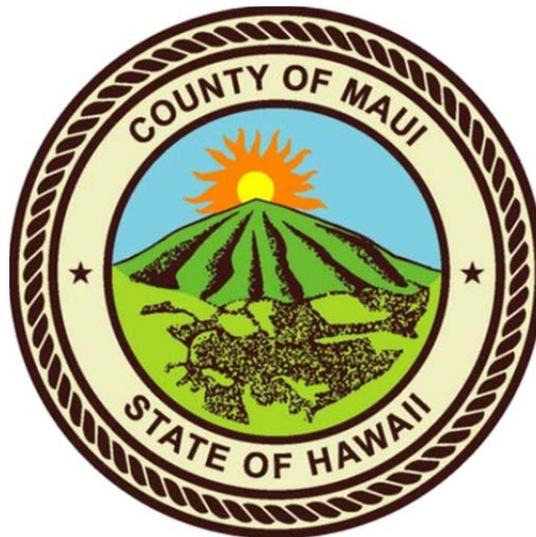


COUNTY OF MAUI

STATE OF HAWAII



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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

**COUNTY OF MAUI
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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COUNTY OF MAUI
INTRODUCTORY SECTION

ALAN M. ARAKAWA
Mayor



DANILO F. AGSALOG
Director of Finance

MARK R. WALKER
Deputy Director of Finance

COUNTY OF MAUI

DEPARTMENT OF FINANCE

200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

January 5, 2016

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

Dear Mayor and Chair White and Members:

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

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

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

The Department of Finance has prepared and hereby issues the Comprehensive Annual Financial Report (CAFR) of the County of Maui for the fiscal year (FY) ended June 30, 2015. This report consists of management’s representations concerning the finances of the County of

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

As required by the Charter, the County of Maui's financial statements have been audited by a firm of licensed certified public accountants, N&K CPAs, Inc. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Maui for the fiscal year ended June 30, 2015, 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, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

In addition, effective with this CAFR for fiscal year ended June 30, 2015, the County of Maui is now required to comply with the new GASB Statement No. 68, "Accounting and Financial Reporting For Pensions – An amendment of GASB Statement No. 27". The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense for pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are

addressed. I encourage you to look for these new required schedules and footnotes within this document.

THE REPORTING ENTITY AND ITS SERVICES

The County consists of the inhabited islands of Maui, Molokai and Lanai, and the uninhabited island of Kahoolawe. The County is the second largest of the four counties in the State of Hawaii, with land area of 1,162 square miles, approximately the size of Rhode Island. The population of the County is estimated at 163,019 in 2014 and has almost quadrupled since 1960 according to the U.S. Census Bureau. The County comprises an estimated 11.4% of the total population and 18.1% of the total land area of the State of Hawaii.

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

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

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

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

The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget ordinance approved by the County Council. Activities of the General Fund, Special Revenue Funds, Grant Revenue Fund, and Capital Improvement 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

The near term outlook for Maui's economy looks promising based on the strength of an unexpected surge in the tourism sector. The real estate market is within sight of pre-recession levels and rising property values have helped the County of Maui increase real property tax revenues to near all-time highs. There is gradual improvement in the overall construction industry amid signs that residential construction activity is poised to accelerate, while Maui's unemployment rate has declined for the fifth consecutive year. The lack of modern medical facilities has hurt Maui County, however, the potential privatization of Maui Medical Center, Maui's second largest employer, would add much needed financial viability and the potential for added jobs and services. Legal challenges related to some agricultural ventures and observatory activity remain issues and could lead to significant economic disruption. Given all of the

aforementioned, we are encouraged by the overall improvement in our economy and we are optimistic about the future.

Tourism

The visitor industry remains the largest component of the Maui economy and despite slowed growth through much of 2014 the year finished strong with a 5% year over year increase and this momentum has carried into 2015. Visitor arrivals reached 2 million in 2014 the highest since the pre-recession peak of 2.2 million visitors in 2007. Visitor arrivals consisted primarily (72%) of travelers from the continental U.S.

Visitor spending has increased two-fold since the economic downturn of 2008-09, driven by positive trends in total visitor days and daily per day visitor spending. A significant increase in lodging expenses as a percentage of daily visitor spending has impacted other spending categories most specifically shopping and entertainment.

Despite the County of Maui's stepped up efforts to more aggressively market "Maui" in the greater Pacific Basin, in partnership with the Maui Visitors Bureau, the back drop of a global economic slowdown coupled with a strong U.S. dollar has slowed international visitor arrivals. However, as of mid-2015 seat capacity to Kahului Airport from both domestic and international points of origin had increased significantly, up approximately 19% and 11% respectively, leading the entire state in seat capacity growth. Further, the visitor industry continues to upgrade its infrastructure including renovations at the Maui Lu, Makena Resort, Kaanapali Ocean Resort, Kaanapali Alii, Manele Bay Resort (Lanai) and a \$25 million upgrade of west-side shopping center Whalers Village.

Construction

The Maui construction industry, while improved, continues to be impacted by the lack of meaningful residential construction activity. However, there are indications that this may be changing as total private permits (commercial & residential) are up 85% since 2009. It is hoped that the County Council's recent decision to reduce the requirements of the residential workforce housing ordinance will provide developers with added impetus to move forward with heretofore stalled residential projects.

The public infrastructure area (County & State) continues to be the major contributor to the local construction industry, however, private projects will need to get underway soon to fill the gap for those public projects that will be completed in the near term. Phase I of the State's new airport access road opened in July 2015, with Phase II slated to be completed in the first quarter of 2016. Its planned centralized rental car facility (\$340 million) is scheduled to break ground in late fall of 2015 with completion expected in late 2018. Road and park improvements have been the focus of the County's infrastructure efforts, while \$27 million in electrical upgrades to County airports have begun to yield significant energy savings.

