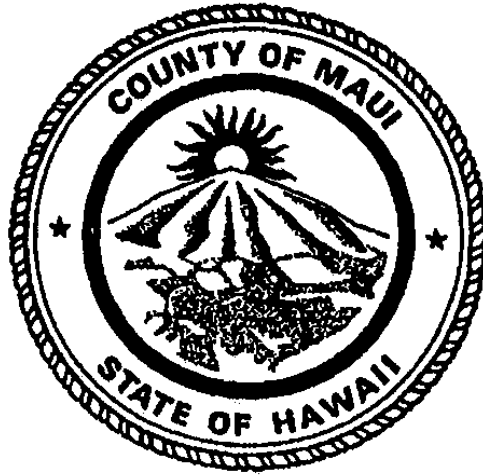


**COUNTY OF MAUI**  
**STATE OF HAWAII**



**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2013**

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

**COUNTY OF MAUI**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2013**

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**COUNTY OF MAUI**

**Introductory Section**

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ALAN M. ARAKAWA  
Mayor



DANILO F. AGSALOG  
Director of Finance

MARK R. WALKER  
Deputy Director of Finance

COUNTY OF MAUI

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

February 21, 2014

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

Dear Mayor and Chair Baisa and Members:

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 auditor shall conduct or cause to be conducted an independent financial audit of the funds, accounts, and other evidences of financial transactions of the county and of all operations for which the county is responsible for the audited fiscal year. The audit shall be conducted by a certified public accountant or firm of certified public accountants who have no personal interest, direct or indirect, in the fiscal affairs of the county or any of its operations. The audit shall include both financial accountability and adequacy of the financial and accounting system. If the State makes such an audit, the county auditor may accept it as satisfying the requirements of this section. The scope of the audit shall be in accordance with the terms of a written contract recommended by the county auditor and signed by the council chair as the contracting officer for the legislative branch, which contract shall encourage recommendations for better financial controls and procedures and shall provide for the completion of the audit within a reasonable time after the close of the previous fiscal year. A copy of the audit reports shall be filed with the county clerk and shall be a public record, unless otherwise provided by law.*” 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 (FY) ended June 30, 2013.

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



the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

As required by the Charter, the County of Maui's financial statements have been audited by a firm of licensed certified public accountants, Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC. 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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County of Maui financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **THE REPORTING ENTITY AND ITS SERVICES**

The County consists of the inhabited islands of Maui, Molokai and Lanai, and the uninhabited island of Kahoolawe. The County is the second largest of the four counties in the State of Hawaii, with land area of 1,162 square miles, approximately the size of Rhode Island. The population of the County has grown from 42,855 in 1960 to an estimated 158,226 in 2012 according to the U.S. Census Bureau. The increase from 2000 to 2012 of approximately 23.5% was the second highest percentage increase in the State behind the County of Hawaii. The County comprises an estimated 11.3% of the total population and 18.1% of the total land area of the State of Hawaii.

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

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

seven from the various districts on the island of Maui. The Council legislates taxes, rates, fees, assessments, borrowing and appropriations for County purposes (County Budget) by ordinance.

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

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

The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget ordinance approved by the County Council. Activities of the General Fund, special revenue funds, grant revenue, debt service fund, and capital projects fund are included in the annual budget ordinance.

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

The appropriated budget is prepared by fund, function, department, and program and/or activity. Every appropriation, except an appropriation for a capital improvement, lapses at the close of the fiscal year to the extent the same has not been expended or encumbered by a written contract. An appropriation for a capital improvement remains in force until the purpose for which it was made has been accomplished or abandoned. Under the current County Charter, an appropriation for a capital improvement will be deemed abandoned six months after the close of the fiscal year to the extent that it has not been expended or encumbered by a written contract. The County Charter

provides that no payment may be authorized or made and no obligation incurred against the County except in accordance with appropriations duly made.

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

## **ECONOMIC CONDITION AND OUTLOOK**

As a result of strong job creation and continuing recovery in the tourist sector, the Maui economy continues to lead the Neighbor Islands in economic growth. Maui has benefited from the ongoing surge in tourist numbers, the benefits of which have spread to other parts of the economy including commercial construction, and real estate. We are also fortunate to have a unique set of economic drivers including Hawaiian Commercial & Sugar (HC&S) Company, the Haleakala observatories, the Maui Research and Technology Park and the ever expanding campus at University of Hawaii (UH) Maui College. Each of these help to buffer the cyclical economics of the tourist sector and contribute to our overall economic growth. While challenges remain, the outlook is positive for the coming year.

### **Tourism**

Tourist numbers continue to trend upward and are expected to continue to do so throughout the coming year. Although International numbers show solid upward trends Maui continues to remain strongly dependent on visitor arrivals from the East (27%) and West (49%) coasts of the U. S. (State of Hawaii - Department of Business, Economic Development & Tourism). The Maui Visitor's Bureau is expecting overall growth of about 2-3% in visitor arrivals in the coming year.

More encouraging than the continued increase in visitor numbers is the increased rate of visitor spending which has shown year over year increases since the sharp falloff in 2009. The rate of increase has slowed to more sustainable levels since 2012 and is a reminder that we are still very much linked to external economic forces.

### **Construction**

Maui continues to lead the Neighbor Islands in construction industry growth. Several long-anticipated commercial projects have gotten underway, creating strong demand for labor in construction and related economic sectors. The number of private construction permits has increased indicating continued growth through 2014.

Infrastructure improvements, particularly the new airport access road, which cost \$52 million and the new Kihei Police Station, which is estimated to cost approximately \$30 million have had a significant positive impact on Maui's economy. New projects including the Kihei High

School, the Lahaina bypass road and the new Kahului Airport runway are anticipated to inject an additional \$500 million into the economy. Commercial projects anticipated for the coming year include both major retail and small business development in several areas around the county.

Residential real estate construction is expected to continue to lag the commercial sector but new development is expected in the Maui Lani and Wailea areas. Affordable housing for local residents however, continues to be an issue.

### **Retail**

Continued growth is anticipated in the retail sector, driven by the effects of both increased tourist spending and the local multiplier effect of construction spending on commercial and infrastructure projects. At Queen Ka'ahumanu Center, which sees about 85% local spending sales, revenues are expected to increase between 5% and 10% in the coming year. Both the Queen's Center and Alexander & Baldwin's (A&B) Maui Mall are expecting sufficient growth in the retail sector to support the addition of new "name" brand stores.

### **Technology**

According to the UH institute for Astronomy, the nine telescopes at Haleakala have an annual budget of \$55 million and support 244 jobs for county residents. The new solar telescope project, which started this year, will account for over \$94 million in local spending between now and its anticipated completion in 2019. Once in operation, its annual budget is expected to add \$18 million and 35 local staff to the Maui economy. The Research and Technology Park complements the observatories and has over the years assisted the Maui economy with over \$60 million in high tech projects, the creation of 60 local jobs and the incubation of 25 start-up businesses.

### **Education**

Our local UH Maui College continues to expand beyond its community college roots and is now offering baccalaureate degrees. Enrollment is up over 45% since 2006 according to Chancellor Clyde Sakamoto. Supporting the growth in enrollment is an ambitious building program with the completion of the new science building and several new projects that will bring over \$36 million in funding to both Maui and Molokai.

### **Sugar**

After a robust showing in 2012, sugar prices on the world market have declined. HC&S Company remains an important but vulnerable part of the Maui economy due to political risks with the United States (U.S.) farm bill and North American Free Trade Agreement (NAFTA) that could negatively impact price supports. Mexico continues to increase production challenging U.S. growers (HC&S General Manager Rick Volner, Jr.).

Additionally, HC&S continues to grapple with two environmental issues, cane burning and the continuation of East Maui water rights, both of which could have a detrimental effect on the economic viability of sugar operations.

### **Jobs**

Maui lost almost 9,000 jobs between the peak in 2008 and the downturn in 2010-11 (State of Hawaii - Department of Labor & Industrial Relations). About 5,000 of these have come back,

mostly in tourism and construction. However, Maui's unemployment rate continues to be slightly higher than the statewide average. Job growth in both retail and construction is anticipated to improve with the continuing strength of those sectors. The lack of affordable housing and a limited rental market makes it difficult to attract and retain workers here on Maui. (U.S. Department of Labor, Federal Reserve Beige Book).

### **Real Estate**

The number of real estate sales continues to lag behind the peak of 2007 (Realtor's Association of Maui). However the prices have begun to recover. The number of bank-owned and short property sales has declined by over 45% since 2011. As the inventory of distressed properties declines real estate prices are expected to continue to increase. The County government will see the effects of a recovering market as tax revenues are expected to continue to show improvement in the coming year.

## **MAJOR INITIATIVES AND ACHIEVEMENTS**

**For The Year.** In Fiscal Year 2013, the County of Maui continued its trend of outperforming budgetary forecasts as revenues exceeded projections by 6.3%, while expenditures were 4.0% less than anticipated. The positive revenue variance is largely the result of expanded collections from delinquent Real Property Taxes coupled with greater than expected revenues from Charges from Current Services and Transient Accommodation Tax. As discussed earlier, while still facing challenges related to the lagging U.S. economy, Maui County as a whole showed broad but incremental economic improvement in FY 2013 as it continues to recover from the economic downturn of 2008. The need to remain fiscally prudent as Maui continues its economic recovery will remain a central focus of County management moving forward.

The County successfully closed on a \$70.3 million general obligation bond sale in FY 2013. With this bond issue the County was able to secure the lowest rate (2.18%) in the state through a competitive bidding process. Due to the strong financial position of the County, the three rating agencies, Moody's Investors Service, Standard & Poor's and Fitch Ratings assigned ratings of "Aa1," "AA+" and "AA+", respectively, to this bond issue. All three qualified bond-rating agencies continue to rate the County's bonded debt at the next-to-highest category for safety. Furthermore, Maui County's bond rating continues to be the highest of any city, county or jurisdiction in the State of Hawaii.

In the past year, the County continued its investment in infrastructure, capital improvements and equipment/equipment upgrades. In addition to the infrastructure improvements discussed earlier, other investments included water source infrastructure repair, drainage projects, and road improvements, some of which are highlighted below:

- Commenced construction of the Waikamoi Flume replacement project (Water)
- Waiohono Bridge Replacement, a 100% Federal funded project (Public Works)
- Major Road Rehabilitation Projects: Kahekili Highway, North Market Street to Waiehu Beach Road; Kamehameha Avenue to Laau Street; Haliimaile Road (two phases), Haleakala Highway to Baldwin Avenue; Haleakala Highway to Kalama Intermediate School; Pukalani

Street, Old Haleakala Highway to Iolani Street – 80% Federal funded projects (Public Works)

- Phase 2 Lahaina Watershed Flood Control Diversion Channel (Public Works)
- Maui County Public Safety Radio System Renovation (Police)
- Placed in service new 3,500 gallon fire tanker truck, Tanker 10 (Fire)
- At County landfills additional groundwater monitoring, moisture probes and storm water improvements were installed to improve protection of the environment (Environmental Management)
- Installed alternative energy sources and more energy efficient equipment at its various County facilities (Environmental Management).

In pursuit of its strategic goal of providing, “*An Efficient, Effective and Responsive Government*”, many departments of the County of Maui continued to review their processes and procedures in an effort to improve or expand service delivery while others reviewed their cost of operations related to existing fee structures. Some of these FY 2013 initiatives are highlighted below:

- Department of Water Supply completed an integrated 20 year demand/supply/capital requirements/water rate analysis and with the approval of the Maui County Council, implemented water rate structure modifications which are more financially efficient and conservation oriented.
- Department of Planning consolidated its many disparate offices and divisions into two floors of the One Main Plaza Building, which marks the first time in many years that the entire department is housed under one roof. The department continued its effort to update, standardize and streamline the County's decades old zoning district ordinances and during the year amended six chapters in Title 19 of the Maui County Code making needed updates to account for changes in technology, the economy, and lifestyle. Additionally, during fiscal year 2013, the department implemented the new expedited short term rental homes (STRH) permit ordinance which significantly streamlined the process for short-term vacation home rentals.
- Department of Public Works - Highways Division purchased pavement preservation equipment during fiscal year 2013 which allowed the department to continue developing and implementing an “in-house” pavement preservation program for the County of Maui. Full implementation of this program will not only efficiently extend the life of roadway pavement on County roads and delay the expense of fully reconstructing roadways, but will also allow the Department to more quickly act on needed projects versus going out to bid using the County’s lengthy procurement process.
- The Department of Transportation completed the design of seven bus shelters for the Lahaina district and implemented the Kula Route with ridership already averaging 1,500 passengers per month.
- The Department of Management – Information Technology Services (ITS) Division was involved in a comprehensive IT Assessment for the County, which resulted in recommendations that included the need to develop an Enterprise Architecture to modernize and solidify the County’s IT environment; the requirement for the necessary financial and staffing resources to meet the organization’s expectations; the importance of focusing on active strategic alignment with the business objectives of the County; and, the need to

establish a County-wide land information management program to support critical corporate applications such as the Real Property Tax system, the Permitting and Licensing system, and the pervasive use of geospatial data for many purposes. The department also assisted in the selection of a vendor for the replacement of the County's aging Private Branch Exchange (PBX) phone system by a state of the art Voice-over-IP system that will leverage the existing network infrastructure to deliver improved functionality and integration with mobile devices and the County's existing communications capabilities, including email and conferencing, while reducing the overall total cost of ownership.

- The Department of Housing and Human Concerns reported that the Early Childhood Resource Program through its Maui County Child Care Subsidy provided \$88,667 in financial aid to 92 families to assist in paying for safe, dependable child care provided by more than 40 different licensed family child care homes, preschools and infant toddler centers in Maui County, while the Immigrant Services Division provided assistance to approximately 576 residents in becoming eligible to seek lawful employment, 281 residents in becoming U.S. citizens, and 1500 residents in bringing family members to Maui from another country. The Kaunoa Senior Center's "Meals on Wheels Program" is working closely with service partners including the Department of Education, Hale Mahaolu, Maui County Office on Aging, Kula Hospital, and numerous private vendors and community volunteers, delivered over 102,000 hot, nutritious meals to over 600 seniors on Maui, Molokai and Lanai this past year, including newly expanded services to both the Hana and Kula areas. Finally, the Housing Division provided HOME Investment Partnerships Program and Affordable Housing Fund Program funds. This is to assist in the development of Lokahi Pacific's "Kenolio Leilani Subdivision" project, which consisted of the development and construction of six (6) three bedroom homeownership units in Kihei for families earning 80% or less of the County of Maui median family income.

In FY 2013, in an abundance of caution, the County of Maui continued its practice of placing 100% of its net Other Post-Employment Benefits (OPEB) obligation in its own internal fund. In April 2010, certain information became available from the actuary, Aon Hewitt Consulting, which concluded that the State of Hawaii Employer Union Trust Fund (EUTF) was deemed insolvent for GAAP accounting purposes. Committed to continued compliance with GASB statements Nos. 43 and 45 regarding Postemployment Benefits Other Than Pensions, in 2010, the County elected to fund its own internal fund while the EUTF resolved the actuary's concerns. The funds placed in the OPEB Fund will continue to accrue interest until such time that solvency and confidence returns to the EUTF and the County decides to once again resume its funding of this entity. Please refer to the MD&A and Footnote 9 to the basic financial statements for further details.

**For The Future.** The County of Maui has a long history of being financially prudent with a cost of government lower than many comparable municipalities. The turmoil in the U.S. and world financial markets over the last five years has only heightened the County's resolve to continue its conservative fiscal policies as it moves towards its goals of long term financial stability and sustainability while maintaining the necessary levels of service for the community. In this regard, an Emergency Fund was created in 2005 that has been diligently funded to an adopted level in FY 2013 of nearly \$21 million with a policy goal to increase the fund balance to a level equal to 20% of annual General Fund revenue. The County's intention is to reach this objective by FY 2017 through

judicious management of its fiscal resources and appropriation of approximately \$5 million per year for the next three years. Additionally, the County continues to appropriate and fund both its Affordable Housing and OPEB Funds as a part of its responsible reserve strategy.

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

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

## **OTHER FINANCIAL INFORMATION**

**Debt Management.** The County of Maui's debt management policy is a written guideline for the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. An effective debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to taxpayers, rating agencies and the capital markets that a government is well managed and should meet its financial obligations in a timely manner. Maui County's fiscal and debt policies have allowed the County to receive the next-to-highest ratings (AA+ and Aa1) from the three qualified bond-rating agencies. The County's debt policy (revised January 2008) is in compliance with the Hawaii Revised Statutes (Chapter 47) and the County Charter. The general intent of the County's debt policy is that debt is only to be incurred when necessary. The County will confine long-term borrowing to capital assets or equipment that cannot be financed from current financial resources. The County shall borrow only when necessary and utilize pay-as-you-go financing to the extent possible in order to conserve debt capacity. Furthermore, the County does not use debt for operational needs. To ensure accuracy and improve efficiency for FY 2013, the County of Maui engaged the Bank of New York Mellon to act as its paying agent for debt service payments.

**Investment Management.** The County of Maui maintains an investment policy (revised July 2012) which governs all financial assets of the County. These funds are accounted for in the County's basic financial statements and include the General Fund, Special Revenue Funds, Capital Improvement Projects Funds, Enterprise Funds, Agency Funds, Debt Service Fund and any new funds unless specifically exempted. The County's Investment Policy key objectives include: (1) Safety – investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio; the objective will be to mitigate credit risk and interest rate risk; (2) Liquidity – the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated; and (3) Yield – the investment portfolio shall be



designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risks constraints and liquidity needs. The County's investment policy is in conformance with the Hawaii Revised Statutes, Chapter 46-50. To improve safety for fiscal year 2013, the County of Maui established two custodial accounts for investment pools.

**Cash Management.** The primary objectives of the County's cash management and investment program are the safety and preservation of principal, liquidity, and yield. To ensure the most competitive rates on investments, the cash resources of the individual funds are combined to form a pool of cash and investments. The investment portfolio is composed of obligations of the U.S. government and its agencies, certificates of deposit, and repurchase agreements fully collateralized by obligations of the U.S. government or its agencies, and short-term notes. Interest income during FY 2013 on a budgetary basis for the General Fund was \$853,496 or approximately \$850,000 less than anticipated. This decline in interest earnings is the result of the continued historically low interest rate environment caused primarily by the Federal Reserve's policy of purchasing \$85 billion in debt monthly coupled with the implementation by the Treasury Division of a more sophisticated cash flow management program which initially required a shortening of average maturities that in the near term have impacted yields.

**Real Property Tax.** Despite a 1.4% decline in real property assessed values during Fiscal 2013, Real Property Tax revenue increased by 2.7%, assisted by County Council adopted rate increases in all ten tax category's, a decrease in the allowable individual Homeowner Exemption amount from \$300,000 to \$200,000, and an increase in the minimum annual tax amount for a parcel from \$150 to \$250. Revenue collection was further aided by the reduction in the number of real property tax appeals and disputed assessed values, a testament to the accuracy and professionalism of the Real Property Assessment Division. In reaction to the sluggish national and local economies Maui County's assessed real property values have decreased nearly 7% since they peaked in Fiscal 2010.

## **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, 2012. This is the thirtieth consecutive year that the County has received this prestigious award.

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

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

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

Respectfully submitted,



DANILO F. AGSALOG  
Director of Finance

DFA:mrw



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Maui  
Hawaii**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# COUNTY OF MAUI

## ELECTED OFFICIALS AND APPOINTED DEPARTMENT HEADS JUNE 30, 2013

### ELECTED OFFICIALS

#### ADMINISTRATIVE

Mayor  
Alan M. Arakawa

#### LEGISLATIVE

Councilpersons

Council Chair  
Gladys C. Baisa

Council Vice-Chair  
Robert Carroll

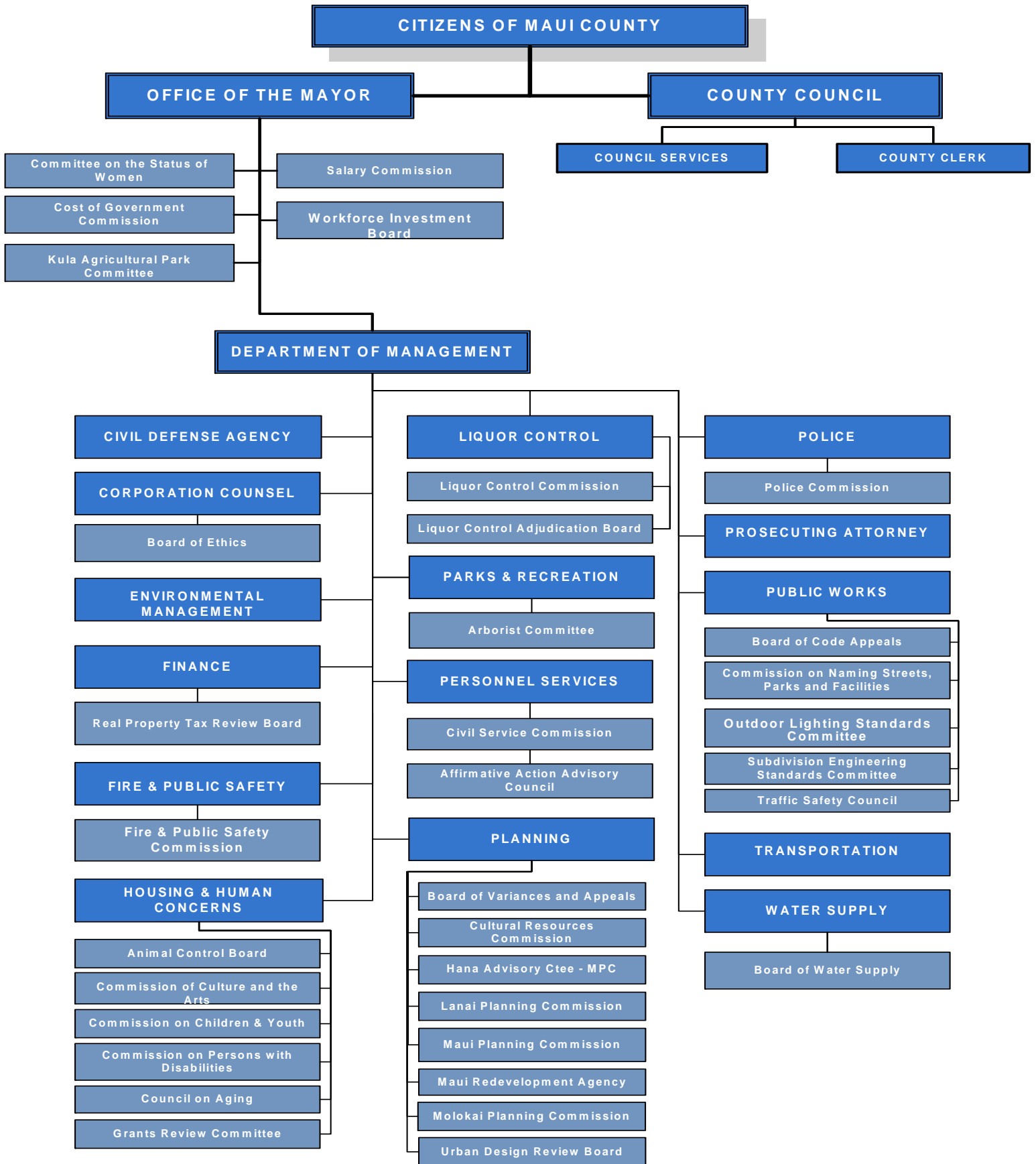
Elle Cochran  
Donald G. Couch, Jr.  
Stacy Crivello  
Don S. Guzman

G. Riki Hokama  
Michael P. Victorino  
Mike White

### APPOINTED DEPARTMENT HEADS

Director of Council Services	David M. Raatz
County Clerk	Jeffrey T. Kuwada
Managing Director	Keith A. Regan
Corporation Counsel	Patrick K. Wong
Prosecuting Attorney	John D. Kim
Director of Finance	Danilo F. Aagsalog
Director of Environmental Management	Kyle K. Ginoza
Director of Public Works	David C. Goode
Director of Parks & Recreation	Glenn T. Correa
Fire Chief	Jeffrey A. Murray
Planning Director	William R. Spence
Director of Personnel Services	Lance T. Hiromoto
Director of Housing & Human Concerns	Jo Ann T. Ridao
Director of Transportation	Jo-Anne Johnson Winer
Director of Water Supply	David S. Taylor
Chief of Police	Gary A. Yabuta
Director of Liquor Control	Franklyn L. Silva

# Organizational Chart



# Directory of County Officials





**Gladys Coelho Baisa**  
Council Chair



**Robert Carroll**  
Council Vice-Chair



**Elle Cochran**  
Council Member



**Donald G. Couch, Jr.**  
Council Member



**Stacy Crivello**  
Council Member



**Don S. Guzman**  
Council Member



**G. Riki Hokama**  
Council Member



**Mike P. Victorino**  
Council Member



**Mike White**  
Council Member

**Office of Council Services**

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**David Raatz**  
Director

**County Clerk**

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**Jeff Kuwada**  
County Clerk

**Lance Taguchi**  
Deputy County Clerk

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**COUNTY OF MAUI**

**Financial Section**

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## **Independent Auditors' Report**

Honorable Gladys C. Baisa, Chair  
and Members of the Council  
County of Maui  
Wailuku, Hawaii

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, State of Hawaii (the County), as of and for the year ended June 30, 2013, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 20 through 36), the budgetary comparison schedules for the general fund, the highway fund, and the sewer fund (pages 93 through 97), and the schedule of funding progress for the EUTF (page 98) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the other supplementary information section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Honorable Gladys C. Baisa, Chair  
and Members of the Council  
County of Maui  
Wailuku, Hawaii  
Page 3

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Kobayashi, Kenton, Sai, Leno, Yano CPAs LLC*

Honolulu, Hawaii  
February 20, 2014

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

This discussion and analysis of the County of Maui's (the County) basic financial statements provides a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements, and the accompanying notes to the basic financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$873.5 million (*net position*).
- The County's total net position increased by \$21.0 million during the current fiscal year.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$301.6 million, an increase of \$25.4 million in comparison with the prior year. Approximately 15.7% of this amount, or \$47.5 million, is unassigned. The unassigned fund balance of \$47.5 million at fiscal year end is available for spending at the County's discretion.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$47.5 million, or 22.4% of total General Fund expenditures.
- The County's gross amount (before premium and refunding deferral amortization) of General Obligation (GO) bonds, State Revolving Fund (SRF) loans and other long-term debt outstanding increased by \$17.3 million during the current fiscal year. The increase is primarily reflective of a \$37.5 million increase in GO bonds; offset by a decrease of \$20.2 million in SRF loans and other long-term debt.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

#### *Basic Financial Statements*

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

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

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

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

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

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

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

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

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

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

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

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

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

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

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

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

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

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

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

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

#### ***Required Supplementary Information (RSI)***

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

The County is a participating employer in an agent, multiple-employer defined benefit plan providing health care and insurance benefits to all qualified employees and retirees. As described in Note 9, legislation has been enacted to set up an irrevocable trust for the Employer-Union Health Benefits Trust Fund. A schedule of funding progress is provided for this postemployment obligation.

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

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

#### *Other Supplementary Information (OSI)*

This section follows the RSI and displays the individual fund data of the five other non-major governmental funds in combining statements for the balance sheet and statement of revenues, expenditures, and changes in fund balances. These non-major governmental funds are the Liquor Control, County, Bikeway, Solid Waste, and Other Assessment Funds. The total of these five non-major funds is included in the *Other Governmental Funds* column in both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the governmental funds, which are the first two fund financial statements of the basic financial statements section. In addition, the OSI section includes the budgetary comparison schedule for the Debt Service Fund, as well as the detail fund schedules of revenues - budget and actual and schedules of appropriations, expenditures, and encumbrances for the General, Highway, Sewer, Grant, Solid Waste, Liquor Control, and Capital Improvement Projects Funds.

Included in the OSI section is the statement of changes in assets and liabilities for the Fiduciary Funds.

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



**COUNTY OF MAUI**

**Management's Discussion and Analysis  
June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**NET POSITION  
June 30, 2013 and 2012  
(Dollars in Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
<b>Assets:</b>						
Current and other assets	\$ 342,214	\$ 323,375	\$ 68,941	\$ 62,323	\$ 411,155	\$ 385,698
Capital assets	642,955	616,149	320,275	315,619	963,230	931,768
Total Assets	<u>985,169</u>	<u>939,524</u>	<u>389,216</u>	<u>377,942</u>	<u>1,374,385</u>	<u>1,317,466</u>
<b>Liabilities:</b>						
Long-term obligations	415,876	379,017	40,963	35,599	456,839	414,616
Other liabilities	35,482	41,276	8,594	9,125	44,076	50,401
Total Liabilities	<u>451,358</u>	<u>420,293</u>	<u>49,557</u>	<u>44,724</u>	<u>500,915</u>	<u>465,017</u>
<b>Net Position:</b>						
Net investment in capital assets	396,519	395,526	290,752	286,968	687,271	682,494
Restricted	68,375	71,585	12,284	13,646	80,659	85,231
Unrestricted	68,917	52,120	36,623	32,604	105,540	84,724
Total Net Position	<u>\$ 533,811</u>	<u>\$ 519,231</u>	<u>\$ 339,659</u>	<u>\$ 333,218</u>	<u>\$ 873,470</u>	<u>\$ 852,449</u>

At the end of the current fiscal year, the County reported positive balances in all of the three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$873.5 million at the close of the current fiscal year. This compares with the net position of \$852.4 million from the prior year. Total net position increased by \$21.0 million during the current fiscal year. The governmental activities reflected an increase in net position of \$14.6 million, while the business-type activities increased net position by \$6.4 million.

By far, the largest portion of the County's net position (78.6%) is its net investment in capital assets, which is comprised of the County's capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities.

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

An additional portion of the County's net position (9.2%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to \$105.5 million at the end of the current fiscal year, with \$68.9 million derived from governmental activities and the balance of \$36.6 million from business-type activities. Unrestricted net position increased \$20.8 million as compared to last year.

The County's net capital assets increased by \$31.5 million due to capital improvement projects completed by the County during the current fiscal year. Further discussion on the County's capital assets is provided in the *Capital Assets* section of Management's Discussion and Analysis.

The County's total amount of GO bonds, SRF loans, and other long-term debt outstanding increased by \$17.3 million during the current fiscal year. The increase is primarily reflective of issuance of GO bonds (Series A, B, C, and D) in November 2012 amounting to \$70.3 million, of which \$56.9 million funded government activities and \$13.4 million funded business-type activities.

Other long-term obligations increased by \$17.1 million, from \$130.3 million in fiscal year 2012 to \$147.4 million in fiscal year 2013 for governmental activities, and increased by \$1.2 million, from \$6.5 million in prior fiscal year to \$7.7 million in fiscal year 2013 for business-type activities. The increase in governmental activities is primarily due to a \$17.8 million increase in the postemployment benefits (OPEB) obligation, offset by a decrease in claims and judgments' of \$2.2 million and an increase in landfill closure cost of \$1.4 million. The increase in the business-type activities is mainly due to a \$1.2 million increase in OPEB obligation. Please refer to Note 9 to the basic financial statements for greater discussion.

**COUNTY OF MAUI**

**Management's Discussion and Analysis  
June 30, 2013**

**CHANGES IN NET POSITION  
For the Years Ended June 30, 2013 and 2012  
(Dollars in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 99,155	\$ 96,496	\$ 55,718	\$ 52,625	\$ 154,873	\$ 149,121
Operating grants and contributions	34,447	34,017	-	-	34,447	34,017
Capital grants and contributions	11,332	12,530	5,552	2,541	16,884	15,071
General Revenues:						
Property taxes	214,244	208,645	-	-	214,244	208,645
Other taxes	52,303	53,394	-	-	52,303	53,394
Interest and investment earnings, net	908	1,283	135	165	1,043	1,448
Other revenues	857	(3)	154	270	1,011	267
Total Revenues	<u>413,246</u>	<u>406,362</u>	<u>61,559</u>	<u>55,601</u>	<u>474,805</u>	<u>461,963</u>
<b>Expenses:</b>						
Governmental Activities:						
General government	107,566	134,647	-	-	107,566	134,647
Public safety	85,261	84,585	-	-	85,261	84,585
Highway and streets	45,106	46,329	-	-	45,106	46,329
Sanitation	65,402	62,793	-	-	65,402	62,793
Social welfare	46,866	42,989	-	-	46,866	42,989
Culture and recreation	33,018	34,396	-	-	33,018	34,396
Legislative	5,539	5,251	-	-	5,539	5,251
Interest on long-term debt	8,960	8,926	-	-	8,960	8,926
Business-Type Activities:						
Water Supply	-	-	53,624	54,013	53,624	54,013
Housing	-	-	207	268	207	268
Golf Course	-	-	2,235	2,096	2,235	2,096
Total Expenses	<u>397,718</u>	<u>419,916</u>	<u>56,066</u>	<u>56,377</u>	<u>453,784</u>	<u>476,293</u>
Increase (Decrease) in Net Position						
Before Transfers	15,528	(13,554)	5,493	(776)	21,021	(14,330)
Transfers	(948)	(2,388)	948	2,388	-	-
Change in Net Position	14,580	(15,942)	6,441	1,612	21,021	(14,330)
Net Position - Beginning of Year	519,231	535,173	333,218	331,606	852,449	866,779
Net Position - End of Year	<u>\$533,811</u>	<u>\$519,231</u>	<u>\$339,659</u>	<u>\$333,218</u>	<u>\$873,470</u>	<u>\$852,449</u>

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

**Governmental Activities.** Governmental activities increased the County's net position by \$14.6 million for this year primarily attributable to decrease in General Government expenditures of \$27.1 million. This decrease in expenditures is mainly due to lower expenditures than budgeted for the following: Fringe Benefits, Insurance and Self-insurance Program, Investigative Services Program, Technical and Support Services Program, and Council Services Program. This compares with last year when net position decreased by \$15.9 million. Real property taxes increased by \$5.6 million primarily due to increased tax rates. Charges for services increased by \$2.7 million.

