.2 million contribution to the EUTF OPEB Trust).
- Other Financing Uses, net decreased \$2.9 million from prior year, due to an increase in transfers out to the Capital Projects and Other Governmental Funds. The \$2.9 million increase in Other Financing Uses, net coupled with the \$112.6 million decrease in revenues over expenditures resulted in a decrease of \$115.5 million in the net change in fund balances from the prior year.
- Prior period adjustments amounted to \$4.5 million primarily due to reclassification of planning fees from the Fiduciary Fund to the General Fund.

Revenues from taxes increased by \$8.2 million, from \$225.8 million in fiscal year 2013 to \$234.0 million in fiscal year 2014.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$224.0 million represents 52.2% of all the revenues for the County governmental funds. This year's levy collection increased by \$8.2 million or 8.2% from last year's levy collection of \$215.8 million. The increase in real property tax collection in fiscal 2014 was largely due to increased property tax valuations for all property classifications. The County's composite tax rate increased from 6.55% to 6.65% in the current fiscal year.

The property tax valuations for tax rate purposes (tax base) increased from \$32.5 billion in fiscal year 2013 to \$33.4 billion in fiscal year 2014, representing an increase of 2.9%. The tax rates in 2014 increased for the following classifications: Apartment from \$6.20 to \$6.40, Commercial from \$6.90 to \$7.05, Industrial from \$7.10 to \$7.30, Agricultural from \$6.00 to \$6.05, Conservation from \$6.20 to \$6.25, Hotel and Resort from \$9.15 to \$9.40, Time share from \$15.50 to \$15.55, Homeowner from \$2.75 to \$2.87 and Residential from \$4.50 to \$4.60.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

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

Included in the Taxes category for the General Fund is the public service company tax. This tax, which is levied against public utilities, provides for a tax of 1.885% of the gross income in lieu of real property tax. Collections for the Public Service Company tax were \$9.8 million, representing a slight increase of \$0.07 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was \$12.3 million, of which the entire amount was restricted. A total of \$3.8 million in the Highway Fund was encumbered at the end of fiscal year 2014.

The revenues in the Highway Fund primarily derived from the fuel tax (\$10.7 million), franchise tax (\$10.8 million), and motor vehicle weight tax (\$18.1 million, classified as licenses and permits), and public transit bus fare (\$2.7 million) collectively made up 9.8% (\$39.5 million) of the revenues in the governmental funds. The fiscal year 2014 revenue collection was \$0.4 million more than the previous year primarily due to increased revenues from motor vehicle license and permit fees of \$0.3 million.

The expenditures of \$31.0 million for the Highway Fund increased \$2.9 million or 10.4% from the prior fiscal year. This increase is primarily due to additional expenditures for the Road, Bridge, and Drainage program to purchase new and replacement of various machineries and equipment to repave roads.

Transfers in from the General Fund, Special Revenue Funds, Capital Improvement Projects Fund, and Other Governmental Funds slightly increased from \$2.1 million in fiscal year 2013 to \$2.7 million in fiscal year 2014. With a beginning fund balance of \$14.4 million, the Highway Fund ended with a fund balance of \$12.3 million, a decrease in fund balance of \$2.1 million.

Sewer Fund. At the end of the current fiscal year, the fund balance of the Sewer Fund was \$12.5 million which represented committed funds. A total of \$0.4 million in the Sewer Fund was encumbered at the end of fiscal year 2014.

The Sewer Fund revenues of sewer and cesspool fees of \$46.1 million reflect a decrease of \$2.0 million or 4.2% from last year's revenue collection of \$48.1 million.

The Sewer Fund expenditures of \$24.9 million decreased \$0.1 million or 0.06% from the prior fiscal year. Capital improvement projects funded by cash from the Sewer Fund increased slightly from \$15.0 million in 2013 to \$15.3 million in 2014. With a beginning fund balance of \$16.1 million, the Sewer Fund ended with a fund balance of \$12.5 million, a decrease in net change in fund balance of \$3.6 million from fiscal 2013 to fiscal 2014.

Grant Fund. Total revenue for the Grant Fund was \$39.0 million, representing an increase of \$4.9 million or 14.4% over last year.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

The Grant Fund expenditures in the current fiscal year increased by \$4.8 million or 14.2% 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 \$31.9 million, which included \$3.3 million in restricted funds, \$16.9 million in committed funds, and \$11.7 million in assigned funds. A total of \$78.9 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

Expenditures for capital improvement projects for fiscal year 2014 were \$77.1 million (excluding bond issuance costs). This amount compares with last year's expenditures of \$68.6 million and represents an increase of \$8.4 million or 12.3%.

The largest expenditures were reflected in the Government Facilities category of \$21.3 million, which comprised 27.7% of the total CIP expenditures. Capital projects under this category consisted primarily of the Kihei Police Station in the amount of \$8.8 million, Public Safety Radio System in the amount of \$10.8 million, Fire Station Improvements in the amount of \$0.6 million and Police Station Improvements in the amount of \$0.5 million.

The Sewer Systems category had expenditures of \$19.7 million or 25.5% of total expenditures of the Capital Improvements Projects Fund. The Environmental Protection Agency (EPA) Consent Decree Renovation in the amount of \$4.7 million, West Maui Recycled Water Project in the amount of \$2.9 million, Kahului Force Main Renovation in the amount of \$2.3 million, Countywide Pump Station Renovation in the amount of \$2.3 million, Lahaina Force Main Replacement in the amount of \$1.4 million and Countywide Wastewater System Modification in the amount of \$0.8 million were the major projects under this category.

Expenditures in the Roadway Systems category of \$18.9 million comprised 24.5% of the total expenditures in the Capital Improvement Projects Fund. The major projects in this category were Countywide Road Resurfacing projects of \$5.0 million, Wakea Avenue Pavement Rehabilitation of \$2.2 million, Kamehameha Avenue Pavement Rehabilitation of \$2.2 million and Kamehameha and Hina Avenue Pavement Rehabilitation of \$1.0 million.

Expenses in the Other Projects category had expenditures of \$7.9 million or 10.2% of the total expenditures in the Capital Improvements Projects Fund. The major projects in this category were West Maui Land Acquisition for \$4.2 million, Countywide Equipment of \$2.2 million and Public Safety Radio System Replacement of \$1.3 million.

Expenditures in the Parks category of \$2.8 million comprised 3.6% of the total expenditures in the Capital Improvement Projects Fund. The Mitchell Pauole Community Center Improvements of \$0.9 million and Baldwin Park Improvements of \$0.4 million were the major projects in this category.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

Expenditures in the Sanitation category of \$1.6 million comprised 2.1% of the total expenditures in the Capital Improvement Projects Fund. The projects in this category were Hana Landfill Detention Pond in the amount of \$1.0 million and Central Maui Landfill Improvements in the amount of \$0.2 million.

BUDGETARY HIGHLIGHTS

The General Fund budget amendments for fiscal year 2014 primarily consisted of \$1.2 million for the Department of Environmental Management, \$1.1 million for the Department of Finance, \$0.2 million for the Department of Parks and Recreation, and \$0.3 million for the Department of Public Works.

There were two major budget variances (final amended budget and actual amounts) in the General Fund for revenues. Revenues from taxes reflected the largest variance with actual revenues of \$234.0 million exceeding the budget by \$1.7 million. Greater than anticipated real property taxes of \$0.8 million and public service company tax of \$0.8 million were responsible for the budget variance.

The second major budget variance can be attributed to a positive variance of \$1.5 million for the License and Permits category, primarily due to a \$1.3 million budget to actual variance due to continued increase in issuance of building, contractor, and electrical permits.

The major positive budget variance for expenditures in the General Fund was in General Government of \$10.0 million, followed by Public Safety of \$3.9 million, and Legislative of \$2.2 million. Insurance and Self-Insurance of \$4.9 million and Terminal Pay-Salary Adjustment of \$2.0 million were largely responsible for the savings recorded under the General Government category.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014

CAPITAL ASSETS
(Dollars in Thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>
Non-Depreciable Assets:						
Land	\$ 159,068	\$ 140,598	\$ 9,734	\$ 9,728	\$ 168,802	\$ 150,326
Construction in progress	82,891	92,007	49,734	32,619	132,625	124,626
	<u>241,959</u>	<u>232,605</u>	<u>59,468</u>	<u>42,347</u>	<u>301,427</u>	<u>274,952</u>
Depreciable Assets:						
Buildings and systems	162,097	122,838	8,702	8,690	170,799	131,528
Improvements other than buildings	135,367	130,388	2,972	2,972	138,339	133,360
Machinery and equipment	126,706	117,584	30,175	29,684	156,881	147,268
Infrastructure	997,443	970,299	474,282	470,312	1,471,725	1,440,611
	<u>1,421,613</u>	<u>1,341,109</u>	<u>516,131</u>	<u>511,658</u>	<u>1,937,744</u>	<u>1,852,767</u>
Accumulated Depreciation	<u>(968,014)</u>	<u>(930,759)</u>	<u>(249,357)</u>	<u>(233,730)</u>	<u>(1,217,371)</u>	<u>(1,164,489)</u>
Total Capital Assets, Net	<u>\$ 695,558</u>	<u>\$ 642,955</u>	<u>\$ 326,242</u>	<u>\$ 320,275</u>	<u>\$ 1,021,800</u>	<u>\$ 963,230</u>

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounted to \$1.02 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 2014, capital assets relating to governmental activities reflected additions of \$179.3 million, depreciation expense of \$40.8 million, and transfers/retirements of \$85.8 million (net), resulting in capital assets, net of \$695.6 million. Capital assets relating to business-type activities reflected additions of \$23.3 million, depreciation expense of \$15.8 million, and transfers/retirements of \$1.5 million (net) resulting in capital assets, net of \$326.2 million.

Capital asset additions relating to governmental activities were primarily attributable to road, bikeway, and bridge improvements, sewer infrastructure, and public safety buildings (Kihei Police Station). 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, 2014 for the governmental and business-type activities amounted to \$113.2 million and \$33.5 million, respectively.

Additional information on the County's capital assets can be found in Note 5 to the basic financial statements of this report.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014**

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2013</u>
General Obligation Bonds (excluding unamortized premiums and deferrals)	\$ 199,042	\$ 220,039	\$ 23,277	\$ 25,596	\$ 222,319	\$ 245,635
State Revolving Fund and USDA Loans	53,293	41,828	17,672	5,262	70,965	47,090
Total Long-Term Debt	<u>\$ 252,335</u>	<u>\$ 261,867</u>	<u>\$ 40,949</u>	<u>\$ 30,858</u>	<u>\$ 293,284</u>	<u>\$ 292,725</u>

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$293.3 million (\$252.3 million related to governmental activities and \$40.9 million related to business-type activities). Of this amount, \$222.3 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$71.0 million represents SRF and United States Department of Agriculture (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 increased by \$0.6 million during the current fiscal year. The increase is primarily reflective of a \$23.9 million increase in SRF and USDA loans offset by a decrease of \$23.3 million in GO bonds.

The State Constitution limits the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the County of Maui is \$5.01 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2014, the County's current outstanding debt applicable to the limit of \$287.0 million represents only 5.73% of the County's debt limitation.

Additional information on the County's long-term debt can be found in Note 6 in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Despite slower than anticipated tourism growth and a lack of meaningful residential construction activity, the Maui economy continues its incremental recovery. Though inconsistent, this recovery has been buoyed by the continuing strength of the real estate market and an improving labor market. Maui is fortunate to have a unique set of economic drivers including Hawaiian Commercial & Sugar (HC&S) Company, the Haleakala observatories, the Maui Research and Technology Park and the ever expanding campus at University of Hawaii (UH) Maui College. Each of these help to buffer the cyclical economics of the tourist sector and contribute to our overall economic growth. Looking forward, the County remains optimistic about the opportunities the coming year brings. Please refer to the Letter of Transmittal for more detailed discussion regarding the state of the County economy.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2014**

The real property tax base for fiscal year 2015 of \$36.2 billion is an increase of \$2.8 billion or 8.5% from the fiscal year 2014.

The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2015 decreased for all of the ten classifications of property. Specifically, the following decreases were made in these categories: Agricultural from \$6.05 to \$5.86, Commercial from \$7.05 to \$6.83, Conservation from \$6.25 to \$6.06, Hotel and Resort from \$9.40 to \$9.11, Apartment from \$6.40 to \$6.20, Industrial from \$7.30 to \$7.07, Time Share from \$15.55 to \$15.07, Homeowner from \$2.87 to \$2.78, Commercialized Residential from \$4.60 to \$4.46 and Residential from \$5.75 to \$5.57. The budgeted real property tax levy for fiscal year 2015 is an increase of \$13.4 million or 5.7% from fiscal year 2014, largely as a result of the higher tax base.

The fee structure for water rates in fiscal year 2015 increased by 9.1% or approximately \$14.40 per month for an average residential family using 32,000 gallons.

The fiscal year 2015 budget appropriated \$13.0 million to the Postemployment Benefits Fund 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, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	\$ 200,583,801	\$ 64,109,976	\$ 264,693,777
Receivables (Note 3):			--
Property taxes	7,576,249	--	7,576,249
State of Hawaii	9,906,002	--	9,906,002
Trade accounts, net	3,532,210	5,704,440	9,236,650
Federal government	4,583,205	--	4,583,205
Other	461,506	--	461,506
Internal balances (Note 4)	--	--	--
Inventory	--	991,864	991,864
Other assets	3,440,180	541,189	3,981,369
Capital Assets (Note 5):			
Land	159,067,977	9,734,009	168,801,986
Buildings and systems	162,097,487	8,701,904	170,799,391
Improvements other than buildings	135,367,004	2,971,632	138,338,636
Machinery and equipment	126,705,502	30,174,872	156,880,374
Infrastructure	997,442,965	474,282,210	1,471,725,175
Construction in progress	82,891,537	49,734,238	132,625,775
Accumulated depreciation	(968,014,204)	(249,357,384)	(1,217,371,588)
Total Capital Assets, net	695,558,268	326,241,481	1,021,799,749
Total Assets	925,641,421	397,588,950	1,323,230,371
DEFERRED OUTFLOWS OF RESOURCES:			
Unamortized loss on advanced refunding	3,797,727	171,477	3,969,204
Total Deferred Outflows of Resources	3,797,727	171,477	3,969,204
Total Assets and Deferred Outflows of Resources	929,439,148	397,760,427	1,327,199,575
LIABILITIES:			
Accounts payable and accrued liabilities	22,908,072	5,646,416	28,554,488
Deposits	750,065	679,354	1,429,419
Unearned revenue	1,657,422	1,012,007	2,669,429
Advanced collections	2,169,913	128,556	2,298,469
Interest payable	2,693,530	288,289	2,981,819
Long-term obligations (Note 6):			
Due within one year	56,586,204	4,861,458	61,447,662
Due in more than one year	290,521,836	41,383,418	331,905,254
Total Liabilities	377,287,042	53,999,498	431,286,540
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows - nonexchange transactions (Note 3)	4,005,036	--	4,005,036
Total Deferred Inflows of Resources	4,005,036	--	4,005,036
NET POSITION:			
Net investment in capital assets	457,961,470	284,637,634	742,599,104
Restricted for:			
Highways and streets	12,314,969	--	12,314,969
Capital projects	4,403,380	--	4,403,380
Open space and resources	5,818,917	--	5,818,917
Affordable housing	13,624,798	--	13,624,798
Water and other assessments (Note 13)	11,270,293	13,081,563	24,351,856
Unrestricted	42,753,243	46,041,732	88,794,975
Total Net Position	\$ 548,147,070	\$ 343,760,929	\$ 891,907,999

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, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 118,866,129	\$ 13,100,517	\$ 3,922,485	\$ 57,167	\$ (101,785,960)	\$ --	\$ (101,785,960)
Public safety	84,279,553	550,106	4,855,496	539,326	(78,334,625)	--	(78,334,625)
Highways and streets	51,607,484	21,858,610	5,903,791	9,758,589	(14,086,494)	--	(14,086,494)
Sanitation	69,856,201	59,583,136	2,306,204	4,171,662	(3,795,199)	--	(3,795,199)
Social welfare	46,072,282	3,202,208	20,892,975	422,310	(21,554,789)	--	(21,554,789)
Culture and recreation	34,417,488	669,822	1,035,552	193,006	(32,519,108)	--	(32,519,108)
Legislative	5,998,179	3,481	--	--	(5,994,698)	--	(5,994,698)
Interest on long-term debt	7,982,034	--	--	--	(7,982,034)	--	(7,982,034)
Total Governmental Activities	<u>419,079,350</u>	<u>98,967,880</u>	<u>38,916,503</u>	<u>15,142,060</u>	<u>(266,052,907)</u>	<u>--</u>	<u>(266,052,907)</u>
Business-type Activities							
Department of Water Supply	55,539,193	55,244,613	--	3,207,822	--	2,913,242	2,913,242
Housing, Interim Financing and Buy-Back Revolving Fund	514,518	167,203	--	1,161,033	--	813,718	813,718
Municipal Golf Course	<u>2,347,542</u>	<u>1,087,319</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,260,223)</u>	<u>(1,260,223)</u>
Total Business-type Activities	<u>58,401,253</u>	<u>56,499,135</u>	<u>--</u>	<u>4,368,855</u>	<u>--</u>	<u>2,466,737</u>	<u>2,466,737</u>
	<u>\$ 477,480,603</u>	<u>\$ 155,467,015</u>	<u>\$ 38,916,503</u>	<u>\$ 19,510,915</u>	<u>\$ (266,052,907)</u>	<u>\$ 2,466,737</u>	<u>\$ (263,586,170)</u>
General Revenues:							
Taxes:							
Property taxes					224,054,686	--	224,054,686
Transient accommodation tax					21,204,000	--	21,204,000
Public service company tax					9,834,542	--	9,834,542
Franchise tax					10,762,004	--	10,762,004
Fuel taxes					10,676,271	--	10,676,271
Interest and investment earnings, net (Note 2)					1,578,592	293,228	1,871,820
Other					(131,995)	734,545	602,550
Transfers (Note 4)					<u>(774,835)</u>	<u>774,835</u>	<u>--</u>
Total General Revenues and Transfers					<u>277,203,265</u>	<u>1,802,608</u>	<u>279,005,873</u>
				Change in Net Position	11,150,358	4,269,345	15,419,703
				Net Position - Beginning of Year, as previously stated	533,811,464	339,658,570	873,470,034
				Cumulative effect of accounting change and prior period adjustment	<u>3,185,248</u>	<u>(166,986)</u>	<u>3,018,262</u>
				Net Position - Beginning of Year, as adjusted	<u>536,996,712</u>	<u>339,491,584</u>	<u>876,488,296</u>
				Net Position - End of Year	<u>\$ 548,147,070</u>	<u>\$ 343,760,929</u>	<u>\$ 891,907,999</u>

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

**COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<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)	\$ 55,748,602	\$ 12,644,952	\$ 11,349,385	\$ --	\$ --	\$ 76,777,434	\$ 36,926,733	\$ 193,447,106
Cash with fiscal agent	--	--	--	--	--	7,136,695	--	7,136,695
Receivables (Note 3):								
Property taxes	7,576,249	--	--	--	--	--	--	7,576,249
Trade accounts, net	--	--	2,175,912	--	--	--	1,356,298	3,532,210
State of Hawaii	--	924,055	--	6,641,283	--	2,340,664	--	9,906,002
Federal government	--	--	--	--	--	4,583,205	--	4,583,205
Other receivables	--	--	--	--	--	461,506	--	461,506
Due from other funds (Note 4)	51,282,799	--	--	--	--	--	--	51,282,799
Total Assets	<u>\$ 114,607,650</u>	<u>\$ 13,569,007</u>	<u>\$ 13,525,297</u>	<u>\$ 6,641,283</u>	<u>\$ --</u>	<u>\$ 91,299,504</u>	<u>\$ 38,283,031</u>	<u>\$ 277,925,772</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Vouchers payable	\$ 3,299,148	\$ 379,574	\$ 783,003	\$ 461,855	\$ --	\$ 3,428,049	\$ 765,869	\$ 9,117,498
Accounts payable	3,184,180	685,000	--	232,314	--	2,219,449	--	6,320,943
Contracts retentions payable	35,862	--	3,343	3,483	--	2,982,724	17,824	3,043,236
Due to other funds (Note 4)	--	--	--	1,293,849	--	49,988,950	--	51,282,799
Deposits payable	--	--	--	--	--	750,000	65	750,065
Accrued wages payable	3,877,323	189,464	175,753	--	--	--	183,854	4,426,394
Deposits and unearned revenues	--	--	--	1,656,845	--	577	--	1,657,422
Advanced collections	--	--	--	--	--	--	2,169,913	2,169,913
Total Liabilities	<u>10,396,513</u>	<u>1,254,038</u>	<u>962,099</u>	<u>3,648,346</u>	<u>--</u>	<u>59,369,749</u>	<u>3,137,525</u>	<u>78,768,270</u>
Deferred Inflows of Resources:								
Deferred inflows - unavailable revenues	5,841,897	--	93,854	--	--	--	625,005	6,560,756
Deferred inflows - nonexchange	749,059	--	--	2,992,937	--	--	263,040	4,005,036
Total Deferred Inflows of Resources	<u>6,590,956</u>	<u>--</u>	<u>93,854</u>	<u>2,992,937</u>	<u>--</u>	<u>--</u>	<u>888,045</u>	<u>10,565,792</u>
Fund Balances (Note 12):								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	5,818,917	12,314,969	--	--	--	3,307,021	25,100,131	46,541,038
Committed	30,009,039	--	12,469,344	--	--	16,908,378	9,157,330	68,544,091
Assigned	19,388,054	--	--	--	--	11,714,356	--	31,102,410
Unassigned	42,404,171	--	--	--	--	--	--	42,404,171
Total Fund Balances	<u>97,620,181</u>	<u>12,314,969</u>	<u>12,469,344</u>	<u>--</u>	<u>--</u>	<u>31,929,755</u>	<u>34,257,461</u>	<u>188,591,710</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 114,607,650</u>	<u>\$ 13,569,007</u>	<u>\$ 13,525,297</u>	<u>\$ 6,641,283</u>	<u>\$ --</u>	<u>\$ 91,299,504</u>	<u>\$ 38,283,031</u>	<u>\$ 277,925,772</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, 2014**

Total Fund Balances - Governmental Funds		\$ 188,591,710
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.		695,558,268
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities.		6,560,756
Interest payable is not reported in the governmental funds.		(2,693,530)
Prepaid postemployment benefits is not reported in the governmental funds.		3,440,180
Deferred amounts on refunding are reported as deferred outflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		3,797,727
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	(208,298,376)	
SRF loans from the State of Hawaii	(53,293,051)	
Compensated absences	(29,101,637)	
Claims and judgments	(20,114,511)	
Landfill closure/post-closure costs	<u>(36,300,466)</u>	
Total Long-term Liabilities		<u>(347,108,041)</u>
Net Position of Governmental Activities		\$ <u>548,147,070</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, 2014**

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	\$ 234,001,677	\$ 21,438,275	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 255,439,952
Licenses and permits	7,369,773	18,061,862	30,260	--	--	--	2,723,385	28,185,280
Intergovernmental revenues	21,267,628	--	1,360	36,178,860	--	11,998,931	1,811	69,448,590
Charges for current services	1,896,542	2,742,853	46,030,618	--	--	--	13,581,103	64,251,116
Fines and forfeitures	2,037,418	--	--	1,855	--	--	211,039	2,250,312
Interest and investment earnings, net (Note 2)	1,693,758	--	--	18,027	--	34,900	--	1,746,685
Other revenues	1,449,560	515	34,168	2,726,500	--	26,168	2,645,433	6,882,344
Assessments	--	--	--	--	--	--	1,085,962	1,085,962
Total Revenues	<u>269,716,356</u>	<u>42,243,505</u>	<u>46,096,406</u>	<u>38,925,242</u>	<u>--</u>	<u>12,059,999</u>	<u>20,248,733</u>	<u>429,290,241</u>
EXPENDITURES:								
Current:								
General government	185,659,412	--	--	4,176,393	--	--	881,968	190,717,773
Public safety	73,857,116	--	--	4,901,747	--	--	221,905	78,980,768
Highways and streets	7,042,498	30,990,060	--	5,903,792	--	--	941,341	44,877,691
Sanitation	600,970	--	24,865,301	2,303,033	--	--	18,574,859	46,344,163
Social welfare	16,675,041	--	--	20,653,591	--	--	7,969,262	45,297,894
Culture and recreation	38,683,500	--	--	1,035,552	--	--	19,886	39,738,938
Legislative	5,987,270	--	--	--	--	--	--	5,987,270
Capital outlay	--	--	--	--	--	77,097,363	--	77,097,363
Debt Service:								
Principal	--	--	--	--	24,592,625	--	--	24,592,625
Interest and other issuance cost	--	--	--	--	9,423,546	--	--	9,423,546
Total Expenditures	<u>328,505,807</u>	<u>30,990,060</u>	<u>24,865,301</u>	<u>38,974,108</u>	<u>34,016,171</u>	<u>77,097,363</u>	<u>28,609,221</u>	<u>563,058,031</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(58,789,451)</u>	<u>11,253,445</u>	<u>21,231,105</u>	<u>(48,866)</u>	<u>(34,016,171)</u>	<u>(65,037,364)</u>	<u>(8,360,488)</u>	<u>(133,767,790)</u>
OTHER FINANCING SOURCES (USES):								
Issuance of Debt (Note 6):								
SRF and USDA loans	--	--	--	--	--	17,060,609	--	17,060,609
Transfers In (Note 4)								
General Fund	--	75,000	--	48,866	34,016,171	6,724,000	10,482,153	51,346,190
Special Revenue Funds	17,560,613	--	--	1,729,383	--	24,406,744	2,367,899	46,064,639
Capital Improvement Projects Fund	1,225,932	2,334,155	3,351,517	--	--	--	902,164	7,813,768
Other Governmental Funds	5,291,813	340,000	--	--	--	1,383,000	--	7,014,813
Proprietary Funds	351,815	--	--	--	--	--	--	351,815
Transfers Out (Note 4)								
General Fund	--	(6,503,491)	(11,057,122)	--	--	(1,225,932)	(5,291,813)	(24,078,358)
Special Revenue Funds	(123,866)	--	--	(1,729,383)	--	(5,685,672)	(340,000)	(7,878,921)
Debt Service Fund	(34,016,171)	--	--	--	--	--	--	(34,016,171)
Capital Improvement Projects Fund	(6,724,000)	(9,126,744)	(15,280,000)	--	--	--	(1,383,000)	(32,513,744)
Other Governmental Funds	(10,482,153)	(493,554)	(1,874,346)	--	--	(902,163)	--	(13,752,216)
Proprietary Funds	(1,126,650)	--	--	--	--	--	--	(1,126,650)
Total Other Financing Sources (Uses)	<u>(28,042,667)</u>	<u>(13,374,634)</u>	<u>(24,859,951)</u>	<u>48,866</u>	<u>34,016,171</u>	<u>41,760,586</u>	<u>6,737,403</u>	<u>16,285,774</u>
Net Change in Fund Balances	(86,832,118)	(2,121,189)	(3,628,846)	--	--	(23,276,778)	(1,623,085)	(117,482,016)
Fund Balances, Beginning of Year, as previously reported	179,958,891	14,436,158	16,098,190	--	--	55,206,533	35,880,546	301,580,318
Prior period adjustment (Note 14)	4,493,408	--	--	--	--	--	--	4,493,408
Fund Balances, Beginning of Year, as restated	<u>184,452,299</u>	<u>14,436,158</u>	<u>16,098,190</u>	<u>--</u>	<u>--</u>	<u>55,206,533</u>	<u>35,880,546</u>	<u>306,073,726</u>
Fund Balances, End of Year	\$ <u>97,620,181</u>	\$ <u>12,314,969</u>	\$ <u>12,469,344</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>31,929,755</u>	\$ <u>34,257,461</u>	\$ <u>188,591,710</u>