Technology

According to the University of Hawaii Institute for Astronomy, the seven observatory facilities at Haleakala have an annual operating budget of \$40.4 million and currently support 170 jobs for County residents. The new \$340 million Daniel K. Inouye Solar Telescope (DKIST) is now 50% completed and once placed into operation (estimated 2019) is anticipated to have an annual operating budget of \$13 million while providing 35 local jobs to the Maui economy. The

Research and Technology Park in Kihei, which employs 43 people with an annual operating budget of \$11 million, continues to complement the work being done at the Haleakala observatories.

Education

The \$4.5 million Daniel K. Inouye Allied Health Center at UH Maui College, which houses the dental hygiene program, has been recently completed, while plans for both the \$4.0 million Food Innovation Center and Hotel Ha, a teaching hotel for students studying the visitor industry, are moving forward. Enrollment is down slightly, the result of the improved local economy and expanding jobs market.

Agriculture

Agriculture remains an important, if controversial, component of the economy of the County. Like 2014, excessive rainfall, will keep Hawaiian Commercial & Sugar company (HC&S) from reaching its target sugar yield goals in 2015 and recent PUC rule changes now make HC&S only a standby power provider, severely reducing this once significant revenue stream. The number of employees at the plantation is down roughly 6.25%, largely due to attrition of older workers who have not been replaced. Given all of the aforementioned, the future viability of HC&S and its remaining employees remains uncertain at best.

The two large seed corn companies remain major contributors to agriculture and the overall Maui economy. The fate of the genetically modified organism (GMO) moratorium ballot initiative remains in the hands of the courts. HC&S continues to be confronted by community activists demanding an end to cane burning.

Jobs/Retail

Maui has regained almost 90% of the almost 10,000 jobs it lost during the “Great Recession” thanks to the healthy rebound in tourism. The resulting reduction in the County’s unemployment rate to near 4% puts it on par with the State unemployment average. The downside for Maui employers is that they are beginning to find it harder and more costly to hire skilled/unskilled workers and middle managers as potential employees have more options with the stronger local economy.

Despite the recent opening of the new Target and TJ Maxx stores in Kahului the retail sector remains a tough business, especially for smaller retailers.

Real Estate

The Maui real estate market continued its revival in 2014, with condominium unit sales returning to pre-2007 levels, though median sales prices remain well below 2007 and could erode further with declining demand from Canadian buyers due to the strength of the U.S. dollar. Single family residential sales transactions appear to be heading higher in 2015 after flattening out in 2014. Lack of supply and a good interest rate environment will continue to help fuel the steady rise in the residential market as median prices approach all-time highs. As mentioned earlier, the County Councils decision to substantially reduce the affordable housing requirement for developers should assist with the creation of additional housing inventory. In this regard, Maui Lani will start grading for 500 additional units after the successful sale of its Parkways Phase I & II projects, while Alexander & Baldwin’s (A&B) Kihei project is slated to create 600 units, with 170 affordable homes scheduled to reach the market in 2018. Its Keala O Wailea

condominium development will begin selling in late 2015 with prices in the \$800,000 - \$1 million dollar range. Foreclosures and distressed sales now represent only 12% of the overall real estate transactions versus 15% last year.

The commercial real estate market is also doing well with strong demand for office and warehouse space at Maui Lani and for commercial lots at A&B's Maui Business Park South.

MAJOR INITIATIVES AND ACHIEVEMENTS

For The Year. Despite a modest 1.8% decline in overall forecasted revenue in Fiscal Year 2015, the County of Maui was able to exhibit fiscal prudence by reducing budgeted operating expenditures by some 4.7%, resulting in an unassigned fund balance (carryover savings) of approximately \$53 million in the General Fund. As discussed previously, Maui County exhibited cumulative economic improvement in FY 2015 thanks largely to a strengthening visitor industry and improving real estate market. Despite this growth in the local economy, the requirement to maintain fiscal vigilance remains an essential core responsibility for County management.

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

- There were six (6) major Federal-Aid projects that were awarded in FY 2015 and recently completed. Collectively, these projects combine for a construction total of \$28.2 million with \$20.3 million to be reimbursed by the Federal Highway Administration. Recently completed Federal-Aid projects include the following: 1) Hansen Road Pavement Reconstruction from Hana Highway to Puunene Avenue; 2) Kokomo Road Pavement Reconstruction from Makawao Avenue to vicinity of Mile Post 3.0; 3) Baldwin Avenue Pavement Resurfacing, Phase 1, Makawao Avenue to Hali'imaile Road; 4) Wailea Alanui and Wailea Ike Road Pavement Rehabilitation; 5) Lono Avenue Pavement Rehabilitation, Phase 2, Laau Street to Makali'i Street; and 6) Wakea Avenue Traffic Signal Improvements at Hina Avenue. (Public Works)
- Purchased 4.101 acres in Kahului (\$7.1 million) at the Maui Business Park Phase II for the relocation of various existing County services. The purchase included the donation of 29.36 acres of land contiguous to Baldwin Beach Park in Paia. (Mayor's Office)
- Dedicated 16 new vehicles to the Maui Bus fleet (\$1.6 million); eleven (11) 8 passenger/4 wheelchair position buses assigned to the ADA para-transit fleet, and four (4) 25 passenger/2 wheelchair position buses and one (1) 17 passenger/4 wheelchair position bus assigned to the fixed route fleet. (Transportation)
- Completed the South Maui Recycled Water System Expansion Project (\$2.6 million) which supply's recycled irrigation water to Waipuilani Park and several condominiums along S. Kihei Road, between Waipuilani Street and Kulanihakoi Street. (Environmental Management)
- Due to a wide variety of improvements initiated and completed over the past several years, the County is better prepared for drought than ever before. The following improvements allow for more reliability, redundancy and flexibility than has ever existed previously in the Upcountry water system; 1) relining of the Waikamoi reservoirs