**Business-Type Activities.** The three business-type activities increased the County of Maui's net position by \$6.4 million. The Golf Course Fund and Housing Interim Financing Fund reflected decreases in net position of \$0.2 million and \$0.04 million, respectively while the Department of Water Supply (DWS) reflected an increase in net position of \$6.7 million. DWS increased charges for services by \$3.4 million, decreased operating expenses by \$0.6 million, and increased capital contributions by \$3.0 million. The increase in the total business-type net position of \$6.4 million for this year compares with last year's increase in net position of \$1.6 million

### **FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$301.6 million, representing an increase of \$25.4 million or 9.2% as compared to the prior year. The \$25.4 million increase in the governmental funds balance can be attributed to the increases in the General Fund and Capital Improvement Projects Fund in the amount of \$24.2 million and \$13.7 million, respectively; offset by decreases in the Other Governmental Funds by \$7.7 million, Highway Fund by \$3.8 million, and Sewer Fund by \$1.0 million.

Approximately \$47.5 million or 15.7% of the total fund balances of the governmental funds is comprised of unassigned funds. Unassigned funds have no constraints whatsoever and are available for spending at the County's discretion. The remainder of total governmental fund balances of \$254.1 million is comprised of \$75.8 million in restricted funds, \$149.3 million in committed funds, and \$29.0 million in assigned funds. There was a total of \$127.4 million in encumbered governmental funds comprised of \$120.4 million in the major funds and \$7.0 million in the non-major funds.

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

**General Fund.** The General Fund is the chief operating fund for the County. At the end of the current fiscal year, the fund balance of the General Fund was \$179.9 million, which included \$15.3 million in restricted funds, \$100.7 million in committed, \$16.4 million in assigned, and \$47.5 million in unassigned funds. The unassigned fund balance represents 22.4% of total General Fund expenditures, while the total fund balance of the General Fund represents 84.9% of the expenditures. There was a total of \$16.4 million in encumbrances in the General Fund at the end of fiscal year 2013.

The fund balance for the General Fund increased by \$24.2 million during the current fiscal year. This compares with a decrease of \$14.6 million from the prior year. Key factors for the increase of \$24.2 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$6.9 million or 2.7% from prior year, largely reflective of increased revenues from taxes of \$7.0 million.
- Total expenditures decreased by \$17.5 million or 7.6% from prior year, primarily due to decrease in expenditures in the General Government by \$15.1 million.
- Other Financing Uses, net increased \$14.3 million from prior year, mainly due to a decrease in transfers out to the Capital Improvement Projects and Other Governmental Funds. The \$14.3 million increase in Other Financing Uses, net coupled with the \$24.5 million increase in revenues over expenditures resulted in an increase of \$38.8 million in the net change in fund balances from prior year.

Revenues from taxes increased by \$7.0 million, from \$218.0 million in fiscal year 2012 to \$225.0 million in fiscal year 2013.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$214.2 million represents 51.7% of all the revenues for the County governmental funds. This year's levy collection increased by \$5.6 million or 2.7% from last year's levy collection of \$208.6 million. The increase in real property tax collection in fiscal 2013 was largely due to increased tax rates for all property classifications. The County's composite tax rate increased from 6.34% to 6.55% in the current fiscal year.

The property tax valuations for tax rate purposes (tax base) decreased from \$32.9 billion in fiscal year 2012 to \$32.5 billion in fiscal year 2013, representing a decrease of 1.4%. The tax rates in 2013 increased for the following classifications: Residential from \$5.55 to \$5.75, Apartment from \$5.50 to \$6.20, Commercial from \$6.25 to \$6.90, Industrial from \$7.00 to \$7.10, Agricultural from \$5.80 to \$6.00, Commercialized Residential from \$4.20 to \$4.50, Conservation from \$5.60 to \$6.20, Hotel and Resort from \$9.00 to \$9.15, Time Share from \$15.00 to \$15.50, and Homeowner from \$2.50 to \$2.75.

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

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

Included in the Taxes category for the General Fund is the public service company tax. This tax, which is levied against public utilities, provides for a tax of 1.885% of the gross income in lieu of real property tax. Collections for the Public Service Company tax were \$9.8 million, representing an increase of \$0.1 million over the prior fiscal year.

**Highway Fund.** At the end of the current fiscal year, the fund balance of the Highway Fund was \$14.4 million, of which the entire amount was restricted. A total of \$5.6 million in the Highway Fund was encumbered at the end of fiscal year 2013.

The revenues in the Highway Fund primarily derived from the fuel tax (\$10.6 million), franchise tax (\$10.7 million), and motor vehicle weight tax (\$17.8 million, classified as licenses and permits), collectively made up 9.4% (\$39.1 million) of the revenues in the governmental funds. The fiscal year 2013 revenue collection was \$1.7 million more than the previous year primarily due to increased revenues from charges from current services by \$0.8 million and motor vehicle license and permit fees of \$0.5 million.

The expenditures of \$28.1 million for the Highway Fund increased \$3.5 million or 14.2% from the prior fiscal year. This increase is primarily due to additional expenditures for the Road, Bridge, and Drainage program to purchase new and replacement of various machineries and equipment to repave roads.

Transfers in from the General Fund, Special Revenue Funds, Capital Improvement Projects Fund, and Other Governmental Funds decreased from \$3.2 million in fiscal year 2012 to \$2.1 million in fiscal year 2013. With a beginning fund balance of \$18.2 million, the Highway Fund ended with a fund balance of \$14.4 million, a decrease in fund balance of \$3.8 million.

**Sewer Fund.** At the end of the current fiscal year, the fund balance of the Sewer Fund was \$16.1 million, which represented committed funds. A total of \$0.9 million in the Sewer Fund was encumbered at the end of fiscal year 2013.

The Sewer Fund revenues of sewer and cesspool fees of \$48.1 million reflect an increase of \$0.9 million or 2.0% from last year's revenue collection of \$47.2 million.

The Sewer Fund expenditures of \$25.0 million increased \$1.8 million or 7.9% from the prior fiscal year. Capital improvement projects funded by cash from the Sewer Fund increased from \$13.4 million in 2012 to \$15.0 million in 2013. With a beginning fund balance of \$17.1 million, the Sewer

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

Fund ended with a fund balance of \$16.1 million, a decrease in net change in fund balance of \$0.4 million from fiscal year 2012 to fiscal year 2013.

**Grant Fund.** Total revenue for the Grant Fund was \$34.0 million, representing an increase of \$0.1 million or 0.4% over last year.

The Grant Fund expenditures in the current fiscal year decreased by \$0.1 million or 0.3% compared to the prior year.

**Capital Improvement Projects Fund.** At the end of the current fiscal year, the fund balance of the Capital Improvement Projects Fund was \$55.2 million, which included \$21.5 million in restricted funds, \$21.2 million in committed funds, and \$12.5 million in assigned funds. A total of \$84.5 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

Expenditures for capital improvement projects for fiscal year 2013 were \$68.6 million (excluding bond issuance costs). This amount compares with last year's expenditures of \$58.0 million represents an increase of \$10.6 million or 18.4%.

The largest expenditures were reflected in the Government Facilities category of \$27.9 million, which comprised 40.7% of the total expenditures. Capital projects under this category consisted primarily of the Kihei Police Station in the amount of \$18.7 million, Waikapu Land Acquisition in the amount of \$2.5 million, Public Safety Radio System in the amount of \$1.7 million, and Fire Station Improvements in the amount of \$1.4 million.

The Sewer Systems category had expenditures of \$16.7 million or 24.3% of total expenditures of the Capital Improvements Projects Fund. The Environmental Protection Agency (EPA) Consent Decree Renovation in the amount of \$4.7 million, Lahaina Force Main Replacement in the amount of \$4.2 million, Countywide Pump Station Renovation in the amount of \$2.3 million, and Countywide Wastewater System Modification in the amount of \$2.2 million were the major projects under this category.

Expenditures in the Roadway Systems category of \$15.5 million comprised 22.6% of the total expenditures in the Capital Improvement Projects Fund. The major projects in this category were Countywide Road Resurfacing projects of \$9.2 million and Countywide Bridge Replacement projects of \$2.9 million.

The Parks and Recreation category had expenditures of \$3.4 million or 4.9% of the total expenditures. Countywide Americans with Disabilities Act (ADA) Improvement projects of \$1.1 million, Countywide Park Improvements of \$1.1 million, Sakamoto Pool Renovations of \$0.6 million, and Lanai Gym Renovations of \$0.4 million were the major projects in this category.

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

Expenditures in the Sanitation category of \$2.8 million comprised 4.1% of the total expenditures in the Capital Improvement Projects Fund. The Hana Landfill Detention Pond of \$1.3 million and Central Maui Landfill (CML) Improvements of \$0.3 million were the major projects in this category.

Expenditures in the Drainage category of \$2.2 million comprised 3.2% of the total expenditures in the Capital Improvement Projects Fund. The projects in this category were Countywide Drainage Improvements in the amount of \$1.2 million and Lahaina Watershed Project in the amount of \$1.0 million.

#### **BUDGETARY HIGHLIGHTS**

The General Fund budget amendments for fiscal year 2013 primarily consisted of \$1.5 million for the Department of Housing and Human Concerns and \$0.6 million for the Department of Public Works.

There were three major budget variances (final amended budget and actual amounts) in the General Fund for revenues. Revenues from taxes reflected the largest variance with actual revenues of \$225.0 million exceeding the budget by \$4.2 million. Greater than anticipated real property taxes of \$2.4 million and public service company tax of \$1.8 million were responsible for the budget variance.

The second major budget variance can be attributed to a positive variance of \$2.5 million for the Intergovernmental Revenues category, primarily due to a \$2.2 million budget to actual variance in transient accommodation taxes.

The License and Permits category reflected the third largest variance of \$1.6 million more than the budget estimate primarily due to continued increase in issuance of building, contractor, and electrical permits.

The major positive budget variance for expenditures in the General Fund was in General Government of \$14.0 million, followed by Public Safety of \$4.2 million, and Legislative of \$1.5 million. Insurance and Self-Insurance of \$10.2 million, Countywide Fringe Benefits of \$3.0 million, Bond Issuance and Debt Services of \$1.1 million, Planning of \$0.9 million, Financial Services of \$0.5 million, and General Plan Update \$0.5 million were largely responsible for the savings recorded under the General Government category.



**COUNTY OF MAUI**

**Management's Discussion and Analysis  
June 30, 2013**

**CAPITAL ASSETS  
(Dollars in Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY2013</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2012</b>
Non-Depreciable Assets:						
Land	\$ 140,598	\$ 140,598	\$ 9,728	\$ 9,422	\$ 150,326	\$ 150,020
Construction in progress	92,007	51,305	32,619	51,106	124,626	102,411
	<u>232,605</u>	<u>191,903</u>	<u>42,347</u>	<u>60,528</u>	<u>274,952</u>	<u>252,431</u>
Depreciable Assets:						
Improvements other than buildings	130,388	130,351	2,972	2,972	133,360	133,323
Buildings and systems	122,838	119,187	8,690	8,640	131,528	127,827
Machinery and equipment	117,584	110,952	29,684	28,866	147,268	139,818
Infrastructure	970,299	956,313	470,312	433,771	1,440,611	1,390,084
	<u>1,341,109</u>	<u>1,316,803</u>	<u>511,658</u>	<u>474,249</u>	<u>1,852,767</u>	<u>1,791,052</u>
Accumulated Depreciation	<u>(930,759)</u>	<u>(892,557)</u>	<u>(233,730)</u>	<u>(219,158)</u>	<u>(1,164,489)</u>	<u>(1,111,715)</u>
Total Capital Assets, Net	<u>\$ 642,955</u>	<u>\$ 616,149</u>	<u>\$ 320,275</u>	<u>\$ 315,619</u>	<u>\$ 963,230</u>	<u>\$ 931,768</u>

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounted to \$963.2 million (net of accumulated depreciation). This investment of capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure (roadway systems, bridges, landfills and sewer systems) and construction in progress.

During fiscal year 2013, capital assets relating to governmental activities reflected additions of \$89.9 million, depreciation expense of \$39.4 million, and transfers/retirements of \$23.7 million (net), resulting in capital assets, net of \$643.0 million. Capital assets relating to business-type activities reflected additions of \$52.3 million, depreciation expense of \$15.0 million, and transfers/retirements of \$32.7 million (net) resulting in capital assets, net of \$320.3 million.

Capital asset additions relating to governmental activities were primarily attributable to road, bikeway, and bridge improvements, sewer infrastructure, and public safety buildings (Lahaina Fire Station, Kaunakakai Police Station renovation). Capital assets additions related to business-type activities were primarily attributable to DWS infrastructure projects (waterlines, reservoirs, and replacement of pumping equipment).

**COUNTY OF MAUI**

**Management’s Discussion and Analysis  
June 30, 2013**

Contractual commitments for capital assets at June 30, 2013 for the governmental and business-type activities amounted to \$84.5 million and \$33.6 million, respectfully.

Additional information on the County’s capital assets can be found in Note 5 to the basic financial statements.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY2013</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2012</b>
General Obligation Bonds (excluding unamortized premiums and deferrals)	\$ 220,040	\$ 194,027	\$ 25,596	\$ 14,096	\$ 245,636	\$ 208,123
State Revolving Fund and USDA Loans	41,828	52,720	5,262	14,609	47,090	67,329
<b>Total Long-Term Debt</b>	<b>\$ 261,868</b>	<b>\$ 246,747</b>	<b>\$ 30,858</b>	<b>\$ 28,705</b>	<b>\$ 292,726</b>	<b>\$ 275,452</b>

**Long-Term Debt.** At the end of the current fiscal year, the County had total long-term debt outstanding of \$292.7 million (\$261.9 million related to governmental activities and \$30.8 million related to business-type activities). Of this amount, \$245.6 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$47.1 million represents SRF and United States Department of Agriculture (USDA) loans. The SRF loans are used for construction of wastewater facilities and projects relating to compliance with drinking water standards, and protection of public health and environment.

The County’s total GO bonds and loans increased by \$17.3 million during the current fiscal year. The increase is primarily reflective of a \$37.5 million increase in GO bonds and a decrease of \$20.2 million in SRF and USDA loans.

The County issued \$70.3 million in GO bonds in November 2012. A portion of the bond proceeds were used to advance refund approximately \$20 million of certain GO bonds and SRF loans. Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings assigned ratings of “Aa1,” “AA+,” and “AA+,” respectively, to the bonds. All three qualified bond-rating agencies currently rate the County’s bonded debt at the next-to-highest category for safety. The financing was the first competitive sale for Maui County since 1997. Subsequent to 1997 all general obligation bonds were issued by negotiated sale.

## COUNTY OF MAUI

### Management's Discussion and Analysis June 30, 2013

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 \$4.87 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2013, the County's current outstanding debt applicable to the limit of \$267.1 million represents only 5.48% of the County's debt limitation.

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As a result of strong job creation and continuing recovery in the tourist sector, the Maui economy continues to lead the Neighbor Islands in economic growth. Maui has benefitted from the ongoing surge in tourist numbers, the benefits of which have spread to other parts of the economy including commercial construction, and real estate. Several long-anticipated commercial projects have gotten underway, creating strong demand for labor in construction and related economic sectors, while in the housing market home prices continue to move higher as the number of distressed and bank owned properties have decreased significantly. While challenges remain, the outlook for the County of Maui is positive for the coming year. Please refer to the Letter of Transmittal for more detailed discussion regarding the state of the County economy.

The real property tax base for fiscal year 2014 of \$33.4 billion is a decrease of \$0.9 billion or 2.9% from the prior fiscal year.

The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2014 increased for all of the ten classifications of property except for the residential classification. Specifically, the following increases were made in these categories: Agricultural from \$6.00 to \$6.05, Commercial from \$6.90 to \$7.05, Conservation from \$6.20 to \$6.25, Hotel and Resort from \$9.15 to \$9.40, Apartment from \$6.20 to \$6.40, Industrial from \$7.10 to \$7.30, Time Share from \$15.50 to \$15.55, Homeowner from \$2.75 to \$2.87, and Commercialized Residential from \$4.50 to \$4.60. The budgeted real property tax levy for fiscal year 2014 is an increase of \$10.8 million or 5.6% from fiscal year 2013, largely as a result of higher tax rates and reduction in the homeowner exemption.

## **COUNTY OF MAUI**

### **Management's Discussion and Analysis**

**June 30, 2013**

The fee structure for the following revenues changed in the fiscal year 2014 budget:

Water rates in fiscal year 2014 increased by 5.2% or approximately \$5.50 per month for an average residential family using 32,000 gallons.

The commercial tipping fee increased from \$61 per ton to \$65.6 per ton.

The fiscal year 2014 budget appropriated \$18.0 million to the Postemployment Benefits Fund to satisfy the annual required contribution towards its health benefits for its unfunded actuarial liability.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Director of Finance, 200 South High Street, Wailuku, Hawaii 96793.

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**COUNTY OF MAUI**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	\$ 326,911,102	\$ 55,667,978	\$ 382,579,080
Receivables (Note 3):			
Property taxes	8,017,961	-	8,017,961
State of Hawaii	3,681,138	-	3,681,138
Trade accounts, net	4,042,442	6,180,221	10,222,663
Federal government	2,830,265	-	2,830,265
Other	461,506	-	461,506
Internal balances (Note 4)	(5,037,984)	5,037,984	-
Inventory	-	1,027,825	1,027,825
Other assets (Note 6)	1,308,160	1,027,313	2,335,473
Capital assets (Note 5):			
Land	140,598,266	9,727,804	150,326,070
Buildings and systems	122,837,865	8,690,169	131,528,034
Improvements other than buildings	130,388,474	2,971,632	133,360,106
Machinery and equipment	117,583,789	29,684,576	147,268,365
Infrastructure	970,298,560	470,311,669	1,440,610,229
Construction in progress	92,006,712	32,618,993	124,625,705
Accumulated depreciation	(930,758,612)	(233,730,148)	(1,164,488,760)
Total Capital Assets, net	<u>642,955,054</u>	<u>320,274,695</u>	<u>963,229,749</u>
Total Assets	<u>985,169,644</u>	<u>389,216,016</u>	<u>1,374,385,660</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	26,513,170	4,287,713	30,800,883
Deposits	-	2,822,216	2,822,216
Unearned revenue (Note 3)	2,551,455	1,011,741	3,563,196
Advanced collections (Note 3)	3,415,031	180,637	3,595,668
Interest payable	3,002,631	292,235	3,294,866
Long-term obligations (Note 6):			
Due within one year	59,314,401	3,879,033	63,193,434
Due in more than one year	356,561,492	37,083,871	393,645,363
Total Liabilities	<u>451,358,180</u>	<u>49,557,446</u>	<u>500,915,626</u>
<b>NET POSITION:</b>			
Net investment in capital assets	396,519,162	290,752,278	687,271,440
Restricted for:			
Highways and streets	14,436,159	-	14,436,159
Capital projects	14,677,142	-	14,677,142
Open space and resources	15,316,810	-	15,316,810
Affordable housing	13,176,949	-	13,176,949
Water and other assessments (Note 13)	10,768,071	12,283,636	23,051,707
Unrestricted	68,917,171	36,622,656	105,539,827
Total Net Position	<u>\$ 533,811,464</u>	<u>\$ 339,658,570</u>	<u>\$ 873,470,034</u>

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

**COUNTY OF MAUI**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 107,565,593	\$ 12,843,390	\$ 4,284,023	\$ 181,590	\$ (90,256,590)	\$ -	\$ (90,256,590)	
Public safety	85,260,731	458,247	7,119,415	-	(77,683,069)	-	(77,683,069)	
Highway and streets	45,105,834	21,272,213	89,481	6,946,266	(16,797,874)	-	(16,797,874)	
Sanitation	65,401,638	61,559,388	294,868	4,198,513	651,131	-	651,131	
Social welfare	46,866,029	2,402,750	21,649,901	-	(22,813,378)	-	(22,813,378)	
Culture and recreation	33,018,488	617,301	1,009,561	5,267	(31,386,359)	-	(31,386,359)	
Legislative	5,539,042	1,425	-	-	(5,537,617)	-	(5,537,617)	
Interest on long-term debt	8,960,111	-	-	-	(8,960,111)	-	(8,960,111)	
Total Governmental Activities	<u>397,717,466</u>	<u>99,154,714</u>	<u>34,447,249</u>	<u>11,331,636</u>	<u>(252,783,867)</u>	<u>-</u>	<u>(252,783,867)</u>	
Business-Type Activities:								
Department of Water Supply	53,624,590	54,438,890	-	5,551,828	-	6,366,128	6,366,128	
Housing, Interim Financing, and Buy-Back Revolving Fund	207,210	163,291	-	-	-	(43,919)	(43,919)	
Municipal Golf Course	2,235,318	1,116,056	-	-	-	(1,119,262)	(1,119,262)	
Total Business-Type Activities	<u>56,067,118</u>	<u>55,718,237</u>	<u>-</u>	<u>5,551,828</u>	<u>-</u>	<u>5,202,947</u>	<u>5,202,947</u>	
Total Primary Government	<u>\$ 453,784,584</u>	<u>\$ 154,872,951</u>	<u>\$ 34,447,249</u>	<u>\$ 16,883,464</u>	<u>(252,783,867)</u>	<u>5,202,947</u>	<u>(247,580,920)</u>	
General Revenues:								
Taxes:								
Property taxes					214,243,623	-	214,243,623	
Transient accommodation tax					21,204,000	-	21,204,000	
Public service company tax					9,767,322	-	9,767,322	
Franchise tax					10,714,153	-	10,714,153	
Fuel tax					10,617,406	-	10,617,406	
Interest and investment earnings, net (Note 2)					907,950	135,406	1,043,356	
Other					857,240	153,931	1,011,171	
Transfers (Note 4)					(947,689)	947,689	-	
Total General Revenues and Transfers					<u>267,364,005</u>	<u>1,237,026</u>	<u>268,601,031</u>	
					Change in Net Position	14,580,138	6,439,973	21,020,111
					Net Position, Beginning of Year	519,231,326	333,218,597	852,449,923
					Net Position, End of Year	<u>\$ 533,811,464</u>	<u>\$ 339,658,570</u>	<u>\$ 873,470,034</u>

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

**COUNTY OF MAUI**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	<b>General Fund</b>	<b>Highway Fund</b>	<b>Sewer Fund</b>	<b>Grant Fund</b>	<b>Debt Service Fund</b>	<b>Capital Improvement Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>								
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 174,600,530	\$14,344,088	\$15,001,052	\$ 1,823,436	\$ -	\$ 82,554,471	\$ 38,587,525	\$ 326,911,102
Receivables (Note 3):								
Property taxes	8,017,961	-	-	-	-	-	-	8,017,961
State of Hawaii	-	901,032	-	1,915,363	-	864,743	-	3,681,138
Trade accounts, net	-	-	2,639,934	-	-	-	1,402,508	4,042,442
Federal government	-	-	-	235,440	-	2,594,825	-	2,830,265
Other	-	-	-	-	-	461,506	-	461,506
Due from other funds (Note 4)	14,878,258	-	-	-	-	-	-	14,878,258
<b>Total Assets</b>	<b>\$ 197,496,749</b>	<b>\$15,245,120</b>	<b>\$17,640,986</b>	<b>\$ 3,974,239</b>	<b>\$ -</b>	<b>\$ 86,475,545</b>	<b>\$ 39,990,033</b>	<b>\$ 360,822,672</b>
<b>LIABILITIES AND FUND BALANCES:</b>								
Liabilities:								
Vouchers payable	\$ 2,915,534	\$ 429,836	\$ 1,232,495	\$1,422,784	\$ -	\$ 6,474,536	\$ 819,280	\$ 13,294,465
Accounts payable	4,264,102	214,948	-	-	-	701,159	-	5,180,209
Contract retention payable	27,080	-	520	-	-	4,177,075	8,833	4,213,508
Due to other funds (Note 4)	-	-	-	-	-	19,916,242	-	19,916,242
Accrued wages payable	3,339,126	164,178	156,093	-	-	-	165,591	3,824,988
Deposits and deferred revenue (Note 3)	5,980,358	-	153,688	2,551,455	-	-	712,410	9,397,911
Advanced collections (Note 3)	1,011,658	-	-	-	-	-	2,403,373	3,415,031
<b>Total Liabilities</b>	<b>17,537,858</b>	<b>808,962</b>	<b>1,542,796</b>	<b>3,974,239</b>	<b>-</b>	<b>31,269,012</b>	<b>4,109,487</b>	<b>59,242,354</b>
Fund Balances (Note 12):								
Restricted	15,316,810	14,436,158	-	-	-	21,494,972	24,548,194	75,796,134
Committed	100,726,872	-	16,098,190	-	-	21,168,368	11,332,352	149,325,782
Assigned	16,429,725	-	-	-	-	12,543,193	-	28,972,918
Unassigned	47,485,484	-	-	-	-	-	-	47,485,484
<b>Total Fund Balances</b>	<b>179,958,891</b>	<b>14,436,158</b>	<b>16,098,190</b>	<b>-</b>	<b>-</b>	<b>55,206,533</b>	<b>35,880,546</b>	<b>301,580,318</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 197,496,749</b>	<b>\$15,245,120</b>	<b>\$17,640,986</b>	<b>\$ 3,974,239</b>	<b>\$ -</b>	<b>\$ 86,475,545</b>	<b>\$ 39,990,033</b>	<b>\$ 360,822,672</b>

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



**COUNTY OF MAUI**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**of Governmental Funds to Net Position of**  
**Governmental Activities on the Statement of Net Position**  
**June 30, 2013**

Fund Balances - Total Government Funds	\$ 301,580,318
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	642,955,054
Unamortized bond issuance costs are capitalized and amortized in the government-wide financial statements but are recorded as an expenditure in the fund financial statements when the bonds are issued. This is the unamortized balance of such costs	1,308,160
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities	6,846,456
Long-term liabilities that are not reported in the governmental funds:	
General obligation bonds	(226,630,497)
SRF loans from the State of Hawaii	(41,827,631)
Accrued vacation	(27,851,674)
Accrued landfill closure costs	(28,745,412)
Accrued postemployment benefits	(69,005,322)
Claims and judgments payable	(21,815,357)
Interest payable is not reported in the governmental funds	<u>(3,002,631)</u>
Net Position of Governmental Activities - Government-Wide Statement of Net Position	<u><u>\$ 533,811,464</u></u>

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

**COUNTY OF MAUI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2013**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>	<u>Grant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvement Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>								
Taxes	\$ 224,983,261	\$ 21,331,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,314,820
Licenses and permits	7,049,131	17,771,471	28,275	-	-	-	2,382,035	27,230,912
Intergovernmental revenues	21,498,138	-	-	33,535,243	-	9,040,621	-	64,074,002
Charges for current services	1,708,661	2,692,257	47,958,734	2,433	-	-	13,254,534	65,616,619
Fines and forfeitures	2,836,819	-	-	-	-	-	180,961	3,017,780
Interest and investment earnings, net (Note 2)	973,827	-	-	6,598	-	37,633	-	1,018,058
Assessments	-	-	-	-	-	-	791,434	791,434
Other	2,156,663	28,202	111,554	485,606	-	1,499,581	1,794,225	6,075,831
Total Revenues	<u>261,206,500</u>	<u>41,823,489</u>	<u>48,098,563</u>	<u>34,029,880</u>	<u>-</u>	<u>10,577,835</u>	<u>18,403,189</u>	<u>414,139,456</u>
<b>EXPENDITURES:</b>								
Current:								
General government	84,321,962	-	-	4,288,176	-	-	900,129	89,510,267
Public safety	73,605,798	-	-	6,962,083	-	-	213,778	80,781,659
Highways and streets	7,004,562	28,061,203	-	89,481	-	-	770,806	35,926,052
Sanitation	552,395	-	25,008,163	294,868	-	-	19,510,748	45,366,174
Social welfare	15,638,965	-	-	21,453,207	-	-	9,222,730	46,314,902
Culture and recreation	25,228,460	-	-	1,037,090	-	-	80,143	26,345,693
Legislative	5,532,802	-	-	-	-	-	-	5,532,802
Capital outlay	-	-	-	-	-	68,647,591	-	68,647,591
Debt service:								
Principal	-	-	-	-	23,769,852	-	-	23,769,852
Interest and other issuance costs	-	-	-	-	9,622,348	428,558	-	10,050,906
Total Expenditures	<u>211,884,944</u>	<u>28,061,203</u>	<u>25,008,163</u>	<u>34,124,905</u>	<u>33,392,200</u>	<u>69,076,149</u>	<u>30,698,334</u>	<u>432,245,898</u>
Excess (Deficiency) of Revenues								
Over Expenditures	<u>49,321,556</u>	<u>13,762,286</u>	<u>23,090,400</u>	<u>(95,025)</u>	<u>(33,392,200)</u>	<u>(58,498,314)</u>	<u>(12,295,145)</u>	<u>(18,106,442)</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Issuance of Debt (Note 6):								
General obligation bonds	-	-	-	-	-	38,375,000	-	38,375,000
General obligation refunding bonds	-	-	-	-	-	18,510,000	-	18,510,000
Net premiums received	-	-	-	-	-	6,805,970	-	6,805,970
SRF and USDA loans	-	-	-	-	-	2,053,326	-	2,053,326
Use of Debt:								
Payments to escrow for bond refunding	-	-	-	-	-	(21,320,841)	-	(21,320,841)
Transfers In (Note 4):								
General Fund	-	75,000	-	95,025	33,392,200	4,968,552	9,301,393	47,832,170
Special Revenue Funds	17,373,989	10,000	-	-	-	28,289,659	2,206,084	47,879,732
Capital Improvement Projects Fund	1,151,499	1,715,980	3,640,497	-	-	-	380,771	6,888,747
Proprietary Funds	378,558	-	-	-	-	-	-	378,558
Other Governmental Funds	5,141,874	340,000	400,000	-	-	1,435,000	-	7,316,874
Transfers Out (Note 4):								
General Fund	-	(6,025,749)	(11,348,240)	-	-	(1,151,499)	(5,141,874)	(23,667,362)
Special Revenue Funds	(170,025)	-	(10,000)	-	-	(5,356,478)	(740,000)	(6,276,503)
Debt Service Fund	(33,392,200)	-	-	-	-	-	-	(33,392,200)
Capital Improvement Projects Fund	(4,968,552)	(13,267,734)	(15,021,925)	-	-	-	(1,435,000)	(34,693,211)
Other Governmental Funds	(9,301,393)	(409,602)	(1,796,482)	-	-	(380,771)	-	(11,888,248)
Proprietary Funds	(1,326,234)	-	-	-	-	(13)	-	(1,326,247)
Total Other Financing Sources (Uses)	<u>(25,112,484)</u>	<u>(17,562,105)</u>	<u>(24,136,150)</u>	<u>95,025</u>	<u>33,392,200</u>	<u>72,227,905</u>	<u>4,571,374</u>	<u>43,475,765</u>
Net Change in Fund Balances	24,209,072	(3,799,819)	(1,045,750)	-	-	13,729,591	(7,723,771)	25,369,323
Fund Balances, Beginning of Year	155,749,819	18,235,977	17,143,940	-	-	41,476,942	43,604,317	276,210,995
Fund Balances, End of Year	<u>\$ 179,958,891</u>	<u>\$ 14,436,158</u>	<u>\$ 16,098,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,206,533</u>	<u>\$ 35,880,546</u>	<u>\$ 301,580,318</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 Year Ended June 30, 2013**

Net Change in Fund Balances—Total Governmental Funds	\$ 25,369,323
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures and do not report depreciation expense. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays reported in the Capital Improvement Projects Fund and other funds, net of retirements	66,230,618
Depreciation expense	(39,424,574)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources:	
This is the amount by which bond proceeds exceed bond principal payments.	(26,012,969)
This is the amount by which loans payable principal payments exceeded proceeds.	10,892,548
Certain expenses related to the accrual of vacation, landfill closure, postemployment benefits, and claims and judgments are not current financial resources and, therefore, are not reported as expenditures in governmental funds:	
This is the amount by which vacation accrual exceeded the payments.	(86,945)
This is the amount by which landfill closure accrual exceeded the payments.	(1,421,525)
This is the amount by which postemployment benefit accrual exceeded payments.	(17,837,804)
This is the amount by which claims and judgments payments exceeded the accrual.	2,208,015
Accrued interest reported is an expense in the statement of activities but not reported as an expenditure in the governmental funds.	29,052
Certain revenues were recognized on the statement of activities that were deferred in the governmental funds.	(894,161)
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 when the bonds are issued. This is the current year additions, net of current year amortization of such costs.	128,769
Bond premiums are deferred and amortized in the government-wide financial statement but recorded as bond proceeds when received in the governmental funds. This is the current year deferrals, net of current year amortization of bond premiums.	(4,716,258)
Losses on early retirement of bonds outstanding are capitalized and amortized in the statement of activities over the life of the debt. This is the current year additions, net of current year amortization of losses on early retirement of bonds.	116,049
Change in Net Position of Governmental Activities—Government-Wide Statement of Activities	\$ <u>14,580,138</u>

