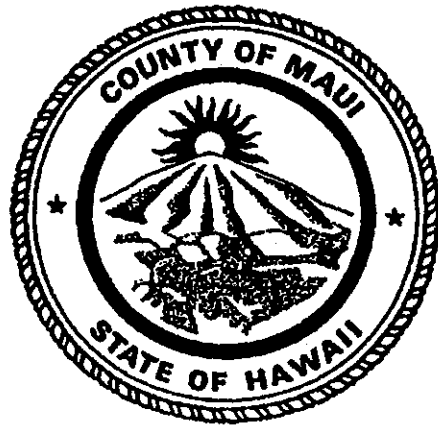


COUNTY OF MAUI
STATE OF HAWAII



SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2005

PART I

SUMMARY OF AUDITORS' RESULTS

**COUNTY OF MAUI
STATE OF HAWAII**

**Single Audit Report
Fiscal Year Ended June 30, 2005**

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**COUNTY OF MAUI, STATE OF HAWAII
SUMMARY OF AUDITORS' RESULTS JUNE 30, 2005**

Part I -Summary of Auditors' Results

1. The independent auditors' report on the basic financial statements expressed an unqualified opinion on the County of Maui, State of Hawaii (County).
2. No instances of noncompliance material to the financial statements of County were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion on all major federal programs.
4. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
5. The County's major programs were:

Name of Federal Program or Cluster	CFDA Number
Community Development Block Grant	14.219
Housing Section 8 Rental Voucher Program	14.871
Aging Title III	93.044
Coastal Zone Management Program	11.419
State Homeland Security	16.007
Federal Transit Administration	20.509

6. A threshold of \$869,000 was used to distinguish between Type A and Type B programs as those terms are defined in *OMB Circular A-133*.
7. The County did not qualify as a low-risk auditee as defined in *OMB Circular A-133*.

PART II

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
UPON THE AUDIT PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
UPON THE AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor
and Members of the County Council of Maui:

We have audited the basic financial statements of the County of Maui, State of Hawaii (County) as of and for the year ended June 30, 2005, and have issued our report thereon dated March 15, 2006. 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.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the County Administration, the County Council, federal awarding agencies, and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

Russell Yamane & Associates CPAs, Inc.

Wailuku, Hawaii
March 15, 2006

PART III

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO
EACH MAJOR FEDERAL AWARD PROGRAM AND ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO
EACH MAJOR FEDERAL AWARD PROGRAM AND ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Honorable Mayor
and Members of the County Council of Maui:

Compliance

We have audited the compliance of the County of Maui, State of Hawaii (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the County's internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the County's internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the County as of and for the year ended June 30, 2005, and have issued our report thereon dated March 15, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the basic statements. This schedule is the responsibility of the management of the County. Such information has been subjected to the auditing procedures applied in our audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the County Administration, the County Council, federal awarding agencies, and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

Russell Yamane & Associates CPAs, Inc.

Wailuku, Hawaii
March 15, 2006

PART IV

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**COUNTY OF MAUI
STATE OF HAWAII**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR
THE FISCAL YEAR ENDED JUNE 30, 2005**

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Maui (County). The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance that passed through other government agencies is included in the schedule. A program or award amount may extend over grant periods differing from the County's fiscal year.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the County's basic financial statements. Actual expenditures related to the major programs have been reconciled to the accounting records underlying the County's basic financial statements.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying schedule have been reconciled to the amounts reported in the related federal financial reports of the respective programs. Reconciling items may arise from differences in the basis of accounting.

