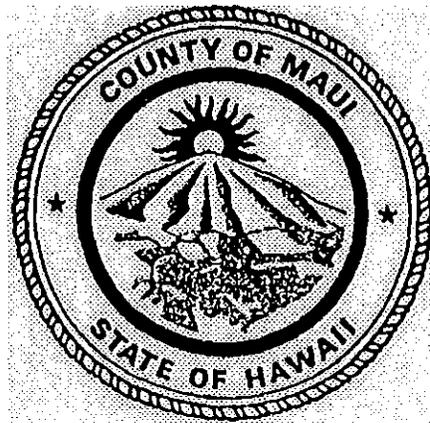


COUNTY OF MAUI

STATE OF HAWAII



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2006

Prepared by:
DEPARTMENT OF FINANCE
Kalbert K. Young, Director of Finance

COUNTY OF MAUI

Introductory Section

Introductory Section

COUNTY OF MAUI
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006

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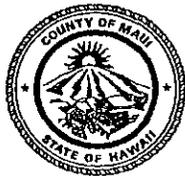
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ALAN M. ARAKAWA
Mayor



KALBERT K. YOUNG
Director of Finance

WAYNE Y. FUJITA
Deputy Director of Finance

COUNTY OF MAUI

DEPARTMENT OF FINANCE

200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

December 22, 2006

Honorable Mayor Alan M. Arakawa
Honorable G. Riki Hokama, Chair
and Members of the Council
County of Maui
Wailuku, Maui, Hawaii 96793

Dear Mayor and Chair Hokama and Members of the Council:

Section 9-13. Audit of Accounts. The Charter of the County of Maui states: *"Within six (6) months after the beginning of each fiscal year, the county council shall provide for an independent audit of the accounts and other evidences of financial transactions of the county and of all operations for which the county is responsible.....The audit shall include both financial accountability and adequacy of the financial and accounting system.....The scope of the audit shall be in accordance with the terms of a written contract signed by the council chairman, 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."* Pursuant to the above requirements, we have prepared and hereby issue the Comprehensive Annual Financial Report (CAFR) of the County of Maui for the fiscal year ended June 30, 2006.

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 all 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, Russell Yamane & Associates CPA's, 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, 2006, 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 unqualified opinion that the County of Maui financial statements for the fiscal year ended June 30, 2006 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.

From fiscal 2002 the County of Maui prepares the CAFR using the financial reporting requirements as prescribed by the Government 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 Comprehensive Annual Financial Report is presented in three major sections:

The Introductory Section. This transmittal letter, a Certificate of Achievement for Excellence in Financial Reporting, the County government's organization chart, and a list of elected and appointed officials are included in the introduction.

The Financial Section. As mentioned above, this section is prepared in accordance with the GASB 34 requirements by including the MD&A, the Basic Financial Statements including notes and the Required Supplementary Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the County's entire financial operations and the Fund Financial Statements that present the financial information of each of the County's major funds, as well as non-major governmental, fiduciary, and other funds. Also included in this section is the Independent Auditors' Report on the financial statements and schedules.

The Statistical Section. This section includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the County that are of interest to potential investors in our bonds and to other readers. The data is usually presented on a ten-year basis to show a trend if any.

The County of Maui is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance under Government Auditing Standards and OMB Circular A-133, and a schedule of findings and questioned costs are included in a separately issued single audit report.

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 46,156 in 1970, to 70,991 in 1980, to 100,504 in 1990, and to 128,241 in 2000 according to the date of the last census taken by the U.S. Bureau of Census. The increase from 1990 to 2000 of approximately 27.60% was the highest percentage increase in the State. The County has 10.6% of the total population and 18.1% of the total land area of the State.

The County of Maui provides a range of services, including public safety (police, fire and public prosecutor), sanitation, social services, culture and recreation, planning and zoning, and the construction and maintenance of streets and highways. This CAFR includes all the funds of the County including the Department of Water Supply which as of June 30, 2006 was reported as a business type activity. One of the charter amendments from the November 2002 elections made the Department of Water Supply a department under the control of the Mayor instead of the Board of Water Supply (now an advisory board). Therefore, for fiscal 2003 (effective January 2003) the Department of Water Supply is reported as a proprietary fund instead of a component unit of the County.

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 County's 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. On or before March 15, the Mayor submits to the County Council a proposed operating budget and capital program for the fiscal year commencing the following July 1. Upon submission, the budget and the capital program are available as public records in the Office of the County Clerk. A series of public hearings are then held by the County Council between April 1 and 30 in the year of submission. Once concluded, the County Council is required to pass the budget by ordinance with or without amendment on or before May 31. If the Council fails to do so, the budget, as submitted by the Mayor, becomes the legal budget for the ensuing fiscal year.

The appropriated budget is prepared by fund, function, department, and program and/or activity. Departments may make transfers of appropriations between indexes and sub-objects within a program. Transfers of appropriations between programs within a department require Council approval via a resolution, while transfers of appropriations between departments require

passage of an ordinance. 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 section of the report. In addition, detail revenues and appropriations schedules for major and non-major funds are presented in the Other Supplementary Information section of the report.

ECONOMIC CONDITION AND OUTLOOK

First Hawaiian Bank reports in its Economic Forecast and is reprinted here by permission. “Maui County continues to do well this year, and the outlook for 2007 is bright for most sectors. However, both Maui and the state as a whole can expect a slowdown from the heated place of the last several years.

- The pluses for Maui: healthy tourism, a continuing construction boom, active development plans by kama’aina companies.
- The minuses: an extremely tight labor market, harbor overcrowding and a slowdown in real estate sales and price increases.

Arrivals Up Again in 2006; Spending Rises Even Moore. Maui visitor arrivals were up a healthy 9.2% through June 2006, but visitor spending was up a much stronger 20%. This was far higher than any other island in the state. For some years now, Maui has been closer to capacity than other islands, and it has been targeting higher spending visitors rather than just more bodies. That strategy seems to be paying off.

Although Japan business is down, Europe and Australia have been strong. U. S. East Coast visitors continue to pick up, although Maui’s bread and butter remains repeat visitors from the Western U. S.

The average daily room rate rose almost 10% in 2005, after a 4% climb the year before that.

Hawaii got another mega-cruise ship this year, bringing the total to four on the inter-island circuit. Three are U.S. flagged, so they can go directly between Hawaii ports rather than having to stop in international waters. Cruise passengers passed the 100,000 mark in 1999, broke 200,000 in 2002, 300,000 last year, and this year will exceed 400,000. In 2007, current bookings along show the 500,000 milestone will be passed. A cruise ship is in Kahului Harbor six days a week now.

Maui’s Construction Industry Still Booming During 2006. Previously permitted construction projects – both residential and non-residential – are now coming out of the ground, tangible evidence that the Maui construction boom is continuing. This sustains the demand for construction jobs, and higher paying jobs in this sector are making life harder for other employers.

Builders universally report that the permit and entitlement process is getting longer and harder, a sign of increased anti-growth sentiment on Maui. After the prolonged expansion, a greater focus on the negative aspects of growth isn’t surprising.

The biggest residential development in central Maui now is Maui Lani, which has built more than 750 homes with the potential for about 3,700. Nearby Kehalani could add another 2,000.

A & B still plays a big role in Maui development:

- Redevelopment of the Kahului Shopping Center is underway after the fire.
- Phase II of the Maui Business Park will add 179 acres of fee simple light industrial lots by 2008.
- In the Haliimaile area, 63 acres has been zoned for residential use, and a planned 160+ units are slated.
- In Wailea, two smaller subdivisions and a 75-unit condo project are planned.
- A&B has revived plans for a much-needed business hotel adjacent to Costco, pursuing a partnership with Courtyards by Marriott.
- A \$21-million, 400-bed student housing project for Maui Community College. More than 90% of MCC students are from Maui County, but non-resident student enrollment is increasing and the college is poised to market to the Mainland.

Maui Land & Pine has gotten Planning Commission approval for its 882-unit project in West Maui. It now goes to the County Council. Pelelehua will include 450 houses and apartments that meet affordable housing guidelines.

Maui Builders Watching Mainland Housing Trends. From an outlook survey of members of the National Association of Home Builders, indications are that the national building boom is over. Most economists agree.

This change in expectations obviously hasn't hit Maui's construction industry yet, and some builders believe that second-home demand from a retiring baby-boom generation will make Maui different. Also, there is no doubt that we have a housing shortage here, and increasing supply is the only viable way to help control astronomical prices that are out of reach for residents.

Still, it would be foolish to believe that Maui is totally insulated.

Maui Real Estate Market Cooling During 2006. So far in 2006, single-family sales volume has declined a dramatic 27%; median prices are still rising, but by a much more realistic 6.4%. That's to be expected after the unsustainable run-up in prices over the last several year. During 2005, Maui median single-family prices rose 23%.

This year the speculators are gone, and those wanting to own a home to live in are more on the sidelines, watching price trends closely. If this cycle follows past ones, a mild decline in prices next year would not be surprising. Slumping prices on Maui last time lasted four years -- a 16% decline from 1993 to 1997.

Commercial real estate is a little different because it's driven more by income. Maui brokers report the tightest industrial market in 20 years, with 800,000 square feet of space coming on line in the foreseeable future, compared to an estimated 3 million square feet of demand.

Warehousing costs are likely to rise as a lot of break-bulk activity will be displaced by the SuperFerry. A&B's Maui Business Park Phase 2 will help.

Maui's Labor Market Remains Extremely Tight. Though the state's labor market is tight, Maui's is even tighter, to the point where not being able to find employees is an increasing business problem. Traditionally, Neighbor Island jobless rates are higher than Oahu's. But that's no longer the case. This is one of the biggest constraints on growth – for the state, certainly, but especially for Maui.

Job growth has actually accelerated some in 2006, despite the shortage of works. When growth does eventually taper off, it's likely to be as much because Maui is running out of workers as it is because the economy is slowing.

Kahului Harbor Lacks Space To Meet All the Needs. Kahului Harbor likely has more problems than any harbor in the state when it comes to accommodating cruise vessels and the new SuperFerry. There simply isn't enough space and, with the SuperFerry supposed to begin operations in 2007, not much time to fix things.

Plans are for the ferry to dock at Pier 2 in the harbor, with cruise ships and cargo vessels continuing to tie up at Pier 1. Cars will debark via a widened road next to First Hawaiian's Kahului Branch, and embark from parking lots nearby. The ferry can carry up to 260 cars, and about 900 passengers.

Young Brothers will lose 23% of its space, and, in response, has announced that it will no longer ship partial container loads, which worries small businesses and especially Molokai. The PUC must rule on this issue.

But let's not forget the economic benefits. For those who have the time, it will be cheaper than air travel. Families can travel with their cars, school groups can travel together in buses or vans and all kinds of equipment can be brought along. Fresh produce and other perishable items can be shipped. Losers will include car rental companies and other leisure rentals such as surfboards, dive equipment and kayaks.

Maui's High-Tech Sector Continues to Grow. The center of the Maui tech sector remains the Research and Technology Park in Kihei. There, the Maui Economic Development Board moved into its new 32,000-square-foot building and the sector continues to grow, offsetting recent layoff by Boeing, High-tech now employs about 1,300 people.

Maui's HC&S Plantation Has Good Future Outlook. Maui's remaining plantation, HC&S, has a good current position and future outlook. This year, production will be about 200,000 tons of sugar, around 10% lower than they would like. Production is still being affected by earlier drought years, but sugar prices are up some.

The plantation is also selling more power to Maui Electric, so higher energy prices are actually a net positive for HC&S. Its ethanol production efforts are still being pursued, even though that endeavor has fallen short of earlier goals.

The real future of Maui agriculture is in smaller niche operations. That can be tricky. Paradise Flower Farms is feeling the effects of Thai competition on its lei production. But Alii

Kula Lavender in Kula is a current example of an operation that has found a popular niche. It partners with other producers to make and sell everything from lavender tea, lemonade, and scones to soap and shaving cream. Last year's sales increased 70%, and it expects another 50% increase in 2006.

Another operation that has proven its staying power is upcountry Ulupalakua Ranch and its Tedeschi Vineyard. Visitor traffic has exploded over the years to around 1,000 a day."

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. The County of Maui received the "Best Overall Program" Award from Sister Cities International in the category of a population of 100,000 to 300,000 people. The international award recognizes an outstanding sister city for its effective program administration, variety of exchanges offered, and overall efforts to improve international cooperation and understanding. The award will be presented at the 50th annual Sister Cities International conference in Washington, D.C. later this year. The Sister Cities program was initiated by President Dwight D. Eisenhower in 1956. Maui County is one of nearly 2,500 communities in 126 countries involved in Sister Cities International, and has been coordinating student, educational, cultural and economic development exchange programs since 1964.

The County of Maui acquired 100 acres of land situated at Ukumehame, Lahaina, Maui. The Pali-to-Puamana Parkway Master Plan proposes an eight-mile realignment of the Honoapiilani Highway to preserve open space, protect the shoreline, and enhance recreational opportunities, including new parks, in West Maui. A portion of the 100 acres is intended for the future Lahaina bypass road, with the balance of the property to be for the coastal park system.

The County closed Phases I and II of its Central Maui landfill operations and began the construction work for additional steps of the closure such as installing the vegetative covering and a Landfill Gas Collection & Control System. The Solid Waste Division of the Department of Public Works & Environmental Management also opened its newest phase at the landfill – Phase IVA. Also located at the Landfill site is the Central Maui Recycling and Refuse Center initiative which is complemented with recycling redemption centers located in various communities throughout the County.

In the area of community education, the County administration through the Managing Director's Office organized the Maui County Academy. Modeled after similar programs in other jurisdictions, the program gave member of the public the opportunity to learn about intricacies in the bureaucratic management of their county government. Enrollment was limited through an application process and ran for 8 weeks. The County also initiated and achieved the operation of Maui's Helicopter Ambulance service, a service which immediately started saving lives.

Public transportation dramatically increased in FY06 due largely to the efforts of the County's Department of Transportation to increase the number of routes and their travel paths. The County Council increased funding in FY06 which allowed the administration to add buses, contracts, and routes. Ridership has increased to more than 30,000 per month in FY06.

The full and complete processing of payroll activity has been assumed by internal County personnel. The HR/Payroll project implemented a payroll system, Personality 2000, in May 2005

just in time for the FY06. The project will continue into FY07 with added features such as online record keeping and electronic processing slated for upcoming phases of the project.

For the Future. Based on an affordable housing needs survey, 2,640 new affordable housing units are currently needed. Maui County's Department of Housing and Human Concerns has partnered with developers to create housing to meet that need. More than 3,400 affordable units are now expected to be completed by 2008.

The County's real property tax base continues to strengthen and is showing steady double digit growth in recent years. Both the County's executive and legislative branches are making commitments to strengthen reserves and put money aside for emergency (rainy day) funds, land acquisition funds, housing funds, etc. The General Fund balance is planned for growth and stability. The County of Maui's General Plan is moving forward with support by both the community and government toward being a comprehensive and effective planning tool.

OTHER FINANCIAL INFORMATION

Cash Management. Cash temporarily idle during the year was invested in time certificates of deposit and repurchase agreements, U.S. Treasuries, and Agency Notes. Cash held in demand deposit accounts also earn interest. Interest income was \$5 million for the General Fund.

Risk Management. The County of Maui's workers compensation liability and auto risks are primarily self-insured. The County maintains an excess liability policy of up to \$15 million per occurrence subject to a \$500,000 self-insured retention. Third party property insurance also provides coverage for county facilities totaling over \$300 million, with a general limit of \$75 million and various other limits at a \$500,000 deductible. In addition to the above, the County carries Broiler and Machinery coverage and Crime coverage. The premiums for the above insurance coverages amounted to \$1.6 million for fiscal 2006. Since 2002, the county retained the services of a third party administrator to process its general liability and workers compensation claims.

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, 2005. This was the twenty-third consecutive year that the County received this prestigious award.

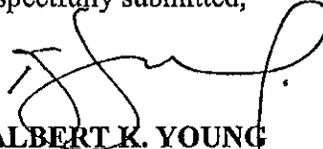
In order to be awarded the Certificate of Achievement, the government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable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

A Certificate of Achievement is valid for a period of one year only. It is believed the current report continues to conform to the Certificate of Achievement Program requirements, and it will be submitted to the GFOA.

Acknowledgments. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the entire staff of the Department of Finance. I want to express my appreciation to all members of the department and to our auditors,

Russell Yamane & Associates CPA's, Inc. who assisted and contributed to its preparation. I want to also thank the Mayor and the County Council for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kalbert K. Young', with a large loop at the end.

KALBERT K. YOUNG
Director of Finance

KKY:jlrk

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, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

COUNTY OF MAUI

ELECTED OFFICIALS AND APPOINTED DEPARTMENT HEADS JUNE 30, 2006

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor
Alan M. Arakawa

LEGISLATIVE

Councilpersons

Council Chair
G. Riki Hokama

Council Vice-Chair
Robert Carroll

Dain P. Kane
Jo Anne Johnson
Danny A. Mateo
Michael J. Molina

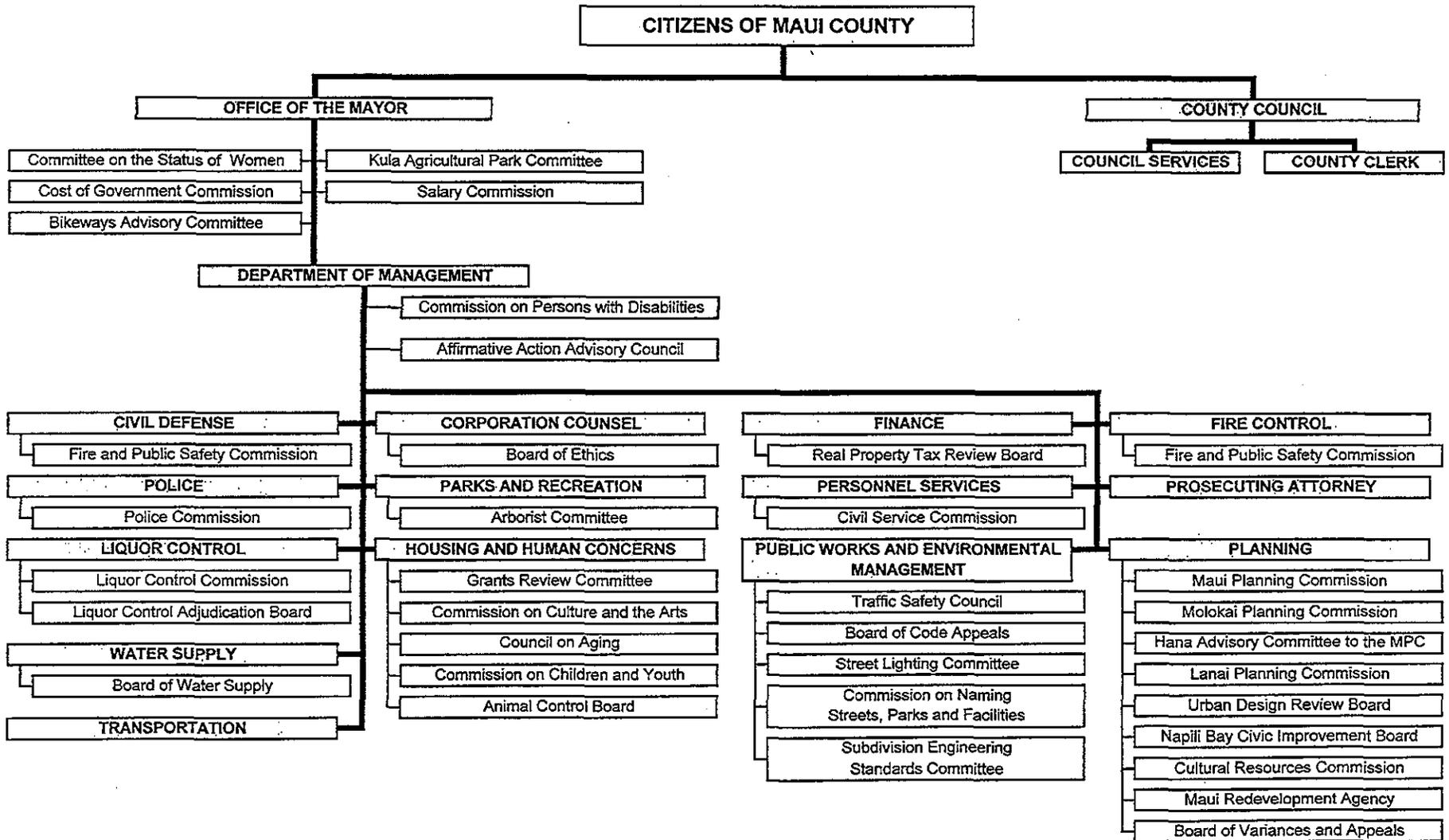
Michelle Anderson
Joseph Pontanilla
Charmaine Tavares

APPOINTED DEPARTMENT HEADS

Director of Council Services	Ken R. Fukuoka
County Clerk	Roy T. Hiraga
Managing Director	Keith A. Regan
Corporation Counsel	Brian T. Moto
Prosecuting Attorney	Davelynn M. Tengan
Director of Finance	Kalbert K. Young
Director of Public Works & Environmental Management	Milton Arakawa
Director of Parks & Recreation	Glenn Correa
Fire Chief	Carl M. Kaupalolo
Planning Director	Michael W. Foley
Director of Personnel Services	Lynn G. Krieg
Director of Housing & Human Concerns	Alice L. Lee
Director of Transportation	Kyle K. Ginoza
Director of Water Supply	George Y. Tengan
Chief of Police	Thomas M. Phillips
Director of Liquor Control	Franklyn L. Silva

COUNTY OF MAUI

Organizational Chart - June 30, 2006



Note:
 -Directors of Liquor Control, Personnel Services & Police - appointed by respective commissions.

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COUNTY OF MAUI

Financial Section

Financial Section

INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the County Council of Maui:

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 Hawaii (County), as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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 of the County as of June 30, 2006, and respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit

The management's discussion and analysis and budgetary comparison information on pages 21 through 36 and 83 through 86, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the County's basic financial statements. The '*other supplementary information*' listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly presented in all material respects in relation to the basic statements taken as a whole.

The statistical data listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Russell Yamane & Associates CPAs, Inc.

December 22, 2006
Wailuku, Hawaii

COUNTY OF MAUI

Management's Discussion and Analysis June 30, 2006

This discussion and analysis of the County of Maui's (the County) Comprehensive Annual Financial Report provides a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2006. 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 those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County of Maui exceeded its liabilities at the close of the fiscal year by \$647 million (net assets).
- The government's total net assets increased by \$61.1 million.
- As of the close of the fiscal year, the County of Maui's governmental funds reported combined ending fund balances of \$135.6 million, an increase of \$33 million in comparison with the prior year. Approximately 51% of this total amount, or \$69.7 million, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$52.8 million, or 34.4% of total general fund expenditures.
- The County's gross amount (before premium and refunding deferral amortization) of General Obligation (G. O.) debt and State Revolving Fund (SRF) Loans outstanding decreased by \$16.5 million (-7.1%) during the current fiscal year. The reason for the decrease in long term debt was because the decrease of the \$17 million annual amortization was offset by the principal increase of only \$0.5 million from SRF Loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County of Maui's basic financial statements. The County of Maui's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 of Maui's finances, in a manner similar to a private-sector business. It presents the financial picture of the County from the economic resources measurement focus using the accrual basis of accounting.

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The **Statement of Net Assets** presents information on all of the County of Maui's assets (including infrastructure) and liabilities (including long term debt), with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County of Maui is improving or deteriorating.

The **Statement of Activities** presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 of Maui 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 of Maui include general government, public safety, highways and streets, sanitation, social welfare, culture and recreation, and legislative. The business-type activities of the County of Maui include the Housing Interim Financing Fund, the Waiehu municipal golf course, and the Department of Water Supply.

The government-wide financial statements include the County of Maui itself (known as the primary government). In fiscal 2002, the Department of Water Supply, which was semi-autonomous, had its financial information reported separately from the primary government, as a component unit. One of the Charter amendments in the November 2002 elections made the Department of Water Supply a department under the control of the Mayor. Therefore, from fiscal 2003 the Department of Water Supply's financial information is presented as a proprietary fund with the business-type activities.

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 of Maui, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Maui 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.

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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 a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual.

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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund 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 of Maui's basic services are reported in the governmental funds. The County maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway, Wastewater, Grant, Debt Service and the Capital Improvement Projects funds, all of which are considered to be major funds. Data from the other seven 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 under Other Supplementary Information section.

The Fund Financial Statements are located immediately after the Government-wide Financial Statements under the Basic Financial Statements section. The first two Fund Statements are the Balance Sheet, and the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds.

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 three Proprietary Funds financial statements included are the Statement of Net Assets, Statement of Revenues, Expenditures, and Changes in Net Assets and the Statement of Cash Flows. These proprietary fund financial statements provide separate information for the Housing Interim Financing and Buy-back Revolving Fund, the Golf Course Fund, and the Department of Water Supply, all of which are considered to be major funds of the County.

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The Proprietary Funds financial statements are the second set of Fund Financial Statements after the Governmental Funds financial statements in the Fund Financial Statement section of this report.

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

The basic Fiduciary Fund Statement of Net Assets is the last of the Fund Financial Statements and is found after the proprietary fund financial statements under the Fund Financial Statement section of this report.

Notes to the 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 financial statements is the last section of the Basic Financial Statements, after the Fund Financial Statements section.

Required Supplementary Information (RSI) The County of Maui adopts an annual appropriated budget for its General, Highway, and Wastewater Funds. Budgetary comparison statements have been provided for all these funds to demonstrate compliance with this budget. These statements are presented as Required Supplementary Information (RSI), which follows the Basic Financial Statements section.

Other Supplementary Information (OSI) This section follows the RSI and displays the individual fund data of the seven other non-major funds in combining statements for the Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. These non-major funds are the Liquor Control, County, Bicycle, Solid Waste, Other Assessment, Park Assessment, and Sewer Assessment. The total of these seven non-major funds is included in the column 'Other Governmental Fund' in both the Balance Sheet and the Statement of Revenue Expenditures, and Changes in Fund Balances for the Governmental Funds, the first two Fund Financial Statements of the **Basic Financial Statements**.

Included in the OSI section are the detail fund schedules of Revenues - Budget and Actual and Schedule of Appropriations, Expenditures, and Encumbrances for the General, Highway, Wastewater, Grant and Solid Waste funds. Also included in this section are the Schedule of Revenue and Other Financing Sources / (Uses) and Schedule of Appropriations, Expenditures and Encumbrances for the Capital Projects fund.

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The last section of the financial section includes three schedules relating to the capital assets for the governmental funds. The first schedule is by type, then by function and department, and the last shows changes by function and department.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the fifth year that the County has presented its basic financial statements under the new reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management Discussion and Analysis - for State and local Governments.

NET ASSETS (dollars in thousands)

	Governmental activities		Business-type activities		Total	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005
Assets:						
Current and other assets	\$162,025	\$125,029	\$46,334	\$51,604	\$208,359	\$176,633
Capital assets	499,512	492,717	278,109	269,851	777,621	762,568
Total Assets	<u>661,537</u>	<u>617,746</u>	<u>324,443</u>	<u>321,455</u>	<u>985,980</u>	<u>939,201</u>
Liabilities:						
Long-term liabilities outstanding	233,522	255,317	32,247	36,073	265,769	291,390
Other liabilities	61,869	52,282	11,158	9,451	73,027	61,733
Total Liabilities	<u>295,391</u>	<u>307,599</u>	<u>43,405</u>	<u>45,524</u>	<u>338,796</u>	<u>353,123</u>
Net Assets:						
Invested in capital assets, net of related debt	284,331	260,620	244,149	231,941	528,480	492,561
Restricted	64,401	57,951	17,052	21,355	81,453	79,306
Unrestricted (deficit)	17,414	(8,424)	19,836	22,635	37,250	14,211
Total Net Assets	<u>\$366,146</u>	<u>\$310,147</u>	<u>\$281,037</u>	<u>\$275,931</u>	<u>\$647,183</u>	<u>\$586,078</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Maui, assets exceeded liabilities by \$647 million at the close of the current fiscal year. This compares with the net assets of \$586 million from the prior year.

By far the largest portion of the County of Maui's net assets (82%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those

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assets that is still outstanding. The County of Maui uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County of Maui's 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, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County of Maui's net assets (13%) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County of Maui is able to report positive balances in all of the three categories of net assets. The total unrestricted net assets reported a balance of \$37.2 million with \$17.4 million coming from governmental activities and the balance of \$19.8 million from business-type activities. The unrestricted net assets reflected an increase of \$23 million over last year because the increase in the governmental activities of \$25.8 million was offset by the decrease in the business-type activities of \$2.8 million.

The government's net assets increased by \$61.1 million during the current fiscal year. The Governmental Activities increased net assets by \$56 million and the Business Type Activities increased net assets by \$5.1 million.

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**Management's Discussion and Analysis
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**CHANGES IN NET ASSETS
(dollars in thousands)**

	Governmental activities		Business-type activities		Total	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005
Revenues:						
Program Revenues:						
Charges for Services	\$62,604	\$57,176	\$35,238	\$31,011	\$97,842	\$88,187
Operating Grants and Contributions	29,520	31,853	-	-	29,520	31,853
Capital Grants and Contributions	10,016	4,781	8,692	10,597	18,708	15,378
General Revenues:						
Real Property Taxes	162,741	131,991	-	-	162,741	131,991
Other Taxes	48,725	44,049	-	-	48,725	44,049
Investment Earnings	5,415	2,337	1,600	1,058	7,015	3,395
Other Revenues	80	118	-	-	80	118
Total Revenues	<u>319,101</u>	<u>272,305</u>	<u>45,530</u>	<u>42,666</u>	<u>364,631</u>	<u>314,971</u>
Expenses:						
Governmental Activities						
General Government	68,334	75,777	-	-	68,334	75,777
Public Safety	56,947	54,697	-	-	56,947	54,697
Highway and Streets	29,384	34,882	-	-	29,384	34,882
Sanitation	39,659	31,257	-	-	39,659	31,257
Social Welfare	31,077	30,892	-	-	31,077	30,892
Culture and Recreation	24,301	23,874	-	-	24,301	23,874
Legislative	4,122	4,039	-	-	4,122	4,039
Interest on Long-Term Debt	9,316	8,786	-	-	9,316	8,786
Business-Type Activities						
Housing	-	-	186	237	186	237
Golf Course	-	-	1,722	1,653	1,722	1,653
Water Supply	-	-	38,477	35,812	38,477	35,812
Total Expenses	<u>263,140</u>	<u>264,204</u>	<u>40,385</u>	<u>37,702</u>	<u>303,525</u>	<u>301,906</u>
Increase in Net Assets Before Transfers	55,961	8,101	5,145	4,964	61,106	13,065
Transfers	38	64	(38)	(64)	-	-
Increase in Net Assets	55,999	8,165	5,107	4,900	61,106	13,065
Net Assets - Beginning of Year	310,148	301,983	275,930	271,030	586,078	573,013
Net Assets - End of Year	<u>\$366,146</u>	<u>\$310,148</u>	<u>\$281,037</u>	<u>275,930</u>	<u>\$647,184</u>	<u>\$586,078</u>

Governmental activities. Governmental activities increased the County's net assets by \$56 million for this year. This compares with last year where net assets increased by \$8.2 million. The reason for the increase of \$47.8 million in net assets is because revenues increased by \$46.7 million (17.1% increase) coupled with a decrease in expenses of \$1.6 million.

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The main reason for the increase in the governmental activities net assets of \$47.8 million over last year is because of the increase in revenues of \$46.7 million. The majority of the increase in revenues of \$38.4 million was from general revenues. Some of the major increases in the general revenues were:

- Real Property Taxes increased by \$30.7 million.
- Other Taxes increased by \$4.7 million with Transient Accommodation Tax accounting for \$2.2 million of the increase and Franchise Tax accounting for \$1.2 million. Public Service Company Tax and Fuel Tax increased about equally to account for \$1.3 million of the increase.
- Interest and Investment Earnings increased by \$3.1 million.

Program Revenues increased by \$8.3 million. Below are the changes in the program revenues from fiscal 2006 to fiscal 2005:

- Charges for Services increased by \$5.4 million. The main reason for the increase in this revenue source was primarily from the charges for service from sanitation of \$3.1 million (primarily from sewer fees) and from general government of \$2.2 million (primarily from construction related permit fees).
- Operating Grants and Contributions decreased by \$2.4 million.
- Capital Grants and Contributions increased by \$5.2 million. The main reason for the increase in this revenue was primarily from recognizing and appropriating more park assessment fees.