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

**COUNTY OF MAUI**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>Department of Water Supply</b>	<b>Housing, Interim Financing, and Buy-Back Revolving Fund</b>	<b>Golf Course Special Fund</b>	<b>Total</b>
<b>ASSETS:</b>				
Current Assets:				
Unrestricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	\$ 35,509,906	\$ 2,027,426	\$ 605,443	\$ 38,142,775
Trade accounts, net (Note 3)	6,176,197	4,024	-	6,180,221
Due from other funds (Note 4)	5,037,984	-	-	5,037,984
Inventory	1,027,825	-	-	1,027,825
Other current assets	824,891	202,422	-	1,027,313
<b>Total Current Unrestricted Assets</b>	<b>48,576,803</b>	<b>2,233,872</b>	<b>605,443</b>	<b>51,416,118</b>
Restricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	17,525,203	-	-	17,525,203
<b>Total Current Assets</b>	<b>66,102,006</b>	<b>2,233,872</b>	<b>605,443</b>	<b>68,941,321</b>
Capital Assets (Note 5):				
Land	6,924,798	2,427,000	376,006	9,727,804
Building and systems	3,336,702	1,787,887	3,565,580	8,690,169
Improvements other than buildings	-	-	2,971,632	2,971,632
Machinery and equipment	28,385,836	10,634	1,288,106	29,684,576
Infrastructure	470,311,669	-	-	470,311,669
Construction in progress	32,618,993	-	-	32,618,993
Accumulated depreciation	(228,236,922)	(969,797)	(4,523,429)	(233,730,148)
<b>Total Capital Assets, net</b>	<b>313,341,076</b>	<b>3,255,724</b>	<b>3,677,895</b>	<b>320,274,695</b>
<b>Total Assets</b>	<b>379,443,082</b>	<b>5,489,596</b>	<b>4,283,338</b>	<b>389,216,016</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts payable	4,231,478	15,916	40,319	4,287,713
Bonds payable - current portion (Note 6)	2,318,564	-	-	2,318,564
Notes payable - current portion (Note 6)	288,824	-	-	288,824
Claims and judgments - current portion (Note 6)	472,868	-	-	472,868
Accrued vacation - current portion (Note 6)	733,316	-	65,461	798,777
Deposits	1,661,183	1,161,033	-	2,822,216
Unearned revenue	1,000,000	11,741	-	1,011,741
Advance collections	180,637	-	-	180,637
Interest payable	292,235	-	-	292,235
<b>Total Current Liabilities</b>	<b>11,179,105</b>	<b>1,188,690</b>	<b>105,780</b>	<b>12,473,575</b>
Noncurrent Liabilities (Note 6):				
Bonds payable - less current portion	25,642,826	-	-	25,642,826
Notes payable - less current portion	4,973,501	-	-	4,973,501
Accrued vacation - less current portion	1,273,039	-	156,521	1,429,560
Accrued postemployment benefits (Note 9)	5,037,984	-	-	5,037,984
<b>Total Noncurrent Liabilities</b>	<b>36,927,350</b>	<b>-</b>	<b>156,521</b>	<b>37,083,871</b>
<b>Total Liabilities</b>	<b>48,106,455</b>	<b>1,188,690</b>	<b>262,301</b>	<b>49,557,446</b>
<b>NET POSITION:</b>				
Net investment in capital assets	283,818,659	3,255,724	3,677,895	290,752,278
Restricted - water (Note 13)	12,283,636	-	-	12,283,636
Unrestricted	35,234,332	1,045,182	343,142	36,622,656
<b>Total Net Position</b>	<b>\$ 331,336,627</b>	<b>\$ 4,300,906</b>	<b>\$ 4,021,037</b>	<b>\$ 339,658,570</b>

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

**COUNTY OF MAUI**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	<b>Department of Water Supply</b>	<b>Housing, Interim Financing, and Buy-Back Revolving Fund</b>	<b>Golf Course Special Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for services	\$ 54,438,890	\$ 163,291	\$ 1,116,056	\$ 55,718,237
<b>Operating Expenses:</b>				
Salaries and personnel services	9,225,436	-	897,396	10,122,832
Other operating expenses	28,691,791	160,842	1,018,699	29,871,332
Depreciation and amortization (Note 5)	14,586,660	46,368	319,223	14,952,251
Total Operating Expenses	52,503,887	207,210	2,235,318	54,946,415
Operating Income (Loss)	1,935,003	(43,919)	(1,119,262)	771,822
<b>Non-Operating Revenues (Expenses):</b>				
Interest and investment earnings, net (Note 2)	130,983	4,423	-	135,406
Interest expense, net of capitalized interest	(1,120,703)	-	-	(1,120,703)
Other	153,931	-	-	153,931
Total Non-Operating Revenues (Expenses), Net	(835,789)	4,423	-	(831,366)
Income (Loss) Before Capital Contributions and Transfers	1,099,214	(39,496)	(1,119,262)	(59,544)
<b>Capital Contributions</b>	5,551,828	-	-	5,551,828
<b>Transfers In (Note 4)</b>	-	-	1,326,247	1,326,247
<b>Transfers Out (Note 4)</b>	-	-	(378,558)	(378,558)
<b>Change in Net Position</b>	6,651,042	(39,496)	(171,573)	6,439,973
<b>Net Position, Beginning of Year</b>	324,685,585	4,340,402	4,192,610	333,218,597
<b>Net Position, End of Year</b>	\$ 331,336,627	\$ 4,300,906	\$ 4,021,037	\$ 339,658,570

*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, 2013**

	<b>Department of Water Supply</b>	<b>Housing, Interim Financing, and Buy-Back Revolving Fund</b>	<b>Golf Course Special Fund</b>	<b>Total</b>
<b>Cash Flow from Operating Activities:</b>				
Receipts from customers and others	\$ 56,146,329	\$ 206,124	\$ 1,116,056	\$ 57,468,509
Payments to suppliers	(28,858,107)	-	(1,000,932)	(29,859,039)
Payments to employees	(9,225,436)	(169,629)	(878,412)	(10,273,477)
Net cash provided by (used in) operating activities	<u>18,062,786</u>	<u>36,495</u>	<u>(763,288)</u>	<u>17,335,993</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Cash paid for the acquisition and construction of capital assets	(15,707,992)	(44,665)	(209,546)	(15,962,203)
Proceeds from bonds and notes payable	17,219,726	-	-	17,219,726
Principal paid on bonds and notes payable	(13,048,237)	-	-	(13,048,237)
Cash received from capital contributions	1,906,253	-	-	1,906,253
Interest paid on bonds and notes payable	(1,149,353)	-	-	(1,149,353)
Proceeds from settlements	153,931	-	-	153,931
Net cash used in capital and related financing activities	<u>(10,625,672)</u>	<u>(44,665)</u>	<u>(209,546)</u>	<u>(10,879,883)</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Transfers in	-	-	1,326,247	1,326,247
Transfers out	-	-	(378,558)	(378,558)
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>947,689</u>	<u>947,689</u>
<b>Cash Flows From Investing Activities:</b>				
Interest and investment earnings received from investments	130,983	4,423	-	135,406
Net cash provided by investing activities	<u>130,983</u>	<u>4,423</u>	<u>-</u>	<u>135,406</u>
<b>Change in Cash and Cash Equivalents</b>	7,568,097	(3,747)	(25,145)	7,539,205
<b>Cash and Cash Equivalents, Beginning of Year</b>	45,467,012	2,031,173	630,588	48,128,773
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 53,035,109</u>	<u>\$ 2,027,426</u>	<u>\$ 605,443</u>	<u>\$ 55,667,978</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows Provided By (Used In) Operating Activities:</b>				
Operating income (loss)	\$ 1,935,003	\$ (43,919)	\$ (1,119,262)	\$ 771,822
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	14,586,660	46,368	319,223	14,952,251
Bad debt recoveries, net	(189,875)	-	-	(189,875)
Net decrease in receivables, inventory, and other current assets	2,318,061	42,467	-	2,360,528
Net increase (decrease) in accounts payable, accrued vacation, and other current liabilities	(587,063)	(8,421)	36,751	(558,733)
Net cash provided by (used in) operating activities	<u>\$ 18,062,786</u>	<u>\$ 36,495</u>	<u>\$ (763,288)</u>	<u>\$ 17,335,993</u>
<b>Noncash Capital Financing Activities:</b>				
Capital contributions	<u>\$ 3,645,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,645,575</u>

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

**COUNTY OF MAUI**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 37,736,071
Other current assets	2,175,490
Other non-current assets	<u>132,745</u>
Total Assets	<u>\$ 40,044,306</u>
<b>LIABILITIES:</b>	
Accounts payable	\$ 26,332
Deposits	39,869,079
Due to State of Hawaii	<u>148,895</u>
Total Liabilities	<u>\$ 40,044,306</u>

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### **(1) Reporting Entity, Financial Statement Presentation and Summary of Significant Accounting Policies**

The accounting policies of the County of Maui, State of Hawaii (the County) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the financial reporting entity, financial statement presentation and the more significant accounting policies.

##### *The Financial Reporting Entity –*

**County of Maui** – The County is a municipal corporation governed by an elected mayor and a nine-member County Council. The County operates under the Charter of the County of Maui that was last amended in 2010.

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

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

##### *Financial Statement Presentation –*

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

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, 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.



## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

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

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

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

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

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

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

**Proprietary Fund Financial Statements** – Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows.

The following is a brief summary of the County’s major proprietary funds:

*Department of Water Supply* – The Department was created to develop adequate water sources, storage, and transmission for both urban and agricultural uses for the County.

*Housing, Interim Financing, and Buy-Back Revolving Fund* – This fund was established to account for the developing and selling of housing units on land acquired by the County to moderate and low-income residents, and to account for financing and operation of low-income rental projects developed by the County.

*Golf Course Special Fund* – This fund was established to account for the financing and operation of the County’s golf course, pro-shop, and food and liquor concession.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the County’s enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fiduciary Fund Financial Statements** – Fiduciary fund financial statements include a statement of fiduciary net position. These funds account for money received, held and disbursed in a trustee capacity or as an agent for individuals, other governmental units, and other funds. The County’s fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for under the accrual basis of accounting as are the proprietary funds explained above.

Fiduciary funds of the County include the following agency funds:

*Refundable Deposits Fund* – This fund is used to account for the bid bond, performance and payment bond, and subdivision bond monies held by the County until the purpose for which the bond was posted is completed.

*Agency Trust Funds* – These funds are used to account for other monies collected in an agency capacity and include motor vehicle registration fees collected on behalf of the State of Hawaii and taxes withheld from employee pay.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### *Summary of Significant Accounting Policies –*

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

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

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

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

**Real Property Taxes** – Real property taxes are assessed and billed annually. The County’s real property taxes, which are levied on July 1st and billed by July 20th of each year based on assessed valuations as of January 1st, are due in two equal installments on the following August 20th and February 20th. Accordingly, real property tax receivables at June 30, 2013 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.

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

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

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

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

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

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

Bond premiums and discounts, 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 refundings resulting in the defeasance of debt, the difference between the

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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 debt, 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 and activities as the benefits accrue to employees. Vacation benefits accrue at one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year.

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued on either the government-wide or fund financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2013, accumulated sick leave amounted to approximately \$73.3 million.

**Claims and Judgments** – Liabilities for claims and judgments are estimated by a combination of case-by-case review of all claims and the application of historical experience to the outstanding claims. The County's policy is to record claims and judgments as expenditures in its governmental fund financial statements when they are due and payable.

Liabilities for claims and judgments are accrued and expensed in the government-wide and proprietary fund financial statements based on the County's exposure to loss.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

**Net Position** – The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

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

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

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

**Fund Balance Policies** – Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. As of June 30, 2013, fund balances for government funds are comprised of the following:

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

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

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

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

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



## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

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

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The County implemented the provisions of this Statement, which did not have an effect on the basic financial statements for the fiscal year ended June 30, 2013.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources (i.e., the consumption of net assets by the government that is applicable to a future reporting period and the acquisition of net assets by the government that is applicable to a future reporting period, respectively). This Statement also amends the net assets reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The County implemented the provisions of this Statement and renamed net assets as net position for the fiscal year ended June 30, 2013. The County does not have any deferred outflows or inflows of resources.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Application of this Statement is effective for the County's fiscal year ending June 30, 2014, with early adoption encouraged.

In March 2012, GASB issued Statement No. 66, *Technical Corrections—2012—An Amendment of GASB Statements No. 10 and No. 62*. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The application of this Statement is effective for the County's fiscal year ending June 30, 2014, with early adoption encouraged.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosure and required supplementary information requirements about pensions also are addressed.

In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plan) - the collective net pension liability. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Application of this Statement is effective for the County's fiscal year ending June 30, 2015, with early adoption encouraged.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The application of this Statement is effective for the County's fiscal year ending June 30, 2015, with early adoption encouraged.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by governments extending and receiving nonexchange financial guarantees. The application of this Statement is effective for the County's fiscal year ending June 30, 2014, with early adoption encouraged.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement. The application of this Statement should be applied simultaneously with the provisions of Statement No. 68, which is effective for the County's fiscal year ending June 30, 2015, with early adoption encouraged.

**Subsequent Events** – The County has evaluated subsequent events through February 20, 2014, the date the financial statements were available to be issued.

#### (2) Cash, Deposits, and Investments

##### *Pooled Cash and Investments Held in County Treasury –*

Total County cash, deposits, and investments as of June 30, 2013, at fair value, are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Fiduciary Funds</b>	<b>Carrying Value</b>
Equity in pooled cash and investments	\$ 326,911,102	\$ 38,142,775	\$ 37,736,071	\$ 402,789,948
Restricted investments - equity in pooled cash and investments	-	17,525,203	-	17,525,203
Total equity in pooled cash and investments	\$ 326,911,102	\$ 55,667,978	\$ 37,736,071	\$ 420,315,151
			Cash on hand and deposits	\$ 65,138,387
			Certificates of deposit	11,239,692
			Investments	343,937,072
			Total equity in pooled cash and investments	\$ 420,315,151

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### *County's Investment Policy –*

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

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

- With the exception of U.S. Treasury securities, no more than 30% of the County's investment portfolio will be invested in a single type of security or financial institution.
- Investment maturities are not to exceed five years.

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

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

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

*Credit Risk* – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligation. The County's investment policy limits investments in state and U.S. Treasury securities, time certificates of deposit, U.S. agency obligations, repurchase agreements, commercial paper, bankers' acceptances, money market funds, and auction rate securities collateralized by student loans maintaining a Triple-A rating. The bond ratings for the County's investments in U.S. agency obligations (government sponsored enterprises) at June 30, 2013 were "Aaa" and "AA+" by Moody's and Standard & Poor's, respectively.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

Custodial credit risk for bank depository accounts is the risk that in the event of a bank failure, the County’s deposits may not be returned. It is the County’s policy to place its bank deposits with State of Hawaii high credit quality financial institutions that are able to meet the collateral requirements for the County’s deposits. As of June 30, 2013, all of the County’s cash balance of \$65.1 million and certificates of deposit of \$11.2 million was insured or collateralized.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

**Investments –**

As of June 30, 2013, the County's investments were as follows:

<u>Type of Investment</u>	<u>% Yield</u>	<u>Maturity</u>				<u>Premiums (Discounts)</u>	<u>Carrying Value</u>
		<u>Under 30 Days</u>	<u>31-180 Days</u>	<u>181-365 Days</u>	<u>1-5 Years</u>		
Federal National Mortgage Association Coupon Notes	0.13 - 1.89	\$ -	\$ 23,000,000	\$ 7,000,000	\$ 26,010,000	\$ 261,880	\$ 56,271,880
Federal National Mortgage Association Discount Notes	0.11 - 0.18	-	13,000,000	-	-	(3,555)	12,996,445
Federal Home Loan Bank Notes	0.16 - 1.79	-	14,000,000	10,000,000	38,000,000	369,544	62,369,544
Federal Home Loan Bank Discount Note	0.15	5,000,000	-	-	-	(187)	4,999,813
Federal Farm Credit Bank Notes	0.17 - 0.47	-	10,000,000	20,000,000	38,000,000	50,085	68,050,085
Federal Agricultural Mortgage Corporation Notes	0.27 - 0.88	-	-	-	36,000,000	1,981	36,001,981
Federal Agricultural Mortgage Corporation Discount Notes	0.19	-	10,000,000	-	-	(3,422)	9,996,578
Federal Home Loan Mortgage Corporation Notes	0.15 - 0.25	-	13,000,000	20,000,000	10,000,000	128,725	43,128,725
Federal Home Loan Mortgage Corporation Discount Notes	0.14	-	-	5,000,000	-	(6,456)	4,993,544
U.S. Treasury Bills	0.15	5,000,000	-	-	-	(500)	4,999,500
U.S. Treasury Notes	0.17 - 0.21	-	10,000,000	28,000,000	2,000,000	128,977	40,128,977
Total investments		<u>\$ 10,000,000</u>	<u>\$ 93,000,000</u>	<u>\$ 90,000,000</u>	<u>\$ 150,010,000</u>	<u>\$ 927,072</u>	<u>343,937,072</u>
<b>Type of Deposits</b>							
Various certificates of deposit	0.1 - 1.45	<u>\$ -</u>	<u>\$ 981,647</u>	<u>\$ 10,258,045</u>	<u>\$ -</u>		<u>11,239,692</u>
						Total investments and certificates of deposit	355,176,764
						Cash on hand and deposits	<u>65,138,387</u>
						Total equity in pooled cash and investments	<u>\$ 420,315,151</u>

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

**(3) Receivables**

Receivables included in the County's governmental funds in the aggregate as of June 30, 2013 were as follows:

	<b>General Fund</b>	<b>Highway Fund</b>	<b>Sewer Fund</b>	<b>Grant Fund</b>	<b>Capital Improvements Projects Fund</b>	<b>Non- major Funds</b>	<b>Total Governmental Activities</b>
Property taxes	\$ 8,017,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,017,961
Intergovernmental	-	901,032	-	2,150,803	3,459,568	-	6,511,403
Sewer charges	-	-	2,639,934	-	-	-	2,639,934
Landfill charges	-	-	-	-	-	1,844,215	1,844,215
Other	-	-	-	-	461,506	-	461,506
Less: allowance for uncollectible	-	-	-	-	-	(441,707)	(441,707)
<b>Total receivables</b>	<b>\$ 8,017,961</b>	<b>\$ 901,032</b>	<b>\$ 2,639,934</b>	<b>\$ 2,150,803</b>	<b>\$ 3,921,074</b>	<b>\$ 1,402,508</b>	<b>\$ 19,033,312</b>

Receivables included in the County's proprietary funds as of June 30, 2013 were as follows:

	<b>Department of Water Supply</b>	<b>Housing, Interim Financing, and Buy- Back Revolving Fund</b>	<b>Golf Course Special Fund</b>	<b>Total Business- Type Activities</b>
Charge for services	\$ 6,312,463	\$ 4,024	\$ -	\$ 6,316,487
Less: allowance for uncollectible	(136,266)	-	-	(136,266)
<b>Total receivables, net</b>	<b>\$ 6,176,197</b>	<b>\$ 4,024</b>	<b>\$ -</b>	<b>\$ 6,180,221</b>

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.

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

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

At June 30, 2013, the various components of deferred revenue and advanced collections were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent real property tax receivables not collected within 60 days of year-end (General Fund)	\$ 5,980,358	\$ -
Real property tax collections received in advance (General Fund)	-	1,011,658
Sewer and landfill fees not collected within 60 days of year-end (Sewer Fund and Non-Major Fund)	866,098	-
Grant funds received prior to meeting all necessary requirements (Grant Fund)	-	2,551,455
Fees collected in advance for refuse collection and liquor license (Non-Major Fund)	-	2,403,373
	<u>\$ 6,846,456</u>	<u>\$ 5,966,486</u>

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

Amounts due from and due to other funds as of June 30, 2013 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 14,878,258	\$ -
Capital Improvement Projects Fund	-	19,916,242
Major Proprietary Fund:		
Department of Water Supply	5,037,984	-
Total	<u>\$ 19,916,242</u>	<u>\$ 19,916,242</u>

Pursuant to Budget Ordinance, the General Fund advances funds for bond-funded projects for which proceeds have not yet been received. These amounts are intended to be repaid in one year. The Department of Water Supply advanced funds to the General Fund for its allocated share of postemployment benefit costs.



## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

A summary of the inter-fund transfers as of June 30, 2013 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 24,045,920	\$ 49,158,404
Highway Fund	2,140,980	19,703,085
Sewer Fund	4,040,497	28,176,647
Grant Fund	95,025	-
Debt Service Fund	33,392,200	-
Capital Improvement Projects Fund	34,693,211	6,888,760
Non-Major Governmental Funds	11,888,248	7,316,874
Major Proprietary Fund - Golf Course Special Fund	<u>1,326,247</u>	<u>378,558</u>
Total	<u><u>\$ 111,622,328</u></u>	<u><u>\$ 111,622,328</u></u>

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

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

**(5) Capital Assets**

A summary of capital asset activity of the primary government during the year ended June 30, 2013 was as follows:

	<b>Balance July 1, 2012</b>	<b>Additions</b>	<b>Transfers/ Retirements</b>	<b>Balance June 30, 2013</b>
<b>Governmental Activities:</b>				
Non-depreciable assets:				
Land	\$ 140,598,266	\$ -	\$ -	\$ 140,598,266
Construction in progress	51,305,126	64,368,999	(23,667,413)	92,006,712
	<u>191,903,392</u>	<u>64,368,999</u>	<u>(23,667,413)</u>	<u>232,604,978</u>
Depreciable assets:				
Buildings and systems	119,187,204	3,650,661	-	122,837,865
Improvements other than buildings	130,351,398	37,076	-	130,388,474
Machinery and equipment	110,951,566	7,906,248	(1,274,025)	117,583,789
Infrastructure	956,312,705	13,985,855	-	970,298,560
	<u>1,316,802,873</u>	<u>25,579,840</u>	<u>(1,274,025)</u>	<u>1,341,108,688</u>
Accumulated depreciation:				
Buildings	71,323,724	4,021,871	-	75,345,595
Improvements other than buildings	64,937,208	5,432,276	-	70,369,484
Machinery and equipment	89,940,857	9,615,563	(1,223,217)	98,333,203
Infrastructure	666,355,466	20,354,864	-	686,710,330
	<u>892,557,255</u>	<u>39,424,574</u>	<u>(1,223,217)</u>	<u>930,758,612</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 616,149,010</u>	<u>\$ 50,524,265</u>	<u>\$ (23,718,221)</u>	<u>\$ 642,955,054</u>

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

	Balance July 1, 2012	Additions	Transfers/ Retirements	Balance June 30, 2013
<b>Business-Type Activities:</b>				
Non-depreciable assets:				
Land	\$ 9,422,364	\$ 305,440	\$ -	\$ 9,727,804
Construction in progress	51,105,997	14,238,291	(32,725,295)	32,618,993
	<u>60,528,361</u>	<u>14,543,731</u>	<u>(32,725,295)</u>	<u>42,346,797</u>
Depreciable assets:				
Buildings and systems	8,640,685	49,484	-	8,690,169
Improvements other than buildings	2,971,632	-	-	2,971,632
Machinery and equipment	28,865,896	1,176,750	(358,070)	29,684,576
Infrastructure	433,771,043	36,575,066	(34,440)	470,311,669
	<u>474,249,256</u>	<u>37,801,300</u>	<u>(392,510)</u>	<u>511,658,046</u>
Accumulated depreciation:				
Buildings	4,096,208	272,026	-	4,368,234
Improvements other than buildings	2,560,990	88,048	-	2,649,038
Machinery and equipment	14,027,104	1,132,513	(357,448)	14,802,169
Infrastructure	198,474,147	13,459,664	(23,104)	211,910,707
	<u>219,158,449</u>	<u>14,952,251</u>	<u>(380,552)</u>	<u>233,730,148</u>
<b>Total Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 315,619,168</u>	<u>\$ 37,392,780</u>	<u>\$ (32,737,253)</u>	<u>\$ 320,274,695</u>

Capitalized interest for business-type activities for the year ended June 30, 2013 was \$159,925.

Depreciation expense for the year ended June 30, 2013 was charged to functions as follows:

<b>Governmental Activities:</b>	
General government	\$ 1,290,103
Public safety	6,676,276
Highways and streets	7,930,631
Sanitation	16,422,763
Social and welfare	628,088
Culture and recreation	6,470,474
Legislative	6,239
Total Governmental Activities	<u>\$ 39,424,574</u>
<b>Business Type Activities:</b>	
Department of Water Supply	\$ 14,586,660
Golf Course	319,223
Housing Interim Financing	46,368
Total Business-Type Activities	<u>\$ 14,952,251</u>

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

Construction in progress is comprised of the following as of June 30, 2013:

	<b>Project Authorized (Appropriated)</b>	<b>Expended through June 30, 2013</b>	<b>Committed (Encumbered)</b>
<b>Governmental Activities:</b>			
Governmental facilities	\$ 79,566,524	\$ 38,509,801	\$ 22,812,069
Roadway systems	62,435,719	16,030,944	21,462,092
Sewer systems	84,101,925	23,540,004	20,018,494
Sanitation	5,235,111	2,000,581	639,905
Parks and recreation	19,257,455	4,962,405	1,917,974
Drainage	30,654,170	6,833,901	9,731,388
Other	7,385,000	129,076	1,553,600
Totals	<u>\$ 288,635,904</u>	<u>\$ 92,006,712</u>	<u>\$ 78,135,522</u>
	<b>Project Authorized (Appropriated)</b>	<b>Expended through June 30, 2013</b>	<b>Committed (Encumbered)</b>
<b>Business-Type Activities:</b>			
Department of Water Supply	<u>\$ 101,446,297</u>	<u>\$ 32,618,993</u>	<u>\$ 26,405,439</u>

**(6) Long-Term Debt and Other General Obligations**

The following is a summary of long-term debt transactions of the County during the year ended June 30, 2013.

	<b>Balance June 30, 2012</b>	<b>Additions</b>	<b>Reductions/ Payments</b>	<b>Balance June 30, 2013</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 196,017,319	\$ 63,690,970	\$ 33,077,792	\$ 226,630,497	\$ 20,997,436
State Revolving Fund and USDA loans	52,720,179	2,053,326	12,945,874	41,827,631	3,584,142
Total	<u>\$ 248,737,498</u>	<u>\$ 65,744,296</u>	<u>\$ 46,023,666</u>	<u>\$ 268,458,128</u>	<u>\$ 24,581,578</u>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 14,443,444	\$ 15,382,914	\$ 1,864,968	\$ 27,961,390	\$ 2,318,564
Notes payable	14,608,782	1,836,812	11,183,269	5,262,325	288,824
Total	<u>\$ 29,052,226</u>	<u>\$ 17,219,726</u>	<u>\$ 13,048,237</u>	<u>\$ 33,223,715</u>	<u>\$ 2,607,388</u>

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### *Governmental Activities – General Obligation Bonds –*

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

General obligation bonds payable reported in the Governmental Activities column of the statement of net position at June 30, 2013 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2013
1982	Farmers Home Administration	5.00%	\$ 1,500,000	2016	\$ 255,500
2001	Series B and C Refunding	3.00%-5.25%	29,880,000	2020	4,455,000
2002	Series B Refunding	2.500%-5.375%	13,550,000	2013	1,525,000
2002	Series C GO and Refunding	2.125%-4.75%	12,402,000	2021	665,000
2004	Series B Refunding	2.00%-5.00%	15,165,000	2018	6,205,000
2005	Series A,B,C GO and Refunding	2.50%-5.00%	50,485,000	2025	20,210,000
2006	Series A,B,C GO and Refunding	4.00%-5.00%	54,615,000	2026	46,040,000
2008	Series A GO	3.50%-5.00%	34,000,000	2028	29,889,873
2010	Series A GO	0.53%-5.95%	23,375,000	2030	20,320,000
2010	Series B GO	3.00%-5.00%	46,300,000	2021	34,826,211
2012	Series A, B, and D GO and Refunding	2.00%-5.00%	<u>56,885,000</u>	2032	<u>55,648,360</u>
	Total general obligation bonds		<u>\$ 338,157,000</u>		220,039,944
	Unamortized premium				11,094,948
	Unamortized deferral on advance refunding				<u>(4,504,395)</u>
	Net general obligation bonds outstanding				<u>\$ 226,630,497</u>

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

Deferred bond issuance costs for the Governmental Activities as of June 30, 2013 was \$1,308,160.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

The County issued \$70.3 million in general obligation bonds in November 2012, consisting of 2012 Series A bonds of \$10.6 million, 2012 Series B bonds of \$42.5 million (of which \$4.1 million was allocated to the Department of Water), 2012 Series C bonds of \$9.3 million (all of which was allocated to the Department of Water), and 2012 Series D bonds of \$7.9 million. The County's net proceeds of \$63.3 million (excluding the Department of Water Supply's allocation and including a premium of \$6.8 million and after payment of \$428,558 in underwriting fees) were used to fund the capital improvement projects throughout the County, as well as to advance refund approximately \$20 million of certain outstanding general obligation bonds and state revolving fund loans previously issued. Due to the advanced refunding, the County decreased its total debt service payments over the next 14 years by \$3.9 million and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3.5 million.

#### *Governmental Activities – State Revolving Fund and USDA Loans –*

##### *State Revolving Fund Loans*

The State Revolving Fund Loans are for the construction of necessary water treatment works, and for wastewater reclamation as well as solid waste projects. The notes' original issue amounted to \$66.3 million and outstanding principal amounted to \$40.9 million at June 30, 2013, and bear interest at 0.50% to 2.60%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2031. The County has 18 projects funded with these loans.

##### *USDA Loans*

The USDA loan was issued by the Rural Housing Service of the U.S. Department of Agriculture for an amount up to \$17 million for certain improvements to the County's Kihei police station. The original issue amount and outstanding principal amounted to \$885,584 at June 30, 2013, and bears interest at 3.75%. The loan requires semi-annual principal and interest payments through fiscal year 2032.

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

The schedule below shows the State Revolving Fund and USDA Loans outstanding as of June 30, 2013:

<b>Year</b>	<b>Description</b>	<b>Loan Number</b>	<b>Original Issue Amount</b>	<b>Final Maturity</b>	<b>Outstanding Balance June 30, 2013</b>
<b>State Revolving Fund Loans:</b>					
1994	Wailuku/Kahului Wastewater Reclamation	C150052-14	\$ 4,825,074	2013	\$ 301,783
1997	Lahaina Pump Station No. 3	C150054-07	2,644,416	2016	498,532
1997	Kihei Wastewater Reclamation Phase IIB	C150077-06	9,018,078	2016	1,708,426
1998	Kihei Reuse Core Distribution System	C150077-09	3,231,080	2017	905,080
2004	Lahaina Pump Station Nos. 5 and 6	C150054-12	3,300,000	2026	2,261,178
2004	Kahului Pump Station Modification	C150052-30	2,623,957	2026	1,817,260
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	1,265,887
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	7,775,790
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2028	1,603,977
2009	Lahaina Wastewater Pump Station No. 1	C150054-06	7,050,000	2028	5,729,735
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,662,324	2028	2,815,987
2009	Islandwide EPA Consent Decree	C150052-31	7,679,840	2028	6,828,112
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,300,000	2029	2,726,937
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2030	389,050
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	1,522,640
2010	Countywide Pump Station Renovations	C150052-28	997,670	2028	690,346
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2031	973,327
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2023	1,128,000
			<u>\$66,300,139</u>		40,942,047
<b>USDA Loan:</b>					
2012	Kihei Police Station Project	No. R-1	<u>\$ 885,584</u>	2032	<u>885,584</u>
	<b>Total</b>				<u>\$ 41,827,631</u>

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

Annual debt service requirements to maturity for the general obligation bonds and the State Revolving Fund and USDA Loans at June 30, 2013, were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 20,997,436	\$ 9,862,384	\$ 30,859,820
2015	19,571,531	9,043,284	28,614,815
2016	18,006,110	7,661,672	25,667,782
2017	18,632,392	6,928,974	25,561,366
2018	19,460,127	6,092,672	25,552,799
2019-2023	67,780,988	18,910,116	86,691,104
2024-2028	42,168,398	7,177,068	49,345,466
2029-2033	13,422,962	1,064,565	14,487,527
Total	<u>\$ 220,039,944</u>	<u>\$ 66,740,735</u>	<u>\$ 286,780,679</u>

<u>Year Ending June 30,</u>	<u>Governmental Activities SRF and USDA Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,584,142	\$ 467,274	\$ 4,051,416
2015	3,366,456	417,761	3,784,217
2016	3,400,062	371,411	3,771,473
2017	2,664,904	262,030	2,926,934
2018	2,574,217	234,720	2,808,937
2019-2023	12,527,933	861,768	13,389,701
2024-2028	12,087,319	353,115	12,440,434
2029-2033	1,622,598	29,594	1,652,192
Total	<u>\$ 41,827,631</u>	<u>\$ 2,997,673</u>	<u>\$ 44,825,304</u>

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

#### ***Business-Type Activities – General Obligation Bonds –***

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



## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

General obligation bonds payable reported in the Business-Type Activities column of net position at June 30, 2013 are comprised of the following individual issues:

Year	Description	Interest Rates	Final Maturity	Outstanding Balance June 30, 2013
2005	Series B GO Refunding Bonds	3.50%-5.00%	3/1/2018	\$ 4,840,000
2008	Series A GO Refunding Bonds	3.50%-5.00%	7/1/2027	4,835,127
2010	Series B GO Refunding Bonds	3.00%-5.00%	6/1/2021	3,023,789
2012	Series B and C GO Refunding Bonds	4.00%-5.00%	6/1/2032	<u>12,896,640</u>
	Total general obligation bonds			25,595,556
	Unamortized premium			2,591,461
	Unamortized deferral on advance refunding			<u>(225,627)</u>
	Net general obligation bonds outstanding			<u>\$ 27,961,390</u>

In the government-wide and proprietary fund financial statements, 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, are deferred and amortized.