eliminates water loss (\$2.7 million), 2) relining of the Olinda Treatment Plant pre-sedimentation basin will eliminate water loss (\$1.3 million), 3) filter media replacement at the Piiholo Treatment Plant will allow the facility to maximize production (\$4.4 million), and 4) completion of the Kamole Treatment Plant High Lift Pumps will allow large volumes of water from the lower elevations to be pumped to higher storage reservoirs, if required (\$2.9 million). While these improvements will not protect against all impacts from a major drought, they represent an enormous commitment in the effort to reduce drought impacts Upcountry. (Water Supply)

- Purchased fire engines for Wailea and Makawao (\$1.6 million), one (1) ladder truck for Lahaina (\$1.25 million), and one (1) brush truck for Lanai (\$125K). (Fire and Public Safety)
- Design and installation of new field lighting at Duke Maliu Ball Field on Molokai (\$580K), Eddie Tam Park Memorial Center (\$340K), and Keopuolani field #4 (\$470K). Also, in FY2015 the design/construction of the Wailuku Gym renovations was completed (\$1.8M). (Parks & Recreation)
- Constructed seven (7) bus shelters in West Maui (\$750K) and completed designs for nine (9) bus stop shelters to be constructed in Wailuku, Maalaea, Kihei and Upcountry. (Transportation)
- Wind Turbine Generators at the Central Maui Landfill – completed an alternate energy project consisting of three (3) ten (10) kw wind turbine generators which produces 50% of all the power consumption at the landfill. (Environmental Management)

In pursuit of its strategic goal of providing, “*An Efficient, Effective and Responsive Government*”, many departments of the County of Maui continued to review their processes and procedures in an effort to improve or expand service delivery. Some of these FY 2015 initiatives are highlighted below:

- Department of Public Works – Began implementation of the County’s Municipal Separate Storm Sewer System (MS4) program, with the establishment of a Storm Water Management Program (SWMP). The County’s SWMP is intended to reduce the discharge of pollutants from the regulated MS4 urbanized area to the maximum extent practicable in order to protect water quality and satisfy the requirements of the Clean Water Act (CWA). The County’s SWMP focuses on the implementation of measures to prevent pollution from entering the MS4. The SWMP includes the following six control measures with implementation schedules and rationales for each measure: (1) Public Education and Outreach; (2) Public Involvement/Participation; (3) Elicit Discharge Detection and Elimination; (4) Construction Site Runoff Control; (5) Post-Construction Storm Water Management in New Development and Redevelopment and; (6) Pollution Prevention/Good Housekeeping.
- Office of Economic Development – During FY 2015 the department organized and sponsored the first ever “Made In Maui County Festival” which drew 9,400 attendees and 130 vendors from all over Maui County. The various vendors reported sales in excess of \$300,000 for the event and over 140 new wholesale orders were received. Further, the department sponsored the 2nd Maui Energy Conference in partnership with MEDB with over 300 attendees from Hawaii, US mainland, Japan and Canada.
- Department of Fire and Public Safety - Distributed approximately 13,200 Fire Fighter Safety Guides to elementary school children in FY 2015. Additionally, the department

provided 229 safety presentations to businesses and community groups regarding kitchen safety, workplace safety, fire extinguisher training, and fire prevention.

- Department of Planning - Hosted the annual Hawaii Congress of Planning Officials (HCPO) conference in September 2014 at the Sheraton Maui Hotel. The conference theme of “SHIFT: Shaping Hawaii for Tomorrow” was selected for the overall conference program and mobile workshops. There were more than 250 registered participants, with guest speakers from Toronto, California, and throughout the islands. Conference innovations included a mobile workshop to Lanai and 90-minute “Deep Dive” sessions where topics could be explored in more depth.
- Department of Police – Completed the certification of nine (9) officers for the new Solo Bike Unit, which included the purchase and outfitting of five (5) Harley Davidson Police Motorcycles. Additionally, in October 2014 the department through its Juvenile Crime Prevention Division (JCPD), established a community based prevention and intervention program for youth, later named the KALO program. The KALO program targets youth who are in violation of status offenses and or minor law violations that do not result in an arrest. The JCPD in conjunction with qualified sub-contractors provide a variety of services targeting self-esteem building, parent partnerships, promotion of healthy decision making, and clear communication skills for the target population and their families by having them participate in a comprehensive 4 week program. Currently there are 40 participants in the program, 18 of which are youth participants.
- Department of Management – In September 2014, the Information Technology Services (ITS) Division facilitated the publication of a Request for Proposal (RFP) for a new development management and permitting system, named Maui’s Automated Planning and Permitting System (MAPPS). Tyler Technologies’ EnerGov application was selected after a thorough review process. Implementation of the new system is expected to take 2 years to complete. A key component of the project is the creation of an enterprise-wide GIS capability. Additionally, important steps were taken to place the data center at the Kihei Police Station in service as a disaster recovery / failover data center for the County’s main facilities in Wailuku. This is part of the efforts, supported by grants from the Department of Homeland Security, to ensure that County operations, especially in support of public safety, are sufficiently resilient and hardened to provide reliable information technology services during crisis events. Lastly, the County’s overall cyber security protection was improved with the implementation of a monitoring and alerting system that analyzes network traffic for unusual or inappropriate traffic in and out of the County’s computer network.
- Department of Housing and Human Concerns – Continued its important work with the community as the County faced the continued high cost of living and the resulting homelessness issues. In this regard, the department served as a grant reviewer for the Hawaii Public Housing Authority to recommend funding for the Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and for the Homeless Prevention and Rapid Re-housing Program (HPRP), represented Maui County on the Governor’s State Hawaii Interagency Council on Homelessness (HICH) on behalf of the Mayor, assisted with the development and implementation of Maui County’s Housing and Urban Development (HUD) Consolidated Plan and facilitated partnerships among the Maui Homeless Alliance for State Department of Human Services’ homeless intervention initiatives.