Business-type activities. The three business-type activities increased the County of Maui's net assets by \$5.1 million. The increase in net assets of the Department of Water Supply of \$5.4 million was offset by the decreases in net assets of \$0.3 million for both the Housing Interim Financing and Buy-Back Revolving Fund and the Golf Course Fund. The increase in net assets of \$5.1 million for this year compares with last year's increase of \$4.9 million.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

The focus of the County of Maui'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 of Maui's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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As of the end of the current fiscal year, the County of Maui's governmental funds reported combined ending fund balances of \$135.6 million, an increase of \$33 million in comparison with the prior year. Approximately 51% (\$69.7 million) of this total amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance (\$65.9 million) is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

General Fund. The general fund is the chief operating fund for the County of Maui. At the end of the current fiscal year, unreserved fund balance of the general fund was \$52.8 million, while the total fund balance reached \$71.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 34.4% of total general fund expenditures, while total fund balance represents 46.4% of that same amount.

The net change in the fund balance for the general fund was an increase of \$26.5 million during the current fiscal year. This compares with a increase of \$17 million in the prior year. Key factors for this improvement of \$9.5 million from this year compared to the prior year are as follows:

- The 'Other Financing Sources (Uses)' resulted in a net decrease of \$28.3 million as compared to last year's net decrease of \$19.4 million a decrease of \$8.9 million. The main reasons for the increase in 'Other Financing (Uses) exceeding Sources' are the increase of \$7.7 million for cash funded capital improvement projects (shown as Transfers Out - Capital Projects Fund); and the increase in the transfer to Debt Service Fund of \$1.4 million; and the General Fund subsidy to the Solid Waste Fund also reflected an increase of \$2.3 million.
- Revenues increased by \$38.1 million (22.4%) while expenditures increased by only \$19.7 million (14.8%), which resulted in a net, increase of \$18.4 million of Revenues less Expenditures. This \$18.4 increase with the above \$8.9 decrease resulted in the net increase of \$9.5 million.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$162.2 million represents 51% of the all the revenues for the County governmental funds. This year's collection increased by \$30.1 million (23%) over last year's collection of \$132.1 million. The reason for the increase in real property tax collection was because increases in the tax base. The property tax valuations for tax rate purposes (tax base) went from \$22.81 to \$28.55 billion in fiscal 2006, an increase of 25%. The tax rates remained the same as the prior fiscal year for eight of the nine classifications of property. During fiscal 2006 a new classification for Time Share was established.

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The Maui County Code allows for eighteen different tax rates; one for land and one for improvements for each of the nine different classifications of property. The County however, has been utilizing one rate for both land and improvements. Within the ten classifications six different tax rates were used. The Hotel/Resort class rate is \$8.30 per \$1,000 valuation; the Commercial and Industrial rates are at \$6.75; the Improved Residential, Apartment, and Unimproved Residential rates are \$5.86; the Agricultural and Conservation rates are \$4.93; and the Homeowner class rate which was \$3.55 was dropped to \$3.50, and the new classification of Time Share was assigned the rate of \$14.00.

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 amounted to \$6.4 million, an increase of \$0.6 million over the prior fiscal year.

The increase of \$30.7 million in the Taxes category accounted for 80% of the \$38.2 million increase in the revenue for the General Fund. The Intergovernmental revenue category increased by \$2.1 million because of the increase in receipts from the Transient Accommodation Tax (receipts of \$23.3 million). The increase in interest rate on investments resulted in revenues of \$5.1 million for the Revenue from Money and Property category, which accounted for a \$3 million increase from the prior year. The Licenses and Permits category increased by \$1.2 million from the prior year, because of increased collections from construction related permits. Collectively these four categories accounted for \$37 million (97%) of the \$38.2 million increase from fiscal 2005.

The increase in the expenditures for the General Fund from this year over the previous year was \$19.8 million (15% increase). Salary and wages expenditures of \$75.8 million, increased by \$5.5 million (7.8% increase) from the prior year, which accounts for 28% of the total increase in the General Fund.

The three major functional category of expenditures which accounts for 86% of the General Fund expenditures; General Government (\$59.4 million), Public Safety (\$51.9 million) and Culture and Recreation(\$20.2 million) accounted for \$14.8 million (75%) of the total increase in expenditure for the General Fund. The General Government function, which increased by \$10.2 million, was due primarily to the fringe benefits program, which increased by \$5.7 million. More specifically the contributions to the Employees' Retirement System (ERS) increased by \$4.3 million because the employer's contributions changed to specific percentages of salaries versus a specific dollar amount set by the ERS.

The Department of Transportation (created by charter amendment in fiscal 2004), accounted for \$2.9 million of the increase for the Highway and Streets functional category in the General Fund.

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This increase of more than 160% from last years' expenditure of \$1.8 million was because the grant to Maui Economic Opportunity (MEO) for social services transportation needs of the youth, seniors, disabled, and the low income. This grant was funded last year out of the Highway Fund.

The increase of \$1.2 million from last year's amount of \$0.1 million from the sanitation functional category was due to the increased cost of processing abandoned vehicles, scrap metal, and white goods.

Highway Fund. The Highway Fund, which is funded by fuel tax (\$12.7 million), franchise tax (\$7.4 million) and the motor vehicle weight tax (\$7.6 million, classified as licenses and permits) collectively made up 9% (\$27.7 million) of the revenues in the governmental funds. Total revenues increased by \$2.2 million over last year's revenues (\$25.5 million).

The reason for the increase in revenues in the Highway Fund was because the increase in the Franchise Tax collections of \$1.2 million (19%) to \$7.4 million along with the nominal increases in Fuel Tax collections of \$0.7 million (6%) and motor vehicle weight tax of \$0.3 million (4%).

Expenditures for the fund decreased by \$1.5 million or 9% to \$14.6 million. The major reason for the decrease in operational expenditures in the Highway Fund was due to the decrease in expenditure of \$1.5 million for the Department of Transportation which is funded by both the Highway and General Fund. The reason for the decrease was because of the funding for the MEO transportation was switched from Highway to General Fund as was explained above.

This year the capital improvement projects funded by cash from the Highway Fund increased by \$2.7 million to \$12 million. The resultant was a increase in the Net Change of Fund Balance for the year of \$1.6 million. With beginning fund balance at \$5.3 million, the fund ended with a fund balance of \$6.9 million.

Wastewater Fund. The Wastewater Fund revenues of sewer and cesspool fees of \$28.1 million reflect an increase of \$2.9 million (12%) from last year's revenue collection of \$25.2 million.

Expenditures for the fund increased by \$1.8 million to \$15.8 million. There was an increase of \$0.6 million where Other Financing Uses exceeded Financing Sources compared to last year. The fund balance increased by \$2.0 million as compared to last year's increase of \$1.5 million. This increase in fund balance is attributable to the increase in revenues offset with the increase in expenditures and the increase in Other Financing Uses exceeding Other Financing Sources.

Grant Fund. Total revenue and expenditure for the grant fund was \$30 million, which is a decrease of \$1.5 million over last year.

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The major program for this fund is the Section 8 Rental Subsidy Program funded by the Department of Housing and Urban Development (HUD). This program's expenditures for this year of \$14.5 million which was about the same as last year (\$14.8 million) was 48% of the fund total.

Capital Improvement Projects Fund. Expenditures for capital improvement projects for fiscal 2006 was \$30.6 million. This compares with last years expenditures of \$21.5 million.

The major projects for the Government facilities category was the Shoreline Property Acquisition Project (Montana Beach) for \$3 million, and the MIS Computer Room Improvements for \$0.9 million. The \$2.3 million expended for the Boy/Girls Clubhouse was the major project for the Parks & Recreation category of expenditures. The Roads category did not have any major individual projects but the district resurfacing for the various districts amounted to \$2.4 million, and improvements to curbs and ramps relating to the Americans with Disability Act (ADA) and speed hump amounted \$3.3 million. Bikeway path improvements amounted to \$0.9 million.

Solid Waste Fund. Although the Solid Waste Fund is not a major fund, its revenues of \$10.1 million from tipping fees and residential collection fees was 50% of all revenues for the non-major funds. This year's revenues increased by \$0.4 million (4%) over last year. Expenditures for the fund increased by 18% to \$10.7 million and the subsidy from the General Fund increased by \$2.3 million, which resulted in a net increase in the fund balance of \$0.8 million for the year.

BUDGETARY HIGHLIGHTS

There were three budget amendments that appropriated additional funds for increased operational costs for two of our special revenue funds, and another for a Capital Improvement project. There was also an Ordinance that redistributed CIP monies from finance projects to parks projects. These Ordinances did not affect the general fund budget.

There were three major budget variances (final amended budget and actual amounts) in the general fund for revenues. The Money and Property category reflected the largest variance because actual interest on investment exceeded the budget estimate by \$4 million. The reason for this variance is because actual interest earnings of \$5.1 million increased by over 140% over last years amount of \$2.1 million because of the increase in investments and an increase in the average yield of over 150 basis points (3% to 4.58%). This variance occurred even after budget estimate of \$1.1 million in fiscal 2006 was increased by over 46% over fiscal 2005 estimate. The three prior years (fiscal 2002 to fiscal 2004) reflected unfavorable variances because interest earning decreased from \$2 million to \$1.1 million.

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The variance of \$3.5 million for the Intergovernmental category was because of the collection for the Transient Accommodation Tax. Although the budget estimate was increased by 11% from fiscal 2005 estimate, actual collections of \$22.3 million also increased by 11% over fiscal 2005. The variance of \$2.3 million for the Taxes category was because 10% increase in collections of \$6.4 million for the Public Service Company Tax.

The major budget variance for the general fund expenditures was for the General Government function of \$15.7 million. The reason for this variance was because the amount budgeted for collective bargaining salary increases for the seven bargaining units for the county was more than the amount that was finally agreed upon.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS (dollars in thousands)

	Governmental activities		Business-type activities		Total	
	FY2006	FY2005	FY2006	FY2005	FY2006	FY2005
Non-depreciable assets:						
Land	\$114,432	\$114,432	\$8,804	\$8,804	\$123,236	\$123,236
Construction in progress	82,199	62,488	42,751	31,257	124,950	93,745
	<u>196,631</u>	<u>176,920</u>	<u>51,555</u>	<u>40,061</u>	<u>248,186</u>	<u>216,981</u>
Depreciable assets:						
Improvements	70,680	70,680	2,777	2,777	73,457	73,457
Buildings and systems	82,342	82,342	5,026	5,026	87,368	87,368
Equipment	65,689	55,303	23,835	23,088	89,524	78,391
Infrastructure	773,989	773,989	343,623	336,764	1,117,612	1,110,753
	<u>992,700</u>	<u>982,314</u>	<u>375,261</u>	<u>367,655</u>	<u>1,367,961</u>	<u>1,349,969</u>
Accumulated Depreciation	<u>(689,819)</u>	<u>(666,517)</u>	<u>(148,707)</u>	<u>(137,865)</u>	<u>(838,526)</u>	<u>(804,382)</u>
Total Capital Assets, Net	<u>\$499,512</u>	<u>\$492,717</u>	<u>\$276,109</u>	<u>\$269,851</u>	<u>\$777,621</u>	<u>\$762,568</u>

Capital Assets. The County of Maui's investment in capital assets for its governmental and business type activities as of June 30, 2006, amounts to \$777.6 million (net of accumulated depreciation). This investment of capital assets includes land, buildings and system, improvements other than buildings, machinery and equipment, infrastructure (roadways and systems, bridges, landfills and sewer systems) and construction-in-progress.

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Additional information on the County of Maui's capital assets can be found in Footnote (5) in the Notes to the financial statements for this report.

Long-term debt. At the end of the current fiscal year, the County of Maui had total bonded debt outstanding of \$216.9 million. Of this amount, \$188.9 million comprised of debt backed by the full faith and credit of the government (general obligations) and \$28 million is State Revolving Fund Loans (SRF), which were used to construct the various wastewater treatment facilities in the county.

The County of Maui's total bonded debt decreased by \$16.5 million during the current fiscal year. The reason for the decrease was because the annual amortization of \$17 million was offset by the principal increase on only \$0.5 million from SFR Loans for the Wailuku/Kahului project.

The County of Maui maintains a "AA-" rating from both Standard & Poor's and Fitch Rating and a "Aa3" rating from Moody's Investors Service for general obligation debt.

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 \$4.065 billion, which is significantly in excess of the County of Maui's outstanding general obligation debt. As of June 30, 2006 the County's current outstanding debt of \$216.9 million represents only five percent (5%) of our debt limitation.

Additional information on the County of Maui's long-term debt can be found in Footnote (6) in the Notes to the financial statements for this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County of Maui is down again resulting in an extremely tight labor market.
- Tourism remains the mainstay of the County's economy, where arrivals were up by 9.2% and visitor spending were up 20%, driving other sectors of Maui's economy such as construction and retailing.
- Other sectors of Maui's economy, such as agriculture and the newer film industry, sporting events, and high technology sectors, are also contributing to a more diversified base.

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- Real estate sales declined a dramatic 27% with a slight increase in the median prices (6.4%) for single family sales.

All of these factors were considered in preparing the County of Maui's budget for the ensuing fiscal year (fiscal 2007).

At the end of the current fiscal year, the unreserved fund balance in the general fund was \$52.8 million. The County of Maui has estimated \$23.7 million as 'carryover/savings' (unreserved fund balance) for fiscal 2007 budget.

The real property tax base for fiscal 2007 increased by \$6.2 billion (22%) to \$34.74 billion.

The real property tax rates (per \$1,000 assessed valuation) for fiscal 2007 remained the same for only two of the classifications of property: Unimproved Residential, which remained at \$5.86 and the newly created (from fiscal 2006) Timeshare classification, which remained at \$14.00. The rates for the other seven classification of properties dropped: The rates for Improved Residential and Apartment dropped from \$5.86 to \$5.00; Commercial rate went from \$6.75 to \$6.00; Industrial rate went from \$6.75 to \$6.50; Agricultural rate went from \$4.93 to \$4.50; Conservation rate went from \$4.93 to \$4.75; Hotel and Resort rate went from \$8.30 to \$8.20; and the rate for Homeowner went from \$3.50 to \$2.50.

The fee structure for the following revenues changed in fiscal 2007 budget:

- The rate for the PALS (Play And Learn Session) program increased from \$2 per day per child to \$3 per day per child. However discounts were offered for more than one sibling participating in the program: 2 children \$4; 3 children \$4.50; 4 or more children \$4.75.
- The fuel tax for gasoline and diesel oil was reduced from 18 cents per gallon to 16 cents per gallon for the Highway Fund.
- Bus fares were established in the Highway Fund at \$1 per one-way fares for most of the routes except the two routes within the central Maui area. The rate for ADA Paratransit was established at \$2 one-way.
- The Sewer fee rate structure increased by 10%.
- The Water rates increased by 12%.

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Requests for Information

This financial report is designed to provide a general overview of the County of Maui'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, Maui, Hawaii 96793.

County of Maui
Statement of Net Assets
As of June 30, 2006

Primary Government

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents (Note 2)	\$ 3,283,847	\$ 947,776	\$ 4,231,623
Investments (Note 2)	134,562,020	38,769,703	173,331,723
Receivables (Note 3):			
Property Taxes	5,993,844	-	5,993,844
Federal Government	3,786,660	-	3,786,660
State of Hawaii	5,728,463	-	5,728,463
Trade	2,633,105	4,827,306	7,460,411
Other	499,864	-	499,864
Inventory	-	1,510,770	1,510,770
Other current assets	5,537,503	278,412	5,815,915
Capital assets (Note 5):			
Land	114,432,397	8,803,530	123,235,927
Buildings and systems	82,341,710	5,026,407	87,368,117
Improvements other than buildings	70,680,634	2,776,865	73,457,499
Machinery and equipment	65,688,530	23,835,105	89,523,635
Infrastructure	773,988,955	343,623,090	1,117,612,045
Construction in progress	82,199,265	42,750,382	124,949,647
Accumulated Depreciation	(689,819,230)	(148,706,690)	(838,525,920)
Total Assets	<u>661,537,567</u>	<u>324,442,656</u>	<u>985,980,223</u>
LIABILITIES			
Accounts payable	8,237,548	3,699,358	11,936,906
Deposits	-	2,060,091	2,060,091
Unearned revenue (Note 3)	10,799,601	511,404	11,311,005
Advance collections (Note 3)	3,418,863	592,423	4,011,286
Interest payable	-	277,042	277,042
Noncurrent liabilities (Note 6):			
Due within one year	39,412,872	4,991,387	44,404,259
Due in more than one year	233,522,381	31,273,666	264,796,047
Total Liabilities	<u>295,391,265</u>	<u>43,405,371</u>	<u>338,796,636</u>
NET ASSETS			
Invested in capital assets, net of related debt	284,331,082	244,148,747	528,479,829
Restricted for:			
Highways and streets	6,889,157	-	6,889,157
Wastewater	5,848,193	-	5,848,193
Capital projects	24,567,042	17,052,110	41,619,152
Other	27,096,755	-	27,096,755
Unrestricted	17,414,073	19,836,428	37,250,501
Total Net Assets	<u>\$ 366,146,302</u>	<u>\$ 281,037,285</u>	<u>\$ 647,183,587</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Statement of Activities
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 68,333,756	\$ 12,623,399	\$ 7,562,406	\$ -	\$ (48,147,951)	\$ -	\$ (48,147,951)
Public Safety	56,947,072	364,815	3,722,286	-	(52,859,971)	-	(52,859,971)
Highway and Streets	29,383,995	8,511,174	852,926	2,897,171	(17,122,724)	-	(17,122,724)
Sanitation	39,658,672	38,012,174	881,073	2,312,444	1,547,019	-	1,547,019
Social Welfare	31,077,178	2,619,009	16,298,830	-	(12,159,339)	-	(12,159,339)
Culture and Recreation	24,300,926	470,047	202,886	4,806,097	(18,821,896)	-	(18,821,896)
Legislative	4,122,482	3,197	-	-	(4,119,285)	-	(4,119,285)
Interest on Long-Term Debt	9,315,889	-	-	-	(9,315,889)	-	(9,315,889)
Total Governmental Activities	<u>263,139,970</u>	<u>62,603,815</u>	<u>29,520,407</u>	<u>10,015,712</u>	<u>(161,000,036)</u>	<u>-</u>	<u>(161,000,036)</u>
Business-Type Activities:							
Department of Water Supply	38,477,185	33,655,539	-	8,691,920	-	3,870,274	3,870,274
Housing, Interim Financing and Buy-Back Revolving Fund	185,799	145,682	-	-	-	(40,117)	(40,117)
Municipal Golf Course	1,722,442	1,436,917	-	-	-	(285,525)	(285,525)
Total Business-Type Activities	<u>40,385,426</u>	<u>35,238,138</u>	<u>-</u>	<u>8,691,920</u>	<u>-</u>	<u>3,544,632</u>	<u>3,544,632</u>
Total Primary Government	<u>\$ 303,525,396</u>	<u>\$ 97,841,953</u>	<u>\$ 29,520,407</u>	<u>\$ 18,707,632</u>	<u>(161,000,036)</u>	<u>3,544,632</u>	<u>(157,455,404)</u>
General Revenues:							
Taxes:							
Property Taxes					162,741,179	-	162,741,179
Transient Accommodation Tax					22,293,991	-	22,293,991
Public Service Corporation Tax					6,389,535	-	6,389,535
Franchise Tax					7,382,339	-	7,382,339
Fuel Tax					12,658,672	-	12,658,672
Interest and Investment Earnings					5,415,213	1,600,370	7,015,583
Other					79,670	-	79,670
Transfers					38,182	(38,182)	-
Total General Revenues					<u>216,998,781</u>	<u>1,562,188</u>	<u>218,560,969</u>
Change in Net Assets					55,998,745	5,106,820	61,105,565
Net Assets, Beginning of Year					310,147,557	275,930,465	586,078,022
Net Assets, End of Year					<u>\$ 366,146,302</u>	<u>\$ 281,037,285</u>	<u>\$ 647,183,587</u>

The accompanying notes are an integral part of the financial statements.

**County of Maui
Balance Sheet
Governmental Funds
As of June 30, 2006**

	General Fund	Highway Fund	Wastewater Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents (Note 2)	\$ 1,025,839	\$ 146,738	\$ 105,652	\$ -	\$ -	\$ 1,347,520	\$ 658,099	\$ 3,283,848
Investments (Note 2)	42,035,647	6,012,896	4,329,294	-	-	55,217,264	26,966,919	134,562,020
Deposit						4,000,000	-	4,000,000
Receivables (Note 3):								
Real property taxes	5,993,844	-	-	-	-	-	-	5,993,844
Trade accounts	-	-	1,976,099	-	-	-	657,005	2,633,104
Federal Government	18,800	-	-	3,650,305	-	117,555	-	3,786,660
State of Hawaii	56,000	970,308	-	3,135,777	-	1,566,378	-	5,728,463
Other	-	-	-	26,967	-	472,897	-	499,864
Due from other funds (Note 4)	33,157,797	-	-	2,661,403	-	-	-	35,819,200
Total Assets	<u>\$ 82,287,927</u>	<u>\$ 7,129,942</u>	<u>\$ 6,411,045</u>	<u>\$ 9,474,452</u>	<u>\$ -</u>	<u>\$ 62,721,614</u>	<u>\$ 28,282,023</u>	<u>\$ 196,307,003</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers payable	\$ 2,900,070	\$ 199,132	\$ 539,368	\$ 443,596	\$ -	\$ 1,820,219	\$ 403,563	\$ 6,305,948
Contract retention payable	20,327	-	1,268	26,458	-	1,365,424	-	1,413,477
Due to other funds (Note 4)	2,661,404	-	-	-	-	33,157,797	-	35,819,201
Deposits and unearned revenue (Note 3)	1,957,068	-	-	8,988,469	-	1,811,132	470,783	13,227,452
Advance collections (Note 3)	3,138,295	-	-	-	-	-	280,568	3,418,863
Other	407,972	41,653	22,216	15,929	-	-	30,354	518,124
Total Liabilities	<u>11,085,136</u>	<u>240,785</u>	<u>562,852</u>	<u>9,474,452</u>	<u>-</u>	<u>38,154,572</u>	<u>1,185,268</u>	<u>60,703,065</u>
Fund Balances:								
Reserved for encumbrances	18,436,640	1,944,426	1,722,555	-	-	41,318,045	2,454,066	65,875,732
Unreserved and reported in:								
General Fund	52,766,151	-	-	-	-	-	-	52,766,151
Special Revenue Fund	-	4,944,731	4,125,638	-	-	-	24,642,689	33,713,058
Capital Projects Fund	-	-	-	-	-	(16,751,003)	-	(16,751,003)
Total Fund Balances	<u>71,202,791</u>	<u>6,889,157</u>	<u>5,848,193</u>	<u>-</u>	<u>-</u>	<u>24,567,042</u>	<u>27,096,755</u>	<u>135,603,938</u>
Total Liabilities and Fund Balances	<u>\$ 82,287,927</u>	<u>\$ 7,129,942</u>	<u>\$ 6,411,045</u>	<u>\$ 9,474,452</u>	<u>\$ -</u>	<u>\$ 62,721,614</u>	<u>\$ 28,282,023</u>	<u>\$ 196,307,003</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
As of June 30, 2006

Fund Balance - Total Government Funds	\$ 135,603,938
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	499,512,261
Unamortized bond issue cost which was expended in the current period in the governmental funds	1,537,503
Revenue deferred for governmental fund purposes but recorded as income in governmental activities	2,427,851
Long-term liabilities, including bonds payable, SRF loans, accrued vacation, accrued landfill closure and accrued claims and judgments are not reported in the governmental funds (Note 6)	(272,935,251)
Net Assets Governmental Activities - Government-Wide Financial Statements	\$ 366,146,302

The accompanying notes are an integral part of the financial statements.

County of Maui
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2006

	General Fund	Highway Fund	Wastewater Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 168,610,018	\$ 20,041,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,651,030
Licenses and permits	7,779,365	7,636,545	20,340	-	-	-	2,175,045	17,611,295
Intergovernmental revenues	22,421,821	-	-	28,951,425	-	2,892,671	1,809	54,267,726
Charges for current services	1,440,116	-	28,135,568	-	-	-	9,644,782	39,220,466
Fines and forfeitures	1,389,771	-	39,850	-	-	-	33,640	1,463,261
Money and property	5,202,147	-	-	1,596	-	382,437	-	5,586,180
Assessments	-	-	-	-	-	-	7,123,042	7,123,042
Other	1,412,004	48	21,780	667,009	-	-	2,497,259	4,598,100
Total Revenues	<u>208,255,242</u>	<u>27,677,605</u>	<u>28,217,538</u>	<u>29,620,030</u>	<u>-</u>	<u>3,275,108</u>	<u>21,475,577</u>	<u>318,521,100</u>
EXPENDITURES								
Current:								
General government	59,362,829	-	-	7,562,406	-	-	427,088	67,352,323
Public safety	51,859,643	-	-	3,892,616	-	-	46,193	55,798,452
Highways and streets	4,667,636	14,595,351	-	1,149,324	-	-	928,756	21,341,067
Sanitation	1,266,045	-	15,842,313	858,305	-	-	10,703,133	28,669,796
Social welfare	11,971,316	-	-	16,465,867	-	-	2,016,935	30,454,118
Culture and recreation	20,241,408	-	-	202,886	-	-	7,167	20,451,461
Legislative	4,113,672	-	-	-	-	-	-	4,113,672
Capital outlay	-	-	-	-	-	30,593,649	-	30,593,649
Debt service:								
Principal	-	-	-	-	17,059,259	-	-	17,059,259
Interest and other issuance costs	-	-	-	-	10,307,252	-	-	10,307,252
Total Expenditures	<u>153,482,549</u>	<u>14,595,351</u>	<u>15,842,313</u>	<u>30,131,404</u>	<u>27,366,511</u>	<u>30,593,649</u>	<u>14,129,272</u>	<u>286,141,049</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 54,772,693</u>	<u>\$ 13,082,254</u>	<u>\$ 12,375,225</u>	<u>\$ (511,374)</u>	<u>\$ (27,366,511)</u>	<u>\$ (27,318,541)</u>	<u>\$ 7,346,305</u>	<u>\$ 32,380,051</u>

County of Maui
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2006
(Continued)

	General Fund	Highway Fund	Wastewater Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)								
Issuance of Debt:								
State Revolving Fund Loan Proceeds	-	-	-	-	-	546,140	-	546,140
Capital Lease Obligations	117,832	-	-	-	-	-	-	117,832
Use of Debt:								
Capital Lease Asset Acquisition	(117,832)	-	-	-	-	-	-	(117,832)
Transfers In (Note 4):								
General Fund	-	75,000	-	511,374	27,366,511	9,690,150	6,362,445	44,005,480
Special Revenue Funds	15,138,754	134,348	1,500,000	-	-	14,053,000	1,424,037	32,250,139
Capital Projects Fund	214,906	3,581,878	200,000	-	-	-	187,314	4,184,098
Proprietary Funds	86,845	-	-	-	-	-	-	86,845
Transfers Out (Note 4):								
General Fund	-	(2,727,345)	(9,932,654)	-	-	(214,906)	(2,478,755)	(15,353,660)
Special Revenue Funds	(6,652,421)	(510,435)	(1,214,348)	-	-	(3,969,192)	(1,630,000)	(13,976,396)
Debt Service Fund	(27,366,511)	-	-	-	-	-	-	(27,366,511)
Capital Projects Fund	(9,690,150)	(12,000,000)	(945,000)	-	-	-	(1,108,000)	(23,743,150)
Proprietary Funds	-	-	-	-	-	(48,663)	-	(48,663)
Total Other Financing Sources and Uses	<u>(28,268,577)</u>	<u>(11,446,554)</u>	<u>(10,392,002)</u>	<u>511,374</u>	<u>27,366,511</u>	<u>20,056,529</u>	<u>2,757,041</u>	<u>584,322</u>
Net Change in Fund Balances	26,504,116	1,635,700	1,983,223	-	-	(7,262,012)	10,103,346	32,964,373
Fund Balances, Beginning of Period	44,698,675	5,253,457	3,864,970	-	-	31,829,054	16,993,409	102,639,565
Fund Balances, End of Period	<u>\$ 71,202,791</u>	<u>\$ 6,889,157</u>	<u>\$ 5,848,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,567,042</u>	<u>\$ 27,096,755</u>	<u>\$ 135,603,938</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-wide Statement of Activities—Governmental Activities
For the Fiscal Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances—total governmental funds	\$ 32,964,373
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. This is the amount by which capital outlays exceed depreciation expense in the current period (Note 5)	6,795,549
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources:	
This is the amount by which bond principal payments exceed proceeds	14,941,304
This is the amount by which note payable payments exceeded proceeds.	1,571,815
This is the amount by which capital lease obligation proceeds exceeded payments.	(46,720)
Certain expenses related to the accrual of vacation, landfill and claims and current financial resources and, therefore, are not reported as expenditures in governmental funds:	
This is the amount by which vacation payments exceeded the accrual.	809,287
This is the amount by which claims and judgments accrued exceeded payments.	1,607,296
This is the amount by which landfill closure accrued exceeded payments.	(4,214,955)
Accrued interest reported as an expense in the statement of activities but not reported as an expenditure in the governmental funds.	669,068
Certain revenues that were deferred in previous years, were collected and recorded as revenue in the current year for governmental funds. These deferrals were recorded as revenue in previous years in the statement of activities.	600,254
Bond issue costs and discounts are capitalized and amortized in the government-wide financial statements but recorded as an expenditure in the fund financial statements. This is the current year amortization of such costs.	(110,729)
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 amortization of bond premiums.	1,043,792
Losses on early retirement of bonds outstanding are capitalized and amortized the fund financial statements when incurred. This is the current year amortization.	(641,589)
Change in Net Assets Governmental Activities - Government-Wide Financial Statements	<u>\$ 55,988,745</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Statement of Fund Net Assets
Proprietary Funds
As of June 30, 2006

	Department of Water Supply	Housing, Interim Financing and Buy-Back Revolving Fund	Golf Course Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 898,013	\$ 47,428	\$ 2,335	\$ 947,776
Investments (Note 2)	36,730,602	1,943,406	95,695	38,769,703
Trade accounts (Note 3)	4,827,306	-	-	4,827,306
Inventory	1,510,770	-	-	1,510,770
Other current assets	184,946	93,466	-	278,412
Total Current Assets	<u>44,151,637</u>	<u>2,084,300</u>	<u>98,030</u>	<u>46,333,967</u>
Noncurrent Assets (Note 5):				
Land	6,000,524	2,427,000	376,006	8,803,530
Building and system	2,974,570	1,743,223	308,614	5,026,407
Improvements other than buildings	-	-	2,776,865	2,776,865
Machinery and equipment	23,009,456	7,202	818,447	23,835,105
Infrastructure	343,623,090	-	-	343,623,090
Construction in progress	42,750,382	-	-	42,750,382
Accumulated depreciation	<u>(145,338,862)</u>	<u>(660,629)</u>	<u>(2,707,199)</u>	<u>(148,706,690)</u>
Total Noncurrent Assets	<u>273,019,160</u>	<u>3,516,796</u>	<u>1,572,733</u>	<u>278,108,689</u>
Total Assets	<u>317,170,797</u>	<u>5,601,096</u>	<u>1,670,763</u>	<u>324,442,656</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	3,666,997	11,506	20,855	3,699,358
Bonds payable - current portion (Note 6)	3,263,865	-	-	3,263,865
Notes payable - current portion (Note 6)	674,990	-	-	674,990
Claims and judgments - current portion (Note 6)	35,919	-	-	35,919
Accrued vacation - current portion (Note 6)	937,794	-	78,819	1,016,613
Deposits	899,058	1,161,033	-	2,060,091
Deferred revenue	500,000	11,404	-	511,404
Advance collections	592,423	-	-	592,423
Interest payable	277,042	-	-	277,042
Total Current Liabilities	<u>10,848,088</u>	<u>1,183,943</u>	<u>99,674</u>	<u>12,131,705</u>
Noncurrent Liabilities (Note 6):				
Claims and judgments	297,599	-	-	297,599
Bonds payable - less current portion	24,872,838	-	-	24,872,838
Notes payable	5,321,037	-	-	5,321,037
Accrued vacation	715,738	-	66,454	782,192
Total Liabilities	<u>42,055,300</u>	<u>1,183,943</u>	<u>166,128</u>	<u>43,405,371</u>
NET ASSETS				
Invested in capital, net of related debt	239,059,219	3,516,796	1,572,732	244,148,747
Restricted	17,052,110	-	-	17,052,110
Unrestricted net assets	19,004,168	900,357	(68,097)	19,836,428
Total Net Assets	<u>\$ 275,115,497</u>	<u>\$ 4,417,153</u>	<u>\$ 1,504,635</u>	<u>\$ 281,037,285</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2006