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, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ (117,482,016)
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	93,403,990
Depreciation expense	(40,800,777)
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.	20,997,437
This is the amount by which loans payable principal payments exceeded proceeds.	(11,465,420)
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.	(1,249,962)
This is the amount by which landfill closure accrual exceeded the payments.	(7,555,054)
This is the amount by which postemployment benefit payments exceeded accrual.	72,445,502
This is the amount by which claims and judgments payments exceeded the accrual.	1,700,844
Accrued interest reported is an expense in the Statement of Activities but not reported as an expenditure in the governmental funds.	309,100
Unavailable revenues are recognized in the Statement of Activities which differs from the current financial resource measurement of the governmental funds.	(285,697)
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.	1,839,079
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.	<u>(706,668)</u>
Change in Net Position of Governmental Activities - Government-Wide Statement of Activities	\$ <u><u>11,150,358</u></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, 2014**

	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 13)	\$ 44,624,245	\$ 1,703,345	\$ 467,112	\$ 46,794,702
Trade accounts, net (Note 3)	5,701,720	2,720	--	5,704,440
Due from other funds (Note 4)	--	--	--	--
Inventory	991,864	--	--	991,864
Other current assets	317,974	223,215	--	541,189
Total Current Unrestricted Assets	51,635,803	1,929,280	467,112	54,032,195
Restricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	17,315,274	--	--	17,315,274
Total Current Assets	68,951,077	1,929,280	467,112	71,347,469
Capital assets (Note 5):				
Land	6,931,003	2,427,000	376,006	9,734,009
Buildings and systems	3,336,702	1,799,622	3,565,580	8,701,904
Improvements other than buildings	--	--	2,971,632	2,971,632
Machinery and equipment	28,842,281	10,634	1,321,957	30,174,872
Infrastructure	474,282,210	--	--	474,282,210
Construction in progress	49,734,238	--	--	49,734,238
Accumulated depreciation	(243,492,384)	(1,017,129)	(4,847,871)	(249,357,384)
Total Capital Assets, net	319,634,050	3,220,127	3,387,304	326,241,481
Total Assets	388,585,127	5,149,407	3,854,416	397,588,950
DEFERRED OUTFLOW OF RESOURCES				
Unamortized loss on advanced refunding	171,477	--	--	171,477
Total Assets and Deferred Outflows of Resources	388,756,604	5,149,407	3,854,416	397,760,427
LIABILITIES:				
Current Liabilities:				
Accounts payable	5,551,540	14,510	80,366	5,646,416
Bonds payable - current portion (Note 6)	2,408,969	--	--	2,408,969
Notes payable - current portion (Note 6)	950,412	--	--	950,412
Claims and judgments - current portion (Note 6)	661,432	--	--	661,432
Accrued vacation - current portion (Note 6)	774,621	--	66,024	840,645
Deposits	679,354	--	--	679,354
Unearned revenue	1,000,000	12,007	--	1,012,007
Advanced collections	128,556	--	--	128,556
Interest payable	288,289	--	--	288,289
Total Current Liabilities	12,443,173	26,517	146,390	12,616,080
Noncurrent Liabilities (Note 6):				
Bonds payable - less current portion	23,192,846	--	--	23,192,846
Notes payable - less current portion	16,721,261	--	--	16,721,261
Accrued vacation - less current portion	1,296,934	--	172,377	1,469,311
Total Noncurrent Liabilities	41,211,041	--	172,377	41,383,418
Total Liabilities	53,654,214	26,517	318,767	53,999,498
NET POSITION:				
Net investment in capital assets	278,030,204	3,220,127	3,387,304	284,637,635
Restricted - water (Note 13)	13,081,563	--	--	13,081,563
Unrestricted	43,990,623	1,902,763	148,345	46,041,731
Total Net Position	\$ 335,102,390	\$ 5,122,890	\$ 3,535,649	\$ 343,760,929

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, 2014

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Operating Revenues:				
Charges for services	\$ 55,244,613	\$ 167,203	\$ 1,087,319	\$ 56,499,135
Capital grants and contributions	--	1,161,033	--	1,161,033
Total Operating Revenues	<u>55,244,613</u>	<u>1,328,236</u>	<u>1,087,319</u>	<u>57,660,168</u>
Operating Expenses:				
Salaries and personnel services	9,887,783	--	925,730	10,813,513
Other operating expenses	29,191,602	467,187	1,089,907	30,748,696
Depreciation and amortization (Note 5)	<u>15,383,921</u>	<u>47,331</u>	<u>331,905</u>	<u>15,763,157</u>
Total Operating Expenses	<u>54,463,306</u>	<u>514,518</u>	<u>2,347,542</u>	<u>57,325,366</u>
Operating Income (Loss)	<u>781,307</u>	<u>813,718</u>	<u>(1,260,223)</u>	<u>334,802</u>
Nonoperating Revenues (Expenses):				
Interest and investment earnings, net (Note 2)	284,962	8,266	--	293,228
Interest expense, net of capitalized interest	(1,075,887)	--	--	(1,075,887)
Other	<u>734,545</u>	<u>--</u>	<u>--</u>	<u>734,545</u>
Total Non-Operating Revenues (Expenses), Net	<u>(56,380)</u>	<u>8,266</u>	<u>--</u>	<u>(48,114)</u>
Income (Loss) Before Capital Contributions and Transfers	724,927	821,984	(1,260,223)	286,688
Capital Contributions	3,207,822	--	--	3,207,822
Transfers In (Note 4)	--	--	1,126,650	1,126,650
Transfers Out (Note 4)	<u>--</u>	<u>--</u>	<u>(351,815)</u>	<u>(351,815)</u>
Change in Net Position	3,932,749	821,984	(485,388)	4,269,345
Net Position, Beginning of Year, as previously reported	331,336,627	4,300,906	4,021,037	339,658,570
Prior period adjustment (Note 14)	(166,986)	--	--	(166,986)
Net Position, Beginning of Year, as restated	<u>331,169,641</u>	<u>4,300,906</u>	<u>4,021,037</u>	<u>339,491,584</u>
Net Position, End of Year	<u>\$ 335,102,390</u>	<u>\$ 5,122,890</u>	<u>\$ 3,535,649</u>	<u>\$ 343,760,929</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, 2014**

	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	\$ 55,719,090	\$ 168,507	\$ 1,087,319	\$ 56,974,916
Payments to employees	(9,764,702)	--	(903,357)	(10,668,059)
Payments to suppliers	(27,364,965)	(489,119)	(1,055,814)	(28,909,898)
Refunds of utility construction advances	(1,033,910)	--	--	(1,033,910)
Net cash provided by (used in) operating activities	<u>17,555,513</u>	<u>(320,612)</u>	<u>(871,852)</u>	<u>16,363,049</u>
Cash Flows from Capital and Related Financing Activities:				
Cash paid for the acquisition and construction of capital assets	(19,893,673)	(11,735)	(41,314)	(19,946,722)
Proceeds from bonds and notes payable	12,931,963	--	--	12,931,963
Principal paid on bonds and notes payable	(2,841,180)	--	--	(2,841,180)
Cash received from capital contributions	1,424,600	--	--	1,424,600
Interest paid on bonds and notes payable	(1,292,320)	--	--	(1,292,320)
Other	734,545	--	--	734,545
Net cash provided by (used in) capital and related financing activities	<u>(8,936,065)</u>	<u>(11,735)</u>	<u>(41,314)</u>	<u>(8,989,114)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	--	--	1,126,650	1,126,650
Transfers out	--	--	(351,815)	(351,815)
Net cash provided by (used in) non-capital financing activities	<u>--</u>	<u>--</u>	<u>774,835</u>	<u>774,835</u>
Cash Flows from Investing Activities:				
Interest and investment earnings received from investments	<u>284,962</u>	<u>8,266</u>	<u>--</u>	<u>293,228</u>
Net cash provided by investing activities	<u>284,962</u>	<u>8,266</u>	<u>--</u>	<u>293,228</u>
Change in Cash and Cash Equivalents	8,904,410	(324,081)	(138,331)	8,441,998
Cash and Cash Equivalents, Beginning of Year	<u>53,035,109</u>	<u>2,027,426</u>	<u>605,443</u>	<u>55,667,978</u>
Cash and Cash Equivalents, End of Year	<u>\$ 61,939,519</u>	<u>\$ 1,703,345</u>	<u>\$ 467,112</u>	<u>\$ 64,109,976</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 781,307	\$ 813,718	\$ (1,260,223)	\$ 334,802
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	15,383,921	47,331	331,905	15,763,157
Bad debt recoveries, net	73,859	--	--	73,859
Net (increase) decrease in receivables, inventory, and other current assets	776,510	(19,489)	--	757,021
Net increase (decrease) in accounts payable, accrued vacation and other current liabilities	<u>539,916</u>	<u>(1,162,172)</u>	<u>56,466</u>	<u>(565,790)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 17,555,513</u>	<u>\$ (320,612)</u>	<u>\$ (871,852)</u>	<u>\$ 16,363,049</u>
Noncash Capital Financing Activities				
Capital contributions	<u>\$ 3,207,822</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,207,822</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, 2014**

	<u>Agency Funds</u>
ASSETS:	
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 31,879,182
Other current assets	2,175,490
Other non-current assets	<u>132,745</u>
Total Assets	\$ <u>34,187,417</u>
 LIABILITIES:	
Accounts payable	\$ 59,097
Deposits	33,979,425
Due to State of Hawaii	<u>148,895</u>
Total Liabilities	\$ <u>34,187,417</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, 2014

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 2012.

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, liabilities, 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, 2014

**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, 2014

**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, 2014

**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, 2014

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, 2014 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, 2014

**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 one item that qualifies for reporting in this category. The County reports the deferred loss on refunding as a deferred outflow 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.

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 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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

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, 2014, accumulated sick leave amounted to approximately \$75.7 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.

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, 2014, fund balances for government funds are comprised of the following:

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

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, 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.

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

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

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASBS 65) was implemented in fiscal year 2014. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

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

Statement No. 68 *Accounting and Reporting for Pensions - an amendment of GASB Statement No. 27*. Statement No. 68 amends the accounting guidance related to employers' accounting for pension plans administered through trusts or similar arrangements and requires the recognition of a liability for the employers' accumulated obligation for pension benefits. Statement No. 68 also provides additional guidance regarding the recognition of annual costs of pension benefits and revises the disclosure requirements for the notes to the financial statements and required supplementary information. Statement No. 68 will be effective for the County's financial statements for the fiscal year ending June 30, 2015. Management is currently assessing the impact of Statement No. 68 on its financial position and results of operations and has not determined if the adoption will have a material effect on its financial statements.

Statement No. 69 *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Statement No. 69 will be effective for the County's financial statements for the fiscal year ending June 30, 2015. The County does not expect this statement will have an impact on its financial statements.

Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement establishes transition provisions for recognizing beginning deferred inflows and outflows related to pensions in the year GASB Statement No. 68 is adopted. Statement No. 71 will be effective for the County's financial statements for the fiscal year ending June 30, 2015. Management is currently assessing the impact of Statement No. 71 on its financial position and results of operations and has not determined if the adoption will have a material effect on its financial statements.

NOTE 2 - CASH, DEPOSITS, AND INVESTMENTS

Pooled Cash and Investments Held in County Treasury -

Total County cash, deposits, and investments as of June 30, 2014, at fair value, are as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Carrying Value
Equity in pooled cash and investments	\$ 200,583,801	\$ 46,794,702	\$ 31,879,182	\$ 279,257,685
Restricted investments - equity in pooled cash and investments	--	17,315,274	--	17,315,274
Total equity in pooled cash and investments	\$ <u>200,583,801</u>	\$ <u>64,109,976</u>	\$ <u>31,879,182</u>	\$ <u>296,572,959</u>
			Cash on hand and deposits	\$ 56,221,135
			Certificates of deposit	2,420,253
			Investments	<u>237,931,571</u>
			Total equity in pooled cash and investments	\$ <u>296,572,959</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 OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

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, no more than 30% of the County's investment portfolio will be invested in a single type of security 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, 2014 were "Aaa" and "AA+" by Moody's and Standard & Poor's, respectively.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investments in a single issuer or investment. The County diversifies its investments to minimize such risk and with the exception of U.S. Treasury securities, no more than 30% of the investment portfolio can be invested in a single type of security or financial institution.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of failure of the counterparty to an investment, the County would not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All of the County's investments are either insured or held by an agent in the name of the County, including the investment collateral underlying the repurchase agreements.

Custodial credit risk for bank depository accounts is the risk that in the event of a bank failure, the County's deposits may not be returned. It is the County's policy to place its bank deposits with State of Hawaii high credit quality financial institutions that are able to meet the collateral requirements for the County's deposits. As of June 30, 2014, all of the County's cash balance of \$56.2 million and certificates of deposit of \$2.4 million were insured or collateralized.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

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

Investments -

As of June 30, 2014, the County's investments were as follows:

Type of Investment	% Yield	Maturity				Premiums (Discounts)	Carrying Value
		Under 30 Days	31-180 Days	181-365 Days	1 - 5 Years		
Federal National Mortgage Association Coupon Notes	0.24 - 1.89	\$ --	\$ 8,000,000	\$ --	\$ 47,010,000	\$ 132,098	\$ 55,142,098
Federal National Mortgage Association Discount Notes	0.06	--	700,000	--	--	(105)	699,895
Federal Home Loan Bank Notes	0.16 - 1.79	--	20,000,000	18,000,000	5,250,000	134,714	43,384,714
Federal Home Loan Bank Discount Note	0.07 - 0.085	--	6,300,000	--	--	(1,053)	6,298,947
Federal Farm Credit Bank Notes	0.21 - 1.81	10,000,000	10,000,000	11,000,000	7,315,000	74,267	38,389,267
Federal Agricultural Mortgage Corporation Notes	0.27 - 0.99	--	5,000,000	10,000,000	20,100,000	22,641	35,122,641
Federal Agricultural Mortgage Corporation Discount Notes	0.075	--	12,000,000	--	--	(1,900)	11,998,100
Federal Home Loan Mortgage Corporation Notes	0.10 - 1.40	--	6,000,000	--	22,000,000	72,962	28,072,962
Federal Home Loan Mortgage Corporation Discount Notes	0.09 - 0.14	--	4,000,000	4,000,000	--	(4,096)	7,995,904
U.S. Treasury Bills	1.399	--	--	--	3,000,000	(165,152)	2,834,848
U.S. Treasury Notes	0.22 - 0.47	--	<u>2,000,000</u>	--	<u>6,000,000</u>	<u>(7,805)</u>	<u>7,992,195</u>
Total investments		\$ <u>10,000,000</u>	\$ <u>74,000,000</u>	\$ <u>43,000,000</u>	\$ <u>110,675,000</u>	\$ <u>256,571</u>	237,931,571
Type of Deposits							
Various certificates of deposit	0.1 - 1.45	\$ --	\$ --	\$ --	\$ <u>2,420,253</u>		<u>2,420,253</u>
					Total investments and certificates of deposit		240,351,824
					Cash on hand and deposits		<u>56,221,135</u>
					Total equity in pooled cash and investments	\$	<u><u>296,572,959</u></u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 - RECEIVABLES

Receivables as of June 30, 2014, 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 Improvements Project Fund	Non-Major Funds	Total Governmental Activities
Receivables, net:							
Real property taxes	\$ 7,576,249	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,576,249
Intergovernmental	--	924,055	--	6,641,283	6,923,869	--	14,489,207
Sewer charges	--	--	2,175,912	--	--	--	2,175,912
Landfill charges	--	--	--	--	--	1,903,790	1,903,790
Other	--	--	--	--	461,506	--	461,506
Less: allowance for uncollectible accounts	--	--	--	--	--	(547,492)	(547,492)
Total Receivables, net:	<u>\$ 7,576,249</u>	<u>\$ 924,055</u>	<u>\$ 2,175,912</u>	<u>\$ 6,641,283</u>	<u>\$ 7,385,375</u>	<u>\$ 1,356,298</u>	<u>\$ 26,059,172</u>

Receivables included in the County's proprietary funds as of June 30, 2014 were as follows:

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total Business-Type Activities
Receivables, net:				
Charges for services	\$ 5,833,948	\$ 2,720	\$ --	\$ 5,836,668
Less: allowance for uncollectible charges	(132,228)	--	--	(132,228)
Total Receivables, net:	<u>\$ 5,701,720</u>	<u>\$ 2,720</u>	<u>\$ --</u>	<u>\$ 5,704,440</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, 2014**

NOTE 3 - RECEIVABLES (Continued)

At June 30, 2014, 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)	\$ 5,841,897	\$ --
Real property tax collections received in advance (General Fund)	--	749,059
Sewer and landfill fees not collected within 60 days of year-end (Sewer Fund and Non-Major Fund)	718,859	--
Grant funds received prior to meeting all necessary requirements (Grant Fund)	--	2,992,937
Fees collected in advance for refuse collection and liquor license (Non-Major Fund)	<u>--</u>	<u>263,040</u>
	<u>\$ 6,560,756</u>	<u>\$ 4,005,036</u>

NOTE 4 - INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS BALANCES

Amounts due from and due to other funds as of June 30, 2014 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 51,282,799	\$ --
Capital Improvement Project Fund	--	49,988,950
Grant Fund	<u>--</u>	<u>1,293,849</u>
	<u>\$ 51,282,799</u>	<u>\$ 51,282,799</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, 2014**

NOTE 4 - INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS BALANCES (Continued)

A summary of the inter-fund transfers as of June 30, 2014 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 24,430,173	\$ 52,472,840
Highway Fund	2,749,155	16,123,789
Sewer Fund	3,351,517	28,211,468
Grant Fund	1,778,249	1,729,383
Debt Service Fund	34,016,171	--
Capital Improvement Project Fund	32,513,744	7,813,767
Non-Major Governmental Funds	13,752,216	7,014,813
Major Proprietary Fund – Golf Course Special Fund	<u>1,126,650</u>	<u>351,815</u>
	\$ <u>113,717,875</u>	\$ <u>113,717,875</u>

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - CAPITAL ASSETS

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Reductions/ Retirements	Balance June 30, 2014
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 140,598,266	\$ 18,469,711	\$ --	\$ 159,067,977
Construction in progress	92,006,712	76,690,245	(85,805,420)	82,891,537
	<u>232,604,978</u>	<u>95,159,956</u>	<u>(85,805,420)</u>	<u>241,959,514</u>
Depreciable assets:				
Buildings and systems	122,837,865	39,259,622	--	162,097,487
Improvements other than buildings	130,388,474	4,978,530	--	135,367,004
Machinery and equipment	117,583,789	12,682,344	(3,560,631)	126,705,502
Infrastructure	970,298,560	27,144,405	--	997,442,965
	<u>1,341,108,688</u>	<u>84,064,901</u>	<u>(3,560,631)</u>	<u>1,421,612,958</u>
Accumulated depreciation				
Buildings and improvements	75,345,595	5,355,080	--	80,700,675
Improvements other than buildings	70,369,484	5,333,429	--	75,702,913
Machinery and equipment	98,333,203	9,287,865	(3,545,185)	104,075,883
Infrastructure	686,710,330	20,824,403	--	707,534,733
	<u>930,758,612</u>	<u>40,800,777</u>	<u>(3,545,185)</u>	<u>968,014,204</u>
Total Governmental Activities -				
Capital Assets, Net	\$ <u>642,955,054</u>	\$ <u>138,424,080</u>	\$ <u>(85,820,866)</u>	\$ <u>695,558,268</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance July 1, 2013	Additions	Reductions/ Retirements	Balance June 30, 2014
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 9,727,804	\$ 6,205	\$ --	\$ 9,734,009
Construction in progress	<u>32,618,993</u>	<u>18,463,164</u>	<u>(1,347,919)</u>	<u>49,734,238</u>
	<u>42,346,797</u>	<u>18,469,369</u>	<u>(1,347,919)</u>	<u>59,468,247</u>
Depreciable assets:				
Buildings and systems	8,690,169	11,735	--	8,701,904
Improvements other than buildings	2,971,632	--	--	2,971,632
Machinery and equipment	29,684,576	648,546	(158,250)	30,174,872
Infrastructure	<u>470,311,669</u>	<u>4,136,163</u>	<u>(165,622)</u>	<u>474,282,210</u>
	<u>511,658,046</u>	<u>4,796,444</u>	<u>(323,872)</u>	<u>516,130,618</u>
Accumulated depreciation:				
Buildings and systems	4,367,527	266,102	--	4,633,629
Improvements other than buildings	2,649,038	75,877	--	2,724,915
Machinery and equipment	14,802,876	1,294,995	(135,921)	15,961,950
Infrastructure	<u>211,910,707</u>	<u>14,126,183</u>	<u>--</u>	<u>226,036,890</u>
	<u>233,730,148</u>	<u>15,763,157</u>	<u>(135,921)</u>	<u>249,357,384</u>
Business-type Activities - Capital Assets, net	<u>\$ 320,274,695</u>	<u>\$ 7,502,656</u>	<u>\$ (1,535,870)</u>	<u>\$ 326,241,481</u>

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

Governmental Activities:

General government	\$ 1,193,166
Public safety	7,024,996
Highways and streets	9,061,721
Sanitation	16,470,621
Social and welfare	913,224
Culture and recreation	6,126,139
Legislative	<u>10,910</u>

Total Depreciation Expense - Governmental Activities \$ 40,800,777

Business-type Activities:

Department of Water Supply	\$ 15,383,921
Golf course	331,905
Housing interim financing	<u>47,331</u>

Total Depreciation Expense - Business-type Activities \$ 15,763,157

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 - CAPITAL ASSETS (Continued)

Construction in progress is comprised of the following as of June 30, 2014:

	Project Authorized (Appropriated)	Expended to June 30, 2014	Committed (Encumbered)
Governmental Activities:			
Government facilities	\$ 37,380,692	\$ 19,974,608	\$ 5,125,984
Roadway systems	93,062,083	27,601,452	25,357,377
Sewer systems	65,432,609	18,819,519	18,882,460
Sanitation	7,132,397	1,810,330	3,041,538
Parks and recreation	10,747,000	2,443,159	4,760,633
Drainage	36,625,000	10,515,370	10,780,761
Other	<u>15,164,015</u>	<u>1,727,099</u>	<u>6,952,281</u>
Total	\$ <u>265,543,796</u>	\$ <u>82,891,537</u>	\$ <u>74,901,034</u>

	Project Authorized (Appropriated)	Expended to June 30, 2014	Committed (Encumbered)
Business-Type Activities:			
Department of Water Supply	\$ <u>124,285,752</u>	\$ <u>49,734,238</u>	\$ <u>25,912,111</u>

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2014.

	Balance June 30, 2013 (as restated)	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 231,134,892	\$ --	\$ 22,836,516	\$ 208,298,376	\$ 19,571,531
State Revolving Fund and USDA loans	<u>41,827,631</u>	<u>17,060,609</u>	<u>5,595,189</u>	<u>53,293,051</u>	<u>4,463,201</u>
Total	\$ <u>272,962,523</u>	\$ <u>17,060,609</u>	\$ <u>28,431,705</u>	\$ <u>261,591,427</u>	\$ <u>24,034,732</u>
Business-Type Activities:					
General obligation bonds	\$ 28,187,017	\$ --	\$ 2,585,202	\$ 25,601,815	\$ 2,408,969
Notes payable	<u>5,262,325</u>	<u>12,931,963</u>	<u>522,615</u>	<u>17,671,673</u>	<u>950,412</u>
Total	\$ <u>33,449,342</u>	\$ <u>12,931,963</u>	\$ <u>3,107,817</u>	\$ <u>43,273,488</u>	\$ <u>3,359,381</u>

Governmental Activities - General Obligation Bonds -

The County issues general obligation bonds for the construction of major capital facilities. General obligation bonds are direct obligations of the County for which its full faith and credit are pledged. Debt service is paid from the debt service fund.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

General obligation bonds payable reported in the Governmental Activities column of the statement of net position at June 30, 2014 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2014
1982	Farmers Home Administration	5.00%	\$ 1,500,000	2016	\$ 174,500
2001	Series B and C Refunding	3.00%-5.25%	29,880,000	2015	2,280,000
2004	Series B Refunding	2.00%-5.00%	15,165,000	2018	5,070,000
2005	Series A,B,C GO and Refunding	2.50%-5.00%	50,485,000	2025	16,540,000
2006	Series A,B,C GO and Refunding	4.00%-5.00%	54,615,000	2026	42,685,000
2008	Series A GO	3.50%-5.00%	34,000,000	2027	28,426,582
2010	Series A GO	0.53%-5.95%	23,375,000	2030	19,440,000
2010	Series B GO	3.00%-5.00%	46,300,000	2021	31,062,956
2012	Series A,B, and D GO and Refunding	2.00%-5.00%	56,885,000	2032	53,363,469
	Total general obligation bonds		\$ <u>312,205,000</u>		199,042,507
	Unamortized premium				<u>9,255,869</u>
	Net general obligation bonds outstanding				<u>\$ 208,298,376</u>

In the government-wide financial statements, bond discounts and premiums, and the difference between the reacquisition price and the carrying amount of old debt in advance of refunding resulting in a defeasance of debt, are deferred and amortized.

Governmental Activities – State Revolving Fund and USDA Loans –

State Revolving Fund Loans

The State Revolving Fund Loans are for the construction of necessary water treatment works, and for wastewater reclamation as well as solid waste projects. The notes' original issue amounted to \$77.7 million and outstanding principal amounted to \$46.7 million at June 30, 2014, and bear interest at 0.50% to 2.60%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2034. The County has 22 projects funded with these SRF loans.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

USDA Loans

The USDA loan was issued by the Rural Housing Service of the U.S. Department of Agriculture for an amount up to \$17.0 million for certain improvements to the County's Kihei Police Station. The original issue amount and outstanding principal amounted to \$6.6 million at June 30, 2014, and bears interest at 3.75%. The loan requires semi-annual principal and interest payments through fiscal year 2032.