For The Future. Historically the County of Maui has been financially judicious in its fiscal policies as it moves towards its goals of long term financial stability and sustainability while maintaining the necessary levels of service for the community. This conservative and responsible approach has paid dividends for the County of Maui as its financial strength has led to bond ratings that are the highest of any governmental agency in the State of Hawaii. In this regard, the County has continued to diligently fund its Emergency Fund to an adopted level in FY 2015 of nearly \$27.2 million with a policy goal to increase the fund balance to a level equal to 20% of annual General Fund expenditures through the prudent management of its fiscal resources. Additionally, the County continues to appropriate and fund both its Affordable Housing and Other Post Employment Benefits (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 FY 2013 budget, the County initiated a transition toward a budget process that focuses on results and adopted a results-based budgeting (RBB) method to more fully integrate budget to programs. RBB uses a practical and common sense approach that communicates why County government departments exist, what work is performed and how well, and the amount of resources that are devoted to services. While the alignment of the County's budget process to a more priority and RBB approach is still in its developmental stages, its goals of making budgetary decisions and the allocation of resources based on key departmental missions, goals and measures that are strategically aligned and forward looking is moving forward.

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

OTHER FINANCIAL INFORMATION

Debt Management. The County of Maui's debt management policy is a written guideline for the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. An effective debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to taxpayers, rating agencies and the capital markets that a government is well managed and should meet its financial obligations in a timely manner. Maui County's fiscal and debt policies have allowed the County to receive the next-to-highest ratings (AA+ and Aa1) from the three qualified bond-rating agencies. The County's debt policy (revised January 2008) is in compliance with the Hawaii Revised Statutes (Chapter 47) and the County Charter. The general intent of the County's debt policy is that debt is only to be incurred when necessary. The County will confine long-term borrowing to capital

assets or equipment that cannot be financed from current financial resources. The County shall borrow only when necessary and utilize pay-as-you-go financing to the extent possible in order to conserve debt capacity. Furthermore, the County does not use debt for operational needs. To ensure accuracy and improve efficiency, beginning in FY 2013, the County of Maui engaged the Bank of New York Mellon to act as its paying agent for debt service payments.

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

Cash Management. The primary objectives of the County's cash management and investment program are the safety and preservation of principal, liquidity, and yield. The County employs multiple portfolio accounts that include the General Investment Account Portfolio (GIAP) and various temporary general obligation bond account portfolios that terminate when the funds are fully expended. To ensure the most competitive rates in the GIAP, the cash resources of the individual funds are combined to form a pool of cash and investments, which are then invested over a maturity horizon not to exceed five (5) years using a comprehensive cash flow modeling tool developed by the Treasury Division to maximize investment returns. The investment portfolio is composed of obligations of the U.S. government and its agencies, certificates of deposit, and repurchase agreements fully collateralized by obligations of the U.S. government or its agencies, and short-term notes. Interest and investment earnings on a Countywide basis during FY 2015 was approximately \$1.5 million or approximately \$323,000 less than the prior fiscal year. The decrease was due largely to the sizable (\$97.2 million) payment made to the Employer-Union Health Benefits Trust Fund (EUTF) in late FY2014, which reduced the County's investment portfolio by approximately twenty-five per cent (25%). However, despite the continuing low interest rate environment, the County was able, using its cash flow modeling tool, to increase its average annual portfolio yield from 0.51% in Fiscal Year 2014 to 0.55% in Fiscal Year 2015. The portfolio yield in the last month of fiscal year 2015 was 0.76%.

Real Property Tax. Real property assessed values (\$36.2B) increased 8.5% during Fiscal 2015, while real property tax collections (\$236.7M) increased 6.1%, reflecting the marginal tax rate increases adopted by the County Council. Maui County's assessed real property values, while increasing, remain approximately 16% below the peak level experienced during Fiscal 2010, a further indicator that the local economy has not yet fully recovered from the effects of the economic down turn.

AWARDS AND ACKNOWLEDGMENTS

Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Maui for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This is the thirty-second consecutive year that the County of Maui has received this prestigious award.