COUNTY OF MAUI, STATE OF HAWAII

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2005**

Federal Grantor/Passthrough Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE			
Food and Nutrition Service			
Pass through State:			
Food Stamp Fraud Program St	10.551	Cooperative	\$ 632
			<u>632</u>
DEPARTMENT OF COMMERCE			
National Oceanic and Atmospheric Administration:			
Pass through State:			
Coastal Zone Management Program FY 02/03 DBED	11.419		3,967
Coastal Zone Management Program FY 03/04 DBED	11.419		212,186
Muolea Point Acquisition	11.419		2,011,800
Economic Development Administration			
Pass through State:			
Produce Processing Fac	11.300	PROJ#07-01-050	106,711
			<u>106,711</u>
			2,334,664
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Administration on Aging			
Pass through State:			
Aging Title III DHHS 00/01	93.044		3,989
Aging Title III DHHS 01/02	93.044		41,650
Aging Title III DHHS 02/03	93.044		277,993
Aging Title III DHHS 03/04	93.044		361,580
Aging Title III DHHS 04/05	93.044		373,385
NSIP (USDA) Aging Title III	93.053		50,051
USDA Aging Title IIIC2 FY04	93.053		15,892
USDA Aging Title IIIC1 FY04	93.053		15,892
Congregate Meals FY2004/2005	93.045		287,399
Home Delivered Meals FY04/05	93.045		332,118
Summer Pals Food Svc DOE	16.564		107,725
Fire/LEPC (DOH) HMEP	93.999		25,376
			<u>25,376</u>
			1,893,050
DEPARTMENT OF LABOR			
Employment and Training Administration			
Pass through State:			
Workforce Investment Act (WIA)	17.255	WIA-04-YP-M	366,866
Workforce Investment Act (WIA)	17.255		570,312
Workforce Investment Act (WIA)	17.255		421,883
Molokai Youth Opportunity-03Do	17.249		426,647
Molokai Youth Opportunity-04Do	17.249		1,146,363
			<u>1,146,363</u>
			2,932,071

COUNTY OF MAUI, STATE OF HAWAII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2005

Federal Grantor/Passthrough Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Office of Public and Indian Housing			
Housing Sec. 8 Voucher Admin Prgm	14.871		291
Housing Sec. 8 Voucher Admin Prgm	14.871		11,515
Housing Sec. 8 Voucher	14.871		13,736,309
Housing Sec. 8 Voucher Adm F	14.871		1,099,096
Office of Community Planning and Development			
Molokai Enterprise Community	14.246	B-00-SP-HI-010	28,218
Iao Theater Restoration	14.246	B-02-SP-HI-017	28,500
Community Development Block Grant/Small Cities:			
CDBG Administration	14.219	B-04-DH-15-000	238,996
CDBG Administration	14.219	B-00-DH-15-000	207
CDBG Administration	14.219	B-01-DH-15-003	2,942
CDBG Administration	14.219	B-01-DH-15-000	2,482
CDBG Administration	14.219	B-02-DH-15-003	459
CDBG Administration	14.219	B-02-DH-15-000	2,873
Molokai Youth Center Renovation	14.219	B-00-DH-15-003	4,194
ADA Accessibility Improvement	14.219	B-02-DH-15-003	64,034
ADA Accessibility Improvement	14.219	B-03-DH-15-000	301
ADA Wheelchair Ramps (B-01) REP	14.219		173,010
Emergency Generator CDBG	14.219	B-01-DH-15-003	16,753
ADA Wheelchair RampS 03	14.219	B-01-DH-15-003	230,000
ADA Wheelchair Ramp	14.219	B-03-DH-15-003	15,699
ADA Wheelchair Ramp (B02)Rep	14.219	B-02-DH-15-003	11,291
Lahaina Clinic Contr-CDBG FY03	14.219	B-02-DH-15-000	17,700
Hana Brush/Mini Pumper Apprt	14.219	B-02-DH-15-003	21,700
Hale Makua Parking Lot	14.219	14-03-DH-05-00	167,745
MPD Emergency Incident RSP V	14.219	B-00-DH-15-000	1,468
MPD Emergency I/Response Veh	14.219	B-02-DH-15-003	1,407
Boys & Girls Club Design & Con	14.219		28,513
Boys & Girls Club W Maui Design	14.219	B-03-DH-15-000	30,142
Maui Farm Improvement & Renov	14.219	B-03-DH-15-000	380
Ka Hale Pomaikai-Sober Living	14.219	B-03-DH-15-000	251,614
Housing Rehab Loan Project IN	14.219	3659	1,036
Construction Lahaina Comm Clinic	14.219		20,324
Construction of Lahaina Clinic	14.219	B-01-DH-15-003	4,026
MYFS Fire/Water & Other Imp	14.219	B-03-DH-15-000	78,237
Home Pumehana Senior Ctr	14.219	B-03-DH-15-000	29,000
Hale Lokomaikai Shelter	14.219	B-04-DH-15-000	12,604
Molokai Fire Engine Apparatus	14.219	B-04-DH-15-000	330,000
Pass through State:			
Title II Home Program:			
Home Admin Expense (98)	14.239	FY 1998CHO	7,733
			<u>16,670,798</u>