The schedule below shows the State Revolving Fund and USDA Loans outstanding as of June 30, 2014:

<u>Year</u>	<u>Description</u>	<u>Loan Number</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Outstanding Balance June 30, 2014</u>
State Revolving Fund Loans:					
1997	Lahaina Pump Station No. 3	C150054-07	\$ 2,644,416	2016	\$ 336,854
1997	Kihei Wastewater Reclamation Phase IIB	C150077-06	9,018,078	2016	1,152,006
1998	Kihei Reuse Core Distribution System	C150077-09	3,231,080	2018	712,791
2004	Lahaina Pump Station Nos. 5 & 6	C150054-12	3,300,000	2026	2,092,387
2004	Kahului Pump Station Modification	C150052-30	2,623,957	2026	1,681,594
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	1,178,359
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	7,275,008
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2029	1,504,098
2009	Lahaina Wastewater Pump Station No.1	C150054-06	7,050,000	2029	5,373,311
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,662,324	2029	2,640,806
2009	Islandwide EPA Consent Decree	C150052-31	7,679,840	2029	6,403,317
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,300,000	2029	2,562,853
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2029	365,613
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	1,436,514
2010	Countywide Pump Station Renovations	C150052-28	997,670	2029	663,476
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2032	923,008
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2033	1,072,058
2013	West Maui Recycled Water	C150054-23	3,368,388	2033	391,679
2012	Wailuku-Kahului Force Main Replacement	C150052-35	3,621,040	2034	2,839,713
2012	Countywide Pump Station Renovations	C150054-34	4,023,751	2034	1,555,337
2010	Central Operations and Maintenance Facility	C150052-33	500,000	2034	500,000
2013	Lahaina No. 3 Force Main Replacement	C150054-28	4,719,660	2034	4,028,289
			<u>\$ 77,707,904</u>		<u>\$ 46,689,071</u>
USDA Loan					
2012	Kihei Police Station Project	NO. R-1	<u>\$ 6,603,980</u>	2032	<u>6,603,980</u>
	Total				<u>\$ 53,293,051</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

Annual debt service requirements to maturity for the general obligation bonds and the State Revolving Fund and USDA Loans at June 30, 2014, 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>
2015	\$ 19,571,531	\$ 9,043,284	\$ 28,614,815
2016	18,006,110	7,661,672	25,667,782
2017	18,632,392	6,928,974	25,561,366
2018	19,460,127	6,092,672	25,552,799
2019	16,535,114	5,196,437	21,731,551
2020-2024	60,417,535	15,876,236	76,293,771
2025-2029	37,027,956	5,512,005	42,539,961
2030-2032	9,391,742	567,072	9,958,814
Total	<u>\$ 199,042,507</u>	<u>\$ 56,878,352</u>	<u>\$ 255,920,859</u>

<u>Year Ending June 30,</u>	<u>Governmental Activities SRF and USDA Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,463,201	\$ 713,373	\$ 5,176,574
2016	4,524,203	638,163	5,162,366
2017	3,815,273	500,146	4,315,419
2018	3,755,815	443,252	4,199,067
2019	3,688,955	390,610	4,079,565
2020-2024	17,666,070	1,170,162	18,836,232
2025-2029	12,756,576	355,525	13,112,101
2030-2034	2,622,958	52,524	2,675,482
Total	<u>\$ 53,293,051</u>	<u>\$ 4,263,755</u>	<u>\$ 57,556,806</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 (the Department) issues general obligation bonds for the construction of major capital facilities. These general obligation bonds are considered reimbursable bonds to be repaid from the net revenues of the Department, and accordingly, are excluded from funded debt pursuant to the State Constitution.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - 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, 2014 are comprised of the following individual issues:

<u>Year</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding Balance June 30, 2014</u>
2005	Series B GO Refunding Bonds	3.50%-5.00%	3/1/2018	\$ 3,960,000
2008	Series A GO Refunding Bonds	3.00%-5.00%	7/1/2027	4,598,418
2010	Series B GO Refunding Bonds	3.00%-5.00%	6/1/2021	2,697,044
2012	Series B and C GO and Refunding	4.00%-5.00%	6/1/2032	<u>12,021,530</u>
	Total general obligation bonds			23,276,992
	Unamortized premium			<u>2,324,823</u>
	Net general obligation bonds outstanding			<u>\$ 25,601,815</u>

In the government-wide and proprietary fund financial statements, bond discounts and premiums, and the difference between the reacquisition price and the carry 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, 2014, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Business-Type Activities General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,408,969	\$ 1,020,926	\$ 3,429,895
2016	2,512,890	916,385	3,429,275
2017	2,607,608	818,922	3,426,530
2018	2,734,873	695,221	3,430,094
2019	1,759,886	559,956	2,319,842
2020-2024	7,587,465	1,524,608	9,112,073
2025-2029	2,842,044	396,571	3,238,615
2030-2032	<u>823,257</u>	<u>49,874</u>	<u>873,131</u>
Totals	\$ <u>23,276,992</u>	\$ <u>5,982,463</u>	\$ <u>29,259,455</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, 2014**

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

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

At June 30, 2014, notes payable of the Department consisted of the following:

	Amount
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.37% and loan fee rate of 3.25%, maturing in 2029.	\$ 1,267,516
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.00% and loan fee rate of 3.25%, maturing in 2031.	587,946
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.35% and loan fee rate of 3.25%, maturing in 2032.	3,046,997
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.00% and loan fee rate of 3.25%, maturing in 2032.	888,663
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 1.00% and loan fee rate of 1.00%, maturing in 2032.	233,642
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 1.00% and loan fee rate of 1.00%, maturing in 2033.	353,293
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 1.00% and loan fee rate of 0.50%, maturing in 2033.	826,682
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.00% and loan fee rate of 0.50%, maturing in 2033.	6,894,705
Balance forward	\$ 14,099,444

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS (Continued)

	<u>Amount</u>
Balance carried forward	\$ 14,099,444
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.50% and loan fee rate of 0.50% maturing in 2033.	<u>3,572,229</u>
	17,671,673
Less current maturities	<u>(950,412)</u>
	\$ <u>16,721,261</u>

Annual debt service requirements of these notes payable at June 30, 2014 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>
2015	\$ 950,412	\$ 348,776	\$ 1,299,188
2016	952,751	329,342	1,282,093
2017	955,241	309,715	1,264,956
2018	957,594	290,179	1,247,773
2019	960,010	270,537	1,230,547
2020-2024	4,836,723	1,056,041	5,892,764
2025-2029	4,899,235	556,095	5,455,330
2030-2034	<u>3,159,707</u>	<u>110,585</u>	<u>3,270,292</u>
Totals	\$ <u>17,671,673</u>	\$ <u>3,271,270</u>	\$ <u>20,942,943</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 - 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, 2014. The line of credit agreement requires interest-only payments at the bank's base rate plus 0.90% (3.94% at June 30, 2014), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2014 and has been renewed to July 30, 2015.

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, 2014, are approximately \$5.0 billion and \$4.7 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, 2014.

Refunded Bonds –

The County had issued refunding bonds, namely the 2012A general obligation bonds, which proceeds were placed in an irrevocable trust, to repay all future debt service payments on the 2005A general obligation bonds. As of June 30, 2014, the outstanding balance of the unpaid defeased debt was \$11.1 million. Accordingly, the assets of the irrevocable trust and the liability for the defeased bonds are not included in the County's basic financial statements.

Other Obligations –

Other long-term general obligations consist of accrued vacation, accrued landfill closure and 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 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, 2014

NOTE 6 - 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, 2014 is as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Prepaid Balance June 30, 2014</u>	<u>Due Within One Year</u>
Governmental Activities:						
Accrued vacation	\$ 27,851,674	\$ 13,406,062	\$ 12,156,100	\$ 29,101,636	\$ --	\$ 12,156,101
Accrued landfill closure and postclosure costs (Note 8)	28,745,412	7,672,504	117,450	36,300,466	--	280,860
Accrued postemployment benefits (Note 9)	69,005,322	30,989,488	103,434,990	--	(3,440,180)	--
Claims and judgments	<u>21,815,355</u>	<u>3,625,789</u>	<u>5,326,633</u>	<u>20,114,511</u>	<u>--</u>	<u>20,114,511</u>
Total Other General Obligations	147,417,763	55,693,843	121,035,173	85,516,613	(3,440,180)	32,551,472
Long-Term Debt	<u>272,962,523</u>	<u>17,060,609</u>	<u>28,431,705</u>	<u>261,591,427</u>	<u>--</u>	<u>24,034,732</u>
Total Long-Term Obligations	<u>\$ 420,380,286</u>	<u>\$ 72,754,452</u>	<u>\$ 149,466,878</u>	<u>\$ 347,108,040</u>	<u>\$ (3,440,180)</u>	<u>\$ 56,586,204</u>
	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>	
Business-Type Activities:						
Accrued vacation	\$ 2,228,337	\$ 897,881	\$ 816,262	\$ 2,309,956	\$ 840,645	
Accrued postemployment benefits (Note 9)	5,037,984	1,249,512	6,287,496	--	--	
Claims and judgments	<u>472,868</u>	<u>486,511</u>	<u>297,947</u>	<u>661,432</u>	<u>661,432</u>	
Total Other General Obligations	7,739,189	2,633,904	7,401,705	2,971,388	1,502,077	
Long-Term Debt	<u>33,449,342</u>	<u>12,931,963</u>	<u>3,107,817</u>	<u>43,273,488</u>	<u>3,359,381</u>	
Total Long-Term Obligations	<u>\$ 41,188,531</u>	<u>\$ 15,565,867</u>	<u>\$ 10,509,522</u>	<u>\$ 46,244,876</u>	<u>\$ 4,861,458</u>	

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 - 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 to approximately \$320,000. Total annual rent expenditures for the fiscal year 2014 were approximately \$3.6 million.

As of June 30, 2014, the future minimum noncancelable operating lease payments were as follows:

Year Ending June 30,	Amount
2015	\$ 2,412,347
2016	858,240
2017	392,880
2018	79,630
	\$ 3,743,097

NOTE 8 - SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

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 \$36.3 million of accrued landfill closure and post-closure costs at June 30, 2014 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 2014. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

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

Landfill	Capacity Used	Remaining Life (Years)
Central Maui Phase I and II	100%	None
Central Maui Phase IV	94%	0
Central Maui Phase V	50%	5
Hana	41%	44
Molokai	97%	1
Lanai	71%	19

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 - SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (Continued)

The County incurred closure costs of approximately \$117,450 in fiscal year 2014, with an additional \$280,860 estimated to be incurred in fiscal year 2015. Post-closure costs of approximately \$27.9 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" and "AA+" by Moody's and Standard & Poor's, respectively, exceed the required rating.

NOTE 9 - RETIREMENT BENEFITS

Defined Benefit Pension Plans –

All eligible employees of the County are required by Chapter 88, Hawaii Revised Statutes (HRS), to become members of the Employees' Retirement System of the State of Hawaii (the ERS), a cost-sharing, multiple-employer defined benefit public employee retirement plan. The ERS is governed by a Board of Trustees. The ERS provides retirement benefits, as well as death and disability benefits, with multiple benefit structures known as the contributory, hybrid, and noncontributory plans. All contributions, benefits, and eligibility requirements are established by Chapter 88, HRS, and can be amended by legislative action.

Employees covered by Social Security on June 30, 1984 were given the option of joining the noncontributory plan or remaining in the contributory plan. All new employees hired after June 30, 1984 and before July 1, 2006, who were covered by Social Security, were generally required to join the noncontributory plan. Qualified employees in the contributory and noncontributory plans were given the option of joining the hybrid plan effective July 1, 2006, or remaining in their existing plan. Effective July 1, 2006, all new employees covered by Social Security are required to join the hybrid plan.

The three plans provide a monthly retirement allowance equal to the benefit multiplier percentage (1.25% or 2.00%) multiplied by the average final compensation (AFC) multiplied by years of credited service. The benefit multiplier decreased by 0.25% for new hybrid and contributory plan members hired after June 30, 2012. The AFC is the average salary earned during the five highest paid years of service, including the payment of salary in lieu of vacation, or three highest paid years of service, excluding the payment of salary in lieu of vacation, if the employee became a member prior to January 1, 1971. The AFC for members hired on or after this date is based on the three highest paid years of service, excluding the payment of salary in lieu of vacation. For new members hired after June 30, 2012, the AFC is based on the five highest paid years of service excluding the payment of salary in lieu of vacation.

For postretirement increases, every retiree's original retirement allowance is increased by 2.5% on each July 1 following the calendar year of retirement. This cumulative benefit is not compounded and increases each year by 2.5% of the original retirement allowance without a ceiling (2.5% of the original retirement allowance the first year, 5% the second year, 7.5% the third year, etc.). For new members hired after June 30, 2012, the postretirement annuity increase was decreased to 1.5% per year.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 - RETIREMENT BENEFITS (Continued)

The following summarizes the three plan provisions relevant to the general employees of the respective plan:

Contributory Plan –

General employees in the contributory plan are required to contribute 7.8% of their salary and are fully vested for benefits upon receiving five years of credited service. The County may also make contributions for these members. Under the contributory plan, employees may retire with full benefits at age 55 and 5 years credited service, or may retire early at any age with at least 25 years of credited service and reduced benefits. The benefit multiplier is 2.0% for employees covered by Social Security.

New employees in the contributory plan hired after June 30, 2012 are required to contribute 9.8% of their salary and are fully vested for benefits upon receiving 10 years of credited service. These members may retire with full benefits at age 60 and 10 years of credited service, or may retire at age 55 with 25 years of credited service with reduced benefits. The benefit multiplier is 1.75% for employees covered by Social Security.

Hybrid Plan –

General employees in the hybrid plan are required to contribute 6.0% of their salary and are fully vested for benefits upon receiving five years of credited service. The County may also make contributions for these members. Employees may retire with full benefits at age 62 and 5 years of credited service or at age 55 and 30 years of credited service, or may retire at age 55 and 20 years of service with reduced benefits. The benefit multiplier used to calculate retirement benefits is 2.0%.

New employees in the hybrid plan hired after June 30, 2012 are required to contribute 8% of their salary and are fully vested for benefits upon receiving 10 years of credited service. Employees may retire with full benefits at age 65 and 10 years of credited service, or at age 60 with 30 years of credited service, or may retire at age 55 and 20 years service with reduced benefits. The benefit multiplier is 1.75% for employees covered by Social Security.

Noncontributory Plan –

General employees in the noncontributory plan are fully vested upon receiving 10 years of credited service. The County is required to make all contributions for these members. Employees may retire with full benefits at age 62 and 10 years of credited service or age 55 and 30 years of credited service or age 55 and 20 years of credited service with reduced benefits. The benefit multiplier used to calculate retirement benefits is 1.25%.

The ERS funding policy provides for periodic employer contributions at actuarially determined rates, expressed as a percentage of annual covered payroll, such that the employer contributions, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate sufficient assets to pay benefits when due. The funding method used to calculate the total employer contribution required is the entry age normal actuarial cost method. Effective July 1, 2005, employer contribution rates are a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liability. The rates as of July 1, 2012 are 22.00% for police officers and firefighters, and 15.50% for all other employees. Each year thereafter, the rates will gradually increase to 25.00% for police officers and firefighters and to 17.00% for all other employees. Employer rates are set by statute based on the recommendation of the ERS actuary resulting from an experience study conducted every five years.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 - RETIREMENT BENEFITS (Continued)

The County's contributions to the ERS for the years ended June 30, 2014, 2013, and 2012 were approximately \$26.8 million, \$24.6 million, and \$23.4 million, respectively, which equal the required contributions for each year. Measurement of assets and actuarial valuations are made for the ERS as a whole and are not separately computed for individual participating employers such as the County.

For new hires, effective July 1, 2012, hybrid plan contribution rates were increased by 2% of pay (8.00% for hybrid plan employees, 14.2% for police officers and firefighters, and 11.75% for hybrid plan employees entitled to the age 55 with 25 years of service normal retirement eligibility). In addition, the 2012 Legislature eliminated non-base pay from the definition of pay for both benefit and contribution purposes for employees hired after June 30, 2012. The Legislature also added an employer contribution surcharge for employers whose members retire after June 30, 2012 and whose benefits are considered to have excessive amounts of non-base pay.

Legislation was also enacted in 2011 that impacted the employer contribution rates beginning in fiscal year 2013. The employer contribution rates for police officers and firefighters increase according to the following schedule: 22.00% in fiscal 2013, 23.00% in fiscal 2014, and 24.00% in fiscal 2015, and 25.00% in fiscal 2016 and beyond. The employer contribution rates for all other employees will increase according to the following schedule: 15.50% in fiscal 2013, 16.00% in fiscal 2014, and 16.50% in fiscal 2015, and 17.00% in FY 2016 and beyond.

The ERS issues a comprehensive annual financial report that is available to the public. That report may be obtained by writing to the Employees' Retirement System of the State of Hawaii, 201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813-2929 or by calling (808) 586-1660.

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.

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.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 - RETIREMENT BENEFITS (Continued)

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, 2013 (the most recent valuation study), the County has 1,223 retirees (including surviving spouses), 188 of deferred vested, and 2,450 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 22.8% of annual covered payroll used in the actuarial valuation study as of July 1, 2013.

The following tables present the annual OPEB cost, the amount contributed to the plan, and the net OPEB liability as of and for the year ended June 30, 2014:

Annual required contribution	\$ 31,543,000
Interest on net OPEB obligation	5,183,000
Adjustment to annual required contribution	<u>(4,487,000)</u>
Annual OPEB cost	32,239,000
Contributions made	<u>(109,722,486)</u>
Decrease in net OPEB obligation	<u>(77,483,486)</u>
Net obligation at beginning of year	<u>74,043,306</u>
 Net OPEB obligation (prepaid) at end of year	 \$ <u><u>(3,440,180)</u></u>

The actuarial accrued liability as of July 1, 2013 based upon the most recent valuation study and the funded status was as follows:

Actuarial accrued liability	\$ 386,100,000
Actuarial value of plan assets	<u>26,838,000</u>
 Unfunded actuarial accrued liability (UAAL)	 \$ <u><u>359,262,000</u></u>
 Funded Ratio	 7.0%
Covered Payroll	\$ 143,438,000
UAAL as a percentage of covered payroll	250.5%

The following table provides the amortization of the UAAL based on the July 1, 2013 valuation report:

Established	Projected UAAL Balance at 7/1/2013	Projected UAAL Balance at 7/1/2014	Period Remaining July 1, 2014	Amortization Payment Fiscal Year 2015
July 1, 2007	\$ 248,495,000	\$ 250,073,000	23	\$ 15,824,000
July 1, 2009	130,778,000	132,209,000	26	7,727,000
July 1, 2011	(31,281,000)	(31,702,000)	26	(1,853,000)
July 1, 2013	<u>11,270,000</u>	<u>12,059,000</u>	<u>30</u>	<u>646,000</u>
	\$ <u><u>359,262,000</u></u>	\$ <u><u>362,639,000</u></u>	23.9	\$ <u><u>22,344,000</u></u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 - RETIREMENT BENEFITS (Continued)

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 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 gain is being amortized over the same 26 year period as the 2009 loss. This process substantially reduces volatility as bases are fully amortized. For fiscal year ending June 30, 2015, the Equivalent Single Amortization Period equals 23.9.

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, 2014, 2013, and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
July 1, 2012	\$ 33,306,000	34.5%	\$ 54,955,990
July 1, 2013	31,092,000	38.6%	74,043,306
July 1, 2014	32,239,000	340.3%	(3,440,180)

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

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

In the July 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an 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 pre-Medicare and post-Medicare initially, reduced by decrements to an ultimate rate of 5.0% over ten years. 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, 2013 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 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.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 - RETIREMENT BENEFITS (Continued)

In June 2014, subsequent to the issuance of the July 1, 2013 valuation report, the County made a \$97.2 million contribution to the EUTF OPEB Trust. The \$97.2 million contribution increased the assets of the plan by more than 300% and therefore has made a significant impact on the plan's funding progress. For the purpose of restating the ARC, the entire discount value of the \$97.2 million contribution was applied to the UAAL base established on July 1, 2013. The amortization of the UAAL after reflecting the \$97.2 million contribution would cause the fiscal 2015 and 2016 ARC to be reduced. The ARC after reflecting the \$97.2 million contribution for fiscal year ending June 30, 2015 is revised down by \$5,629,000 to \$28,241,000 and for fiscal year ending June 30, 2016 is revised down by \$5,826,000 to \$29,229,000.

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 on-line 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.

NOTE 10 - 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 \$20.8 million, with respect to claims and judgments, including claims incurred but not reported and related loss adjustment expenses by the claimant and settled claims is presented on the statement of net position on the government-wide financial statements.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10 - CLAIMS AND JUDGMENTS (Continued)

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

Changes in the claims and judgments liability account for the years ended June 30, 2014 and 2013 were as follows:

2014 - Claims and Judgments					
	Balance	Change to		Balance	Due Within
	July 1, 2013	Estimate	Claim	June 30, 2014	One Year
		Additions/	Payments		
		(Reductions)			
Governmental Activities:					
Workers' compensation	\$ 3,880,639	\$ 5,857,405	\$ 2,910,716	\$ 6,827,328	\$ 6,827,328
Automobile, general liability and other	<u>17,934,718</u>	<u>(2,231,618)</u>	<u>2,415,917</u>	<u>13,287,183</u>	<u>13,287,183</u>
	<u>\$ 21,815,357</u>	<u>\$ 3,625,787</u>	<u>\$ 5,326,633</u>	<u>\$ 20,114,511</u>	<u>\$ 20,114,511</u>
Business-Type Activities:					
Workers' compensation	\$ 340,883	\$ 613,061	\$ 297,512	\$ 656,432	\$ 656,432
Automobile, general liability and other	<u>131,985</u>	<u>(126,550)</u>	<u>435</u>	<u>5,000</u>	<u>5,000</u>
	<u>\$ 472,868</u>	<u>\$ 486,511</u>	<u>\$ 297,947</u>	<u>\$ 661,432</u>	<u>\$ 661,432</u>
2013 - Claims and Judgments					
	Balance	Change to		Balance	Due Within
	July 1, 2012	Estimate	Claim	June 30, 2013	One Year
		Additions/	Payments		
		(Reductions)			
Governmental Activities:					
Workers' compensation	\$ 2,969,379	\$ 3,051,866	\$ 2,140,606	\$ 3,880,639	\$ 3,880,639
Automobile, general liability and other	<u>21,053,993</u>	<u>(2,963,253)</u>	<u>156,022</u>	<u>17,934,718</u>	<u>17,934,718</u>
	<u>\$ 24,023,372</u>	<u>\$ 88,613</u>	<u>\$ 2,296,628</u>	<u>\$ 21,815,357</u>	<u>\$ 21,815,357</u>
Business-Type Activities:					
Workers' compensation	\$ 382,711	\$ 301,902	\$ 343,730	\$ 340,883	\$ 340,883
Automobile, general liability and other	<u>140,735</u>	<u>1,970</u>	<u>10,720</u>	<u>131,985</u>	<u>131,985</u>
	<u>\$ 523,446</u>	<u>\$ 303,872</u>	<u>\$ 354,450</u>	<u>\$ 472,868</u>	<u>\$ 472,868</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 corporate counsel, aids in this evaluation. Estimated expenditures for such claims are appropriated annually in the General Fund with the exception of workers' compensation, which is appropriated annually in the fund that employed the injured worker.

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, 2014

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Contractual commitments –

Contractual commitments for capital projects, expenditures, and supplies for the governmental funds amounted to \$113.2 million at June 30, 2014. Contractual commitments for the proprietary funds amounted to \$25.9 million at June 30, 2014.

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 10). 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 Single Audit Act for the year ended June 30, 2014, 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, 2014**

NOTE 12 - FUND BALANCES

Fund balances for all the major and other governmental funds as of June 30, 2014, are distributed as follows:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>	<u>Capital Improvements Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted for:						
Culture and recreation	5,818,917	--	--	--	5,480,075	11,298,992
Social welfare	--	--	--	--	15,414,527	15,414,527
Sanitation	--	--	--	--	3,375,917	3,375,917
Highways and streets	--	12,314,969	--	--	829,612	13,144,581
Capital projects	--	--	--	3,307,021	--	3,307,021
Subtotal	<u>5,818,917</u>	<u>12,314,969</u>	<u>--</u>	<u>3,307,021</u>	<u>25,100,131</u>	<u>46,541,038</u>
Committed to:						
General government	30,009,039	--	--	--	4,032,976	34,042,015
Social welfare	--	--	--	--	624,236	624,236
Highways and streets	--	--	--	--	1,322,854	1,322,854
Culture and recreation	--	--	--	--	353,966	353,966
Public safety	--	--	--	--	539,620	539,620
Sanitation	--	--	12,469,344	--	2,283,678	14,753,022
Capital projects	--	--	--	16,908,378	--	16,908,378
Subtotal	<u>30,009,039</u>	<u>--</u>	<u>12,469,344</u>	<u>16,908,378</u>	<u>9,157,330</u>	<u>68,544,091</u>
Assigned to:						
General government	19,388,054	--	--	--	--	19,388,054
Capital projects	--	--	--	11,714,356	--	11,714,356
Subtotal	<u>19,388,054</u>	<u>--</u>	<u>--</u>	<u>11,714,356</u>	<u>--</u>	<u>31,102,410</u>
Unassigned	<u>42,404,171</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>42,404,171</u>
Total	<u>\$ 97,620,181</u>	<u>\$ 12,314,969</u>	<u>\$ 12,469,344</u>	<u>\$ 31,929,755</u>	<u>\$ 34,257,461</u>	<u>\$ 188,591,710</u>

The County's General Fund classifications of fund balance are listed below with the June 30, 2014 balances:

Restricted:	
Open space, natural resources, cultural resources and scenic views preservation fund	\$ 5,818,917
Committed:	
Other postemployment obligations fund	5,212,987
Emergency fund	23,796,052
Economic development fund	1,000,000
Assigned:	
Encumbrances	19,388,054
Unassigned:	<u>42,404,171</u>
Total	\$ <u>97,620,181</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - FUND BALANCES (Continued)

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 revolving 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, 2014 are not separately classified in the financial statements, and are summarized as follows:

General Fund	\$ 19,388,054
Highway Fund	3,794,872
Sewer Fund	372,376
Grant Fund	6,153,310
Capital Improvement Projects Fund	78,869,612
Non-Major Governmental Funds	<u>4,653,230</u>
Total	\$ <u>113,231,454</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13 - 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, 2014 include funds for the following purposes:

Board-designated		
Capital improvements	\$	19,378,440
Debt service		<u>1,343,017</u>
Total board-designated		20,721,457
Undesignated		<u>23,902,788</u>
Total	\$	<u>44,624,245</u>

At June 30, 2014, construction voucher and contract payables, including retentions, to be paid with board-designated funds were approximately \$147,000. Construction contract commitments as of June 30, 2014, to be paid with board-designated funds aggregated approximately \$7.7 million. There are no amounts included in the construction contract commitment amounts for 2014 for maintenance of compliance-order projects to get the water system up to Environmental Protection Agency standards. At June 30, 2014, the Department's management estimates an additional \$10.3 million will be needed to complete the compliance projects.

Restricted Cash and Investments –

Restricted cash and investments consisted of the following at June 30, 2014:

Water system development fee	\$	11,049,436
Customer deposits		605,551
Special assessment fund for storage		260,452
Source development fund assessments		153,603
Other		<u>5,246,232</u>
Total	\$	<u>17,315,274</u>

At June 30, 2014, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$3.6 million. The construction contract commitments as of June 30, 2014, to be paid with restricted assets, aggregated approximately \$18.2 million.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13 - BUSINESS-TYPE ACTIVITY - DEPARTMENT OF WATER SUPPLY (Continued)

Restricted Net Position –

At June 30, 2014, restricted net position consisted of the following:

Water system development fee	\$	11,049,436
Special assessment fund for storage		260,452
Source development fund assessments		153,603
Other restricted funds		<u>1,618,072</u>
Total	\$	<u>13,081,563</u>

NOTE 14 - RESTATEMENTS OF NET POSITION AND FUND BALANCE

Prior Period Adjustments - The accompanying financial statements reflect adjustments resulting from a restatement of beginning General Fund fund balance and net position as of June 30, 2013 as follows:

- Increase of \$3,643,863 for charges for current services revenue previously recorded as Planning Fee deposits in the Agency Fund. In fiscal year 2014, the County recognized \$460,245 in planning fees that were previously reported as increases in the agency fund balance.
- Increase of \$849,545 in real property tax revenue previously recorded as deposit liability in the Agency Fund from June 30, 2008. In fiscal year 2014, there were no amounts recognized as real property tax revenues from this change, as all amounts were for previous years.

Implementation of Accounting Principle - GASBS 65 requires debt issuance costs (except prepaid insurance costs) to be recognized as an expense in the period incurred. Previously, these costs were amortized over the life of the related debt issuance. The County implemented GASBS 65 in fiscal year 2014 and restated its fiscal year 2013 basic financial statements. The cumulative impact of implementation of GASBS 65 was a decrease of \$1,308,160 and \$166,986 on beginning net position for fiscal year 2014 for governmental activities and business-type activities, respectively.

The following tables provide the impact of recognizing these prior period adjustments in revenues and implementation of GASBS Statement No. 65:

	Governmental Activities	Business-type Activities
Net position at beginning of fiscal year, as previously reported	\$ 533,811,464	\$ 339,658,570
Prior period adjustments:		
Planning fee revenues	3,643,863	--
Real property tax revenues - litigated claims	849,545	--
Bond issuance costs	<u>(1,308,160)</u>	<u>(166,986)</u>
Net position at beginning of fiscal year, as restated	\$ <u>536,996,712</u>	\$ <u>339,491,584</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 14 - RESTATEMENTS OF NET POSITION AND FUND BALANCE (Continued)

	Governmental Funds
Fund balance at beginning of fiscal year, as previously reported	\$ 301,580,318
Prior period adjustments:	
Planning fee revenues	3,643,863
Real property tax revenues- litigated claims	849,545
Fund Balance at beginning of fiscal year, as restated	\$ <u>306,073,726</u>

NOTE 15 - SUBSEQUENT EVENTS

The County has evaluated subsequent events through January 22, 2015, the date the financial statements were available to be issued. On July 9, 2014, the County issued approximately \$68.7 million of Series 2014 general obligation bonds. The proceeds from the bonds will be utilized to refund Series 2006A and Series 2004B general obligation debt. The Department of Water Supply's share of this issue approximated \$6.8 million.