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

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

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

Respectfully Submitted,



DANILO F. AGSALOG
Director of Finance

DFA:mrw



Government Finance Officers Association

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

Presented to

**County of Maui
Hawaii**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

COUNTY OF MAUI

ELECTED OFFICIALS AND DEPARTMENT HEADS June 30, 2015

ELECTED OFFICIALS

ADMINISTRATIVE

Mayor

Alan M. Arakawa

LEGISLATIVE

Councilpersons

Council Chair
Mike White

Council Vice-Chair
Don S. Guzman

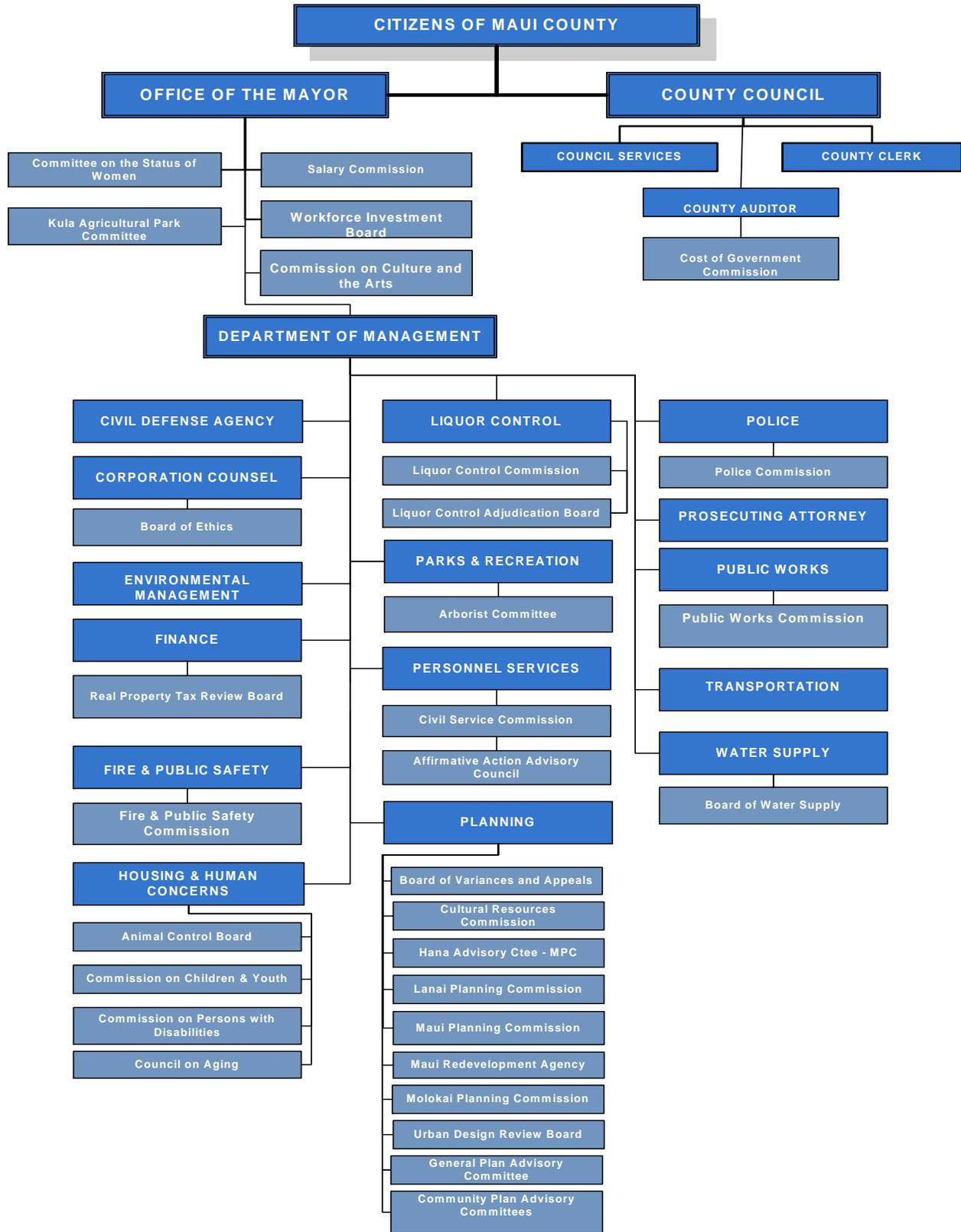
Gladys C. Baisa
Elle Cochran
Donald G. Couch, Jr.

Stacy Crivello
G. Riki Hokama
Michael P. Victorino
Mike White

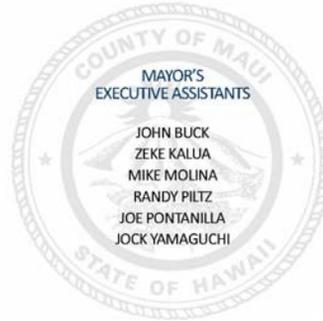
APPOINTED DEPARTMENT HEADS

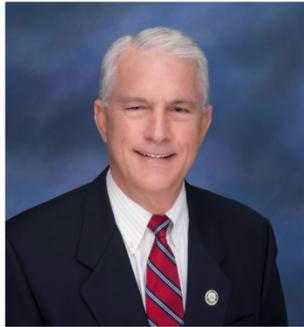
Director of Council Service	David M. Raatz
County Clerk	Danny Mateo
Managing Director	Keith A. Regan
Corporation Counsel	Patrick K. Wong
Prosecuting Attorney	John D. Kim
Director of Finance	Danilo F. Aagsalog
Director of Environmental Management	Kyle K. Ginoza
Director of Public Works	David C. Goode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

ORGANIZATION CHART



DIRECTORY OF COUNTY OFFICIALS





Council Chair Mike White



Council Vice - Chair Don S. Guzman



Presiding Officer Pro Tempore
Michael P. Victorino



Gladys C. Baisa
Councilmember



Robert Carroll
Councilmember



Elle Cochran
Councilmember



Don Couch
Councilmember



Stacy Crivello
Councilmember



Riki Hokama
Councilmember

Office of Council Services

David Raatz
Director

County Auditor

Lance Taguchi
County Auditor

County Clerk

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

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COUNTY OF MAUI
FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Maui, State of Hawai'i (County), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the County of Maui, State of Hawaii as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 14 to the financial statements, the County adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68* that establishes standards for the accounting and financial reporting for pensions that are provided to employees of the state and local governments. Our opinion is not modified with respect to this matter.