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Fund	Total Proprietary Funds
Operating Revenues:				
Charges for services	\$ 32,729,484	\$ 145,682	\$ 1,436,917	\$ 34,312,083
Total Operating Revenues	<u>32,729,484</u>	<u>145,682</u>	<u>1,436,917</u>	<u>34,312,083</u>
Operating Expenses:				
Salaries and personnel services	7,328,253	-	730,279	8,058,532
Other operating services	18,862,299	141,937	786,525	19,790,761
Depreciation (Note 5)	10,727,346	43,862	205,638	10,976,846
Total Operating Expenses	<u>36,917,898</u>	<u>185,799</u>	<u>1,722,442</u>	<u>38,826,139</u>
Operating Loss	<u>(4,188,414)</u>	<u>(40,117)</u>	<u>(285,525)</u>	<u>(4,514,056)</u>
Non-Operating Revenues (Expenses)				
Interest and investment earnings	1,543,473	56,897	-	1,600,370
Interest expense, net of capitalized interest	(1,559,287)	-	-	(1,559,287)
Other	926,055	-	-	926,055
Total Non-Operating Revenues (Expenses)	<u>910,241</u>	<u>56,897</u>	<u>-</u>	<u>967,138</u>
Income (Loss) Before Contributions and Transfers	<u>(3,278,173)</u>	<u>16,780</u>	<u>(285,525)</u>	<u>(3,546,918)</u>
Transfers out (Note 4)	-	-	(86,845)	(86,845)
Transfers in (Note 4)	-	-	48,663	48,663
Capital Contributions	8,691,920	-	-	8,691,920
Change in Net Assets	5,413,747	16,780	(323,707)	5,106,820
Net Assets, Beginning of Year	<u>269,701,750</u>	<u>4,400,373</u>	<u>1,828,342</u>	<u>275,930,465</u>
Net Assets, End of Year	<u>\$ 275,115,497</u>	<u>\$ 4,417,153</u>	<u>\$ 1,504,635</u>	<u>\$ 281,037,285</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	<u>Business-Type Activities</u>			Total
	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Fund	
Cash Flow from Operating Activities:				
Receipts from customers	\$ 32,816,091	\$ 145,682	\$ 1,436,917	\$ 34,398,690
Payments to suppliers	(18,384,869)	(161,490)	(775,223)	(19,321,582)
Payments to employees	(7,328,253)	-	(705,566)	(8,033,819)
Other receipts (disbursements)	38,229	-	-	38,229
Net cash used in operating activities	<u>7,141,198</u>	<u>(15,808)</u>	<u>(43,872)</u>	<u>7,081,518</u>
Cash Flows from Capital and Related Financing Activities:				
Cash paid for the acquisition and construction of property plant and equipment, including capitalized interest	(12,605,109)	-	-	(12,605,109)
Principal paid on bonds and notes payable	(4,030,355)	-	-	(4,030,355)
Proceeds from bond issue	-	-	-	-
Interest paid on bonds and notes payable, net of capitalized interest	(1,486,468)	-	-	(1,486,468)
Cash received from contributions in aid of construction	3,046,499	-	-	3,046,499
Other receipts (disbursements)	1,176,055	-	-	1,176,055
Net cash used in capital and related financing activities	<u>(13,899,378)</u>	<u>-</u>	<u>-</u>	<u>(13,899,378)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers - out	-	-	(86,844)	(86,844)
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>(86,844)</u>	<u>(86,844)</u>
Cash Flows from Investing Activities:				
Interest received from investments	1,543,473	56,897	-	1,600,370
Change in investments, net	4,468,930	(68,396)	124,283	4,524,817
Net cash used in investing activities	<u>6,012,403</u>	<u>(11,499)</u>	<u>124,283</u>	<u>6,125,187</u>
Change in Cash, Net	<u>(745,777)</u>	<u>(27,307)</u>	<u>(6,433)</u>	<u>(779,517)</u>
Cash, Beginning of Period	1,643,790	74,735	8,768	1,727,293
Cash, End of Period	<u>\$ 898,013</u>	<u>\$ 47,428</u>	<u>\$ 2,335</u>	<u>\$ 947,776</u>

**Reconciliation Of Operating Loss To Cash Flows
Used In Operating Activities**

Operating loss	\$ (4,188,414)	\$ (40,117)	\$ (285,525)	\$ (4,514,056)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Depreciation	10,727,346	43,862	205,638	10,976,846
Bad debt	2,528	-	-	2,528
(Increase) decrease in current assets	(70,138)	(21,927)	-	(92,065)
Increase (decrease) in current liabilities	669,876	2,374	36,015	708,265
Net cash used in operating activities	<u>\$ 7,141,198</u>	<u>\$ (15,808)</u>	<u>\$ (43,872)</u>	<u>\$ 7,081,518</u>

Property contributed as Contribution in Aid of Construction to Department of Water was approximately \$6,462,000 and property transferred from the CIP fund to the Golf Course fund was approximately \$49,000 for the fiscal year ended June 30, 2006.

The accompanying notes are an integral part of the financial statements.

County of Maui
Statement of Fiduciary Assets
Fiduciary Funds
As of June 30, 2006

	Agency Fund
ASSETS	
Cash and cash equivalents (Note 2)	\$ 215,070
Investments (Note 2)	8,812,941
Other current assets	1,098,735
Other non-current assets	<u>132,745</u>
Total Assets	<u>10,259,491</u>
LIABILITIES	
Accounts payable	89,806
Deposits	10,020,790
Due to State	<u>148,895</u>
Total Liabilities	<u>10,259,491</u>
NET ASSETS	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

(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) conforms to accounting principles generally accepted in the United States of America 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 2002.

The accompanying basic financial statements present all operations of the County, as primary government. The County's governmental activities are organized by the following general functions: management and other, public safety, sanitation, highways and streets, social welfare, culture and recreation, and legislative. The County's business-type activities include the Department of Water Supply, a municipal golf course and the Housing, Interim Financing, and Buy-Back Revolving 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 is no separate city, county, or township governments nor any school district, special districts, authorities or public corporations with overlapping authority presented in the accompanying financial statements.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. 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 as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Financial Statement Presentation -

Basis of Accounting/Measurement Focus – 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, equity, 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 County’s Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the County accompanied by a total column. Fiduciary and agency type activities are not included in these statements.

These statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. 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. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

The County applies all applicable GASB pronouncements (including NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncement: Financial Accounting Standards Board (FASB) Statement and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activity.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Governmental Fund Financial Statements – Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications. In addition, the County has presented certain funds, specifically the Highways Fund, Waste Water Fund and Debt Service Fund, as major funds because the County believes the financial position and activities of these funds are significant to the County as a whole.

The following is a brief summary of the County's major 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. 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.

Waste Water 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.

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

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

COUNTY OF MAUI

Notes to the financial statements

June 30, 2006

Governmental funds are those through which most governmental functions of the County are financed. The acquisitions, 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.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. 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 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, rents and concessions, sewer charges, landfill usage charges, 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.

Proprietary Fund Financial Statements – Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

The following is a brief summary of the County's 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 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.

COUNTY OF MAUI

Notes to the financial statements

June 30, 2006

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 Assets. The Statement of Revenues, Expenses and Changes in Fund Nets Assets present increases (revenues) and decreases (expenses) in total net assets. 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.

Operating revenue in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements - Fiduciary Fund Financial Statements include a Statement of Net Assets. 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 or 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:

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 Fund – These funds are used to account for other monies collected in an agency capacity.

Basis of Accounting -

Basis of accounting refers to the period in which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual Basis - The modified accrual basis of accounting is used in the fund financial statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (that is, both measurable and available). “Measurable” means the amounts are determinable. “Available” means the amounts are collectible within the current period or soon enough thereafter (that is, within 60 days after the fiscal year end) to be used to pay liabilities of the current period.

COUNTY OF MAUI

Notes to the financial statements

June 30, 2006

Revenues susceptible to accrual include real property taxes, fuel and franchise taxes, rents and concessions, sewer charges, 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. Revenues not considered available are recorded as deferred revenues.

In applying the 'susceptible to accrual' concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidelines. There are essentially two types of intergovernmental revenues. For one type of revenue, moneys must be expended for a specific purpose or project, and revenues are recognized to the extent of such expenditures. Revenues of this type are deferred for moneys received in advance of expenditures, and accrued for expenditures in advance of moneys received. For the other type of revenue, moneys are virtually unrestricted as to the purpose of expenditure. These resources are reflected as revenues at the time of receipt or earlier, if the susceptible to accrual criteria are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accrued vacation, claims and judgments, and liabilities related to municipal solid waste landfill closure and post-closure care costs, which are included only in the government-wide financial statements and recognized in the fund financial statements as expenditures when liquidated with current available financial resources; and principal and interest payments for general long-term debt, which are recognized as expenditures when due.

Accrual Basis - The accrual basis of accounting is used by the government-wide and proprietary fund type financial statements. Under this method, revenues are recognized when earned and expenses are recognized when the goods or services have been received or a liability has been incurred.

Budgets and Budgetary Accounting -

On or before March 15th, 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 the capital program are available as public records 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 May 31st. 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.

COUNTY OF MAUI

Notes to the financial statements

June 30, 2006

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 within 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, Wastewater Fund, Debt Service Fund, Capital Improvement Projects Fund, Liquor Control Fund, and Solid Waste Fund.

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

The following is a summary of the adjustments necessary to convert major funds from the GAAP basis to the non-GAAP budgetary basis for the year ended June 30, 2006:

	General Fund	Highway Fund	Wastewater Fund
GAAP Basis - Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$26,504,116	\$ 1,635,700	\$ 1,983,223
Less encumbrances of budgeted funds, June 30, 2006	(18,436,640)	(1,944,426)	(1,722,555)
Add encumbrances to budgeted funds July 1, 2005	<u>13,484,465</u>	<u>2,178,570</u>	<u>906,179</u>
Non-GAAP Budgetary Basis - Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$21,551,941</u>	<u>\$ 1,869,844</u>	<u>\$ 1,166,847</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Encumbrances –

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable operating budget appropriation, is employed as an extension of formal budgetary integration in the general fund and in certain special revenue funds. Capital project funds employ encumbrance accounting in order to reserve for construction contracts that portion of the applicable capital projects appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances because they do not constitute expenditure or liabilities.

Encumbrances are recorded at the time purchase orders, construction contracts, or other contracts or commitments are awarded, except for contracts awarded contingent upon the availability of non-budget federal or state grant moneys.

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.

Cash and Investments -

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 is collateralized in accordance with State statutes (see Note 2). Investments consist of various financial instruments and are stated at fair value, which approximates cost (see Note 2).

For purposes of the statement of cash flows, the enterprise funds, consider all highly liquid investments (including restricted assets) with maturities of three months or less when purchased to be cash equivalents.

COUNTY OF MAUI

Notes to the financial statements

June 30, 2006

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, 2006 are delinquent and amounts, if not collected within sixty days after year-end, are reported as deferred revenue in the General Fund. A lien for real property tax is attached as of July 1st of each year. As of June 30, 2006, delinquent real property tax receivables including interest and penalties approximated \$6.0 million.

Housing Projects -

From time to time, the County assists moderate and low-income residents by developing and selling housing units on land acquired by the County. The costs of these housing projects are classified as inventory, which are stated at the lower of cost or estimated net realizable value. The County's policy is to sell these units to qualified residents at a price, which approximates the cost to develop them. The County has a first option to buy back property in the event an owner sells within the first ten years. The buy-back price is computed by a predetermined formula.

Sales of real estate are recorded when title has passed and collectibility is reasonably assured, generally at the time of closing of escrow. Costs of sales are recognized for each unit at the time of sale. Interest expense incurred during the construction period is capitalized and included in project cost.

The County is not currently involved in any such housing projects.

Inventories of Materials and Supplies -

Inventories of materials and supplies are stated at average cost.

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 and an estimated useful life in excess of one year. 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.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

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, 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	3 - 15 years
Transportation and construction equipment	5 - 10 years
Building and land improvements	10 - 50 years
Sewer Systems	20 - 50 years
Roadway Systems	10 - 20 years
Drainage Systems	50 years
Bridges	50 years

Sales and retirements of depreciable property are recorded by removing the related cost and accumulated depreciation from the accounts. Gains or losses on sales and retirements of property are reflected in the statement of activities.

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

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

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, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

For advance refunds resulting in defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt is deferred. This amount is amortized as a component of interest expense over the remaining life of the old debt or the life of the new, whichever is shorter. The amount deferred is reported as a deduction from or an addition to the new debt liability.

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

Compensated Absences -

In the governmental fund financial statements, vacation pay is recorded as expenditures when liquidated with expendable available financial resources. Vested or accumulated vacation leave of proprietary funds and in the government-wide financial statements is recorded as an expense and liability of those funds 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. Unused vacation leave (terminal vacation pay) still outstanding following an employee's resignation or retirement is typically paid from and reported in the general fund for governmental activities. As of June 30, 2006 accrued vacation pay under governmental activities was approximately \$18.2 million.

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

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2006, accumulated sick leave amounted to approximately \$51.7 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 paid.

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 Assets -

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets (net of related debt) – This is intended to reflect the portion of net assets which are associated with non-liquid capital assets less outstanding debt related to these assets.

Restricted Net Assets – Restricted net assets (generated from revenues and not bond proceeds) have third party (statutory, bond covenant or granting agency) limitations on their use. The County's policy is generally to use restricted net assets first, as appropriate opportunities arise.

Unrestricted Net Assets – Unrestricted net assets represent all other net assets not accounted for in the two categories noted above.

Retirement Plan Contributions -

The County's contribution to the Employees Retirement System of the State of Hawaii is based upon actuarial computations and includes current service costs and amortization of prior service costs over a period of fifty years from July 1, 1964. The County is required by State statute to fund the actuarially determined pension contribution requirement annually.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Uses Of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and other debits and liabilities and other credits, as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

(2) Deposits and Investments

The County maintains a cash and investment pool that is used by all funds, except the deferred compensation plan agency fund, which is held separately by an independent plan administrator.

Bank time certificates of deposits (TCDs), repurchase agreements (repos) and money market funds with maturity dates of three-months or less at the time of purchase are considered cash and cash equivalents, while TCDs, repos, and money market funds with maturity dates in excess of three months at the time of purchase, and U.S. agency obligations are considered investments for the purpose of financial statement presentation and the statement of cash flows. However, for purpose of the disclosures required by the Governmental Accounting Standards Board Statement, all TCDs regardless of maturity are considered deposits and all repos and money market funds are considered investments.

Deposits -

As of June 30, 2006 the County's depository accounts were classified as follows:

Depository Account Custodial Credit Risk	Balance
Insured	\$ 400,000
Collateralized:	
Collateral held by County's agent in the County's name	4,029,593
Collateral held by pledging bank's trust department in the County's name	-
Collateral held by pledging bank's trust department not in the County's name	-
Uninsured and uncollateralized	19,685
Total deposits	<u>\$ 4,449,278</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

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, 2006, \$19,685 of the County's bank balance of \$4.4 million was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 19,685</u>
--------------------------------	------------------

Investments -

State statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State and the County, student loan resource securities, and bank repurchase agreements. It is the County's policy to invest in accordance with the State of Hawaii Statutes.

As of June 30, 2006 the County's investments were as follows:

Investment	Maturity	Yields	Value
Federal Home Loan Bank Notes	Sep 2006-Dec 2006	2.233%-4.989%	\$ 19,840,000
Federal Home Loan Bank Notes	Feb 2007-Nov 2007	2.599%-5.011%	15,277,780
Federal Home Loan Bank Notes	Mar 2008-Nov 2008	5.000%-5.324%	8,210,000
Federal Home Loan Mortgage Corporation Notes	Jul 2006-Dec 2006	4.680%-5.240%	36,225,000
Federal Home Loan Mortgage Corporation Notes	Feb 2007-Sep 2007	4.965%-5.571%	12,500,000
Federal Farm Credit Bank Notes	June 2008	5.718%	1,000,000
Federal National Mortgage Association Notes	Jul 2006-Dec 2006	2.829%-5.389%	30,000,000
Federal National Mortgage Association Notes	Mar 2007-Nov 2007	3.500%-5.457%	8,000,000
Federal National Mortgage Association Notes	Apr 2008	5.407%-5.423%	5,000,000
U.S. Treasury Notes	May 2008	5.081%	2,000,000
U.S. Treasury Bill	December 2006	5.205%	1,000,000
Student Loan Marketing Association Notes	July 2006-Sept 2006	5.110%-5.580%	23,425,000
Bank Repurchase Agreements	July 2006-Sept 2006	4.650%-4.750%	20,690,000
			183,167,780
		Discounts	<u>(1,025,700)</u>
			<u>\$ 182,142,080</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Credit Risk - Credit risk is the risk that an issuer or counter party to an investment will not fulfill its obligation. As of June 30, 2006 the Student Loan Notes were rated Aaa by Moody's and AAA by Standard and Poor's, (nationally recognized rating organizations) which meet the State of Hawaii requirements for such investments. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

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.

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the County always has a significant amount of investments that mature in three months or less.

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 places no limit on the amount that may be invested in any one issuer or investment however the County does diversify its investments to minimize such risk.

(3) Receivables

Receivables as of June 30, 2006 of the County's major individual funds and non-major funds in the aggregate were as follows:

	General Fund	Highway Fund	Waste Water Fund	Grant Fund	Capital Improvements	Nonmajor Funds	Total Governmental Activities
Taxes	\$ 5,993,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,993,844
Intergovernmental	74,800	970,308	-	6,786,082	1,683,933	-	9,515,123
Sewer charges	-	-	1,976,099	-	-	-	1,976,099
Landfill charges	-	-	-	-	-	657,005	657,005
Other	-	-	-	26,967	472,897	-	499,864
Total receivables	<u>\$ 6,068,644</u>	<u>\$ 970,308</u>	<u>\$ 1,976,099</u>	<u>\$ 6,813,049</u>	<u>\$ 2,156,830</u>	<u>\$ 657,005</u>	<u>\$ 18,641,935</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Receivables as of June 30, 2006 of the County's proprietary funds were as follows:

	Department of Water Supply	Municipal Golf Course	Housing, Interim Financing and Buy-Back Revolving Fund	Total Business- Type Activities
Charge for water services	\$ 4,827,306	\$ -	\$ -	\$ 4,827,306
Total receivables	\$ 4,827,306	\$ -	\$ -	\$ 4,827,306

The receivable balance is net of an allowance for doubtful account of approximately \$110,000.

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

At June 30, 2006, the various components of deferred revenue and unearned revenue were as follows:

	Unavailable	Unearned
Delinquent Real Property Taxes not collected within 60 days of year end (General Fund)	\$ 1,957,068	\$ -
Refundable Real Property Taxes (General Fund)	-	3,138,295
Landfill Receivable Fees not collected with in 60 days of year end (Nonmajor Fund)	470,783	-
Grant Funds received prior to meeting all necessary requirements (Grant Fund)	-	8,988,469
Capital project grant fund received prior to meeting all necessary requirements (Capital Improvements Projects Fund)	-	1,811,132
Fees collected in advance for refuse collection and liquor license	-	727,113
	\$ 2,427,851	\$ 14,665,009

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

(4) Inter-fund Receivables, Payables and Transfers Balances

Amounts due from and due to other funds as of June 30, 2006 were as follows:

	Due From Other Funds	Due to Other Funds
Major Funds:		
General Fund	\$ 33,157,797	\$ 2,661,404
Capital Improvement Projects Fund	-	33,157,797
Grant fund	<u>2,661,404</u>	<u>-</u>
Total	<u>\$ 35,819,201</u>	<u>\$ 35,819,201</u>

Pursuant to Budget Ordinance, the General Fund advances funds for bond-funded projects for which bonds have not yet been issued. The General Fund also provides advances for grant programs in which grant proceeds have not yet been received.

A summary of the inter-fund transfers as of June 30, 2006 are as follows:

	Transfers In	Transfers Out
Major Funds:		
General	\$ 15,440,505	\$ (43,709,082)
Highway	3,791,226	(15,237,780)
Wastewater	1,700,000	(12,092,002)
Grant Fund	511,374	-
Debt Service	27,366,511	-
Capital Improvements	23,743,150	(4,232,761)
Non-major Funds:		
Bicycle Fund	262,932	(300,000)
Solid Waste Fund	4,005,080	(2,608,755)
Parks Assessment	138,419	(808,000)
County Funds	3,567,365	-
Sewer Assessment	-	(1,500,000)
Proprietary Type-Fund:		
Golf Course	<u>48,663</u>	<u>(86,845)</u>
Total	<u>\$ 80,575,225</u>	<u>\$ (80,575,225)</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

The majority of the transfers into the General Fund are for cost allocations for bond-funded projects in the respective special revenue funds. The majority of the transfers out of the General fund are for debt service requirements and funding of capital projects.

(5) Capital Assets

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2006 was as follows:

	Balance July 1, 2005	Additions	Reductions/ Retirements	Balance June 30, 2006
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 114,432,397	\$ -		\$ 114,432,397
Construction in progress	62,487,640	30,593,649	(10,882,024)	82,199,265
	<u>176,920,037</u>	<u>30,593,649</u>	<u>(10,882,024)</u>	<u>196,631,662</u>
Depreciable assets:				
Improvements	70,680,635	-	-	70,680,635
Buildings and systems	82,341,710	-	-	82,341,710
Equipment	55,302,906	10,933,607	(547,983)	65,688,530
Infrastructure	773,988,955	-	-	773,988,955
	<u>982,314,206</u>	<u>10,933,607</u>	<u>(547,983)</u>	<u>992,699,830</u>
Accumulated depreciation:				
Improvements	35,516,600	3,089,918	-	38,606,518
Buildings and systems	47,016,844	3,353,954	-	50,370,798
Equipment	41,505,086	4,842,912	(412,635)	45,935,363
Infrastructure	542,478,998	12,427,553	-	554,906,551
	<u>666,517,528</u>	<u>23,714,337</u>	<u>(412,635)</u>	<u>689,819,230</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 492,716,715</u>	<u>\$ 17,812,919</u>	<u>\$ (11,017,372)</u>	<u>\$ 499,512,262</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

	Balance July 1, 2005	Additions	Reductions/ Retirements	Balance June 30, 2006
Business-Type Activities				
Non-depreciable assets:				
Land	\$ 8,803,530	\$ -	\$ -	\$ 8,803,530
Construction in progress	31,257,306	12,473,691	(980,615)	42,750,382
	<u>40,060,836</u>	<u>12,473,691</u>	<u>(980,615)</u>	<u>51,553,912</u>
Depreciable assets:				
Improvements	2,776,865	-	-	2,776,865
Buildings and systems	5,026,407	-	-	5,026,407
Equipment	23,088,081	882,224	(135,200)	23,835,105
Infrastructure	336,763,733	6,859,357	-	343,623,090
	<u>367,655,086</u>	<u>7,741,581</u>	<u>(135,200)</u>	<u>375,261,467</u>
Accumulated depreciation:				
Improvements	1,605,984	131,294	-	1,737,278
Buildings and systems	2,744,856	114,779	-	2,859,635
Equipment	8,870,165	1,123,761	(135,200)	9,858,726
Infrastructure	124,644,040	9,607,011	-	134,251,051
	<u>137,865,045</u>	<u>10,976,845</u>	<u>(135,200)</u>	<u>148,706,690</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 269,850,877</u>	<u>\$ 9,238,427</u>	<u>\$ (980,615)</u>	<u>\$ 278,108,689</u>

Depreciation expense for the year ended June 30, 2006 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 961,559
Public Safety	3,632,427
Highways and Streets	6,437,191
Sanitation	7,826,831
Social Welfare	673,322
Culture and Recreation	4,167,646
Legislative	15,361
Total Governmental Activities	<u>\$ 23,714,337</u>
 Business-Type Activities:	
Golf Course	\$ 205,637
Housing Interim Financing	43,862
Department of Water Supply	10,727,346
Total Business-Type Activities	<u>\$ 10,976,845</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Construction in progress is comprised of the following as of June 30, 2006:

	Project Authorized (Appropriated)	Expended to June 30, 2006	Committed (Encumbered)
Governmental Activities:			
Government Facilities	\$ 26,281,233	\$ 13,378,160	\$ 8,805,106
Roadway Systems	39,007,752	17,241,454	6,029,694
Sewer Systems	28,612,194	13,929,459	3,873,465
Sanitation	26,614,695	15,601,578	6,718,526
Parks and Recreation	27,453,532	17,175,901	7,567,492
Drainage	<u>10,846,824</u>	<u>4,872,713</u>	<u>5,922,140</u>
Totals	<u>\$ 158,816,230</u>	<u>\$ 82,199,265</u>	<u>\$ 38,916,423</u>
	Project Authorized (Appropriated)	Expended to June 30, 2006	Committed (Encumbered)
Business-Type Activities			
Department of Water Supply	\$ 79,083,597	\$ 42,750,382	\$ 9,819,563
Totals	<u>\$ 79,083,597</u>	<u>\$ 42,750,382</u>	<u>\$ 9,819,563</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

(6) Long-Term Debt and Other General Obligations

The following is a summary of long-term debt transactions of the County as of June 30, 2006.

Long-Term Debt –

	Balance July 1, 2005	Additions	Reductions/ Payments	Balance June 30, 2006	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 202,542,300	\$ -	\$ 15,343,508	\$ 187,198,792	\$ 15,589,135
State Revolving Fund Loans	29,554,203	546,140	2,117,955	27,982,388	2,182,124
Obligations under capital leases (Note 7)	269,792	170,039	123,319	316,512	108,036
Total	<u>\$ 232,366,295</u>	<u>\$ 716,179</u>	<u>\$ 17,584,782</u>	<u>\$ 215,497,692</u>	<u>\$ 17,879,295</u>
Business Type Activities					
General Obligation Bonds	\$ 31,142,207	\$ -	\$ 3,005,504	\$ 28,136,703	\$ 3,263,865
Notes payable	6,937,686	-	941,659	5,996,027	674,990
Total	<u>\$ 38,079,893</u>	<u>\$ -</u>	<u>\$ 3,947,163</u>	<u>\$ 34,132,730</u>	<u>\$ 3,938,855</u>

Governmental Activities General Obligation Bonds And Revolving Loans -

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 financial statements June 30, 2006

General obligation bonds payable reported in the Governmental Activities column of net assets at June 30, 2006 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2006
1982	Farmers Home Administration	5.00%	\$ 1,500,000	2016	\$ 726,500
1998	Series A Refunding	2.50%-5.00%	20,700,000	2018	10,935,000
1998	Series A GO	6.11%-6.50%	4,255,000	2013	2,575,000
2001	Series A GO and Refunding	4.00%-5.50%	23,485,000	2021	19,220,000
2001	Series B and C Refunding	3.00%-5.25%	29,880,000	2020	22,880,000
2002	Series A GO	3.125%-5.375%	25,000,000	2022	23,070,000
2002	Series B Refunding	2.500%-5.375%	13,550,000	2013	10,355,000
2002	Series C GO and Refunding	2.125%-4.75%	12,402,689	2021	11,059,529
2003	Series A,B,C,D GO and Refunding	3.00%-5.00%	38,489,858	2010	24,884,316
2004	Series B Refunding	2.00%-5.00%	15,165,000	2018	13,310,000
2005	Series A,B,C GO and Refunding	2.50%-5.00%	50,485,000	2025	49,945,000
	Total General Obligation Bonds		<u>\$ 234,912,547</u>		188,960,345
	Unamortized Premium				4,759,530
	Unamortized Deferral on Advance Refunding				(6,521,083)
	Net Bonds Outstanding				<u>\$ 187,198,792</u>

Generally accepted accounting principles require that bond discounts and premiums, issuance costs, and the difference between the reacquisition price and the carry amount of old debt in advance refunding resulting in a defeasance of debt, be deferred and amortized. The following summarizes the Governmental Activity deferrals as of June 30, 2006.

Governmental Activities:	
General Obligation Bond Outstanding Balance	\$ 188,960,345
Unamortized Premium	4,759,530
Unamortized deferrals on advanced refundings	<u>(6,521,083)</u>
Net Bonds outstanding	187,198,792
State Revolving Loans	27,982,388
Capital Lease Obligations	316,512
Total Long-Term Obligations	<u>\$ 215,497,692</u>

Deferred bond issuance costs for the Governmental Activities as of June 30, 2006 was \$1,126,895.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

The State revolving fund loans are for the construction of necessary water treatment works, and for wastewater reclamation projects. The notes original issue amounted to \$43.2 million and outstanding principal amounted to \$28 million at June 30, 2006, and bear interest at 3.34% to 3.36%. The loans require semi-annual principal, and interest payments and loan fees through fiscal year 2023. The County has ten projects funded with these loans. The schedule below shows the loans outstanding as of June 30, 2006:

Year	Description	Loan Number	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2006
1992	Lahaina Design	C150054-04	\$ 500,000	2011	\$ 171,921
1994	Wailuku/Kahului	C150052-14	4,825,074	2013	2,217,922
1995	Lahaina Construction	C150054-05	7,381,497	2013	3,287,644
1997	Lahaina Pump Station #3	C150054-07	2,644,416	2016	1,524,871
1997	Kihei Phase IIB	C150077-06	9,018,078	2016	5,240,612
1998	Kihei Reuse Core Distribution	C150077-09	3,231,080	2017	2,120,584
1999	Lahaina Pump Station #17	C150077-17	600,000	2018	404,374
2001	Kuhua Camp	C150054-14	1,745,481	2020	1,354,699
2002	Lahaina Solids	C150054-20	1,344,000	2021	1,081,805
2003	Wailuku/Kahului Phase II	C150052-16	11,951,083	2023	10,577,956
			<u>\$ 43,240,709</u>		<u>\$ 27,982,388</u>

Annual debt service requirements to maturity for these general obligation bonds and State revolving fund loans at June 30, 2006, were as follows:

Year Ending June 30,	Governmental Activities General Obligation Bonds		
	Principal	Interest	Total
2007	15,589,135	8,470,694	24,059,829
2008	15,858,396	7,828,292	23,686,688
2009	16,049,314	7,188,957	23,238,271
2010	15,227,000	6,564,649	21,791,649
2011	15,885,500	5,896,986	21,782,486
2012-2016	59,316,000	20,478,921	79,794,921
2017-2021	41,800,000	7,787,404	49,587,404
2022-2025	9,235,000	925,063	10,160,063
Total	<u>\$188,960,345</u>	<u>\$ 65,140,966</u>	<u>\$ 254,101,311</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Year Ending June 30,	Governmental Activities SRF Loans		
	Principal	Interest	Total
2007	2,182,124	981,696	3,163,820
2008	2,236,664	918,515	3,155,179
2009	2,294,131	852,192	3,146,323
2010	2,351,514	785,723	3,137,237
2011	2,410,852	711,519	3,122,371
2012-2016	10,594,459	2,283,499	12,877,958
2017-2021	4,769,503	632,614	5,402,117
2021-2023	1,143,141	40,010	1,183,151
Total	\$ 27,982,388	\$ 7,205,768	\$ 35,188,156

General obligation bonds are generally subject to early redemption by the County for a premium. The County did not issue any bonds for fiscal year ending June 30, 2006.

Business-Type Activities General Obligation Bonds And Notes Payable –

The Department of Water Supply (Department) 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.

General obligation bonds payable reported in the Governmental Activities column of net assets at June 30, 2006 are comprised of the following individual issues:

Year	Description	Interest Rates	Final Maturity	Outstanding Balance June 30, 2006
1993	Series F GO and Refunding Bonds	6.00%	12/15/2009	\$ 9,850,000
1998	Series C GO and Refunding	4.65%-4.80%	3/1/2009	635,000
2002	Series C GO and Refunding	2.50%-3.125%	9/1/2008	160,470
2003	Series A and C GO and Refunding	5.00%	9/1/2007	1,195,685
2004	Series F GO and Refunding Bonds	2.25%-4.00%	9/1/2011	7,945,000
2005	Series B GO and Refunding Bonds	3.00%-5.00%	3/1/2018	8,815,000
	Total General Obligation Bonds			28,601,155
	Unamortized Premium			659,934
	Unamortized Deferral on Advance Refunding			(1,124,386)
	Net Bonds Outstanding			\$ 28,136,703

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Annual debt service requirements to maturity for these general obligation bonds at June 30, 2006, were as follows:

	Business-Type Activities General Obligation Bonds		
Year ending	Principal	Interest	Total
June 30:			
2007	3,263,865	1,186,394	4,450,259
2008	4,582,604	991,851	5,574,455
2009	5,099,686	789,664	5,889,350
2010	5,035,000	553,997	5,588,997
2011-2015	7,585,000	1,392,475	8,977,475
2016-2018	3,035,000	296,360	3,331,360
Total	\$ 28,601,155	\$ 5,210,741	\$ 33,811,896

Some of the general obligation bonds may be subject to redemption at the option of the County during specific years at prices ranging from 101% to 100% of their face value.