COUNTY OF MAUI, STATE OF HAWAII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2005

Federal Grantor/Passthrough Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
DEPARTMENT OF JUSTICE			
Asset Forfeiture - Federal			18,309
Office of Juvenile Justice and Delinquency Prevention			
G.R.E.A.T. ATF	16.737	2004-JV-FX-013	25,064
Pass through State:			
Juvenile Accountability Incentive Block Grant	16.523	DHS02-OYS-11	
Juvenile Accountability Incentive Block Grant	16.523	OYS-1909PRJ	21,250
Juvenile Accountability Incentive Block Grant	16.523	DHS-04-OSY-1	26,418
Juvenile Accountability Incentive Block Grant	16.523	DHS-05-OYS-21	41,500
Juvenile Accountability Incentive Block Grant	16.523	DHS-05-OYS-21	15,510
Electronic Exploit of Childre	16.523	PROJ#02-DB-17	7,209
NATI Incident Based Rprt SYS03	16.733		(16,657)
NATI Incident Based Rprt SYS03	16.733		370,275
Drug Enforcement Agency (DEA):			
Marijuana Eradication DEA 2003-51	16.999	LOA2003-51	(322)
Domestic Cannabis DEA 2004-53	16.999	LOA2004-53	149,773
Domestic Cannabis DEA	16.999	LOA2005-60	60,686
Federal Justice Forfeiture	16.999	1998/2000	205,933
Passed Through State:			
HI Intraagency Mobile Police 02	7.999	12PHIP503	5,494
HI Intraagency Mobile Police 02	7.999	13PHIP503	55,881
Bureau of Justice Assistance:			
LLE Bick Grnt 2003 LB-BX-0378	16.592	2003LBBX03781	28,823
LLEGB	16.592		29,120
Passed Through State:			
S/W Marijuana EradCTN	16.579	04-DB-03	56,872
SNAP/VOCA #01-VA-1	16.579	01-VA-01	54,425
SNAP/VOCA #02-VA-1 FY03/04	16.579	02-VA-01	194,555
Edward Byrne Memrl Loc Law E	16.579	03-DB-02	39,217
E Byrne Memorial SLLEAF Prog	16.579		56,250
Domestic Violence VAWA STOP 0 02-WF-	16.579		17,992
SW Narcotics Task Force	16.579	98-D-6	488
SW Narcotics Task Force	16.579	03DB-16	30,413
SW Narcotics Task Force	16.579	03-DB-1	28,547
SW Narcotics Task Force 01DB1	16.579	01-DB-11	151,118
Police against Street Sales	16.579	03-DB-3	24,037
Police against Street Sales	16.579	04-DB-10	3,065
Spec Needs Advocacy PRg	16.579	03-VA-1	49,206
Office of Community Oriented Policing Services			
Cops in School Award	16.710		9,258
Violence Against Women Office			
Passed Through State:			
Domestic Violence Prg	16.588	02-WF-12	20,990
Domstic Violence VAWA			52,301
Domestic Violence Victmlss	16.588	03-WF-5	13,032
			<u>1,846,031</u>

COUNTY OF MAUI, STATE OF HAWAII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2005