Annual debt service requirements to maturity for these general obligation bonds at June 30, 2013, were as follows:

Year Ending June 30,	Business-Type Activities General Obligation Bonds		
	Principal	Interest	Total
2014	\$ 2,318,564	\$ 1,112,680	\$ 3,431,244
2015	2,408,969	1,020,926	3,429,895
2016	2,512,890	916,385	3,429,275
2017	2,607,608	818,922	3,426,530
2018	2,734,873	695,221	3,430,094
2019-2023	8,759,012	1,935,772	10,694,784
2024-2028	3,171,602	512,901	3,684,503
2029-2032	<u>1,082,038</u>	<u>82,335</u>	<u>1,164,373</u>
Total	<u>\$ 25,595,556</u>	<u>\$ 7,095,142</u>	<u>\$ 32,690,698</u>

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

Deferred bond issuance costs for the Department as of June 30, 2013 was \$166,986.

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

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

At June 30, 2013, notes payable of the Department consisted of the following:

Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.37% and loan fee rate of 3.25%, maturing 2029.	\$ 1,308,376
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.00% and loan fee rate of 3.25%, maturing 2031.	622,531
Notes payable to State Revolving Loan Fund for capital improvement projects, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.35% and loan fee rate of 3.25%, maturing 2032.	2,537,581
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.00% and loan fee rate of 3.25%, maturing 2032.	488,439
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 1.00% and loan fee rate of 1.00%, maturing 2032.	233,553
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest, and loan fees at an interest rate of 0.50% and loan fee rate of 1.00%, maturing 2033.	<u>71,845</u>
	<u><u>\$ 5,262,325</u></u>

Annual debt service requirements of these notes payable at June 30, 2013 were as follows:

<u>Year Ending June 30,</u>	<u>Business-Type Activities Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 288,824	\$ 177,521	\$ 466,345
2015	289,155	168,139	457,294
2016	290,044	158,181	448,225
2017	290,954	148,176	439,130
2018	291,851	138,156	430,007
2019-2023	1,472,677	539,351	2,012,028
2024-2028	1,496,095	284,139	1,780,234
2029-2033	<u>842,725</u>	<u>52,574</u>	<u>895,299</u>
Total	<u><u>\$ 5,262,325</u></u>	<u><u>\$ 1,666,237</u></u>	<u><u>\$ 6,928,562</u></u>

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### *Line of Credit –*

The County has a line of credit agreement with a bank with a total authorized balance of \$1 million. There were no outstanding balances as of June 30, 2013. The line of credit agreement requires interest-only payments at the bank's base rate plus 0.90% (3.94% at June 30, 2013), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2013 and has been renewed to July 30, 2014.

#### *Legal Debt Limit and Margin –*

The County's legal debt limit and margin (as defined in Chapter 47, Hawaii Revised Statutes) as of June 30, 2013, are approximately \$4.9 billion and \$4.6 billion, respectively.

#### *Arbitrage –*

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders.

Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebate liabilities are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations to determine the rebate liabilities for the tax-exempt bond issues listed above. Based on these calculations, no rebate liability existed as of June 30, 2013.

#### *Refunded Bonds –*

The County had issued refunding bonds, namely the 2012A general obligation bonds, which proceeds were placed in an irrevocable trust, to repay all future debt service payments on the 2005A general obligation bonds. As of June 30, 2013, the outstanding balance of the unpaid defeased debt was \$11.1 million. Accordingly, the assets of the irrevocable trust and the liability for the defeased bonds are not included in the County's basic financial statements.

#### *Other Obligations –*

Other long-term general obligations consist of accrued vacation, accrued landfill closure and postclosure costs, accrued postemployment benefits, and claims and judgments. The accrued vacation liability is typically liquidated by the General, Highway, Sewer, Grant, and Other Governmental Funds. The accrued landfill closure and postclosure costs liability is typically liquidated by the Capital Improvement Projects and Other Governmental Funds. The accrued postemployment benefits liability is typically liquidated by the General, Highway, Sewer, and Other Governmental Funds. Claims and judgments liability is typically liquidated by the General Fund.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

A summary of long-term debt and other long-term general obligations for the year ended June 30, 2013 is as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Accrued vacation	\$ 27,764,729	\$ 12,780,750	\$ 12,693,805	\$ 27,851,674	\$12,693,805
Accrued landfill closure and postclosure costs (Note 8)	27,323,887	1,641,016	219,491	28,745,412	223,661
Accrued postemployment benefits (Note 9)	51,167,518	29,842,488	12,004,684	69,005,322	-
Claims and judgments (Note 10)	24,023,372	88,613	2,296,628	21,815,357	21,815,357
Total - Other General Obligations	130,279,506	44,352,867	27,214,608	147,417,765	34,732,823
Long-Term Debt	248,737,498	65,744,296	46,023,666	268,458,128	24,581,578
Total Long-Term Obligations	<u>\$379,017,004</u>	<u>\$110,097,163</u>	<u>\$ 73,238,274</u>	<u>\$ 415,875,893</u>	<u>\$59,314,401</u>
	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Accrued vacation	\$ 2,235,125	\$ 801,408	\$ 808,196	\$ 2,228,337	\$ 798,777
Accrued postemployment benefits (Note 9)	3,788,472	1,249,512	-	5,037,984	-
Claims and judgments (Note 10)	523,446	303,872	354,450	472,868	472,868
Total - Other General Obligations	6,547,043	2,354,792	1,162,646	7,739,189	1,271,645
Long-Term Debt	29,052,226	17,219,726	13,048,237	33,223,715	2,607,388
Total Long-Term Obligations	<u>\$ 35,599,269</u>	<u>\$ 19,574,518</u>	<u>\$ 14,210,883</u>	<u>\$ 40,962,904</u>	<u>\$ 3,879,033</u>

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

**(7) Operating Leases**

The County is party to various operating lease agreements, predominantly for the purposes of office space and facility use. Lease terms range from month-to-month to 5 years and annual rents range from \$1 to approximately \$320,000. Total annual rent expenditures for the fiscal year 2013 were approximately \$3.4 million.

As of June 30, 2013, the future minimum noncancelable operating lease payments were as follows:

<u>Year Ending June 30,</u>	
2014	\$ 2,606,895
2015	1,954,569
2016	611,659
2017	256,386
2018	<u>79,630</u>
	<u>\$ 5,509,139</u>

**(8) Solid Waste Landfill Closure and Postclosure Care Costs**

The County recognizes closure and postclosure 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 postclosure 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 postclosure care costs in each operating period. The liability for these costs is included in the governmental activities column of the government-wide financial statements. The amount recognized each year is based on the landfill capacity used as of the statement of net position date.

The \$28.7 million of accrued landfill closure and postclosure costs at June 30, 2013 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 postclosure care of \$17.9 million as the remaining estimated capacity of each landfill is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

<u>Landfill</u>	<u>Capacity Used</u>	<u>Remaining Life (Years)</u>
Central Maui Phase I and II	100%	None
Central Maui Phase IV	88%	3
Central Maui Phase V	25%	9
Hana	31%	66
Molokai	87%	3
Lanai	64%	25

The County incurred closure costs of approximately \$219,000 in fiscal year 2013, with an additional \$224,000 estimated to be incurred in fiscal year 2014. Postclosure costs of approximately \$22.5 million are estimated over the next 30 years.

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

#### **(9) Retirement Benefits**

##### ***Defined Benefit Pension Plans –***

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

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

#### *Contributory Plan –*

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

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

#### *Hybrid Plan –*

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

age 55 and 20 years of service with reduced benefits. The benefit multiplier used to calculate retirement benefits is 2.0%.

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

#### *Noncontributory Plan –*

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

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

The County's contributions to the ERS for the years ended June 30, 2013, 2012, and 2011 were approximately \$24.6 million, \$23.4 million, and \$22.7 million, respectively, which equal the required contributions for each year. Measurement of assets and actuarial valuations are made for the ERS as a whole and are not separately computed for individual participating employers such as the County.



## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

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

#### ***Postemployment Benefits –***

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

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

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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

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

Based on the actuarial valuation study as of July 1, 2011 (the most recent valuation study), the County has 1,147 retirees (including surviving spouses), 183 of deferred vested, and 2,460 of actives, which were used to arrive at the actuarial valuation amount.

The County's annual other postemployment benefit (OPEB) cost is calculated based on its annual required contribution (ARC), which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years. The current ARC rate is 24.8% of annual covered payroll used in the actuarial valuation study as of July 1, 2011.

The following tables present the annual OPEB cost, the amount contributed to the plan, and the net OPEB liability as of and for the year ended June 30, 2013:

Annual required contribution	\$ 30,476,000
Interest on net OPEB obligation	3,854,000
Adjustment to annual required contribution	<u>(3,238,000)</u>
Annual OPEB cost	31,092,000
Contributions made	<u>(12,004,684)</u>
Increase in net OPEB obligation	19,087,316
Net OPEB obligation at beginning of year	<u>54,955,990</u>
Net OPEB obligation at end of year	<u><u>\$ 74,043,306</u></u>

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

The actuarial accrued liability as of July 1, 2011 based upon the most recent valuation study and the funded status was as follows:

Actuarial accrued liability	\$ 369,774,000
Actuarial value of plan assets	<u>25,138,000</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 344,636,000</u></u>
Funded Ratio	6.8%
Covered payroll (active plan members)	\$ 132,400,000
UAAL as a percentage of covered payroll	260.3%

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2013, 2012, and 2011 were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
June 30, 2011	\$ 31,938,000	34.3%	\$ 33,154,612
June 30, 2012	33,306,000	34.5%	54,955,990
June 30, 2013	31,092,000	38.6%	74,043,306

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

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

In the July 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an 7.0% discount rate, which is based on the County's anticipated funding level and an annual healthcare costs trend rate of 9.5% for pre-Medicare and 9.25% post-Medicare initially, reduced by decrements to an ultimate rate of 5.0% over nine years. The assumptions also included a 3.5% increase in payroll and a 3.0% inflation rate. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2011 for the UAAL balance varies depending on the date each portion was established but is set to not exceed 30 years.

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

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

The EUTF issues an annual financial report that is available to the public. That report is available on-line at their website [www.eutf.hawaii.gov](http://www.eutf.hawaii.gov) or by contacting them at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

#### ***Deferred Compensation Plan –***

The County participates in a deferred compensation plan established by the State of Hawaii in accordance with Internal Revenue Code Section 457. The plan is available to all the County employees, and permits employees to defer a portion of their salary until future years by contributing to a fund managed by a plan administrator. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

All plan assets are held in a trust fund to protect them from claims of general creditors and from diversion to any uses other than paying benefits to participants and beneficiaries. The County has no responsibility for loss due to the investment or failure of investment of funds and assets in the plans, but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, in accordance with GASB Statement No.32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, deferred compensation plan assets are not reported in the accompanying basic financial statements.

#### **(10) Claims and Judgments**

The County is self-insured for workers' compensation based on a \$500,000 self-insured retention. Thereafter, an excess workers' compensation policy takes effect. In addition, the County also has insurance for errors and omissions and employer's practice liability, with a \$500,000 deductible per occurrence up to \$25 million in the aggregate. Further, the County is afforded bodily injury and property damage coverage for third party claims in excess of the aforementioned retention on a per occurrence basis. Property policies are layered providing \$100 million in total for building and any form of structures.

Settled claims have not exceeded these coverages in any of the past three fiscal years. The estimated total liability of the County of \$22.3 million, with respect to claims and judgments, including claims incurred but not reported and related loss adjustment expenses by the claimant and settled claims is presented on the statement of net position on the government-wide financial statements.

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

**COUNTY OF MAUI**

**Notes to the Basic Financial Statements  
June 30, 2013**

Changes in the claims and judgments liability account for the years ended June 30, 2013 and 2012 were as follows:

<b>2013 - Claims and Judgments</b>					
	<b>Balance July 1, 2012</b>	<b>Change to Estimate Additions/ (Reductions)</b>	<b>Claim Payments</b>	<b>Balance June 30, 2013</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Workers' compensation	\$ 2,969,379	\$ 3,051,866	\$ 2,140,606	\$ 3,880,639	\$ 3,880,639
Automobile, general liability and other	21,053,993	(2,963,253)	156,022	17,934,718	17,934,718
	<u>\$ 24,023,372</u>	<u>\$ 88,613</u>	<u>\$ 2,296,628</u>	<u>\$ 21,815,357</u>	<u>\$ 21,815,357</u>
<b>Business-Type Activities:</b>					
Workers' compensation	\$ 382,711	\$ 301,902	\$ 343,730	\$ 340,883	\$ 340,883
Automobile, general liability and other	140,735	1,970	10,720	131,985	131,985
	<u>\$ 523,446</u>	<u>\$ 303,872</u>	<u>\$ 354,450</u>	<u>\$ 472,868</u>	<u>\$ 472,868</u>
<b>2012 - Claims and Judgments</b>					
	<b>Balance July 1, 2011</b>	<b>Change to Estimate Additions/ (Reductions)</b>	<b>Claim Payments</b>	<b>Balance June 30, 2012</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Workers' compensation	\$ 2,563,475	\$ 2,578,646	\$ 2,172,742	\$ 2,969,379	\$ 2,969,379
Automobile, general liability and other	14,344,456	17,828,560	11,119,023	21,053,993	18,653,991
	<u>\$ 16,907,931</u>	<u>\$ 20,407,206</u>	<u>\$ 13,291,765</u>	<u>\$ 24,023,372</u>	<u>\$ 21,623,370</u>
<b>Business-Type Activities:</b>					
Workers' compensation	\$ 327,515	\$ 445,193	\$ 389,997	\$ 382,711	\$ 382,711
Automobile, general liability and other	138,066	14,463	11,794	140,735	140,735
	<u>\$ 465,581</u>	<u>\$ 459,656</u>	<u>\$ 401,791</u>	<u>\$ 523,446</u>	<u>\$ 523,446</u>

The estimated total liability has been determined through case-by-case analysis and from historical experience performed by the County's risk management division. Those historical results, combined with the evaluation of pending claims against the County by the County's corporate counsel, aids in this evaluation. Estimated expenditures for such claims are appropriated annually in the General

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

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.

#### **(11) Commitments and Contingencies**

##### *Contractual commitments –*

Contractual commitments for capital projects, expenditures, and supplies for the governmental funds amounted to \$127.4 million at June 30, 2013. Contractual commitments for the proprietary funds amounted to \$33.6 million at June 30, 2013.

##### *Claims –*

Numerous claims and lawsuits have been filed against the County in the normal course of its operations. A liability for probable losses is included on the government-wide statement of net position (see Note 10). Although the outcome of the various claims and lawsuits is not presently determinable, in the opinion of the County's Corporation Counsel, the resolution of such matters will not have a material adverse affect on the financial condition of the County.

##### *Federal Financial Assistance Programs –*

The County participates in a number of federally assisted grant programs, primarily with the Department of Housing and Urban Development, the Department of Transportation, the Department of Interior, the Department of Labor, and the Department of Justice. These programs are subject to program compliance audits by the grantors or their representatives.

Although the County's grant programs have been audited in accordance with the provisions of the Single Audit Act for the year ended June 30, 2013, these programs are still subject to financial and compliance audits by federal auditors. In the opinion of management of the County, disallowed costs, if any, would not be material.

##### *State Grants –*

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

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### (12) Fund Balances

Fund balances for all the major and other governmental funds as of June 30, 2013, are distributed as follows:

	General Fund	Highway Fund	Sewer Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
<b>Nonspendable</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted for:</b>						
Culture and recreation	15,316,810	-	-	-	5,763,471	21,080,281
Social welfare	-	-	-	-	15,631,185	15,631,185
Sanitation	-	-	-	-	2,905,270	2,905,270
Highways and streets	-	14,436,158	-	-	248,268	14,684,426
Capital projects	-	-	-	21,494,972	-	21,494,972
Subtotal	<u>15,316,810</u>	<u>14,436,158</u>	<u>-</u>	<u>21,494,972</u>	<u>24,548,194</u>	<u>75,796,134</u>
<b>Committed to:</b>						
General government	100,726,872	-	-	-	3,817,801	104,544,673
Social welfare	-	-	-	-	233,440	233,440
Highways and streets	-	-	-	-	1,522,346	1,522,346
Culture and recreation	-	-	-	-	301,652	301,652
Public safety	-	-	-	-	572,623	572,623
Sanitation	-	-	16,098,190	-	4,884,490	20,982,680
Capital projects	-	-	-	21,168,368	-	21,168,368
Subtotal	<u>100,726,872</u>	<u>-</u>	<u>16,098,190</u>	<u>21,168,368</u>	<u>11,332,352</u>	<u>149,325,782</u>
<b>Assigned to:</b>						
General government	16,429,725	-	-	-	-	16,429,725
Capital projects	-	-	-	12,543,193	-	12,543,193
Subtotal	<u>16,429,725</u>	<u>-</u>	<u>-</u>	<u>12,543,193</u>	<u>-</u>	<u>28,972,918</u>
<b>Unassigned</b>	<u>47,485,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,485,484</u>
<b>Total</b>	<u>\$179,958,891</u>	<u>\$ 14,436,158</u>	<u>\$ 16,098,190</u>	<u>\$ 55,206,533</u>	<u>\$ 35,880,546</u>	<u>\$301,580,318</u>



## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

The County's General Fund classifications of fund balance are listed below with the June 30, 2013 balances:

Restricted:		
Open space, natural resources, cultural resources, and scenic views preservation fund	\$	15,316,810
Committed:		
Other postemployment obligations fund		78,930,820
Emergency fund		20,796,052
Economic development fund		1,000,000
Assigned:		
Encumbrances		16,429,725
Unassigned		47,485,484
		<hr/>
Total	\$	<u>179,958,891</u>

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

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

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

*Economic development revolving fund* – This classification provides funds for economic development programs.

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

#### *Encumbrances –*

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

These encumbrances at June 30, 2013 are not separately classified in the financial statements, and are summarized as follows:

General Fund	\$ 16,429,725
Highway Fund	5,555,159
Sewer Fund	924,973
Grant Fund	12,971,176
Capital Improvement Projects Fund	84,523,676
Non-Major Governmental Funds	<u>6,974,672</u>
	<u>\$ 127,379,381</u>

#### **(13) Business-Type Activity - Department of Water Supply**

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

#### *Unrestricted Cash and Investments –*

Unrestricted cash, cash equivalents, and investments at June 30, 2013 include funds for the following purposes:

Board Designated:	
Capital improvements	\$ 10,715,783
Debt Service	<u>1,214,225</u>
Total board-designated	11,930,008
Undesignated	<u>23,579,898</u>
Total	<u>\$ 35,509,906</u>

At June 30, 2013, construction voucher and contract payables, including retentions, to be paid with board-designated funds were approximately \$481,000. Construction contract commitments as of June 30, 2013, to be paid with board-designated funds aggregated approximately \$2.3 million. Included in the construction contract commitment amounts for 2013 is approximately

## COUNTY OF MAUI

### Notes to the Basic Financial Statements June 30, 2013

\$34,000 for maintenance of compliance-order projects to get the water system up to Environmental Protection Agency standards. At June 30, 2013, the Department's management estimates an additional \$14.5 million will be needed to complete the compliance projects.

#### *Restricted Cash and Investments –*

Restricted cash and investments consisted of the following at June 30, 2013:

Water system development fee	\$ 11,004,016
Customer deposits	1,540,267
Special assessment fund for storage	345,797
Source development fund assessments	207,048
Other	<u>4,428,075</u>
Total Restricted Cash and Investments	<u>\$ 17,525,203</u>

At June 30, 2013, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$1.5 million. The construction contract commitments as of June 30, 2013, to be paid with restricted assets, aggregated approximately \$22.1 million.

#### *Restricted Net Position –*

At June 30, 2013, restricted net position consisted of the following:

Water system development fee	\$ 11,004,016
Special assessment fund for storage	345,797
Source development fund assessments	207,048
Other restricted funds	<u>726,775</u>
Total Restricted Net Position	<u>\$ 12,283,636</u>

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**COUNTY OF MAUI**

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

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**Required Supplementary Information**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**

- General Fund
- Highway Fund
- Sewer Fund

**Schedule of Funding Progress for the EUTF**

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 220,796,224	\$ 220,796,224	\$ 224,983,261	\$ 4,187,037
Licenses and permits	5,427,000	5,427,000	7,049,131	1,622,131
Intergovernmental revenues	19,045,000	19,045,000	21,498,138	2,453,138
Charges for current services	1,437,000	1,437,000	1,708,661	271,661
Fines and forfeitures	2,000,000	2,000,000	2,836,819	836,819
Interest and investment earnings, net	1,700,000	1,700,000	853,496	(846,504)
Other revenues	700,000	700,000	2,156,663	1,456,663
Total Revenues	<u>251,105,224</u>	<u>251,105,224</u>	<u>261,086,169</u>	<u>9,980,945</u>
<b>EXPENDITURES:</b>				
Current:				
General government	95,261,349	95,851,752	81,815,784	14,035,968
Public safety	77,424,570	77,493,075	73,252,118	4,240,957
Highways and streets	6,822,283	7,434,775	7,429,672	5,103
Sanitation	561,920	561,920	557,022	4,898
Social welfare	16,530,198	17,994,198	17,235,258	758,940
Culture and recreation	26,111,225	26,083,695	25,542,197	541,498
Legislative	7,154,260	7,154,260	5,684,270	1,469,990
Total Expenditures	<u>229,865,805</u>	<u>232,573,675</u>	<u>211,516,321</u>	<u>21,057,354</u>
Excess of Revenues over Expenditures	<u>21,239,419</u>	<u>18,531,549</u>	<u>49,569,848</u>	<u>31,038,299</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in:				
Special Revenue Funds	15,960,677	15,960,677	17,373,989	1,413,312
Capital Improvement Projects Fund	-	-	1,151,499	1,151,499
Other Governmental Funds	4,654,392	4,654,392	5,141,874	487,482
Proprietary Funds	1,120,973	1,120,973	378,558	(742,415)
Transfers out:				
Special Revenue Funds	(75,000)	(170,025)	(170,025)	-
Debt Service Fund	(33,247,277)	(33,392,200)	(33,392,200)	-
Capital Improvement Projects Fund	(5,115,000)	(5,115,000)	(4,968,552)	146,448
Other Governmental Funds	(36,922,358)	(36,922,358)	(36,922,358)	-
Proprietary Funds	(1,326,234)	(1,326,234)	(1,326,234)	-
Total Other Financing Sources (Uses)	<u>(54,949,827)</u>	<u>(55,189,775)</u>	<u>(52,733,449)</u>	<u>2,456,326</u>
Net Change in Fund Balance	(33,710,408)	(36,658,226)	(3,163,601)	33,494,625
Fund Balance-Beginning	50,766,356	50,766,356	50,766,356	-
Fund Balance-Ending	<u>\$ 17,055,948</u>	<u>\$ 14,108,130</u>	<u>\$ 47,602,755</u>	<u>\$ 33,494,625</u>

*See accompanying note to budgetary comparison schedules and 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, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>Actual Amounts</u>
<b>REVENUES:</b>				
Taxes	\$ 20,000,000	\$ 20,000,000	\$ 21,331,559	\$ 1,331,559
Licenses and permits	15,128,938	15,128,938	17,771,471	2,642,533
Charges for current services	1,900,000	1,900,000	2,692,257	792,257
Other revenues	-	-	28,202	28,202
Total Revenues	<u>37,028,938</u>	<u>37,028,938</u>	<u>41,823,489</u>	<u>4,794,551</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and streets	34,199,678	34,199,678	33,275,207	924,471
Excess of Revenues over Expenditures	<u>2,829,260</u>	<u>2,829,260</u>	<u>8,548,282</u>	<u>5,719,022</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in:				
General Fund	75,000	75,000	75,000	-
Special Revenue Funds	10,000	10,000	10,000	-
Capital Improvement Projects Fund	-	-	1,715,980	1,715,980
Other Governmental Funds	340,000	340,000	340,000	-
Transfers out:				
General Fund	(6,025,749)	(6,025,749)	(6,025,749)	-
Capital Improvement Projects Fund	(12,437,200)	(13,267,734)	(13,267,734)	-
Other Governmental Funds	(409,602)	(409,602)	(409,602)	-
Total Other Financing Sources (Uses)	<u>(18,447,551)</u>	<u>(19,278,085)</u>	<u>(17,562,105)</u>	<u>1,715,980</u>
Net Change in Fund Balance	(15,618,291)	(16,448,825)	(9,013,823)	7,435,002
Fund Balance-Beginning	17,894,822	17,894,822	17,894,822	-
Fund Balance-Ending	<u>\$ 2,276,531</u>	<u>\$ 1,445,997</u>	<u>\$ 8,880,999</u>	<u>\$ 7,435,002</u>

*See accompanying note to budgetary comparison schedules and independent auditors' report.*

**COUNTY OF MAUI**  
**Sewer Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Licenses and permits	\$ -	\$ -	\$ 28,275	\$ 28,275
Charges for current services	45,865,000	45,865,000	47,958,734	2,093,734
Other revenues	35,000	35,000	111,554	76,554
Total Revenues	<u>45,900,000</u>	<u>45,900,000</u>	<u>48,098,563</u>	<u>2,198,563</u>
<b>EXPENDITURES:</b>				
Current:				
Sanitation	24,568,618	25,671,207	25,279,202	392,005
Excess of Revenues over Expenditures	<u>21,331,382</u>	<u>20,228,793</u>	<u>22,819,361</u>	<u>2,590,568</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in:				
Capital Improvement Projects Fund	-	-	3,640,497	3,640,497
Other Governmental Funds	400,000	400,000	400,000	-
Transfers out:				
General Fund	(11,348,240)	(11,348,240)	(11,348,240)	-
Special Revenue Funds	(10,000)	(10,000)	(10,000)	-
Capital Improvement Projects Fund	(16,021,925)	(15,021,925)	(15,021,925)	-
Other Governmental Funds	(1,992,000)	(1,889,411)	(1,796,482)	92,929
Total Other Financing Sources (Uses)	<u>(28,972,165)</u>	<u>(27,869,576)</u>	<u>(24,136,150)</u>	<u>3,733,426</u>
Net Change in Fund Balance	(7,640,783)	(7,640,783)	(1,316,789)	6,323,994
Fund Balance-Beginning	16,490,006	16,490,006	16,490,006	-
Fund Balance-Ending	<u>\$ 8,849,223</u>	<u>\$ 8,849,223</u>	<u>\$ 15,173,217</u>	<u>\$ 6,323,994</u>

*See accompanying note to budgetary comparison schedules and independent auditors' report.*



## COUNTY OF MAUI

### Note to the Budgetary Comparison Schedules June 30, 2013

#### (1) Summary of Significant Accounting Policies

**Budgets and Budgetary Accounting** - On or before March 25th, the Mayor submits to the County Council a proposed operating budget and capital program for the fiscal year commencing the following July 1st. Upon submission, the budget and 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 June 10th. If the Council fails to do so, the budget, as submitted by the Mayor, is deemed legally enacted as the budget for the ensuing fiscal year.

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

The detail at which expenditures may not legally exceed appropriations without amendment is at the program level or the specific line-item appropriations as shown in the schedules by fund. Any transfers or increase of an appropriation require the approval of the County Council. Transfers 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, Sewer Fund, Grant Fund, Debt Service Fund, Capital Improvement Projects Fund, Liquor Control Fund, Solid Waste Fund, Department of Water Supply, and the Golf Course Special Fund.

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

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

**COUNTY OF MAUI**

**Note to the Budgetary Comparison Schedules  
June 30, 2013**

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, 2013:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>
GAAP Basis - Net change in fund balances	\$ 24,209,072	\$ (3,799,819)	\$ (1,045,750)
Less adjustments for revenues (\$120,331), expenditures (\$117,265), and transfers in (\$27,620,965) related to certain funds included in General Fund GAAP basis financial statements, but included in special revenue funds for budgetary purposes (fund perspective difference)	(27,624,031)	-	-
Less encumbrances of budgeted funds June 30, 2013	(16,429,725)	(5,555,159)	(924,973)
Add encumbrances to budgeted funds July 1, 2012	<u>16,681,083</u>	<u>341,155</u>	<u>653,934</u>
Non-GAAP Budgetary Basis - Net change in fund balances	<u>\$ (3,163,601)</u>	<u>\$ (9,013,823)</u>	<u>\$ (1,316,789)</u>

**COUNTY OF MAUI**  
**Schedule of Funding Progress for the EUTF**  
**(Dollars in Thousands)**  
**For the Year Ended June 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2007	\$ -	\$ 232,885	\$ 232,885	0%	\$ 125,513	186%
July 1, 2009	25,089	382,835	357,746	7%	135,591	264%
July 1, 2011	25,138	369,774	344,636	7%	132,400	260%

*See accompanying independent auditors' report.*

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## COUNTY OF MAUI

### **Other Supplementary Information (See Independent Auditors' Report)**

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#### **Other Supplementary Information**

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

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

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

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

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

**COUNTY OF MAUI**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2013**

	<b>Liquor Control Fund</b>	<b>County Funds</b>	<b>Bikeway Fund</b>	<b>Solid Waste Fund</b>	<b>Other Assessment Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS:</b>						
Equity in pooled cash and investments held in County Treasury	\$ 1,648,071	\$ 20,791,318	\$ 93,392	\$ 7,231,127	\$ 8,823,617	\$ 38,587,525
Trade receivables, net	-	-	-	1,402,508	-	1,402,508
Total Assets	<u>\$ 1,648,071</u>	<u>\$ 20,791,318</u>	<u>\$ 93,392</u>	<u>\$ 8,633,635</u>	<u>\$ 8,823,617</u>	<u>\$ 39,990,033</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Vouchers payable	\$ 18,410	\$ 38,099	\$ -	\$ 762,771	\$ -	\$ 819,280
Contract retention payable	-	7,413	-	1,420	-	8,833
Accrued wages payable	21,193	14,027	-	130,371	-	165,591
Deposits and deferred revenue	-	-	-	712,410	-	712,410
Advanced collections	257,380	-	-	2,145,993	-	2,403,373
Total Liabilities	<u>296,983</u>	<u>59,539</u>	<u>-</u>	<u>3,752,965</u>	<u>-</u>	<u>4,109,487</u>
Fund Balances:						
Restricted	1,351,088	14,280,097	93,392	-	8,823,617	24,548,194
Committed	-	6,451,682	-	4,880,670	-	11,332,352
Total Fund Balances	<u>1,351,088</u>	<u>20,731,779</u>	<u>93,392</u>	<u>4,880,670</u>	<u>8,823,617</u>	<u>35,880,546</u>
Total Liabilities and Fund Balances	<u>\$ 1,648,071</u>	<u>\$ 20,791,318</u>	<u>\$ 93,392</u>	<u>\$ 8,633,635</u>	<u>\$ 8,823,617</u>	<u>\$ 39,990,033</u>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2013**

	<u>Liquor Control Fund</u>	<u>County Funds</u>	<u>Bikeway Fund</u>	<u>Solid Waste Fund</u>	<u>Other Assessment Funds</u>	<u>Total Non- Major Governmental Funds</u>
<b>REVENUES:</b>						
Licenses and permits	\$ 2,209,858	\$ 105,231	\$ 66,946	\$ -	\$ -	\$ 2,382,035
Charges for current services	-	-	-	13,254,534	-	13,254,534
Fines and forfeitures	-	180,961	-	-	-	180,961
Assessments	-	-	-	-	791,434	791,434
Other	-	1,708,835	-	85,390	-	1,794,225
Total Revenues	<u>2,209,858</u>	<u>1,995,027</u>	<u>66,946</u>	<u>13,339,924</u>	<u>791,434</u>	<u>18,403,189</u>
<b>EXPENDITURES:</b>						
Current:						
General government	-	900,129	-	-	-	900,129
Public safety	-	213,778	-	-	-	213,778
Highways and streets	-	770,806	-	-	-	770,806
Sanitation	-	-	-	19,510,748	-	19,510,748
Social welfare	2,231,495	6,991,235	-	-	-	9,222,730
Culture and Recreation	-	80,143	-	-	-	80,143
Total Expenditures	<u>2,231,495</u>	<u>8,956,091</u>	<u>-</u>	<u>19,510,748</u>	<u>-</u>	<u>30,698,334</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,637)</u>	<u>(6,961,064)</u>	<u>66,946</u>	<u>(6,170,824)</u>	<u>791,434</u>	<u>(12,295,145)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In:						
General Fund	-	4,256,327	-	5,045,066	-	9,301,393
Special Revenue Funds	-	-	409,602	1,796,482	-	2,206,084
Capital Improvement Projects Fund	-	-	-	75,853	304,918	380,771
Transfers Out:						
General Fund	-	-	-	(5,141,874)	-	(5,141,874)
Special Revenue Funds	-	-	-	(340,000)	(400,000)	(740,000)
Capital Improvement Projects Fund	-	-	(620,000)	-	(815,000)	(1,435,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,256,327</u>	<u>(210,398)</u>	<u>1,435,527</u>	<u>(910,082)</u>	<u>4,571,374</u>
Net Change in Fund Balances	<u>(21,637)</u>	<u>(2,704,737)</u>	<u>(143,452)</u>	<u>(4,735,297)</u>	<u>(118,648)</u>	<u>(7,723,771)</u>
Fund Balances, Beginning of Year	1,372,725	23,436,516	236,844	9,615,967	8,942,265	43,604,317
Fund Balances, End of Year	<u>\$ 1,351,088</u>	<u>\$ 20,731,779</u>	<u>\$ 93,392</u>	<u>\$ 4,880,670</u>	<u>\$ 8,823,617</u>	<u>\$ 35,880,546</u>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2013**