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COUNTY OF MAUI

**REQUIRED SUPPLEMENTARY INFORMATION
(See Independent Auditor's Report)**

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 EUTF

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 232,318,148	\$ 232,318,148	\$ 234,001,677	\$ 1,683,529
Licenses and permits	5,822,000	5,822,000	7,369,773	1,547,773
Intergovernmental revenues	21,065,000	21,065,000	21,267,628	202,628
Charges for services	1,560,000	1,560,000	1,896,542	336,542
Fines and forfeitures	1,800,000	1,800,000	2,037,418	237,418
Interest and investment earnings, net	1,100,000	1,100,000	1,249,575	149,575
Other revenues	800,000	800,000	1,449,560	649,560
Total Revenues	264,465,148	264,465,148	269,272,173	4,807,025
EXPENDITURES:				
Current:				
General government	98,510,580	105,525,080	95,425,342	10,099,738
Public safety	78,726,785	78,677,919	74,728,319	3,949,600
Highways and streets	7,079,524	7,079,524	7,049,817	29,707
Sanitation	657,519	657,519	599,651	57,868
Social welfare	17,249,073	17,249,073	16,409,565	839,508
Culture and recreation	28,589,260	28,826,260	28,001,884	824,376
Legislative	7,939,003	7,939,003	5,918,961	2,020,042
Total Expenditures	238,751,744	245,954,378	228,133,539	17,820,839
Excess Revenues over Expenditures	25,713,404	18,510,770	41,138,634	22,627,864
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Special Revenue Funds	16,545,697	16,545,697	17,560,613	1,014,916
Capital Improvement Projects Fund	--	--	1,225,932	1,225,932
Other Governmental Funds	4,783,929	4,783,929	5,291,813	507,884
Proprietary Funds	(8,283,500)	439,554	351,815	(87,739)
Transfers out:				
Special Revenue Funds	(75,000)	(123,866)	(123,866)	--
Debt Service Fund	(34,016,171)	(34,016,171)	(34,016,171)	--
Capital Improvement Projects Fund	(6,684,000)	(6,724,000)	(6,724,000)	--
Other Governmental Funds	(9,618,153)	(10,482,153)	(10,482,153)	--
Proprietary Funds	(1,126,650)	(1,126,650)	(1,126,650)	--
Total Other Financing Sources (Uses)	(38,473,848)	(30,703,660)	(28,042,667)	2,660,993
Net Change in Fund Balance	(12,760,444)	(12,192,890)	13,095,967	25,288,857
Fund Balance - Beginning	52,541,386	52,541,386	52,541,386	--
Fund Balance - Ending	\$ 39,780,942	\$ 40,348,496	\$ 65,637,353	\$ 25,288,857

See accompanying notes to budgetary comparison schedule and independent auditor's report.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 20,400,000	\$ 20,400,000	\$ 21,438,275	\$ 1,038,275
Licenses and permits	16,500,000	16,500,000	18,061,862	1,561,862
Charges for services	2,600,000	2,600,000	2,742,853	142,853
Other revenues	--	--	515	515
Total Revenues	<u>39,500,000</u>	<u>39,500,000</u>	<u>42,243,505</u>	<u>2,743,505</u>
EXPENDITURES:				
Current:				
Highways and streets	31,794,391	32,082,164	29,229,773	2,852,391
Excess Revenues over Expenditures	<u>7,705,609</u>	<u>7,417,836</u>	<u>13,013,732</u>	<u>5,595,896</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	75,000	75,000	75,000	--
Special Revenue Funds	10,000	10,000	--	(10,000)
Capital Improvement Projects Fund	--	--	2,334,155	2,334,155
Other Governmental Funds	340,000	340,000	340,000	--
Transfers out:				
General Fund	(6,477,863)	(6,503,491)	(6,503,491)	--
Capital Improvement Projects Fund	(8,786,744)	(9,126,744)	(9,126,744)	--
Other Governmental Funds	(493,554)	(493,554)	(493,554)	--
Total Other Financing Sources (Uses)	<u>(15,333,161)</u>	<u>(15,698,789)</u>	<u>(13,374,634)</u>	<u>2,324,155</u>
Net Change in Fund Balance	(7,627,552)	(8,280,953)	(360,902)	7,920,051
Fund Balance - Beginning	8,880,999	8,880,999	8,880,999	--
Fund Balance - Ending	<u>\$ 1,253,447</u>	<u>\$ 600,046</u>	<u>\$ 8,520,097</u>	<u>\$ 7,920,051</u>

See accompanying notes to budgetary comparison schedule and independent auditor's report.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ --	\$ --	\$ 30,260	\$ 30,260
Intergovernmental revenues	--	--	1,360	1,360
Charges for services	45,082,751	45,082,751	46,030,618	947,867
Other revenues	<u>35,000</u>	<u>35,000</u>	<u>34,168</u>	<u>(832)</u>
Total Revenues	<u>45,117,751</u>	<u>45,117,751</u>	<u>46,096,406</u>	<u>978,655</u>
EXPENDITURES:				
Current:				
Sanitation	<u>24,868,929</u>	<u>25,139,799</u>	<u>24,312,704</u>	<u>827,095</u>
Excess Revenues over Expenditures	<u>20,248,822</u>	<u>19,977,952</u>	<u>21,783,702</u>	<u>1,805,750</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Capital Improvement Projects Fund	--	--	3,351,517	3,351,517
Transfers out:				
General Fund	(11,033,796)	(11,057,122)	(11,057,122)	--
Special Revenue Funds	(10,000)	(10,000)	--	10,000
Capital Improvement Projects Fund	(15,280,000)	(15,280,000)	(15,280,000)	--
Other Governmental Funds	<u>(1,992,000)</u>	<u>(1,992,000)</u>	<u>(1,874,346)</u>	<u>117,654</u>
Total Other Financing Sources (Uses)	<u>(28,315,796)</u>	<u>(28,339,122)</u>	<u>(24,859,951)</u>	<u>3,479,171</u>
Net Change in Fund Balance	(8,066,974)	(8,361,170)	(3,076,249)	5,284,921
Fund Balance - Beginning	<u>15,173,217</u>	<u>15,173,217</u>	<u>15,173,217</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 7,106,243</u>	<u>\$ 6,812,047</u>	<u>\$ 12,096,968</u>	<u>\$ 5,284,921</u>

See accompanying notes to budgetary comparison schedule and independent auditor's report.

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2014

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, Grant Fund, Debt Service Fund, Capital Improvement Projects Fund, Liquor Control Fund, Solid Waste Fund, Department of Water Supply, and the Golf Course Special Fund.

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, 2014**

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 year ended June 30, 2014.

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>
GAAP Basis - Net change in fund balances	\$ (86,832,118)	\$ (2,121,189)	\$ (3,628,846)
Less adjustments for revenues (\$444,183), expenditures (\$103,893,091) related to certain funds included in General Fund GAAP basis financial statements, but included in special revenue funds for budgetary purposes (fund perspective difference)	103,448,908	--	--
Less encumbrances of budgeted funds June 30, 2014	(19,388,054)	(3,794,872)	(372,376)
Add encumbrances of budgeted funds July 1, 2013	<u>15,867,231</u>	<u>5,555,159</u>	<u>924,973</u>
Non-GAAP Budgetary Basis - net change in fund balances	\$ <u>13,095,967</u>	\$ <u>(360,902)</u>	\$ <u>(3,076,249)</u>

COUNTY OF MAUI
SCHEDULE OF FUNDING PROGRESS FOR THE EUTF
(DOLLARS IN THOUSANDS)
FOR THE YEAR ENDED JUNE 30, 2014

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, 2009	\$ 25,089	\$ 382,835	\$ 357,746	7%	\$ 135,591	264%
July 1, 2011	\$ 25,138	\$ 369,774	\$ 344,636	7%	\$ 132,400	260%
July 1, 2013	\$ 26,838	\$ 386,100	\$ 359,262	7%	\$ 143,438	250%

See accompanying independent auditor's report.

COUNTY OF MAUI

OTHER SUPPLEMENTARY INFORMATION (See Independent Auditor's Report)

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, 2014**

	<u>Liquor Control Fund</u>	<u>County Funds</u>	<u>Bikeway Fund</u>	<u>Solid Waste Fund</u>	<u>Other Assessment Fund</u>	<u>Total Non-Major Governmental Funds</u>
Assets:						
Equity in pooled cash and investments held in County Treasury	\$ 1,923,899	\$ 20,817,391	\$ 674,735	\$ 4,499,839	\$ 9,010,869	\$ 36,926,733
Trade receivables, net	--	--	--	1,356,298	--	1,356,298
Total Assets	\$ 1,923,899	\$ 20,817,391	\$ 674,735	\$ 5,856,137	\$ 9,010,869	\$ 38,283,031
Liabilities:						
Vouchers payable	\$ 15,446	\$ 114,670	\$ --	\$ 635,753	\$ --	\$ 765,869
Contract retention payable	--	16,404	--	1,420	--	17,824
Accrued wages payable	19,755	20,300	--	143,799	--	183,854
Deposits	--	65	--	--	--	65
Advanced collections	--	--	--	2,169,913	--	2,169,913
Total Liabilities	35,201	151,439	--	2,950,885	--	3,137,525
Deferred Inflows of Resources:						
Deferred inflows - unavailable revenue	--	--	--	625,005	--	625,005
Deferred inflows - nonexchange	263,040	--	--	--	--	263,040
Total Deferred Inflows of Resources	263,040	--	--	625,005	--	888,045
Fund Balances:						
Restricted	1,625,658	13,788,869	674,735	--	9,010,869	25,100,131
Committed	--	6,877,083	--	2,280,247	--	9,157,330
Total Fund Balances	1,625,658	20,665,952	674,735	2,280,247	9,010,869	34,257,461
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,923,899	\$ 20,817,391	\$ 674,735	\$ 5,856,137	\$ 9,010,869	\$ 38,283,031

See accompanying independent auditor's report.

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Other Assessments Fund	Total Non-major Governmental Funds
REVENUES:						
Licenses and permits	\$ 2,535,433	\$ 120,163	\$ 67,789	\$ --	\$ --	\$ 2,723,385
Intergovernmental revenues	--	1,811	--	--	--	1,811
Charges for current services	--	--	--	13,581,103	--	13,581,103
Fines and forfeitures	--	211,039	--	--	--	211,039
Other revenues	--	2,588,186	--	57,245	2	2,645,433
Assessments	--	422,310	--	--	663,652	1,085,962
Total Revenues	<u>2,535,433</u>	<u>3,343,509</u>	<u>67,789</u>	<u>13,638,348</u>	<u>663,654</u>	<u>20,248,733</u>
EXPENDITURES:						
General government	--	881,968	--	--	--	881,968
Public safety	--	221,905	--	--	--	221,905
Highways and streets	--	941,341	--	--	--	941,341
Sanitation	--	2,200	--	18,572,659	--	18,574,859
Social welfare	2,160,863	5,808,399	--	--	--	7,969,262
Culture and Recreation	--	19,886	--	--	--	19,886
Total Expenditures	<u>2,160,863</u>	<u>7,875,699</u>	<u>--</u>	<u>18,572,659</u>	<u>--</u>	<u>28,609,221</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>374,570</u>	<u>(4,532,190)</u>	<u>67,789</u>	<u>(4,934,311)</u>	<u>663,654</u>	<u>(8,360,488)</u>
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	--	4,466,363	--	6,015,790	--	10,482,153
Special Revenue Funds	--	--	493,554	1,874,345	--	2,367,899
Capital Improvement Projects Fund	--	--	320,000	75,566	506,598	902,164
Transfers Out:						
General Fund	--	--	--	(5,291,813)	--	(5,291,813)
Special Revenue Funds	--	--	--	(340,000)	--	(340,000)
Capital Improvement Projects Fund	(100,000)	--	(300,000)	--	(983,000)	(1,383,000)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>4,466,363</u>	<u>513,554</u>	<u>2,333,888</u>	<u>(476,402)</u>	<u>6,737,403</u>
Net Change in Fund Balances	274,570	(65,827)	581,343	(2,600,423)	187,252	(1,623,085)
Fund Balance - Beginning of Year	<u>1,351,088</u>	<u>20,731,779</u>	<u>93,392</u>	<u>4,880,670</u>	<u>8,823,617</u>	<u>35,880,546</u>
Fund Balance - End of Year	<u>\$ 1,625,658</u>	<u>\$ 20,665,952</u>	<u>\$ 674,735</u>	<u>\$ 2,280,247</u>	<u>\$ 9,010,869</u>	<u>\$ 34,257,461</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Restatement	Balance June 30, 2013 as restated	Additions	Reductions	Balance June 30, 2014
Refundable Deposits Fund:						
Assets:						
Cash and cash equivalents	\$ 28,496,376	\$ --	\$ 28,496,376	\$ 2,457,086	\$ 6,988,883	\$ 23,964,579
Other current assets	1,675,490	--	1,675,490	--	--	1,675,490
Other non-current assets	<u>132,745</u>	--	<u>132,745</u>	--	--	<u>132,745</u>
Total Assets	<u>\$ 30,304,611</u>	<u>\$ --</u>	<u>\$ 30,304,611</u>	<u>\$ 2,457,086</u>	<u>\$ 6,988,883</u>	<u>\$ 25,772,814</u>
Liabilities:						
Accounts payable	\$ 55,702	\$ --	\$ 55,702	\$ 2,393,893	\$ 2,376,916	\$ 72,679
Deposits	30,100,014	(4,493,408)	25,606,606	2,464,832	2,520,198	25,551,240
Due to General Fund	--	4,493,408	4,493,408	--	4,493,408	--
Due to State of Hawaii	<u>148,895</u>	--	<u>148,895</u>	--	--	<u>148,895</u>
Total Liabilities	<u>\$ 30,304,611</u>	<u>\$ --</u>	<u>\$ 30,304,611</u>	<u>\$ 4,858,725</u>	<u>\$ 9,390,522</u>	<u>\$ 25,772,814</u>
Liquor Control Fund:						
Assets:						
Cash and cash equivalents	\$ 599	\$ --	\$ 599	\$ 273,134	\$ 273,851	\$ (118)
Total Assets	<u>\$ 599</u>	<u>\$ --</u>	<u>\$ 599</u>	<u>\$ 273,134</u>	<u>\$ 273,851</u>	<u>\$ (118)</u>
Liabilities:						
Accounts payable	\$ 1,344	\$ --	\$ 1,344	\$ 10,569	\$ 10,811	\$ 1,102
Deposits	<u>(745)</u>	--	<u>(745)</u>	<u>273,134</u>	<u>273,609</u>	<u>(1,220)</u>
Total Liabilities	<u>\$ 599</u>	<u>\$ --</u>	<u>\$ 599</u>	<u>\$ 283,703</u>	<u>\$ 284,420</u>	<u>\$ (118)</u>
State Highway Fund:						
Assets:						
Cash and cash equivalents	\$ 1,812,989	\$ --	\$ 1,812,989	\$ 19,023,826	\$ 20,406,717	\$ 430,098
Total Assets	<u>\$ 1,812,989</u>	<u>\$ --</u>	<u>\$ 1,812,989</u>	<u>\$ 19,023,826</u>	<u>\$ 20,406,717</u>	<u>\$ 430,098</u>
Liabilities:						
Accounts payable	\$ 326	\$ --	\$ 326	\$ 19,127,521	\$ 19,127,710	\$ 137
Deposits	<u>1,812,663</u>	--	<u>1,812,663</u>	<u>19,023,827</u>	<u>20,406,529</u>	<u>429,961</u>
Total Liabilities	<u>\$ 1,812,989</u>	<u>\$ --</u>	<u>\$ 1,812,989</u>	<u>\$ 38,151,348</u>	<u>\$ 39,534,239</u>	<u>\$ 430,098</u>
Other Funds:						
Assets:						
Cash and cash equivalents	\$ 7,426,107	\$ --	\$ 7,426,107	\$ 37,713,935	\$ 37,655,419	\$ 7,484,623
Other current assets	<u>500,000</u>	--	<u>500,000</u>	--	--	<u>500,000</u>
Total Assets	<u>\$ 7,926,107</u>	<u>\$ --</u>	<u>\$ 7,926,107</u>	<u>\$ 37,713,935</u>	<u>\$ 37,655,419</u>	<u>\$ 7,984,623</u>
Liabilities:						
Accounts payable	\$ (31,040)	\$ --	\$ (31,040)	\$ 27,650,044	\$ 27,633,825	\$ (14,821)
Deposits	<u>7,957,147</u>	--	<u>7,957,147</u>	<u>37,669,866</u>	<u>37,627,569</u>	<u>7,999,444</u>
Total Liabilities	<u>\$ 7,926,107</u>	<u>\$ --</u>	<u>\$ 7,926,107</u>	<u>\$ 65,319,910</u>	<u>\$ 65,261,394</u>	<u>\$ 7,984,623</u>
Total - All Agency Funds						
Assets:						
Cash and cash equivalents	\$ 37,736,071	\$ --	\$ 37,736,071	\$ 59,467,981	\$ 65,324,870	\$ 31,879,182
Other current assets	2,175,490	--	2,175,490	--	--	2,175,490
Other non-current assets	<u>132,745</u>	--	<u>132,745</u>	--	--	<u>132,745</u>
Total Assets	<u>\$ 40,044,306</u>	<u>\$ --</u>	<u>\$ 40,044,306</u>	<u>\$ 59,467,981</u>	<u>\$ 65,324,870</u>	<u>\$ 34,187,417</u>
Liabilities:						
Accounts payable	\$ 26,332	\$ --	\$ 26,332	\$ 49,182,027	\$ 49,149,262	\$ 59,097
Deposits	39,869,079	(4,493,408)	35,375,671	59,431,659	60,827,905	33,979,425
Due to General Fund	--	4,493,408	4,493,408	--	4,493,408	--
Due to State of Hawaii	<u>148,895</u>	--	<u>148,895</u>	--	--	<u>148,895</u>
Total Liabilities	<u>\$ 40,044,306</u>	<u>\$ --</u>	<u>\$ 40,044,306</u>	<u>\$ 108,613,686</u>	<u>\$ 114,470,575</u>	<u>\$ 34,187,417</u>

See accompanying independent auditor's report.

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Debt Service:				
Principal payments	\$ 24,592,625	\$ 24,592,625	\$ 24,592,625	\$ --
Interest and other issuance cost	<u>9,423,546</u>	<u>9,423,546</u>	<u>9,423,546</u>	<u>--</u>
Total Expenditures	<u>34,016,171</u>	<u>34,016,171</u>	<u>34,016,171</u>	<u>--</u>
Deficiency of Revenues over Expenditures	<u>(34,016,171)</u>	<u>(34,016,171)</u>	<u>(34,016,171)</u>	<u>--</u>
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	<u>34,016,171</u>	<u>34,016,171</u>	<u>34,016,171</u>	<u>--</u>
Total Other Financing Sources	<u>34,016,171</u>	<u>34,016,171</u>	<u>34,016,171</u>	<u>--</u>
Net Change in Fund Balance	--	--	--	--
Fund Balance - Beginning	--	--	--	--
Fund Balance - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Real property taxes	\$ 223,318,148	\$ --	\$ 223,318,148	\$ 224,167,135	\$ 848,987
Public service company tax	9,000,000	--	9,000,000	9,834,542	834,542
Total - General revenue	<u>232,318,148</u>	<u>--</u>	<u>232,318,148</u>	<u>234,001,677</u>	<u>1,683,529</u>
Total - Taxes	<u>232,318,148</u>	<u>--</u>	<u>232,318,148</u>	<u>234,001,677</u>	<u>1,683,529</u>
Licenses and permits:					
General government:					
Business licenses and permits	22,000	--	22,000	24,070	2,070
Other licenses and permits	2,300,000	--	2,300,000	3,640,989	1,340,989
Motor vehicle licenses and fees	3,500,000	--	3,500,000	3,704,714	204,714
Total - General government	<u>5,822,000</u>	<u>--</u>	<u>5,822,000</u>	<u>7,369,773</u>	<u>1,547,773</u>
Total - Licenses and permits	<u>5,822,000</u>	<u>--</u>	<u>5,822,000</u>	<u>7,369,773</u>	<u>1,547,773</u>
Intergovernmental revenues:					
General revenue:					
Federal payment in lieu of taxes	5,463	--	5,463	26,010	20,547
Transient accommodation taxes	21,000,000	--	21,000,000	21,204,000	204,000
State payment in lieu of taxes	5,225	--	5,225	--	(5,225)
Total - General revenue	<u>21,010,688</u>	<u>--</u>	<u>21,010,688</u>	<u>21,230,010</u>	<u>219,322</u>
Public safety:					
Federal grants passed through the state	46,000	--	46,000	--	(46,000)
Social welfare:					
Federal grants	8,312	--	8,312	37,618	29,306
Total - Intergovernmental revenues	<u>21,065,000</u>	<u>--</u>	<u>21,065,000</u>	<u>21,267,628</u>	<u>202,628</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Charges for current services:					
General government:					
General government	\$ 74,390	\$ --	\$ 74,390	\$ 523,327	\$ 448,937
Safety	<u>1,044,670</u>	<u>--</u>	<u>1,044,670</u>	<u>839,816</u>	<u>(204,854)</u>
Total - General government	1,119,060	--	1,119,060	1,363,143	244,083
Public Safety:					
General government	25,610	--	25,610	7,905	(17,705)
Safety	<u>55,330</u>	<u>--</u>	<u>55,330</u>	<u>49,193</u>	<u>(6,137)</u>
Total - Public safety	80,940	--	80,940	57,098	(23,842)
Social welfare:					
Safety	--	--	--	100	100
Culture and recreation:					
Recreation	360,000	--	360,000	473,044	113,044
Legislative:					
General government	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,157</u>	<u>3,157</u>
Total - Charges for current services	<u>1,560,000</u>	<u>--</u>	<u>1,560,000</u>	<u>1,896,542</u>	<u>336,542</u>
Fines and forfeitures:					
General government:					
Penalties and interest	1,800,000	--	1,800,000	1,968,053	168,053
Fines	<u>--</u>	<u>--</u>	<u>--</u>	<u>51,948</u>	<u>51,948</u>
Total - General government	1,800,000	--	1,800,000	2,020,001	220,001
Public safety:					
Unclaimed monies	<u>--</u>	<u>--</u>	<u>--</u>	<u>17,417</u>	<u>17,417</u>
Total - Fines and forfeitures	<u>1,800,000</u>	<u>--</u>	<u>1,800,000</u>	<u>2,037,418</u>	<u>237,418</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Interest and Investment earnings:					
General revenue:					
Interest on investments	\$ 1,000,000	\$ --	\$ 1,000,000	\$ 1,094,576	\$ 94,576
General government:					
Rental income	48,000	--	48,000	100,487	52,487
Culture and recreation:					
Rental income	52,000	--	52,000	54,512	2,512
Total - Interest and investment earnings	<u>1,100,000</u>	<u>--</u>	<u>1,100,000</u>	<u>1,249,575</u>	<u>149,575</u>
Other revenues:					
General revenue:					
Miscellaneous general receipts	40,000	--	40,000	(135,569)	(175,569)
General government:					
Miscellaneous income	--	--	--	285	285
Miscellaneous general receipts	--	--	--	521	521
Miscellaneous program receipts	760,000	--	760,000	952,938	192,938
Total - General government	<u>760,000</u>	<u>--</u>	<u>760,000</u>	<u>953,744</u>	<u>193,744</u>
Public safety:					
Miscellaneous program receipts	--	--	--	284,834	284,834
Highways and streets:					
Miscellaneous program receipts	--	--	--	217,574	217,574
Sanitation:					
Miscellaneous program receipts	--	--	--	31	31
Social welfare:					
Miscellaneous program receipts	--	--	--	58,555	58,555
Culture and recreation:					
Miscellaneous program receipts	--	--	--	70,066	70,066
Legislative:					
Miscellaneous program receipts	--	--	--	325	325
Total - Other revenues	<u>800,000</u>	<u>--</u>	<u>800,000</u>	<u>1,449,560</u>	<u>649,560</u>
Total General Fund Revenues	<u>\$ 264,465,148</u>	<u>\$ --</u>	<u>\$ 264,465,148</u>	<u>\$ 269,272,173</u>	<u>\$ 4,807,025</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
General government:							
Office of the Mayor:							
Office of Mayor Administration	\$ 25,561	\$ 2,002,970	\$ --	\$ 2,028,531	\$ 1,944,805	\$ 21,175	\$ 62,551
Economic Development	10,368	972,763	--	983,131	954,110	24,053	4,968
Molokai Economic Development & Cultural	53,764	100,000	--	153,764	93,951	53,716	6,097
Agriculture Promotion	56,657	103,000	--	159,657	121,475	22,678	15,504
Aquaculture & Marine Resources	14,864	41,200	--	56,064	26,098	29,184	782
Film Industry Promotions	26,106	75,000	--	101,106	75,342	25,000	764
Maui County Farm Bureau	105,721	334,750	--	440,471	270,515	167,197	2,759
Maui Economic Development Board	132,279	520,000	--	652,279	422,665	229,614	--
Maui Visitors Bureau	--	3,605,000	--	3,605,000	3,577,230	27,770	--
Small Business & High Tech Promo	6,705	100,000	--	106,705	80,323	26,280	102
Maui Arts & Cultural Center	30,000	309,000	--	339,000	339,000	--	--
Business Research Library	70,000	72,100	--	142,100	69,811	72,100	189
Environmental Protection	1,096,201	1,158,750	--	2,254,951	925,942	1,303,105	25,904
East Maui Econ Development & Cultural	31,475	100,000	--	131,475	47,223	81,110	3,142
Agricultural Processing Plant	73,719	--	--	73,719	--	72,380	1,339
UH Tropical Agricultural & Human Resources	26,099	80,000	--	106,099	11,247	80,000	14,852
MEO Bus Development CP Microenterprise	138,257	222,000	--	360,257	236,223	124,034	--
Maui Nui Botanical Gardens	25,000	103,000	--	128,000	113,017	14,983	--
Grant - Maui Comm Theater - Iao Improvement	28,920	51,500	--	80,420	73,359	7,061	--
Maui Soil & Water Conservation	--	72,100	--	72,100	72,100	--	--
Soil & Water Conservation - Molokai	15,000	15,450	--	30,450	18,863	11,587	--
Lanai Watershed	--	100,000	--	100,000	--	--	100,000
Watershed Protection	23,871	--	--	23,871	--	23,871	--
Culture & Arts Program	--	65,920	--	65,920	41,104	24,816	--
Molokai Livestock Cooperative	3,280	15,000	--	18,280	3,280	15,000	--
MCC Nursing & Dental Assistant Program	42,869	250,000	--	292,869	208,074	76,521	8,274
Ka Ipu Kukui Fellows Leadership	15,000	25,000	--	40,000	15,000	25,000	--
Renewable Energy Programs	--	66,950	--	66,950	63,378	3,316	256
Grants Friends of Maui High School	33,951	61,800	--	95,751	89,869	5,552	330
Maui Food Technology	6,247	--	--	6,247	6,247	--	--
Maui Economic Development Board - Maui HS Program	45,000	46,350	--	91,350	54,149	37,201	--
Aha Kukui O Molokai for Canoe	51,351	--	--	51,351	--	51,351	--
Grant for Heritage Hall	42,017	--	--	42,017	42,017	--	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Ma Ka Hana Ka Ike - OED	\$ --	\$ 82,400	\$ --	\$ 82,400	\$ --	\$ 82,400	\$ --
Maui Aloha Aina	20,000	--	--	20,000	--	10,000	10,000
Festivals of Aloha	40,000	41,200	--	81,200	40,000	41,200	--
Lanai Economic Development & Cultural Programs	59,000	110,000	--	169,000	66,496	95,819	6,685
Sister City Program	332	30,000	--	30,332	23,764	6,568	--
GASB 34 Compliance	25,927	--	--	25,927	--	25,927	--
Hana Canoe Club Grants/Disbursements	5,000	5,150	--	10,150	--	5,000	5,150
Economic Development Initiatives Program	92,027	206,000	--	298,027	217,882	71,124	9,021
Total Office of the Mayor	<u>2,472,568</u>	<u>11,144,353</u>	<u>--</u>	<u>13,616,921</u>	<u>10,344,559</u>	<u>2,993,693</u>	<u>278,669</u>
Management:							
Management	31,166	1,567,564	--	1,598,730	1,368,078	159,858	70,794
Molokai Veterans Caring	43,633	--	--	43,633	20,801	22,832	--
County Facilities Security Program	--	175,000	--	175,000	151,104	23,580	316
Management Information Systems	765,277	6,791,860	--	7,557,137	5,839,622	1,694,330	23,185
Geographic Information Systems	2,318	432,052	--	434,370	386,119	7,673	40,578
Total Management	<u>842,394</u>	<u>8,966,476</u>	<u>--</u>	<u>9,808,870</u>	<u>7,765,724</u>	<u>1,908,273</u>	<u>134,873</u>
Corporation Counsel:							
Legal Services	26,982	3,093,666	--	3,120,648	2,856,538	115,115	148,995
Finance:							
Finance Administration	101,701	692,342	--	794,043	632,217	78,684	83,142
Treasury	--	873,481	86,400	959,881	737,768	66,706	155,407
Accounts	164,195	1,359,827	--	1,524,022	1,401,053	118,298	4,671
Purchasing	8,561	413,483	--	422,044	387,844	11,752	22,448
Financial Services	1,485,749	5,473,374	--	6,959,123	4,805,089	1,543,759	610,275
CW Service Center - Annual Lease Costs	23,334	506,800	--	530,134	331,145	186,448	12,541
Countywide Fringe Benefits	61,310	69,030,331	303,648	69,395,289	67,094,837	134,750	2,165,702
Interfund Fringe Reimbursement	--	(14,971,247)	(354,951)	(15,326,198)	(12,717,825)	--	(2,608,373)
Bond Issuance & Debt Services	102,200	(3,302,361)	6,804,722	3,604,561	15,240	183,250	3,406,071
Insurance & Self Insurance	544,773	8,000,000	73,378	8,618,151	3,221,996	541,756	4,854,399
Countywide General Costs	36,656	880,126	230,077	1,146,859	979,015	48,418	119,426
Overhead Reimbursement	--	(7,204,776)	(128,774)	(7,333,550)	(6,875,751)	--	(457,799)
Total Finance	<u>2,528,479</u>	<u>61,751,380</u>	<u>7,014,500</u>	<u>71,294,359</u>	<u>60,012,628</u>	<u>2,913,821</u>	<u>8,367,910</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Personnel Services:							
Personnel Services	\$ 74,578	\$ 1,524,764	\$ --	\$ 1,599,342	\$ 1,278,521	\$ 115,640	\$ 205,181
Planning:							
Planning	196,451	4,559,318	--	4,755,769	4,040,229	355,445	360,095
Development Fee Impact Study	54,160	--	--	54,160	21,421	32,739	--
General Plan Update	113,296	--	--	113,296	13,413	99,883	--
Wailuku Main St./Tri-Isle Maintenance	182,250	--	--	182,250	--	--	182,250
Maui Redevelopment Agency	19,017	83,500	--	102,517	46,046	10,311	46,160
UH-Maui Sea Grant	11,497	78,246	--	89,743	76,175	13,568	--
Development Mitigation Fee Study	15,280	--	--	15,280	--	15,280	--
Small Town Planning	175,458	--	--	175,458	72,586	102,872	--
Integrated Socioeconomic Land Use	37,500	--	--	37,500	18,750	18,750	--
Cultural Resource Management	8,686	25,000	--	33,686	8,312	--	25,374
Puunene Airport Master Plan Update	20,780	--	--	20,780	--	20,780	--
Environmental Assessments - Planning	7,250	--	--	7,250	3,086	4,164	--
Total Planning	<u>841,625</u>	<u>4,746,064</u>	<u>--</u>	<u>5,587,689</u>	<u>4,300,018</u>	<u>673,792</u>	<u>613,879</u>
Public Works:							
Public Works Administration	8,300	494,507	--	502,807	460,379	23,359	19,069
Engineering	56,326	3,363,235	--	3,419,561	3,378,102	27,784	13,675
Special Maintenance	73,596	1,236,045	--	1,309,641	1,170,469	68,356	70,816
Development Services Administration	7,176	2,190,090	--	2,197,266	1,930,458	20,137	246,671
Total Public Works	<u>145,398</u>	<u>7,283,877</u>	<u>--</u>	<u>7,429,275</u>	<u>6,939,408</u>	<u>139,636</u>	<u>350,231</u>
Total General Government	<u>6,932,024</u>	<u>98,510,580</u>	<u>7,014,500</u>	<u>112,457,104</u>	<u>93,497,396</u>	<u>8,859,970</u>	<u>10,099,738</u>
Public safety:							
Prosecuting Attorney:							
Prosecutors Administration	4,409	823,076	--	827,485	821,755	4,155	1,575
General Prosecution	35	4,740,043	(48,866)	4,691,212	4,491,781	10,745	188,686
Total Prosecuting Attorney	<u>4,444</u>	<u>5,563,119</u>	<u>(48,866)</u>	<u>5,518,697</u>	<u>5,313,536</u>	<u>14,900</u>	<u>190,261</u>
Police:							
Police Administration	134,651	4,807,160	--	4,941,811	4,771,733	38,874	131,204
Investigative Service	387,907	9,101,150	--	9,489,057	7,355,677	625,770	1,507,610