Generally accepted accounting principles require that bond discounts and premiums, issuance costs, and the difference between the reacquisition price and the carry amount of old debt in advance refunding resulting in a defeasance of debt, be deferred and amortized.

The following summarizes the Departments deferrals as of June 30, 2006.

Business-Type Activities:	
General Obligation Bond Outstanding Balance	\$ 28,601,155
Unamortized Premium	659,934
Unamortized Deferrals on Advanced Refundings	(1,124,386)
Net Bond Outstanding	28,136,703
Notes payable	5,996,027
Total Long-Term Obligations	\$ 34,132,730

Deferred bond issuance costs for the Department as of June 30, 2006 was approximately \$185,000.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

At June 30, 2006, notes payable of the Department consisted of the following:

Note payable to Municipal Services Group, Inc. for meter replacement payable in semi-annual installments of principal and interest of \$302,076 at 5.15% interest, maturing 2006.	\$ 294,493
Note payable to State Revolving Loan Fund for a capital improvement project payable in semi-annual installment of principal, interest, and loan fees of \$272,000 to \$353,000 at an interest rate of 1.55% and loan fee rate of 3.25%, maturing 2019.	5,701,534
	\$ 5,996,027

Annual debt service requirements of these notes at June 30, 2006, including interest of approximately \$2 million were as follows:

	Business-Type Activities Notes Payable		
Year end June	Principal	Interest	Total
30,			
2007	674,990	276,729	951,719
2008	386,281	250,948	637,229
2009	392,560	232,064	624,624
2010	398,536	213,281	611,817
2011-2015	2,087,645	772,304	2,859,949
2016-2019	2,056,015	252,598	2,308,613
	\$ 5,996,027	\$ 1,997,924	\$ 7,993,951

Refunded Bonds -

In prior years, the County defeased certain general obligation and water revenue bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the assets of the irrevocable trust and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2006, approximately \$64.7 million of bonds outstanding were considered defeased.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Other General Obligations -

Other long-term general obligations, including long-term debt, of the County as June 30, 2006 were as follows:

	Balance July 1, 2005	Additions	Reductions/ Payments	Balance June 30, 2006	Due Within One Year
Governmental Activities:					
Accrued Vacation	\$ 19,005,445	\$ 9,019,167	\$ 9,828,454	\$ 18,196,158	\$ 10,319,877
Claims and Judgements	17,484,119	3,279,831	4,887,127	15,876,823	3,535,530
Accrued Landfill Closure Cost (Note 8)	19,149,625	5,250,034	1,035,079	23,364,580	7,678,170
Total - Other General Obligations	55,639,189	17,549,032	15,750,660	57,437,561	21,533,577
Long-Term Debt Total Non-Current Liabilities	232,366,295	716,179	17,584,782	215,497,692	17,879,295
	<u>\$ 288,005,484</u>	<u>\$ 18,265,211</u>	<u>\$ 33,335,442</u>	<u>\$ 272,935,253</u>	<u>\$ 39,412,872</u>
Business-Type Activities:					
Accrued Vacation	\$ 1,672,390	\$ 793,644	\$ 667,229	\$ 1,798,805	\$ 1,016,613
Claims and Judgements	351,169	-	17,651	333,518	35,919
Total - Other General Obligations	2,023,559	793,644	684,880	2,132,323	1,052,532
Long-Term Debt Total Non-Current Liabilities	38,079,893	-	3,947,163	34,132,730	3,938,855
	<u>\$ 40,103,452</u>	<u>\$ 793,644</u>	<u>\$ 4,632,043</u>	<u>\$ 36,265,053</u>	<u>\$ 4,991,387</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

(7) Capital Leases

The County leases equipment under capital leases with interest rates of 11.50% and 18.00%, which expire at various dates through January 2011. Future minimum obligations under capital leases as of June 30, 2006 were as follows:

Minimum lease payments	\$ 382,702
Less amount representing interest	<u>66,190</u>
Present value of future minimum lease payments	<u>\$ 316,512</u>

As of June 30, 2006, the future minimum lease payments were as follows:

June 30,	Lease Payments
2007	108,036
2008	93,641
2009	67,149
2010	43,810
2011	<u>3,876</u>
	<u>\$ 316,512</u>

(8) Solid Waste Landfill Closure and Post-closure Care Costs

The provisions of GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs," requires that the County recognize closure and post-closure care costs over the life of the landfill. The County owns and operates four 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 balance sheet date.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

The \$23,364,580 of accrued landfill closure costs at June 30, 2006 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 \$13,705,000, 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 2006. 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	Remaining Life
	Used	Years
Central Maui Phase I and II (a)	100%	None
Central Maui Phase IV	33%	3
Hana	23%	73
Molokai	42%	18
Lanai	93%	3

(a) The County estimates closure cost of approximately \$7 million, and post closure costs of approximately \$6 million 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 Aa3 and AA- by Moody's and Standard and Poor's, respectively, exceed the required rating.

(9) Retirement Benefits

Defined Benefit Pension Plans -

All full-time employees of the County are eligible to participate in the Employees' Retirement System of the State of Hawaii (ERS), a cost sharing, multiple-employer public employee retirement system covering eligible employees of the State and counties.

The ERS is composed of a contributory retirement plan and a non-contributory retirement plan. Eligible employees who are in service and a member of the existing contributory plan on June 30, 1984, were given an option to remain in the existing plan or join the non-contributory plan, effective January 1, 1985. All new eligible employees hired after June 30, 1984, automatically become members of the non-contributory plan. Both plans provide death and disability benefits and cost of living increases. Benefits are established by State statute.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

In the contributory plan, employees may elect normal retirement at age 55 with 5 years of credited service or elect early retirement at any age with 25 years of credited service. Such employees are entitled to retirement benefits, payable monthly for life, of 2% of their average final salary, as defined, for each year of credited service. Benefits fully vest on reaching five years of service; retirement benefits are actuarially reduced for early retirement. Covered contributory plan employees are required by State statute to contribute 7.8% of their salary to the plan; the County is required by State statute to contribute the remaining amounts necessary to pay contributory plan benefits when due.

In the non-contributory plan, employees may elect normal retirement at age 62 with 10 years of credited service or at age 55 with 30 years of credited service, or elect early retirement at age 55 with 20 years of credited service. Such employees are entitled to retirement benefits, payable monthly for life, of 1.25% of their average final salary, as defined, for each year of credited service. Benefits fully vest on reaching ten years of service; retirement benefits are actuarially reduced for early retirement. The County is required by State statute to contribute all amounts necessary to pay non-contributory plan benefits when due.

The County's contributions to the ERS for the years ended June 30, 2006, 2005, and 2004 were \$14,471,000; \$10,152,000; and \$7,134,000, respectively, equal to the required contributions for each year.

The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 201 Merchant Street, Suit 1400, Honolulu, Hawaii 96813-2929 or by calling (808)586-1660.

Post Retirement Health Care and Life Insurance Benefits -

In addition to providing pension benefits, the State of Hawaii Public Employer-Union Health Benefit Trust Fund provides certain health care (medical, prescription drug, vision and dental) and life insurance benefits for retired County employees. Contributions are based upon negotiated collective bargaining agreements and are limited by State statute to the actual cost of benefit coverage. The County pays for 100% of these benefits for employees who have at least 10 years of service. The County's share of the cost of these benefits is pro-rated for employees with less than 10 years of service. The County also reimburses Medicare expenses of retirees and qualified spouses (through the State of Hawaii) who are at least 62 years of age and have at least 10 years of service. Currently, approximately 940 retirees and surviving spouses are receiving post retirement health care (including Medicare) and life insurance benefits paid for by the County. County contributions for post retirement benefits, which are funded as accrued, approximated \$7.1 million for the year ended June 30, 2006.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Deferred Compensation Plan -

The County participates in the 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. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," is required when plan assets are held in trust under the requirements of the Internal Revenue Code (IRC) Section 457, subsection (g). Subsection (g) requires that all amounts of compensation deferred under the plan as well as property and rights purchased with those amounts and income attributable to those amounts, be held in trust for the exclusive benefit of participants and their beneficiaries. Effective July 1, 1998, the County adopted the requirements of the IRC Section 457, subsection (g).

GASB Statement No. 32 requires deferred compensation plans to be reported as an expendable trust if they meet the fiduciary fund criteria defined in National Council on Governmental Accounting (NCGA) Statement 1. The County's deferred compensation plan does not meet those criteria. Accordingly, the assets and liabilities under the deferred compensation plan (\$55.6 million at June 30, 2006) are not reported in the County's financial statements as of June 30, 2006 in accordance with the provisions of GASB Statement No. 32.

(10) Commitments and Contingencies

Claims and Judgments -

The County is completely self-insured for workers' compensation. The County has public entity liability insurance coverage for general and automobile liability claims in excess of \$500,000 up to \$15 million per occurrence. 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 \$15 million aggregate. The County has \$75 million insurance coverage for property and \$25 million for boiler and machinery.

Settled claims have not exceeded these coverages in any of the past three fiscal years. The estimated total liability of the County of \$17.5 million, with respect to claims and judgments, including claims incurred but not reported by the claimant and settled claims for which funds have not yet been appropriated, is presented on the Statement of Net Assets on the Government-Wide Financial Statements.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Changes in the claims and judgments liability account as of June 30, 2006 and 2005 were as follows:

2006 - Claims and Changes in Estimates				
	Balance	Change to	Claim	Balance
	July 1, 2005	Estimate	Payments	June 30, 2006
		Additions/ (Reductions)		
Governmental Activities:				
Workers' compensation	\$ 3,449,902	\$ 1,564,428	\$ 2,465,951	\$ 2,548,379
Automobile, general liability and other	14,034,217	1,715,403	2,421,176	13,328,444
	<u>\$ 17,484,119</u>	<u>\$ 3,279,831</u>	<u>\$ 4,887,127</u>	<u>\$ 15,876,823</u>
Business-Type Activities:				
Workers' compensation	\$ 298,555	\$ (4,132)	\$ -	\$ 294,423
Automobile, general liability and other	52,614	(13,519)	-	39,095
	<u>\$ 351,169</u>	<u>\$ (17,651)</u>	<u>\$ -</u>	<u>\$ 333,518</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

2005 - Claims and Changes in Estimates

	Balance July 1, 2004	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2005
Governmental Activities:				
Workers' compensation	\$ 3,030,967	\$ 1,839,015	\$ 1,420,080	\$ 3,449,902
Automobile, general liability and other	<u>5,944,507</u>	<u>9,026,512</u>	<u>936,802</u>	<u>14,034,217</u>
	<u>\$ 8,975,474</u>	<u>\$10,865,527</u>	<u>\$ 2,356,882</u>	<u>\$ 17,484,119</u>
Business-Type Activities:				
Workers' compensation	\$ 495,935	\$ (8,381)	\$ 188,999	\$ 298,555
Automobile, general liability and other	<u>45,000</u>	<u>93,591</u>	<u>85,977</u>	<u>52,614</u>
	<u>\$ 540,935</u>	<u>\$ 85,210</u>	<u>\$ 274,976</u>	<u>\$ 351,169</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. 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.

Grants -

The County has received federal and 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.

(11) 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.

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

Unrestricted Cash and Investments -

Unrestricted cash, cash equivalents, and investments at June 30, 2006 include funds for the following purposes:

<i>Designated:</i>	
Capital improvements	\$ 8,337,674
Debt service	3,764,705
Total board-designated	12,102,379
<i>Undesignated</i>	
Total	<u>7,057,777</u>
	<u>\$ 19,160,156</u>

At June 30, 2006 construction contracts payable, including retention, to be paid with designated funds were approximately \$547,000. The unbilled portion of construction contracts outstanding as of June 30, 2006 to be paid with designated funds aggregated approximately \$4.1 million. Included in the unbilled contract amounts for 2006 is approximately \$280,000 for compliance-order projects to get the water system up to Environmental Protection Agency standards. At June 30, 2006 the Department's management estimates an additional \$9.5 million will be needed to complete the compliance projects.

Restricted Assets -

Restricted assets consisted of the following at June 30, 2006:

<i>Cash with the County's Treasury:</i>	
Source development fund assessments	\$ 20,752
Special assessment fund for storage	15,003
Water system development fee	367,152
Contributions in aid of construction from developers	1,147
Construction fund - 1989 G.O. Bonds	984
Private funds	1,194
Customer deposits	18,824
1998 G. O. Bonds	3,132
Federal funds	(126)
State funds	11,912
Total cash with the County's Treasury	<u>\$ 439,974</u>

COUNTY OF MAUI

Notes to the financial statements June 30, 2006

(Continued)

Investments with the County's Treasury:

Source development fund assessments	\$	850,358
Special assessment fund for storage		614,758
Water system development fee		15,044,508
Contributions in aid of construction from developers		47,005
Construction fund – 1989 G.O. Bonds		40,338
Private funds		48,912
Customer deposits		771,357
1998 G. O. Bonds		128,335
Federal funds		(5,174)
State funds		488,089
Total investments with the County's Treasury		<u>18,028,486</u>
Total	\$	<u>18,468,460</u>

At June 30, 2006, construction contracts payable, including retention, to be paid with restricted assets were approximately \$691,000. The unbilled portion of construction contracts as of June 30, 2006 to be paid with restricted assets approximated \$8.6 million.

Restricted Net Assets –

At June 30, 2006, restricted net assets consisted of the following:

Source Development Fund Assessments	\$	871,110
Special Assessment Fund for Storage		629,761
Water System Development Fees		15,411,659
Contributions in Aid of Construction from - Developers		48,152
Private Funds		50,106
Water System Development Fees Receivable		<u>41,322</u>
Total Restricted Net Assets	\$	<u>17,052,110</u>

COUNTY OF MAUI

**Required Supplementary Information
(see Independent Auditors' Report)**

Required Supplementary Information

County of Maui
General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 166,301,061	\$ 166,301,061	\$ 168,610,018	\$ 2,308,957
Licenses and Permits	6,521,000	6,521,000	7,779,365	1,258,365
Intergovernmental	18,930,000	18,930,000	22,421,821	3,491,821
Charges for Current Services	1,315,000	1,315,000	1,440,116	125,116
Fines and Forfeitures	1,040,000	1,040,000	1,389,771	349,771
Money and Property	1,217,000	1,217,000	5,202,147	3,985,147
Other	505,000	505,000	1,412,004	907,004
Total Revenues	<u>195,829,061</u>	<u>195,829,061</u>	<u>208,255,242</u>	<u>12,426,181</u>
EXPENDITURES				
Current:				
General Government	75,946,428	75,723,161	60,001,388	15,721,773
Public Safety	56,486,759	56,334,823	54,110,622	2,224,201
Highways & Streets	5,574,253	5,574,253	5,216,845	357,408
Sanitation	633,000	633,000	615,659	17,341
Social Welfare	13,216,906	13,217,238	12,959,500	257,738
Culture and Recreation	21,169,104	21,271,101	21,084,621	186,480
Legislative	5,195,689	5,195,689	4,446,089	749,600
Total Expenditures	<u>178,222,139</u>	<u>177,949,265</u>	<u>158,434,724</u>	<u>19,514,541</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,606,922</u>	<u>17,879,796</u>	<u>49,820,518</u>	<u>31,940,722</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In:				
Special Revenues Funds	15,904,285	15,904,285	15,138,754	(765,531)
Capital Projects Fund	-	-	214,906	214,906
Proprietary Fund	95,545	95,545	86,845	(8,700)
Operating Transfers Out:				
Special Revenue Funds	(6,337,585)	(6,628,528)	(6,652,421)	(23,893)
Debt Service Fund	(27,366,511)	(27,366,511)	(27,366,511)	-
Capital Projects Fund	-	(9,690,150)	(9,690,150)	-
Total Other Financing Sources (Uses)	<u>(17,704,266)</u>	<u>(27,685,359)</u>	<u>(28,268,577)</u>	<u>(583,218)</u>
Net Change in Fund Balance	(97,344)	(9,805,563)	21,551,941	31,357,504
Unreserved Fund Balance, Beginning of Year	31,214,210	31,214,210	31,214,210	-
Unreserved Fund Balance, End of Year	<u>\$ 31,116,866</u>	<u>\$ 21,408,647</u>	<u>\$ 52,766,151</u>	<u>\$ 31,357,504</u>

See Independent Auditors' Report.

County of Maui
Highway Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 19,048,142	\$ 19,048,142	\$ 20,041,012	\$ 992,870
Licenses and Permits	7,111,000	7,111,000	7,636,545	525,545
Other	-	-	48	48
Total Revenues	<u>26,159,142</u>	<u>26,159,142</u>	<u>27,677,605</u>	<u>1,518,463</u>
EXPENDITURES				
Current:				
Highway and Streets	15,345,859	15,390,160	14,361,207	1,028,953
Total Expenditures	<u>15,345,859</u>	<u>15,390,160</u>	<u>14,361,207</u>	<u>1,028,953</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,813,283</u>	<u>10,768,982</u>	<u>13,316,398</u>	<u>2,547,416</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In:				
General Fund	30,000	30,000	75,000	45,000
Special Revenue Funds	160,000	160,000	134,348	(25,652)
Capital Project Fund	-	-	3,581,878	3,581,878
Operating Transfers Out:				
General Fund	(2,737,045)	(2,737,045)	(2,727,345)	9,700
Special Revenue Funds	(214,037)	(214,037)	(510,435)	(296,398)
Capital Project Fund	-	(12,000,000)	(12,000,000)	-
Total Other Financing Sources (Uses)	<u>(2,761,082)</u>	<u>(14,761,082)</u>	<u>(11,446,554)</u>	<u>3,314,528</u>
Net Change in Fund Balance	8,052,201	(3,992,100)	1,869,844	5,861,944
Unreserved Fund Balance, Beginning of Year	3,074,887	3,074,887	3,074,887	-
Unreserved Fund Balance, End of Year	<u>\$ 11,127,088</u>	<u>\$ (917,213)</u>	<u>\$ 4,944,731</u>	<u>\$ 5,861,944</u>

County of Maui
Wastewater Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and Permits	\$ -	\$ -	\$ 20,340	\$ 20,340
Charges for Current Services	27,175,197	27,175,197	28,135,568	960,371
Fines and Forfeitures	-	-	39,850	39,850
Assessments	-	-	21,780	21,780
Total Revenues	<u>27,175,197</u>	<u>27,175,197</u>	<u>28,217,538</u>	<u>1,042,341</u>
EXPENDITURES				
Current:				
Sanitation	16,198,533	17,042,958	16,658,689	384,269
Total Expenditures	<u>16,198,533</u>	<u>17,042,958</u>	<u>16,658,689</u>	<u>384,269</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,976,664</u>	<u>10,132,239</u>	<u>11,558,849</u>	<u>1,426,610</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In:				
Capital Projects Fund	-	-	200,000	200,000
Assessment Funds	1,500,000	1,500,000	1,500,000	-
Operating Transfers Out:				
General Fund	(10,687,485)	(10,687,485)	(9,932,654)	754,831
Special Revenue Funds	(1,227,000)	(1,223,000)	(1,214,348)	8,652
Capital Projects Fund	-	(945,000)	(945,000)	-
Total Other Financing Sources (Uses)	<u>(10,414,485)</u>	<u>(11,355,485)</u>	<u>(10,392,002)</u>	<u>963,483</u>
Net Change in Fund Balance	562,179	(1,223,246)	1,166,847	2,390,093
Unreserved Fund Balance, Beginning of Year	2,958,791	2,958,791	2,958,791	-
Unreserved Fund Balance, End of Year	<u>\$ 3,520,970</u>	<u>\$ 1,735,545</u>	<u>\$ 4,125,638</u>	<u>\$ 2,390,093</u>

See Independent Auditors' Report.

County of Maui

Notes to the Budgetary Comparison Schedules June 30, 2006

(1) Summary of Significant Accounting Policies

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

The following is a summary of the adjustments necessary to convert general fund from the GAAP basis to the non-GAAP budgetary basis for the year ended June 30, 2006:

	General Fund	Highway Fund	Wastewater Fund
GAAP Basis - Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			
	\$26,504,116	\$ 1,635,700	\$ 1,983,223
Less encumbrances of budgeted funds, June 30, 2006	(18,436,640)	(1,944,426)	(1,722,555)
Add encumbrances to budgeted funds July 1, 2005	<u>13,484,465</u>	<u>2,178,570</u>	<u>906,179</u>
Non-GAAP Budgetary Basis - Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			
	<u>\$21,551,941</u>	<u>\$ 1,869,844</u>	<u>\$ 1,166,847</u>

The grant fund budgets are based on the respective grants and are not considered to be legally adopted budgets.

COUNTY OF MAUI

**Other Supplementary Information
(see Independent Auditors' Report)**

Other Supplementary Information

County of Maui
Combining Balance Sheet
Non-Major Governmental Funds
As of June 30, 2006

	Liquor Control Fund	County Funds	Bicycle Fund	Solid Waste Fund	Other Assessments	Parks Assessments	Sewer Assessments	Total Non- Major Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 48,882	\$ 291,514	\$ 1,849	\$ 105,122	\$ 3,741	\$ 139,517	\$ 67,474	\$ 658,099
Investments	2,003,045	11,945,375	75,758	4,307,582	153,285	5,716,984	2,764,890	26,966,919
Trade receivables	-	-	-	657,005	-	-	-	657,005
Total Assets	<u>\$ 2,051,927</u>	<u>\$ 12,236,889</u>	<u>\$ 77,607</u>	<u>\$ 5,069,709</u>	<u>\$ 157,026</u>	<u>\$ 5,856,501</u>	<u>\$ 2,832,364</u>	<u>\$ 28,282,023</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers payable	\$ 7,054	\$ 66,053	\$ -	\$ 330,456	\$ -	\$ -	\$ -	\$ 403,563
Advance collections	256,330	-	-	24,238	-	-	-	280,568
Deferred revenue	-	-	-	470,783	-	-	-	470,783
Other	5,542	2,017	-	22,795	-	-	-	30,354
Total Liabilities	<u>268,926</u>	<u>68,070</u>	<u>-</u>	<u>848,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,185,268</u>
Fund Balances:								
Reserved for encumbrances	2,920	603,437	-	1,847,709	-	-	-	2,454,066
Unreserved - Special Revenue Funds	1,780,081	11,565,382	77,607	2,373,728	157,026	5,856,501	2,832,364	24,642,689
Total Fund Balances	<u>1,783,001</u>	<u>12,168,819</u>	<u>77,607</u>	<u>4,221,437</u>	<u>157,026</u>	<u>5,856,501</u>	<u>2,832,364</u>	<u>27,096,755</u>
Total Liabilities and Fund Balances	<u>\$ 2,051,927</u>	<u>\$ 12,236,889</u>	<u>\$ 77,607</u>	<u>\$ 5,069,709</u>	<u>\$ 157,026</u>	<u>\$ 5,856,501</u>	<u>\$ 2,832,364</u>	<u>\$ 28,282,023</u>

County of Maui
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended June 30, 2006

	Liquor Control Fund	County Funds	Bicycle Fund	Solid Waste Fund	Other Assessments	Parks Assessments	Sewer Assessments	Total Non- Major Governmental Funds
REVENUES								
Licenses and permits	\$ 2,094,023	\$ 33,497	\$ 47,135	\$ 390	\$ -	\$ -	\$ -	\$ 2,175,045
Intergovernmental revenues	-	1,809	-	-	-	-	-	1,809
Charges for current services	-	482	-	9,644,300	-	-	-	9,644,782
Fines and forfeitures	-	33,640	-	-	-	-	-	33,640
Money and property Assessments	-	-	-	-	4,500	4,806,097	2,312,444	7,123,041
Other	-	2,441,871	-	55,388	-	-	-	2,497,259
Total Revenues	<u>2,094,023</u>	<u>2,511,299</u>	<u>47,135</u>	<u>9,700,078</u>	<u>4,500</u>	<u>4,806,097</u>	<u>2,312,444</u>	<u>21,475,576</u>
EXPENDITURES								
Current:								
General government	-	427,088	-	-	-	-	-	427,088
Public safety	-	46,193	-	-	-	-	-	46,193
Highways and streets	-	928,756	-	-	-	-	-	928,756
Sanitation	-	1,620	-	10,701,512	-	-	-	10,703,132
Social welfare	1,909,081	107,854	-	-	-	-	-	2,016,935
Culture and Recreation	-	7,167	-	-	-	-	-	7,167
Total Expenditures	<u>1,909,081</u>	<u>1,518,678</u>	<u>-</u>	<u>10,701,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,129,271</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>184,942</u>	<u>992,621</u>	<u>47,135</u>	<u>(1,001,434)</u>	<u>4,500</u>	<u>4,806,097</u>	<u>2,312,444</u>	<u>7,346,305</u>
OTHER FINANCING SOURCES (USES)								
Operating Transfers In:								
General Fund	-	3,567,365	-	2,795,080	-	-	-	6,362,445
Special Revenue Funds	-	-	214,037	1,210,000	-	-	-	1,424,037
Capital Projects Fund	-	-	48,895	-	-	138,419	-	187,314
Operating Transfers Out:								
General Fund	-	-	-	(2,478,755)	-	-	-	(2,478,755)
Special Revenue Funds	-	-	-	(130,000)	-	-	(1,500,000)	(1,630,000)
Capital Projects Fund	-	-	(300,000)	-	-	(808,000)	-	(1,108,000)
Total Other Financing Sources and Uses	<u>-</u>	<u>3,567,365</u>	<u>(37,068)</u>	<u>1,396,325</u>	<u>-</u>	<u>(669,581)</u>	<u>(1,500,000)</u>	<u>2,757,041</u>
Net Change in Fund Balances	<u>184,942</u>	<u>4,559,986</u>	<u>10,067</u>	<u>394,891</u>	<u>4,500</u>	<u>4,136,516</u>	<u>812,444</u>	<u>10,103,346</u>
Fund Balances, Beginning of Period	1,598,059	7,608,833	67,540	3,826,546	152,526	1,719,985	2,019,920	16,993,409
Fund Balances, End of Period	<u>\$ 1,783,001</u>	<u>\$ 12,168,819</u>	<u>\$ 77,607</u>	<u>\$ 4,221,437</u>	<u>\$ 157,026</u>	<u>\$ 5,856,501</u>	<u>\$ 2,832,364</u>	<u>\$ 27,096,755</u>

County of Maui
Schedule of Changes in Fiduciary Assets
Fiduciary Funds
For the Year Ended June 30, 2006

	July 1, 2005	Addition	Deductions	June 30, 2006
Refundable Deposits Fund:				
Assets:				
Cash and cash equivalents	\$ 3,531,338	\$ 2,524,771	\$ 1,446,444	\$ 4,609,665
Other current assets	1,963,172	-	864,437	1,098,735
Other non-current assets	132,745	-	-	132,745
Total Assets	<u>5,627,255</u>	<u>2,524,771</u>	<u>2,310,881</u>	<u>5,841,145</u>
Liabilities:				
Accounts payable	53,741	1,366,360	1,377,680	42,421
Deposits	5,424,619	2,931,834	2,706,624	5,649,829
Due to State of Hawaii	148,895	-	-	148,895
Total Liabilities	<u>5,627,255</u>	<u>4,298,194</u>	<u>4,084,304</u>	<u>5,841,145</u>
Net Assets	<u>\$ -</u>	<u>\$ (1,773,423)</u>	<u>\$ (1,773,423)</u>	<u>\$ -</u>
Liquor Control Fund:				
Assets:				
Cash and cash equivalents	\$ 576	\$ 265,438	\$ 266,391	\$ (377)
Total Assets	<u>576</u>	<u>265,438</u>	<u>266,391</u>	<u>(377)</u>
Liabilities:				
Accounts payable	900	9,161	10,061	-
Deposits	(324)	265,438	265,491	(377)
Total Liabilities	<u>576</u>	<u>274,599</u>	<u>275,552</u>	<u>(377)</u>
Net Assets	<u>\$ -</u>	<u>\$ (9,161)</u>	<u>\$ (9,161)</u>	<u>\$ -</u>
State Highway Fund:				
Assets:				
Cash and cash equivalents	\$ 1,689,723	\$ 8,784,346	\$ 8,840,902	\$ 1,633,167
Total Assets	<u>1,689,723</u>	<u>8,784,346</u>	<u>8,840,902</u>	<u>1,633,167</u>
Liabilities:				
Accounts payable	-	-	-	-
Deposits	1,689,723	8,784,346	8,840,902	1,633,167
Total Liabilities	<u>1,689,723</u>	<u>8,784,346</u>	<u>8,840,902</u>	<u>1,633,167</u>
Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Funds:				
Assets:				
Cash and cash equivalents	\$ 2,646,093	\$ 59,055,781	\$ 58,916,318	\$ 2,785,556
Total Assets	<u>2,646,093</u>	<u>59,055,781</u>	<u>58,916,318</u>	<u>2,785,556</u>
Liabilities:				
Accounts payable	(85)	19,051,450	19,003,980	47,385
Deposits	2,646,178	59,048,142	58,956,149	2,738,171
Total Liabilities	<u>2,646,093</u>	<u>78,099,592</u>	<u>77,960,129</u>	<u>2,785,556</u>
Net Assets	<u>\$ -</u>	<u>\$ (19,043,811)</u>	<u>\$ (19,043,811)</u>	<u>\$ -</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 7,867,729	\$ 70,630,336	\$ 69,470,054	\$ 9,028,011
Other current assets	1,963,172	-	864,437	1,098,735
Other non-current assets	132,745	-	-	132,745
Total Assets	<u>9,963,646</u>	<u>70,630,336</u>	<u>70,334,491</u>	<u>10,259,491</u>
Liabilities:				
Accounts payable	54,555	27,619,770	27,584,519	89,806
Deposits	9,760,196	71,029,760	70,769,166	10,020,790
Due to State of Hawaii	148,895	-	-	148,895
Total Liabilities	<u>9,963,646</u>	<u>98,649,530</u>	<u>98,353,685</u>	<u>10,259,491</u>
Net Assets	<u>\$ -</u>	<u>\$ (28,019,194)</u>	<u>\$ (28,019,194)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

County of Maui
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt Service:				
Principal payments	17,059,259	17,059,259	17,059,259	-
Interest and other issuance costs	10,307,252	10,307,252	10,307,252	-
Total Expenditures	<u>27,366,511</u>	<u>27,366,511</u>	<u>27,366,511</u>	<u>-</u>
Excess (Deficiency) of Revenues Over				
Expenditures	<u>(27,366,511)</u>	<u>(27,366,511)</u>	<u>(27,366,511)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Refunding Loan Proceeds	-	-	-	-
Payment to escrow for bond refunding	-	-	-	-
Operating Transfers In:				
General Fund	<u>27,366,511</u>	<u>27,366,511</u>	<u>27,366,511</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>27,366,511</u>	<u>27,366,511</u>	<u>27,366,511</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Unreserved Fund Balance, Beginning of Year	-	-	-	-
Unreserved Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Maui
General Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006
(Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General Revenue:					
Real Property Tax Revenue	\$ 161,701,061	\$ -	\$ 161,701,061	\$ 162,220,483	\$ 519,422
Public Service Company Tax	4,600,000	-	4,600,000	6,389,535	1,789,535
Total - General Revenue	<u>166,301,061</u>	<u>-</u>	<u>166,301,061</u>	<u>168,610,018</u>	<u>2,308,957</u>
Total - Taxes	<u>166,301,061</u>	<u>-</u>	<u>166,301,061</u>	<u>168,610,018</u>	<u>2,308,957</u>
Licenses and Permits:					
General Government:					
Business licenses and permits	5,000	-	5,000	26,971	21,971
Other licenses and permits	3,119,000	-	3,119,000	4,201,415	1,082,415
Motor vehicle licenses and fees	3,397,000	-	3,397,000	3,550,979	153,979
Total - General Government	<u>6,521,000</u>	<u>-</u>	<u>6,521,000</u>	<u>7,779,365</u>	<u>1,258,365</u>
Total - Licenses and Permits	<u>6,521,000</u>	<u>-</u>	<u>6,521,000</u>	<u>7,779,365</u>	<u>1,258,365</u>
Intergovernmental Revenues:					
General revenue:					
General payment in lieu of taxes	2,000	-	2,000	23,022	21,022
Transient accommodation taxes	18,840,000	-	18,840,000	22,293,991	3,453,991
State payment in lieu of taxes	25,000	-	25,000	12,935	(12,065)
Total - General Revenue	<u>18,867,000</u>	<u>-</u>	<u>18,867,000</u>	<u>22,329,948</u>	<u>3,462,948</u>

See Independent Auditors' Report.