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
<b>Refundable Deposits Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 27,791,191	\$ 4,246,711	\$ 3,541,526	\$ 28,496,376
Other current assets	1,675,490	-	-	1,675,490
Other non-current assets	132,745	-	-	132,745
Total Assets	<u>\$ 29,599,426</u>	<u>\$ 4,246,711</u>	<u>\$ 3,541,526</u>	<u>\$ 30,304,611</u>
Liabilities:				
Accounts payable	\$ 52,598	\$ 1,424,508	\$ 1,421,404	\$ 55,702
Deposits	29,397,933	4,245,666	3,543,585	30,100,014
Due to State of Hawaii	148,895	-	-	148,895
Total Liabilities	<u>\$ 29,599,426</u>	<u>\$ 5,670,174</u>	<u>\$ 4,964,989</u>	<u>\$ 30,304,611</u>
<b>Liquor Control Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 296	\$ 268,038	\$ 267,735	\$ 599
Liabilities:				
Accounts payable	\$ -	\$ 10,499	\$ 9,155	\$ 1,344
Deposits	296	268,038	269,079	(745)
Total Liabilities	<u>\$ 296</u>	<u>\$ 278,537</u>	<u>\$ 278,234</u>	<u>\$ 599</u>
<b>State Highway Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 1,408,164	\$ 18,734,706	\$ 18,329,881	\$ 1,812,989
Liabilities:				
Accounts payable	\$ 117	\$ 17,214,427	\$ 17,214,218	\$ 326
Deposits	1,408,047	18,734,701	18,330,085	1,812,663
Total Liabilities	<u>\$ 1,408,164</u>	<u>\$ 35,949,128</u>	<u>\$ 35,544,303</u>	<u>\$ 1,812,989</u>
<b>Other Funds:</b>				
Assets:				
Cash and cash equivalents	\$ 7,088,373	\$ 36,449,172	\$ 36,111,438	\$ 7,426,107
Other current assets	500,000	-	-	500,000
Total Assets	<u>\$ 7,588,373</u>	<u>\$ 36,449,172</u>	<u>\$ 36,111,438</u>	<u>\$ 7,926,107</u>
Liabilities:				
Accounts payable	\$ (31,350)	\$ 29,269,210	\$ 29,268,900	\$ (31,040)
Deposits	7,619,723	36,450,223	36,112,799	7,957,147
Total Liabilities	<u>\$ 7,588,373</u>	<u>\$ 65,719,433</u>	<u>\$ 65,381,699</u>	<u>\$ 7,926,107</u>
<b>Total - All Agency Funds:</b>				
Assets:				
Cash and cash equivalents	\$ 36,288,024	\$ 59,698,627	\$ 58,250,580	\$ 37,736,071
Other current assets	2,175,490	-	-	2,175,490
Other non-current assets	132,745	-	-	132,745
Total Assets	<u>\$ 38,596,259</u>	<u>\$ 59,698,627</u>	<u>\$ 58,250,580</u>	<u>\$ 40,044,306</u>
Liabilities:				
Accounts payable	\$ 21,365	\$ 47,918,644	\$ 47,913,677	\$ 26,332
Deposits	38,425,999	59,698,628	58,255,548	39,869,079
Due to State of Hawaii	148,895	-	-	148,895
Total Liabilities	<u>\$ 38,596,259</u>	<u>\$ 107,617,272</u>	<u>\$ 106,169,225</u>	<u>\$ 40,044,306</u>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES:</b>				
Debt Service:				
Principal payments	\$ 23,769,852	\$ 23,769,852	\$ 23,769,852	\$ -
Interest and other issuance cost	9,475,900	9,622,348	9,622,348	-
Total Expenditures	<u>33,245,752</u>	<u>33,392,200</u>	<u>33,392,200</u>	<u>-</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in:				
General Fund	33,247,277	33,392,200	33,392,200	-
Total Other Financing Sources	<u>33,247,277</u>	<u>33,392,200</u>	<u>33,392,200</u>	<u>-</u>
Net Change in Unreserved Fund Balance	1,525	-	-	-
Fund Balance-Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
<b>Taxes:</b>					
General revenue:					
Real property taxes	\$ 212,816,224	\$ -	\$ 212,816,224	\$ 215,215,939	\$ 2,399,715
Public Service Company tax	7,980,000	-	7,980,000	9,767,322	1,787,322
Total - General revenue	<u>220,796,224</u>	<u>-</u>	<u>220,796,224</u>	<u>224,983,261</u>	<u>4,187,037</u>
<b>Total - Taxes</b>	<u>220,796,224</u>	<u>-</u>	<u>220,796,224</u>	<u>224,983,261</u>	<u>4,187,037</u>
<b>Licenses and permits:</b>					
General government:					
Business licenses and permits	5,000	-	5,000	23,134	18,134
Other licenses and permits	1,900,000	-	1,900,000	3,425,207	1,525,207
Motor vehicle licenses and fees	3,522,000	-	3,522,000	3,600,790	78,790
Total - General government	<u>5,427,000</u>	<u>-</u>	<u>5,427,000</u>	<u>7,049,131</u>	<u>1,622,131</u>
<b>Total - Licenses and permits</b>	<u>5,427,000</u>	<u>-</u>	<u>5,427,000</u>	<u>7,049,131</u>	<u>1,622,131</u>
<b>Intergovernmental revenues:</b>					
General revenue:					
Federal payment in lieu of taxes	5,563	-	5,563	28,908	23,345
Transient accommodation taxes	19,000,000	-	19,000,000	21,204,000	2,204,000
State payment in lieu of taxes	5,321	-	5,321	13,840	8,519
Total - General revenue	<u>19,010,884</u>	<u>-</u>	<u>19,010,884</u>	<u>21,246,748</u>	<u>2,235,864</u>
Public safety:					
Federal grants passed through the state	25,650	-	25,650	190,726	165,076

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**  
**(continued)**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Social welfare:					
Federal grants	8,466	-	8,466	60,664	52,198
<b>Total - Intergovernmental revenues</b>	<b>19,045,000</b>	<b>-</b>	<b>19,045,000</b>	<b>21,498,138</b>	<b>2,453,138</b>
<b>Charges for current services:</b>					
General government:					
General government	74,390	-	74,390	91,303	16,913
Safety	949,700	-	949,700	1,080,685	130,985
Total - General government	1,024,090	-	1,024,090	1,171,988	147,898
Public safety:					
General government	25,610	-	25,610	6,298	(19,312)
Safety	50,300	-	50,300	45,300	(5,000)
Total - Public safety	75,910	-	75,910	51,598	(24,312)
Social welfare:					
Safety	-	-	-	250	250
Culture and recreation:					
Recreation	337,000	-	337,000	483,400	146,400
Legislative:					
General government	-	-	-	1,425	1,425
<b>Total - Charges for current services</b>	<b>1,437,000</b>	<b>-</b>	<b>1,437,000</b>	<b>1,708,661</b>	<b>271,661</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**  
**(continued)**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
<b>Fines and forfeitures:</b>					
General government:					
Penalties and interest	2,000,000	-	2,000,000	2,559,070	559,070
Fines	-	-	-	4,184	4,184
Total - General government	2,000,000	-	2,000,000	2,563,254	563,254
Public safety:					
Unclaimed monies	-	-	-	273,565	273,565
<b>Total - Fines and forfeitures</b>	2,000,000	-	2,000,000	2,836,819	836,819
<b>Interest and investment earnings:</b>					
General revenue:					
Interest on investments	1,600,000	-	1,600,000	743,491	(856,509)
General government:					
Rental income	48,000	-	48,000	60,124	12,124
Culture and recreation:					
Rental income	52,000	-	52,000	49,881	(2,119)
<b>Total - Interest and investment earnings</b>	1,700,000	-	1,700,000	853,496	(846,504)
<b>Other revenues:</b>					
General revenue:					
Miscellaneous general receipts	35,000	-	35,000	850,215	815,215
General government:					
Miscellaneous general receipts	-	-	-	4,135	4,135
Miscellaneous program receipts	665,000	-	665,000	1,155,252	490,252
Total - General government	665,000	-	665,000	1,159,387	494,387

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Source of Revenues</b>	<b>Original Estimate</b>	<b>Amendments and Transfers</b>	<b>Final Estimate</b>	<b>Actual Revenues</b>	<b>Revenues Over or (Under) Estimate</b>
Public safety:					
Miscellaneous general receipts	-	-	-	2,892	2,892
Miscellaneous program receipts	-	-	-	26,908	26,908
<b>Total - Public safety</b>	-	-	-	29,800	29,800
Social welfare:					
Miscellaneous program receipts	-	-	-	90,291	90,291
Culture and recreation:					
Miscellaneous program receipts	-	-	-	26,970	26,970
<b>Total - Other revenues</b>	700,000	-	700,000	2,156,663	1,456,663
<b>Total General Fund Revenues</b>	\$ 251,105,224	\$ -	\$ 251,105,224	\$ 261,086,169	\$ 9,980,945

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>General government:</b>							
Office of the Mayor:							
Office of Mayor Administration	\$ 39,705	\$ 1,844,764	\$ -	\$ 1,884,469	\$ 1,751,357	\$ 25,561	\$ 107,551
Economic Development	13,809	914,132	20,000	947,941	915,504	10,368	22,069
Molokai Economic Development & Cultural Agriculture Promotion	54,659	82,900	-	137,559	68,841	53,764	14,954
Aquaculture & Marine Resources	20,661	100,000	-	120,661	61,013	56,657	2,991
Film Industry Promotions	35,143	40,000	-	75,143	60,263	14,864	16
Maui County Farm Bureau	29,906	50,000	-	79,906	47,950	26,106	5,850
Maui Economic Development Board	66,391	325,000	-	391,391	285,669	105,721	1
Maui Visitors Bureau	184,169	420,000	-	604,169	471,890	132,279	-
Small Business & High Tech Promo	37,641	3,500,000	-	3,537,641	3,537,605	-	36
Maui Arts & Cultural Center	32,148	73,000	-	105,148	92,435	6,705	6,008
Business Research Library	30,000	300,000	-	330,000	300,000	30,000	-
Culture & Arts	80,000	70,000	-	150,000	79,557	70,000	443
Aloha Festivals	15,000	-	-	15,000	-	-	15,000
Environmental Protection	6,006	-	-	6,006	-	-	6,006
East Maui Economic Development & Cultural Cultural Restoration	971,644	1,125,000	(20,000)	2,076,644	950,401	1,096,201	30,042
Paniolo Museum	23,619	50,000	-	73,619	40,729	31,475	1,415
Agricultural Processing Plant	2,069	-	-	2,069	-	-	2,069
UH Tropical Agricultural & Human Resources	47,666	-	-	47,666	-	-	47,666
Maui Symphony Orchestra	85,260	-	-	85,260	11,541	73,719	-
MEO Bus Development CP Microenterprise	77,874	-	-	77,874	50,059	26,099	1,716
Maui Nui Botanical Gardens	2,004	-	-	2,004	-	-	2,004
Grant - Maui Comm Theater-Iao Improvement	93,044	215,000	-	308,044	169,788	138,257	(1)
Maui Soil & Water Conservation	10,234	100,000	-	110,234	85,234	25,000	-
Soil & Water Conservation -Molokai	5,704	50,000	-	55,704	26,784	28,920	-
Lanai Watershed	-	70,000	-	70,000	70,000	-	-
Watershed Protection	10,000	15,000	-	25,000	10,000	15,000	-
	-	83,000	-	83,000	-	-	83,000
	393,527	-	-	393,527	369,655	23,871	1

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
HFI/USC Film School	22	-	-	22	-	-	22
Molokai Livestock Cooperative	27,000	-	-	27,000	23,720	3,280	-
Centennial Celebration	11,156	-	-	11,156	-	-	11,156
Filipino Centennial Celebration	2,040	-	-	2,040	-	-	2,040
Maui Redevelopment Agency	-	-	-	-	-	-	-
Lokahi Pacific-Blue Hawaii Bui	23,643	-	-	23,643	-	-	23,643
MCC Nursing & Dental Assistant Program	171,973	126,450	-	298,423	241,531	42,869	14,023
Ka Ipu Kukui Fellows Leadership	-	15,000	-	15,000	-	15,000	-
Renewable Energy Programs	37,322	65,000	-	102,322	98,908	-	3,414
Grants Friends of Maui High School	57,259	60,000	-	117,259	83,308	33,951	-
Maui Food Technology	19,214	-	-	19,214	12,967	6,247	-
Special Events Promotion	2,991	-	-	2,991	1,261	-	1,730
Maui Eco Dev Brd-Maui HS Program	83,592	45,000	-	128,592	47,400	45,000	36,192
Aha Kukui O Molokai for Canoe	51,351	-	-	51,351	-	51,351	-
Grant for Maui Fest	2,367	-	-	2,367	-	-	2,367
MCC Long Term Care Partnership	3,948	-	-	3,948	-	-	3,948
Grant for Heritage Hall	135,869	-	-	135,869	93,852	42,017	-
Ma Ka Hana Ka Ike-OED	-	80,000	-	80,000	80,000	-	-
Maui Aloha Aina	10,000	10,000	-	20,000	-	20,000	-
Festivals of Aloha	-	40,000	-	40,000	-	40,000	-
Lanai Economic Development & Cultural	39,103	58,847	-	97,950	31,550	59,000	7,400
Aging With Aloha Coalition	63,369	-	-	63,369	7,119	-	56,250
Sister City Program	2,659	8,000	-	10,659	10,264	332	63
E-Tech	24,992	-	-	24,992	-	-	24,992
GASB 34 Compliance	34,806	-	-	34,806	-	25,927	8,879
Hana Canoe Club Grants/Disbursements	5,000	5,000	-	10,000	5,000	5,000	-
Economic Development Initiatives Program	26,622	200,000	-	226,622	128,448	92,027	6,147
Total Office of the Mayor	3,204,181	10,141,093	-	13,345,274	10,321,603	2,472,568	551,103

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Management:</b>							
Management	76,349	1,027,396	-	1,103,745	1,042,388	31,166	30,191
Molokai Veterans Caring	174,039	-	-	174,039	130,406	43,633	-
County Facilities Security Program	2,947	170,000	-	172,947	147,547	-	25,400
Management Information Systems	429,650	4,912,132	-	5,341,782	4,576,317	765,277	188
Geographic Information Systems	2,594	449,562	-	452,156	397,929	2,318	51,909
Total Management	685,579	6,559,090	-	7,244,669	6,294,587	842,394	107,688
<b>Corporation Counsel:</b>							
Legal Services	72,862	2,988,824	-	3,061,686	2,773,859	26,982	260,845
<b>Finance:</b>							
Administration/Risk Management/Treasury	85,944	1,150,496	-	1,236,440	993,636	101,701	141,103
Accounts	24,084	1,334,425	-	1,358,509	1,122,612	164,195	71,702
Purchasing	10,684	428,835	-	439,519	394,133	8,561	36,825
Financial Services	529,037	6,751,849	-	7,280,886	5,307,038	1,485,749	488,099
CW Service Center-Annual Lease Costs	51,651	447,000	-	498,651	475,317	23,334	-
Countywide Fringe Benefits	318	61,968,548	-	61,968,866	58,954,975	61,310	2,952,581
Interfund Fringe Reimbursement	-	(14,851,522)	-	(14,851,522)	(10,859,008)	-	(3,992,514)
Bond Issuance & Debt Services	95,000	1,199,051	-	1,294,051	44,630	102,200	1,147,221
Insurance & Self Insurance	2,539,534	10,500,000	-	13,039,534	2,327,688	544,773	10,167,073
Countywide General Costs	52,090	1,167,500	-	1,219,590	975,170	36,656	207,764
Overhead Reimbursement	-	(7,188,940)	-	(7,188,940)	(6,649,735)	-	(539,205)
Total Finance	3,388,342	62,907,242	-	66,295,584	53,086,456	2,528,479	10,680,649
<b>Personnel Services:</b>							
Personnel Services	151,199	1,463,467	-	1,614,666	1,174,431	74,578	365,657

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Planning:</b>							
Planning	559,183	4,336,519	-	4,895,702	3,845,384	196,451	853,867
Development Fee Impact Study	62,357	-	-	62,357	8,197	54,160	-
General Plan Update	574,273	7,500	-	581,773	14,481	113,296	453,996
Wailuku Main St./Tri-Isle Maintenance	182,250	-	-	182,250	-	182,250	-
Maui Redevelopment Agency	38,822	83,500	-	122,322	65,273	19,017	38,032
Aerial Photography	30,000	-	-	30,000	-	-	30,000
Spatial Growth Model	45,000	-	-	45,000	-	-	45,000
UH-Maui Sea Grant	15,340	78,246	-	93,586	81,787	11,497	302
Pali to Puamana Parkway Project	79,995	-	-	79,995	-	-	79,995
Development Mitigation Fee	15,280	-	-	15,280	-	15,280	-
Small Town Planning	-	243,000	-	243,000	227	175,458	67,315
Integrtd Socioeconomic Land Use	37,500	-	-	37,500	-	37,500	-
Update Coastal Erosion Rate Maps	50,000	-	-	50,000	50,000	-	-
Cultural Resource Management	13,017	25,000	-	38,017	21,927	8,686	7,404
Permit Fee Study	4,201	-	-	4,201	-	-	4,201
Puunene Airport Master Plan Update	20,780	-	-	20,780	-	20,780	-
Envrnmntl Assessments-Planning	7,751	-	-	7,751	-	7,250	501
<b>Total Planning</b>	<b>1,735,749</b>	<b>4,773,765</b>	<b>-</b>	<b>6,509,514</b>	<b>4,087,276</b>	<b>841,625</b>	<b>1,580,613</b>
<b>Public Works:</b>							
Public Works Administration	-	450,558	-	450,558	426,702	8,300	15,556
Engineering	2,855	1,947,504	-	1,950,359	1,825,279	56,326	68,754
Special Maintenance	111,841	1,846,426	590,403	2,548,670	2,380,011	73,596	95,063
Energy Retrofit	435	-	-	435	-	-	435
Development Services Administration	85,161	2,183,380	-	2,268,541	1,951,758	7,176	309,607
<b>Total Public Works</b>	<b>200,292</b>	<b>6,427,868</b>	<b>590,403</b>	<b>7,218,563</b>	<b>6,583,750</b>	<b>145,398</b>	<b>489,415</b>
<b>Total - General government</b>	<b>9,438,204</b>	<b>95,261,349</b>	<b>590,403</b>	<b>105,289,956</b>	<b>84,321,962</b>	<b>6,932,024</b>	<b>14,035,970</b>

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Public safety:</b>							
Prosecuting Attorney:							
Prosecutors Administration	5,425	798,171	-	803,596	787,121	4,409	12,066
General Prosecution	7,625	4,764,805	(31,495)	4,740,935	4,333,047	35	407,853
<b>Total Prosecuting Attorney</b>	<b>13,050</b>	<b>5,562,976</b>	<b>(31,495)</b>	<b>5,544,531</b>	<b>5,120,168</b>	<b>4,444</b>	<b>419,919</b>
Police:							
Police Administration	54,727	4,492,049	-	4,546,776	4,371,735	134,651	40,390
Investigative Service	205,941	8,497,306	-	8,703,247	6,910,609	387,907	1,404,731
Uniformed Patrol Services	824,514	23,090,710	-	23,915,224	22,492,804	875,507	546,913
Technical & Support Services	1,491,844	8,218,267	-	9,710,111	7,573,194	905,752	1,231,165
<b>Total Police</b>	<b>2,577,026</b>	<b>44,298,332</b>	<b>-</b>	<b>46,875,358</b>	<b>41,348,342</b>	<b>2,303,817</b>	<b>3,223,199</b>
Fire and Public Safety:							
Fire Control Administration & Maintenance	10,297	1,636,761	60,000	1,707,058	1,676,473	9,092	21,493
Fire Control Training	38,077	977,262	(70,000)	945,339	857,638	37,946	49,755
Fire Rescue Operations	522,329	23,584,874	100,000	24,207,203	23,471,734	465,531	269,938
Fire Prevention	4,716	729,196	10,000	743,912	719,608	5,528	18,776
<b>Total Fire and Public Safety</b>	<b>575,419</b>	<b>26,928,093</b>	<b>100,000</b>	<b>27,603,512</b>	<b>26,725,453</b>	<b>518,097</b>	<b>359,962</b>
Civil Defense:							
Civil Defense	52,474	635,169	-	687,643	411,835	37,937	237,871
<b>Total - Public safety</b>	<b>3,217,969</b>	<b>77,424,570</b>	<b>68,505</b>	<b>80,711,044</b>	<b>73,605,798</b>	<b>2,864,295</b>	<b>4,240,951</b>
<b>Highways and streets:</b>							
Transportation:							
Transportation Administration	234,594	525,146	-	759,740	707,425	47,551	4,764
Bus Stop Planning & Design	339	-	-	339	-	-	339

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
Human Services Trans	-	5,624,922	562,492	6,187,414	5,624,922	562,492	-
MEO Vet 1 Call 1 Click	-	-	50,000	50,000	-	50,000	-
Air Ambulance Program	-	672,215	-	672,215	672,215	-	-
<b>Total - Highways and streets</b>	<b>234,933</b>	<b>6,822,283</b>	<b>612,492</b>	<b>7,669,708</b>	<b>7,004,562</b>	<b>660,043</b>	<b>5,103</b>
<b>Sanitation:</b>							
Environmental Management:							
Environmental Management Administration	28,884	561,920	-	590,804	552,395	33,511	4,898
<b>Total - Sanitation</b>	<b>28,884</b>	<b>561,920</b>	<b>-</b>	<b>590,804</b>	<b>552,395</b>	<b>33,511</b>	<b>4,898</b>
<b>Social welfare:</b>							
Housing and Human Concerns:							
Housing and Human Concerns Administration	9,091	517,336	-	526,427	494,007	10,288	22,132
Housing	23,286	596,257	-	619,543	453,047	22,847	143,649
Affordable Rental Housing Program	58,075	825,000	-	883,075	810,002	72,501	572
Hale Mahaolu-Homeownership/Housing	8,417	35,000	-	43,417	34,962	8,455	-
First Time Homebuyer's Program	-	200,000	-	200,000	165,156	-	34,844
Human Concerns - General	95,205	4,305,707	-	4,400,912	4,001,080	130,212	269,620
Women Helping Women	17,100	185,000	-	202,100	183,600	18,500	-
Early Childhood	14,000	100,000	-	114,000	103,987	10,000	13
Culture & Arts	4,250	64,000	-	68,250	56,900	11,350	-
Substance Abuse	94,244	500,000	-	594,244	514,843	57,950	21,451
E Malama I Na Keiki Preschool	7,650	76,500	-	84,150	76,500	7,650	-
Homelessness Programs	52,300	600,000	-	652,300	514,750	137,550	-
Maui Adult Day Care Center	27,000	270,000	-	297,000	270,000	27,000	-
MCC Cooperative Education	5,000	50,000	-	55,000	49,681	5,000	319
MEO Headstart After School	21,998	219,975	-	241,973	219,975	21,998	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
MEO Headstart Summer	151,200	155,736	-	306,936	151,200	155,736	-
Community Partnership Grants	128,508	1,110,845	-	1,239,353	1,043,852	139,200	56,301
Youth Centers	140,659	1,667,000	-	1,807,659	1,615,423	165,200	27,036
Youth	12,174	103,988	-	116,162	103,448	10,399	2,315
Maui Family Support Services	6,000	60,000	-	66,000	60,000	6,000	-
J Walter Cameron Center Expansion	9,000	45,000	-	54,000	49,500	4,500	-
Big Brothers & Sisters	8,862	88,616	-	97,478	88,616	8,862	-
Mental Health Association	-	23,760	-	23,760	20,124	2,376	1,260
Self Sufficiency	61,000	140,000	-	201,000	168,000	33,000	-
Hana Community Association	22,000	44,000	-	66,000	61,600	4,400	-
MEO Infant Toddler Care	7,928	81,653	-	89,581	81,416	8,165	-
Maui Community Food Bank	30,000	325,000	-	355,000	322,500	32,500	-
Hui Malama Learning Center	20,700	207,000	-	227,700	207,000	20,700	-
Salvation Army	-	250,000	-	250,000	-	250,000	-
Community Work Day	11,700	117,000	-	128,700	117,000	11,700	-
Maui Farm	14,050	140,500	-	154,550	140,500	14,050	-
Coalition for Drug Free Lanai	20,240	217,760	-	238,000	216,224	21,776	-
Lahaina Tutoring Project	6,086	39,600	-	45,686	36,651	8,944	91
Volunteer Center Project Graduation	800	9,200	-	10,000	9,080	920	-
Ohana Makamae	10,000	45,000	-	55,000	40,500	4,500	10,000
Nisei Veterans Memorial Center	8,550	85,500	-	94,050	85,500	8,550	-
Friends of Old Maui HS	6,875	-	-	6,875	6,875	-	-
Lanai Women's Center	7,560	75,600	-	83,160	75,600	7,560	-
Grants/Disability Services - Frail/Elderly	76,067	585,900	(36,000)	625,967	579,349	33,273	13,345
Kansha Preschool	2,070	10,000	-	12,070	11,070	1,000	-
Grant-Best Buddies Program	5,808	75,080	-	80,888	58,080	5,808	17,000
Grant-American Red Cross	900	9,000	-	9,900	7,650	2,250	-
Keiki Kokua	1,760	15,000	-	16,760	1,760	-	15,000
Hawaiian Kamalii Inc.	-	17,600	-	17,600	17,600	-	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
MEO Youth Services	17,600	176,000	-	193,600	176,000	17,600	-
Hale Mahaolu Personal Care Program	135,000	100,000	-	235,000	135,000	100,000	-
Maui Disabled Veterans	1,000	-	-	1,000	-	-	1,000
Special Olympics Hawaii Grants	2,500	35,000	-	37,500	37,500	-	-
Hospice Maui Grants/Disbursements	250,000	-	-	250,000	62,500	187,500	-
Arts Education/Innovative Program	40,000	400,000	-	440,000	400,000	40,000	-
Heritage Hall, Inc.	-	-	1,500,000	1,500,000	-	1,500,000	-
Animal Management	123,222	1,432,224	-	1,555,446	1,412,224	143,222	-
Total Housing and Human Concerns	1,777,435	16,433,337	1,464,000	19,674,772	15,547,832	3,490,992	635,948
Public Works:							
Special Maintenance	-	96,861	-	96,861	91,133	-	5,728
<b>Total - Social welfare</b>	1,777,435	16,530,198	1,464,000	19,771,633	15,638,965	3,490,992	641,676
<b>Culture and recreation:</b>							
Parks and Recreation:							
Parks and Recreation Administration	27,571	1,263,195	-	1,290,766	1,243,980	32,219	14,567
MCCC Workline	117,000	117,000	-	234,000	116,773	117,227	-
Friends of Moku'ula	75,000	-	-	75,000	-	75,000	-
Lahaina Restoration Foundation	35,910	178,828	-	214,738	114,671	100,067	-
Park Maintenance	387,206	3,039,377	-	3,426,583	3,138,276	275,436	12,871
Planning & Development	17,410	394,621	-	412,031	373,675	30,115	8,241
Recreation & Support Services	122,900	13,711,828	-	13,834,728	13,499,228	304,518	30,982
PALS	66,715	1,571,884	-	1,638,599	1,256,789	113,245	268,565
Aquatics	178,678	5,834,492	(27,530)	5,985,640	5,485,068	294,298	206,274
<b>Total - Culture and recreation</b>	1,028,390	26,111,225	(27,530)	27,112,085	25,228,460	1,342,125	541,500

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**General Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Legislative:</b>							
County Council:							
Council services	820,899	5,503,467	-	6,324,366	4,398,685	941,843	983,838
County Clerk:							
County Clerk	134,369	1,650,793	-	1,785,162	1,134,117	164,892	486,153
<b>Total - Legislative</b>	955,268	7,154,260	-	8,109,528	5,532,802	1,106,735	1,469,991
<b>Totals for the General Fund</b>	\$ 16,681,083	\$ 229,865,805	\$ 2,707,870	\$ 249,254,758	\$ 211,884,944	\$ 16,429,725	\$ 20,940,089

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Highway Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
<b>Taxes:</b>					
General revenue:					
Franchise tax	\$ 9,500,000	\$ -	\$ 9,500,000	\$ 10,714,153	\$ 1,214,153
Fuel tax	10,500,000	-	10,500,000	10,617,406	117,406
<b>Total - Taxes</b>	<b>20,000,000</b>	<b>-</b>	<b>20,000,000</b>	<b>21,331,559</b>	<b>1,331,559</b>
<b>Licenses and permits:</b>					
Highways and streets:					
Motor vehicle licenses and fees	15,128,938	-	15,128,938	17,771,471	2,642,533
<b>Charges for current services:</b>					
Highways and streets:					
Public transit bus fare	1,900,000	-	1,900,000	2,692,257	792,257
<b>Other revenues:</b>					
Highways and streets:					
Miscellaneous program receipts	-	-	-	28,202	28,202
<b>Total Highway Fund Revenues</b>	<b>\$ 37,028,938</b>	<b>\$ -</b>	<b>\$ 37,028,938</b>	<b>\$ 41,823,489</b>	<b>\$ 4,794,551</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Highway Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Highways and Streets:</b>							
Public Works:							
Highway administration	\$ 46,250	\$ 490,380	\$ -	\$ 536,630	\$ 510,424	\$ 2,068	\$ 24,138
Highway ERS & FICA	-	1,641,227	-	1,641,227	1,519,915	-	121,312
Highway health fund	-	1,194,096	-	1,194,096	1,194,096	-	-
Highway admin overhead	-	1,869,162	-	1,869,162	1,736,581	-	132,581
Road/bridge/drain maintenance	194,172	13,618,327	-	13,812,499	9,619,315	3,877,258	315,926
Traffic signs and marking	44,765	1,256,935	-	1,301,700	955,291	46,944	299,465
Garage services	55,968	2,549,051	-	2,605,019	2,488,573	86,765	29,681
Total Public Works	341,155	22,619,178	-	22,960,333	18,024,195	4,013,035	923,103
Transportation:							
Transportation admin	-	855,000	-	855,000	183,362	671,638	-
Public transit-highway funds	-	10,725,500	-	10,725,500	9,853,646	870,486	1,368
Total Transportation	-	11,580,500	-	11,580,500	10,037,008	1,542,124	1,368
<b>Totals for the Highway Fund</b>	<b>\$ 341,155</b>	<b>\$ 34,199,678</b>	<b>\$ -</b>	<b>\$ 34,540,833</b>	<b>\$ 28,061,203</b>	<b>\$ 5,555,159</b>	<b>\$ 924,471</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Sewer Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

<b>Source of Revenues</b>	<b>Original Estimate</b>	<b>Amendments and Transfers</b>	<b>Final Estimate</b>	<b>Actual Revenues</b>	<b>Revenues Over or (Under) Estimate</b>
<b>Licenses and permits:</b>					
Sanitation:					
Other licenses and permits	\$ -	\$ -	\$ -	\$ 28,275	\$ 28,275
<b>Charges for current services:</b>					
Sanitation:					
Waste management	45,865,000	-	45,865,000	47,958,734	2,093,734
<b>Other revenues:</b>					
Sanitation:					
Miscellaneous program receipts	35,000	-	35,000	111,554	76,554
<b>Total Sewer Fund Revenues</b>	<b>\$ 45,900,000</b>	<b>\$ -</b>	<b>\$ 45,900,000</b>	<b>\$ 48,098,563</b>	<b>\$ 2,198,563</b>

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
**Sewer Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Sanitation:</b>							
Public Works:							
Wastewater reclamation	\$ 3,986	\$ -	\$ -	\$ 3,986	\$ -	\$ -	\$ 3,986
Environmental Management:							
Wastewater administration	48,365	2,329,214	-	2,377,579	2,073,211	150,318	154,050
Wastewater ERS & FICA	-	1,317,756	-	1,317,756	1,279,369	-	38,387
Wastewater health fund	-	937,569	-	937,569	937,569	-	-
Wastewater admin overhead	-	1,952,915	-	1,952,915	1,790,798	-	162,117
Wastewater reclamation	601,583	18,031,164	1,102,589	19,735,336	18,927,216	774,655	33,465
Total Environmental Management	649,948	24,568,618	1,102,589	26,321,155	25,008,163	924,973	388,019
<b>Totals for the Sewer Fund</b>	<b>\$ 653,934</b>	<b>\$ 24,568,618</b>	<b>\$ 1,102,589</b>	<b>\$ 26,325,141</b>	<b>\$ 25,008,163</b>	<b>\$ 924,973</b>	<b>\$ 392,005</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
<b>Intergovernmental revenues:</b>					
General government:					
Federal grants	\$ -	\$ 1,420,649	\$ 1,420,649	\$ 897,748	\$ (522,901)
State grants	-	1,759,088	1,759,088	2,113,964	354,876
Federal grants passed through the state	-	1,226,579	1,226,579	1,276,361	49,782
Total - General government	-	4,406,316	4,406,316	4,288,073	(118,243)
Public safety:					
Federal grants	-	274,291	274,291	783,257	508,966
State grants	-	3,592,166	3,592,166	3,180,199	(411,967)
Federal grants passed through the state	-	2,299,331	2,299,331	2,965,232	665,901
Total - Public safety	-	6,165,788	6,165,788	6,928,688	762,900
Highways and streets:					
State grants	-	998,000	998,000	-	(998,000)
Federal grants passed through the state	-	7,014,712	7,014,712	89,481	(6,925,231)
Total - Highways and streets	-	8,012,712	8,012,712	89,481	(7,923,231)
Sanitation:					
State grants	-	296,133	296,133	294,868	(1,265)
Total - Sanitation	-	296,133	296,133	294,868	(1,265)
Social welfare:					
Federal grants	-	17,761,487	17,761,487	17,448,148	(313,339)
State grants	-	1,721,397	1,721,397	1,265,689	(455,708)
Federal grants passed through the state	-	(739,810)	(739,810)	2,216,138	2,955,948
Total - Social welfare	-	18,743,074	18,743,074	20,929,975	2,186,901
Culture and recreation:					
Federal grants	-	-	-	54,880	54,880

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**  
(continued)