Adjustment to Prior Period Financial Statements

As discussed in Note 14 to the financial statements, certain errors resulting in the overstatement of intergovernmental revenues for the fiscal year ended June 30, 2014, were determined by management of the County. Accordingly, the accompanying financial statements have been restated to correct these errors. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 22 through 37), the budgetary comparison schedules for the general fund, highway fund and sewer fund (pages 95 through 99), the schedule of funding progress for the Hawaii Employer Union Health Benefit Trust Fund (page 100), the County's proportionate share of the net pension liability (page 101), and the schedule of employer pension contributions on (page 102), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

N&K CPAs, Inc.

Honolulu, Hawai'i
January 5, 2016

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements, and the accompanying notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$560.9 million (*net position*).
- The County's total net position decreased by \$326.4 million (as restated) during the current fiscal year due mainly to a change in accounting principle.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$188.6 million, which is an increase of \$4.6 million or 2.5% from prior year.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$31.7 million, or 12.8% of total General Fund expenditures.
- The County's total amount of General Obligation (GO) bonds, State Revolving Fund (SRF) loans and other long-term debt outstanding increased by \$31.4 million during the current fiscal year. The increase is primarily reflective of a \$22.1 million increase in GO bonds, SRF and United States Department of Agriculture (USDA) loans and \$5.3 million increase in accrued pollution remediation costs; offset by a decrease of \$4.8 million in landfill closure and post closure costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

Basic Financial Statements

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

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

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

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

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

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

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

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

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

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

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

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

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

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

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

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

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

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

Required Supplementary Information (RSI)

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

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

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

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

Other Supplementary Information (OSI)

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

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

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

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

**NET POSITION
June 30, 2015 and 2014
(Dollars in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	FY2015*	FY2014 (restated)	FY2015*	FY2014	FY2015*	FY2014 (restated)
Assets and Deferred Outflows of Resources:						
Current and other assets	\$ 237,906	\$ 230,083	\$ 76,739	\$ 71,348	\$ 314,645	\$ 301,431
Capital assets	740,240	695,558	332,037	326,241	1,072,277	1,021,799
Deferred outflows of resources	38,454	3,798	2,572	171	41,026	3,969
Total Assets and Deferred						
Outflows of Resources	1,016,600	929,439	411,348	397,760	1,427,948	1,327,199
Liabilities and Deferred Inflow of Resources:						
Long-term liabilities outstanding	370,680	347,108	54,097	46,245	424,777	393,353
Other liabilities	37,321	30,179	10,123	7,754	47,444	37,933
Net pension liability	311,699	-	26,050	-	337,749	-
Deferred inflow of resources	53,520	4,005	3,517	-	57,037	4,005
Total Liabilities and Deferred						
Inflows of Resources	773,220	381,292	93,787	53,999	867,007	435,291
Net Position:						
Invested in capital assets, net of related debt	478,521	457,962	282,110	284,637	760,631	742,599
Restricted	61,863	47,432	11,612	13,082	73,475	60,514
Unrestricted	(297,004)	38,178	23,839	46,042	(273,165)	84,220
Total Net Position	\$ 243,380	\$ 543,572	\$ 317,561	\$ 343,761	\$ 560,941	\$ 887,333

*Due to the implementation of Government Accounting Standards Board Statement No. 68, as amended, a prior period adjustment was recorded to restate the beginning Net Position as of July 1, 2014.

At the end of the current fiscal year, the County reported positive balances in all of the three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, net position was \$560.9 million at the close of the current fiscal year. This compares with the net position of \$887.3 million from the prior year, as restated. Total net position decreased by \$326.4 million during the current fiscal year. The governmental activities reflected a decrease in net position of \$300.2 million, while the business-type activities decreased net position by \$26.2 million.

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

An additional portion of the County's net position (13.1%) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position amounted to \$-273.2 million at the end of the current fiscal year, with \$-297.0 million derived from governmental activities and the balance of \$23.8 million from business-type activities. The County's unrestricted net position decreased by \$357.4 million as compared to last year due mainly to the change in accounting principle. Please refer to Note 14 of the basic financial statements for further details.

The County's net capital assets increased by \$50.5 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* within this section.

The County's total amount of GO bonds, SRF loans, and other long-term debt outstanding increased by \$31.4 million during the current fiscal year. The increase is primarily reflective of a \$22.1 million increase in GO bonds, SRF and United States Department of Agriculture (USDA) loans and \$5.3 million increase in accrued pollution remediation costs; offset by a decrease of \$4.8 million in landfill closure and post closure costs.