County of Maui
 General Fund
 Schedule of Revenues - Budget Estimate and Actual
 For the Year Ended June 30, 2006
 (Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Public Safety:					
Federal grants passed through from the State	50,000	-	50,000	46,073	(3,927)
Total - Public Safety	50,000	-	50,000	46,073	(3,927)
Social Welfare:					
Federal grants	5,000	-	5,000	33,300	28,300
State grants	8,000	-	8,000	12,500	4,500
Total - Social Welfare	13,000	-	13,000	45,800	32,800
Total - Intergovernmental revenues	18,930,000	-	18,930,000	22,421,821	3,491,821
Charges for Current Services:					
General revenue:					
General Government	200	-	200	-	(200)
General Government:					
General government	58,400	-	58,400	73,181	14,781
Safety	900,960	-	900,960	974,058	73,098
Total - General Government	959,360	-	959,360	1,047,239	87,879
Public Safety:					
General Government	11,300	-	11,300	5,837	(5,463)
Safety	39,040	-	39,040	40,950	1,910
Total - Public Safety	50,340	-	50,340	46,787	(3,553)

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006
(Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Culture and Recreation:					
Recreation	302,000	-	302,000	344,389	42,389
Legislative:					
General government	3,100	-	3,100	1,701	(1,399)
Total - Charges for Current Services	1,315,000	-	1,315,000	1,440,116	125,116
Fines and Forfeitures:					
General Government:					
Penalties and interest	1,040,000	-	1,040,000	1,381,371	341,371
Fines	-	-	-	8,400	8,400
Total - General Government	1,040,000	-	1,040,000	1,389,771	349,771
Total - Fines and Forfeitures	1,040,000	-	1,040,000	1,389,771	349,771
Revenue From Money and Property:					
General revenue:					
Interest on investments	1,057,000	-	1,057,000	5,057,000	4,000,000
General Government:					
Rental income	76,800	-	76,800	68,690	(8,110)
Culture and Recreation:					
Rental income	83,200	-	83,200	76,457	(6,743)
Total - Revenue From Money and Property	1,217,000	-	1,217,000	5,202,147	3,985,147

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006
(Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Other Revenues:					
General revenue:					
Miscellaneous general receipts	1,000	-	1,000	74,670	73,670
General Government:					
Miscellaneous program receipts	439,500	-	439,500	1,063,378	623,878
Public Safety:					
Miscellaneous program receipts	29,500	-	29,500	61,983	32,483
Highways and Streets:					
Miscellaneous program receipts	-	-	-	150,480	150,480
Social Welfare:					
Miscellaneous program receipts	19,500	-	19,500	40,296	20,796
Culture and Recreation:					
Miscellaneous program receipts	14,500	-	14,500	19,701	5,201
Legislative:					
Miscellaneous program receipts	1,000	-	1,000	1,496	496
Total - Other Revenues	505,000	-	505,000	1,412,004	907,004
Total General Fund Revenue	\$ 195,829,061	\$ -	\$ 195,829,061	\$ 208,255,242	\$ 12,426,181

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
General Government:							
Office of the Mayor:							
Office of Mayor Administration	\$ 6,148	\$ 1,188,885	\$ -	\$ 1,195,033	\$ 1,054,007	\$ 18,049	\$ 122,977
Economic Development	344	287,291	-	287,635	284,293	125	3,217
Molokai Economic Development	59,070	169,900	-	228,970	87,410	136,680	4,880
Agriculture Promotion	141,730	135,900	-	277,630	153,625	116,586	7,419
Aquaculture and Marine Resources	24,438	60,000	-	84,438	77,154	6,002	1,282
Film Industry Promotions	22,447	85,000	-	107,447	78,692	28,716	39
Maui County Farm Bureau	115,105	150,000	-	265,105	75,325	187,859	1,921
Maui Economic Development Board	153,624	535,000	-	688,624	587,491	101,104	29
Maui Visitors Bureau	31,942	3,500,000	-	3,531,942	3,394,470	137,472	-
Small Business/High Tech Promotion	41,232	100,000	-	141,232	114,457	24,367	2,408
Maui Arts and Cultural Center	177,576	400,000	-	577,576	246,532	331,044	-
Business Research Library	3,804	130,000	-	133,804	129,013	4,791	-
Culture and Arts	15,000	-	-	15,000	-	15,000	-
Aloha Festivals	-	40,000	-	40,000	30,000	10,000	-
Environmental Protection	287,262	600,000	-	887,262	420,266	466,996	-
East Maui Economic Development /Cultural	13,865	75,000	-	88,865	63,399	20,466	5,000
Small Town Development/Revitalization	188	-	-	188	-	188	-
Cultural Restoration	2,069	-	-	2,069	-	2,069	-
Paniolo Museum	47,666	-	-	47,666	-	47,666	-
Agricultural Processing Plant	374,884	-	-	374,884	-	374,884	-
UH Tropical Ag/Human Resources	-	100,000	-	100,000	83,433	16,567	-
Maui Symphony Orchestra	2,004	-	-	2,004	-	2,004	-
MEO Business Develop Micro Enterprise	110,521	150,000	-	260,521	110,521	150,000	-
Maui Nui Botanical Gardens	-	125,000	-	125,000	125,000	-	-

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

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Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Iao Theatre Restoration	148,047	-	-	148,047	79,740	68,307	-
Solar Water Heater Initiatives	-	100,000	-	100,000	100,000	-	-
Piko A'O	7,844	-	-	7,844	-	-	7,844
UH Maui Seas Grant-Coastal Processes	3,110	-	-	3,110	3,081	-	29
Maui Soil/Water Conservation	1,000	38,870	-	39,870	38,870	1,000	-
Soil/Water Conservation-Molokai and Lanai	5,000	10,000	-	15,000	10,000	5,000	-
Watershed Protection	400,000	200,000	-	600,000	131,259	468,741	-
HFI/USC Film School	22	-	-	22	-	22	-
Dengue Fever, Anthrax and Others	582	-	-	582	-	-	582
Molokai Livestock Cooperative	37,250	-	-	37,250	26,495	10,755	-
Centennial Celebration	43,988	20,000	-	63,988	43,988	20,000	-
Cane Top Utilization Study	50,000	-	-	50,000	-	50,000	-
Wailuku Business Center/Lokahi Pacific	31,442	-	-	31,442	31,442	-	-
Filipino Centennial Celebration	-	25,000	-	25,000	596	24,404	-
Maui Redevelopment Agency	-	80,000	-	80,000	23,391	4,502	52,107
US Geological Survey Na Wai Eha	-	75,000	-	75,000	-	75,000	-
Maui Long Term Care Partnership	-	20,000	-	20,000	14,500	5,500	-
Historical/Cultural Preservation	-	50,000	-	50,000	5,000	44,526	474
SERV	2,545	-	-	2,545	-	2,545	-
E-Tech	48,880	410,225	-	459,105	141,637	198,248	119,220
GASB 34 Compliance	35,763	-	-	35,763	-	35,763	-
Total Office of the Mayor	2,446,392	8,861,071	-	11,307,463	7,765,087	3,212,948	329,428
Management:							
Management	42,896	585,422	-	628,318	505,866	14,493	107,959
Countywide Security Systems	48,927	-	-	48,927	48,927	-	-
South Maui Study	8,625	-	-	8,625	2,250	-	6,375

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Energy	-	91,238	-	91,238	74,752	-	16,486
Management Information Systems	285,883	2,408,759	-	2,694,642	2,314,137	376,645	3,860
Geographic Information Systems	12,866	319,838	-	332,704	264,181	2,197	66,326
Total Management	399,197	3,405,257	-	3,804,454	3,210,113	393,335	201,006
Corporation Counsel:							
Legal Services	14,710	1,850,784	-	1,865,494	1,739,805	66,461	59,228
Finance:							
Administration / Risk Management / Treasury	94,707	1,154,101	-	1,248,808	930,589	111,265	206,954
Accounts	2,451	816,668	-	819,119	771,480	2,557	45,082
Purchasing	500	280,825	8,969	290,294	284,008	2,071	4,215
Financial Services	433,015	4,035,981	-	4,468,996	3,585,220	411,321	472,455
Countywide Service Center Lease	25,222	275,000	-	300,222	264,134	26,399	9,689
Interfund Fringe Reimbursement	-	(8,595,606)	-	(8,595,606)	(7,650,407)	-	(945,199)
Countywide Fringe Benefits	95,101	42,297,531	-	42,392,632	37,852,009	95,538	4,445,085
Bond Issuance and Debt Service	62,010	1,238,111	-	1,300,121	30,843	98,922	1,170,356
Insurance and Self Insurance	1,030,727	4,940,000	-	5,970,727	3,537,311	1,393,302	1,040,114
County-Wide General Costs	838,915	8,492,407	(232,236)	9,099,086	989,241	19,300	8,090,545
Lease Costs	-	546,000	-	546,000	519,720	7,508	18,772
Overhead Reimbursements	-	(5,098,556)	-	(5,098,556)	(4,702,876)	-	(395,680)
Total Finance	2,582,648	50,382,462	(223,267)	52,741,843	36,411,272	2,168,183	14,162,388
Personnel Services:							
Personnel Services	26,354	1,260,407	-	1,286,761	1,115,567	39,603	131,591
Planning:							
Planning	905,868	2,961,512	-	3,867,380	2,802,026	802,291	263,063
General Plan Update	214,832	90,000	-	304,832	114,225	190,304	303
Wailuku Main St. / Tri-Isle Main	41,250	200,000	-	241,250	191,250	50,000	-

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Maui Redevelopment Agency	15,000	-	-	15,000	15,000	-	-
South Maui Transportation Model	3,309	-	-	3,309	-	3,309	-
Digital Flood Mapping	83,000	50,000	-	133,000	22,293	77,707	33,000
Aerial Photography	75,000	75,000	-	150,000	5,773	125,227	19,000
Molokai Main Street Association	20,000	-	-	20,000	-	20,000	-
Spatial Growth Model	-	75,000	-	75,000	71,000	4,000	-
UH-Maui Sea Grant	-	52,200	-	52,200	45,568	6,632	-
Environmental Assessments	-	75,000	-	75,000	-	-	75,000
Total Planning	1,358,259	3,578,712	-	4,936,971	3,267,135	1,279,470	390,366
Public Works and Environmental Management:							
Public Works Administration	208	408,097	-	408,305	376,909	2,150	29,246
Engineering	71,996	1,618,568	-	1,690,564	1,516,465	112,239	61,860
Special Maintenance	150,794	2,535,060	-	2,685,854	1,954,898	413,232	317,724
Energy Retro-Fit	434	-	-	434	-	434	-
Development Services Administration	25,868	2,046,010	-	2,071,878	2,005,578	27,363	38,937
Total Public Works and Environmental Management	249,300	6,607,735	-	6,857,035	5,853,850	555,418	447,767
Total General Government	7,076,860	75,946,428	(223,267)	82,800,021	59,362,829	7,715,418	15,721,774
Public Safety:							
Prosecuting Attorney:							
Prosecutors Administration	-	554,199	2,763	556,962	555,636	1,326	-
General Prosecution	7,572	3,246,138	(191,083)	3,062,627	2,703,655	43,769	315,203
Total Prosecuting Attorney	7,572	3,800,337	(188,320)	3,619,589	3,259,291	45,095	315,203

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Police:							
Police Administration	52,879	3,135,618	-	3,188,497	2,886,582	218,136	83,779
Investigative Service	109,751	5,945,855	-	6,055,606	5,050,880	135,573	869,153
Uniformed Patrol Services	1,064,774	16,618,827	26,504	17,710,105	16,649,864	1,060,241	-
Technical and Support Services	200,420	6,099,926	9,880	6,310,226	5,812,972	497,254	-
Total Police	1,427,824	31,800,226	36,384	33,264,434	30,400,298	1,911,204	952,932
Fire and Public Safety:							
Fire Control Administration and Maintenance	32,613	1,127,862	-	1,160,475	797,511	120,224	242,740
Fire Control Training	73,918	670,110	-	744,028	619,866	124,151	11
Fire Rescue Operations	1,085,748	18,104,803	-	19,190,551	15,992,547	2,635,547	562,457
Fire Prevention	8,134	658,657	-	666,791	507,543	73,453	85,795
Total Fire and Public Safety	1,200,413	20,561,432	-	21,761,845	17,917,467	2,953,375	891,003
Civil Defense:							
Civil Defense	34,849	324,764	-	359,613	282,587	11,961	65,065
Total Public Safety	2,670,658	56,486,759	(151,936)	59,005,481	51,859,643	4,921,635	2,224,203
Highways and Streets:							
Transportation:							
Transportation Administration	2,799	291,756	-	294,555	263,910	26,394	4,251
Dialysis transportation	180,281	247,586	-	427,867	346,859	24,759	56,249
Ala Hou	33,500	345,050	-	378,550	344,045	34,505	-
Moe Youth Transportation	43,500	-	-	43,500	43,500	-	-
MEO Bus Replacement	-	197,000	-	197,000	-	197,000	-
School Bus Transportation	-	151,000	-	151,000	32,873	-	118,127
Public Transit	67,500	-	-	67,500	67,500	-	-

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Air Ambulance	-	800,000	-	800,000	641,219	-	158,781
MEO Transportation Services	-	3,521,861	-	3,521,861	2,927,730	594,131	-
Hale O Lanakila for Transportation	-	20,000	-	20,000	-	-	20,000
Total Transportation	327,580	5,574,253	-	5,901,833	4,667,636	876,789	357,408
Total Highways and Streets	327,580	5,574,253	-	5,901,833	4,667,636	876,789	357,408
Sanitation:							
Public Works and Environmental Management:							
Abandoned Vehicle Scrap Metal	731,982	633,000	-	1,364,982	1,266,045	81,596	17,341
Total Sanitation	731,982	633,000	-	1,364,982	1,266,045	81,596	17,341
Social Welfare:							
Housing and Human Concerns:							
Housing and Human Concerns Administration	241	383,986	-	384,227	360,283	4,276	19,668
Housing	1,624	371,743	332	373,699	363,399	10,300	-
Hana Affordable Housing	-	225,000	-	225,000	-	225,000	-
Affordable Housing for Renters	-	400,000	-	400,000	-	400,000	-
Human Concerns - General	131,580	3,367,605	-	3,499,185	3,384,460	66,919	47,806
MEO Enlace Hispano	11,000	110,000	-	121,000	121,000	-	-
Maui Drug Court	2,454	-	-	2,454	-	2,454	-
Women Helping Women	14,000	140,000	-	154,000	154,000	-	-
Early Childhood	7,500	75,000	-	82,500	75,000	7,500	-
Culture and Arts	4,884	80,000	-	84,884	81,188	3,696	-
Substance Abuse	100,300	738,000	-	838,300	483,400	213,900	141,000
E Malama I Na Keiki Preschool	6,000	60,000	-	66,000	60,000	6,000	-

See Independent Auditors' Report.

County of Maui
 General Fund
 Schedule of Appropriations, Expenditures and Encumbrances
 For the Year Ended June 30, 2006
 (Continued)

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Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Homeless	42,368	520,000	-	562,368	536,222	26,146	-
Maui Adult Day Care Center	18,000	180,000	-	198,000	180,000	18,000	-
MCC Cooperative Education	5,393	50,000	-	55,393	45,000	5,393	5,000
MEO Headstart After School	19,500	195,000	-	214,500	195,000	19,500	-
MEO Headstart Summer	85,000	85,000	-	170,000	106,250	63,750	-
Community Partnership Grants	200,967	1,224,000	-	1,424,967	1,239,770	177,780	7,417
MCCC Workline	13,800	-	-	13,800	-	13,800	-
Youth Centers	31,321	1,750,000	-	1,781,321	1,616,905	164,416	-
Hana Human Services	1,000	20,000	-	21,000	14,132	6,868	-
Youth Activities	12,721	150,000	-	162,721	146,032	16,689	-
Big Brothers and Sisters	8,000	80,000	-	88,000	80,000	8,000	-
Light Bringers Rescue Mission	5,000	-	-	5,000	-	5,000	-
Self Sufficiency	7,800	175,000	-	182,800	142,632	40,168	-
Hana Canoe Club	2,000	-	-	2,000	-	2,000	-
MEO Infant Toddler Care	11,662	72,000	-	83,662	72,000	11,662	-
Molokai Summer	13,000	13,000	-	26,000	23,400	2,600	-
MEO Youth Bank	15,000	155,000	-	170,000	154,500	15,500	-
Maui Community Food Bank	15,000	150,000	-	165,000	150,000	15,000	-
Hui Malama Learning Center	-	180,000	-	180,000	162,000	18,000	-
UH Maui Dental Clinic	3,240	-	-	3,240	-	3,240	-
Salvation Army	15,000	150,000	-	165,000	127,500	37,500	-
Community Workday	-	150,000	-	150,000	150,000	-	-
Lanai Community Dialysis	37,500	-	-	37,500	-	37,500	-
Cultural Preservation and Restoration	12,500	-	-	12,500	12,500	-	-
Alu Like Kahua Ola Hou-Molokai	150,000	150,000	-	300,000	123,353	150,000	26,647
Hui Noeau	-	150,000	-	150,000	135,000	15,000	-

See Independent Auditors' Report.

County of Maui
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Maui Farm	-	140,000	-	140,000	140,000	-	-
Coalition for Drug Free Lanai	-	50,000	-	50,000	45,000	5,000	-
Hale Mahaolu Ehiku Fire Sprinkler	-	70,000	-	70,000	-	70,000	-
Lahaina Tutoring Project	-	6,000	-	6,000	5,900	100	-
Volunteer Center Project Graduation	-	12,000	-	12,000	11,000	1,000	-
Animal Management	23,572	1,300,000	-	1,323,572	1,193,572	130,000	-
Total Housing and Human Concerns	1,028,927	13,128,334	332	14,157,593	11,890,398	2,019,657	247,538
Public Works and Waste Management:							
Special Maintenance	3,044	88,572	-	91,616	80,918	500	10,198
Total Social Welfare	1,031,971	13,216,906	332	14,249,209	11,971,316	2,020,157	257,736
Culture and Recreation:							
Parks and Recreation:							
Parks and Recreation Administration	3,280	802,065	-	805,345	753,042	38,568	13,735
MCCC - Workline	124,000	207,000	-	331,000	115,921	150,080	64,999
Friends of Moku`ula	75,000	-	-	75,000	-	75,000	-
YMCA	8,000	-	-	8,000	8,000	-	-
Lahaina Restoration Foundation	16,992	120,000	-	136,992	136,992	-	-
Skate Park Management	-	32,000	-	32,000	14,876	17,124	-
Binhi At Ani Community Center	3,361	-	-	3,361	-	3,361	-
Park Maintenance	211,049	2,517,271	-	2,728,320	2,293,309	433,950	1,061
Maintenance of Street Trees	-	300,000	-	300,000	44,654	254,650	696
Planning and Development	76,731	361,660	-	438,391	401,529	28,286	8,576
Recreation and Support Services	425,017	11,260,897	23,380	11,709,294	10,940,409	768,885	-

See Independent Auditors' Report.

County of Maui
 General Fund
 Schedule of Appropriations, Expenditures and Encumbrances
 For the Year Ended June 30, 2006
 (Continued)

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
PALS	117,698	1,237,336	-	1,355,034	1,210,555	77,463	67,016
Aquatics	31,860	4,330,875	78,617	4,441,352	4,322,121	88,835	30,396
Total Parks and Recreation	<u>1,092,988</u>	<u>21,169,104</u>	<u>101,997</u>	<u>22,364,089</u>	<u>20,241,408</u>	<u>1,936,202</u>	<u>186,479</u>
Total Culture and Recreation	<u>1,092,988</u>	<u>21,169,104</u>	<u>101,997</u>	<u>22,364,089</u>	<u>20,241,408</u>	<u>1,936,202</u>	<u>186,479</u>
Legislative:							
County Council:							
Council Services	525,502	4,432,596	-	4,958,098	3,558,938	781,042	618,118
County Clerk:							
County Clerk	26,925	763,093	-	790,018	554,734	103,801	131,483
Total Legislative	<u>552,427</u>	<u>5,195,689</u>	<u>-</u>	<u>5,748,116</u>	<u>4,113,672</u>	<u>884,843</u>	<u>749,601</u>
Total for the General Fund	<u>\$ 13,484,466</u>	<u>\$ 178,222,139</u>	<u>\$ (272,874)</u>	<u>\$ 191,433,731</u>	<u>\$ 153,482,549</u>	<u>\$ 18,436,640</u>	<u>\$ 19,514,542</u>

See Independent Auditors' Report.

**County of Maui
Highway Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006**

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenue:					
Franchise Tax	\$ 6,039,000	\$ -	\$ 6,039,000	\$ 7,382,340	\$ 1,343,340
Fuel Tax	13,006,142	-	13,006,142	12,658,672	(347,470)
Total - General revenue	19,045,142	-	19,045,142	20,041,012	995,870
Total - Taxes	19,045,142	-	19,045,142	20,041,012	995,870
Licenses and Permits:					
Highway and Streets:					
Motor vehicle licenses and fees	7,111,000	-	7,111,000	7,636,545	525,545
Total - General Government	7,111,000	-	7,111,000	7,636,545	525,545
Total - Licenses and Permits	7,111,000	-	7,111,000	7,636,545	525,545
Other Revenues:					
Highways and Streets:					
Miscellaneous program receipts	-	-	-	48	48
Total - Other Revenues	-	-	-	48	48
Total Highway Fund Revenue	\$ 26,156,142	\$ -	\$ 26,156,142	\$ 27,677,605	\$ 1,521,463

See Independent Auditors' Report.

County of Maui
Highway Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Highway and Streets:							
Public Works and Environment Management:							
Highway Administration	\$ -	\$ 425,901	\$ 6,802	\$ 432,703	\$ 379,879	\$ 52,823	\$ 1
Highway ERS and FICA	-	1,217,525	-	1,217,525	780,260	-	437,265
Highway Health Fund	-	881,983	-	881,983	865,671	-	16,312
Highway Admin Overhead	-	1,373,642	-	1,373,642	1,373,642	-	-
Road / Bridge / Drain Maintenance	855,040	7,139,717	-	7,994,757	6,875,406	1,022,498	96,853
Traffic Signs and Marking	62,300	959,557	-	1,021,857	700,017	225,749	96,091
Garage Services	42,856	1,944,142	37,499	2,024,497	1,934,630	42,264	47,603
Total Public Works and Waste Management	960,196	13,942,467	44,301	14,946,964	12,909,505	1,343,334	694,125
Transportation:							
MEO Community Transportation	\$ 77,250	\$ 131,173	\$ -	\$ 208,423	\$ 77,250	\$ 131,173	\$ -
MEO Bus Replacement-Highway	396,720	-	-	396,720	199,720	197,000	-
MEO Bus Wireless Communication	162,000	-	-	162,000	162,000	-	-
MEO Portable Bus Lift System	40,000	-	-	40,000	40,000	-	-
Public Transit-Highway Funds	234,814	1,172,219	-	1,407,033	835,781	252,827	318,425
Transportation Service-Highway	307,497	-	-	307,497	307,497	-	-
Five-Year Bus Transit Implementation	92	-	-	92	-	92	-
Public Transit Program-Business Sinage	-	100,000	-	100,000	63,598	20,000	16,402
Total Transportation	1,218,373	1,403,392	-	2,621,765	1,685,846	601,092	334,827
Total Highways and Streets	2,178,569	15,345,859	44,301	17,568,729	14,595,351	1,944,426	1,028,952
Totals - Highway Fund	\$ 2,178,569	\$ 15,345,859	\$ 44,301	\$ 17,568,729	\$ 14,595,351	\$ 1,944,426	\$ 1,028,952

County of Maui
Wastewater Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Licenses and Permits:					
Sanitation:					
Other Licenses and Permits	\$ -	\$ -	\$ -	\$ 20,340	\$ 20,340
Total - License and Permits	-	-	-	20,340	20,340
Charges for Current Services:					
Sanitation:					
Waste Management	27,175,197	-	27,175,197	28,135,568	960,371
Total - Charges for Current Services	27,175,197	-	27,175,197	28,135,568	960,371
Fines and Forfeitures:					
Sanitation:					
Fines	-	-	-	39,850	39,850
Total - Fines and Forfeitures	-	-	-	39,850	39,850
Other Revenues:					
Sanitation:					
Operating Contributions	-	-	-	20,958	20,958
Miscellaneous Program Receipts	-	-	-	822	822
Total - Other Revenues	-	-	-	21,780	21,780
Total Wastewater Fund Revenue	\$ 27,175,197	\$ -	\$ 27,175,197	\$ 28,217,538	\$ 1,042,341

See Independent Auditors' Report.

County of Maui
Wastewater Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Sanitation:							
Public Works and Environmental Management:							
Wastewater Administration	\$ 26,002	\$ 1,436,998	\$ 7,810	\$ 1,470,810	\$ 1,444,388	\$ 26,422	\$ -
Wastewater ERS and FICA	-	998,312	-	998,312	634,372	-	363,940
Wastewater Health Fund	-	723,077	-	723,077	705,199	-	17,878
Wastewater Administration Overhead	-	1,403,235	-	1,403,235	1,400,784	-	2,451
Wastewater Reclamation Activity	880,177	11,636,911	836,615	13,353,703	11,657,570	1,696,133	-
Total Public Works and Environmental Management	<u>906,179</u>	<u>16,198,533</u>	<u>844,425</u>	<u>17,949,137</u>	<u>15,842,313</u>	<u>1,722,555</u>	<u>384,269</u>
Total Sanitation	<u>906,179</u>	<u>16,198,533</u>	<u>844,425</u>	<u>17,949,137</u>	<u>15,842,313</u>	<u>1,722,555</u>	<u>384,269</u>
Totals - Wastewater Fund	<u>\$ 906,179</u>	<u>\$ 16,198,533</u>	<u>\$ 844,425</u>	<u>\$ 17,949,137</u>	<u>\$ 15,842,313</u>	<u>\$ 1,722,555</u>	<u>\$ 384,269</u>

County of Maui
Grant Funds
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental Revenues:					
General Government:					
Federal Grants	\$ -	\$ 2,597,552	\$ 2,597,552	\$ 2,706,603	\$ 109,051
State Grants	-	1,829,784	1,829,784	2,219,005	389,221
Federal Grants Passed Through State	-	2,256,415	2,256,415	2,636,799	380,384
Total - General Government	-	6,683,751	6,683,751	7,562,407	878,656
Public Safety:					
Federal Grants	-	477,742	477,742	1,034,744	557,002
State Grants	-	887,832	887,832	1,239,603	351,771
Federal Grants Passed Through State	-	3,449,759	3,449,759	1,409,865	(2,039,894)
Total - Public Safety	-	4,815,333	4,815,333	3,684,212	(1,131,121)
Highway and Streets:					
Federal Grants Passed Through State	-	1,273,941	1,273,941	852,926	(421,015)
Total - Highway and Streets	-	1,273,941	1,273,941	852,926	(421,015)
Sanitation:					
Federal Grants	-	-	-	6,723	6,723
State Grants	-	1,398,333	1,398,333	851,523	(546,810)
Federal Grants Passed Through State	-	-	-	59	59
Total - Sanitation	-	1,398,333	1,398,333	858,305	(540,028)

See Independent Auditors' Report.

County of Maui
Grant Funds
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006
(Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Social Welfare:					
Federal Grants	-	15,212,729	15,212,729	14,439,502	(773,227)
State Grants	-	1,040,696	1,040,696	809,866	(230,830)
Federal Grants Passed Through State	-	2,010,809	2,010,809	541,321	(1,469,488)
Total - Social Welfare	-	18,264,234	18,264,234	15,790,689	(2,473,545)
Culture and Recreation:					
State Grants	-	350,000	350,000	69,208	(280,792)
Federal Grants Passed Through State	-	150,000	150,000	133,678	(16,322)
Total - Culture and Recreation	-	500,000	500,000	202,886	(297,114)
Total - Intergovernmental Revenues	-	32,935,592	32,935,592	28,951,425	(3,984,167)
Revenue From Money and Property:					
General Government:					
Other Income	-	14,895	14,895	-	(14,895)
Total - General Government	-	14,895	14,895	-	(14,895)
Public Safety:					
Interest on Investments	-	1,493	1,493	1,426	(67)
Total - Public Safety	-	1,493	1,493	1,426	(67)

See Independent Auditors' Report.