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
State grants	-	406,469	406,469	462,502	56,033
Federal grants passed through the state	-	100,000	100,000	486,776	386,776
Total - Culture and recreation	-	506,469	506,469	1,004,158	497,689
<b>Total - Intergovernmental revenues</b>	-	38,130,492	38,130,492	33,535,243	(4,595,249)
<b>Charges for current services:</b>					
Public safety:					
General government	-	-	-	2,433	2,433
<b>Total - Charges for current services</b>	-	-	-	2,433	2,433
<b>Interest and investment earnings:</b>					
General government:					
Other income	-	-	-	103	103
Public safety:					
Interest on investments	-	4,873	4,873	151	(4,722)
Social welfare:					
Interest on investments	-	13,309	13,309	6,344	(6,965)
<b>Total - Interest and investment earnings</b>	-	18,182	18,182	6,598	(11,584)
<b>Other revenues:</b>					
General government:					
Operating contributions	-	-	-	(4,050)	(4,050)
Miscellaneous program receipts	-	12,000	12,000	4,050	(7,950)
Total - General government	-	12,000	12,000	-	(12,000)

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**  
(continued)

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Public safety:					
Operating contributions	-	5,300	5,300	-	(5,300)
Miscellaneous program receipts	-	-	-	(686)	(686)
Total - Public safety	-	5,300	5,300	(686)	(5,986)
Sanitation:					
Operating contributions	-	3,201,000	3,201,000	-	(3,201,000)
Social welfare:					
Miscellaneous income revolving	-	19,582	19,582	-	(19,582)
Operating contributions	-	397,663	397,663	480,889	83,226
Total - Social welfare	-	417,245	417,245	480,889	63,644
Culture and recreation:					
Operating contributions	-	(4,590)	(4,590)	5,403	9,993
<b>Total - Other revenues</b>	-	3,630,955	3,630,955	485,606	(3,145,349)
<b>Total Grant Fund Revenues</b>	\$ -	\$ 41,779,629	\$ 41,779,629	\$ 34,029,880	\$ (7,749,749)

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
<b>General Government:</b>						
Office of the Mayor:						
Lanai Community Health Center Pre-Dev	\$ -	\$ 1,293	\$ 1,293	\$ 1,293	\$ -	\$ -
CDBG Program Admin FY2010	12,451	(12,451)	-	-	-	-
ARRA09 Easter Seals HI Facility Rehab	103,595	-	103,595	-	7,155	96,440
Energy Efficiency/Conservation Blck Grt	48,951	(14,060)	34,891	-	23,333	11,558
HTA Product Enrichment Program 10 BT10-06	2,759	-	2,759	2,759	-	-
Workforce Investment PY09-dslctd wrkr	12,390	-	12,390	-	-	12,390
Construction - Hale Maunaloa	-	12,451	12,451	-	12,451	-
Hale Makua Kahului Security System	13,797	(13,797)	-	-	-	-
Hana Police Station Rehabilitation	467	-	467	-	-	467
CDBG Program Admin FY2011	54,993	(54,993)	-	-	-	-
HTA Product Enrichment Program 11 BT10-06	43,002	-	43,002	43,002	-	-
Wailuku Cultural Festivals HTA	2,500	(2,500)	-	-	-	-
Workforce Investment Act PY10-Youth	11,705	(6,651)	5,054	5,054	-	-
Workforce Investment Act PY10-Adult	15,844	(16,264)	(420)	(420)	-	-
Workforce Investment Act PY10-Admin	3,284	(3,284)	-	-	-	-
Workforce Investment PY10-dslctd wrkr	20,250	(18,321)	1,929	1,929	-	-
Easter Seals Maui Phase II	-	19,744	19,744	-	19,744	-
ARRA09 St Energy Sctr Training Grt	159,892	(104,225)	55,667	52,445	-	3,222
Construction - Hale Maunaloa	-	28,100	28,100	-	28,100	-
MPD Emergency Response Vehicle Hana	54,897	-	54,897	34,817	6,263	13,817
Emergency Gnrtr-Wakiu Wellhana	55,458	-	55,458	55,458	-	-
Hale Maunaloa Construction Molkai	350,000	-	350,000	350,000	-	-
Ka Hale A Ke Ola Rehabilitation/Imprv	262,592	(203,172)	59,420	44,420	-	15,000
Photovoltaic MFSS Wailuku Weinbrg	50,873	-	50,873	50,873	-	-
CDBG Program Admin FY2012	32,305	-	32,305	16,505	155	15,645
Food and Energy Security Project	71,811	-	71,811	-	-	71,811
HTA Product Enrichment FY2012	282,342	(3,000)	279,342	278,467	875	-
Molokai Youth Opportunity - DOL	275,608	-	275,608	-	-	275,608

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Workforce Investment Act PY11-Youth	291,609	(335)	291,274	281,748	-	9,526
Workforce Investment Act PY11-Adult	172,329	(512)	171,817	148,946	-	22,871
Workforce Investment Act PY11-Admin	33,711	-	33,711	27,549	-	6,162
Workforce Investment PY11-dslctd wrkr	232,368	(60,373)	171,995	213,387	-	(41,392)
Construction of Hale Maunaloa	-	203,172	203,172	-	203,172	-
CDBG Program Admin FY2013	-	288,814	288,814	252,022	72	36,720
ADA Wheelchair Ramp FY2003	32,126	-	32,126	-	-	32,126
Lanai Community Land Acquisition	-	775,000	775,000	-	775,000	-
HTA Product Enrichment FY2013	-	400,000	400,000	145,972	143,848	110,180
Workforce Investment Act (WIA) PY02	427,378	-	427,378	-	-	427,378
WIA Youth Program - PY2012	-	301,026	301,026	-	279,921	21,105
WIA Adult Program - PY2012	-	299,971	299,971	102,000	178,714	19,257
WIA Administrative PY2012	-	93,108	93,108	47,308	-	45,800
WIA Dislocated Worker PY 2012	-	236,984	236,984	42,000	171,154	23,830
Easter Seals Maui Phase II	-	380,256	380,256	39,601	340,655	-
Workforce Investment Act (PY03)	1,186,653	(1,186,653)	-	-	-	-
Molokai Youth Opportunity-DOL 2004	12,364	-	12,364	-	-	12,364
BGCM Building Design/West	900	(900)	-	-	-	-
Lanai Community Health Center-rprg	16,544	-	16,544	16,544	-	-
HTA Product Enrichment Program 05	1,180	(1,180)	-	-	-	-
HDOT Maui's Shattered Dreams	36,500	(36,500)	-	-	-	-
Molokai Youth Opportunity 05 DOL	630	-	630	-	-	630
Coqui Frog Eradication Act 51 SLH 04	4	(4)	-	-	-	-
HTA Product Enrichment Program 06	14,653	(14,653)	-	-	-	-
Emergency Generator Project	31,887	-	31,887	23,152	8,735	-
Lanai Community Health Center Pre-Dev	-	24,775	24,775	-	24,775	-
HTA City Other Product Development Program 08	27,500	(27,500)	-	-	-	-
Lanai Community Health Center Facility	6,014	-	6,014	6,014	-	-
Ka Hale A Ke Ola Resource Center Rehab	-	-	-	-	-	-
Lanai Community Health Center Predv-rprg	13,456	6,329	19,785	7,150	12,635	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Project Impact BDRC FEMA	2,651	(2,651)	-	-	-	-
Storms 12/4-7/07 FEMA#1743	32,616	-	32,616	-	-	32,616
ARRA09 Workforce Investment Act-Admin	49	-	49	-	-	49
Hazard Mitigation Kula Ag Park	185,289	-	185,289	-	-	185,289
Total Office of the Mayor	4,700,177	1,287,044	5,987,221	2,289,995	2,236,757	1,460,469
<b>Management:</b>						
Energy Emergency Planning	4,575	-	4,575	-	-	4,575
Dell Online Self-Dispatch Program	-	12,000	12,000	-	-	12,000
Total Management	4,575	12,000	16,575	-	-	16,575
<b>Finance:</b>						
State Motor Vehicle Program FY10	60,972	-	60,972	-	-	60,972
Periodic Motor Vehicle Inspection FY10	43,159	-	43,159	13,251	-	29,908
Commercial Driver's License Program FY10	67,129	(50,727)	16,402	16,402	-	-
State Motor Vehicle Program FY11	89,868	-	89,868	-	-	89,868
PMVI Program FY11	85,456	-	85,456	-	-	85,456
Commercial Driver's License Program FY11	114,541	(114,541)	-	-	-	-
State Motor Vehicle Reg Program FY12	46,062	-	46,062	7,973	-	38,089
Periodic Motor Vehicle Inspection FY12	44,682	-	44,682	21,285	-	23,397
Commercial Driver's License Program FY12	100,304	-	100,304	14,698	-	85,606
State Motor Vehicle Reg Program FY13	-	276,870	276,870	251,462	-	25,408
State Identification Program	-	120,368	120,368	75,679	-	44,689
Periodic Motor Vehicle Inspection FY13	-	453,387	453,387	398,894	-	54,493
Commercial Driver's License Program FY13	-	490,977	490,977	381,680	-	109,297
State Motor Vehicle Program FY09	10,833	-	10,833	-	-	10,833
Periodic Motor Vehicle Inspection FY09	-	6,766	6,766	-	-	6,766
Commercial Driver's License Program FY09	8,540	64,447	72,987	72,987	-	-
Total Finance	671,546	1,247,547	1,919,093	1,254,311	-	664,782

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
<b>Planning:</b>						
EDA Economic Adjustment Assistance	1,200,000	-	1,200,000	-	-	1,200,000
Coastal Zone Management FY10	138,414	(138,263)	151	-	-	151
Coastal Zone Management ST/HI FY10	77,605	-	77,605	77,605	-	-
Private Donation - Planning - Hutaff	2,852	-	2,852	-	-	2,852
Coastal Zone Management #47363	12,537	(12,537)	-	-	-	-
Coastal Zone Management FY11	177,347	(46,205)	131,142	131,142	-	-
Coastal Zone Management FY02	171,015	(32,840)	138,175	138,175	-	-
Coastal Zone Management FY02/03 DBEDT	51,827	(51,827)	-	-	-	-
Coastal Zone Management Program	-	344,500	344,500	285,630	-	58,870
Coastal Zone Management FY03/04 DBEDT	40,598	(40,598)	-	-	-	-
Coastal Zone Management FY06/07	16,243	(16,243)	-	-	-	-
Clg Historic Preservation FY08	182	-	182	-	-	182
Coastal Zone Management FY08 B08014	44,291	(44,291)	-	-	-	-
Clg Historic Preservation 97/8	3,094	(3,094)	-	-	-	-
Coastal Zone Management FY09	929	(929)	-	-	-	-
Total Planning	<u>1,936,934</u>	<u>(42,327)</u>	<u>1,894,607</u>	<u>632,552</u>	<u>-</u>	<u>1,262,055</u>
<b>Public Works:</b>						
Bridge Inspection/App BR-NBIS #44	78,702	-	78,702	76,500	-	2,202
FHWA Projects State Reviews	37,308	-	37,308	34,818	-	2,490
Bridge Inspection Program	-	240,000	240,000	-	-	240,000
Total Public Works	<u>116,010</u>	<u>240,000</u>	<u>356,010</u>	<u>111,318</u>	<u>-</u>	<u>244,692</u>
<b>Total - General government</b>	<u>7,429,242</u>	<u>2,744,264</u>	<u>10,173,506</u>	<u>4,288,176</u>	<u>2,236,757</u>	<u>3,648,573</u>
<b>Public safety:</b>						
Prosecuting Attorney:						
Food Stamp Program Prosecutions	-	213	213	213	-	-
E Byrne Memorial Grant 2009DJBX0290	87,543	391	87,934	71,425	-	16,509

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Defendant/Witness Trial Program 10	79,599	(79,599)	-	-	-	-
Victim/Witness Assistance Program 11	2,120	(2,120)	-	-	-	-
Career Criminal Prosecution Program 11	4,157	(4,157)	-	-	-	-
E Byrne Memorial/Police ARRA	201,218	(201,218)	-	-	-	-
Prosecutors Training - DOT Highway Safety	541	(541)	-	-	-	-
Digital Forensic Evidence Child Exploitation	1,156	(1,156)	-	-	-	-
Defendant/Witness Trial Program 11	97,533	(97,533)	-	-	-	-
Prosecuting Attorney Asset Forfeiture-ST11	1,086	-	1,086	-	-	1,086
Career Criminal Prosecution Program 12	686	-	686	-	-	686
Special Needs Advocacy Program	88,332	4,000	92,332	92,332	-	-
E Byrne Memorial 2011 DJBX2095	1,472	-	1,472	-	-	1,472
Domestic Violence Investigation	37,707	-	37,707	37,707	-	-
E Byrne Memorial Jag Sexual Assault	103,038	-	103,038	103,038	-	-
Defendant/Witness Trial Program 12	71,117	1,000	72,117	250	-	71,867
Pros Atty Asset Forftres St 12	3,038	-	3,038	(471)	-	3,509
Victim Witness Assistance Program	-	44,300	44,300	22,074	-	22,226
Career Criminal Prosecution	-	144,767	144,767	144,767	-	-
Special Needs Advocacy Program FY13	-	290,419	290,419	177,787	45,614	67,018
E Byrne Memorial Jag FY13	-	48,717	48,717	-	-	48,717
Domestic Violence Investigation	-	51,794	51,794	33,507	-	18,287
Defendant/Witness Trial Program	-	170,000	170,000	81,120	-	88,880
Asset Forfeitures Program	-	50,000	50,000	47,140	-	2,860
Justice Reinvest Initiative	-	127,786	127,786	36,167	-	91,619
E Byrne Memorial 2005DJBX1466	-	2,409	2,409	-	-	2,409
Victim Witness Books	2,433	7,280	9,713	2,433	-	7,280
E Byrne Memorial Grant 2008BX0507	-	2,073	2,073	-	-	2,073
Defendant/Witness Trial Program09	-	943	943	-	-	943
Total Prosecuting Attorney	782,776	559,768	1,342,544	849,489	45,614	447,441

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Police:						
State e911 Wireless Commission 10	1,000	(1,000)	-	-	-	-
ARRA09 E Byrne Memorial Assistance	16,653	(16,653)	-	-	-	-
D.A.R.E. (DOE) FY10 MOA DO413#5	521	(521)	-	-	-	-
Justice Assistance Grant Program	22,076	-	22,076	4,535	-	17,541
Juvenile Acct Incentive DHS 01	40,679	(40,679)	-	-	-	-
DOH Tobacco Sales-Minors 11-08	2,818	(1,645)	1,173	1,173	-	-
Maui Child Passenger Safety	9,424	(8,883)	541	-	-	541
Cops Hiring Program	1,274,917	-	1,274,917	557,885	-	717,032
Cops Technology Grant USDJ	9,088	(8,625)	463	-	-	463
SW Marijuana Eradication TF09DJ07	5,698	(483)	5,215	5,215	-	-
Youth Gang DHS-2000-OYS-8048	5,360	(5,360)	-	-	-	-
Safe and Drug Free Schools #2 DHS	24,740	(24,488)	252	-	-	252
Training Grants - SOH Various FY11	9,450	-	9,450	-	-	9,450
Hawaii Narcotics Task Force 09-DJ-08	12,012	8,500	20,512	18,547	-	1,965
HIDTA 2011 G11HI0003A	29,354	50,643	79,997	60,405	19,426	166
Vawa/Violent Crimes Against Wo	14,277	-	14,277	8,383	-	5,894
LLE Block Grant 2001 -LB-BX1458	78	(78)	-	-	-	-
State e911 Wireless Commission 12	220,101	-	220,101	220,101	-	-
FY12 MPD Traffic Data	59,603	-	59,603	1,036	-	58,567
MPD Roadblock Program-AL02-02	31,252	(31,252)	-	-	-	-
Alcohol Sales to Minor	4,873	(4,873)	-	-	-	-
Juvenile Act/Inc BG DHS-2-OYS-1160a	22,872	(15,389)	7,483	-	-	7,483
Juvenile Act/Inc BG DHS-2-OYS-1160b	14,496	(13,916)	580	-	-	580
Juvenile Acct Incentive Block	25,990	19,567	45,557	45,557	-	-
FY12 MPD Distracted Driving	33,648	(17,108)	16,540	16,540	-	-
FY12 MPD Roadblock Program	59,130	-	59,130	40,639	-	18,491
FY12 MPD Speed Enforcement	44,134	(2,699)	41,435	41,435	-	-
Prohibiting Alcohol Sales to Minors	8,000	-	8,000	4,786	-	3,214
Maui Safe Community Speed SC02-06(03)	10,383	(9,207)	1,176	-	-	1,176

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Keiki Injury Protection Cltn/02-05	9,195	(9,195)	-	-	-	-
Maui Seat Belt Enforcement OP02-05	13,092	(13,092)	-	-	-	-
MPD Child Restraint Program FY12	54,720	(38,340)	16,380	16,380	-	-
MPD Traffic Services FY12	32,590	-	32,590	22,241	-	10,349
FY12 MPD Seatbelt Enforcement	72,457	-	72,457	36,602	-	35,855
Federal Equity/Sharing Forfeiture Policy	12,449	(11,585)	864	-	-	864
911 Emergency Medical FY02	18,719	(17,519)	1,200	-	-	1,200
911 EMS DOH#10-100 MOD#1	78,900	(64,702)	14,198	14,198	-	-
Clandestine Lab Response Team 00DB18	10,449	(10,449)	-	-	-	-
Cops in School Award	38,462	-	38,462	-	-	38,462
S/W Marijuana Eradication #01-DB-4	9,132	(9,132)	-	-	-	-
Marijuana Eradication DEA 2002	1,035	-	1,035	-	-	1,035
Domestic Cannabis Eradication	56,122	-	56,122	56,122	-	-
Training Grants-SOH FY12	53,495	(76,108)	(22,613)	(22,613)	-	-
Safe/Drug Free Schools #3 DHS	2,246	(2,246)	-	-	-	-
D.A.R.E Program (DOE) 02 #18475	491	(491)	-	-	-	-
Training Grants - SOH Various	161,146	-	161,146	(29,729)	-	190,875
High Intensity Drug Trafficking	52,245	-	52,245	2,032	-	50,213
Maui Sexual Assault Response	-	38,898	38,898	-	-	38,898
Vawa/Sexual Assault Examination	-	51,719	51,719	5,154	-	46,565
SOH Juvenile Justice Info System	-	24,596	24,596	24,596	-	-
State e911 Wireless Commission	-	2,844,780	2,844,780	2,310,727	522,561	11,492
Vawa/Domestic Violence Outreach	-	51,794	51,794	7,039	-	44,755
High Intensity Drug Trafficking	-	52,245	52,245	-	-	52,245
Juvenile Account Incentive Block	-	51,397	51,397	2,161	-	49,236
FY13 MPD Traffic Data	-	76,593	76,593	5,843	-	70,750
DOH ADAD Tobacco Sales - Minors	9,353	(8,338)	1,015	-	-	1,015
MPD Roadblock Program AL030202M03	2,567	(2,567)	-	-	-	-
Juvenile Act/Incentive BG Project # P.O.I.	7,191	(513)	6,678	-	-	6,678
Juvenile Act/Incentive BG Proj #Comp Stra	2,004	223	2,227	-	-	2,227

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
FY13 MPD Distracted Driving	-	44,634	44,634	11,994	-	32,640
FY13 MPD Roadblock Program	-	229,878	229,878	100,668	6,768	122,442
FY13 MPD Speed Program	-	96,758	96,758	44,260	-	52,498
Maui Safe Community Speed SC03-06	1,710	1,400	3,110	-	-	3,110
Maui Speed Enforcement SC030601M03	387	6,907	7,294	-	-	7,294
MPD Data Records TR03-03(02M01)	2,337	(2,337)	-	-	-	-
Keiki Injury Protection OP03-05(03)	10,195	(8,948)	1,247	-	-	1,247
MPD Seatbelt Program OP03-05(01M)	45,056	(12,853)	32,203	-	-	32,203
MPD Reconstructionist PT 030203M01	2,481	(460)	2,021	-	-	2,021
MPD Child Restraint Project	-	71,100	71,100	28,605	-	42,495
MPD Traffic Services FY13	-	38,992	38,992	17,353	-	21,639
FY13 MPD Seatbelt Program	-	133,902	133,902	37,466	-	96,436
Federal Equity/Sharing Forfeiture Policy	145	(10)	135	-	-	135
911 Emergency Medical Service Program	-	376,866	376,866	311,872	-	64,994
Clandstine Lab Response 02-DB-10	10,453	(8,093)	2,360	-	-	2,360
SW Marijuana Eradication Smetf	-	67,827	67,827	50,873	-	16,954
DOH Prohibiting Tobacco Sales	-	5,000	5,000	4,467	-	533
Research Guided Response to Robber	-	10,244	10,244	10,244	-	-
Choices Mentorship Program	-	64,931	64,931	19,927	581	44,423
Kihei District Bicycle Patrol	-	21,254	21,254	21,183	-	71
Public Housing Drug Elimination RSS0301	40,000	(33,636)	6,364	-	-	6,364
Training Grants FY2013	-	100,000	100,000	71,741	-	28,259
Hawaii Narcotics Task Force	-	52,469	52,469	5,937	-	46,532
HI Intragency Mobile Police 02	2,507	-	2,507	-	-	2,507
DOH-ADAD Tobacco Sales - Minors	11,216	(11,216)	-	-	-	-
MPD Roadblock Program #A104-02-01M03	81,167	(81,167)	-	-	-	-
DOH-ADAD Tobacco Sales - Minors	8,899	(8,899)	-	-	-	-
MPD Speed Enforcement Wailuku	1,238	5,000	6,238	6,238	-	-
MPD Traffic Data - DOT FY 04	1,348	(1,520)	(172)	(172)	-	-
Keiki Injury Protection OP 04-05 (03)	9,595	(9,283)	312	312	-	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
MPD Reconstructionist #PT04-01(03ML)	12,470	(12,472)	(2)	(2)	-	-
Police Forfeitures	9,175	(9,175)	-	-	-	-
911 EMS DOH 04 Log #04-337	5,868	(5,868)	-	-	-	-
Analytical Equipment and Info Mgmt. Systems	48	(48)	-	-	-	-
Lahaina Speed Program #SC04-0602M01	29,071	(29,071)	-	-	-	-
Marijuana Eradication DEA 2003-51	3,754	2,500	6,254	-	-	6,254
Domestic Cannabis DEA 2004-53	16,492	-	16,492	2,720	-	13,772
MPD Traffic Data - DOT FY 05	2,339	(2,339)	-	-	-	-
Juvenile Activity Incentive BG DHS-05-OYS 2153	6,506	(1,550)	4,956	-	-	4,956
Juvenile Activity Incentive BG Graduated Sanction	9,175	(9,175)	-	-	-	-
MPD Road Block Program FY 05 DOT	81,231	(81,231)	-	-	-	-
MPD Speed Enforcement SC 05-06	2,410	(2,410)	-	-	-	-
MPD Seatbelt Program #OP05-05	5,613	(5,613)	-	-	-	-
MPD Reconstructionist #SC05-06 (02ML)	13,131	(13,131)	-	-	-	-
MPD Traffic Investigation PT 05	39	(39)	-	-	-	-
HI Cops Meth Grant 04-CK-02	1,154	(1,154)	-	-	-	-
Electronic Exploitation of Children	13,169	(13,169)	-	-	-	-
G.R.E.A.T. ATF 2004 JV FX 0133	7,905	(7,796)	109	-	-	109
Domestic Cannabis DEA 2005-60	6,352	-	6,352	2,469	-	3,883
SW Narcotics Task Force 03DB16	237	(237)	-	-	-	-
HI Interagency Mobile Police 03	4,423	(144)	4,279	-	-	4,279
DOH Alcohol Sales to Minors 06	12,200	(12,200)	-	-	-	-
Federal Police Forfeitures	1,621	(1,621)	-	-	-	-
Electronic Exploitation of Children 03DB26	47	(47)	-	-	-	-
SW Marijuana Eradication Task Force	1,824	22,069	23,893	-	-	23,893
Police Against Street Sales 06	994	(572)	422	-	-	422
Gang Detail/2nd Chance DHS06OYS3	3,653	(3,653)	-	-	-	-
PSAP Wireless E-911 Nextel	8,042	(8,042)	-	-	-	-
State e911 Wireless Commssn 07	235,097	(170,577)	64,520	1,979	-	62,541
Juvenile/Act/Bg DHS07-OYS-4108 FY07	3,875	(3,875)	-	-	-	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
MPD Sch Resource Officers Program 07-08	2,766	(2,766)	-	-	-	-
SW Juvenile Information System	16,822	(858)	15,964	-	-	15,964
Gang Detail/2nd Chance DHS06OYS3	43,004	(43,004)	-	-	-	-
SW Narcotics Task Force 04DB24	18,758	(18,876)	(118)	(118)	-	-
Domestic Violence Victims 02WF17	20,450	(91)	20,359	-	-	20,359
Organized Crime Drug Enforcement Task Force	10,000	(10,000)	-	-	-	-
State e911 Wireless Commission 09	320,018	(320,018)	-	-	-	-
MPD Child Restraint Program FY09	5,982	(5,982)	-	-	-	-
Forfeitures Police State	888	(888)	-	-	-	-
Federal Try Police Forfeitures	525	(525)	-	-	-	-
Federal Justice Police Forfeitures	29,302	44,983	74,285	76,728	-	(2,443)
SW Narcotics Task Force 98-DB-6	6,459	(6,459)	-	-	-	-
Wailea Speed Enforcement	3,996	(3,996)	-	-	-	-
Total Police	3,916,306	3,213,439	7,129,745	4,303,734	549,336	2,276,675
 Fire and Public Safety:						
Volunteer Fire Assistance DLNR10	180	-	180	-	-	180
EMS (Fire) Training (PVT) IAAI	276	1,000	1,276	-	-	1,276
Fire/LEPC (DOH) HMEP	33,857	24,321	58,178	29,377	-	28,801
Hazardous Materials (HMEP) Grant 10	7,895	(6,783)	1,112	-	-	1,112
Volunteer Fire Assistance DLNR11	1,432	-	1,432	-	-	1,432
MFD Equipment Purchase EMOL-04	163	-	163	-	-	163
Private Donations-Fire Department	-	5,000	5,000	-	-	5,000
Hazardous Materials (HMEP) Grant 11	147,618	-	147,618	-	-	147,618
Volunteer Fire Assistance FY12	68,048	-	68,048	68,048	-	-
FEMA-1967-Dr-Hi-Tsunami MFD	16,631	-	16,631	-	-	16,631
HMEP Hazardous Materials Em	22,534	-	22,534	(2,466)	-	25,000
FEMA AFG Operations & Safety	-	10,000	10,000	10,000	-	-
FEMA Fire Operations/FF TRS Safety	-	65,188	65,188	19,610	8,300	37,278
NHTSA MFD Pneumatic Lifting Bags	-	27,213	27,213	24,480	-	2,733

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
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**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
MFD Equipment Purchase/CPS Program	3,847	(3,847)	-	-	-	-
FEMA AFG Operations & Safety	-	208,828	208,828	208,828	-	-
FEMA Fire Optrns/Fire Fighter Safety	28,330	(28,330)	-	-	-	-
Wellness/Fitness Fire Act Grant	12,711	(11,711)	1,000	-	1,000	-
Fire Safety HSE -EMW2003 FP 01732	3,452	-	3,452	-	-	3,452
Fire Inoperability Grant FE 15141	96	-	96	-	-	96
Fire Fighter Voice Operation Comm System	19,819	(19,819)	-	-	-	-
Walmart Foundation Donation - Fire	2	(2)	-	-	-	-
Fireman's Fund Insurance Co	167	(167)	-	-	-	-
USDA Rural 1st Responder Lanai	9,083	-	9,083	-	-	9,083
USDA Rural 1st Responder Molokai	3,548	-	3,548	-	-	3,548
Olowalu Fire FEMA-2701-HI-FM	138,570	(138,570)	-	-	-	-
Fire Training Grant (Chevron)	1,540	(1,540)	-	-	-	-
Fire Fighters Charitable Foundation	250	300	550	-	-	550
FEMA Fire Training Funds	7,755	-	7,755	(5,930)	-	13,685
Total Fire and Public Safety	<u>527,804</u>	<u>131,081</u>	<u>658,885</u>	<u>351,947</u>	<u>9,300</u>	<u>297,638</u>
<b>Civil Defense:</b>						
FY09 Law Enforcement Terrorism Prevention	77,404	-	77,404	39,878	-	37,526
FY09 Citizen Corps Program	19,750	(7,069)	12,681	1,241	-	11,440
FY09 State Homeland Security	309,343	71,000	380,343	382,762	1,775	(4,194)
Intropubl Emergency Comm Grant	22,133	-	22,133	2,970	-	19,163
FY10 Citizens Corp Program	23,577	-	23,577	8,878	-	14,699
FY10 State Homeland Security Program	763,008	-	763,008	632,910	77,119	52,979
National Oceanic Atmospheric Admin Award	3,168	-	3,168	-	-	3,168
Emergency Management Perf Grant FY11	83,000	83,000	166,000	166,000	-	-
FY11 Statewide Outreach/CCP	24,925	-	24,925	-	-	24,925
FY11 State Homeland Security Program	498,008	-	498,008	215,027	105,203	177,778
Disaster Preparedness Train	19,957	-	19,957	-	366	19,591
FY12 Community Outreach/CCP	-	24,925	24,925	-	-	24,925

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
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**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
FY12 State homeland Security Grant	-	210,000	210,000	-	-	210,000
Interoperable ER Communication	-	19,000	19,000	-	-	19,000
Inoperable ER Communications	-	40,200	40,200	36,742	-	3,458
Emergency Management Perf Grant	-	85,000	85,000	-	-	85,000
FY05 State Homeland Security	50,703	(89,662)	(38,959)	(38,959)	-	-
FY05 Citizen Corps Program	16,793	(16,793)	-	-	-	-
FY06 State Homeland Security	215,486	(215,486)	-	-	-	-
FY06 Citizen Corps Program	917	(917)	-	-	-	-
FY07 State Homeland Security	225,048	(225,048)	-	-	-	-
FY07 Law Enforcement Terrorism Prevention	50,894	(50,894)	-	-	-	-
FY08 Citizen Corps Program	109	(109)	-	-	-	-
FY08 Law Enforcement Terrorism Prevention	10,433	(10,433)	-	-	-	-
FY08 State Homeland Security	138,549	(129,085)	9,464	9,464	-	-
Total Civil Defense	2,553,205	(212,371)	2,340,834	1,456,913	184,463	699,458
<b>Total - Public safety</b>	<b>7,780,091</b>	<b>3,691,917</b>	<b>11,472,008</b>	<b>6,962,083</b>	<b>788,713</b>	<b>3,721,212</b>
<b>Highways and streets:</b>						
Public Works:						
Old Haleakala Highway Sidewalk	-	998,000	998,000	-	-	998,000
Transportation:						
Federal Trns Adm#5311 FY09	288	-	288	-	-	288
FTA Rural Trnst Assistance Program FY09	10,710	-	10,710	-	-	10,710
FTA #5309 FY 2010 Bus & Facilities	1,950,325	-	1,950,325	52,280	925,000	973,045
FTA Rural Trnst Assistance Program FY10	1,321	(1,321)	-	-	-	-
Federal Trans Adm #5311 FY12	288,615	-	288,615	28,897	259,718	-
FTA Rural Trnst Assistance Program 12	15,808	-	15,808	-	-	15,808
FTA Sec 5311 Non-Urbanized for	-	1,389,395	1,389,395	-	1,389,395	-
FTA5309 Bus & Bus Fac Sgr	-	2,780,000	2,780,000	-	2,334,542	445,458

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
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**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
FTA#5309 Formula Funds Program	-	2,000,000	2,000,000	-	233,129	1,766,871
FTA Rural Transit Assistance	-	10,795	10,795	-	-	10,795
FTA#5309 Livability Program FY13	-	800,000	800,000	-	-	800,000
FTA Sec 5317 New Freedom Program	-	28,490	28,490	-	28,490	-
Rural Transit Assistance Program FY04	8,910	1,749	10,659	5,676	-	4,983
FTA SEC #5309 Bus & Bus-Rel Alctn	22,495	(22,495)	-	-	-	-
FTA #5309 Bus Program HI030039 FY06	-	18,819	18,819	-	-	18,819
Rural Transit Assistance Program FY06	27,256	-	27,256	2,628	-	24,628
Federal Trns Adm #5311 #HI-18-X025	217,286	-	217,286	-	-	217,286
FTA #5309 Bus Program FY07	878	(878)	-	-	-	-
FTA Rural Transit Assistance Program 07	3,666	-	3,666	-	-	3,666
FTA #5309 Bus Program FY06	81	(191)	(110)	-	-	(110)
FTA Rural Transit Assistance HI18X26	15,561	-	15,561	-	-	15,561
Federal Trans Adm #5311 FY08	10,461	-	10,461	-	-	10,461
FTA Rural Trnst Assistance Program 08	8,835	-	8,835	-	-	8,835
Total Transportation	2,582,496	7,004,363	9,586,859	89,481	5,170,274	4,327,104
<b>Total - Highways and streets</b>	2,582,496	8,002,363	10,584,859	89,481	5,170,274	5,325,104
<b>Sanitation:</b>						
Public Works:						
EPA Seaweed Removal #X979229010	15,236	(15,236)	-	-	-	-
Environmental Management:						
EPA Maalaea Offshore Study	31	-	31	-	-	31
Glass Recovery DOH ASO#11-005	3,250	-	3,250	-	3,250	-
Used Oil Recovery 06145#10	2,578	-	2,578	1,802	-	776
Glass Recovery DOH ASO#11-005-1	28,656	-	28,656	27,656	1,000	-
Used Oil Recovery 06145#10	33,956	-	33,956	2,242	1,047	30,667
W Maui Recycled Water System Exp	-	3,201,000	3,201,000	-	2,530,000	671,000