Federal Grantor/Passthrough Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
DEPARTMENT OF TRANSPORTATION			
National Highway Traffic Safety Administration			
Natl Hways Seatbelt Demo	20.600		309
Passed Through State:			
MPD Speed Enforcement	20.600	SC04-06	11,881
MPD Speed Enforcement	20.600	SC05-06	28,191
MPD Traffic Data-DOT	20.600	PT04-01	52,517
MPD Traffic Data - DOT FY05	20.600	TR05-3	1,672
Keiki Injury Prcn	20.600		13,105
MPD seatbelt Prg	20.600	OP-04-05	56,549
MPD seatbelt Prg	20.600	OP5-05	113,857
MPD Traffic Investgn	20.600	PT05-01	1,344
MPD RCONSTRCTNIST	20.600	SC05-06	2,069
Maui Traffic Safety Prgm	20.600	AL05-02	18,901
Maui Traffic Safety Prgm	20.600	AL04-02	2,236
MPD RCONSTRCTNIST	20.600	PT04-01	35,202
MPD Roadblock PRG FY05 DOT	20.600	ALO5-02	37,043
MFD Equipment Purchase/CPS PR	20.600		42,306
Lahaina Speed Prg	20.600	SC04-06	2,568
Federal Highway Administration			
Passed Through State:			
Lwr Main TRF SGL Hookai	20.205	STP#3830(5)	10,277
Wakea E. T/S Hoohana ATP3920(5)	20.205	STP#3920(5)	
Kanaloa Av / Mikoh / Kahbch 3900/56	20.205	STP#0900(56)	383,723
Alanui Ka Imi Ike ATP#0900(63)	20.205	STP-0900	47,376
Wheelchair Ramps-STP0900(64)	20.205	STP#0900(63)	
Kihei So TRF SGN Keala	20.205	STP#3100(8)	25
Kihei So P-III	20.205	STP3100(10)	54,801
Curb Ramps-Vars.	20.205	STP#0900(66)	849,127
Curb Ramps-Vars.STP#0900-65	20.205	STP#0900(65)	404,563
Federal Transit Administration			
Passed Through State:			
SW Transprt MEO	20.509	HI-18-X021	150,400
SW Transprt MEO	20.509		535,500
SW Trans FTA #5311	20.509		284,800
			<hr/> 3,140,344
ENVIRONMENTAL PROTECTION AGENCY			
EPA Seaweed Removal #X9792290	66.608	X-97922901-0	113,616
			<hr/> 113,616
FEDERAL EMERGENCY MANAGEMENT AGENCY			
FEMA Fire Training Funds	83.503	Reimbursements	3,753
FEMA Fire OPRNTNS/FFTRS SFTY	85.554		251,670
Passed Through State:			
FEMA Emergency Response	16.007		24,876
Wailuku-Kahului WW RCLMN Facility	66.458		28,555
FEMA COMM EMRGNCY RSPNSE	16.007		21,064
fema mc Citizens Corps	16.007		506
			<hr/> 330,424

COUNTY OF MAUI, STATE OF HAWAII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2005

Federal Grantor/Passthrough Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Wellness/Fitness Fire Act	97.044	BMW-2003-FG	84,763
Fire Safety Hse	97.044		28
Passed through State:			
FY 2004 State Homeland Security	97.004	2004-GE-T4-004	23,154
State Homeland Security	16.007		288,777
State Homeland Security	16.007		123,775
State Domestic Equipment (CDA)	16.007		515,074
State Domestic Equipment	16.007		(150)
			<u>1,035,421</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
RSVP2004-DVSAP74NSSC6152341	94.002		40,405
RSVP2005 03SRPHI002 #4	94.002		57,643
			<u>98,048</u>
OTHER FEDERAL ASSISTANCE AGENCIES			
Training Grants - SOH Various	99.999		61,069
Volunteer Fire Asst Prg	99.999	03-DG-11052012	25,056
Volunteer Fire Asst Prg	99.999	04-DG-11052012	12,538
HI Cops Meth Grnt	99.999	04-CK-02	13,467
MSC Leisure Acty FY04/05	99.999		23,613
Assisted Transportation	99.999		139,348
			<u>275,090</u>
TOTAL ALL PROGRAMS			<u>\$ 30,670,189</u>