County of Maui
Grant Funds
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006
(Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Social Welfare:					
Interest on Investments	-	28,544	28,544	170	(28,374)
Total - Social Welfare	-	28,544	28,544	170	(28,374)
Total - Revenue from Money and Property	-	44,932	44,932	1,596	(43,336)
Other Revenues:					
Public Safety:					
Operating Contributions	-	202,408	202,408	(7,999)	(210,407)
Total - Public Safety	-	202,408	202,408	(7,999)	(210,407)
Social Welfare:					
Miscellaneous Income Revolving	-	229,264	229,264	212,668	(16,596)
Operating Contributions	-	420,000	420,000	462,340	42,340
Total - Social Welfare	-	649,264	649,264	675,008	25,744
Total - Other Revenues	-	851,672	851,672	667,009	(184,663)
Total Grant Funds Revenue	\$ -	\$ 33,832,196	\$ 33,832,196	\$ 29,620,030	\$ (4,212,166)

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
General Government:						
Office of the Mayor:						
ADA Access Improvement (Reprogram)PY 2000	\$ 207		\$ 207	\$ -	\$ -	\$ 207
MauI Film Industry 6-12/2000	540	-	540	-	-	540
HI/ST/Comm/Status Women W/H/M	623	-	623	-	-	623
Workforce Investment Act (WIA)	133,534	-	133,534	-	-	133,534
Molokai Enterprise Community	22,219	(18)	22,202	22,202	-	-
Wailuku Cultural Festivals HTA	2,684	-	2,684	-	-	2,684
Molokai Youth Opportunity DLIR	28,568	-	28,568	-	-	28,568
CDBG Program Admin Account	34,695	(34,695)	-	-	-	-
Construction of Lahaina Clinic B-01	-	-	-	-	-	-
ADA Access Improvement (Reprogram) PY 2001	104	-	104	-	-	104
ADA Wheelchair Ramps B-01	-	34,695	34,695	34,695	-	-
Workforce Investment Act (WIA) PY 2001	200,131	-	200,131	-	-	200,131
Molokai Youth Opportunity-DOL	45,815	-	45,815	5,007	-	40,807
Iao Theatre Restoration-EDI 2002	171,480	-	171,480	19,462	5,000	147,018
Aloha House CDGB FY 2003	125,585	-	125,585	-	125,585	-
Boys and Girls Club Design and Construction	62,443	-	62,443	30,394	32,049	-
Collaborative SVS Project Design	50,000	(50,000)	-	-	-	-
ADA Accessibility Improve CDBG 2003	39,179	-	39,179	39,179	-	-
CDBG Administrator FY 2003 Reprogram	-	1,312	1,312	-	-	1,312
Molokai SR Ctr Imprv-CDBG 2003 Reprogram	-	48,688	48,688	48,688	-	-
Workforce Investment Act (WIA) PY 2002	448,609	-	448,609	-	443,523	5,086
Molokai Youth Opportunity-DOL 2003	29,117	-	29,117	27,393	-	1,724
MauI Farm Improvements & Renovation	138,992	-	138,992	1,859	137,133	-
Hale O Manao Lana Hou Planning	130,000	(117,654)	12,346	12,346	-	-

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
ADA Accessibility Improvements	202,218	35,000	237,218	234,564	1,405	1,249
Molokai Fire Engine Apparatus	-	50,565	50,565	50,565	-	-
Wailuku Main Building Clinic Design	281,000	(281,000)	-	-	-	-
Lanai Wildlife Urban Interface App	-	49,858	49,858	49,858	-	-
MYFS Fire/Water & Other Improvements	107,763	70,902	178,665	166,607	12,058	-
Aloha Expansion & Construction	170,000	-	170,000	-	170,000	-
Malama Na Makua A Keiki Renovation	160,000	-	160,000	-	160,000	-
Hale Makua Parking Lot	47,152	157,648	204,800	204,800	-	-
Home Pumehana Senior Center Kitchen	21,000	7,975	28,975	28,975	-	-
Boys & Girls Club West Maui / Design	14,858	-	14,858	10,491	4,367	-
CDBG Program Admin PY 2003 Proj #04-10	-	8,169	8,169	8,130	-	40
ADA Wheelchair Ramps B-03	-	1,305	1,305	1,305	-	-
MPD Emergency Response Vehicle-Lanai	-	3,986	3,986	157	2,546	1,283
Curb Ramps-Variou Locations 2004	-	13,246	13,246	13,246	-	-
Workforce Investment Act (PY 2003)	1,282,383	-	1,282,383	187	-	1,282,195
HTA-MC Product Enrichment Program 04	25,896	-	25,896	-	-	25,896
Molokai Youth Opportunity 04 DOL	493,211	-	493,211	483,146	-	10,065
Molokai Youth Opportunity-04 DOL	2,732,508	(2,732,624)	(116)	(116)	-	-
BGCM Building Design/West	150,000	-	150,000	22,145	127,855	-
Central Maui Senior Center	383,250	(341,754)	41,496	-	-	41,496
Construction-Best House in Wailuku	292,029	-	292,029	9,301	282,729	-
Hale Lokomaikai Shelter EXPN	76,396	-	76,396	76,396	-	-
Hana Nutrition Center-Design/Construction	146,862	-	146,862	56,580	90,282	-
Kahului Residential Dining Room	350,000	-	350,000	-	350,000	-
Malama Family Recovery Center	75,000	-	75,000	-	75,000	-
Molokai Fire Engine Apparatus	70,000	-	70,000	70,000	-	-

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Molokai Senior Center Improvements	37,500	-	37,500	37,500	-	-
CDBG Program Administration FY 05	68,560	-	68,560	68,389	-	172
Curb Ramps-Variou Locations 2005	-	341,754	341,754	217,062	124,693	-
Transit Baseyard STP-1500 (010)	1,114,000	(1,114,000)	-	-	-	-
Workforce Investment WIA-PY 04	503,544	-	503,544	487,791	6,337	9,416
HTA Product Enrichment Program 05	253,907	100,000	353,907	320,021	2,479	31,407
HDOT Maui's Shattered Dreams	36,500	-	36,500	-	-	36,500
Molokai Youth Opportunity 05 DOL	-	1,093,050	1,093,050	940,043	25,000	128,007
HTA Product Development-Other	50,000	-	50,000	12,000	38,000	-
Curb Ramps at Various Locations PY 05	-	520,000	520,000	433,640	86,360	-
Lanai Wildlife Urban Project PY 05	-	450,000	450,000	450,000	-	-
Molokai General Hospital Phii Redevelop	-	500,000	500,000	-	500,000	-
MPD Emergency Incident Response Vehicle	-	59,000	59,000	42,523	16,034	443
Hale Mahaolu Ehiku Senior Center Construct	-	369,542	369,542	-	369,542	-
Tourism Product Development (DBEDT)	28,125	-	28,125	-	-	28,125
CDBG Program Admin PY 05	-	394,601	394,601	232,965	1,161	160,475
Office of Hawn Affairs-MC BUS.RC	-	24,000	24,000	18,342	-	5,658
Coqui Frog Eradctn Act 51 SLH 04	-	100,000	100,000	-	100,000	-
Workforce Investment (WIA PY 05)	-	695,364	695,364	498,804	167,918	28,643
HTA Product Enrichment Program 06	-	500,000	500,000	123,172	225,293	151,535
HTA CTY Other Product Develop Program 06	-	125,000	125,000	-	35,000	90,000
HTA Maalaea Harbor Swge Pump	-	60,000	60,000	-	-	60,000
Housing Rehab Loan Project INC	104	14,895	14,999	-	-	14,999
Project Impact BDRC FEMA	2,651	-	2,651	-	2,651	-
Total Office of the Mayor	10,840,944	1,158,810	11,999,754	5,609,812	3,720,000	2,669,942

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Management:						
Energy Emergency Planning	4,575	-	4,575	-	-	4,575
Total Management	4,575	-	4,575	-	-	4,575
Finance:						
State MVR Program 01/02	22	(22)	-	-	-	-
PMVI Program FY 01/02	5,131	(5,131)	-	-	-	-
CDL Program FY 01/02	23,761	(23,761)	-	-	-	-
State MVR Program FY 2003	2,270	(2,394)	(124)	(124)	-	-
PMVI Program FY 2003	130,693	22,105	152,798	152,798	-	-
Comm'l Driver License Program FY 03	108,706	10,186	118,891	118,891	-	-
State Motor Vehicle Program FY 04	-	(2,859)	(2,859)	(2,859)	-	-
PMVI Program FY 2004	150,388	(13,404)	136,984	136,984	-	-
Comm'l Driver License Program FY 04	138,243	(6,659)	131,584	131,584	-	-
State Motor Vehicle Reg Program FY 05	7,440	-	7,440	7,440	-	-
PMVI Program FY 05	129,019	11,585	140,604	140,369	-	235
Comm'l Driver's License Program FY 05	130,819	8,501	139,320	138,235	-	1,085
State Motor Vehicle Reg Program FY 06	-	261,459	261,459	261,459	-	-
PMVI Program FY 06	-	346,266	346,266	346,179	-	87
CDL Program FY 06	-	314,827	314,827	314,515	312	-
Total Finance	826,492	920,698	1,747,190	1,745,471	312	1,407
Planning:						
Coastal Zone Management FY 2000	10,203	-	10,203	-	-	10,203
Coastal Zone Management #47363	84,941	-	84,941	-	-	84,941
Coastal Zone Management FY 02 #48742	79,271	-	79,271	-	-	79,271
Cig Historic Presvtn DLNR 2003	1,336	-	1,336	-	-	1,336
Coastal Zone Management FY 02/03 DBEDT	134,348	-	134,348	-	-	134,348

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Coastal Zone Management FY 03/04 DBEDT	146,995	-	146,995	361	-	146,635
Historic Preservation CLG 05	-	47,354	47,354	3,347	-	44,007
Coastal Zone Management-DBEDT FY 05	91,580	-	91,580	12,166	9,824	69,589
Clg Historic Presvtn 1996/97	18,388	-	18,388	-	-	18,388
Coastal Zone Management FY 06	-	324,647	324,647	191,250	-	133,397
Clg Historic Preservation 97/8	1,271	-	1,271	-	-	1,271
Total Planning	568,334	372,001	940,335	207,123	9,824	723,387
Public Works and Waste Management:						
Molokai Baseyard	102	-	102	-	-	102
Bridge Inspection/App BR-NBIS (35)	-	96,000	96,000	-	-	96,000
Total Public Works and Waste Management	102	96,000	96,102	-	-	96,102
Total General Government	12,240,447	2,547,508	14,787,955	7,562,406	3,730,136	3,495,413
Public Safety:						
Prosecuting Attorney:						
Food Stamp Fraud Program State	-	2,628	2,628	2,069	-	559
Prosecutor / Witness Defendant Program	11,145	-	11,145	-	-	11,145
Asset Forfeitures (Prosecutor) (AG)	4,134	-	4,134	-	-	4,134
Defendant / Witness Trail Program 2002	54,180	-	54,180	-	-	54,180
Domestic Violence Invst 01WF01	11,400	-	11,400	-	-	11,400
Defendant / Witness Trail Program 2003	95,210	-	95,210	-	-	95,210
Snap / Voca #02-VA-1 FY 03/04	19,955	-	19,955	19,955	-	-
Defendant / Witness Trial Program 2004	61,929	-	61,929	-	-	61,929
Asset Forfeitures-Prosecutor Attorney/ST	18	(18)	-	-	-	-
Asset Forfeiture-Federal	11,691	-	11,691	9,246	2,445	-
Victim / Witness Assistance Program 2005	80	-	80	80	-	-

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Special Needs Advocacy Program 03-VAL	201,444	-	201,444	190,867	7,675	2,903
Domestic Violence Vawa Stop 2003	20,144	-	20,144	18,435	-	1,708
LLEBG (OJP) 2004-LB-BX-0713	38	(38)	-	-	-	-
E Byrne Memorial SLLEAF Program 2004	40,618	-	40,618	40,398	-	220
Defendant / Witness Program 2005	116,423	-	116,423	2,272	-	114,152
Sex Offender Reg Program 02-DB-24	62,991	-	62,991	-	-	62,991
Prosecutor Attorney Asset Forfeiture ST 05	30,349	(30,709)	(360)	(360)	-	-
Asset Forfeitures (Prosecutor) (AG) 05	6,000	-	6,000	-	6,000	-
Victim / Witness Assistance Program 2006	-	146,746	146,746	124,742	-	22,004
HI Career Criminal Program 2006	-	398,195	398,195	398,195	-	-
Special Needs Advocacy Program 04-VA01	-	253,885	253,885	103,994	-	149,891
Domestic Violence Vawa Stop 2004	-	71,095	71,095	47,015	-	24,080
E Byrne Memorial 2005 DJBX1466	-	90,544	90,544	-	-	90,544
Defendant / Witness Trial Program 2006	-	130,000	130,000	120,162	1,574	8,264
Prosecuting Attorney Asset Forfeiture-ST06	-	115,000	115,000	105,534	-	9,466
Victim Witness Books	2,433	-	2,433	-	-	2,433
Total Prosecuting Attorney	750,183	1,177,329	1,927,511	1,182,603	17,694	727,214
Police:						
ADAD Enforcement Tobacco Sales Minor	7,451	(7,451)	-	-	-	-
Juvenile Acct Incentive Dhsoys	3,535	-	3,535	-	-	3,535
Child Pass/S/P/G OP2K-05 1-M-2	805	(805)	-	-	-	-
Marijuana Eradication DEA 2000	18	(18)	-	-	-	-
Youth Gang DHS-2000-OYS-8048	8,933	(8,933)	-	-	-	-
LLE Block Grant 1999-LB-VX-7696	2	-	2	-	-	2
Juvenile Acct Incentive DHS 01	40,679	-	40,679	-	-	40,679
Maui Safe Community SA 01-08	5,535	(5,535)	-	-	-	-

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Maui Speed Enforcement SC01-06	13,929	(13,929)	-	-	-	-
MPD Data Records TR01-03	22,695	(22,695)	-	-	-	-
Maui Child Passenger Safety	9,424	-	9,424	-	-	9,424
MPD Reconstructionist PT 01-01	17,908	(17,908)	-	-	-	-
Cops Technology Grant Usdjustc	9,088	-	9,088	-	-	9,088
G.R.E.A.T. ATC#010130	157	(1,035)	(878)	(878)	-	-
Marijuana Eradication DEA 2001	27	-	27	-	-	27
Youth Gang DHS-2000-OYS-8048	5,360	-	5,360	-	-	5,360
Safe and Drug Free Schools DHS	1,987	-	1,987	-	-	1,987
Safe and Drug Free Schools #2 DHS	24,740	-	24,740	-	-	24,740
D.A.R.E. Program (DOE) #18474	3,043	(3,564)	(521)	(521)	-	-
LLE Block Grant 2001 -LB-BX1458	78	-	78	-	-	78
ADAD Enforcement Tobacco-Sale PY02	7,021	(7,021)	-	-	-	-
MPD Roadblock Program-AL02-02	31,252	-	31,252	-	-	31,252
Juvenile Act/Inc BG DHS-2-OYS-1160a	22,872	-	22,872	-	-	22,872
Juvenile Act/Inc BG DHS-2-OYS-1160b	14,496	-	14,496	-	-	14,496
Maui Safe Community Speed SC02-06(03)	10,383	-	10,383	-	-	10,383
Maui Speed Enforcement SC02-06	12,890	(12,890)	-	-	-	-
Keiki Injury Protection Cltn/02-05	9,805	-	9,805	610	-	9,195
Maui Seat Belt Enforcement OP02-05	13,092	-	13,092	-	-	13,092
MPD Reconstruction Training PT02-01M	6,848	(6,848)	-	-	-	-
Maui Occupant Protection 157B-OP01	6,167	(6,167)	-	-	-	-
Federal Equity/Sharing Forfeiture Policy	12,449	-	12,449	-	-	12,449
911 Emergency Medical FY02	18,719	-	18,719	-	-	18,719
Clandestine Lab Response Team 00DB18	10,449	-	10,449	-	-	10,449
Domestic Violence Program 00-WF-8	24,995	(24,995)	-	-	-	-

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Cops in School Award	615,742	-	615,742	265,122	-	350,620
S/W Marijuana Eradication #01-DB-4	9,304	-	9,304	-	-	9,304
Marijuana Eradication DEA 2002	1,035	-	1,035	-	-	1,035
Weekend Gang D/SC DHS-02-1123-02	7,746	(7,746)	-	-	-	-
Safe/Drug Free Schools #3 DHS	2,246	-	2,246	-	-	2,246
D.A.R.E Program (DOE) 02 #18475	1,830	-	1,830	1,319	-	511
Training Grants - SOH Various	59,375	2,408	61,783	21,063	17,903	22,817
DOH ADAD Tobacco Sales - Minors	9,353	-	9,353	-	-	9,353
MPD Roadblock Program AL030202M03	2,567	-	2,567	-	-	2,567
Juvenile Act/Incentive BG Project # P.O.I.	7,191	-	7,191	-	-	7,191
Juvenile Act/Incentive BG Proj #Comp Stra	2,004	-	2,004	-	-	2,004
Maui Safe Community Speed SC03-06	1,580	-	1,580	-	-	1,580
Maui Speed Enforcement SC030601M03	387	-	387	-	-	387
MPD Data Records TR03-03(02M01)	2,337	-	2,337	-	-	2,337
Keiki Injury Protection OP03-05(03)	10,195	-	10,195	-	-	10,195
MPD Seatbelt Program OP03-05(01M)	45,056	-	45,056	-	-	45,056
MPD Reconstructionist PT 030203M01	2,481	-	2,481	-	-	2,481
Federal Equity/Sharing Forfeiture Policy	145	-	145	-	-	145
Clandstine Lab Response 02-DB-10	10,453	-	10,453	-	-	10,453
G.R.E.A.T. (ATF) ATC#020139	3,609	-	3,609	-	-	3,609
National Incident Based Report System 03	269,957	-	269,957	-	-	269,957
Public Housing Drug Elimination RSS0301	40,000	-	40,000	-	-	40,000
Safe/Drug Free Schools #4 DHS	34,157	-	34,157	-	-	34,157
HI Intragency Mobile Police 02	2,507	-	2,507	-	-	2,507
LLE Block Grant 2003 LB-BX-0378	4,897	64	4,962	4,520	-	441
DOH-ADAD Tobacco Sales - Minors	11,216	-	11,216	-	-	11,216

See Independent Auditors' Report.

County of Maui
Intergovernmental Grant Funds
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
DOH Alcohol Sales to Minors 04	8,870	(8,870)	-	-	-	-
MPD Roadblock Program #A104-02-01M03	80,975	-	80,975	-	-	80,975
Juvenile Activity Incentive B/G Proj # P.O.I.	8,154	-	8,154	(44)	-	8,198
Maui Safe Community/Bike Safety	7,852	-	7,852	-	-	7,852
Juvenile Activity Incentive B/G Graduated Sanctio	3,000	-	3,000	-	-	3,000
DOH-ADAD Tobacco Sales - Minors	8,899	-	8,899	-	-	8,899
MPD Speed Enforcement Wailuku	1,238	-	1,238	-	-	1,238
MPD Traffic Data - DOT FY 04	1,348	-	1,348	-	-	1,348
Keiki Injury Protection OP 04-05 (03)	9,595	-	9,595	-	-	9,595
MPD Reconstructionist #PT04-01(03m1	12,470	-	12,470	-	-	12,470
Police Forfeitures	9,175	-	9,175	-	-	9,175
911 EMS DOH 04 Log #04-337	5,868	-	5,868	-	-	5,868
Domestic Violence Program 02-WF-12	5,248	-	5,248	-	-	5,248
Electronic Exploitation of Children	5,212	-	5,212	-	-	5,212
National Highways - Seatbelt Demo Program	35,783	-	35,783	-	-	35,783
Analytical Equipment and Info Mgmt. Systems	48	-	48	-	-	48
S/W Marijuana Eradication #03-DB-1	212	-	212	(1,787)	-	1,999
Lahaina Speed Program #SC04-0602M01	29,071	-	29,071	-	-	29,071
Police Against Street Sales	2,766	-	2,766	-	-	2,766
G.R.E.A.T. (ATF) ATC#03000169	27,646	-	27,646	-	-	27,646
Marijuana Eradication DEA 2003-51	3,754	-	3,754	-	-	3,754
Domestic Cannabis DEA 2004-53	188,311	(171,000)	17,311	819	-	16,492
MPD Traffic Data - DOT FY 05	58,328	-	58,328	55,989	-	2,339
DOH - Alcohol Sales to Minors 05	5,673	(3,484)	2,189	2,189	-	-
Juvenile Activity Incentive BG DHS-05-OYS 2153	25,690	(1,974)	23,716	15,758	-	7,958
Juvenile Activity Incentive BG Graduated Sanctior	13,833	9,175	23,008	13,833	-	9,175

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For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
DOH Tobacco Sales - Minors FY05	2,311	(2,311)	-	-	-	-
MPD Road Block Program FY 05 DOT	116,192	-	116,192	3,453	-	112,739
MPD Speed Enforcement SC 05-06	39,044	-	39,044	36,633	-	2,410
MPD Seatbelt Program #OP05-05	39,143	-	39,143	33,530	-	5,613
MPD Reconstructionist #SC05-06 (02ML)	13,131	-	13,131	-	-	13,131
MPD Traffic Investigation PT 05	23,656	-	23,656	23,617	-	39
HI Cops Meth Grant 04-CK-02	19,516	-	19,516	4,583	6,793	8,141
Domestic Violence Victimless Program	5,773	(4,797)	976	976	-	-
Electronic Exploitation of Children	40,980	-	40,980	32,107	-	8,873
SW Marijuana Eradication 04DB03	10,328	(238)	10,090	10,090	-	-
Police Against Street Sales 05	43,960	-	43,960	28,739	-	15,221
G.R.E.A.T. ATF 2004 JV FX 0133	8,936	-	8,936	1,837	-	7,100
Interdiction - Stolen Property	71,138	-	71,138	588	-	70,549
Domestic Cannabis DEA 2005-06	170,156	-	170,156	168,154	-	2,002
Gang Detail/SC DHS04-OYS-1871	1,983	-	1,983	1,983	-	-
SW Narcotics Task Force 03DB16	24,337	-	24,337	21,235	-	3,102
D.A.R.E. (DOE) FY 05 #MOADDOH 4-13	13,547	22,750	36,297	14,817	4,194	17,286
HI interagency Mobile Police 03	67,689	144	67,833	55,866	3,500	8,467
MPD Traffic Services #TR06-03(04M01)	-	64,750	64,750	3,137	-	61,613
Hawaii Comm Foundation Grant	-	540,000	540,000	-	-	540,000
DOH Alcohol Sales to Minors 06	-	12,200	12,200	-	-	12,200
DOH Tobacco Sales - Minors FY06	-	5,248	5,248	3,192	-	2,056
MPD Roadblock Program #A106-02-01M03	-	120,525	120,525	72,173	-	48,352
MPD Speed Enforcement #SC06-06	-	126,150	126,150	92,053	-	34,097
Maui Child Passenger Safety 06	-	31,950	31,950	13,711	4,824	13,415
MPD Seatbelt Enforcement #OP06-05(01M03)	-	70,000	70,000	57,508	3,997	8,495

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(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
MPD Traffic Services #PT06-01(04M01)	19,560	19,560	39,120	6,946	-	32,174
Federal Police Forfeitures	1,621	-	1,621	-	-	1,621
911 Ems DOH 051 Log #04-337 MOD#2	-	242,000	242,000	242,000	-	-
Domestic Violence Victimless 04WF7	-	12,145	12,145	-	-	12,145
Electronic Exploitation of Children 03DB26	-	15,000	15,000	6,063	6,982	1,955
SW Marijuana Eradication Task Force	-	71,679	71,679	38,655	251	32,773
Police Against Street Sales 06	-	50,160	50,160	3,626	8,524	38,011
Domestic Cannabis DEA 2005-60	-	225,998	225,998	45,618	29,112	151,268
Gang Detail/2nd Chance DHS06OYS3	-	50,000	50,000	37,468	-	12,532
SW Narcotics Task Force 05DJ02	-	58,400	58,400	13,766	164	44,469
PSAP Wireless E-911 Nextel	-	200,000	200,000	191,958	-	8,042
SW Juvenile Information System	16,822	-	16,822	-	-	16,822
Police Problem / Solving Partners	23,288	-	23,288	-	-	23,288
Forfeitures Police State	888	-	888	-	282	606
Federal Try Police Forfeitures	759	-	759	-	-	759
Federal Justice Police Forfeitures	7,840	150,000	157,840	135,818	2,859	19,163
SW Narcotics Task Force 98-DB-6	8,392	40	8,432	341	-	8,091
Wailea Speed Enforcement	3,996	-	3,996	-	-	3,996
Total Police	2,888,205	1,760,131	4,648,337	1,780,234	89,384	2,778,719
Fire and Public Safety:						
EMS (Fire) Training (PVT) IAAI	276	-	276	-	-	276
Fire/LEPC (DOH) HMEP	21,734	24,466	46,200	25,208	-	20,992
MFD Equipment Purchase EMOL-04	163	-	163	-	-	163
Volunteer Fire Assistance 2002	448	-	448	-	-	448
MFD Equipment Purchase/CPS Program	3,847	-	3,847	-	-	3,847
Volunteer Fire Assistance Program 2003	1,475	-	1,475	-	-	1,475

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For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
FEMA Fire Oprtn/Fire Fighter Safety	28,330	-	28,330	-	-	28,330
Volunteer Fire Assistance Program 2004	9,775	-	9,775	9,645	-	131
Wellness/Fitness Fire Act Grant	42,600	-	42,600	11,210	20,556	10,833
Volunteer Fire Assistance DLNR 05	47,462	-	47,462	888	46,574	-
Fire Safety HSE -EMW 2003 FP 01732	60,399	-	60,399	56,947	-	3,452
Volunteer Fire Assistance DLNR 06	-	50,000	50,000	25,963	4,690	19,347
Fire Inoperability Grant FE 15141	-	156,308	156,308	156,212	-	96
Fire Training Grant (Chevron)	1,540	-	1,540	-	-	1,540
FEMA Fire Training Funds	2,480	6,368	8,847	3,018	-	5,830
Total Fire and Public Safety	220,529	237,142	457,670	289,090	71,820	96,760
Civil Defense:						
FEMA All Hazards Emergency Planning	63,544	-	63,544	47,000	16,544	-
FEMA Community Emergency Rspns (CERT)	546	-	546	523	-	23
FEMA MC Citizens Corps Council	5,519	-	5,519	5,446	-	73
State Domestic Equipment (CDA)	150	-	150	-	-	150
State Domestic Equipment (Civil Defense)	10,378	-	10,378	10,378	-	-
State Homeland Security FY 04	475,625	-	475,625	8,340	54,865	412,420
FEMA Community Emergency Rspns (CERT)	8,124	-	8,124	4,307	-	3,817
State Homeland Security Program II	1,961,223	-	1,961,223	421,582	1,013,341	526,300
FY 2004 State Homeland Security	1,936,906	-	1,936,906	25,958	1,026,134	884,815
FY 2004 Citizens Corps Program	27,160	-	27,160	1,294	6,664	19,202
Law Enforcement Terrorism Prevention 04	417,767	-	417,767	55,861	-	361,906
FY 05 State Homeland Security	-	1,381,742	1,381,742	60,000	-	1,321,742
FY 05 Citizen Corps Program	-	26,312	26,312	-	-	26,312
FY 05 Law Enforcement Terrorism Prevention	-	301,471	301,471	-	197,196	104,275
Total Civil Defense	4,906,942	1,709,525	6,616,467	640,688	2,314,744	3,661,035

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Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006
(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Public Works and Waste Management:						
Bridge Inspctn/Aprsl BR-NBIS21	20,321	-	20,321	-	-	20,321
Total Public Works and Waste Management	20,321	-	20,321	-	-	20,321
Total Public Safety	8,786,180	4,884,127	13,670,307	3,892,615	2,493,643	7,284,048
Highways and Streets:						
Transportation:						
Rural Transit Assistance Program 04	17,000	-	17,000	-	-	17,000
FTA SEC #5309 Bus & Bus-Rel Alctn	1,082,046	-	1,082,046	701,885	360,664	19,497
Federal Trns Adm #5311 #HI-18-X024	-	743,276	743,276	446,878	-	296,398
FTA #5309 Bus Program HI30039 FY06	-	785,808	785,808	561	765,939	19,308
Rural Transit Assistance Program 06	-	41,255	41,255	-	-	41,255
Total Transportation	1,099,046	1,570,339	2,669,385	1,149,324	1,126,603	393,458
Total Highways and Streets	1,099,046	1,570,339	2,669,385	1,149,324	1,126,603	393,458
Sanitation:						
Public Works and Waste Management:						
Glass Recovery Program 99/00	461	-	461	-	-	461
Paint Exchange Program	664	-	664	-	664	-
M/C Used Motor Recovery (00)	1,612	-	1,612	-	1,612	-
Glass Recovery Program YO-013	368	-	368	-	-	368
Used Oil Recovery Program 98-006	1,023	-	1,023	-	1,000	23
Used Oil Recovery Program ASO #02-101	14,536	-	14,536	11,354	3,032	150
EPA Seaweed removal#X979229010	21,959	-	21,959	6,723	-	15,236
Tire Recovery Program DOH#02-229	23,711	-	23,711	-	3,217	20,494

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(Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Glass Recovery Program ASO 04-016-1	1,436	-	1,436	-	-	1,436
Deposit Beverage Container Program DOH	115,163	1,500	116,663	31,426	6,719	78,518
Deposit Beverage Container DOH MOL	11,823	-	11,823	-	-	11,823
Glass Recovery Program ASO 04-016-2	-	225,000	225,000	207,284	-	17,716
HI Deposit Beverage Container Program-DOH6	-	750,000	750,000	308,183	66,446	375,371
Deposit Beverage Container DOH MOL06	-	350,000	350,000	226,205	-	123,795
Used Oil Recovery ASO #06-145	-	73,333	73,333	67,131	6,168	34
Maui Soil/Water Conservation DOH	2,667	-	2,667	-	-	2,667
Total Public Works and Waste Management	195,425	1,399,833	1,595,258	858,305	88,858	648,094
Total Sanitation	195,425	1,399,833	1,595,258	858,305	88,858	648,094
Social Welfare:						
Office of the Mayor:						
Hawaii State Community Status/Women	2,000	-	2,000	1,993	-	7
Total Office of the Mayor	2,000	-	2,000	1,993	-	7
Housing and Human Concerns:						
Home Administration Expense (98)	83,752	8,246	91,998	(11,960)	20,143	83,815
Home Hale O Mana'o 98	54,244	(40,640)	13,604	-	13,604	-
Home First Time Homebuyer 98	912	-	912	-	912	-
Aging State POS 99/00	1,031	-	1,031	-	-	1,031
Senior Center Activities 99/00	369	-	369	-	369	-
Aging Assisted Transportation	16	-	16	-	-	16
HUD Section. 8 Interest	-	28,375	28,375	-	-	28,375
Housing Section 8 Administration	7,540	-	7,540	-	40	7,500
Maui to Work Program (MEO)	138,580	(136,997)	1,583	1,583	-	-

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 Schedule of Appropriations, Expenditures and Encumbrances
 For the Year Ended June 30, 2006
 (Continued)

Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Home 1st Time Home Buyers Project	292,977	229,264	522,242	-	-	522,242
West Maui Community/Service Center	100	-	100	-	100	-
Home Program West Maui RC	100	-	100	-	100	-
Home Program FY99 Lokahi	150,000	-	150,000	74,152	75,848	-
Home 1st time Home Buyers 99	19,520	-	19,520	-	18,220	1,300
Home Invest (00) Lokahi Pacific	452,898	-	452,898	(22,198)	452,898	22,198
Home Invest(00) HCDC-MECC West Maui	100	-	100	-	100	-
Home Invest (00) CHDO Lokahi Pacific	150,000	-	150,000	-	150,000	-
Aging Title III SH POS 00/01	20,459	-	20,459	-	-	20,459
Congregate meals 00/01	339	-	339	-	-	339
Home Delivered Meal 00/01	773	-	773	59	477	236
I and A Outreach Aging 00/01	597	-	597	-	-	597
Childcare/Development DHSS	6,807	-	6,807	-	-	6,807
Housing Section 8 Certificate	85,037	-	85,037	-	-	85,037
Housing Sec 8 Certificate Administration	26,669	-	26,669	-	-	26,669
Housing Sec 8 Voucher Administration	991	-	991	-	991	-
Keiki Injury Prevention Coalition-DOH	16,278	-	16,278	-	-	16,278
Aging Title III DHHS 01/02	20,074	-	20,074	-	-	20,074
Aging Title III SH POS 01/02	37,666	-	37,666	-	-	37,666
Congregate Meals	89,579	-	89,579	-	-	89,579
Home Delivered Meals	210,740	-	210,740	1,867	-	208,874
MSC Leisure Activities	1,713	-	1,713	-	1,713	-
Information/Assistance Lanai	5,239	-	5,239	-	-	5,239
Information/Assistance Hana	2,500	-	2,500	-	-	2,500
Childcare/Development DHS-02-BESS	15,062	-	15,062	-	-	15,062
Housing Sec 8 Voucher Program	379,740	-	379,740	-	-	379,740

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Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Housing Sec 8 Vchr Admin Prgm	19,172	-	19,172	-	-	19,172
Home Investment (01) Lokahi Pacific	32,288	-	32,288	-	-	32,288
Home Investment (01) HCDCH - MECC WMAU	100	-	100	-	100	-
Home Investment (01)CHDO Lokahi Pacific	30,778	-	30,778	17,151	13,022	605
Home Investment (01)Administration Cost	25,153	-	25,153	(5,559)	15,573	15,139
Aging Title III DHHS 02/03	43,118	-	43,118	41,614	-	1,504
USDA Aging Title IIIC1 FY03	9,747	-	9,747	-	-	9,747
Aging title III SH POS 02/03	9,747	-	9,747	-	-	9,747
USDA Aging Title III C2	9,747	-	9,747	-	-	9,747
Congregate Meals FY 2003	2,521	-	2,521	1,260	-	1,260
Home Delivered Meals FY 2003	49,407	-	49,407	155	19,103	30,150
MSC Leisure Activities FY 2003	5,267	-	5,267	5,240	-	27
Assisted Transportation SH POS FY03	14,102	-	14,102	-	-	14,102
Childcare Development-DHS02-BESS1184	3,977	-	3,977	-	-	3,977
Housing Sec 8 Voucher Program	42,482	-	42,482	-	-	42,482
Housing Sec 8 Vchr Admin Prgm	177,843	-	177,843	-	930	176,913
Home Investment Program	1,127	-	1,127	-	461	667
Home Investment (02) HCDCH-LP 1ST Time	100,000	-	100,000	-	-	100,000
Home Investment (02) HCDCH-LP 1ST Admin	13,000	-	13,000	-	-	13,000
Home Investment (02) HCDCH - Aloha House	100,000	-	100,000	-	-	100,000
Home Investment (02) HCDCH - Central SR. Hou:	552,000	-	552,000	-	-	552,000
Home FFY 02 CHDO-Wailuku Small Business	-	150,400	150,400	-	150,400	-
Home FFY 02 Additional Program Admin	-	30,000	30,000	-	-	30,000
RSVP 2004 - DVSAP74NSSC615234101	963	-	963	921	-	42
Aging Title III DHHS 03/04	99,989	6,902	106,891	93,472	3,466	9,953
Maui Traffic Safety Program - DOT	4,872	-	4,872	-	-	4,872