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
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**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Glass Recovery Program	-	122,800	122,800	109,907	12,893	-
Electronic Device Recycling	-	100,000	100,000	91,210	8,790	-
Used Oil Recovery FY2013	-	73,333	73,333	61,535	3,223	8,575
Deposit Beverage Container DOH MOL	11,824	-	11,824	-	-	11,824
Deposit Beverage Container DOH MOL06	123,795	-	123,795	-	-	123,795
Used Oil Recovery 07 ASO 06145 #2	339	-	339	-	-	339
Glass Recovery DOH 08-030	4,406	-	4,406	-	-	4,406
Used Oil Recovery 08 ASO 06145 #5	78,386	-	78,386	-	91	78,295
Glass Recovery DOH ASO #08-030	31,585	-	31,585	-	-	31,585
Used Oil Recovery Program 09 #06145	92,326	-	92,326	516	885	90,925
Total Environmental Management	411,132	3,497,133	3,908,265	294,868	2,561,179	1,052,218
<b>Total - Sanitation</b>	426,368	3,481,897	3,908,265	294,868	2,561,179	1,052,218
<b>Social welfare:</b>						
Office of the Mayor:						
Hawaii State Comm/Status Women	-	3,000	3,000	2,599	-	401
Housing and Human Concerns:						
USDA Rural Bus Ent Grant FY10	18,963	-	18,963	18,963	-	-
Home Administration Expense (98)	18,859	(18,859)	-	-	-	-
Hospital Discharge Planning Grant	25,690	-	25,690	25,588	-	102
Aging/Disability Resource Center 2010n	523	-	523	521	-	2
Aging/Disability Resource Center ST/HI	3,352	-	3,352	-	2,850	502
Hawaii Comm Living 2010.11n	4,636	-	4,636	3,334	-	1,302
Aging State POS 99/00	1,031	(1,031)	-	-	-	-
EOA/DOH MA-KC-FB 10-11a	400	-	400	400	-	-
Home FY09 Kahawai Apt	7,194	-	7,194	7,194	-	-
Home FY09 Administration	73,885	-	73,885	72,058	-	1,827
Section 8 Housing Voucher FY10	64,691	64,691	129,382	-	-	129,382

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
**(continued)**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Section 8 Housing Voucher Admin FY10	9,706	-	9,706	-	-	9,706
Hawaii Strategic Framework PH11	217,543	105,288	322,831	254,177	-	68,654
Hawaii Mental Health Transform Sig	24,000	-	24,000	-	-	24,000
Home-1st Time Homebuyers-Project In	-	19,582	19,582	19,582	-	-
West Maui Community/Resource Center	100	-	100	-	-	100
Home Reprogrammed Funds	8,747	(8,747)	-	-	-	-
Hospital Discharge Planning Grant	42,701	-	42,701	29,787	3,845	9,069
Aging/Disability Resource Center 2010n	16,495	-	16,495	775	-	15,720
RSVP 2011 09SRPHI1001#5	112	-	112	112	-	-
Hawaii Comm Living 2010.11n	29,182	-	29,182	22,007	-	7,175
ARRA09 Healthy Aging Partnership	4,538	-	4,538	4,028	-	510
Aging TIII DHHS FY11 MA-201103	99,082	-	99,082	25,850	190	73,042
Elder Abuse Related Services FY11	29,913	-	29,913	-	5,814	24,099
Aging Title III SH POS 00/01	20,459	(20,459)	-	-	-	-
EOA/DOH MA-KC-FB 2010-11a FY11	6,919	1,011	7,930	1,441	-	6,489
Congregate Meals FY11	-	-	-	-	-	-
Home FY10 Kahawai Apt	362,387	-	362,387	-	362,387	-
Home FY10 Administration	85,000	-	85,000	37,607	188	47,205
Home Delivered Meals FY11	91,073	(90,872)	201	200	-	1
Miscellaneous Leisure Activities FY11	44,749	-	44,749	1,875	-	42,874
I and A Outreach Aging 00/01	597	-	597	-	-	597
Home RPGM02 CHDO LP Kenolio	44,299	-	44,299	44,299	-	-
Section 8 Housing Voucher FY11	6,392	(6,392)	-	-	-	-
Section 8 Housing Voucher Administration FY11	212,467	(211,493)	974	-	974	-
Home Rpgm Pi CHDO Mmshh1 Cnstr	8,747	-	8,747	8,747	-	-
Hospital Discharge Planning Grant	53,213	-	53,213	3,196	22,920	27,097
Aging/Disability Resource Center 2010n	13,156	-	13,156	-	-	13,156
RSVP 2012 12SRPHI002 Yr 1 of 3	53,341	-	53,341	53,341	-	-
ARRA09 Healthy Aging Partnership	7,786	990	8,776	6,516	-	2,260
Aging Title III DHHS 01/02	20,074	(20,019)	55	55	-	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
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<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Aging Title III DHHS FY12 MA201203	352,652	(32,894)	319,758	246,704	30,852	42,202
NSIP Nutritional Services Incentive	29,210	(29,210)	-	-	-	-
Mental Health Transform Grant	24,000	(23,984)	16	-	-	16
Aging EOA/DOH Kupuna Care FY12	172,205	-	172,205	124,792	9,222	38,191
Congregate Meals FY12	68,683	(238,934)	(170,251)	(116,898)	-	(53,353)
Congregate Meals - NSIP FY12	-	27,986	27,986	27,986	-	-
FY12 Maui Tenant Based Rental	300,000	(300,000)	-	-	-	-
Home FY09 Kahawai Apt	328,231	-	328,231	-	328,231	-
Home FY07 Kahawai Apt	750,000	-	750,000	-	750,000	-
Home FY09 CHDO Mmshh2 Cnst	151,769	-	151,769	-	-	151,769
Home FY08 CHDO Mmshh1 Cnst	78,534	-	78,534	70,044	8,491	(1)
Home FY08 CHDO Mmshh1 Cnst	71,466	-	71,466	-	-	71,466
Home FY06 Kahawai Apt	750,347	-	750,347	713,427	17,338	19,582
Home FY10 CHDO Mmshh2 Cnst	152,186	-	152,186	-	-	152,186
Home FY06 CHDO Mmshh1 Cnst	4,291	-	4,291	4,291	-	-
Home FY07 CHDO Mmshh1 Cnst	57,133	-	57,133	57,133	-	-
Home Delivered Meals FY12	91,517	(203,057)	(111,540)	(111,541)	-	1
Home Delivered Meals Private Donation	28,121	24,623	52,744	52,744	-	-
Congregate Meals Private Donation	152,809	-	152,809	152,809	-	-
Home FY10 Com Tenant Based Ra	750,280	(750,280)	-	-	-	-
Home FY11 CHDO Mmshh2 Cnst	150,056	-	150,056	-	-	150,056
Home FY11 Administration	75,028	-	75,028	-	-	75,028
Miscellaneous Leisure FY12	84,405	7,180	91,585	16,878	-	74,707
Assisted Transportation SH KC FY12	41,324	-	41,324	-	-	41,324
Home Delivered Meals - State	39,902	73,346	113,248	113,248	-	-
Child Care/Development DHS-02-BESS	15,062	(15,062)	-	-	-	-
Section 8 Housing Voucher FY12	58,412	-	58,412	(3,053)	-	61,465
Section 8 Housing Voucher Administration FY12	114,780	(105,426)	9,354	6,725	2,629	-
RSVP Retired & Sr Vol Program	-	67,350	67,350	12,989	104	54,257
Healthy Aging Partnership	-	61,329	61,329	1,255	-	60,074

*See accompanying independent auditors' report.*

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<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Aging Title III Programs	-	540,442	540,442	222,316	48,817	269,309
Elder Abuse Prevention FY13	-	26,493	26,493	7,227	19,266	-
Elder Abuse Prevention FY12	-	26,493	26,493	-	269	26,224
NSIP Nutrition Services Incentive	-	111,986	111,986	-	-	111,986
Aging title III SH POS 02/03	9,747	(9,747)	-	-	-	-
Kupuna Care Program	-	920,830	920,830	723,430	133,124	64,276
Aging & Disability Resource	-	492,404	492,404	47,108	7,575	437,721
Congregate Meals Title III	-	151,100	151,100	249,035	-	(97,935)
Congregate Meals NSIP FY13	-	1,917	1,917	1,917	-	-
Home Delivered Meals Title III	-	140,000	140,000	173,634	-	(33,634)
Home Delivered Meals Private Donation	-	92,746	92,746	92,310	-	436
Congregate Meals Private Donation	-	139,773	139,773	92,809	-	46,964
Leisure Activities FY13	-	105,961	105,961	54,438	-	51,523
Assisted Transportation FY13	-	186,778	186,778	184,481	-	2,297
Home Delivered Meals - State	-	85,595	85,595	87,180	-	(1,585)
Childcare Development	3,977	(10,477)	(6,500)	(6,500)	-	-
Section 8 Housing Voucher FY2013	-	16,190,500	16,190,500	16,168,542	-	21,958
Section 8 Housing Admin Program FY2013	-	1,333,200	1,333,200	1,173,111	1,041	159,048
EDI Sp Project #B-03-SP-HI-0186	1	-	1	-	-	1
Aging EOA MA - 2004/2005-2(a)	20,283	(20,283)	-	-	-	-
Maui Traffic Safety - DOT AL 05-02	366	-	366	366	-	-
Home Delivered Meals FY 04	200,896	(200,896)	-	-	-	-
Home FY 04 Administration	7,500	-	7,500	-	-	7,500
Home FY 04 Additional Program	18,633	(18,633)	-	-	-	-
Home Delivered Meals FY06	3,977	(3,977)	-	-	-	-
Aging Title III-A Education/Training 97	-	-	-	-	-	-
RSVP 2007 06SRPHI003	-	865	865	865	-	-
Aging Title III DHHS FY07	32,967	(32,967)	-	-	-	-
Title V Local Delinquency Prevention	66,404	-	66,404	-	-	66,404
Home Delivered Meals FY07	54,119	-	54,119	54,119	-	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
Miscellaneous Leisure Activity FY07	7,116	14,497	21,613	888	-	20,725
Section 8 Family Self Sufficient	76,055	-	76,055	22,898	-	53,157
Aging TIII DHHS FY08 MA-2008N	1,792	(1,792)	-	-	-	-
Aging EOA/DOH MA-KC-2008-09(a)	1	-	1	-	-	1
Home FY05 Additional Program	21,554	(21,554)	-	-	-	-
Home FY07 CHDO Grant LP Waiehu	750,000	(750,000)	-	-	-	-
Home FY07 Administration	1,584	-	1,584	-	276	1,308
Home FY07 Additional Program	10,755	(10,755)	-	-	-	-
Home FY06 CHDO Grant LP Waiehu	750,347	(750,347)	-	-	-	-
Home FY06 Administration	4,992	4,225	9,217	-	4,992	4,225
Home FY06 Additional Program	10,755	-	10,755	-	-	10,755
Home rpgm chow lp k'lio l'iani	10,971	-	10,971	10,971	-	-
Home FY06 CHDO LP Kenolio	150,070	(73,235)	76,835	76,835	-	-
Home FY07 CHDO LP Kenolio	150,000	(150,000)	-	-	-	-
Assisted Transportation SH POS08	66,873	-	66,873	-	-	66,873
Home FY08 CHDO LP Honokawai	150,000	(150,000)	-	-	-	-
Home FY08 Administration	2,763	-	2,763	1,442	378	943
Home FY08 Additional Program	4,346	(4,346)	-	-	-	-
Assisted Transportation SH KC 09	41,665	(41,665)	-	-	-	-
Section 8 Housing Assistance Payments (HAP)-NRA	14,899	67,074	81,973	-	-	81,973
Section 8 Housing Assistance Payments (Admin)-NRA	430,043	377,284	807,327	-	-	807,327
Total Housing and Human Concerns	9,699,856	17,136,146	26,836,002	21,450,608	1,761,773	3,623,621
<b>Total Social welfare</b>	9,699,856	17,139,146	26,839,002	21,453,207	1,761,773	3,624,022
<b>Culture and recreation:</b>						
Parks and Recreation:						
Playground Equipment One Alii Park-USDA	63,128	(15,201)	47,927	28,885	-	19,042
Mitchell Pauole Center USDA Grant	60,799	-	60,799	10,794	-	50,005
National Park Service Land Water Conservation	428,597	-	428,597	428,597	-	-

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Grant Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**  
(continued)

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations and Amendments</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>
ST/HI WM STDMA PA SYS SLH2010	145,000	-	145,000	-	-	145,000
2010 USTA Wheelchair Tennis Grant	6,000	(6,000)	-	-	-	-
SH Lifeguard Services FY12	6,943	-	6,943	6,943	-	-
ST/HI Nahiku Community Center	250,000	-	250,000	-	250,000	-
Adaptive Tennis Program	1,680	-	1,680	1,480	-	200
Play & Learn Sessions (PALS)	-	58,179	58,179	58,179	-	-
Makena Lifeguard Services	-	433,999	433,999	433,999	-	-
2012 USTA Wheelchair Tennis	-	1,410	1,410	61	-	1,349
Playground Sites/Structure/Equipment	127,538	15,201	142,739	19,062	-	123,677
Binhi At-Ani Community Center-DAGS06	251,570	-	251,570	49,090	202,480	-
<b>Total Parks and Recreation</b>	<b>1,341,255</b>	<b>487,588</b>	<b>1,828,843</b>	<b>1,037,090</b>	<b>452,480</b>	<b>339,273</b>
<b>Total Culture and recreation</b>	<b>1,341,255</b>	<b>487,588</b>	<b>1,828,843</b>	<b>1,037,090</b>	<b>452,480</b>	<b>339,273</b>
<b>Totals for Grant Fund</b>	<b>\$ 29,259,308</b>	<b>\$ 35,547,175</b>	<b>\$ 64,806,483</b>	<b>\$ 34,124,905</b>	<b>\$ 12,971,176</b>	<b>\$ 17,710,402</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Solid Waste Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

<b>Source of Revenues</b>	<b>Original Estimate</b>	<b>Amendments and Transfers</b>	<b>Final Estimate</b>	<b>Actual Revenues</b>	<b>Revenues Over or (Under) Estimate</b>
<b>Charges for current services:</b>					
Sanitation:					
Refuse	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,457,797	\$ 457,797
Landfill disposal fee	7,100,000	-	7,100,000	7,796,737	696,737
<b>Total - Charges for current services</b>	<b>12,100,000</b>	<b>-</b>	<b>12,100,000</b>	<b>13,254,534</b>	<b>1,154,534</b>
<b>Other revenues:</b>					
Sanitation:					
Miscellaneous program receipts	-	-	-	85,390	85,390
<b>Total Solid Waste Fund Revenues</b>	<b>\$ 12,100,000</b>	<b>\$ -</b>	<b>\$ 12,100,000</b>	<b>\$ 13,339,924</b>	<b>\$ 1,239,924</b>

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
**Solid Waste Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Sanitation:</b>							
<b>Environmental Management:</b>							
Solid waste administration	\$ 39,995	\$ 890,838	\$ 10,000	\$ 940,833	\$ 895,844	\$ 33,026	\$ 11,963
Solid waste ERS & FICA	-	949,432	-	949,432	949,432	-	-
Solid waste health fund	-	754,944	-	754,944	754,944	-	-
Solid waste admin overhead	-	1,785,769	-	1,785,769	1,785,769	-	-
Solidwaste operations	3,830,656	12,541,199	135,000	16,506,855	14,746,393	1,691,635	68,827
Abandoned vehicle scrap metal	198,664	519,378	(145,000)	573,042	378,366	129,526	65,150
<b>Total Environmental Management</b>	<b>4,069,315</b>	<b>17,441,560</b>	<b>-</b>	<b>21,510,875</b>	<b>19,510,748</b>	<b>1,854,187</b>	<b>145,940</b>
<b>Totals for the Solid Waste Fund</b>	<b>\$ 4,069,315</b>	<b>\$ 17,441,560</b>	<b>\$ -</b>	<b>\$ 21,510,875</b>	<b>\$ 19,510,748</b>	<b>\$ 1,854,187</b>	<b>\$ 145,940</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Liquor Control Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

<b>Source of Revenues</b>	<b>Original Estimate</b>	<b>Amendments and Transfers</b>	<b>Final Estimate</b>	<b>Actual Revenues</b>	<b>Revenues Over or (Under) Estimate</b>
<b>Licenses and permits:</b>					
Social welfare:					
Business licenses and permits	\$ 2,144,060	\$ -	\$ 2,144,060	\$ 2,209,858	\$ 65,798
<b>Total Liquor Control Fund Revenues</b>	<b>\$ 2,144,060</b>	<b>\$ -</b>	<b>\$ 2,144,060</b>	<b>\$ 2,209,858</b>	<b>\$ 65,798</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Liquor Control Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**For the Year Ended June 30, 2013**

<b>Department and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Lapsed Appropriations</b>
<b>Social welfare:</b>							
Liquor Control:							
Liquor control general	\$ -	\$ 1,886,529	\$ -	\$ 1,886,529	\$ 1,477,104	\$ 12,093	\$ 397,332
Liquor admin overhead charges	-	998,276	-	998,276	754,391	-	243,885
<b>Totals for the Liquor Control Fund</b>	<b>\$ -</b>	<b>\$ 2,884,805</b>	<b>\$ -</b>	<b>\$ 2,884,805</b>	<b>\$ 2,231,495</b>	<b>\$ 12,093</b>	<b>\$ 641,217</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Capital Improvement Projects Fund**  
**Schedule of Revenues - Budget and Actual**  
**For the Year Ended June 30, 2013**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
<b>Intergovernmental revenues:</b>					
Capital improvement projects:					
Federal grants	\$ -	\$ -	\$ -	\$ 181,590	\$ 181,590
Federal grants passed through the state	610,000	14,157,464	14,767,464	8,859,031	(5,908,433)
<b>Total - Intergovernmental revenues</b>	<b>610,000</b>	<b>14,157,464</b>	<b>14,767,464</b>	<b>9,040,621</b>	<b>(5,726,843)</b>
<b>Interest and investment earnings:</b>					
General revenue:					
Interest on investments	-	-	-	14,239	14,239
Capital improvement projects:					
Interest on investments	-	-	-	23,394	23,394
<b>Total - Interest and investment earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,633</b>	<b>37,633</b>
<b>Other revenues:</b>					
Capital improvement projects:					
Capital contributions	-	-	-	1,499,581	1,499,581
<b>Total Capital Improvement Projects Fund Revenues</b>	<b>\$ 610,000</b>	<b>\$ 14,157,464</b>	<b>\$ 14,767,464</b>	<b>\$ 10,577,835</b>	<b>\$ (4,189,629)</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Capital Improvement Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**by Program**  
**For the Year ended June 30, 2013**

<b>Program and Appropriation</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>	<b>Lapsed Appropriations</b>
Drainage	\$ 11,540,425	\$ 5,178,843	\$ -	\$ 16,719,268	\$ 2,202,968	\$ 9,781,941	\$ 4,734,359	\$ 56,875
Government facilities	57,011,328	5,807,311	-	62,818,639	27,928,575	24,265,984	10,624,080	9,779,106
Parks and recreation	3,865,694	4,230,000	-	8,095,694	3,353,506	2,017,452	2,724,736	832,294
Economic development	194,201	-	-	194,201	-	194,201	-	-
Roads	37,767,657	22,321,690	-	60,089,347	15,531,949	25,004,697	19,552,701	1,331,087
Solid waste facilities	2,568,304	2,799,858	-	5,368,162	2,848,770	1,595,427	923,965	167,501
Wastewater facilities	34,115,433	25,021,925	-	59,137,358	16,694,557	20,110,374	22,332,427	5,395,240
Other projects	-	3,068,517	428,558	3,497,075	515,824	1,553,600	1,427,651	-
<b>Totals</b>	<b>\$ 147,063,042</b>	<b>\$ 68,428,144</b>	<b>\$ 428,558</b>	<b>\$ 215,919,744</b>	<b>\$ 69,076,149</b>	<b>\$ 84,523,676</b>	<b>\$ 62,319,919</b>	<b>\$ 17,562,103</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Capital Improvement Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**by Fund**  
**For the Year Ended June 30, 2013**

<b>Fund and Appropriations</b>	<b>Balances Forwarded</b>	<b>Appropriations</b>	<b>Transfers and Additions</b>	<b>Total</b>	<b>Expenditures</b>	<b>Reserves and Encumbrances</b>	<b>Unexpended Appropriation</b>	<b>Lapsed Appropriations</b>
General Fund CIP	\$ 13,895,590	\$ 5,115,000	\$ -	\$ 19,010,590	\$ 4,660,970	\$ 11,146,189	\$ 3,203,431	\$ 1,151,499
Highway Fund CIP	12,519,954	13,267,734	-	25,787,688	9,238,643	10,056,987	6,492,058	1,715,980
Wastewater Fund CIP	14,792,659	15,021,925	-	29,814,584	7,238,361	8,630,151	13,946,072	3,640,497
Bikeway Fund CIP	909,164	620,000	-	1,529,164	100,141	1,109,023	320,000	-
Solid Waste Fund CIP	630,653	-	-	630,653	271,795	283,005	75,853	75,853
Golf Fund CIP	13	-	-	13	-	-	13	13
Parks Assessments CIP	522,537	815,000	-	1,337,537	238,863	272,676	825,998	304,918
Federal CIP Grants	1,059,744	-	-	1,059,744	181,590	-	878,154	-
State CIP Grants	115	-	-	115	-	-	115	-
State CIP Grants - DOT	18,765,384	11,478,284	-	30,243,668	5,446,684	11,334,595	13,462,389	-
American Recovery Act 2009	20,392,326	-	-	20,392,326	4,255,333	5,179,071	10,957,922	8,638,885
Private CIP Contributions	1,510,973	-	-	1,510,973	1,499,581	-	11,392	-
State CIP Loans	14,040,797	10,000,000	-	24,040,797	5,979,313	9,752,663	8,308,821	1,677,209
Lapsed Bond Projects	6,418,266	1,000,000	-	7,418,266	483,495	6,398,537	536,234	-
1993(G) GO Bond Issue	1,196	-	-	1,196	1,196	-	-	-
1998 GO Bond Issue	163,933	-	-	163,933	-	163,933	-	-
2000 GO Bond Issue	30,269	-	-	30,269	-	30,269	-	-
2001 GO Bond Issue	58,851	-	-	58,851	-	-	58,851	58,851
2002 GO Bond Issue	25,344	-	-	25,344	-	-	25,344	25,344
2005 ABC GO Bond Issue	29,331	-	-	29,331	-	22,720	6,611	6,611
2006 ABC GO Bond Issue	43,946	-	-	43,946	14,391	9,119	20,436	20,436
2008 GO Bond Issue	3,946,497	-	-	3,946,497	93,719	3,798,797	53,981	53,981
2010B GO Bond Issue Tax Exempt	5,026,843	-	-	5,026,843	2,312,109	2,661,196	53,538	53,539
2010A GO Bond Issue Taxable	9,948	-	-	9,948	9,948	-	-	-
2012B GO Bond	24,885,412	-	428,558	25,313,970	20,499,681	4,721,042	93,247	93,248
2014 Proposed GO Bond	7,383,297	11,110,201	-	18,493,498	6,550,336	8,953,703	2,989,459	45,239
<b>Totals</b>	<b>\$ 147,063,042</b>	<b>\$ 68,428,144</b>	<b>\$ 428,558</b>	<b>\$ 215,919,744</b>	<b>\$ 69,076,149</b>	<b>\$ 84,523,676</b>	<b>\$ 62,319,919</b>	<b>\$ 17,562,103</b>

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Type**  
**June 30, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Governmental funds capital assets:		
Land	\$ 140,598,266	\$ 140,598,266
Buildings and systems	122,837,865	119,187,204
Improvements other than buildings	130,388,474	130,351,398
Machinery and equipment	117,583,789	110,951,566
Infrastructure	970,298,560	956,312,705
Construction in progress	92,006,712	51,305,126
Accumulated depreciation	(930,758,612)	(892,557,255)
Total governmental funds capital assets	\$ 642,955,054	\$ 616,149,010

*See accompanying independent auditors' report.*

**COUNTY OF MAUI**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Department**  
**June 30, 2013**

Function and Department	Land	Buildings and Systems	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Accumulated Depreciation	Total
General government:								
Office of the Mayor	\$ 13,013,208	\$ 2,082,602	\$ 1,750,027	\$ 100,111	\$ -	\$ 50,695	\$ (1,048,674)	\$ 15,947,969
Management	-	1,075,286	-	2,636,483	-	201,115	(2,051,400)	1,861,484
Corporation Counsel	-	-	-	91,719	-	-	(91,508)	211
Finance	-	845,180	-	846,876	-	-	(1,186,687)	505,369
Planning	-	-	-	652,850	-	1,094,765	(617,060)	1,130,555
Parks and Recreation	2,893,700	306,300	-	-	-	-	(85,509)	3,114,491
Public Works	12,987,221	14,144,329	9,425,285	1,217,228	-	3,980,160	(20,032,219)	21,722,004
Total General government	28,894,129	18,453,697	11,175,312	5,545,267	-	5,326,735	(25,113,057)	44,282,083
Public safety:								
Management	-	-	-	-	-	1,899,520	-	1,899,520
Prosecuting Attorney	-	-	-	263,272	-	-	(259,701)	3,571
Police	1,318,642	17,163,054	4,763,175	27,624,026	-	28,335,463	(34,867,483)	44,336,877
Fire and Public Safety	1,186,759	38,329,416	892,498	19,688,737	-	1,231,596	(33,733,852)	27,595,154
Civil Defense	-	497,445	-	472,836	-	290,517	(459,465)	801,333
Parks and Recreation	-	-	-	-	-	429,714	-	429,714
Public Works	-	-	-	6,886	-	45,457	(6,886)	45,457
Total Public safety	2,505,401	55,989,915	5,655,673	48,055,757	-	32,232,267	(69,327,387)	75,111,626
Highways and streets:								
Public Works	58,347,430	-	643,822	17,184,061	524,046,178	22,751,696	(445,905,271)	177,067,916
Transportation	-	229,700	-	9,107,226	-	-	(7,049,515)	2,287,411
Total Highways and streets	58,347,430	229,700	643,822	26,291,287	524,046,178	22,751,696	(452,954,786)	179,355,327
Sanitation:								
Environmental Management	4,231,746	714,711	-	27,438,847	445,985,412	25,638,992	(279,119,934)	224,889,774
Social welfare:								
Liquor Control	-	-	-	449,610	-	-	(372,056)	77,554
Housing and Human Concerns	3,855,202	14,455,693	983,124	1,245,480	-	791,513	(9,803,205)	11,527,807
Total Social welfare	3,855,202	14,455,693	983,124	1,695,090	-	791,513	(10,175,261)	11,605,361
Culture and recreation:								
Parks and Recreation	42,764,358	32,994,149	111,930,543	8,425,428	80,001	5,363,916	(93,955,834)	107,602,561
Legislative:								
County Council	-	-	-	108,117	-	-	(88,357)	19,760
County Clerk	-	-	-	23,996	-	-	(23,996)	-
Total Legislative	-	-	-	132,113	-	-	(112,353)	19,760
Economic development:								
Environmental Management	-	-	-	-	186,969	(98,407)	-	88,562
Capital assets used by governmental funds	\$ 140,598,266	\$ 122,837,865	\$ 130,388,474	\$ 117,583,789	\$ 970,298,560	\$ 92,006,712	\$ (930,758,612)	\$ 642,955,054

*See accompanying independent auditors' report.*



**COUNTY OF MAUI**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Department**  
**For the Year Ended June 30, 2013**

<b>Function and Department</b>	<b>Governmental Capital Assets July 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Capital Assets June 30, 2013</b>
General government:				
Office of the Mayor	\$ 16,948,663	\$ -	\$ 47,980	\$ 16,996,643
Management	3,201,048	711,836	-	3,912,884
Corporation Counsel	60,758	-	30,961	91,719
Finance	1,758,329	12,202	(78,475)	1,692,056
Planning	1,631,900	115,715	-	1,747,615
Parks and Recreation	3,200,000	-	-	3,200,000
Public Works	37,903,319	5,004,570	(1,153,666)	41,754,223
Total General government	<u>64,704,017</u>	<u>5,844,323</u>	<u>(1,153,200)</u>	<u>69,395,140</u>
Public safety:				
Management	29,936	1,869,584	-	1,899,520
Prosecuting Attorney	263,272	-	-	263,272
Police	60,044,665	20,164,311	(1,004,616)	79,204,360
Fire and Public Safety	59,284,854	4,026,652	(1,982,500)	61,329,006
Civil Defense	718,666	497,445	44,687	1,260,798
Parks and Recreation	-	429,714	-	429,714
Public Works	6,886	45,457	-	52,343
Total Public safety	<u>120,348,279</u>	<u>27,033,163</u>	<u>(2,942,429)</u>	<u>144,439,013</u>
Highways and streets:				
Public Works	608,396,447	24,012,675	(9,435,935)	622,973,187
Transportation	7,774,525	1,792,101	(229,700)	9,336,926
Total Highways and streets	<u>616,170,972</u>	<u>25,804,776</u>	<u>(9,665,635)</u>	<u>632,310,113</u>
Sanitation:				
Environmental Management	487,046,761	27,456,843	(10,493,896)	504,009,708
Social welfare:				
Liquor Control	449,610	-	-	449,610
Housing and Human Concerns	21,289,440	79,767	(38,195)	21,331,012
Total Social welfare	<u>21,739,050</u>	<u>79,767</u>	<u>(38,195)</u>	<u>21,780,622</u>
Culture and recreation:				
Parks and Recreation	198,565,073	3,670,912	(677,590)	201,558,395
Legislative:				
County Council	108,117	-	-	108,117
County Clerk	23,996	-	-	23,996
Total Legislative	<u>132,113</u>	<u>-</u>	<u>-</u>	<u>132,113</u>
Economic development:				
Environmental Management	-	414,759	(326,197)	88,562
Cost of capital assets used by governmental funds	1,508,706,265	90,304,543	(25,297,142)	1,573,713,666
Less accumulated depreciation	<u>(892,557,255)</u>	<u>(39,424,574)</u>	<u>1,223,217</u>	<u>(930,758,612)</u>
Capital assets net of accumulated depreciation	<u>\$ 616,149,010</u>	<u>\$ 50,879,969</u>	<u>\$ (24,073,925)</u>	<u>\$ 642,955,054</u>

*See accompanying independent auditors' report.*

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## COUNTY OF MAUI

### Statistical Section (Unaudited) (See Independent Auditors' Report)

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

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

**Table 1**  
**COUNTY OF MAUI**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)  
(Dollars Expressed in Thousands)  
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 279,902	\$ 260,620	\$ 284,331	\$ 276,942	\$ 287,157	\$ 343,638	\$ 371,411	\$ 361,022	\$ 395,526	\$ 396,519
Restricted	35,927	57,951	64,401	122,451	91,444	76,825	83,950	91,162	71,585	68,375
Unrestricted	(13,846)	(8,424)	17,414	40,263	117,488	96,360	82,663	82,989	52,120	68,917
<b>Total Governmental Activities net position</b>	<b>\$ 301,983</b>	<b>\$ 310,147</b>	<b>\$ 366,146</b>	<b>\$ 439,656</b>	<b>\$ 496,089</b>	<b>\$ 516,823</b>	<b>\$ 538,024</b>	<b>\$ 535,173</b>	<b>\$ 519,231</b>	<b>\$ 533,811</b>
<b>Business-Type Activities:</b>										
Net investment in capital assets	\$ 229,689	\$ 231,941	\$ 244,149	\$ 261,268	\$ 267,744	\$ 271,646	\$ 285,042	\$ 290,830	\$ 286,968	\$ 290,752
Restricted	17,208	21,355	17,052	18,518	15,999	14,816	14,973	14,609	13,646	12,284
Unrestricted	24,133	22,635	19,836	15,146	20,563	19,023	18,970	26,167	32,605	36,623
<b>Total Business-Type Activities net position</b>	<b>\$ 271,030</b>	<b>\$ 275,931</b>	<b>\$ 281,037</b>	<b>\$ 294,932</b>	<b>\$ 304,306</b>	<b>\$ 305,485</b>	<b>\$ 318,985</b>	<b>\$ 331,606</b>	<b>\$ 333,219</b>	<b>\$ 339,659</b>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 509,591	\$ 492,561	\$ 528,480	\$ 538,210	\$ 554,901	\$ 615,284	\$ 656,453	\$ 651,852	\$ 682,494	\$ 687,271
Restricted	53,135	79,306	81,453	140,969	107,443	91,641	98,923	105,771	85,231	80,659
Unrestricted	10,287	14,211	37,250	55,409	138,051	115,383	101,633	109,156	84,725	105,540
<b>Total Primary Government net position</b>	<b>\$ 573,013</b>	<b>\$ 586,078</b>	<b>\$ 647,183</b>	<b>\$ 734,588</b>	<b>\$ 800,395</b>	<b>\$ 822,308</b>	<b>\$ 857,009</b>	<b>\$ 866,779</b>	<b>\$ 852,450</b>	<b>\$ 873,470</b>