Other long-term obligations increased by \$2.1 million, from \$85.5 million in fiscal year 2014 to \$87.7 million in fiscal year 2015 for governmental activities, and increased by \$0.7 million from \$3.0 million in prior fiscal year to \$3.7 million in fiscal year 2015 for business-type activities. The increase in governmental activities is primarily due to a \$1.4 million increase in accrued vacation and \$5.3 million accrual of pollution remediation costs; offset by a decrease in accrued landfill closure and post closure costs of \$4.8 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

CHANGES IN NET POSITION
For the Years Ended June 30, 2015 and 2014
(Dollars in Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2015*</u>	<u>FY2014 (Restated)</u>	<u>FY2015*</u>	<u>FY2014</u>	<u>FY2015*</u>	<u>FY2014 (Restated)</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 102,427	\$ 98,968	\$ 60,590	\$ 56,499	\$ 163,017	\$ 155,467
Operating grants and contributions	29,570	38,917	-	-	29,570	38,917
Capital grants and contributions	21,953	10,567	5,643	4,369	27,596	14,936
General Revenues:						
Real property taxes	236,947	224,055	-	-	236,947	224,055
Other taxes	54,937	52,477	-	-	54,937	52,477
Interest and investment earnings, net	1,218	1,579	330	293	1,548	1,872
Other revenues	795	(132)	-	734	795	602
Total Revenues	<u>447,847</u>	<u>426,431</u>	<u>66,563</u>	<u>61,895</u>	<u>514,410</u>	<u>488,326</u>
Expenses:						
Governmental Activities:						
General government	111,089	118,866	-	-	111,089	118,866
Public safety	99,055	84,280	-	-	99,055	84,280
Highway and streets	49,622	51,608	-	-	49,622	51,608
Sanitation	69,012	69,856	-	-	69,012	69,856
Social welfare	43,497	46,072	-	-	43,497	46,072
Culture and recreation	35,831	34,419	-	-	35,831	34,419
Legislative	6,740	5,998	-	-	6,740	5,998
Interest on long-term debt	8,559	7,982	-	-	8,559	7,982
Business-Type Activities:						
Water Supply	-	-	65,143	55,539	65,143	55,539
Housing	-	-	206	514	206	514
Golf Course	-	-	3,444	2,348	3,444	2,348
Total Expenses	<u>423,405</u>	<u>419,081</u>	<u>68,793</u>	<u>58,401</u>	<u>492,198</u>	<u>477,482</u>
Increase (Decrease) in Net Position Before Transfers	24,442	7,350	(2,230)	3,494	22,212	10,844
Transfers	(2,230)	(775)	2,230	775	-	-
Change in Net Position	22,212	6,575	-	4,269	22,212	10,844
Net Position - Beginning of Year, as previously reported	543,572	536,997	343,761	339,492	887,333	876,489
Prior period adjustment	(322,404)	-	(26,200)	-	(348,604)	-
Net Position - Beginning of Year, as restated	<u>221,168</u>	<u>536,997</u>	<u>317,561</u>	<u>339,492</u>	<u>538,729</u>	<u>876,489</u>
Net Position - End of Year	<u>\$ 243,380</u>	<u>\$ 543,572</u>	<u>\$ 317,561</u>	<u>\$ 343,761</u>	<u>\$ 560,941</u>	<u>\$ 887,333</u>

*Due to the implementation of Government Accounting Standards Board Statement No. 68, as amended, a prior period adjustment was recorded to restate the beginning Net Position as of July 1, 2014.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

Governmental Activities. Governmental activities increased the County's net position by \$22.2 million. This compares with last year when net position increased by \$6.5 million, as restated. The increase of \$6.5 million of change in net position over last year is primarily attributable to higher collection in charges for services by \$3.5 million and real property taxes by \$12.9 million when compared to the prior year, offset by a decrease in operating grants and contributions by \$9.3 million

The increase in revenues from real property taxes was primarily due to higher certified values. The real property tax rates in fiscal year 2015 were decreased in all classifications. Capital grants and contributions increased by \$11.4 million.

Business-Type Activities. The business-type activities did not have an impact to the County of Maui's net position for this fiscal year, compared with last year's increase in net position of \$4.3 million. DWS' revenues collected from charges for services increased by \$4.0 million, operating expenses increased by \$9.6 million, and capital contributions increased by \$1.3 million.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$188.6 million, representing an increase of \$4.6 million or 2.5% as compared to the prior year. The increase in the governmental funds balance can be attributed to the increase in the Capital Improvement Projects Fund by \$19.3 million and Other Governmental Funds by \$1.2 million; offset by decreases in General Fund by \$8.7 million, Highway Fund by \$1.0 million and Sewer Fund by \$6.2 million.

Approximately \$31.7 million or 16.8% of the total fund balances of the governmental funds is comprised of unassigned funds. Unassigned funds have no constraints whatsoever and are available for spending at the County's discretion. The remainder of total governmental fund balances of \$157.0 million is comprised of \$63.0 million in restricted funds, \$42.1 million in committed funds, and \$51.8 million in assigned funds. There was a total of \$101.2 million in encumbered governmental funds comprised of \$95.6 million in the major funds and \$5.6 million in the non-major funds.

General Fund. The General Fund is the chief operating fund for the County. At the end of the current fiscal year, the fund balance of the General Fund was \$88.9 million, which included \$8.2 million in restricted funds, \$28.3 million in committed, \$20.7 million in assigned, and \$31.7 million in unassigned funds. The unassigned fund balance represents 12.8% of total General Fund expenditures, while the total fund balance of the General Fund represents 35.8% of the expenditures. There was a total of \$20.7 million in encumbrances in the General Fund at the end of fiscal year 2015.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

The fund balance for the General Fund decreased by \$8.7 million during the current fiscal year. This compares with a decrease of \$86.8 million from the prior year, as restated. Key factors for the decrease of \$8.7 million in the General Fund balance this year compared to the prior year are as follows:

- Total revenues increased by \$16.4 million or 6.1% from prior year, largely reflective of increased revenues from taxes of \$12.5 million, licenses by \$2.5 million, and intergovernmental revenues by \$2.3 million, offset by decreased revenues from all others (i.e. charges for current services, fines and forfeitures, and interest and investment earnings) by \$0.1 million when compared to prior year.
- Total expenditures decreased by \$80.5 million or 24.5% from prior year. The decrease is primarily due to \$97.2 million contribution to the EUTF OPEB Trust made in prior year's expenditures in the General Government.
- Other Financing Uses, net decreased \$18.8 million from prior year, due to a decrease in transfers out to the Capital Projects and Other Governmental Funds. The \$18.8 million increase in Other Financing Uses, net coupled with the \$96.9 million increase in revenues over expenditures resulted in an increase of \$78.1 million in the net change in fund balances from the prior year.