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Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
USDA Aging Title IIIC2 FY 04	2,516	-	2,516	-	-	2,516
Congregate Meals FY 2003/2004	350	-	350	156	-	194
Home Delivered Meals FY 03/04	4,710	-	4,710	-	-	4,710
MSC Leisure Activities FY 04	29,903	-	29,903	11,133	15,666	3,103
Assisted Transportation SH POS FY 04	3,937	-	3,937	-	-	3,937
Sec. 8 Housing Voucher FY 2004	348,283	-	348,283	-	-	348,283
Sec. 8 Voucher Housing Programs Admin FY 04	247,511	-	247,511	240	9,862	237,409
RSVP 2005 03 SRPHI 002 4	22,610	-	22,610	22,494	-	116
Aging Title III DHHS FY 04/05	298,774	17,594	316,368	132,388	1,113	182,867
NSIP (USDA) Aging Title III FY 05	29,465	28,803	58,268	-	-	58,268
Aging EOA MA - 2004/2005-29(A)	195,817	-	195,817	151,966	-	43,851
Maui Traffic Safety - DOT AL 05-02	366	-	366	-	-	366
Congregate Meals FY 2004/2005	9,597	12,804	22,401	18,242	-	4,159
Home Delivered Meals FY 04/04	234,409	20	234,429	21,384	-	213,045
MSC Leisure Activity FY 04/05	43,070	1,067	44,136	250	-	43,886
Assisted Transportation SH POS FY05	4,132	20	4,152	403	-	3,749
Section 8 Housing Voucher FY 2005	423,095	-	423,095	(7,332)	-	430,428
Section 8 Housing Voucher Administration FY 2005	159,420	-	159,420	98,556	9,392	51,473
RSVP 2006 06SRPHI003	-	80,253	80,253	42,831	52	37,370
Aging Title III DHHS FY06	-	697,599	697,599	250,390	4,115	443,094
Aging EOA MA - 2005/2006-2(A)	-	640,696	640,696	308,677	36,257	295,762
Congregate Meals FY06	-	351,907	351,907	343,712	375	7,820
Home 04 Central Maui Senior Housing Project	-	774,949	774,949	-	-	774,949
Home FFY 04 Administration	-	86,000	86,000	-	-	86,000
Home FFY 04 CHDO LP KENNAN Project	-	155,631	155,631	-	-	155,631
Home FFY 04 Additional Program	-	69,833	69,833	-	-	69,833

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Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Home Delivered meals C2 95/96	296	-	296	296	-	-
Home Delivered Meals FY06	-	362,263	362,263	343,926	1,402	16,935
Miscellaneous Leisure Activity FY06	-	74,657	74,657	31,184	-	43,473
Assisted Transportation SH POS FY06	-	157,011	157,011	136,055	-	20,956
Grassroots Community Antidrug Sec#14	-	200,000	200,000	-	-	200,000
Community Based Substance Abuse Prevention	-	200,000	200,000	87,000	13,000	100,000
Sec 8 Housing Voucher FY2006	-	13,960,453	13,960,453	13,177,567	-	782,886
Sec 8 Housing Voucher Admin FY2006	-	1,163,777	1,163,777	1,096,149	67,065	563
Home Investment CHDO 96-1 HFDC	33,886	(27,174)	6,713	(1,548)	6,713	1,548
Sec 8 Family Self Sufficient	3,180	88,744	91,925	-	-	91,925
Home Investment CHDO 97 HFDC	72	-	72	-	-	72
Congregate Meals NS-3-98-11	138	-	138	-	-	138
Substance Abuse Program	152	-	152	-	116	36
Volunteer Center RSVP(PI)	1	-	1	-	-	1
Multi C/C Calendar (Pvt/Inc)	2,285	-	2,285	-	-	2,285
Aging Senior Fair (PI)	36	-	36	-	-	36
Total Housing and Human Concerns	5,717,810	19,372,458	25,090,268	16,463,875	1,103,697	7,522,695
Total Social Welfare	5,719,810	19,372,458	25,092,268	16,465,868	1,103,697	7,522,703

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Department and Appropriations	Balances Forwarded	Appropriations and Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
Culture and Recreation:						
Office of the Mayor:						
MACC Renovation and Improvements - DAGS	500,000	-	500,000	-	500,000	-
Total Office of the Mayor	500,000	-	500,000	-	500,000	-
Housing and Human Concerns:						
Upcountry Y/C Headstart USDA	3,291	-	3,291	-	-	3,291
Total Housing and Human Concerns	3,291	-	3,291	-	-	3,291
Parks and Recreation:						
Binhi At-Ani CC aka Maui CC	69,208	-	69,208	69,208	-	-
Lanai Tennis Basketball Court LWCF	49	-	49	-	-	49
Makana Park Improvement-LWCF Intr	482	-	482	-	447	35
Lahaina Recreation Center Exp LWCF	80,238	-	80,238	-	-	80,238
Playground Sites/Structure/Equipment	249,213	-	249,213	-	-	249,213
Summer Pals Food Service DOE FY 04	12,854	(12,854)	-	-	-	-
Summer Pals Food Service DOE FY 05	42,275	(42,275)	-	-	-	-
Summer Pals Food Service DOE FY 06	-	133,678	133,678	133,678	-	-
Binhi At-Ani Community Center-DAGS06	-	350,000	350,000	-	350,000	-
Total Parks and Recreation	454,319	428,550	882,868	202,886	350,447	329,535
Total Culture and Recreation	957,610	428,550	1,386,159	202,886	850,447	332,827
Total for the Intergovernmental Grant Funds	\$ 28,998,517	\$ 30,202,814	\$ 59,201,332	\$ 30,131,404	\$ 9,393,384	\$ 19,676,543

**County of Maui
Solid Waste Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006**

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Licenses and Permits:					
Sanitation:					
Other Licenses and Permits	\$ -	\$ -	\$ -	\$ 390	\$ 390
Total - License and Permits	-	-	-	390	390
Charges for Current Services:					
Sanitation:					
General Government	-	-	-	250	250
Sanitation	9,539,015	-	9,539,015	9,643,660	104,645
Waste Management	-	-	-	390	390
Total - Charges for Current Services	9,539,015	-	9,539,015	9,644,300	105,285
Other Revenues:					
Sanitation:					
Miscellaneous Program Receipts	-	-	-	55,388	55,388
Total - Other Revenues	-	-	-	55,388	55,388
Total Solid Waste Fund Revenue	\$ 9,539,015	\$ -	\$ 9,539,015	\$ 9,700,078	\$ 161,063

County of Maui
Solid Waste Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Sanitation:							
Public Works and Waste Management:							
Solid Waste Administration	\$ 693	\$ 297,883	\$ 56,168	\$ 354,744	\$ 330,963	\$ 11,884	\$ 11,897
Solid Waste ERS and FICA	-	610,660	-	610,660	358,008	-	252,652
Solid Waste Health Fund	-	442,343	-	442,343	442,343	-	-
Solid Waste Administration Overhead	-	1,061,387	-	1,061,387	1,061,387	-	-
Landfill Disposal	997,906	5,586,088	1,007,370	7,591,364	5,687,871	1,400,979	502,514
Residential Collection	61,757	2,041,572	128,678	2,232,007	2,173,007	59,000	-
Landfill Diversion	653,481	678,802	92,300	1,424,583	558,385	317,391	548,807
Temporary Material Recovery Facility	-	450,000	-	450,000	89,548	58,455	301,997
Total Public Works and Waste Management	<u>1,713,837</u>	<u>11,168,735</u>	<u>1,284,516</u>	<u>14,167,088</u>	<u>10,701,512</u>	<u>1,847,709</u>	<u>1,617,867</u>
Total Sanitation	<u>1,713,837</u>	<u>11,168,735</u>	<u>1,284,516</u>	<u>14,167,088</u>	<u>10,701,512</u>	<u>1,847,709</u>	<u>1,617,867</u>
Totals - Solid Waste Fund	<u>\$ 1,713,837</u>	<u>\$ 11,168,735</u>	<u>\$ 1,284,516</u>	<u>\$ 14,167,088</u>	<u>\$ 10,701,512</u>	<u>\$ 1,847,709</u>	<u>\$ 1,617,867</u>

County of Maui
Liquor Control Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Licenses and Permits:					
Social Welfare:					
Business Licenses and Permits	\$ 1,782,904	\$ -	\$ 1,782,904	\$ 2,094,023	\$ 311,119
Total - License and Permits	1,782,904	-	1,782,904	2,094,023	311,119
Total Liquor Control Fund Revenue	\$ 1,782,904	\$ -	\$ 1,782,904	\$ 2,094,023	\$ 311,119

See Independent Auditors' Report.

County of Maui
Liquor Control Fund Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Department and Appropriations	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Social Welfare:							
Liquor Control:							
Liquor Control General	\$ 2,460	\$ 1,582,580	\$ -	\$ 1,585,040	\$ 1,255,039	\$ 2,920	\$ 327,081
Liquor Control Admin Overhead	-	788,654	-	788,654	654,043	-	134,611
Total Liquor Control	<u>2,460</u>	<u>2,371,234</u>	<u>-</u>	<u>2,373,694</u>	<u>1,909,082</u>	<u>2,920</u>	<u>461,692</u>
Total Social Welfare	<u>2,460</u>	<u>2,371,234</u>	<u>-</u>	<u>2,373,694</u>	<u>1,909,082</u>	<u>2,920</u>	<u>461,692</u>
Totals - Liquor Control Fund	<u>\$ 2,460</u>	<u>\$ 2,371,234</u>	<u>\$ -</u>	<u>\$ 2,373,694</u>	<u>\$ 1,909,082</u>	<u>\$ 2,920</u>	<u>\$ 461,692</u>

County of Maui
Capital Projects Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental Revenues:					
Highways and Streets:					
Federal Grants	\$ -	\$ -	\$ -	\$ 9,855	\$ 9,855
Federal Grants Passed Through State	-	-	-	(4,576)	(4,576)
Total - Highway and Streets	-	-	-	5,279	5,279
Capital Improvement Projects:					
Federal Grants Passed Through State	-	2,944,900	2,944,900	2,887,392	(57,508)
Total - Capital Improvement Projects	-	2,944,900	2,944,900	2,887,392	(57,508)
Total - Intergovernmental Revenues	-	2,944,900	2,944,900	2,892,671	(52,229)
Revenue From Money and Property:					
Capital Improvement Projects:					
Interest on Investments	247	(247)	-	382,437	382,437
Total - Capital Improvement Projects	247	(247)	-	382,437	382,437
Total - Revenue from Money and Property	247	(247)	-	382,437	382,437

See Independent Auditors' Report.

County of Maui
Capital Projects Fund
Schedule of Revenues - Budget Estimate and Actual
For the Year Ended June 30, 2006
(Continued)

Sources of Revenue	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Other Revenues:					
Capital Improvement Projects:					
Operating Contributions	1,500,000	(1,500,000)	-	-	-
Capital Contributions	-	3,376,788	3,376,788	-	(3,376,788)
Total - Capital Improvement Projects	1,500,000	3,376,788	3,376,788	-	(3,376,788)
Total - Other Revenues	1,500,000	3,376,788	3,376,788	-	(3,376,788)
Total Capital Projects Fund Revenue	\$ 1,500,247	\$ 6,321,441	\$ 6,321,688	\$ 3,275,108	\$ (3,046,580)

County of Maui
Capital Projects Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Year Ended June 30, 2006

Function and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriation	Lapsed Appropriations
Drainage	\$ 2,734,100	\$ 3,899,075	\$ -	\$ 6,633,174	\$ 656,227	\$ 5,924,811	\$ 52,136	\$ 166
Government Facilities	14,278,686	12,754,587	-	27,033,273	9,574,379	13,171,082	4,287,812	239,846
Parks and Recreation	4,509,926	10,267,872	-	14,777,798	4,285,811	7,599,808	2,892,179	182,201
Economic Development	643,695	-	-	643,695	257,711	385,984	-	-
Roads	30,912,724	14,127,142	-	45,039,866	8,094,985	12,080,399	24,864,482	3,959,532
Solid Waste Facilities	5,236,758	7,165,337	-	12,402,096	1,859,809	6,724,288	3,817,999	14,689
Wastewater Facilities	17,413,174	3,400,130	-	20,813,304	5,864,727	3,942,870	11,005,707	200,200
Totals	\$ 75,729,063	\$ 51,614,143	\$ -	\$ 127,343,206	\$ 30,593,649	\$ 49,829,242	\$ 46,920,315	\$ 4,596,634

County of Maui
 Capital Projects Fund
 Schedule of Appropriations, Expenditures and Encumbrances
 For the Year Ended June 30, 2006

Fund and Appropriations	Balances	Appropriations	Transfers	Total	Expenditures	Reserves and	Unexpended	Lapsed
	Forwarded		and			Encumbrances	Appropriation	Appropriations
			Additions					
General Fund CIP	\$ 2,133,661	\$ 9,690,150	\$ -	\$ 11,823,811	\$ 5,589,405	\$ 2,166,345	\$ 4,068,061	\$ 214,906
Highway Fund CIP	10,914,952	12,000,000	-	22,914,952	5,194,598	6,076,849	11,643,505	3,581,878
Waste Water Fund CIP	649,930	945,000	-	1,594,930	68,323	381,608	1,144,999	200,000
Bikeway Fund CIP	875,508	300,000	-	1,175,508	108,468	719,953	347,087	48,895
Solid Waste Fund CIP	2,000	-	-	2,000	-	2,000	-	-
Park Assessments CIP	1,404,435	808,000	-	2,212,435	546,675	826,773	838,987	138,419
Federal CIP Grants	45,170	3,376,788	-	3,421,958	9,855	3,396,103	16,000	-
State CIP Grants	9,291	-	-	9,291	-	9,291	-	-
State CIP Grants -DOT	13,649,363	2,127,142	-	15,776,505	2,882,816	3,678,019	9,215,670	-
Private CIP Contributions	3,365,150	-	-	3,365,150	-	-	3,365,150	-
State CIP Loans	13,618,394	1,700,000	-	15,318,394	4,264,137	1,427,785	9,626,472	-
1989 GO Bond Issue	30,625	-	-	30,625	30,625	-	-	-
1990 GO Bond Issue	105	-	-	105	105	-	-	-
1993 (A) GO Bond Issue	245,355	-	-	245,355	90,428	154,903	24	23
1993(G) GO Bond Issue	7,801	-	-	7,801	6,605	1,196	-	-
1995 GO Bond Issue	53,302	-	-	53,302	33,564	19,738	-	-
1996 GO Bond Issue	270,195	-	-	270,195	69,406	187,689	13,100	13,099
1997 GO Bond Issue	246,181	-	-	246,181	18,132	228,049	-	-
1998 GO Bond Issue	1,540,322	-	-	1,540,322	86,278	1,209,005	245,039	245,039
1999 GO Bond Issue	10,316	-	-	10,316	-	10,316	-	-
2000 GO Bond Issue	601,746	-	-	601,746	75,661	526,085	-	-
2001 GO Bond Issue	360,269	-	-	360,269	2,086	336,586	21,597	21,597
2002 GO Bond Issue	1,563,457	2,125,000	-	3,688,457	2,142,260	1,515,208	30,989	30,988
2005 A B and C GO Bond Issue	6,487,319	-	-	6,487,319	3,340,562	3,084,463	62,294	62,295
2002 B and C GO Bond Issue	1,006,140	1,450,000	-	2,456,140	889,618	964,132	602,390	18,733
2006 A GO Bond Issue	16,638,077	12,012,635	-	28,650,712	5,144,042	22,907,146	599,524	20,762
2007 Proposed GO Bond Issue	-	5,079,428	-	5,079,428	-	-	5,079,428	-
Totals	\$ 75,729,064	\$ 51,614,143	\$ -	\$ 127,343,207	\$ 30,593,649	\$ 49,829,242	\$ 46,920,316	\$ 4,596,634

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See Independent Auditors' Report.

County of Maui
Capital Assets Used in the Operation of Government Funds
Comparative Schedules by Type
June 30, 2006 and 2005

	2006	2005
Governmental Funds Capital Assets:		
Land	\$ 114,432,397	\$ 114,432,397
Building and Systems	82,341,710	82,341,710
Improvements other than Building	70,680,634	70,680,635
Machinery and Equipment	65,688,530	55,302,906
Infrastructure	773,988,955	773,988,955
Construction in Progress	82,199,265	62,487,640
Accumulated Depreciation	<u>(689,819,230)</u>	<u>(666,517,528)</u>
Total Government Funds Capital Assets	<u>\$ 499,512,261</u>	<u>\$ 492,716,715</u>

See Independent Auditors' Report.

County of Maui
Capital Assets Used in the Operation of Government Funds
Schedule by Function and Department
As of June 30, 2006

Function and Department	Land	Building	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Accumulated Depreciation	Total
General Government:								
Office of the Mayor	\$ 1,000,000	\$ -	\$ -	\$ 106,312	\$ -	\$ 1,260,057	\$ (87,196)	\$ 2,279,173
Management	-	-	-	980,283	-	253,641	(675,430)	558,494
Corporation Counsel	-	-	-	35,330	-	-	(35,330)	-
Finance	-	-	-	675,040	-	861,519	(449,133)	1,087,426
Personnel Services	-	-	-	11,530	-	-	(11,530)	-
Planning	-	-	-	395,301	-	-	(219,874)	175,427
Public Works and Waste Management	11,798,452	13,513,169	6,197,698	1,146,803	-	3,085,279	(15,137,049)	20,604,352
Total General Government	<u>12,798,452</u>	<u>13,513,169</u>	<u>6,197,698</u>	<u>3,350,599</u>	<u>-</u>	<u>5,460,496</u>	<u>(16,615,542)</u>	<u>24,704,872</u>
Public Safety:								
Prosecuting Attorney	-	-	-	261,097	-	-	(187,174)	73,923
Police	131,230	14,624,662	104,515	15,714,263	-	4,622,005	(16,755,057)	18,441,618
Fire Control	11,400	18,595,488	-	9,700,127	-	1,278,760	(16,859,641)	12,726,134
Civil Defense	-	-	-	219,811	-	185	(151,995)	68,001
Public Works and Waste Management	-	-	-	6,886	-	-	(6,082)	804
Total Public Safety	<u>142,630</u>	<u>33,220,150</u>	<u>104,515</u>	<u>25,902,184</u>	<u>-</u>	<u>5,900,950</u>	<u>(33,959,949)</u>	<u>31,310,480</u>
Highway and Streets:								
Public Works and Waste Management	58,347,430	-	-	13,765,819	450,715,460	22,114,167	(400,341,664)	144,601,212
Transportation	-	-	-	877,356	-	-	(17,872)	859,484
Total Highways and Streets	<u>58,347,430</u>	<u>-</u>	<u>-</u>	<u>14,643,175</u>	<u>450,715,460</u>	<u>22,114,167</u>	<u>(400,359,536)</u>	<u>145,460,696</u>
Sanitation:								
Public Works and Waste Management	2,229,843	-	-	14,420,194	323,273,495	29,531,037	(176,875,132)	192,579,437
Total Sanitation	<u>2,229,843</u>	<u>-</u>	<u>-</u>	<u>14,420,194</u>	<u>323,273,495</u>	<u>29,531,037</u>	<u>(176,875,132)</u>	<u>192,579,437</u>
Social Welfare:								
Liquor Control	-	-	-	334,789	-	-	(289,095)	45,694
Housing and Human Concerns	-	10,277,967	838,614	1,113,534	-	1,312,200	(5,582,870)	7,959,445
Total Social Welfare	<u>-</u>	<u>10,277,967</u>	<u>838,614</u>	<u>1,448,323</u>	<u>-</u>	<u>1,312,200</u>	<u>(5,871,965)</u>	<u>8,005,139</u>
Culture and Recreation:								
Parks and Recreation	40,914,042	25,330,424	63,539,807	5,770,179	-	17,880,415	(56,006,678)	97,428,189
Total Culture and Recreation	<u>40,914,042</u>	<u>25,330,424</u>	<u>63,539,807</u>	<u>5,770,179</u>	<u>-</u>	<u>17,880,415</u>	<u>(56,006,678)</u>	<u>97,428,189</u>
Legislative:								
County Council	-	-	-	99,037	-	-	(87,350)	11,687
County Clerk	-	-	-	49,734	-	-	(39,249)	10,485
Management	-	-	-	5,105	-	-	(3,829)	1,276
Total Legislative	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,876</u>	<u>-</u>	<u>-</u>	<u>(130,428)</u>	<u>23,448</u>
Total Capital Assets in Governmental Funds	<u>\$ 114,432,397</u>	<u>\$ 82,341,710</u>	<u>\$ 70,680,634</u>	<u>\$ 65,688,530</u>	<u>\$ 773,988,955</u>	<u>\$ 82,199,265</u>	<u>\$ (689,819,230)</u>	<u>\$ 499,512,261</u>

See Independent Auditors' Report.

County of Maui
Capital Assets Used in the Operation of Government Funds
Schedule of Changes by Function and Department
For the Fiscal Year Ended June 30, 2006

<u>Function and Department</u>	<u>Governmental Capital Assets July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets June 30, 2006</u>
General Government:				
Office of the Mayor	\$ 1,635,444	\$ 3,671,767	\$ (2,940,842)	\$ 2,366,369
Management	834,974	398,951	-	1,233,925
Corporation Counsel	35,330	-	-	35,330
Finance	1,410,732	125,825	-	1,536,557
Personnel Services	11,530	-	-	11,530
Planning	373,672	21,630	-	395,302
Public Works and Environmental Management	34,866,763	915,522	(40,885)	35,741,400
Total General Government	<u>39,168,445</u>	<u>5,133,695</u>	<u>(2,981,727)</u>	<u>41,320,413</u>
Public Safety:				
Prosecuting Attorney	209,210	51,887	-	261,097
Police	29,334,053	9,908,713	(4,046,091)	35,196,675
Fire Control	28,809,452	776,322	-	29,585,774
Civil Defense	219,995	-	-	219,995
Public Works and Environmental Management	6,886	-	-	6,886
Total Public Safety	<u>58,579,596</u>	<u>10,736,922</u>	<u>(4,046,091)</u>	<u>65,270,427</u>
Highway and Streets:				
Public Works and Environmental Management	538,659,451	10,302,081	(4,018,654)	544,942,878
Transportation	-	877,356	-	877,356
Total Highways and Streets	<u>538,659,451</u>	<u>11,179,437</u>	<u>(4,018,654)</u>	<u>545,820,234</u>
Sanitation:				
Public Works and Environmental Management	360,936,332	8,778,426	(260,188)	369,454,570
Total Sanitation	<u>360,936,332</u>	<u>8,778,426</u>	<u>(260,188)</u>	<u>369,454,570</u>
Social Welfare:				
Liquor Control	348,789	-	(14,000)	334,789
Housing and Human Concerns	12,573,899	998,371	(29,955)	13,542,315
Total Social Welfare	<u>12,922,688</u>	<u>998,371</u>	<u>(43,955)</u>	<u>13,877,104</u>
Culture and Recreation:				
Parks and Recreation	148,815,067	4,742,516	(122,716)	153,434,867
Total Culture and Recreation	<u>148,815,067</u>	<u>4,742,516</u>	<u>(122,716)</u>	<u>153,434,867</u>
Legislative:				
County Council	97,826	6,551	(5,340)	99,037
County Clerk	49,734	-	-	49,734
Management	5,105	-	-	5,105
Total Legislative	<u>152,665</u>	<u>6,551</u>	<u>(5,340)</u>	<u>153,876</u>
Total Capital Assets in Governmental Funds	<u>1,159,234,244</u>	<u>41,575,918</u>	<u>(11,478,671)</u>	<u>1,189,331,491</u>
Less Accumulated Depreciation	<u>(666,517,529)</u>	<u>(23,848,704)</u>	<u>547,003</u>	<u>(689,819,230)</u>
Capital Assets Net of Accumulated Depreciation	<u>\$ 492,716,715</u>	<u>\$ 17,727,214</u>	<u>\$ (10,931,668)</u>	<u>\$ 499,512,261</u>

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006

Line Item #	Description	Value	Details
Assets			
Current Assets			
Cash:			
111	Cash - Unrestricted	\$ -	-
115	Cash - Restricted for Payment of Current Liabilities	\$ -	-
112	Cash - Restricted - Modernization and Development	\$ -	-
113	Cash - Other Restricted	\$ -	-
114	Cash - Tenant Security Deposits	\$ -	-
100	Total Cash	\$ -	-
Receivables:			
121	Accounts Receivable - PHA Projects	\$ -	-
122	Accounts Receivable - HUD Other Projects	\$ -	-
124	Accounts Receivable - Other Government	\$ 511,627	-
125	Accounts Receivable - Miscellaneous	\$ 354,813	-
126	Accounts Receivable - Tenants - Dwelling Rents	\$ -	-
**126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$ -	-
**126.2	Allowance for Doubtful Accounts -Other	\$ -	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
127	Notes, Loans, & Mortgages Receivable - Current	\$ -	-
128	Fraud Recovery	\$ 16,360	-
**128.1	Allowance for Doubtful Accounts - Fraud	\$ -	-
129	Accrued Interest Receivable	\$ -	-
120	Total Receivables, net of allowance for doubtful accounts	\$ 882,800	-
131	Investments - Unrestricted	\$ -	-
135	Investments - Restricted for Payment of Current Liabilities	\$ -	-
132	Investments Restricted	\$ -	-
142	Prepaid Expenses and Other Assets	\$ -	-
143	Inventories	\$ -	-
**143.1	Allowance for Obsolete Inventories	\$ -	-
144	Interprogram Due From	\$ -	-
145	Assets Held for Sale	\$ -	-
146	Amounts to be Provided	\$ -	-
150	Total Current Assets	\$ 882,800	-
	Noncurrent Assets		
	Fixed Assets:		
161	Land	\$ -	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
168	Infrastructure	\$ -	-
162	Buildings	\$ -	-
163	Furniture, Equipment & Machinery - Dwellings	\$ -	-
164	Furniture, Equipment & Machinery - Administration	\$ 61,246	-
**165	Leasehold Improvements	\$ 143,971	-
**166	Accumulated Depreciation	\$ (87,539)	-
167	Construction in Progress	\$ -	-
160	Total Fixed Assets, Net of Accumulated Depreciation	\$ 117,678	-
171	Notes, Loans, & Mortgages Receivable - Non Current	\$ -	-
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$ -	-
173	Grants Receivable - Non Current	\$ -	-
174	Other Assets	\$ -	-
176	Investments in Joint Ventures	\$ -	-
180	Total Non-Current Assets	\$ 117,678	-
190	Total Assets	\$ 1,000,478	-

See Independent Auditors' Report.

County of Maui
 Department of Housing and Human Concerns - Housing Division
 Financial Data Schedule - Section 8 Rental Voucher Program
 June 30, 2006
 (continued)

Line Item #	Description	Value	Details
Liabilities and Equity	Liabilities		
	Current Liabilities:		
311	Bank Overdraft	\$ -	-
312	Accounts Payable <= 90 days	\$ 76,457	-
313	Accounts Payable >90 Days Past Due	\$ -	-
321	Accrued Wage/Payroll Taxes Payable	\$ -	-
322	Accrued Compensated Absences - Current Portion	\$ 92,714	
324	Accrued Contingency Liability	\$ -	-
325	Accrued Interest Payable	\$ -	-
331	Accounts Payable - HUD PHA Programs	\$ -	-
332	Accounts Payable - PHA Projects	\$ -	-
333	Accounts Payable - Other Government	\$ 820,855	-
341	Tenant Security Deposits	\$ -	-
342	Deferred Revenues	\$ -	-
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$ -	-
344	Current Portion of Long-term Debt - Operating Borrowings	\$ -	-
348	Loan Liability - Current	\$ -	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
345	Other Current Liabilities	\$ -	-
346	Accrued Liabilities - Other	\$ -	-
347	Interprogram Due To	\$ -	-
310	Total Current Liabilities	\$ 990,026	-
	Noncurrent Liabilities:		
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$ -	-
352	Long-term Debt, Net of Current - Operating Borrowings	\$ -	-
354	Accrued Compensated Absences - Non Current	\$ -	-
355	Loan Liability -Non Current	\$ -	-
353	Noncurrent Liabilities - Other	\$ -	-
350	Total Noncurrent Liabilities	\$ -	-
300	Total Liabilities	\$ 990,026	-
Equity	Equity:		
501	Investment in General Fixed Assets	\$ -	-
	Contributed Capital:		
502	Project Notes (HUD)	\$ -	-
503	Long-term Debt - HUD Guaranteed	\$ -	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
504	Net HUD PHA Contributions	\$ -	-
505	Other HUD Contributions	\$ -	-
507	Other Contributions	\$ -	-
508	Total Contributed Capital	\$ -	-
508.1	Invested in Capital Assets, Net of Related Debt	\$ -	-
	Reserved Fund Balance:		
509	Fund Balance Reserved for Encumbrances/Designated Fund Balance	\$ -	-
510	Activities	\$ -	-
511	Total Reserved Fund Balance	\$ -	-
511.1	Restricted Net Assets	\$ -	-
*512	Undesignated Fund Balance/Retained Earnings	\$ 10,452	-
512.1	Unrestricted Net Assets	\$ -	-
513	Total Equity/Net Assets	\$ 10,452	-
600	Total Liabilities and Equity/Net Assets	\$ 1,000,478	-

* mandatory field

** Allowable Accounts (126.1.126.2.128.1. And 143.1) are mandatory fields only if data has been reported in the corresponding asset account. Leasehold and accumulated depreciation (165 and 166) are mandatory fields only if other fixed assets line items are reported . Zero is an acceptable value.

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
703	Net Tenant Rental Revenue	\$ -	-
704	Tenant Revenue - Other	\$ -	-
705	Total Tenant Revenue	\$ -	-
706	HUD PHA Operating Grants	\$ 14,300,295	[Details]
706.1	Capital Grants	\$ -	-
708	Other Government Grants	\$ -	-
**711	Investment Income - Unrestricted	\$ 28,375	-
712	Mortgage Interest Income	\$ -	-
713	Proceeds from Disposition of Assets Held for Sale	\$ -	-
**713.1	Cost of Sale of Assets	\$ -	-
714	Fraud Recovery	\$ 16,360	-
715	Other Revenue	\$ -	-
716	Gain/Loss on Sale of Fixed Assets	\$ -	-
**720	Investment Income - Restricted	\$ -	-
700	Total Revenue	\$ 14,345,030	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
Expenses Administrative:			
911	Administrative Salaries	\$ 778,063	-
912	Auditing Fees	\$ -	-
913	Outside Management Fees	\$ -	-
914	Compensated Absences	\$ 92,714	-
915	Employee Benefit Contributions - Administrative	\$ -	-
916	Other Operating - Administrative	\$ 493,544	-
Tenant Services:			
921	Tenant Services - Salaries	\$ -	-
922	Relocation Costs	\$ -	-
923	Employee Benefit Contributions - Tenant Services	\$ -	-
924	Tenant Services - Other	\$ -	-
Utilities:			
931	Water	\$ -	-
932	Electricity	\$ -	-
933	Gas	\$ -	-
934	Fuel	\$ -	-

See Independent Auditors' Report.

County of Maui
 Department of Housing and Human Concerns - Housing Division
 Financial Data Schedule - Section 8 Rental Voucher Program
 June 30, 2006

(continued)

Line Item #	Description	Value	Details
935	Labor	\$ -	-
937	Employee Benefit Contributions - Utilities	\$ -	-
938	Other Utilities Expense	\$ -	-
Ordinary Maintenance & Operation			
941	Ordinary Maintenance and Operations - Labor	\$ -	-
942	Ordinary Maintenance and Operations - Material and Other	\$ -	-
943	Ordinary Maintenance and Operations - Contract Costs	\$ -	-
945	Employee Benefit Contributions - Ordinary Maintenance	\$ -	-
951	Protective Services - Labor	\$ -	-
952	Protective Services - Other Contract Costs	\$ -	-
953	Protective Services - Other	\$ -	-
955	Employee Benefit Contributions - Protective Services	\$ -	-
General Expenses:			
961	Insurance Premiums	\$ -	-
962	Other General Expenses	\$ -	-
963	Payments in Lieu of Taxes	\$ -	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006

(continued)

Line Item #	Description	Value	Details
964	Bad Debt - Tenant Rents	\$ -	-
965	Bad Debt - Mortgage	\$ -	-
966	Bad Debts - Other	\$ -	-
967	Interest Expense	\$ -	-
968	Severance Expense	\$ -	-
969	Total Operating Expenses	\$ 1,364,321	-
970	Excess Operating Revenue over Operating Expenses	\$ 12,980,709	-
	Other Expenses:		
971	Extraordinary Maintenance	\$ -	-
972	Casualty Losses - Non- Capitalized	\$ -	-
973	Housing Assistance Payments	\$ 13,274,411	-
974	Depreciation Expense	\$ 11,022	-
975	Fraud Losses	\$ -	-
976	Capital Outlays - Governmental Funds	\$ -	-
977	Debt Principal Payment - Governmental Funds	\$ -	-
978	Dwelling Units Rent Expense	\$ -	-
900	Total Expenses	\$ 14,649,754	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Line Item #	Description	Value	Details
Other Financing Sources (Uses)			
1001	Operating Transfers In	\$ -	-
1002	Operating Transfers Out	\$ -	-
1003	Operating Transfers from/to Primary Government	\$ -	-
1004	Operating Transfers from/to Component Unit	\$ -	-
1005	Proceeds from Notes, Loans and Bonds	\$ -	-
1006	Proceeds from Property Sales	\$ -	-
1007	Extraordinary Items (net gain/loss)	\$ -	-
1008	Special Items	\$ -	-
1010	Total Other Financing Sources (Uses)	\$ -	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ (304,724)	
1101	Capital Outlays Enterprise Fund	\$ -	-
*1102	Debt Principal Payments - Enterprise Funds	\$ -	-
*1103	Beginning Equity	\$ 315,176	-
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ -	-
1105	Changes in Compensated Absences Balance	\$ -	-

See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006

(continued)

Line Item #	Description	Value	Details
1106	Changes in Contingent Liability Balance	\$ -	-
1107	Changes in Unrecognized Pension Transition Liability	\$ -	-
1108	Changes in Special Term/Severance Benefits Liability	\$ -	-
1109	Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$ -	-
1110	Changes in Allowance for Doubtful Accounts - Other	\$ -	-
1112	Depreciation Add Back	\$ 11,022	-
*1113	Maximum Annual Contributions Commitment (Per ACC)	\$ 14,940,875	-
*1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$ -	-
*1115	Contingency Reserve, ACC Program Reserve	\$ 902,408	-
1116	Total Annual Contributions Available	\$ 15,843,283	-
*1120	Unit Months Available	17,568	-
*1121	Number of Unit Months Leased	15,796	-

* mandatory field

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See Independent Auditors' Report.