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Uniformed Patrol Services	\$ 875,507	\$ 22,445,265	\$ --	\$ 23,320,772	\$ 22,434,357	\$ 877,293	\$ 9,122
Technical and Support Services	905,752	8,668,008	--	9,573,760	6,994,411	1,822,857	756,492
Total Police	<u>2,303,817</u>	<u>45,021,583</u>	<u>--</u>	<u>47,325,400</u>	<u>41,556,178</u>	<u>3,364,794</u>	<u>2,404,428</u>
Fire and Public Safety:							
Fire Control Administration and Maintenance	9,092	2,011,078	--	2,020,170	1,999,189	19,148	1,833
Fire Control Training	37,946	1,027,109	--	1,065,055	850,942	31,072	183,041
Fire Rescue Operations	465,531	23,796,505	--	24,262,036	23,104,872	258,442	898,722
Fire Prevention	5,528	790,759	--	796,287	719,445	13,283	63,559
Total Fire and Public Safety	<u>518,097</u>	<u>27,625,451</u>	<u>--</u>	<u>28,143,548</u>	<u>26,674,448</u>	<u>321,945</u>	<u>1,147,155</u>
Civil Defense:							
Civil Defense	37,937	516,632	--	554,569	312,954	33,857	207,758
Total Public Safety	<u>2,864,295</u>	<u>78,726,785</u>	<u>(48,866)</u>	<u>81,542,214</u>	<u>73,857,116</u>	<u>3,735,496</u>	<u>3,949,602</u>
Highways and Streets:							
Transportation:							
Transportation Administration	47,551	581,639	--	629,190	544,451	55,032	29,707
Human Service Transportation	--	5,825,670	--	5,825,670	5,819,270	6,400	--
MEO Vet 1 Call 1 Click	50,000	--	--	50,000	6,562	43,438	--
Air Ambulance Program	--	672,215	--	672,215	672,215	--	--
Total Transportation	<u>97,551</u>	<u>7,079,524</u>	<u>--</u>	<u>7,177,075</u>	<u>7,042,498</u>	<u>104,870</u>	<u>29,707</u>
Total Highways and Streets	<u>97,551</u>	<u>7,079,524</u>	<u>--</u>	<u>7,177,075</u>	<u>7,042,498</u>	<u>104,870</u>	<u>29,707</u>
Sanitation:							
Environmental Management:							
Environmental Management Administration	33,511	657,519	--	691,030	600,970	32,192	57,868
Total Environmental Management	<u>33,511</u>	<u>657,519</u>	<u>--</u>	<u>691,030</u>	<u>600,970</u>	<u>32,192</u>	<u>57,868</u>
Total Sanitation	<u>33,511</u>	<u>657,519</u>	<u>--</u>	<u>691,030</u>	<u>600,970</u>	<u>32,192</u>	<u>57,868</u>
Social Welfare:							
Housing and Human Concerns:							
Housing and Human Concerns Administration	10,288	539,326	--	549,614	499,263	14,114	36,237

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances		Transfers and Additions		Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
	Forwarded	Appropriations						
Housing	\$ 22,847	\$ 585,665	\$ --	\$ --	\$ 608,512	\$ 460,262	\$ 35,739	\$ 112,511
Affordable Rental Housing Program	72,501	849,750	--	--	922,251	686,263	235,988	--
Hale Mahaolu - Homeownership/Housing	8,455	35,000	--	--	43,455	33,408	10,047	--
Human Concerns - General	130,212	4,327,673	--	--	4,457,885	4,175,274	112,110	170,501
Hana Youth Center, Inc.	--	138,600	--	--	138,600	124,740	13,860	--
Women Helping Women	18,500	195,000	--	--	213,500	194,000	19,500	--
Early Childhood	10,000	103,000	--	--	113,000	87,250	25,750	--
Culture and Arts	11,350	--	--	--	11,350	11,245	--	105
Substance Abuse	57,950	602,500	--	--	660,450	487,180	169,702	3,568
E Malama I Na Keiki Preschool	7,650	81,380	--	--	89,030	55,172	33,858	--
Homelessness Programs	137,550	641,000	--	--	778,550	630,552	113,124	34,874
Maui Adult Day Care Center	27,000	278,100	--	--	305,100	277,290	27,810	--
MCC Cooperative Education	5,000	50,000	--	--	55,000	48,587	5,000	1,413
MEO Headstart After School	21,998	226,574	--	--	248,572	191,928	56,644	--
MEO Headstart Summer	155,736	160,408	--	--	316,144	140,162	175,982	--
Community Partnership Grants	139,200	1,110,845	--	--	1,250,045	1,084,513	124,687	40,845
Youth Centers	165,200	--	--	--	165,200	165,200	--	--
Lanai Youth Center	--	149,100	--	--	149,100	134,190	14,910	--
Kihei Youth Center	--	187,950	--	--	187,950	169,155	18,795	--
Youth	10,399	107,108	--	--	117,507	102,337	12,049	3,121
Maui Family Support Services	6,000	61,800	--	--	67,800	52,350	15,450	--
J. Water Cameron Center Expansion	4,500	100,000	--	--	104,500	94,500	10,000	--
Big Brothers and Big Sisters	8,862	91,274	--	--	100,136	91,007	9,129	--
Mental Health Association	2,376	24,473	--	--	26,849	24,402	2,447	--
Self Sufficiency	33,000	144,200	--	--	177,200	152,898	22,046	2,256
Hana Community Association	4,400	45,320	--	--	49,720	36,974	12,746	--
MEO Infant Toddler Care	8,165	84,103	--	--	92,268	71,242	21,026	--
Maui Community Food Bank	32,500	335,000	--	--	367,500	334,000	33,500	--
Maui Arts and Performing Academy	--	25,000	--	--	25,000	--	--	25,000
Hui Malama Learning Center	20,700	213,210	--	--	233,910	208,377	21,321	4,212
Family Spt - Teen Voices	--	21,000	--	--	21,000	18,900	2,100	--
Boy Scouts of America	250,000	--	--	--	250,000	250,000	--	--
Salvation Army	11,700	134,000	--	--	145,700	132,300	13,400	--
Community Work Day	14,050	155,500	--	--	169,550	154,000	15,550	--
Grant for Molokai Youth Center	--	215,250	--	--	215,250	193,725	21,525	--
Imua Family Services	--	200,000	--	--	200,000	200,000	--	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Paia Youth Council, Inc.	\$ --	\$ 194,250	\$ --	\$ 194,250	\$ 194,250	\$ --	\$ --
Boys and Girls Club of Maui, Inc.	--	852,600	--	852,600	852,034	--	566
Maui Farm	21,776	224,293	--	246,069	211,095	22,429	12,545
Youth Alcohol Education Awareness	--	150,000	--	150,000	130,000	20,000	--
Coalition for Drug Free Lanai	8,944	40,788	--	49,732	41,036	8,534	162
MEO Enlace Hispano Program	--	91,000	--	91,000	91,000	--	--
Lahaina Tutoring Project	920	9,476	--	10,396	920	--	9,476
Volunteer Center Project Graduation	4,500	46,350	--	50,850	46,215	4,635	--
Ohana Makamae	8,550	88,065	--	96,615	87,808	8,807	--
Lanai Women's Center	7,560	77,868	--	85,428	77,641	7,787	--
Grants/Disability Services - Frail/Elderly	33,273	603,477	--	636,750	517,886	117,947	917
Kansha Preschool	1,000	10,300	--	11,300	8,725	2,575	--
Boys and Girls Club Paukukalo	--	245,000	--	245,000	--	--	245,000
Grants - Best Buddies Program	5,808	77,332	--	83,140	75,407	7,733	--
Grants - American Red Cross	2,250	9,270	--	11,520	10,593	927	--
Hawaiian Kamalii Inc.	--	18,128	--	18,128	18,128	--	--
MEO Youth Services	17,600	181,280	--	198,880	180,752	18,128	--
Hale Mahaolu Personal Care Program	100,000	103,000	--	203,000	73,764	--	129,236
Special Olympics Hawaii Grants	--	36,050	--	36,050	36,050	--	--
Hospice Maui Grants/Disbursements	187,500	--	--	187,500	187,500	--	--
Arts Education/Innovative Program	40,000	412,000	--	452,000	410,800	41,200	--
Heritage Hall, Inc.	1,500,000	--	--	1,500,000	56,070	1,443,930	--
Animal Management	143,222	1,272,224	--	1,415,446	1,415,446	--	--
Grant - Molokai Humane Society	--	77,250	--	77,250	9,776	67,474	--
Grant - Lanai Animal Rescue	--	10,000	--	10,000	9,000	1,000	--
Grant - SPCA Maui SNIP	--	75,000	--	75,000	67,500	7,500	--
Grant - Valley Isle Animal Rec	--	25,000	--	25,000	--	25,000	--
Total Housing and Human Concerns	<u>3,490,992</u>	<u>17,149,110</u>	<u>--</u>	<u>20,640,102</u>	<u>16,582,042</u>	<u>3,225,515</u>	<u>832,545</u>
Public Works:							
Special Maintenance	--	99,963	--	99,963	92,999	--	6,964
Total Social Welfare	<u>3,490,992</u>	<u>17,249,073</u>	<u>--</u>	<u>20,740,065</u>	<u>16,675,041</u>	<u>3,225,515</u>	<u>839,509</u>
Culture and Recreation:							
Parks and Recreation:							
Parks and Recreation Administration	32,219	1,329,984	--	1,362,203	1,213,402	32,992	115,809

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
MCCC Workline	\$ 117,227	\$ 117,000	\$ --	\$ 234,227	\$ 115,254	\$ 117,000	\$ 1,973
Friends of Moku'ula	75,000	--	--	75,000	--	75,000	--
Lahaina Restoration Foundation	100,067	178,828	--	278,895	220,861	58,034	--
Haiku Community Assoc Kalakupua	--	--	150,000	150,000	--	--	150,000
Park Maintenance	275,436	3,040,613	--	3,316,049	2,824,540	452,091	39,418
Planning and Development	30,115	392,737	--	422,852	414,826	8,026	--
Recreation and Support Services	304,518	16,052,644	--	16,357,162	14,916,704	1,286,106	154,352
PALS	113,245	1,570,145	--	1,683,390	1,270,581	108,895	303,914
Aquatics	294,298	5,907,309	87,000	6,288,607	5,976,257	253,441	58,909
Total Parks and Recreation	<u>1,342,125</u>	<u>28,589,260</u>	<u>237,000</u>	<u>30,168,385</u>	<u>26,952,425</u>	<u>2,391,585</u>	<u>824,375</u>
Total Culture and Recreation	<u>1,342,125</u>	<u>28,589,260</u>	<u>237,000</u>	<u>30,168,385</u>	<u>26,952,425</u>	<u>2,391,585</u>	<u>824,375</u>
Legislative:							
County Council:							
Council Services	941,843	5,466,036	(70,000)	6,337,879	4,631,230	488,791	1,217,858
County Auditor Program	--	900,000	70,000	970,000	372,557	280,329	317,114
Total County Council	<u>941,843</u>	<u>6,366,036</u>	<u>--</u>	<u>7,307,879</u>	<u>5,003,787</u>	<u>769,120</u>	<u>1,534,972</u>
County Clerk:							
County Clerk	<u>164,892</u>	<u>1,572,967</u>	<u>--</u>	<u>1,737,859</u>	<u>983,483</u>	<u>269,306</u>	<u>485,070</u>
Total Legislative	<u>1,106,735</u>	<u>7,939,003</u>	<u>--</u>	<u>9,045,738</u>	<u>5,987,270</u>	<u>1,038,426</u>	<u>2,020,042</u>
Totals for the General Fund	<u>\$ 15,867,233</u>	<u>\$ 238,751,744</u>	<u>\$ 7,202,634</u>	<u>\$ 261,821,611</u>	<u>\$ 224,612,716</u>	<u>\$ 19,388,054</u>	<u>\$ 17,820,841</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Franchise tax	\$ 10,000,000	\$ --	\$ 10,000,000	\$ 10,762,004	\$ 762,004
Fuel tax	<u>10,400,000</u>	<u>--</u>	<u>10,400,000</u>	<u>10,676,271</u>	<u>276,271</u>
Total - General revenue	<u>20,400,000</u>	<u>--</u>	<u>20,400,000</u>	<u>21,438,275</u>	<u>1,038,275</u>
Total - Taxes	<u>20,400,000</u>	<u>--</u>	<u>20,400,000</u>	<u>21,438,275</u>	<u>1,038,275</u>
Licenses and permits:					
Highways and streets:					
Motor vehicle licenses and fees	<u>16,500,000</u>	<u>--</u>	<u>16,500,000</u>	<u>18,061,862</u>	<u>1,561,862</u>
Total - Licenses and permits	<u>16,500,000</u>	<u>--</u>	<u>16,500,000</u>	<u>18,061,862</u>	<u>1,561,862</u>
Charges for current services:					
Highways and streets:					
Public transit bus fare	<u>2,600,000</u>	<u>--</u>	<u>2,600,000</u>	<u>2,742,853</u>	<u>142,853</u>
Total - Charges for current services	<u>2,600,000</u>	<u>--</u>	<u>2,600,000</u>	<u>2,742,853</u>	<u>142,853</u>
Other revenues:					
Highways and streets:					
Miscellaneous program receipts	<u>--</u>	<u>--</u>	<u>--</u>	<u>515</u>	<u>515</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>515</u>	<u>515</u>
Total Highway Fund Revenues	<u>\$ 39,500,000</u>	<u>\$ --</u>	<u>\$ 39,500,000</u>	<u>\$ 42,243,505</u>	<u>\$ 2,743,505</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Highways and streets:							
Public Works:							
Highway Administration	\$ 2,068	\$ 538,796	\$ 9,048	\$ 549,912	\$ 427,640	\$ 26,845	\$ 95,427
Highway ERS & FICA	--	1,679,668	40,475	1,720,143	1,599,344	--	120,799
Highway Health Fund	--	1,223,253	32,446	1,255,699	1,223,253	--	32,446
Highway Admin Overhead	--	1,895,187	41,808	1,936,995	1,745,511	--	191,484
Road/Bridge/Drain Maintenance	3,877,258	10,282,507	111,784	14,271,549	11,638,179	1,800,160	833,210
Traffic Signs & Marking	46,944	1,681,241	16,752	1,744,937	916,102	356,767	472,068
Garage Services	86,765	2,768,239	35,460	2,890,464	2,782,622	48,090	59,752
Total Public Works	<u>4,013,035</u>	<u>20,068,891</u>	<u>287,773</u>	<u>24,369,699</u>	<u>20,332,651</u>	<u>2,231,862</u>	<u>1,805,186</u>
Transportation:							
Transportation Admin	671,638	1,000,000	--	1,671,638	675,262	996,376	--
Public Transit-Highway Funds	870,486	10,725,500	--	11,595,986	9,982,147	566,634	1,047,205
Total Transportation	<u>1,542,124</u>	<u>11,725,500</u>	<u>--</u>	<u>13,267,624</u>	<u>10,657,409</u>	<u>1,563,010</u>	<u>1,047,205</u>
Total Highways and Streets	<u>5,555,159</u>	<u>31,794,391</u>	<u>287,773</u>	<u>37,637,323</u>	<u>30,990,060</u>	<u>3,794,872</u>	<u>2,852,391</u>
Totals for the Highway Fund	<u>\$ 5,555,159</u>	<u>\$ 31,794,391</u>	<u>\$ 287,773</u>	<u>\$ 37,637,323</u>	<u>\$ 30,990,060</u>	<u>\$ 3,794,872</u>	<u>\$ 2,852,391</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

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	\$ --	\$ --	\$ --	\$ 30,260	\$ 30,260
Total - Licenses and permits	<u> --</u>	<u> --</u>	<u> --</u>	<u> 30,260</u>	<u> 30,260</u>
Intergovernmental revenues:					
Sanitation:					
Federal grants passed through the state	<u> --</u>	<u> --</u>	<u> --</u>	<u> 1,360</u>	<u> 1,360</u>
Total - Intergovernmental revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u> 1,360</u>	<u> 1,360</u>
Charges for current services:					
Sanitation:					
General government	<u> --</u>	<u> --</u>	<u> --</u>	<u> 61</u>	<u> 61</u>
Waste management	<u>45,082,751</u>	<u> --</u>	<u>45,082,751</u>	<u>46,030,557</u>	<u>947,806</u>
Total - Charges for current services	<u>45,082,751</u>	<u> --</u>	<u>45,082,751</u>	<u>46,030,618</u>	<u>947,867</u>
Other revenues:					
Sanitation:					
Miscellaneous program receipts	<u> 35,000</u>	<u> --</u>	<u> 35,000</u>	<u> 34,168</u>	<u> (832)</u>
Total - Other revenues	<u> 35,000</u>	<u> --</u>	<u> 35,000</u>	<u> 34,168</u>	<u> (832)</u>
Total Sewer Fund Revenues	<u>\$ 45,117,751</u>	<u>\$ --</u>	<u>\$ 45,117,751</u>	<u>\$ 46,096,406</u>	<u>\$ 978,655</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Sanitation:							
Environmental Management:							
Wastewater Administration	\$ 150,318	\$ 2,318,246	\$ 41,814	\$ 2,510,378	\$ 2,264,923	\$ 86,670	\$ 158,785
Wastewater ERS & FICA	--	1,303,785	36,462	1,340,247	1,340,247	--	--
Wastewater Health Fund	--	926,254	29,531	955,785	951,234	--	4,551
Wastewater Admin Overhead	--	1,934,762	47,376	1,982,138	1,879,385	--	102,753
Wastewater Reclamation	774,655	18,385,882	115,687	19,276,224	18,429,512	285,706	561,006
Total Environmental Management	<u>924,973</u>	<u>24,868,929</u>	<u>270,870</u>	<u>26,064,772</u>	<u>24,865,301</u>	<u>372,376</u>	<u>827,095</u>
Total Sanitation	<u>924,973</u>	<u>24,868,929</u>	<u>270,870</u>	<u>26,064,772</u>	<u>24,865,301</u>	<u>372,376</u>	<u>827,095</u>
Totals for the Sewer Fund	\$ <u>924,973</u>	\$ <u>24,868,929</u>	\$ <u>270,870</u>	\$ <u>26,064,772</u>	\$ <u>24,865,301</u>	\$ <u>372,376</u>	\$ <u>827,095</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenues:					
General government					
Federal grants	\$ --	\$ 1,615,114	\$ 1,615,114	\$ 1,166,304	\$ (448,810)
State grants	--	1,937,643	1,937,643	2,076,530	138,887
Federal grants passed through the state	--	1,351,916	1,351,916	738,898	(613,018)
Total - General government	<u>--</u>	<u>4,904,673</u>	<u>4,904,673</u>	<u>3,981,732</u>	<u>(922,941)</u>
Public Safety:					
Federal grants	--	301,809	301,809	842,877	541,068
State grants	--	2,216,390	2,216,390	1,986,136	(230,254)
Federal grants passed through the state	--	2,709,751	2,709,751	2,026,481	(683,270)
Total - Public safety	<u>--</u>	<u>5,227,950</u>	<u>5,227,950</u>	<u>4,855,494</u>	<u>(372,456)</u>
Highways and streets:					
Federal grants passed through the state	--	744,247	744,247	5,903,791	5,159,544
Sanitation:					
Federal grants	--	--	--	31	31
State grants	--	241,033	241,033	278,689	37,656
Total - Sanitation	<u>--</u>	<u>241,033</u>	<u>241,033</u>	<u>278,720</u>	<u>37,687</u>
Social welfare:					
Federal grants	--	17,132,784	17,132,784	16,264,066	(868,718)
State grants	--	1,452,624	1,452,624	1,600,440	147,816
Federal grants passed through the state	--	846,611	846,611	2,383,506	1,536,895
Total - Social welfare	<u>--</u>	<u>19,432,019</u>	<u>19,432,019</u>	<u>20,248,012</u>	<u>815,993</u>
Cultural and recreation:					
Federal grants	--	--	--	50,005	50,005
State grants	--	1,526,469	1,526,469	796,241	(730,228)
Federal grants passed through the state	--	100,000	100,000	64,865	(35,135)
Total - Cultural and recreation	<u>--</u>	<u>1,626,469</u>	<u>1,626,469</u>	<u>911,111</u>	<u>(715,358)</u>
Total - Intergovernmental revenues	<u>--</u>	<u>32,176,391</u>	<u>32,176,391</u>	<u>36,178,860</u>	<u>4,002,469</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Fines and forfeitures:					
Public safety:					
Unclaimed monies	\$ --	\$ --	\$ --	\$ 1,855	\$ 1,855
Total - Fines and forfeitures	<u> --</u>	<u> --</u>	<u> --</u>	<u> 1,855</u>	<u> 1,855</u>
Interest and investment earnings:					
General government:					
Other income	--	13,093	13,093	13,094	1
Public safety:					
Interest on investments	--	19	19	(4,471)	(4,490)
Social welfare:					
Interest on investments	--	12,904	12,904	9,404	(3,500)
Total - Interest and investment earnings	<u> --</u>	<u> 26,016</u>	<u> 26,016</u>	<u> 18,027</u>	<u> (7,989)</u>
Other revenues:					
General government:					
Operating contributions	--	--	--	(2,080)	(2,080)
Miscellaneous program receipts	--	--	--	183,653	183,653
Total - General government	<u> --</u>	<u> --</u>	<u> --</u>	<u> 181,573</u>	<u> 181,573</u>
Public safety:					
Operating contributions	--	--	--	1	1
Sanitation:					
Operating contributions	--	2,365,077	2,365,077	2,024,313	(340,764)
Social welfare:					
Miscellaneous program receipts	--	20,000	20,000	20,000	--
Operating contributions	--	353,241	353,241	376,172	22,931
Total - Social welfare	<u> --</u>	<u> 373,241</u>	<u> 373,241</u>	<u> 396,172</u>	<u> 22,931</u>
Culture and recreation:					
Operating contributions	--	--	--	124,441	124,441
Total - Other revenues	<u> --</u>	<u> 2,738,318</u>	<u> 2,738,318</u>	<u> 2,726,500</u>	<u> (11,818)</u>
Total Grant Fund Revenues	<u><u> \$ --</u></u>	<u><u> \$ 34,940,725</u></u>	<u><u> \$ 34,940,725</u></u>	<u><u> \$ 38,925,242</u></u>	<u><u> \$ 3,984,517</u></u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2014**