*See accompanying independent auditors' report.*

**Table 2**  
**COUNTY OF MAUI**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)  
(Dollars Expressed in Thousands)  
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 53,952	\$ 75,777	\$ 68,334	\$ 68,533	\$ 101,570	\$ 96,688	\$ 100,571	\$ 126,334	\$ 134,646	\$ 107,565
Public safety	48,722	54,697	56,947	65,216	71,018	83,079	80,480	85,000	84,585	85,261
Highways and streets	38,110	34,882	29,384	31,534	36,765	47,619	48,876	51,132	46,329	45,106
Sanitation	31,118	31,257	39,659	49,044	39,017	55,094	69,920	58,654	62,793	65,402
Social welfare	33,175	30,892	31,077	35,393	38,537	43,522	44,303	40,782	42,989	46,866
Culture and recreation	22,341	23,874	24,301	26,693	29,478	30,698	36,310	36,239	34,396	33,018
Legislative	3,701	4,039	4,122	4,592	4,779	5,318	5,200	5,248	5,251	5,539
Interest on long-term debt	10,373	8,786	9,316	10,487	13,547	10,628	10,131	9,438	8,926	8,960
Total governmental activities expenses	241,492	264,204	263,140	291,492	334,711	372,646	395,791	412,827	419,915	397,717
Business-Type activities:										
Department of Water Supply	31,595	35,812	38,477	42,021	44,390	46,959	46,827	46,687	54,013	53,625
Housing, Interim Financing and Buy-Back Revolving Fund	208	237	186	186	181	175	610	206	268	207
Municipal Golf Course	1,609	1,653	1,722	1,838	1,949	2,138	2,389	2,088	2,096	2,235
Total business-type activities expenses	33,412	37,702	40,385	44,045	46,520	49,272	49,826	48,981	56,377	56,067
Total primary government expenses	274,904	301,906	303,525	335,537	381,231	421,918	445,617	461,808	476,292	453,784
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government and legislative	8,595	10,383	12,626	12,506	11,263	12,188	10,619	12,134	12,362	12,845
Public safety	181	324	365	527	384	1,465	337	436	452	458
Highways and streets	8,088	8,076	8,511	9,277	10,006	10,166	12,097	17,821	20,006	21,272
Sanitation	33,333	34,949	38,012	42,451	47,075	48,682	54,093	59,082	60,568	61,559
Social welfare	2,059	2,997	2,619	1,581	2,537	2,518	2,563	2,360	2,534	2,403
Culture and recreation	448	447	470	500	439	542	584	511	574	617
Operating grants and contributions	27,213	31,853	29,520	30,087	32,907	40,534	39,353	35,216	34,017	34,447
Capital grants and contributions	4,525	4,781	10,016	10,960	4,361	8,446	7,413	6,191	12,530	11,332
Total governmental activities program revenues	84,442	93,810	102,139	107,889	108,972	124,541	127,059	133,751	143,043	144,933
Business-Type activities:										
Charges for services:										
Department of Water Supply	27,735	29,623	42,348	37,663	40,722	42,641	46,453	47,214	50,992	54,439
Housing, Interim Financing, and Buy-Back Revolving Fund	146	155	146	148	149	157	154	147	527	163
Municipal Golf Course	1,174	1,232	1,437	1,427	1,403	1,229	1,138	1,158	1,106	1,116
Capital grants and contributions	13,864	10,598	-	16,586	11,317	5,865	9,983	11,901	2,541	5,552
Total business-type program revenues	42,919	41,608	43,931	55,824	53,591	49,892	57,728	60,420	55,166	61,270
Total primary government program revenues	127,361	135,418	146,070	163,713	162,563	174,433	184,787	194,171	198,209	206,203
Net (expense)/revenue:										
Governmental activities	(157,050)	(170,394)	(161,001)	(183,603)	(225,739)	(248,105)	(268,732)	(279,076)	(276,872)	(252,784)
Business-Type activities	9,507	3,906	3,546	11,779	7,071	620	7,902	11,439	(1,211)	5,203
Total primary government net expense	(147,543)	(166,488)	(157,455)	(171,824)	(218,668)	(247,485)	(260,830)	(267,637)	(278,083)	(247,581)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Taxes:										
Property taxes	116,961	131,991	162,741	194,456	216,306	215,005	235,861	220,477	208,645	214,244
Transient accommodation tax	18,294	20,125	22,294	22,911	23,412	21,315	20,972	23,479	22,906	21,204
Public service corporation tax	4,819	5,766	6,390	7,887	7,983	9,335	10,265	6,094	9,622	9,767
Franchise tax	5,343	6,176	7,382	8,673	8,743	11,298	7,550	8,468	10,429	10,714
Fuel tax	12,940	11,982	12,659	11,837	11,383	10,498	9,679	11,085	10,438	10,618
Interest and investment earnings	1,385	2,337	5,415	11,431	13,935	1,538	9,858	6,489	1,283	908
Other	28	118	80	182	546	209	56	399	(4)	857
Transfers	97	64	38	(265)	(136)	(359)	(4,308)	(267)	(2,388)	(948)
Total governmental activities	159,867	178,559	216,999	257,112	282,172	268,839	289,933	276,224	260,931	267,364
Business-Type activities:										
Interest and investment earnings	675	1,058	1,600	1,851	1,924	193	1,174	916	165	135
Others	-	-	-	-	243	7	115	-	270	154
Transfers	(97)	(64)	(38)	265	136	359	4,308	267	2,388	948
Total business-type activities	578	994	1,562	2,116	2,303	559	5,597	1,183	2,823	1,237
Total primary government	160,445	179,553	218,561	259,228	284,475	269,398	295,530	277,407	263,754	268,601
<b>Change in Net Position:</b>										
Governmental activities	2,817	8,165	55,998	73,509	56,433	20,734	21,201	(2,852)	(15,941)	14,580
Business-Type activities	10,085	4,900	5,108	13,895	9,374	1,179	13,499	12,622	1,612	6,440
Total primary government	\$ 12,902	\$ 13,065	\$ 61,106	\$ 87,404	\$ 65,807	\$ 21,913	\$ 34,700	\$ 9,770	\$ (14,329)	\$ 21,020

See accompanying independent auditors' report.

**Table 3**  
**COUNTY OF MAUI**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
 (Accrual Basis of Accounting)  
 (Dollars Expressed in Thousands)  
 (Unaudited)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Transient Accommodation Tax</u>	<u>Public Service Company Tax</u>	<u>Franchise Tax</u>	<u>Fuel Tax</u>	<u>Total</u>
2004	\$ 116,961	\$ 18,294	\$ 4,819	\$ 5,343	\$ 12,940	\$ 158,357
2005	131,991	20,125	5,766	6,176	11,982	176,040
2006	162,741	22,294	6,390	7,382	12,659	211,466
2007	194,456	22,911	7,887	8,673	11,837	245,764
2008	216,306	23,412	7,983	8,743	11,383	267,827
2009	215,005	21,315	9,335	11,298	10,498	267,451
2010	235,861	20,972	10,265	7,550	9,679	284,327
2011	220,477	23,479	6,094	8,468	11,085	269,603
2012	208,645	22,906	9,622	10,429	10,438	262,040
2013	214,244	21,204	9,767	10,714	10,618	266,547

*See accompanying independent auditors' report.*

**Table 4**  
**COUNTY OF MAUI**  
**Fund Balances of Governmental Funds <sup>1</sup>**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
 (Dollars Expressed in Thousands)  
 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Reserved	\$ 9,846	\$ 13,484	\$ 18,437	\$ 26,590	\$ 31,022	\$ 25,717	\$ 17,549			
Unreserved	17,844	31,214	52,766	64,576	55,874	49,273	67,975			
Restricted								\$ 12,113	\$ 13,189	\$ 15,317
Committed								49,042	75,114	100,727
Assigned								22,153	16,681	16,430
Unassigned								87,020	50,766	47,485
Total general fund	\$ 27,690	\$ 44,698	\$ 71,203	\$ 91,166	\$ 86,896	\$ 74,990	\$ 85,524	\$ 170,328	\$ 155,750	\$ 179,959
All other governmental funds:										
Reserved	\$ 30,156	\$ 31,640	\$ 47,439	\$ 58,228	\$ 100,207	\$ 86,117	\$ 81,585			
Unreserved, reported in:										
Special revenue funds	16,228	20,920	33,713	55,074	62,160	78,114	102,777			
Capital projects fund	(10,457)	5,381	(16,751)	9,149	9,956	(10,142)	(23,132)			
Restricted								\$ 78,768	\$ 56,745	\$ 60,479
Committed								43,626	44,561	48,599
Assigned								4,253	19,155	12,543
Total all other governmental funds	\$ 35,927	\$ 57,941	\$ 64,401	\$ 122,451	\$ 172,323	\$ 154,089	\$ 161,230	\$ 126,647	\$ 120,461	\$ 121,621

<sup>1</sup> Effective Fiscal Year 2011, fund balances are presented in accordance with GASB Statement No. 54.

*See accompanying independent auditors' report.*

**Table 5**  
**COUNTY OF MAUI**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting)  
(Dollars Expressed in Thousands)  
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES:</b>										
Taxes	\$ 139,861	\$ 156,020	\$ 188,651	\$ 223,047	\$ 243,510	\$ 245,267	\$ 261,332	\$ 244,852	\$ 238,829	\$ 246,315
Licenses and permits	15,000	16,444	17,611	16,996	17,719	16,278	17,946	22,362	26,650	27,231
Intergovernmental revenues	47,776	53,512	54,268	53,117	57,001	66,185	62,707	63,792	68,001	64,074
Charges for current services	34,810	36,265	39,221	43,859	48,694	51,050	57,302	61,935	64,124	65,616
Fines and forfeitures	1,095	1,242	1,463	1,778	2,049	2,294	2,712	2,767	2,131	3,018
Interest and investment earnings	1,540	2,489	5,586	11,953	14,164	1,706	9,973	6,594	1,416	1,018
Assessments	1,795	3,031	7,123	10,370	3,149	1,213	231	670	1,219	791
Other	2,747	3,499	4,598	4,186	3,809	9,128	7,507	5,387	3,842	6,076
Total revenues	244,624	272,502	318,521	365,306	390,095	393,121	419,710	408,359	406,212	414,139
<b>EXPENDITURES:</b>										
Current:										
General government	52,937	57,848	67,352	70,467	98,268	94,429	90,136	90,652	105,552	89,510
Public safety	48,873	53,125	55,799	64,080	72,293	78,163	80,376	78,703	79,427	80,781
Highways and streets	14,896	19,444	21,341	25,123	30,786	33,711	35,039	32,484	33,798	35,926
Sanitation	22,834	23,835	28,670	34,419	39,363	43,875	40,832	39,835	41,891	45,366
Social welfare	30,643	29,877	30,454	34,840	38,105	42,893	43,509	43,999	42,459	46,315
Culture and recreation	18,725	20,359	20,451	23,149	26,418	27,592	27,034	23,652	27,257	26,346
Legislative	3,681	4,022	4,114	4,602	4,767	5,336	5,199	5,238	5,251	5,533
Capital outlay	35,057	21,511	30,594	38,027	46,964	88,612	54,804	57,278	57,976	68,648
Debt service:										
Principal	15,014	16,443	10,307	17,864	18,373	18,879	20,485	26,894	22,469	23,770
Interest and other issuance costs	10,047	9,759	17,059	9,822	9,954	10,689	10,219	10,332	9,604	10,051
Total expenditures	252,707	256,223	286,141	322,393	385,291	444,179	407,633	409,067	425,684	432,246
Excess of revenues over (under) expenditures	(8,083)	16,279	32,380	42,913	4,804	(51,058)	12,077	(708)	(19,472)	(18,107)
<b>OTHER FINANCING SOURCES (USES):</b>										
Issuance of debt:										
General obligation bonds	2,270	21,956	-	30,010	35,094	-	-	46,300	-	38,375
General obligation refunding bonds	15,719	29,485	-	25,183	-	-	-	23,375	-	18,510
Net premiums received	-	1,396	-	520	-	-	-	4,606	-	6,806
State revolving fund loan proceeds	-	525	546	5,113	5,721	21,048	9,906	2,856	1,095	2,053
Capital lease obligations	-	-	-	63	118	230	-	-	-	-
Use of debt:										
Payment to escrow for bond refunding	(15,552)	(30,682)	-	(25,524)	-	-	-	(25,939)	-	(21,321)
Transfers in:										
General fund	28,333	34,075	44,005	72,489	99,600	87,987	80,932	46,097	57,950	47,832
Special revenue funds	23,269	28,873	32,250	25,462	56,345	34,174	30,306	34,428	39,126	47,880
Capital projects fund	4,921	509	4,184	12,566	16,500	9,978	6,675	8,903	3,748	6,889
Proprietary funds	97	64	86	132	-	313	415	402	407	378
Other governmental funds	-	-	-	2,744	3,230	10,642	11,454	7,520	6,692	7,317
Transfers out:										
General fund	(16,124)	(14,619)	(15,353)	(17,285)	(27,866)	(22,185)	(22,932)	(26,089)	(20,695)	(23,667)
Special revenue funds	(6,706)	(9,902)	(13,976)	(19,075)	(60,497)	(28,674)	(9,196)	(6,447)	(4,644)	(6,277)
Debt service fund	(24,893)	(26,003)	(27,366)	(27,506)	(28,326)	(29,567)	(30,704)	(36,860)	(32,073)	(33,392)
Capital projects fund	(8,800)	(12,933)	(23,743)	(49,395)	(58,985)	(36,571)	(31,127)	(16,885)	(35,034)	(34,693)
Proprietary funds	-	-	(48)	(397)	(136)	(672)	(35,409)	(669)	(2,795)	(1,326)
Other governmental funds	-	-	-	-	-	(25,785)	(4,723)	(10,668)	(15,070)	(11,888)
Total financing sources, net	2,534	22,744	585	35,100	40,798	20,918	5,597	50,930	(1,293)	43,476
Net change in fund balances	\$ (5,549)	\$ 39,023	\$ 32,965	\$ 78,013	\$ 45,602	\$ (30,140)	\$ 17,674	\$ 50,222	\$ (20,765)	\$ 25,369
Capital outlays reported in the CIP fund and other funds	\$ 23,643	\$ 12,655	\$ 30,510	\$ 34,380	\$ 58,288	\$ 90,670	\$ 59,804	\$ 38,566	\$ 54,259	\$ 66,231
Debt service as a percentage of noncapital expenditures	10.94%	10.76%	10.71%	9.61%	8.66%	8.36%	8.83%	10.05%	8.64%	9.24%

*See accompanying independent auditors' report.*



**Table 6**  
**COUNTY OF MAUI**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)  
(Unaudited)

Fiscal Year Ended June 30	Classification											
	Improved Residential		Apartment		Commercial		Industrial		Agricultural		Commercial Residential	
	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>
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		
2005	3,664,652	5.86	2,475,815	5.86	1,213,321	6.75	972,929	6.75	1,950,580	4.93		
2006	4,878,831	5.86	3,303,913	5.86	1,427,944	6.75	1,129,258	6.75	2,756,504	4.93		
2007	6,414,981	5.00	4,633,340	5.00	1,775,355	6.00	1,222,432	6.50	3,566,910	4.50		
2008	7,070,528	4.85	5,302,077	4.55	1,905,614	6.25	1,409,941	6.50	3,930,246	4.50		
2009	7,287,327	4.85	5,595,854	4.55	2,047,183	6.25	1,548,914	6.50	4,065,811	4.50		
2010	6,906,546	4.85	5,983,881	4.55	2,134,769	6.25	1,609,950	6.50	3,934,471	4.50		
2011	5,795,214	5.00	5,659,454	5.00	2,121,834	6.25	1,614,057	6.50	3,452,417	5.00	\$ 73,191 <sup>2</sup>	4.00
2012	5,645,593	5.55	5,016,127	5.50	2,126,142	6.25	1,466,957	7.00	2,978,918	5.80	70,301	4.20
2013	5,241,369	5.75	4,623,504	6.20	1,910,261	6.90	1,522,372	7.10	2,975,466	6.00	75,166	4.50

Fiscal Year Ended June 30	Classification											
	Conservation		Hotel & Resort		Time Share		Unimproved Residential		Homeowner		Total	
	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Tax Rate <sup>1</sup>	Taxable Assessed Value	Direct Tax Rate <sup>1</sup>
2004	\$ 339,080	4.93	\$ 4,854,693	8.30			\$ 302,287	5.86	\$ 5,023,061	3.55	\$ 19,870,351	5.88
2005	310,947	4.93	5,875,818	8.30			333,412	5.86	6,011,655	3.55	22,809,129	5.79
2006	331,244	4.93	6,308,394	8.30	\$ 578,735 <sup>2</sup>	14.00	466,086	5.86	7,366,375	3.50	28,547,284	5.80
2007	336,500	4.75	8,559,967	8.20	863,831	14.00	576,458	5.86	6,794,406	2.50	34,744,180	5.60
2008	349,991	4.75	9,792,338	8.20	1,011,247	14.00	560,716	5.35	9,835,022	2.00	41,167,720	5.25
2009	417,141	4.75	9,616,912	8.20	1,104,768	14.00	513,894	5.35	10,381,295	2.00	42,579,099	5.21
2010	385,496	4.75	9,940,281	8.20	1,743,996	14.00	521,227	5.35	9,907,664	2.00	43,068,281	5.42
2011	445,265	5.00	8,183,430	8.30	1,776,953	14.00	331,079	6.25	7,803,966	2.50	37,256,860	5.78
2012	362,724	5.60	7,471,672	9.00	1,607,462	15.00	-	-	6,174,696	2.50	32,920,592	6.34
2013	359,573	6.20	7,304,445	9.15	1,508,875	15.50	-	-	6,952,272	2.75	32,473,303	6.55

<sup>1</sup> 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.

<sup>2</sup> First year of tax.

**Table 7**  
**COUNTY OF MAUI**  
**Principal Taxpayers**  
**Fiscal Years 2013 and Nine Years Ago**  
(Dollars Expressed in Thousands)  
(Unaudited)

Taxpayer	Type of Business	2013 <sup>1</sup>			2004 <sup>2</sup>		
		Taxes	Percentage of Total Tax Levy <sup>3</sup>	Rank	Taxes	Percentage of Total Tax Levy <sup>3</sup>	Rank
Westin Maui Corp (Leasehold), Starwood Vacation Ownership	Westin Hotel, Time Share	\$ 9,442	4.40%	1			
Marriott Ownership Resorts	Time Share	5,764	2.68%	2			
Maui Land & Pineapple Co, Kapalua Bay LLC	Development, Golf Course, Time Share, Property Management, Agriculture	3,773	1.76%	3	\$ 949	0.82%	10
HMC Maui LP, HMC Kea Lani LLC	Kea Lani & Hyatt Hotels	3,708	1.73%	4			
MSR Grand Wailea Resort LP	Grand Wailea Hotel	2,849	1.33%	5			
West Maui Resort Partners	Time Share	2,357	1.10%	6			
Castle & Cooke Inc & Resorts, Lanai Properties, Dole Lanai, Lanai Developers	Development, Hotel, Golf Course, Property Management	2,250	1.05%	7	1,455	1.25%	3
A & B Hawaii, East Maui Irrigation, (Alexander & Baldwin Inc.)	Sugar, Development, Property Management	1,962	0.91%	8	1,681	1.44%	2
3900 WA Associates, LLC	Four Seasons Hotel	1,447	0.67%	9			
RCK Maui, LLC	Ritz Carlton Hotel	1,347	0.63%	10			
KSL Grand Wailea Resort, Inc.	Grand Wailea Hotel				2,288	1.97%	1
HRM/BRE Maui LLC	Hyatt Regency Hotel				1,354	1.16%	4
Kea Lani Limited Partnership	Kea Lani Hotel				1,351	1.16%	5
SEIBU: Makena Golf Corp., Makena Aina Prince Hotel, Golf Course, Development					1,101	0.95%	6
Wailea Golf LLC, Wailea Resort Co. LTD. Development, Golf Course					1,100	0.95%	7
SCP (Maui5), Inc.	Four Seasons Hotel				1,071	0.92%	8
KYO-YA CO LTD	Sheraton Hotel				988	0.85%	9
<b>TOTALS</b>		<b>\$ 34,899</b>	<b>16.26%</b>		<b>\$ 13,338</b>	<b>11.47%</b>	

<sup>1</sup> Fiscal Year 2013 taxes were calculated from the January 1, 2012 assessment. The taxes levied are for the year July 1, 2012 through June 30, 2013.

<sup>2</sup> Fiscal Year 2004 taxes were calculated from the January 1, 2003 assessment. The taxes levied are for the fiscal year July 1, 2003 through June 30, 2004.

<sup>3</sup> Total tax levy can be found in the schedule of Property Tax Levies and Collections on Table 8

**Table 8**  
**COUNTY OF MAUI**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)  
(Unaudited)

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied</b>	<b>Adjustments <sup>2</sup></b>	<b>Adjusted Taxes Levied</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
				<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2004	\$ 116,340 <sup>1</sup>	\$ 36	\$ 116,376	\$ 115,285	99.1%	\$ 975	\$ 116,260	99.9%
2005	131,065 <sup>1</sup>	53	131,118	130,541	99.6%	446	130,987	99.9%
2006	168,367 <sup>1</sup>	68	168,435	160,589	95.3%	7,678	168,267	99.9%
2007	192,997 <sup>1</sup>	(50)	192,947	192,771	99.9%	(17)	192,754	99.9%
2008	214,785 <sup>1</sup>	(2,270)	212,515	213,193	100.3%	(831)	212,362	99.9%
2009	224,420	(2,542)	221,878	219,056	98.7%	2,689	221,745	99.9%
2010	241,116	(6,587)	234,529	236,084	100.7%	(1,812)	234,272	99.9%
2011	225,034	(6,199)	218,835	217,843	99.5%	1,318	219,161	100.1%
2012	211,712	(2,792)	208,920	205,489	98.4%	2,071	207,560	99.3%
2013	215,417	(598)	214,819	211,855	98.6%	-	211,855	98.6%

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

<sup>2</sup> Adjustments include appeals.

*See accompanying independent auditors' report.*

**Table 9**  
**COUNTY OF MAUI**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands Except Per Capita amount)  
(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Notes Payable <sup>4</sup>	General Obligation Bonds	Notes Payable <sup>4</sup>	Total Outstanding Debt	Percentage of Personal Income <sup>3</sup>	Per Capita <sup>3</sup>
2004	\$ 195,061	\$ 31,348	\$ 31,946	\$ 7,846	\$ 266,201	6.35%	\$ 1,924
2005	202,542	29,824	31,142	6,938	270,446	5.98%	1,932
2006	187,199	28,299	28,137	5,996	249,631	5.01%	1,767
2007	201,751	31,102	24,969	8,976	266,798	5.03%	1,886
2008	221,085	34,272	26,173	12,990	294,520	5.43%	2,050
2009	204,934	52,660	21,114	12,918	291,626	5.49%	2,008
2010	188,613	57,993	16,104	13,264	275,974	5.11%	1,782
2011	214,402	56,308	17,512	13,331	301,553	5.30%	1,925
2012	196,017	52,720	14,443	14,609	277,789	4.89% <sup>1</sup>	1,756
2013	226,631	41,828	27,961	5,262	301,682	5.31% <sup>1</sup>	1,907 <sup>2</sup>

<sup>1</sup> 2012 and 2013 Personal Income is not available, 2011 data utilized.

<sup>2</sup> 2013 Total Resident Population data not available, 2012 data utilized.

<sup>3</sup> Total Personal Income and Total Resident Population data can be found in the Schedule of Demographic and Economic Statistics on Table 12.

<sup>4</sup> Notes payable include capital lease obligations.

*See accompanying independent auditors' report.*

**Table 10**  
**COUNTY OF MAUI**  
**Ratios of General Obligation Bond Debt Outstanding**  
**Last Ten Fiscal Years**  
(Dollars Expressed In Thousands, Except Per Capita Amount)  
(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds <sup>4</sup></u>	<u>Percentage of Estimated Actual Taxable Value of Property <sup>1</sup></u>	<u>Per Capita <sup>2</sup></u>
2004	\$ 227,007	1.142%	\$ 1,655
2005	233,684	1.025%	1,680
2006	215,336	0.754%	1,532
2007	226,720	0.653%	1,596
2008	247,258	0.601%	1,712
2009	226,048	0.531%	1,556
2010	204,717	0.475%	1,322
2011	231,914	0.622%	1,480
2012	210,461	0.639%	1,330
2013	254,592	0.784%	1,609 <sup>3</sup>

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

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

<sup>3</sup> 2013 Population data not available, 2012 Maui population from the inter-U.S. Census Bureau.

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

**Table 11**  
**COUNTY OF MAUI**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)  
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debit limit <sup>1</sup>	\$2,980,553	\$3,421,369	\$4,282,093	\$5,568,087	\$6,175,158	\$6,386,865	\$6,460,242	\$5,588,529	\$4,938,089	\$4,870,995
Debt applicable to limit	235,110	240,394	222,939	243,502	268,865	270,961	260,287	280,983	261,356	267,130
Legal debt margin <sup>2</sup>	\$2,745,443	\$3,180,975	\$4,059,154	\$5,324,585	\$5,906,293	\$6,115,904	\$6,199,955	\$5,307,546	\$4,676,733	\$4,603,865
Debt applicable to the limit as a percentage of debt limit	7.89%	7.03%	5.21%	4.37%	4.35%	4.24%	4.03%	5.03%	5.29%	5.48%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessor's net taxable income	\$ 32,685,844
Less: 50% of valuation on appeal	<u>212,541</u>
Valuation for tax rate purpose	<u>\$ 32,473,303</u>
Debt limit (15% of total assessed value)	\$ 4,870,995
Debt applicable to limit	<u>267,130</u>
Legal debt margin	<u>\$ 4,603,865</u>

Notes:

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

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

*See accompanying independent auditors' report.*

**Table 12**  
**COUNTY OF MAUI**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
 (Accrual Basis of Accounting)  
 (Unaudited)

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income (\$000,000) <sup>1</sup></b>	<b>Per Capita Personal Income <sup>1</sup></b>	<b>Median Age <sup>2</sup></b>	<b>School Enrollment <sup>1</sup></b>	<b>Unemployment Rate <sup>1</sup></b>
2004	137,136	\$ 4,191	\$ 30,560 <sup>a</sup>	36.8	26,980	3.10%
2005	139,131	4,526	32,528 <sup>a</sup>	37.8	24,190	2.60%
2006	140,513	4,980	35,440 <sup>a</sup>	37.4	24,537	2.40%
2007	142,025	5,301	37,325 <sup>a</sup>	38.2	24,359	2.80%
2008	144,462	5,420	37,521 <sup>a</sup>	38.0	25,121	4.60%
2009	145,240	5,314	36,585 <sup>a</sup>	37.9	21,151	8.70%
2010	154,834	5,397 <sup>a</sup>	34,789 <sup>a</sup>	39.6	21,316	8.30%
2011	156,674 <sup>2</sup>	5,686 <sup>a</sup>	36,272 <sup>a</sup>	N/A	21,668 <sup>a</sup>	7.90%
2012	158,226 <sup>2</sup>	N/A	N/A	N/A	21,981 <sup>a</sup>	6.70%
2013	N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Source: Maui County Data Book; Population, Personal Income, Per Capita, School Enrollment and Unemployment Rate for 2012 and/or 2013 not available

<sup>2</sup> U.S. Census Bureau; Median Age for 2011-2013 not available

<sup>a</sup> Revised from Maui County Data Book, 2012

N/A - Not Available

*See accompanying independent auditors' report.*

**Table 13**  
**COUNTY OF MAUI**  
**Principal Employers**  
**Fiscal Years 2013 and Nine Years Ago**  
(Unaudited)

<b>Employer</b>	<b>2013</b>			<b>2004</b>		
	<b>Employees<sup>3</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
State of Hawaii <sup>2</sup>	6,000 <sup>1</sup>	1	7.69%	5,700	1	7.94%
County Government	2,499 <sup>2</sup>	2	3.20%	2,041 <sup>2</sup>	2	2.84%
Town Realty of Hawaii	2,001	3	2.57%			
Grand Wailea Hotel & Spa	1,400	4	1.80%	1,200	5	1.67%
Ritz-Carlton-Kapalua	1,000	5	1.28%			
Federal Government <sup>2</sup>	900	6	1.15%	750	7	1.04%
Hyatt Regency	900	6	1.15%			
Four Seasons Resort-Maui	800	7	1.03%	800	6	1.11%
Maui Brand Sugar	800	7	1.03%			
Maui Memorial Medical Center	800	7	1.03%			
Four Seasons Resort-Lanai	700	8	0.90%			
Westin-Maui Resort & Spa	700	8	0.90%			
Fairmont-Kea Lani	600	9	0.77%			
Makena Beach & Golf Resort	518	10	0.66%			
TS Restaurant of Hawaii & California				1,600	3	2.23%
Maui Land & Pineapple Co., Inc.				1,488	4	2.07%
Hale Makua				476	8	0.66%
West Maui Resort Partners LP				433	9	0.60%
Dorvin D. Leis Co., Inc.				220	10	0.31%
Total	<u>19,618</u>		<u>25.16%</u>	<u>14,708</u>		<u>20.47%</u>

<sup>1</sup> Maui County Data Book 2005 & 2012, 2013 not available

<sup>2</sup> 2004, 2013 County of Maui actual employee count

<sup>3</sup> Hawaii Business Research Library



**Table 14**  
**COUNTY OF MAUI**  
**Full-Time Equivalent County Government Employees By Function**  
**Last Ten Fiscal Years**  
(Unaudited)

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General government:	413	437	490	349	401	410	435	481	495	517
Public safety:										
Police:										
Officers	319	302	343	425	436	476	494	332	331	343
Civilians	102	98	73	104	104	104	117	149	134	143
Fire and Public Safety:										
Firefighters and officers	272	261	264	295	300	288	282	286	282	290
Civilians	8	7	12	14	10	10	23	12	11	12
Highways and Streets:										
Engineering	23	24	31	36	33	32	33	33	35	35
Maintenance	167	164	206	209	224	225	235	220	217	217
Sanitation	65	60	74	81	94	93	109	147	99	106
Social Welfare	121	121	89	170	173	185	184	131	154	164
Culture and Recreation	295	299	296	338	424	466	455	449	366	371
Sewer	94	95	98	99	101	120	120	104	95	107
Department of Water Supply	162	166	172	189	193	202	200	205	192	194
<b>Total</b>	<b>2,041</b>	<b>2,034</b>	<b>2,148</b>	<b>2,309</b>	<b>2,493</b>	<b>2,611</b>	<b>2,687</b>	<b>2,549</b>	<b>2,411</b>	<b>2,499</b>

**SOURCE:**

Annual Gov't Survey submitted by Payroll

*See accompanying independent auditors' report.*

**Table 15**  
**COUNTY OF MAUI**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**  
(Unaudited)

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Police:										
Physical arrests	4,208	4,287	4,365	4,742	4,451	4,400	4,700	4,200	5,000	9,541
Parking violations	11,927	9,383	9,734	9,721	12,151	12,000	10,300	12,000	11,200	8,883
Fire:										
Number of calls answered	1,407	1,698	1,921	6,623	6,908	6,600	7,480	8,043	8,816	9,834
Inspections	1,065	1,110	1,055	515	995	1,160	646	1,368	1,461	1,152
Highways and streets:										
Street resurfacing (miles)	24	20	26	21	21	18	18	21	49	26
Sanitation:										
Refuse collected (tons/day)	109	116	112	115	403	463	474	469	436 <sup>1</sup>	436 <sup>2</sup>
Recyclables collected (tons/day)	211	193	271	311	354	342	328	324	440	209
Culture and recreation:										
Athletic field permits issued	1,201	974	877	1,757	1,107	3,417	1,012	902	924	895
Camping center permits issued	1,555	1,830	1,872	615	2,501	1,347	2,368	2,429	2,671	2,650
Community center permits issued	2,905	2,706	2,440	2,010	2,806	4,101	2,461	2,401	2,237	2,286
Water:										
New connections	664	779	552	1,007	762	96	71	87	55	25
Water mains breaks	195	175	158	243	64	577	806	483	371	252
Average daily consumption (thousands of gallons)	34,070	35,508	36,126	36,322	35,061	33,079	30,640	29,660	30,150	34,250
Wastewater:										
Average daily sewage treatment (thousands of gallons)	15,292	14,847	15,315	14,743	14,743	12,622	12,152	13,000	12,100	12,451

Sources: Various county departments.

<sup>1</sup> Revised per Solid Waste

<sup>2</sup> Beginning 2013, this figure does not include tons diverted by commercial non-county funded programs, such as the HI5 redemption program or business-to-business recycling arrangements.

*See accompanying independent auditors' report.*

**Table 16**  
**COUNTY OF MAUI**  
**Capital Asset Statistics By Function**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety:										
Police:										
Stations	6	6	6	6	6	6	6	6	6	6
Patrol units	7	7	7	7	6	6	6	6	6	6
Fire stations	14	14	14	14	14	14	14	14	14	15
Sanitation:										
Collection trucks	22	24	24	31	32	25	29	31	33	32
Highways and streets:										
Streets (miles)	620	631	631	563	563	563	565	566	566	566
Streetlights	4,070	4,132	4,147	4,147	4,147	4,228	4,228	4,228	4,228	4,228
Traffic signals	27	27	27	35	35	35	35	30	31	31
Culture and recreation:										
Parks acreage (includes underdeveloped parks)	30,755	42,620	42,620	42,902	41,581	41,581	N/A <sup>1</sup>	N/A <sup>1</sup>	1,721 <sup>2</sup>	1,807
Parks	N/A	N/A	N/A	N/A	N/A	N/A <sup>1</sup>	1,395 <sup>1</sup>	1,620 <sup>1</sup>	136 <sup>2</sup>	138
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	42	39	39	39	39	49	55	55	55	55
Community centers	21	21	21	21	21	22	22	22	22	22
Other Enterprise:										
Golf Course	1	1	1	1	1	1	1	1	1	1
Water:										
Fire hydrants/stand pipes	6,206	6,350	6,488	6,643	6,846	6,879	6,936	6,981	7,016	7,016
Maximum daily capacity (thousands of gallons)	44,567	45,652	46,716	50,000	50,000	57,000	57,000	42,000	57,000	41,310
Sewer:										
Sanitary sewers (miles)	212	219	225	219	215	277	242	224	223	249
Maximum daily treatment capacity (thousands of gallons)	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700

Source: Various county departments

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

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

*See accompanying independent auditors' report.*