County of Maui
Department of Housing and Human Concerns - Housing Division
Financial Data Schedule - Section 8 Rental Voucher Program
June 30, 2006
(continued)

Account Details Line Item 706 - HUD PHA Grants

Line Item #	Description	Amount
*706-010	Housing Assistance Payments	\$ 13,274,411
*706-020	Ongoing Administrative Fees Earned	\$ 1,011,859
*706-030	Hard-to-House Fees Earned	\$ 14,025
*706-040	Actual Independent Public Accountant Audit Costs	\$ -
*706-050	Total Preliminary Fees Earned	\$ -
*706-055	Excess Interest Earned pm Excess Funds	\$ -
	Total Funds Required	\$ 14,300,295
706-060	Admin Fee Calculation Description	\$ -

* mandatory field

** Allowable Accounts (126.1.126.2.128.1. And 143.1) are mandatory fields only if data has been reported in the corresponding asset account. Leasehold and accumulated depreciation (165 and 166) are mandatory fields only if other fixed assets line items are reported . Zero is an acceptable value.

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COUNTY OF MAUI

**Statistical Section (Unaudited)
(see Independent Auditors' Report)**

Statistical Section (Unaudited)

Table 1
COUNTY OF MAUI
NET ASSETS BY COMPONENT
FISCAL YEARS 2002-2006
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)
 (Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental Activities					
Invested in capital assets, net of related debt	\$ 205,936	\$ 270,822	\$ 279,902	\$ 260,620	\$ 284,331
Restricted	62,527	53,134	35,927	57,951	64,401
Unrestricted	(12,439)	(24,789)	(13,846)	(8,424)	17,414
Total governmental activities net assets	\$ 256,024	\$ 299,167	\$ 301,983	\$ 310,147	\$ 366,146
Business-type activities					
Invested in capital assets, net of related debt	\$ 5,805	\$ 224,132	\$ 229,689	\$ 231,941	\$ 244,149
Restricted		12,511	17,208	21,355	17,052
Unrestricted	1,725	24,301	24,133	22,635	19,836
Total business-type activities net assets	\$ 7,530	\$ 260,944	\$ 271,030	\$ 275,931	\$ 281,037
Primary Government					
Invested in capital assets, net of related debt	\$ 211,741	\$ 494,954	\$ 509,591	\$ 492,561	\$ 528,480
Restricted	62,527	65,645	53,135	79,306	81,453
Unrestricted	(10,714)	(488)	10,287	14,211	37,250
Total primary government net assets	\$ 263,554	\$ 560,111	\$ 573,013	\$ 586,078	\$ 647,183
Component Unit¹					
Invested in capital assets, net of related debt	\$ 213,710				
Restricted	9,101				
Unrestricted	22,705				
Total component unit	\$ 245,516				

¹ Effective January 2, 2003 the Department of Water Supply was restructured by Charter Amendment and considered a department of the county (proprietary) previously considered semi-autonomous (component unit).

Table 2
COUNTY OF MAUI
CHANGES IN NET ASSETS
FISCAL YEARS 2002-2006
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)
 (Unaudited)

Expenses	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
General government	\$ 51,984	\$ 55,853	\$ 53,952	\$ 75,777	\$ 68,334
Public safety	43,075	46,642	48,722	54,697	56,947
Highways and streets	13,376	20,616	38,110	34,882	29,384
Sanitation	28,577	30,689	31,118	31,257	39,659
Social welfare	27,714	32,408	33,175	30,892	31,077
Culture and recreation	20,324	24,015	22,341	23,874	24,301
Legislative	3,312	3,052	3,701	4,039	4,122
Interest on long term debt	9,889	10,719	10,373	8,786	9,316
Total governmental activities expenses	198,231	224,271	241,492	264,204	283,140
Business-type activities:					
Department of Water Supply	28,696	31,196	31,695	35,812	38,477
Housing, Interim Financing and Buy-Back Revolving Fund	231	166	208	237	188
Municipal Golf Course	1,335	1,466	1,809	1,653	1,722
Total business-type activities expenses	30,162	32,818	33,412	37,702	40,385
Total primary government expenses	\$ 228,393	\$ 257,089	\$ 274,904	\$ 301,906	\$ 303,525
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 5,252	\$ 6,848	\$ 6,595	\$ 10,383	\$ 12,626
Public safety	158	174	181	324	365
Highways and streets	4,068	5,318	8,088	8,078	6,511
Sanitation	28,605	28,192	33,333	34,949	38,012
Social welfare	1,711	1,804	2,059	2,997	2,619
Culture and recreation	348	427	448	447	470
Operating grants and contributions	21,741	28,793	27,213	31,853	29,520
Capital grants and contributions	13,275	3,838	4,525	4,781	10,016
Total governmental activities program revenues	75,052	73,464	84,442	93,810	102,139
Business-type activities:					
Charges for services:					
Department of Water Supply	27,350	28,609	27,735	29,623	42,348
Housing, Interim Financing and Buy-Back Revolving Fund	144	147	148	155	146
Municipal Golf Course	842	1,361	1,174	1,232	1,437
Capital grants and contributions	5,809	9,626	13,864	10,598	
Total business-type program revenues	33,945	39,945	42,919	41,608	43,931
Total primary government program revenues	\$ 108,997	\$ 113,399	\$ 127,361	\$ 135,418	\$ 146,070
Net (expense)/revenue					
Governmental activities	\$ (123,179)	\$ (150,817)	\$ (157,050)	\$ (170,394)	\$ (161,001)
Business-type activities	3,783	7,127	9,507	3,906	3,546
Total primary government net expense	\$ (119,396)	\$ (143,690)	\$ (147,543)	\$ (166,488)	\$ (157,455)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 97,825	\$ 104,574	\$ 116,961	\$ 131,991	\$ 162,741
Transient accommodation tax	16,347	16,856	18,294	20,126	22,294
Public service corporation tax	4,763	4,842	4,819	5,706	6,390
Franchise tax	5,168	4,823	5,343	6,176	7,362
Fuel tax	8,570	8,720	12,940	11,982	12,659
Interest and investment earnings	2,883	1,844	1,385	2,337	5,416
Other	925	536	26	118	80
Transfers	56	92	97	64	36
Total governmental activities	136,137	142,287	159,887	178,559	216,999
Business-type activities:					
Interest and investment earnings	1,151	708	675	1,058	1,800
Others	213	155			
Transfers	(58)	(92)	(97)	(64)	(38)
Total business-type activities	1,308	771	578	994	1,562
Total primary government	\$ 137,445	\$ 143,058	\$ 160,445	\$ 179,553	\$ 218,561
Change in Net Assets					
Governmental activities	\$ 12,958	\$ (8,530)	\$ 2,817	\$ 8,165	\$ 65,998
Business-type activities	5,091	7,898	10,085	4,900	5,108
Total primary government	\$ 18,049	\$ (632)	\$ 12,902	\$ 13,065	\$ 71,106

Table 3
COUNTY OF MAUI
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)
 (Unaudited)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Transient Accommodation Tax</u>	<u>Public Service Corporation Tax</u>	<u>Franchise Tax</u>	<u>Fuel Tax</u>	<u>Total</u>
1997	\$ 74,141	\$ 21,947		\$ 3,576	\$ 7,215	\$ 106,879
1998	75,184	22,810		3,829	7,211	109,034
1999	74,812	19,335		3,469	7,442	105,058
2000	84,650	17,221		3,876	7,860	113,607
2001	88,078	18,427		4,718	7,413	118,636
2002	95,585	16,347	\$ 14,763 ¹	5,168	8,570	140,433
2003	105,108	16,856	4,842	4,823	8,720	140,347
2004	116,759	18,294	4,819	5,343	12,940	158,155
2005	132,096	20,124	5,766	6,176	11,982	176,144
2006	162,221	22,294	6,390	7,382	12,659	210,946

¹ First year of tax.

Table 4
COUNTY OF MAUI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)
 (Unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund										
Reserved	\$ 7,081	\$ 6,719	\$ 9,575	\$ 7,642	\$ 6,630	\$ 10,937	\$ 11,575	\$ 9,846	\$ 13,484	\$ 18,437
Unreserved	29,595	25,106	14,317	16,158	23,065	8,200	4,457	17,844	31,214	52,766
Total general fund	<u>\$ 36,676</u>	<u>\$ 31,825</u>	<u>\$ 23,892</u>	<u>\$ 23,800</u>	<u>\$ 29,695</u>	<u>\$ 19,137</u>	<u>\$ 16,032</u>	<u>\$ 27,690</u>	<u>\$ 44,698</u>	<u>\$ 71,203</u>
All other governmental funds										
Reserved	\$ 25,589	\$ 40,490	\$ 27,589	\$ 29,049	\$ 34,582	\$ 45,051	\$ 34,933	\$ 30,156	\$ 31,640	\$47,439
Unreserved, reported in:										
Special revenue funds	9,666	7,998	7,546	12,223	11,199	10,402	8,673	16,228	20,920	33,713
Capital projects fund	(865)					7,076	9,528	(10,457)	5,381	(\$16,751)
Total all other governmental funds	<u>\$ 34,390</u>	<u>\$ 48,488</u>	<u>\$ 35,135</u>	<u>\$ 41,272</u>	<u>\$ 45,781</u>	<u>\$ 62,529</u>	<u>\$ 53,134</u>	<u>\$ 35,927</u>	<u>\$ 57,941</u>	<u>\$ 64,401</u>

Table 5
COUNTY OF MAUI
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)
(Unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 84,933	\$ 86,226	\$ 85,722	\$ 96,387	\$ 100,211	\$ 114,087	\$ 123,492	\$ 139,861	\$ 156,020	\$ 188,651
Licenses and permits	6,930	7,042	7,576	8,704	9,601	8,603	10,891	15,000	16,444	17,611
Intergovernmental revenues	49,833	50,568	39,213	35,795	43,440	42,941	44,968	47,776	53,512	54,268
Charges for current services	21,666	21,866	23,125	29,210	30,733	28,733	28,334	34,810	36,265	39,221
Fines and forfeitures	822	683	623	800	822	970	1,188	1,095	1,242	1,463
Money and property	3,416	3,126	2,442	2,938	3,324	2,848	2,064	1,540	2,489	5,586
Assessments						2,272	2,038	1,795	3,031	7,123
Other	5,900	6,625	6,077	6,194	6,294	2,109	2,624	2,747	3,499	4,598
Total revenues	\$ 173,500	\$ 176,136	\$ 164,978	\$ 180,028	\$ 194,425	\$ 202,563	\$ 215,589	\$ 244,624	\$ 272,502	\$ 318,521
Expenditures										
Current										
General government	\$ 39,631	\$ 41,598	\$ 36,851	\$ 37,510	\$ 39,045	\$ 47,694	\$ 50,737	\$ 52,937	\$ 57,848	\$ 67,352
Public safety	35,288	37,461	38,331	39,335	40,241	42,085	46,153	48,873	53,125	55,799
Highways and streets	9,413	9,870	9,105	9,136	9,270	10,821	10,958	14,896	19,444	21,341
Sanitation	17,819	18,912	18,444	19,070	19,589	20,981	22,706	22,834	23,835	28,670
Social welfare	18,827	21,545	20,584	19,948	21,322	27,383	31,810	30,643	29,877	30,454
Culture and recreation	12,458	13,085	13,868	15,065	14,725	17,221	18,629	18,725	20,359	20,451
Legislative	2,483	3,039	3,103	2,964	3,323	3,328	3,953	3,681	4,022	4,114
Capital outlay	48,454	46,257	38,150	24,624	24,503	30,655	38,745	35,057	21,511	30,594
Debt service:										
Principal	7,959	8,463	9,604	11,507	12,034	12,969	13,594	15,014	16,443	10,307
Interest	8,296	8,862	9,837	10,303	10,594	9,817	10,997	10,047	9,759	17,059
Total expenditures	\$ 200,628	\$ 209,052	\$ 197,877	\$ 189,462	\$ 194,646	\$ 222,954	\$ 248,282	\$ 252,707	\$ 256,223	\$ 286,141
Excess of revenues over (under) expenditures	\$ (27,128)	\$ (32,956)	\$ (32,899)	\$ (9,434)	\$ (221)	\$ (20,391)	\$ (32,683)	\$ (8,083)	\$ 16,279	\$ 32,380
Other financing sources (uses)										
Loan proceeds:										
General obligation bond proceeds		\$ 42,192	\$ 11,600	\$ 14,440	\$ 11,060	\$ 25,049	\$ 11,009	\$ 2,270	\$ 21,956	
General obligation refunding bonds							56,829	15,719	29,485	
State revolving fund loan proceeds	\$ 7,136			1,039	1,647	1,389	8,664		525	\$ 545
Net premiums received									1,396	
Loan Payments:										
Payment to escrow for bond refunding							(56,411)	(15,552)	(30,682)	
Operating transfers in:										
General fund	25,169	27,332	28,300	26,102	25,528		31,485	28,333	34,075	44,005
Special revenue funds	17,092	17,544	19,152	18,673	21,036	32,286	23,266	23,269	28,873	32,250
Capital projects fund	939	2,149	805	944	31	22,386	2,001	4,821	509	4,184
Proprietary funds							92	97	64	86
Assessment Funds										
Enterprise funds					1,000	2,688				
Operating transfers out:										
General fund	(12,699)	(14,624)	(13,483)	(13,107)	(12,665)	(11,782)	(15,190)	(16,124)	(14,619)	(15,353)
Special revenue funds	(3,467)	(7,251)	(8,587)	(5,835)	(4,268)	(4,033)	(5,654)	(6,706)	(9,902)	(13,976)
Debt service fund	(16,255)	(17,326)	(19,441)	(21,810)	(22,628)	(22,785)	(24,173)	(24,893)	(26,003)	(27,366)
Capital projects fund	(10,778)	(7,825)	(6,746)	(4,967)	(10,246)	(18,759)	(11,735)	(8,800)	(12,933)	(23,743)
Proprietary funds										(48)
Total financing sources (uses)	\$ 7,137	\$ 42,191	\$ 11,600	\$ 15,479	\$ 10,495	\$ 25,495	\$ 20,183	\$ 2,534	\$ 22,744	\$ 585
Net change in fund balances	\$ (19,991)	\$ 9,235	\$ (21,299)	\$ 6,045	\$ 10,274	\$ 6,104	\$ (12,500)	\$ (5,549)	\$ 39,023	\$ 32,965
Debt service as a percentage of noncapital expenditures										
	10.68%	10.64%	12.17%	13.23%	13.30%	11.85%	11.74%	11.51%	11.16%	10.71%

Table 6
COUNTY OF MAUI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
(Unaudited)

Fiscal Year Ended June 30	Classification																				
	Residential		Apartment		Commercial		Industrial		Agricultural		Conservation		Hotel & Resort		Time Share		Unimproved Residential		Homeowner		Total
	Taxable Assessed Value	Tax Rate	Taxable Assessed Value	Tax Rate	Taxable Assessed Value	Tax Rate	Taxable Assessed Value	Tax Rate	Taxable Assessed Value												
1997	\$ 2,234,394	4.75	\$ 1,631,551	4.75	\$ 904,764	6.50	\$ 881,431	6.50	\$ 1,195,765	4.75	\$ 229,462	4.75	\$ 2,999,117	8.00			\$ 261,460	4.75	\$ 3,136,191	3.50	\$ 13,474,135
1998	2,190,417	4.75	1,527,478	4.75	868,198	6.50	926,443	6.50	1,164,710	4.75	260,933	4.75	3,274,358	8.00			272,478	4.75	3,171,886	3.50	13,656,901
1999	2,235,905	4.75	1,504,014	4.75	875,829	6.50	941,590	6.50	1,205,248	4.75	264,145	4.75	3,222,072	8.00			248,768	4.75	3,095,582	3.50	13,593,153
2000	2,230,032	5.04	1,542,576	5.04	912,717	6.89	936,304	6.89	1,215,383	5.04	277,457	5.04	3,580,954	8.48			273,248	5.04	3,075,821	3.71	14,044,492
2001	2,339,372	5.04	1,762,433	5.04	946,368	6.89	957,502	6.89	1,280,655	5.04	290,540	5.04	3,871,657	8.48			300,932	5.04	3,316,251	3.71	15,065,710
2002	2,568,520	4.93	1,980,799	4.93	1,058,733	6.75	1,000,055	6.75	1,402,357	4.93	315,855	4.93	4,285,064	8.30			309,959	4.93	3,779,194	3.63	16,700,536
2003	3,029,432	4.93	2,288,091	4.93	1,102,203	6.75	1,023,138	6.75	1,526,155	4.93	355,130	4.93	4,577,576	8.30			287,627	4.93	4,400,010	3.63	18,589,362
2004	3,220,925	5.86	2,474,953	5.86	1,094,703	6.75	954,507	6.75	1,606,142	4.93	339,080	4.93	4,854,693	8.30			302,267	5.86	5,023,061	3.55	19,670,351
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	310,947	4.93	5,875,818	8.30			333,412	5.86	6,011,655	3.55	22,809,129
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	331,244	4.93	6,308,394	8.30	\$ 578,735 ²	14.00	468,086	5.86	7,366,375	3.50	28,547,284

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

² First year of tax.

Table 7

COUNTY OF MAUI
PRINCIPAL TAXPAYERS
June 30, 2006
(Amounts Expressed in Thousands)
(Unaudited)

Taxpayer	Type of Business	2006			1997		
		Taxes	Percentage of Total Tax Levy	Rank	Taxes	Percentage of Total Tax Levy	Rank
Consolidated Maui Inc.	Time Shares	\$ 3,851	1.96%	1			
Westin Maui Corp (Leaschold), Ocean Front Villas, SVO Pacific Corp	Hotel (Westin)/Time Share	3,536	1.80%	2			
HMC Maui LLC	Hotel (Kea Lani & Hyatt)	3402	1.73%	3			
Grand Wailea Investments, CNL Grand Wailea Resort LP	Hotel (Grand Wailea)	2,745	1.39%	4	\$ 1,451	1.94%	1
Alexander & Baldwin Inc East Maui Irrigation Co, A & B Properties Inc A& B Hawaii Inc.	Sugar/Development/ Property Management	2,110	1.07%	5	994	1.33%	3
Castle & Cooke Inc. Resorts LLC, Lanai Properties, Dole, Lanai Co., Lanai Developers	Development/Property Management/Hotel/Golf Course	1,802	0.92%	6			
Maui Land & Pineapple Co.	Development/Property Management/Hotel/Golf Course/Pineapple	1,797	0.91%	7	641	.86%	9
West Maui Resorts Partners	Time Share/Hotel (Embassy Suites)	1,537	0.78%	8			
Seibu: Makena Golf Corp. Makena Aina Corp. Maui Prince Hotel LLC, Ainamua Corp.	Hotel/Golf Course/Development	1,510	0.77%	9			
Marriott Ownership Resorts	Time Share (Marriott)	1,446	0.73%	10			
SCP (Maui 5) Inc.	Hotel (Four Seasons)				656	.88%	8
Wailea Resort Co.	Resort/Development				1,136	1.52%	2
Kea Lani Hotel Partners	Hotel				896	1.20%	4
K M Hawaii	Hotel (Hyatt Regency)				864	1.15%	5
Hawaii News Inc.	Hotel/Developer				855	1.14%	6
Kaptel Associates	Hotel (Ritz Carlton)				685	.92%	7
Maui Prince Hotel Corp.	Hotel (Maui Prince)				610	.81%	10
TOTAL		\$ 23,740	12.06%		\$ 8,793	11.75%	

Fiscal Year 2006 taxes were calculated from the January 1, 2006 assessment. The taxes levied for the fiscal year July 1, 2005 through June 30, 2006.

Table 8
COUNTY OF MAUI
PROPERTY LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 72,029	\$ 72,266	100.3%	\$ 1,876	\$ 72,266	100.3%
1998	74,148	72,991	98.4%	2,193	75,184	101.4%
1999	73,809	73,268	99.3%	1,543	74,811	101.4%
2000	81,944	82,067	100.2%	2,584	84,651	103.3%
2001	87,889	86,870	98.8%	1,208	88,078	100.2%
2002	95,151	94,018	98.8%	1,568	95,586	100.5%
2003	104,830	103,473	98.7%	1,634	105,107	100.3%
2004	116,340	115,285	99.1%	1,474	116,759	100.4%
2005	131,065	130,541	99.6%	1,555	132,096	100.8%
2006	168,367	160,589	95.4%	1,631	162,220	96.3%

¹ Tax levy shown is the sum of the net valuation for tax rate purposes times the tax rate for each classification less actual billing amount for the the Circuit Breaker Program.

Table 9
COUNTY OF MAUI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands Except Per Capita amount)
(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government			Component Unit ¹					Total Primary Government and Component Unit	
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Notes Payable	Total Outstanding Debt	Percentage of Personal Income	Per Capita	General Obligation Bonds	Notes Payable	Total Outstanding Debt	Percentage of Personal Income	Per Capita	Percentage of Personal Income	Per Capita
1997	\$ 149,297	\$ 18,236		\$ 9,900	\$ 177,433	6.56%	\$ 1,445	\$ 38,942	\$ 4,472	\$ 43,414	1.60%	\$ 354	8.16%	\$ 1,799
1998	186,731	21,539			208,270	7.31%	1,671	37,020	4,103	41,123	1.44%	330	8.75%	2,001
1999	189,913	24,630		7,166	221,709	7.30%	1,757	45,146	3,720	48,866	1.61%	387	8.91%	2,144
2000	194,111	24,434		5,871	224,416	6.93%	1,750	42,694	10,616	53,310	1.65%	416	8.58%	2,166
2001	194,807	23,779			218,586	6.53%	1,659	40,099	10,380	50,479	1.51%	383	8.04%	2,042
2002	208,832	23,764			232,596	8.61%	1,743	37,498	9,565	47,063	1.34%	353	7.95%	2,096
2003	208,295	30,861	\$ 34,701	8,721	282,578	7.61%	2,079	-	-	-	-	-	7.61%	2,079
2004	195,061	31,348	31,946	7,846	266,201	(2) 7.17%	1,924	-	-	-	-	-	(2) 7.17%	1,924
2005	202,542	29,824	31,142	6,938	270,446	(2) 7.29%	(3) 1,955	-	-	-	-	-	(2) 7.29%	(3) 1,955
2006	187,199	28,299	28,137	5,996	249,631	(2) 6.72%	(3) 1,783	-	-	-	-	-	(2) 6.72%	(3) 1,783

¹ Effective January 2, 2003 the Department of Water Supply was restructured by Charter Amendment and is considered a proprietary fund (previously from component unit).

² 2004, 2005, and 2006 Total Personal Income data not available, 2003 data utilized.

³ 2006 Total Resident Population data not available, 2005 data utilized.

Table 10
COUNTY OF MAUI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands, Except Per Capita Amount)
(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
1997	\$ 149,297	11.08%	\$ 1,216,051
1998	186,731	13.67%	1,498,067
1999	189,913	13.97%	1,505,334
2000	194,111	13.82%	1,513,642
2001	194,807	12.93%	1,478,645
2002	208,832	12.51%	1,565,035
2003	208,295	11.21%	1,532,415
2004	195,061	9.82%	1,409,940
2005	202,542	8.88%	1,464,014 (3)
2006	187,199	6.56%	1,353,112 (3)

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 6.

² Population data can be found in the Schedule of Demographic and Economic Statistics on Table 12.

³ 2005 and 2006 Population data not available, 2004 data utilized.

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

Table 11
COUNTY OF MAUI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
(Unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debit limit	\$2,021,121	\$2,048,535	\$2,038,974	\$2,106,674	\$2,259,857	\$2,505,080	\$2,788,404	\$2,980,553	\$3,421,369	\$4,482,093
Total net debt applicable to limit	<u>167,477</u>	<u>208,270</u>	<u>214,449</u>	<u>218,421</u>	<u>229,702</u>	<u>233,485</u>	<u>239,073</u>	<u>226,409</u>	<u>233,456</u>	<u>216,943</u>
Legal debt margin	<u>\$1,853,644</u>	<u>\$1,840,265</u>	<u>\$1,824,525</u>	<u>\$1,888,253</u>	<u>\$2,030,155</u>	<u>\$2,271,595</u>	<u>\$2,549,332</u>	<u>\$2,754,144</u>	<u>\$3,187,913</u>	<u>\$4,065,150</u>
Total net debt applicable to the limit as a percentage of debt limit	8.29%	10.17%	10.52%	10.37%	10.16%	9.32%	8.57%	7.60%	6.82%	5.07%

Legal Debt Margin Calculation for Fiscal Year 2006

Net Assessed value	\$28,631,534
Less: valuation on appeal	<u>84,250</u>
Total assessed value	\$28,547,284
Debt limit (15% of total assessed value)	4,282,093
Debt applicable to limit:	
General obligation bonds	216,943
Less: Amount set aside for repayment of general obligation debt	<u>0</u>
Total net debt applicable to limit	<u>216,943</u>
Legal debt margin	<u>\$4,065,150</u>

Table 12
COUNTY OF MAUI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income (\$000)¹</u>	<u>Per Capita Personal Income¹</u>	<u>Median Age²</u>	<u>School Enrollment³</u>	<u>Unemployment Rate¹</u>
1997	122,772	\$ 2,706	\$ 22,041	na	24,904	7.50%
1998	124,648	2,848	22,850	na	26,827	6.80%
1999	126,160	3,036	24,068	na	26,837	5.10%
2000	128,241	3,241	25,135	36.8	26,902	3.70%
2001	131,747	3,345	25,390	36.8	26,959	4.10%
2002	133,436	3,519	26,374	36.8	26,980	3.90%
2003	135,926	3,712	27,310	36.8	26,980	3.70%
2004	138,347	na	na	36.8	26,980	3.10%
2005	139,995	na	na	37.8	24,190	na
2006	na	na	na	37.8	na	na

Source: Maui County Data Book

NA - Not Available

Table 13
COUNTY OF MAUI

Principal Employers
Fiscal Year 2006 and Nine Years Ago
Amounts Expressed in Thousands
(Unaudited)

Employer	2006			1997		
	Employees ¹	Rank ¹	Percentage of Total County Employment	Employees ²	Rank ²	Percentage of Total County Employment
TS Restaurants of Hawaii & Calif.	1,756	1		1,100	2	
Maui Land & Pineapple Co. Inc.	1,240	2		1,940	1	
West Maui Resort Partners LP	492	3				
Hale Makua	450	4		320	8	
Dorvin D. Lois Co. Inc.	300	5				
Maui Medical Group Inc.	216	6		177	9	
Maui Clothing Co.	167	7				
MINIT STOP Stores	166	8				
Valley Isle Motors Ltd.	154	9				
Wailea Golf LLC	130	10				
Four Seasons Resort, Wailea				640	3	
The Westin Maui				631	4	
Kea Lani Hotel				489	5	
Aston Wailea Resort				400	6	
Embassy Suites Resort				325	7	
VIP Food Service				152	10	
TOTAL	5,526			6,174		

Source:

¹ Maui County Data Book 2005

² Maui County Data Book 1996-97

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

Function	Full-time Equivalent Employees as of March 12									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government	413	400	396	400	396	394	394	413	437	490
Public safety										
Police										
Officers	314	311	309	296	307	323	323	319	302	343
Civilians	95	99	102	100	100	101	101	102	98	73
Fire and Public Safety										
Firefighters and officers	254	228	218	219	221	242	242	272	261	264
Civilians	5	5	4	5	5	7	7	8	7	12
Highways and Streets										
Engineering	NA	25	26	26	23	25	26	23	24	31
Maintenance	122	156	156	151	156	163	163	167	164	206
Sanitation	69	66	65	68	67	69	69	65	60	74
Social Welfare	102	103	107	101	108	86	86	121	121	89
Culture and Recreation	213	227	245	263	270	274	274	295	299	296
Sewer	92	97	100	99	98	95	94	94	95	98
Department of Water Supply	158	163	173	169	172	173	173	162	166	172
Total	1,837	1,880	1,901	1,897	1,923	1,952	1,952	2,041	2,034	2,148

SOURCE:
U.S. Census Bureau

Table 15
COUNTY OF MAUI
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Police										
Physical arrests	na	na	na	na	na	na	3,013	4,208	4,287	4,365
Parking violations	16,178	18,892	16,311	13,692	10,806	9,387	10,545	11,927	9,383	9,734
Fire										
Number of calls answered	835	847	952	998	1,043	1,384	945	1,407	1,698	1,921
Inspections	3,635	3,594	1,581	2,039	3,080	1,998	2,074	1,065	1,110	1,055
Highways and streets										
Street resurfacing (miles)	13	18	9	20	20	23	24	24	20	26
Sanitation										
Refuse collected (tons/day)	na	na	na	87.9	89.0	87.2	102.4	108.7	116.0	111.9
Recyclables collected (tons/day)	176	170	187	204	220	219	227	211	193	271
Culture and recreation										
Athletic field permits issued	na	na	na	na	na	na	180	1201	974	877
Camping center permits issued	na	na	na	na	na	na	na	1555	1830	1872
Community center permits issued	na	na	na	na	na	na	912	2905	2706	2440
Water										
New connections	388	414	458	572	664	607	659	664	779	552
Water mains breaks	na	201	145	180	170	216	182	195	175	158
Average daily consumption (thousands of gallons)	31,467	32,134	34,376	34,845	35,296	33,732	34,867	34,070	35,508	36,126
Wastewater										
Average daily sewage treatment (thousands of gallons)	14,074	14,669	15,412	15,774	16,365	15,279	14,912	15,292	14,847	15,315

Sources: Various county departments.

NA - Not available

Table 16
 COUNTY OF MAUI
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public safety										
Police:										
Stations	5	6	6	6	6	6	6	6	6	6
Patrol units	6	7	7	7	7	7	7	7	7	7
Fire stations	13	13	13	13	13	13	14	14	14	14
Sanitation										
Collection trucks	15	15	15	15	16	19	22	22	24	24
Highways and streets										
Streets (miles)	786	610	610	793	620.08	620.08	620.08	620.08	630.69	630.69
Streetlights	3789	3839	3925	3947	4000	4026	4065	4070	4132	4147
Traffic signals	na	na	na	na	na	na	27	27	27	27
Culture and recreation										
Parks acreage	40,027	40,027	40,027	39,960	40,016	30,755	30,755	30,755	42,620	42,620
Parks	147	147	147	144	155	155	155	155	161	161
Swimming pools	8	8	9	9	9	9	9	9	9	9
Tennis courts	43	39	39	39	42	42	42	42	39	39
Community centers	20	20	20	20	21	21	21	21	21	21
Other Enterprise										
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Fire hydrants/stand pipes	5,220	5,355	5,476	5,600	5,718	5,856	6,042	6,206	6,350	6,488
Maximum daily capacity (thousands of gallons)	35,208	39,072	39,408	42,576	43,312	43,312	43,312	44,567	45,652	46,716
Sewer										
Sanitary sewers (miles)	200	200	200	200	200	200	206	212	219	225
Maximum daily treatment capacity (thousands of gallons)	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700

Source: Various county departments