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	\$ --	\$ 7,155	\$ 96,440
Energy Efficiency/Conservation Block Grant	34,892	--	34,892	--	--	34,892
Workforce Investment PY09-Dslctd Worker	12,390	--	12,390	--	--	12,390
Construction - Hale Maunaloa	12,451	--	12,451	12,451	--	--
Hana Police Station Rehabilitation	467	--	467	--	--	467
Easter Seals Maui Phase II	19,744	--	19,744	--	19,744	--
ARRA09 State Energy Sctr Training Grant	3,222	--	3,222	--	--	3,222
Construction - Hale Maunaloa	28,100	--	28,100	28,100	--	--
MPD Emergency Response Vehicle Hana	20,080	--	20,080	19,600	--	480
Ka Hale A Ke Ola Rehabilitation/Improvement	15,000	--	15,000	--	--	15,000
CDBG Program Admin FY2012	15,801	--	15,801	--	155	15,646
Food and Energy Security Project	71,811	--	71,811	--	--	71,811
HTA Product Enrichment FY12	875	(875)	--	--	--	--
Molokai Youth Opportunity-DOL	275,608	--	275,608	--	--	275,608
Workforce Investment Act PY11-Youth	9,526	--	9,526	7,303	--	2,223
Workforce Investment Act PY11-Adult	22,871	--	22,871	10,018	--	12,853
Workforce Investment Act PY11-Admin	6,162	--	6,162	--	--	6,162
Workforce Investment Act PY11-Dslctd wrkr	(41,391)	317	(41,074)	(41,074)	--	--
Construction of Hale Maunaloa	203,172	--	203,172	203,172	--	--
CDBG Program Admin FY2013	36,792	--	36,792	10,549	--	26,243
ADA Wheelchair Ramp FY2003	32,126	--	32,126	32,126	--	--
Lanai Community Land Acquisition	775,000	--	775,000	383,890	391,110	--
HTA Product Enrichment CY13	254,028	--	254,028	244,028	10,000	--
Workforce Investment Act (WIA) PY02	427,378	--	427,378	--	--	427,378
WIA Youth Program - PY2012	301,026	--	301,026	300,075	--	951
WIA Adult Program - PY2012	197,971	--	197,971	196,306	--	1,665
WIA Administrative PY2012	45,800	--	45,800	37,888	141	7,771
WIA Dislocated Worker PY2012	194,984	--	194,984	190,045	--	4,939
Easter Seals Maui Phase II	340,655	--	340,655	184,646	156,009	--
Molokai Youth Opportunity - 04DOL	12,364	--	12,364	--	--	12,364
Workforce Investment Act Admin	--	95,142	95,142	35,745	--	59,397
Workforce Investment Act DWP	--	326,596	326,596	96,000	202,708	27,888
Workforce Investment Act Adult	--	263,784	263,784	30,997	207,268	25,519

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Workforce Investment Act Youth	\$ --	\$ 265,907	\$ 265,907	\$ 51,295	\$ 194,593	\$ 20,019
HTA Product Enrichment CY14	--	400,000	400,000	171,966	147,600	80,434
Lanai Brush Truck	--	125,000	125,000	--	124,500	500
Molokai Landfill Dump Truck	--	200,000	200,000	--	183,206	16,794
Hana Landfill Dump Truck	--	275,000	275,000	--	230,815	44,185
Women Helping Women Dom Violence	--	87,000	87,000	--	87,000	--
Na Pu'uwai Adult Day Care Exp	--	300,000	300,000	--	300,000	--
Lanai Community Health Center Infrs	--	324,984	324,984	--	305,091	19,893
CDBG Program Admin FY2014	--	303,130	303,130	266,897	407	35,826
Molokai Youth Opportunity 05DOL	630	--	630	--	--	630
Housing Rehab Loan Project Inc	--	13,093	13,093	--	--	13,093
Emergency Generator Project	8,735	--	8,735	8,735	--	--
Lanai Community Health Center Pre-Dev	24,775	--	24,775	24,775	--	--
Ka Hale A Ke Ola Resource Center Rehab	--	--	--	--	--	--
Lanai Community Health Center Predv-Rprg	12,635	--	12,635	4,456	--	8,179
Storms 12-4-7/07 FEMA#1743	32,616	--	32,616	--	--	32,616
ARRA09 Workforce Investment Act - Admn	49	--	49	49	--	--
Hazard Mitigation Kula Ag Park	185,289	--	185,289	14,100	167,824	3,365
Total Office of the Mayor	<u>3,697,229</u>	<u>2,979,078</u>	<u>6,676,307</u>	<u>2,524,138</u>	<u>2,735,326</u>	<u>1,416,843</u>
Management:						
Energy Emergency Planning	4,575	--	4,575	--	--	4,575
Dell Online Self-Dispatch Program	12,000	--	12,000	--	--	12,000
Total Management	<u>16,575</u>	<u>--</u>	<u>16,575</u>	<u>--</u>	<u>--</u>	<u>16,575</u>
Finance:						
State Motor Vehicle Program FY10	60,972	(60,972)	--	--	--	--
Periodic Motor Vehicle Inspection FY10	29,908	(29,908)	--	--	--	--
State Motor Vehicle Program FY11	89,868	(89,868)	--	--	--	--
Periodic Motor Vehicle Inspection FY11	85,456	(85,456)	--	--	--	--
State Motor Vehicle Program FY12	38,089	(38,089)	--	--	--	--
Periodic Motor Vehicle Inspection FY12	23,396	(23,396)	--	--	--	--
Commercial Driver License Program FY2012	85,606	(85,606)	--	--	--	--
State Motor Vehicle Reg FY13	25,409	--	25,409	11,858	--	13,551
State Identification Program	44,689	--	44,689	13,775	--	30,914
Periodic Motor Vehicle Inspection FY13	54,493	--	54,493	17,271	--	37,222

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Commercial Driver License Program FY13	\$ 109,297	\$ --	\$ 109,297	\$ 16,229	\$ --	\$ 93,068
Commercial Driver License Program FY14	--	505,642	505,642	366,851	21,850	116,941
Periodic Motor Vehicle Inspection FY14	--	486,803	486,803	432,951	--	53,852
State Identification Program	--	242,734	242,734	212,265	--	30,469
State Motor Vehicle Registration	--	303,339	303,339	256,169	--	47,170
State Motor Vehicle Program FY09	10,833	(10,833)	--	--	--	--
Periodic Motor Vehicle Inspection FY09	6,766	(6,766)	--	--	--	--
Total Finance	<u>664,782</u>	<u>1,107,624</u>	<u>1,772,406</u>	<u>1,327,369</u>	<u>21,850</u>	<u>423,187</u>
Planning:						
EDA Economic Adjustment Assistance	1,200,000	--	1,200,000	--	--	1,200,000
Coastal Zone Management FY2010	151	--	151	151	--	--
Private Donation - Planning - Hutaff	2,852	(2,852)	--	--	--	--
Coastal Zone Management Program	58,869	--	58,869	33,433	--	25,436
Coastal Zone Management Program	--	345,000	345,000	124,748	--	220,252
Cig Historic Preservation FY08	182	(182)	--	--	--	--
Coastal Zone Management FY08	--	(2,295)	(2,295)	(2,295)	--	--
Total Planning	<u>1,262,054</u>	<u>339,671</u>	<u>1,601,725</u>	<u>156,037</u>	<u>--</u>	<u>1,445,688</u>
Public Works:						
Bridge Inspection/Appr BR-NBIS#44	2,202	(2,202)	--	--	--	--
FHWA Projects State Reviews	2,490	55,488	57,978	28,099	--	29,879
Bridge Inspection Program	240,000	--	240,000	140,750	43,250	56,000
Total Public Works	<u>244,692</u>	<u>53,286</u>	<u>297,978</u>	<u>168,849</u>	<u>43,250</u>	<u>85,879</u>
Total General Government	<u>5,885,332</u>	<u>4,479,659</u>	<u>10,364,991</u>	<u>4,176,393</u>	<u>2,800,426</u>	<u>3,388,172</u>
Public safety:						
Prosecuting Attorney:						
Food Stamp Program Prosecutions	--	1,421	1,421	1,421	--	--
E Byrne Memorial Grant 2009DJBX0290	16,509	(4,983)	11,526	11,526	--	--
Prosecuting Attorney Asset Forfeitures-ST11	1,086	(1,086)	--	--	--	--
Career Criminal Prosecution FY12	686	--	686	--	--	686
E Byrne Memorial Grant 2011DJBX2095	1,472	--	1,472	--	--	1,472
Defendant/Witness Trial Program 12	71,867	--	71,867	--	--	71,867
Prosecuting Attorney Asset Forfeitures-ST12	3,508	--	3,508	--	--	3,508

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Victim Witness Assistance Program	\$ 22,226	\$ --	\$ 22,226	\$ 22,226	\$ --	\$ --
Special Needs Advocacy Program FY13	112,632	--	112,632	112,632	--	--
E Byrne Memorial Jag FY13	48,717	--	48,717	48,717	--	--
Domestic Violence Investigations	18,287	18,378	36,665	36,665	--	--
Defendant/Witness Trial Program	88,880	--	88,880	--	--	88,880
Asset Forfeitures Program	2,860	--	2,860	--	--	2,860
Justice Reinvestment Initiative	91,619	--	91,619	81,479	--	10,140
Defendant/Witness Trial Program	--	170,000	170,000	134,030	--	35,970
Victim/Witness Assistance Program	--	53,789	53,789	31,894	--	21,895
Career Criminal Program	--	147,913	147,913	147,913	--	--
Asset Forfeitures Program	--	80,000	80,000	80,000	--	--
Criminal Justice Information System	--	126,984	126,984	17,473	--	109,511
Special Needs Advocacy Program FY14	--	322,015	322,015	202,683	83,007	36,325
Domestic Violence Investigations	--	69,484	69,484	32,142	--	37,342
Prosecutors Highway Safety Training	--	5,676	5,676	1,141	--	4,535
E Byrne Memorial 2005DJBX1466	2,409	(2,409)	--	--	--	--
Victim Witness Books	7,280	--	7,280	--	--	7,280
E Byrne Memorial Grant 2008BX0507	2,073	(2,073)	--	--	--	--
Defendant/Witness Trial Program09	942	--	942	942	--	--
Total Prosecuting Attorney	<u>493,053</u>	<u>985,109</u>	<u>1,478,162</u>	<u>962,884</u>	<u>83,007</u>	<u>432,271</u>
Planning:						
UH Sea Grant College Program	--	130,750	130,750	65,375	61,750	3,625
Police:						
Justice Assistance Grant Program	17,541	(58)	17,483	17,483	--	--
Maui Child Passenger Safety	541	--	541	--	--	541
Cops Hiring Program	717,032	--	717,032	577,322	--	139,710
Cops Technology Grant USDJ	463	--	463	--	--	463
Safe & Drug Free Schools #2 DHS	252	--	252	--	--	252
Training Grants - SOH Various FY2011	9,450	--	9,450	--	--	9,450
Hawaii Narcotics TF09-DJ-08	1,965	(1,965)	--	--	--	--
HIDTA 2011 G11HI0003A	19,593	--	19,593	19,593	--	--
Vawa/Violent Crimes against Wo	5,894	--	5,894	5,894	--	--
FFY12 MPD Traffic Data	58,567	(58,567)	--	--	--	--
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

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
FFY12 MPD Roadblock Program	\$ 18,491	\$ (18,458)	\$ 33	\$ 33	\$ --	\$ --
Prohibiting Alcohol Sales to Minors	3,213	8,000	11,213	6,899	--	4,314
Maui Safe Community Speed SC02-06	1,176	--	1,176	--	--	1,176
MPD Traffic Services FY2012	10,349	(10,446)	(97)	(97)	--	--
FFY12 MPD Seatbelt Enforcement	35,855	(35,855)	--	--	--	--
Federal Equity/Sharing Forfeiture Policy	864	--	864	--	--	864
911 Emergency Medical FY02	1,200	--	1,200	--	--	1,200
Cops in School Award	38,462	--	38,462	--	--	38,462
Marijuana Eradication DEA 2002	1,035	--	1,035	--	--	1,035
Training Grants - SOH Various FY2011	190,875	--	190,875	(60,560)	--	251,435
High Intensity Drug Trafficking	50,213	55,000	105,213	105,213	--	--
Maui Sex Assault Response	38,898	(1,372)	37,526	37,526	--	--
Vawa/Sexual Assault Examination	46,565	--	46,565	43,606	--	2,959
State e911 Wireless Commission	534,053	--	534,053	413,517	108,235	12,301
Vawa/Domestic Violence Outreach	44,755	--	44,755	3,201	--	41,554
High Intensity Drug Trafficking	52,245	--	52,245	9,616	--	42,629
Juvenile Account Incentive Block	49,236	--	49,236	46,074	--	3,162
FFY13 MPD Traffic Data	70,749	(69,902)	847	847	--	--
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
FFY13 MPD Distracted Driving	32,640	7,366	40,006	40,006	--	--
FFY13 MPD Roadblock Program	129,210	(32,912)	96,298	96,298	--	--
FFY13 MPD Speed Program	52,498	(10,847)	41,651	41,651	--	--
Maui Safe Community Speed SC03-06	3,110	--	3,110	--	--	3,110
Maui Speed Enforcement SC030601M03	7,294	--	7,294	--	--	7,294
Keiki Injury Protection OP03-05	1,247	--	1,247	1,247	--	--
MPD Seatbelt Program - OPO3-05	32,203	--	32,203	--	--	32,203
MPD Reconstructionist PT 030203M01	2,020	--	2,020	2,020	--	--
MPD Child Restraint Project	42,495	(34,685)	7,810	7,810	--	--
MPD Traffic Services FFY13	21,639	(21,639)	--	--	--	--
FFY13 MPD Seatbelt Program	96,435	(75,561)	20,874	20,874	--	--
Federal Equity/Sharing Forfeiture Policy	135	--	135	--	--	135
911 Emergency Medical Service Program	64,994	(51,991)	13,003	13,003	--	--
Clandstine Lab Response 02-DB-10	2,360	--	2,360	2,360	--	--
SW Marijuana Eradication Smetf	16,954	--	16,954	16,954	--	--
DOH Prohibiting Tobacco Sales	533	6,000	6,533	3,372	--	3,161

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Choices Mentorship Program	\$ 45,004	\$ --	\$ 45,004	\$ 43,179	\$ --	\$ 1,825
Kihei District Bicycle Patrol	71	(71)	--	--	--	--
Public Housing Drug Elimination RSS0301	6,364	--	6,364	--	--	6,364
Training Grants FY2013	28,259	--	28,259	(44,517)	--	72,776
Hawaii Narcotics Task Force	46,532	--	46,532	29,655	--	16,877
HI Intragency Mobile Police 02	2,507	--	2,507	--	--	2,507
Training Grants FY2014	--	100,000	100,000	27,808	--	72,192
State e911 Wireless Commission	--	1,371,000	1,371,000	820,487	45,474	505,039
911 Emergency Medical Service	--	376,866	376,866	292,798	--	84,068
Domestic Cannabis Enforcement	--	96,809	96,809	96,809	--	--
MPD Traffic Services	--	37,153	37,153	20,853	--	16,300
Distracted Driving Enforcement	--	46,434	46,434	19,265	--	27,169
FFY14 MPD Seat Belt Program	--	112,050	112,050	37,122	--	74,928
FFY14 Speed Enforcement	--	130,183	130,183	64,374	--	65,809
FFY14 MPD Traffic Data Records	--	113,900	113,900	83,777	--	30,123
MPD Child Restraint Project	--	69,620	69,620	17,591	2,557	49,472
MPD Roadblock Program	--	232,216	232,216	109,687	--	122,529
Violence Against Women Act	--	52,113	52,113	12,553	--	39,560
Juvenile Account Incentive Block	--	51,397	51,397	11,230	101	40,066
SW Marijuana Eradication	--	46,727	46,727	321	--	46,406
Domestic Cannabis DEA	--	100,000	100,000	13,184	--	86,816
E Byrne/Epic Awareness	--	104,772	104,772	--	--	104,772
Marijuana Eradication DEA 2003-51	6,254	--	6,254	--	--	6,254
Domestic Cannabis DEA 2004-53	13,772	--	13,772	--	--	13,772
MPD Traffic Data - DOT FY05	--	--	--	--	--	--
Juv/Act/Bg POI DHS-05OYS-2153	4,956	--	4,956	--	--	4,956
G.R.E.A.T. ATF 2004-JV-FX-0133	110	--	110	--	--	110
Domestic Cannabis DEA 2005-60	3,882	--	3,882	--	--	3,882
HI Interagency Mobile Police 03	4,279	--	4,279	--	--	4,279
SW Marijuana Eradication Task Force	23,893	--	23,893	--	--	23,893
Police Against Street Sales 06	423	--	423	--	--	423
State e911 Wireless Commission 07	62,542	--	62,542	62,542	--	--
SW Juvenile Justice Information/System	15,964	--	15,964	--	--	15,964
Domestic Violence VctmIss 02WF17	20,359	--	20,359	--	--	20,359
Fed. Justice Police Forfeitures	(2,443)	24,566	22,123	(10,928)	--	33,051
Total Police	<u>2,826,011</u>	<u>2,717,843</u>	<u>5,543,854</u>	<u>3,179,552</u>	<u>156,367</u>	<u>2,207,935</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
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	28,801	14,318	43,119	14,456	--	28,663
Hazardous Materials (HMEP) Grant10	1,112	(2,224)	(1,112)	(1,112)	--	--
Volunteer Fire Assistance DLNR11	1,432	--	1,432	--	--	1,432
MFD Equipment Purchase EMOL-04	163	--	163	--	--	163
Private Donations - Fire Dept	5,001	--	5,001	--	--	5,001
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	--	--	24,999
Volunteer Fire Assistance FY13	45,578	--	45,578	45,578	--	--
NHTSA MFD Pneumatic Lifting Bags	2,733	(2,733)	--	--	--	--
Wellness/Fitness Fire Act Grant	1,000	--	1,000	--	1,000	--
Vol Fire Assistance Grant FY14	--	50,000	50,000	42,899	--	7,101
NHTSA MFD Pneumatic Struts	--	25,152	25,152	24,998	--	154
Monsanto Grant FY14	--	14,800	14,800	--	14,800	--
Fire Safety HSE-EMW2003FP01732	3,452	--	3,452	--	--	3,452
Fire Inoperability Grant FE15141	96	--	96	--	--	96
Walmart Foundation Donation - Fire	--	2	2	2	--	--
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	13,685	--	13,685	(128)	--	13,813
Total Fire and Public Safety	<u>306,938</u>	<u>99,315</u>	<u>406,253</u>	<u>126,693</u>	<u>15,800</u>	<u>263,760</u>
Civil Defense:						
FFY09 Law Enforcement Terrorism Prev	37,527	--	37,527	9,690	--	27,837
FFY09 Citizen Corps Program	11,440	--	11,440	--	--	11,440
FFY09 State Homeland Security	(2,419)	(6,813)	(9,232)	(9,232)	--	--
Introprbl Emergency Comm Grant	19,163	--	19,163	--	--	19,163
FFY10 Citizens Corp Prg	14,700	--	14,700	3,745	--	10,955
FFY10 St Homeland Security Program	130,098	(52,479)	77,619	77,098	--	521
Natl Oceanic Atmospheric Adm Award	3,168	(3,168)	--	--	--	--
FFY11 Statewide Outreach/CCP	24,925	--	24,925	14,557	669	9,699
FFY11 State Homeland Security Program	282,981	77,067	360,048	124,533	226,813	8,702
Disaster Preparedness Train	19,957	--	19,957	--	--	19,957

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
FFY12 Community Outreach/CCP	\$ 24,925	\$ --	\$ 24,925	\$ 11,456	\$ --	\$ 13,469
FFY12 State Homeland Security Grant	210,000	--	210,000	21,569	--	188,431
Interoperable ER Communications	19,000	--	19,000	--	--	19,000
Interoperable ER Communications	3,458	--	3,458	--	--	3,458
Emergency Mgt Performance Grant	85,000	--	85,000	--	--	85,000
Emergency Mgt Performance Grant	--	115,000	115,000	--	--	115,000
FFY13 State Homeland Security Grant	--	490,000	490,000	158,752	8,389	322,859
FFY13 SHSG Community & Citizen Prep	--	20,000	20,000	--	--	20,000
FFY09 Port Security Grant Program	--	271,264	271,264	156,800	114,464	--
FFY07 State Homeland Security	--	(1,725)	(1,725)	(1,725)	--	--
Total Civil Defense	<u>883,923</u>	<u>909,146</u>	<u>1,793,069</u>	<u>567,243</u>	<u>350,335</u>	<u>875,491</u>
Total Public Safety	<u>4,509,925</u>	<u>4,842,163</u>	<u>9,352,088</u>	<u>4,901,747</u>	<u>667,259</u>	<u>3,783,082</u>
Highways and Streets:						
Public Works:						
Old Haleakala Hwy Sidewalk	<u>998,000</u>	<u>(998,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Transportation:						
Fed Trans Admin #5311 FFY2009	288	--	288	288	--	--
FTA Rural Trans Asst Program FFY09	10,710	--	10,710	--	--	10,710
FTA 5309 FFY2010 Bus & Facilities	1,898,045	--	1,898,045	925,000	--	973,045
Fed Trans Admin #5311 FFY2012	259,718	--	259,718	259,718	--	--
FTA Rural Trnst Assistance FFY12	15,808	--	15,808	--	--	15,808
FTA Sec 5311 Non-Urbanized	1,389,395	--	1,389,395	1,389,395	--	--
FTA5309 Bus & Bus Facilities Sgr	2,780,000	--	2,780,000	2,334,542	445,458	--
FTA#5309 Formula Funds Program	2,000,000	--	2,000,000	26,249	206,880	1,766,871
FTA Rural Transit Assistance	10,795	--	10,795	--	--	10,795
FTA5309 Livability Program FY13	800,000	--	800,000	683,037	62,430	54,533
FTA Sec 5317 New Freedom Program	28,490	--	28,490	28,490	--	--
Rural Transit Assistance Program04	4,983	2,776	7,759	7,759	--	--
FTA Sec 5311 Non-Urbanized Area	--	595,843	595,843	--	595,843	--
FTA Rural Trnst Asst - RTAP	--	10,925	10,925	--	--	10,925
FTA Planning Program 5305(e)	--	133,605	133,605	--	133,605	--
FTA #5309 Bus Program HI030039 FY06	18,819	(110)	18,709	18,709	--	--
Rural Transit Assistance Prg06	24,629	(19,917)	4,712	4,712	--	--
Fed Trans Adm 5311 #HI-18-X025	217,286	--	217,286	217,286	--	--
FTA Rural Transit Assistance Prg07	3,666	988	4,654	4,654	--	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
FTA5309 Bus Program FFY06	\$ (110)	\$ 110	\$ --	\$ --	\$ --	\$ --
FTA Rural Trnsit Asstn HI18X26	15,561	(14,474)	1,087	1,087	--	--
Fed Trans Admin #5311 FFY2008	10,461	(10,461)	--	--	--	--
FTA Rural Trns Asst Prg FFY08	8,835	(5,969)	2,866	2,866	--	--
Total Transportation	<u>9,497,379</u>	<u>693,316</u>	<u>10,190,695</u>	<u>5,903,792</u>	<u>1,444,216</u>	<u>2,842,687</u>
Total Highways and Streets	<u>10,495,379</u>	<u>(304,684)</u>	<u>10,190,695</u>	<u>5,903,792</u>	<u>1,444,216</u>	<u>2,842,687</u>
Sanitation:						
Environmental Management:						
EPA Maalaea Offshore Study	31	--	31	31	--	--
Glass Recovery DOH ASO#11-005	3,250	--	3,250	--	--	3,250
Used Oil Recovery 06145#10	776	(2,578)	(1,802)	(1,802)	--	--
Glass Recovery DOH ASO#11-005/1	1,000	--	1,000	1,000	--	--
Used Oil Recovery 06145#10	31,714	(29,721)	1,993	1,993	--	--
W Maui Recycled Water System Exp	3,201,000	--	3,201,000	2,050,074	479,926	671,000
Glass Recovery Program	12,893	--	12,893	12,893	--	--
Electronic Device Recycling	8,790	--	8,790	8,790	--	--
Used Oil Recovery FY2013	11,798	--	11,798	10,388	1,073	337
Used Motor Oil Collection Program	--	73,333	73,333	62,916	6,000	4,417
Electronic Device Recycling	--	100,000	100,000	89,050	10,950	--
Glass Recovery Program	--	67,700	67,700	67,700	--	--
Hyatt/W Maui Recycled Water	--	501,237	501,237	--	--	501,237
Starwood/W Maui Recycled Water	--	1,863,840	1,863,840	--	--	1,863,840
Dep Beverage Container DOH-MOL	11,824	--	11,824	--	--	11,824
Dep Beverage Container DOH-MOL06	123,795	--	123,795	--	--	123,795
Used Oil Recovery07 ASO06145#2	338	--	338	--	--	338
Glass Recovery DOH 08-030	4,406	(4,406)	--	--	--	--
Used Oil Recovery08 ASO06145#5	78,385	(78,385)	--	--	--	--
Glass Recovery DOH ASO#08-030	31,585	(31,585)	--	--	--	--
Used Oil Recovery Prg09 #06145	91,810	(91,810)	--	--	--	--
Total Environmental Management	<u>3,613,395</u>	<u>2,367,625</u>	<u>5,981,020</u>	<u>2,303,033</u>	<u>497,949</u>	<u>3,180,038</u>
Total Sanitation	<u>3,613,395</u>	<u>2,367,625</u>	<u>5,981,020</u>	<u>2,303,033</u>	<u>497,949</u>	<u>3,180,038</u>
Social Welfare:						
Office of the Mayor:						
Hawaii St Comm/Status Women	401	--	401	(248)	--	649

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Housing and Human Concerns:						
Hospital Discharge PIng Grant	\$ 102	\$ --	\$ 102	\$ 102	\$ --	\$ --
Aging/Disability Rsrc Center 2010N	1	--	1	1	--	--
Aging/Disability Rsrc Center ST/HI	3,352	--	3,352	--	--	3,352
Hawaii Community Living 2010.11N	1,301	--	1,301	--	--	1,301
Home FFY09 Administration	1,828	--	1,828	1,812	--	16
Sec 8 Housing Voucher FY10	129,382	--	129,382	--	--	129,382
Sec 8 Housing Voucher Admin FY10	9,706	--	9,706	--	--	9,706
Hawaii Strategic Framework PH11	68,654	(68,540)	114	114	--	--
HI Mental Health Transform Sig	24,000	--	24,000	--	--	24,000
Home - 1st Time Homebuyers Proj	--	20,000	20,000	20,000	--	--
West Maui Com/Resource Center	100	--	100	100	--	--
Home Reprogrammed Funds	--	19,582	19,582	--	--	19,582
Hospital Discharge PIng Grant	12,914	--	12,914	9,564	--	3,350
Aging/Disability Rsrc Ctr 2010N	15,720	--	15,720	--	--	15,720
Hawaii Community Living 2010.11N	7,175	(7,138)	37	37	--	--
ARRA09 Healthy Aging Partnership	511	--	511	--	--	511
Aging Title III DHHS FY11 MA201103	73,232	--	73,232	--	190	73,042
Elder Abuse Related Services - FY11	29,913	(26,249)	3,664	--	--	3,664
EOA/DOH MA.KC.FB10-11.a FY11	6,489	--	6,489	30	--	6,459
Home FFY10 Kahawai Apt	362,387	--	362,387	117,352	245,035	--
Home FFY10 Administration	47,393	--	47,393	7,854	178	39,361
MSC Leisure FY2011	42,873	--	42,873	41,130	--	1,743
I&A Outreach Aging 00/01	597	--	597	--	--	597
Sec 8 Housing Voucher Admin FY2011	974	(974)	--	--	--	--
Hospital Discharge PIng Grant	50,016	--	50,016	24,280	--	25,736
Aging/Disability Rsrc Ctr 2010N	13,156	--	13,156	--	--	13,156
ARRA09 Healthy Aging Partnership	2,260	--	2,260	--	--	2,260
Aging Title III DHHS 01/02	--	(55)	(55)	(55)	--	--
Aging Title III DHHS FY12 MA201203	73,054	--	73,054	11,091	--	61,963
Mental Health Transformation Grant	16	--	16	--	--	16
Aging EOA/DOH Kupuna Care FY12	47,413	--	47,413	1,300	--	46,113
Congregate Meals FY2012	(53,352)	--	(53,352)	(53,352)	--	--
Home FFY09 Kahawai Apt	328,231	--	328,231	328,231	--	--
Home FFY07 Kahawai Apt	750,000	--	750,000	730,000	--	20,000
Home FFY09 CHDO MMSHH2 CNST	151,769	(59,570)	92,199	--	--	92,199
Home FFY08 CHDO MMSH1 CNST	8,491	--	8,491	8,491	--	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Home FFY08 CHDO MMSH1 CNST	\$ 71,466	\$ --	\$ 71,466	\$ 71,466	\$ --	\$ --
Home FFY06 Kahawai Apt	36,920	(19,582)	17,338	17,338	--	--
Home FFY10 CHDO MMSHH2 Cnst	152,186	--	152,186	--	--	152,186
Home FFY2009-2 MMSSH1 Constr	--	59,570	59,570	59,570	--	--
Home FFY11 CHDO MMSHH2 Cnst	150,056	--	150,056	--	--	150,056
Home FFY11 Administration	75,028	--	75,028	35,622	196	39,210
MSC Leisure FY2012	74,707	--	74,707	13,517	--	61,190
Assisted Tranprtn SH KC FY12	41,324	(41,324)	--	--	--	--
Sec 8 Housing Voucher FY2012	61,465	(61,465)	--	--	--	--
Sec 8 Housing Voucher Admin FY2012	2,629	(2,629)	--	--	--	--
RSVP Retired & Sr Vol Program	54,361	--	54,361	54,361	--	--
Healthy Aging Partnership	60,074	--	60,074	11,455	3,807	44,812
Aging Title III Programs	318,126	(116,457)	201,669	201,576	--	93
Elder Abuse Prevention SFY13	19,266	--	19,266	19,081	--	185
Elder Abuse Prevention SFY12	26,493	--	26,493	--	--	26,493
NSIP Nutrition Services	111,986	(111,986)	--	--	--	--
Kupuna Care Program	197,400	(25,161)	172,239	166,743	1,634	3,862
Aging & Disability Resource	445,296	--	445,296	424,150	1,635	19,511
Congregate Meals Title III	(97,935)	47,000	(50,935)	(81,190)	--	30,255
Congregate Meals NSIP FY13	--	54,873	54,873	54,873	--	--
Home Delivered Meals NSIP FFY13	--	57,113	57,113	57,113	--	--
Home Delivered Meals Title III	(33,634)	--	(33,634)	(19,710)	--	(13,924)
Home Delivered Meals Private Donation	437	--	437	437	--	--
Congregate Meals Private Donation	46,963	--	46,963	44,376	--	2,587
Leisure Activities FY13	51,523	--	51,523	47,743	--	3,780
Assisted Transportation FY13	2,297	(2,297)	--	--	--	--
Home Delivered Meals - State	(1,585)	(3,705)	(5,290)	(5,290)	--	--
Sec 8 Housing Voucher FY2103	21,958	(24,627)	(2,669)	(2,669)	--	--
Sec 8 Housing Admin Prg FY2013	160,089	(65,515)	94,574	1,235	45	93,294
EDI SP Prj #B-03-SP-HI-0186	1	--	1	1	--	--
Kupuna Care Program SF14	--	784,138	784,138	699,396	31,416	53,326
Elder Abuse Prevention SF14	--	26,493	26,493	26,491	--	2
Home Delivered Meals Private Donation	--	89,908	89,908	82,610	--	7,298
Congregate Meals Private Donation	--	135,727	135,727	135,727	--	--
Leisure Activities FY14	--	112,606	112,606	60,548	--	52,058
Assisted Transportation FY14	--	187,000	187,000	180,141	--	6,859
Congregate Meals Title III	--	158,637	158,637	134,434	237	23,966

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Congregate Meals NSIP FY14	\$ --	\$ 90,095	\$ 90,095	\$ 63,375	\$ --	\$ 26,720
Home Delivered Meals - State	--	111,645	111,645	74,424	--	37,221
Home Delivered Meals - NSIP FY14	--	38,749	38,749	21,655	--	17,094
Home Delivered Meals Title III	--	141,111	141,111	134,927	--	6,184
Aging Title III Programs	--	431,234	431,234	296,596	36,921	97,717
Care Transition Program	--	269,394	269,394	32,164	15,613	221,617
Aging & Disability Resource	--	383,576	383,576	87,669	716	295,191
Healthy Aging Partnership	--	90,422	90,422	2,906	--	87,516
RSVP Retired & Sr Vol Program	--	65,850	65,850	19,017	387	46,446
Sec 8 Housing Voucher FY2014	--	16,045,421	16,045,421	14,995,542	--	1,049,879
Sec 8 Housing Admin FY2014	--	1,298,000	1,298,000	1,161,164	1,972	134,864
Home FFY04 Administration	7,500	--	7,500	--	--	7,500
MSC Leisure Activity FY06	--	13,708	13,708	--	--	13,708
Title V Local Delinquency Prevention	66,404	--	66,404	--	--	66,404
MSC Leisure Activity FY07	20,725	--	20,725	--	--	20,725
Sec 8 Family Self-Sufficient	53,157	37,368	90,525	13,077	--	77,448
Aging EOA/DOH MA-KC-2008-09(a)	1	--	1	--	--	1
Home FFY07 Administration	1,584	(57)	1,527	1,527	--	--
Home FFY06 administration	9,217	--	9,217	--	4,992	4,225
Home FFY06 ADDI Program	10,755	--	10,755	--	--	10,755
Assisted Transportation SH POS08	66,873	--	66,873	10,174	--	56,699
Home FFY08 Administration	1,320	--	1,320	395	378	547
Sec8 Hsg Asst Pymts (HAP)-NRA	81,973	5,040	87,013	--	--	87,013
Sec8 Hsg Asst Pymts (Adm)-NRA	807,327	3,923	811,250	--	--	811,250
Total Housing and Human Concerns	<u>5,385,391</u>	<u>20,140,852</u>	<u>25,526,243</u>	<u>20,653,839</u>	<u>345,352</u>	<u>4,527,052</u>
Total Social Welfare	<u>5,385,792</u>	<u>20,140,852</u>	<u>25,526,644</u>	<u>20,653,591</u>	<u>345,352</u>	<u>4,527,701</u>
Culture and Recreation:						
Parks and Recreation:						
Playground Equipment One Alii Park - USDA	19,042	--	19,042	--	--	19,042
Mitchell Paule Center USDA Grant	50,005	--	50,005	50,005	--	--
ST/HI WM STD M PA SYS SLH2010	145,000	--	145,000	--	--	145,000
ST/HI Nahiku Community Center	250,000	--	250,000	--	250,000	--
Adaptive Tennis Program	200	--	200	200	--	--
2012 USTA Wheelchair Tennis	1,349	--	1,349	565	--	784

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2014**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Playground Sites/Structure/Equipment	\$ 123,676	\$ --	\$ 123,676	\$ 123,676	\$ --	\$ --
Makena Lifeguard Services	--	606,469	606,469	586,934	19,535	--
Play & Learn Sessions (PALS)	--	100,000	100,000	64,865	--	35,135
War Memorial Stadium	--	920,000	920,000	90,145	45,255	784,600
Binhi At-Ani Community Center-DAGS06	<u>202,480</u>	<u>--</u>	<u>202,480</u>	<u>119,162</u>	<u>83,318</u>	<u>--</u>
Total Parks and Recreation	<u>791,752</u>	<u>1,626,469</u>	<u>2,418,221</u>	<u>1,035,552</u>	<u>398,108</u>	<u>984,561</u>
Total Culture and Recreation	<u>791,752</u>	<u>1,626,469</u>	<u>2,418,221</u>	<u>1,035,552</u>	<u>398,108</u>	<u>984,561</u>
Totals for the Intergovernmental Grants Fund	<u>\$ 30,681,575</u>	<u>\$ 33,152,084</u>	<u>\$ 63,833,659</u>	<u>\$ 38,974,108</u>	<u>\$ 6,153,310</u>	<u>\$ 18,706,241</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Charges for current services:					
Sanitation:					
Refuse	\$ 5,300,000	\$ --	\$ 5,300,000	\$ 5,520,810	\$ 220,810
Landfill disposal fee	7,914,000	--	7,914,000	8,060,293	146,293
Total - Sanitation	<u>13,214,000</u>	<u>--</u>	<u>13,214,000</u>	<u>13,581,103</u>	<u>367,103</u>
Total - Charges for current services	<u>13,214,000</u>	<u>--</u>	<u>13,214,000</u>	<u>13,581,103</u>	<u>367,103</u>
Other revenues:					
Sanitation:					
Miscellaneous general receipts	--	--	--	3,053	3,053
Miscellaneous program receipts	--	--	--	54,192	54,192
Total - Sanitation	<u>--</u>	<u>--</u>	<u>--</u>	<u>57,245</u>	<u>57,245</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>57,245</u>	<u>57,245</u>
Total Solid Waste Fund Revenues	\$ <u>13,214,000</u>	\$ <u>--</u>	\$ <u>13,214,000</u>	\$ <u>13,638,348</u>	\$ <u>424,348</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Sanitation:							
Environmental Management:							
Solid Waste Administration	\$ 33,026	\$ 939,364	\$ --	\$ 972,390	\$ 954,170	\$ 18,220	\$ --
Solid Waste ERS & FICA	--	950,980	--	950,980	950,980	--	--
Solid Waste Health Fund	--	756,198	--	756,198	756,198	--	--
Solid Waste Admin Overhead	--	1,788,256	--	1,788,256	1,788,256	--	--
Solid Waste Operations	1,691,635	13,498,933	864,000	16,054,568	13,864,392	1,869,951	320,225
Abandoned Vehicle Scrap Metal	129,526	512,532	--	642,058	258,663	300,272	83,123
Total Environmental Management	<u>1,854,187</u>	<u>18,446,263</u>	<u>864,000</u>	<u>21,164,450</u>	<u>18,572,659</u>	<u>2,188,443</u>	<u>403,348</u>
Total Sanitation	<u>1,854,187</u>	<u>18,446,263</u>	<u>864,000</u>	<u>21,164,450</u>	<u>18,572,659</u>	<u>2,188,443</u>	<u>403,348</u>
Totals for the Solid Waste Fund	\$ <u>1,854,187</u>	\$ <u>18,446,263</u>	\$ <u>864,000</u>	\$ <u>21,164,450</u>	\$ <u>18,572,659</u>	\$ <u>2,188,443</u>	\$ <u>403,348</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Source of Revenues</u>	<u>Original Estimate</u>	<u>Amendments and Transfers</u>	<u>Final Estimate</u>	<u>Actual Revenues</u>	<u>Revenues Over or (Under) Estimate</u>
Licenses and permits:					
Social Welfare:					
Business licenses and permits	\$ <u>2,403,911</u>	\$ <u>73,894</u>	\$ <u>2,477,805</u>	\$ <u>2,535,433</u>	\$ <u>57,628</u>
Total - Licenses and permits	<u>2,403,911</u>	<u>73,894</u>	<u>2,477,805</u>	<u>2,535,433</u>	<u>57,628</u>
 Total Liquor Control Fund Revenues	 \$ <u><u>2,403,911</u></u>	 \$ <u><u>73,894</u></u>	 \$ <u><u>2,477,805</u></u>	 \$ <u><u>2,535,433</u></u>	 \$ <u><u>57,628</u></u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Social Welfare:							
Liquor Control:							
Liquor Control General	\$ 12,093	\$ 1,935,402	\$ 43,467	\$ 1,990,962	\$ 1,435,904	\$ 42,274	\$ 512,784
Liquor Admin Overhead Charges	--	1,000,488	30,427	1,030,915	724,959	--	305,956
Total Liquor Control	<u>12,093</u>	<u>2,935,890</u>	<u>73,894</u>	<u>3,021,877</u>	<u>2,160,863</u>	<u>42,274</u>	<u>818,740</u>
Total Social Welfare	<u>12,093</u>	<u>2,935,890</u>	<u>73,894</u>	<u>3,021,877</u>	<u>2,160,863</u>	<u>42,274</u>	<u>818,740</u>
Totals for the Liquor Control Fund	\$ <u>12,093</u>	\$ <u>2,935,890</u>	\$ <u>73,894</u>	\$ <u>3,021,877</u>	\$ <u>2,160,863</u>	\$ <u>42,274</u>	\$ <u>818,740</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Source of Revenues</u>	<u>Original Estimate</u>	<u>Amendments and Transfers</u>	<u>Final Estimate</u>	<u>Actual Revenues</u>	<u>Revenues Over or (Under) Estimate</u>
Intergovernmental revenue:					
Capital improvement projects:					
Federal grants passed through the state	\$ <u>12,125,000</u>	\$ <u>174,197</u>	\$ <u>12,299,197</u>	\$ <u>11,998,931</u>	\$ <u>(300,266)</u>
Total - Intergovernmental revenues	<u>12,125,000</u>	<u>174,197</u>	<u>12,299,197</u>	<u>11,998,931</u>	<u>(300,266)</u>
Interest and investment earnings:					
General revenue:					
Interest on investments	--	--	--	5,805	5,805
Capital improvement projects:					
Interest on investments	--	(35)	(35)	29,095	29,130
Total - Interest and investment earnings	--	(35)	(35)	34,900	34,935
Other revenues:					
Capital improvement projects:					
Miscellaneous program receipts	--	--	--	26,168	26,168
Total - Other revenues	--	--	--	26,168	26,168
Total Capital Improvement Projects Fund Revenues	\$ <u>12,125,000</u>	\$ <u>174,162</u>	\$ <u>12,299,162</u>	\$ <u>12,059,999</u>	\$ <u>(239,163)</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2014**

	Balances Forward	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations	Lapsed Appropriations
Drainage	\$ 16,422,355	\$ 1,890,272	\$ --	\$ 18,312,627	\$ 4,848,064	\$ 10,847,557	\$ 2,617,006	\$ 1,560,412
Other projects	7,209,712	8,608,407	--	15,818,119	7,899,184	6,996,106	922,829	39,078
Government facilities	27,165,044	2,310,000	--	29,475,044	21,351,615	5,817,938	2,305,491	729,892
Parks and recreation	3,909,894	6,504,710	--	10,414,604	2,781,721	4,993,215	2,639,668	898,881
Economic development	194,202	--	--	194,202	30,265	--	163,937	163,936
Roads	44,655,193	20,770,425	--	65,425,618	18,920,320	28,073,831	18,431,467	2,278,165
Solid waste facilities	2,351,891	2,455,992	--	4,807,883	1,592,276	3,125,160	90,447	80,372
Wastewater facilities	<u>37,047,560</u>	<u>20,060,684</u>	<u>--</u>	<u>57,108,244</u>	<u>19,673,918</u>	<u>19,015,805</u>	<u>18,418,521</u>	<u>4,420,982</u>
	<u>\$ 138,955,851</u>	<u>\$ 62,600,490</u>	<u>\$ --</u>	<u>\$ 201,556,341</u>	<u>\$ 77,097,363</u>	<u>\$ 78,869,612</u>	<u>\$ 45,589,366</u>	<u>\$ 10,171,718</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES BY FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Balances Forward	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations	Lapsed Appropriations
General Fund CIP	\$ 13,198,121	\$ 6,724,000	\$ --	\$ 19,922,121	\$ 11,690,102	\$ 4,520,526	\$ 3,711,493	\$ 1,225,931
Highway Fund CIP	14,833,065	9,126,744	--	23,959,809	9,882,332	7,528,498	6,548,979	2,334,155
Wastewater Fund CIP	18,935,726	15,280,000	--	34,215,726	10,554,432	11,092,922	12,568,372	3,351,517
Bikeway Fund CIP	1,429,023	300,000	--	1,729,023	115,080	1,143,002	470,941	320,000
Solid Waste Fund CIP	283,005	--	--	283,005	56,130	151,309	75,566	75,566
Liquor Control Fund CIP	--	100,000	--	100,000	4,068	619	95,313	--
Parks Assessments CIP	793,756	983,000	--	1,776,756	152,066	533,092	1,091,598	506,598
Federal CIP Grants	878,153	(486,301)	--	391,852	--	--	391,852	--
State CIP Grants	998,000	--	--	998,000	--	998,000	--	--
State CIP Grants - DOT	24,796,984	8,785,370	--	33,582,354	9,784,757	13,013,608	10,783,989	--
American Recovery Act 2009	14,078,487	(2,319,037)	--	11,759,450	10,319,759	1,308,079	131,612	131,612
Private CIP Contributions	11,391	(11,391)	--	--	--	--	--	--
State CIP Loans	9,803,896	4,780,684	--	14,584,580	3,520,415	5,692,522	5,371,643	590,959
Lapsed Bond Projects	6,934,770	529,000	--	7,463,770	3,594,849	3,753,470	115,451	4,806
1998 GO Bond Issue	163,933	--	--	163,933	--	--	163,933	163,933
2000 GO Bond Issue	30,269	--	--	30,269	30,265	--	4	4
2005 ABC GO Bond Issue	22,720	--	--	22,720	--	--	22,720	22,720
2006 ABC GO Bond Issue	9,119	--	--	9,119	9,119	--	--	--
2008 GO Bond Issue	3,798,797	--	--	3,798,797	427,427	3,346,078	25,292	25,292
2010 B GO Bond Issue tax exempt	2,661,196	9,287	9,287	2,679,770	839,618	506,951	1,333,201	1,323,914
2010 A GO Bond Issue taxable	--	(9,287)	(9,287)	(18,574)	(9,287)	--	(9,287)	--
2012 B GO Bond	5,228,197	--	--	5,228,197	1,555,683	3,645,877	26,637	1,862
2014 GO Bond	20,067,243	15,993,936	--	36,061,179	14,526,219	21,320,740	214,220	92,849
2016 Proposed GO Bond	--	2,814,485	--	2,814,485	44,329	314,319	2,455,837	--
Totals	\$ 138,955,851	\$ 62,600,490	\$ --	\$ 201,556,341	\$ 77,097,363	\$ 78,869,612	\$ 45,589,366	\$ 10,171,718

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2014 AND 2013**

	2014	2013
Governmental activities capital assets:		
Land	\$ 159,067,977	\$ 140,598,266
Buildings and systems	162,097,487	122,837,865
Improvements other than buildings	135,367,004	130,388,474
Machinery and equipment	126,705,502	117,583,789
Infrastructure	997,442,965	970,298,560
Construction in progress	82,891,537	92,006,712
Accumulated depreciation	<u>(968,014,204)</u>	<u>(930,758,612)</u>
Total governmental activities capital assets	<u>\$ 695,558,268</u>	<u>\$ 642,955,054</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2014

Function and Department	Land	Buildings and Systems	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Accumulated Depreciation	Total
General government:								
Office of the Mayor	\$ 13,013,208	\$ 2,082,602	\$ 1,800,721	\$ 100,111	\$ --	\$ 82,887	\$ (1,242,158)	\$ 15,837,371
Management	2,515,458	1,075,286	--	2,914,764	--	221,424	(2,318,387)	4,408,545
Corporation Counsel	--	--	--	91,719	--	--	(91,719)	--
Finance	--	845,180	--	857,876	--	2,183,982	(1,295,541)	2,591,497
Planning	--	--	--	652,850	--	1,094,765	(633,688)	1,113,927
Liquor Control	--	--	--	--	--	4,068	--	4,068
Parks and Recreation	2,893,700	306,300	--	--	--	--	(100,824)	3,099,176
Public Works	12,987,221	14,231,888	9,425,285	1,206,183	--	1,789,278	(20,612,621)	19,027,234
Total for General government	<u>31,409,587</u>	<u>18,541,256</u>	<u>11,226,006</u>	<u>5,823,503</u>	<u>--</u>	<u>5,376,404</u>	<u>(26,294,938)</u>	<u>46,081,818</u>
Public safety:								
Management	--	--	--	--	--	13,936,322	--	13,936,322
Prosecuting Attorney	--	--	--	223,082	--	--	(221,459)	1,623
Police	1,318,642	54,429,744	4,763,175	28,038,280	--	3,125	(37,728,413)	50,824,553
Fire and Public Safety	1,186,759	38,784,186	892,498	20,250,967	--	984,226	(36,735,274)	25,363,362
Civil Defense	--	497,445	--	766,078	--	290,517	(493,820)	1,060,220
Public Works	--	--	--	6,886	--	807,286	(6,886)	807,286
Total for Public safety	<u>2,505,401</u>	<u>93,711,375</u>	<u>5,655,673</u>	<u>49,285,293</u>	<u>--</u>	<u>16,021,476</u>	<u>(75,185,852)</u>	<u>91,993,366</u>
Highways and streets:								
Public Works	58,347,430	--	643,822	18,360,728	528,021,751	37,424,392	(452,600,825)	190,197,298
Transportation	--	229,700	--	13,777,868	--	86,646	(8,337,114)	5,757,100
Total for Highways and streets	<u>58,347,430</u>	<u>229,700</u>	<u>643,822</u>	<u>32,138,596</u>	<u>528,021,751</u>	<u>37,511,038</u>	<u>(460,937,939)</u>	<u>195,954,398</u>
Sanitation:								
Environmental Management	4,231,746	1,927,524	--	28,787,986	469,421,214	20,644,674	(294,638,970)	230,374,174
Total for Sanitation	<u>4,231,746</u>	<u>1,927,524</u>	<u>--</u>	<u>28,787,986</u>	<u>469,421,214</u>	<u>20,644,674</u>	<u>(294,638,970)</u>	<u>230,374,174</u>
Social welfare:								
Liquor Control	--	--	--	457,388	--	--	(383,690)	73,698
Housing and Human Concerns	3,855,202	14,455,693	983,124	1,271,013	--	791,513	(10,599,269)	10,757,276
Total for Social welfare	<u>3,855,202</u>	<u>14,455,693</u>	<u>983,124</u>	<u>1,728,401</u>	<u>--</u>	<u>791,513</u>	<u>(10,982,959)</u>	<u>10,830,974</u>
Culture and recreation:								
Parks and Recreation	58,718,611	33,231,939	116,858,379	8,809,610	--	2,546,232	(99,850,283)	120,314,488
Public Works	--	--	--	--	--	200	--	200
Total for Culture and recreation	<u>58,718,611</u>	<u>33,231,939</u>	<u>116,858,379</u>	<u>8,809,610</u>	<u>--</u>	<u>2,546,432</u>	<u>(99,850,283)</u>	<u>120,314,688</u>
Legislative:								
County Council	--	--	--	108,117	--	--	(99,267)	8,850
County Clerk	--	--	--	23,996	--	--	(23,996)	--
Total for Legislative	<u>--</u>	<u>--</u>	<u>--</u>	<u>132,113</u>	<u>--</u>	<u>--</u>	<u>(123,263)</u>	<u>8,850</u>
Cost of capital assets used by governmental funds	<u>\$ 159,067,977</u>	<u>\$ 162,097,487</u>	<u>\$ 135,367,004</u>	<u>\$ 126,705,502</u>	<u>\$ 997,442,965</u>	<u>\$ 82,891,537</u>	<u>\$ (968,014,204)</u>	<u>\$ 695,558,268</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2014

Function and Department	Governmental Capital Assets July 1, 2013	Additions	Deductions	Governmental Capital Assets June 30, 2014
General government:				
Office of the Mayor	\$ 16,996,643	\$ 133,581	\$ (50,695)	\$ 17,079,529
Management	3,912,884	5,353,681	(2,539,633)	6,726,932
Corporation Counsel	91,719	--	--	91,719
Finance	1,692,056	6,088,940	(3,893,958)	3,887,038
Planning	1,747,615	--	--	1,747,615
Liquor Control	--	4,068	--	4,068
Parks and Recreation	3,200,000	--	--	3,200,000
Public Works	41,754,223	721,231	(2,835,599)	39,639,855
Total for General government	<u>69,395,140</u>	<u>12,301,501</u>	<u>(9,319,885)</u>	<u>72,376,756</u>
Public safety:				
Management	1,899,520	12,036,802	--	13,936,322
Prosecuting Attorney	263,272	--	(40,190)	223,082
Police	79,204,360	47,980,214	(38,631,608)	88,552,966
Fire and Public Safety	61,329,006	1,777,196	(1,007,566)	62,098,636
Civil Defense	1,260,798	293,242	--	1,554,040
Parks and Recreation	429,714	477,176	(906,890)	--
Public Works	52,343	811,621	(49,792)	814,172
Total for Public safety	<u>144,439,013</u>	<u>63,376,251</u>	<u>(40,636,046)</u>	<u>167,179,218</u>
Highways and streets:				
Public Works	622,973,187	29,247,852	(9,422,916)	642,798,123
Transportation	9,336,926	4,913,660	(156,372)	14,094,214
Total for Highways and streets	<u>632,310,113</u>	<u>34,161,512</u>	<u>(9,579,288)</u>	<u>656,892,337</u>
Sanitation:				
Environmental Management	504,009,708	50,195,048	(29,191,612)	525,013,144
Total for Sanitation	<u>504,009,708</u>	<u>50,195,048</u>	<u>(29,191,612)</u>	<u>525,013,144</u>
Social welfare:				
Liquor Control	449,610	24,700	(16,922)	457,388
Housing and Human Concerns	21,331,012	114,136	(88,603)	21,356,545
Total for Social welfare	<u>21,780,622</u>	<u>138,836</u>	<u>(105,525)</u>	<u>21,813,933</u>
Culture and recreation:				
Parks and Recreation	201,558,395	28,544,794	(9,938,418)	220,164,771
Public Works	--	200	--	200
Total for Culture and recreation	<u>201,558,395</u>	<u>28,544,994</u>	<u>(9,938,418)</u>	<u>220,164,971</u>
Legislative:				
County Council	108,117	--	--	108,117
County Clerk	23,996	--	--	23,996
Total for Legislative	<u>132,113</u>	<u>--</u>	<u>--</u>	<u>132,113</u>
Economic development:				
Environmental Management	88,562	98,407	(186,969)	--
Total for Economic development	<u>88,562</u>	<u>98,407</u>	<u>(186,969)</u>	<u>--</u>
Cost of capital assets used by governmental funds	1,573,713,666	188,816,549	(98,957,743)	1,663,572,472
Less accumulated depreciation	<u>(930,758,612)</u>	<u>(40,800,777)</u>	<u>3,545,185</u>	<u>(968,014,204)</u>
Capital assets net of accumulated depreciation	<u>\$ 642,955,054</u>	<u>\$ 148,015,772</u>	<u>\$ (95,412,558)</u>	<u>\$ 695,558,268</u>

See accompanying independent auditor's report.

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COUNTY OF MAUI

Statistical Section (Unaudited) (See Independent Auditor's Report)

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 contain 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 ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Invested in capital assets, net of related debt	\$ 260,620	\$ 284,331	\$ 276,942	\$ 287,157	\$ 343,638	\$ 371,411	\$ 361,022	\$ 395,526	\$ 396,519	\$ 457,961
Restricted	57,951	64,401	122,451	91,444	76,825	83,950	91,162	71,585	68,375	47,433
Unrestricted	(7,290) ¹	18,833 ¹	41,913 ¹	119,560 ¹	98,814 ¹	85,356 ¹	85,850 ¹	55,090 ¹	72,103 ¹	42,753
Total governmental activities net assets	\$ 311,281	\$ 367,565	\$ 441,306	\$ 498,161	\$ 519,277	\$ 540,717	\$ 538,034	\$ 522,201	\$ 536,997	\$ 548,147
Business-type activities										
Invested in capital assets, net of related debt	\$ 231,941	\$ 244,149	\$ 261,268	\$ 267,744	\$ 271,646	\$ 285,042	\$ 290,830	\$ 286,968	\$ 290,752	\$ 284,637
Restricted	21,355	17,052	18,518	15,999	14,816	14,973	14,609	13,646	12,284	13,082
Unrestricted	22,635	19,836	15,146	20,563	19,023	18,970	26,167	32,605	36,456	46,042
Total business-type activities net assets	\$ 275,931	\$ 281,037	\$ 294,932	\$ 304,306	\$ 305,485	\$ 318,985	\$ 331,606	\$ 333,219	\$ 339,492	\$ 343,761
Primary Government										
Invested in capital assets, net of related debt	\$ 492,561	\$ 528,480	\$ 538,210	\$ 554,901	\$ 615,284	\$ 656,453	\$ 651,852	\$ 682,494	\$ 687,271	\$ 742,598
Restricted	79,306	81,453	140,969	107,443	91,641	98,923	105,771	85,231	80,659	60,515
Unrestricted	15,345	38,669	57,059	140,123	117,837	104,326	112,017	87,695	108,559	88,795
Total Primary Government Net Assets	\$ 587,212	\$ 648,602	\$ 736,238	\$ 802,467	\$ 824,762	\$ 859,702	\$ 869,640	\$ 855,420	\$ 876,489	\$ 891,908

¹ Includes restated property tax, planning fee deposits, and bond issuance costs.

See accompanying independent auditor's report

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

Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 75,777	\$ 68,334	\$ 68,533	\$ 101,570	\$ 96,688	\$ 100,571	\$ 126,334	\$ 134,646	\$ 107,565	\$ 118,866
Public safety	54,697	56,947	65,216	71,018	83,079	80,480	85,000	84,585	85,261	84,280
Highways and streets	34,882	29,384	31,534	36,765	47,619	48,876	51,132	46,329	45,106	51,607
Sanitation	31,257	39,659	49,044	39,017	55,094	69,920	58,654	62,793	65,402	69,856
Social welfare	30,892	31,077	35,393	38,537	43,522	44,303	40,782	42,989	46,866	46,072
Culture and recreation	23,874	24,301	26,693	29,478	30,698	36,310	36,239	34,396	33,018	34,418
Legislative	4,039	4,122	4,592	4,779	5,318	5,200	5,248	5,251	5,539	5,998
Interest on long term debt	8,786	9,316	10,487	13,547	10,628	10,131	9,438	8,926	8,960	7,982
Total governmental activities expenses	\$ 264,204	\$ 263,140	\$ 291,492	\$ 334,711	\$ 372,646	\$ 395,791	\$ 412,827	\$ 419,915	\$ 397,717	\$ 419,079
Business-Type activities:										
Department of Water Supply	\$ 35,812	\$ 38,477	\$ 42,021	\$ 44,390	\$ 46,959	\$ 46,827	\$ 46,687	\$ 54,013	\$ 53,612	\$ 55,539
Housing, Interim Financing and Buy-Back Revolving Fund	237	186	186	181	175	610	206	268	207	514
Municipal Golf Course	1,653	1,722	1,838	1,949	2,138	2,389	2,088	2,096	2,235	2,348
Total business-type activities expenses	37,702	40,385	44,045	46,520	49,272	49,826	48,981	56,377	56,054	58,401
Total primary government expenses	\$ 301,906	\$ 303,525	\$ 335,537	\$ 381,231	\$ 421,918	\$ 445,617	\$ 461,808	\$ 476,292	\$ 453,771	\$ 477,480
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 10,643	\$ 12,916	\$ 12,806	\$ 11,765	\$ 12,663	\$ 10,950	\$ 12,433	\$ 12,602	\$ 13,265	\$ 13,104
Public safety	324	365	527	384	1,465	337	436	452	458	550
Highways and streets	8,076	8,511	9,277	10,006	10,166	12,097	17,821	20,006	21,272	21,859
Sanitation	34,949	38,012	42,451	47,075	48,682	54,093	59,082	60,568	61,559	59,583
Social welfare	2,997	2,619	1,581	2,537	2,518	2,563	2,360	2,534	2,403	3,202
Culture and recreation	447	470	500	439	542	584	511	574	617	670
Operating grants and contributions	31,853	29,520	30,087	32,907	40,534	39,353	35,216	34,017	34,447	38,917
Capital grants and contributions	4,781	10,016	10,960	4,361	8,446	7,413	6,191	12,530	11,332	15,142
Total governmental activities program revenues	\$ 94,070	\$ 102,429	\$ 108,189	\$ 109,474	\$ 125,016	\$ 127,390	\$ 134,050	\$ 143,283	\$ 145,353	\$ 153,027
Business-Type activities:										
Charges for services:										
Department of Water Supply	\$ 29,623	\$ 42,348	\$ 37,663	\$ 40,722	\$ 42,641	\$ 46,453	\$ 47,214	\$ 50,992	\$ 54,439	\$ 55,245
Housing, Interim Financing and Buy-Back Revolving Fund	155	146	148	149	157	154	147	527	163	167
Municipal Golf Course	1,232	1,437	1,427	1,403	1,229	1,138	1,158	1,106	1,116	1,087
Capital grants and contributions	10,598	16,586	16,586	11,317	5,865	9,983	11,901	2,541	5,552	4,369
Total business-type program revenues	41,608	43,931	55,824	53,591	49,892	57,728	60,420	55,166	61,270	60,868
Total primary government program revenues	\$ 135,678	\$ 146,360	\$ 164,013	\$ 163,065	\$ 174,908	\$ 185,118	\$ 194,470	\$ 198,449	\$ 206,623	\$ 213,895
Net (expense)/revenue										
Governmental activities	\$ (170,134)	\$ (160,711)	\$ (183,303)	\$ (225,237)	\$ (247,630)	\$ (268,401)	\$ (278,777)	\$ (276,632)	\$ (252,364)	\$ (266,052)
Business-Type activities	3,906	3,546	11,779	7,071	620	7,902	11,439	(1,211)	5,216	2,467
Total primary government net expense	\$ (166,228)	\$ (157,165)	\$ (171,524)	\$ (218,166)	\$ (247,010)	\$ (260,499)	\$ (267,338)	\$ (277,843)	\$ (247,148)	\$ (263,585)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 131,812	\$ 162,794	\$ 194,467	\$ 216,306	\$ 215,005	\$ 235,861	\$ 220,477	\$ 208,645	\$ 214,244	\$ 224,055
Transient accommodation tax	20,125	22,294	22,911	23,412	21,315	20,972	23,479	22,906	21,204	21,204
Public service corporation tax	5,766	6,390	7,887	7,983	9,335	10,265	6,094	9,622	9,767	9,834
Franchise tax	6,176	7,382	8,673	8,743	11,298	7,550	8,468	10,429	10,714	10,762
Fuel tax	11,982	12,659	11,837	11,383	10,498	9,679	11,085	10,438	10,618	10,676
Interest and investment earnings	2,337	5,415	11,431	13,935	1,538	9,858	6,489	1,283	908	1,579
Other	118	80	182	546	209	56	399	(4)	857	(132)
Transfers	64	38	(265)	(136)	(359)	(4,308)	(267)	(2,388)	(948)	(775)
Total governmental activities	\$ 178,380	\$ 217,052	\$ 257,123	\$ 282,172	\$ 268,839	\$ 289,933	\$ 276,224	\$ 260,931	\$ 267,364	\$ 277,203
Business-Type activities:										
Interest and investment earnings	\$ 1,058	\$ 1,600	\$ 1,851	\$ 1,924	\$ 193	\$ 1,174	\$ 916	\$ 165	\$ 135	\$ 293
Others				243	7	115		270	154	735
Transfers	(64)	(38)	265	136	359	4,308	267	2,388	948	775
Total business-type activities	994	1,562	2,116	2,303	559	5,597	1,183	2,823	1,237	1,803
Total primary government	\$ 179,374	\$ 218,614	\$ 259,239	\$ 284,475	\$ 269,398	\$ 295,530	\$ 277,407	\$ 263,754	\$ 268,601	\$ 279,006
Change in Net Assets										
Governmental activities	\$ 8,246	\$ 56,341	\$ 73,820	\$ 56,935	\$ 21,209	\$ 21,532	\$ (2,553)	\$ (15,701)	\$ 15,000	\$ 11,150
Business-Type activities	4,900	5,108	13,895	9,374	1,179	13,499	12,622	1,612	6,453	4,270
Total primary government	\$ 13,146	\$ 61,449	\$ 87,715	\$ 66,309	\$ 22,388	\$ 35,031	\$ 10,069	\$ (14,089)	\$ 21,453	\$ 15,420

¹ Restated

² Includes restated planning fee deposit amounts due to reclass that does not include \$1492K as it had in prior years.

³ Includes restated property tax amount due to reclass does not include \$964K as it had in prior years.

See accompanying independent auditor's report

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

Fiscal Year	Property Tax	Transient Accomodation Tax	Public Service Corporation Tax	Franchise Tax	Fuel Tax	Total
2005	\$ 131,812 ¹	\$ 20,125	\$ 5,766	\$ 6,176	\$ 11,982	\$ 175,862
2006	162,794 ¹	22,294	6,390	7,382	12,659	211,520
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

¹ Includes restated property tax amt due to reclass, does not include \$964K as it was in prior years

See accompanying independent auditor's report

**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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 13,484	\$ 18,437	\$ 26,590	\$ 31,022	\$ 25,717	\$ 17,549				
Unreserved	31,294 ²	53,109 ²	64,887 ²	56,376 ²	49,748 ²	68,306 ²				
Restricted							\$ 12,113	\$ 13,189	\$ 15,317	\$ 5,819
Committed							49,042	75,114	100,727	30,009
Assigned							22,153	16,681	16,430	19,388
Unassigned							87,319 ²	51,006 ²	51,979 ²	42,404
Total general fund	\$ 44,778	\$ 71,546	\$ 91,477	\$ 87,398	\$ 75,465	\$ 85,855	\$ 170,627	\$ 155,990	\$ 184,453	\$ 97,620
All other governmental funds										
Reserved	\$ 31,640	\$ 47,439	\$ 58,228	\$ 100,207	\$ 86,117	\$ 81,585				
Unreserved, reported in:										
Special revenue funds	20,920	33,713	55,074	62,160	78,114	102,777				
Capital projects fund	5,381	(16,751)	9,149	9,956	(10,142)	(23,132)				
Restricted							\$ 78,768	\$ 56,745	\$ 60,479	\$ 40,722
Committed							43,626	44,561	48,599	38,535
Assigned							4,253	19,155	12,543	11,715
Total all other governmental funds	\$ 57,941	\$ 64,401	\$ 122,451	\$ 172,323	\$ 154,089	\$ 161,230	\$ 126,647	\$ 120,461	\$ 121,621	\$ 90,972

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

See accompanying independent auditor's report

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	\$ 154,541 ¹	\$ 188,704 ¹	\$ 223,058 ¹	\$ 243,510	\$ 245,267	\$ 261,332	\$ 244,852	\$ 238,829	\$ 246,315	\$ 255,440
Licenses and permits	16,444	17,611	16,996	17,719	16,278	17,946	22,362	26,650	27,231	28,185
Intergovernmental revenues	53,512	54,268	53,117	57,001	66,185	62,707	63,792	68,001	64,074	69,449
Charges for current services	36,525 ²	39,511 ²	44,159 ²	49,196 ²	51,525 ²	57,633 ²	62,234 ²	64,364 ²	66,036 ²	64,251
Fines and forfeitures	1,242	1,463	1,778	2,049	2,294	2,712	2,767	2,131	3,018	2,250
Interest and investment earnings	2,489	5,586	11,953	14,164	1,706	9,973	6,594	1,416	1,018	1,747
Assessments	3,031	7,123	10,370	3,149	1,213	231	670	1,219	791	1,086
Other revenues	3,499	4,598	4,186	3,809	9,128	7,507	5,387	3,842	6,076	6,882
Total revenues	271,283	318,864	365,617	390,597	393,596	420,041	408,658	406,452	414,559	429,290
EXPENDITURES										
Current:										
General government	57,848	67,352	70,467	98,268	94,429	90,136	90,652	105,552	89,510	190,718
Public safety	53,125	55,799	64,080	72,293	78,163	80,376	78,703	79,427	80,781	78,981
Highways and streets	19,444	21,341	25,123	30,786	33,711	35,039	32,484	33,798	35,926	44,878
Sanitation	23,835	28,670	34,419	39,363	43,875	40,832	39,835	41,891	45,366	46,344
Social welfare	29,877	30,454	34,840	38,105	42,893	43,509	43,999	42,459	46,315	45,298
Culture and recreation	20,359	20,451	23,149	26,418	27,592	27,034	23,652	27,257	26,346	39,739
Legislative	4,022	4,114	4,602	4,767	5,336	5,199	5,238	5,251	5,533	5,987
Capital outlay	21,511	30,594	38,027	46,964	88,612	54,804	57,278	57,976	68,648	77,097
Debt service:										
Principal	16,443	10,307	17,864	18,373	18,879	20,485	26,894	22,469	23,770	24,593
Interest and other issuance costs	9,759	17,059	9,822	9,954	10,689	10,219	10,332	9,604	10,051	9,423
Total expenditures	256,223	286,141	322,393	385,291	444,179	407,633	409,067	425,684	432,246	563,058
Excess of revenues over (under) expenditures	15,060	32,723	43,224	5,306	(50,583)	12,408	(409)	(19,232)	(17,687)	(133,768)
OTHER FINANCING SOURCES (USES)										
Issuance of debt:										
General obligation bond proceeds	21,956	-	30,010	35,094	-	-	46,300	-	38,375	17,061
General obligation refunding bonds	29,485	-	25,183	-	-	-	23,375	-	18,510	-
Net premiums received	1,396	-	520	-	-	-	4,606	-	6,806	-
State revolving fund loan proceeds	525	546	5,113	5,721	21,048	9,906	2,856	1,095	2,053	-
Capital lease obligations	-	-	63	118	230	-	-	-	-	-
Use of debt:										
Payment to escrow for bond refunding	(30,682)	-	(25,524)	-	-	-	(25,939)	-	(21,321)	-
Transfers in:										
General fund	34,075	44,005	72,489	99,600	87,987	80,932	46,097	57,950	47,832	51,346
Special revenue funds	28,873	32,250	25,462	56,345	34,174	30,306	34,428	39,126	47,880	46,065
Capital projects fund	509	4,184	12,566	16,500	9,978	6,675	8,903	3,748	6,889	7,814
Proprietary funds	64	86	132	-	313	415	402	407	378	352
Other governmental funds	-	-	2,744	3,230	10,642	11,454	7,520	6,692	7,317	7,015
Transfers out:										
General fund	(14,619)	(15,353)	(17,285)	(27,866)	(22,185)	(22,932)	(26,089)	(20,695)	(23,667)	(24,078)
Special revenue funds	(9,902)	(13,976)	(19,075)	(60,497)	(28,674)	(9,196)	(6,447)	(4,644)	(6,277)	(7,879)
Debt service fund	(26,003)	(27,366)	(27,506)	(28,326)	(29,567)	(30,704)	(36,860)	(32,073)	(33,392)	(34,016)
Capital projects fund	(12,933)	(23,743)	(49,395)	(58,985)	(36,571)	(31,127)	(16,885)	(35,034)	(34,693)	(32,514)
Proprietary funds	-	(48)	(397)	(136)	(672)	(35,409)	(669)	(2,795)	(1,326)	(1,127)
Other governmental funds	-	-	-	-	(25,785)	(4,723)	(10,668)	(15,070)	(11,888)	(13,752)
Total financing sources, net	22,744	585	35,100	40,798	20,918	5,597	50,930	(1,293)	43,476	16,287
Net change in fund balances	\$ 37,804	\$ 33,308	\$ 78,324	\$ 46,104	\$ (29,665)	\$ 18,005	\$ 50,521	\$ (20,525)	\$ 25,789	\$ (117,481)
Capital outlays reported in the CIP fund and other funds, net of retirements										
	12,655	30,510	34,380	58,288	90,670	59,804	38,566	54,259	66,231	93,404
Debt service as a percentage of noncapital expenditures										
	10.76%	10.71%	9.61%	8.66%	8.36%	8.83%	10.05%	8.64%	9.24%	7.24%

¹ Includes restated property tax amount due to reclass does not include \$964K as it had in prior years.

² Includes restated planning fee deposit amounts due to reclass that does not include \$1492K as it had in prior years.

See accompanying independent auditor's report

**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										
2005	\$ 3,664,652	5.86	\$ 2,475,815	5.86	\$ 1,213,321	6.75	\$ 972,929	6.75	\$ 1,950,580	4.93		
2006	4,878,831	5.86	3,303,913	5.86	1,427,944	6.75	1,129,258	6.75	2,756,504	4.93		
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

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	Direct Tax Rate ¹
2005	\$ 310,947	4.93	\$ 5,875,818	8.30			\$ 333,412	5.86	\$ 6,011,655	3.55	\$ 22,809,129	5.79
2006	331,244	4.93	6,308,394	8.30	\$ 578,735 ²	14.00	466,086	5.86	7,366,375	3.50	28,547,284	5.80
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

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

See accompanying independent auditor's report

**TABLE 7
COUNTY OF MAUI
PRINCIPAL TAXPAYERS
FISCAL YEARS 2014 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Taxpayer	Type of Business	2014 ¹			2005 ²		
		Percentage of Total tax			Percentage of Total tax		
		Taxes	Levy	Rank	Taxes	Levy	Rank
Westin Maui Corp (Leasehold), SVO Pacific, Inc., Ocean Resort Villas Vacation Owners Ass'n.	Westin Hotel, Time Share	\$ 9,532	4.22%	1	\$ 927	0.70%	10
Marriott Ownership Resorts	Time Share	5,784	2.56%	2			
HMC Maui LP, HMC Kea Lani LLC Host Marriot	Kea Lani & Hyatt Hotels Kea Lani & Hyatt Hotels	3,856	1.71%	3	2,762	2.09%	1
MSR Grand Wailea Resort LP KSL Grand Wailea Resort, Inc.	Grand Wailea Hotel Grand Wailea Hotel	2,881	1.28%	4	2,336	1.76%	3
Alexander & Baldwin, A & B, East Maui Irrigation	Sugar, Development, Property Management	2,671	1.18%	5	2,338	1.77%	2
Kapalua Bay LLC, Island Acquisitions Kapalua LLC	Time Share, Apartment	2,629	1.16%	6			
West Maui Resort Partners LP	Time Share	2,365	1.05%	7	935	0.71%	9
Lanai Resorts LLC	Hotel, Golf Course	2,021	0.90%	8			
3900 WA Associates, LLC	Four Seasons Hotel	1,467	0.65%	9	1,093	0.83%	6
Kyo-Ya Hotels & Resorts LP	Sheraton Hotel	1,264	0.56%	10	1,004	0.76%	7
Castle & Cooke Inc & Resorts, Lanai Properties, Dole Lanai, Lanai Developers	Development, Hotel, Golf Course, Property Management				1,509	1.14%	4
SEIBU: Makena Golf Corp., Makena Aina, Corp., Maui Prince Hotel LLC, Ainamua	Prince Hotel, Golf Course, Development				1,143	0.86%	5
Maui Land and Pineapple Co.	Development, Hotel, Golf Course, Property Management/Pineapple				945	0.71%	8
TOTALS		34,470	15.27%		14,992	11.33%	

¹ Fiscal Year 2014 taxes were calculated from the January 1, 2013 assessment. The taxes levied are for the year July 1, 2013 through June 30, 2014.

² Fiscal Year 2005 taxes were calculated from the January 1, 2004 assessment. The taxes levied are for the fiscal year July 1, 2004 through June 30, 2005.
The tax levy is \$132,393,383.

See accompanying independent auditor's report

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

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Adjustments</u> ²	<u>Adjusted Taxes Levied</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	\$ 131,065 ¹	\$ (126) ³	\$ 130,939	\$ 130,541	99.7%	\$ 267 ³	\$ 130,808	99.9%
2006	168,367 ¹	121 ³	168,488	160,589	95.3%	7,731 ³	168,320	99.9%
2007	192,997 ¹	(39) ³	192,958	192,771	99.9%	(6) ³	192,765	99.9%
2008	218,996 ¹	(5,034)	213,962	213,031	99.6%	(838)	212,193	99.2%
2009	224,420	(2,542)	221,878	219,056	98.7%	2,689	221,745	99.9%
2010	241,116	(1,492)	239,624	236,084	98.5%	3,416	239,500	99.9%
2011	225,034	(6,183)	218,851	217,843	99.5%	701	218,544	99.9%
2012	211,712	(2,847)	208,865	205,489	98.4%	2,758	208,247	99.7%
2013	215,417	(629)	214,788	211,855	98.6%	1,620	213,475	99.4%
2014	225,766	(78)	225,688	223,076	98.8%	-	223,076	98.8%

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

² Adjustments include appeals.

³ See Footnote 14 for the effect of a prior period adjustment.

See accompanying independent auditor's report

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

Fiscal Year	Government Activities		Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Notes Payable ⁴	General Obligation Bonds	Notes Payable ⁴	Total Outstanding Debt	Percentage of Personal Income ³	Per Capita ³
2004	\$ 195,061	\$ 31,348	\$ 31,946	\$ 7,846	\$ 266,201	6.35%	1,924
2005	202,542	29,824	31,142	6,938	270,446	5.98%	1,932
2006	187,199	28,299	28,137	5,996	249,631	5.01%	1,767
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	5.31% ¹	1,907 ²
2014	208,298	53,293	25,602	17,672	304,865	5.08% ¹	1,903 ²

¹ 2012 and 2013 Personal Income is not available, 2011 data is utilized.

² 2013 Total Resident Population data is not available, 2012 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.

See accompanying independent auditor's report

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>
2004	\$ 227,007	1.142%	1,655
2005	233,684	1.025%	1,680
2006	215,336	0.754%	1,532
2007	226,720	0.653%	1,596
2008	247,258	0.601%	1,712
2009	226,048	0.531%	1,556
2010	204,717	0.475%	1,322
2011	231,914	0.622%	1,480
2012	210,460	0.639%	1,330
2013	254,592	0.784%	1,609 ³
2014	233,900	0.700%	1,460

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 2013 Population data not available; 2012 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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit ¹	\$ 3,421,369	\$ 4,282,093	\$ 5,568,087	\$ 6,175,158	\$ 6,386,865	\$ 6,460,242	\$ 5,588,529	\$ 4,938,089	\$ 4,870,995	\$ 5,011,734
Debt applicable to limit	240,394	222,939	243,502	268,865	\$ 270,961	260,287	280,983	261,356	283,244	287,007
Legal debt margin ²	\$ 3,180,975	\$ 4,059,154	\$ 5,324,585	\$ 5,906,293	\$ 6,115,904	\$ 6,199,955	\$ 5,307,546	\$ 4,676,733	\$ 4,587,751	\$ 4,724,727
Debt applicable to the limit as a percentage of debt limit	7.03%	5.21%	4.37%	4.35%	4.24%	4.03%	5.03%	5.29%	5.81%	5.73%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessor's net taxable income	\$ 33,737,306
Less: 50% of valuation on appeal	<u>325,748</u>
Valuation for tax rate purpose	<u>\$ 33,411,557</u>
Debt limit (15% of total assessed value)	\$ 5,011,734
Debt applicable to limit	\$ 287,007
Legal debt margin	<u>\$ 4,724,727</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.

See accompanying independent auditor's report

**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
2005	139,131	\$ 4,526	\$ 32,528	37.8	24,190	2.60%
2006	140,513	4,980	35,440	37.4	24,537	2.40%
2007	142,025	5,301	37,325	38.2	24,359	2.80%
2008	144,462	5,420	37,521	38.0	25,121	4.60%
2009	145,240	5,314	36,585	37.9	21,151	8.70%
2010	154,834	5,397	34,789	39.6	21,316	8.30%
2011	156,674	5,686	36,272	39.5	21,668	7.90%
2012	158,316 ^a	6,002 ^a	37,909 ^a	39.5	21,981	6.30% ^a
2013	160,202 ²	N/A	N/A	N/A	21,906	N/A
2014	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 2013, 2014 - N/A

² U.S. Census Bureau; Median Age for 2008-2012

^a Revised from Maui County Data Book, 2013

N/A = Not Available

See accompanying independent auditor's report

**TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2014 AND NINE YEARS AGO - (UNAUDITED)**

Employer	2014			2005		
	Employees ³	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
State of Hawaii ²	6,200 ¹	1	7.82%	5,700 ¹	1	7.73%
County Government	2,437 ²	2	3.07%	2,034 ²	2	2.76%
Town Realty of Hawaii	2,001	3	2.52%			
Grand Wailea Hotel & Spa	1,400	4	1.77%			
Ritz-Carlton-Kapalua	1,000	5	1.26%			
Federal Government ²	900	6	1.14%	750	5	1.02%
Hyatt Regency	900	6	1.14%			
Four Seasons Resort-Maui	800	7	1.01%			
Maui Brand Sugar	800	7	1.01%			
Maui Memorial Medical Center	800	7	1.01%			
Four Seasons Resort-Lanai	700	8	0.88%			
Westin-Maui Resort & Spa	700	8	0.88%			
Fairmont-Kea Lani	600	9	0.76%			
Makena Beach & Golf Resort	518	10	0.65%			
TS Restaurant of Hawaii & California				1,756	3	2.38%
Maui Land & Pineapple Co., Inc.				1,240	4	1.68%
Hale Makua				450	6	0.61%
West Maui Resort Partners LP				492	7	0.67%
Maui Medical Group, Inc.				216	9	0.29%
Dorvin D. Leis Co., Inc.				300	8	0.41%
MINIT Stop Stores				166	10	0.23%
Total	<u>19,756</u>		<u>24.93%</u>	<u>13,104</u>		<u>17.77%</u>

¹ Maui County Data Book 2006 & 2013, 2014 not available

² 2005, 2014 County of Maui actual employee count.

³ Hawaii Business Research Library - Employee counts remained unchanged from prior year as the Reference USA database had not been updated as of yet

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	437	490	349	401	410	435	481	495	517	508
Public safety										
Police										
Officers	302	343	425	436	476	494	332	331	343	341
Civilians	98	73	104	104	104	117	149	134	143	103
Fire and Public Safety										
Firefighters and officers	261	264	295	300	288	282	286	282	290	298
Civilians	7	12	14	10	10	23	12	11	12	33
Highways and Streets										
Engineering	24	31	36	33	32	33	33	35	35	35
Maintenance	164	206	209	224	225	235	220	217	217	216
Sanitation	60	74	81	94	93	109	147	99	106	153
Social Welfare	121	89	170	173	185	184	131	154	164	106
Culture and Recreation	299	296	338	424	466	455	449	366	371	329
Sewer	95	98	99	101	120	120	104	95	107	110
Department of Water Supply	166	172	189	193	202	200	205	192	194	205
Total	2,034	2,148	2,309	2,493	2,611	2,687	2,549	2,411	2,499	2,437

Source: Annual Govt Survey submitted by Payroll.

See accompanying independent auditor's report

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrests	4,287	4,365	4,742	4,451	4,400	4,700	4,200	5,000	9,541	9,830
Parking violations	9,383	9,734	9,721	12,151	12,000	10,300	12,000	11,200	8,883	8,934
Fire										
Number of calls answered	1,698	1,921	6,623	6,908	6,600	7,480	8,043	8,816	9,834	10,930
Inspections	1,110	1,055	515	995	1,160	646	1,368	1,461	1,152	849
Highways and streets										
Street resurfacing (miles)	20	26	21	21	18	18	21	49	26	23
Sanitation										
Refuse collected (tons/day)	116	112	115	403	463	474	469	436 ¹	436 ²	459 ²
Recyclables collected (tons/day)	193	271	311	354	342	328	324	440	209	168
Culture and recreation										
Athletic field permits issued	974	877	1,757	1,107	3,417	1,012	902	924	895	848
Camping center permits issued	1,830	1,872	615	2,501	1,347	2,368	2,429	2,671	2,650	2,400
Community center permits issued	2,706	2,440	2,010	2,806	4,101	2,461	2,401	2,237	2,286	2,220
Water										
New connections	779	552	1,007	762	96	71	87	55	25	174
Water mains breaks	175	158	243	64	577	806	483	371	252	253
Average daily consumption (thousands of gallons)	35,508	36,126	36,322	35,061	33,079	30,640	29,660	30,150	34,250	32,471
Wastewater										
Average daily sewage treatment (thousands of gallons)	14,847	15,315	14,743	14,743	12,622	12,152	13,000	12,100	12,451	12,710

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.

See accompanying independent auditor's report

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police:										
Stations	6	6	6	6	6	6	6	6	6	6
Patrol units	7	7	7	6	6	6	6	6	6	6
Fire stations	14	14	14	14	14	14	14	14	15	14
Sanitation										
Collection trucks	24	24	31	32	25	29	31	33	32	32
Highways and streets										
Streets (miles)	631	631	563	563	563	565	565.64	565.64	566	568
Street lights	4,132	4,147	4,147	4,147	4,228	4,228	4,228	4,228	4,228	4,719
Traffic signals	27	27	35	35	35	35	30	31	31	32
Culture and recreation										
Parks acreage (includes underdeveloped parks)	42,620	42,620	42,902	41,581	41,581	NA ¹	NA ¹	1,721 ²	1,807 ²	2,117 ²
Parks	NA	NA	NA	NA	NA ¹	1,395 ¹	1,620 ¹	136 ²	138 ²	143 ²
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	39	39	39	39	49	55	55	55	55	53
Community centers	21	21	21	21	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	6,350	6,488	6,643	6,846	6,879	6,936	6,981	7,016	7,016	7,091
Maximum daily capacity (thousands of gallons)	45,652	46,716	50,000	50,000	57,000	57,000	42,000	57,000	41,310	68,595 ³
Sewer										
Sanitary sewers (miles)	219	225	219	215	277	242	223.6	223.2	249	249
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 underdeveloped parks acreage. The department is currently working with MIS to set up an inventory system to provide more accurate calculations.

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

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

See accompanying independent auditor's report