Revenues from taxes increased by \$12.5 million, from \$234.0 million in fiscal year 2014 to \$246.5 million in fiscal year 2015.

Real property tax is the most significant revenue source for the County. This fiscal year's collection of \$236.9 million represents 53.2% of all the revenues for the County governmental funds. This year's levy collection increased by \$13.2 million or 5.8% from last year's levy collection of \$225.8 million. The increase in real property tax collection in fiscal 2015 was largely due to increased property tax valuations. The County's tax rate decrease for all property classifications at an average rate of 3.0% from prior year.

The property tax valuations for tax rate purposes (tax base) increased from \$33.4 billion in fiscal year 2014 to \$36.2 billion in fiscal year 2015, representing an increase of 8.5%. The tax rates in 2015 decreased for the following classifications: Residential from \$5.75 to \$5.57, Apartment from \$6.40 to \$6.20, Commercial from \$7.05 to \$6.83, Industrial from \$7.30 to \$7.07, Agricultural from \$6.05 to \$5.86, Conservation from \$6.25 to \$6.06, Hotel and Resort from \$9.40 to \$9.11, Time share from \$15.55 to \$15.07, Homeowner from \$2.87 to \$2.78 and Commercialized Residential from \$4.60 to \$4.46.

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

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

real property tax. Collections for the Public Service Company tax were \$9.8 million, representing a slight increase of \$0.06 million over the prior fiscal year.

Highway Fund. At the end of the current fiscal year, the fund balance of the Highway Fund was \$11.3 million, of which the entire amount was restricted. A total of \$2.4 million in the Highway Fund was encumbered at the end of fiscal year 2015.

The revenues in the Highway Fund primarily derived from the fuel tax (\$10.9 million), franchise tax (\$10.8 million), and motor vehicle weight tax (\$18.7 million, classified as licenses and permits), and public transit bus fare (\$2.7 million) collectively made up 9.7% (\$43.1 million) of the revenues in the governmental funds. The fiscal year 2015 revenue collection was \$0.8 million more than the previous year primarily due to increased revenues from taxes of \$0.2 million and motor vehicle license and permit fees of \$0.6 million.

The expenditures of \$30.6 million for the Highway Fund are a slight decrease of \$0.4 million or 1.3% from the prior fiscal year.

The total other financing sources (uses) for the Highway Fund slightly decreased from \$13.4 million in fiscal year 2014 to \$13.5 million in fiscal year 2015. With a beginning fund balance of \$12.3 million, the Highway Fund ended with a fund balance of \$11.3 million, a decrease in fund balance of \$1.0 million.

Sewer Fund. At the end of the current fiscal year, the fund balance of the Sewer Fund was \$6.3 million which represented committed funds. A total of \$0.9 million in the Sewer Fund was encumbered at the end of fiscal year 2015.

The Sewer Fund revenues of sewer and cesspool fees of \$46.7 million reflect a slight increase of \$0.7 million or 1.2% from last year's revenue collection of \$46.0 million.

The Sewer Fund expenditures of \$29.0 million increased \$4.2 million or 16.7% from the prior fiscal year, primarily due to increase in operating expenditures as it relates to fringe benefits and overhead charges. With a beginning fund balance of \$12.5 million, the Sewer Fund ended with a fund balance of \$6.3 million, a decrease in net change in fund balance of \$6.2 million from fiscal year 2014 to fiscal year 2015.

Grant Fund. Total revenue for the Grant Fund was \$29.8 million, representing a decrease of \$9.1 million or 23.5% over last year.

The Grant Fund expenditures in the current fiscal year decreased by \$9.1 million or 23.4% compared to the prior year.

Capital Improvement Projects Fund. At the end of the current fiscal year, the fund balance of the Capital Improvement Projects (CIP) Fund was \$46.6 million, as restated, which included \$15.5 million in restricted funds and \$31.1 million in assigned funds. A total of \$67.4 million in the Capital Improvement Projects Fund was encumbered at the end of the current fiscal year.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

Expenditures for capital improvement projects for fiscal year 2015 were \$81.4 million (excluding bond issuance costs). This amount compares with last year's expenditures of \$77.1 million, represents an increase of \$4.3 million or 5.5%.

The largest expenditures were reflected in the Roads category of \$30.7 million, which comprised 37.5% of the total CIP expenditures. Capital projects under this category consisted primarily of the Papa Avenue Pavement Rehabilitation in the amount of \$7.7 million, Kokomo Road Pavement Reconstruction in the amount of \$5.0 million, Baldwin Avenue Resurfacing in the amount of \$1.8 million, Hansen Road Pavement Reconstruction in the amount of \$1.6 million, Lono Avenue Pavement Rehabilitation Phase 2 in the amount of \$1.4 million, and South Kihei Road Pavement Rehabilitation in the amount of \$1.1 million.

The Sewer Systems category had expenditures of \$18.0 million or 22.0% of total expenditures of the Capital Improvements Projects Fund. The Countywide Pump Station Renovations in the amount of \$1.4 million, Countywide Wet Well Rehabilitation in the amount of \$2.0 million, Lahaina Wastewater Pump Station No. 2 in the amount of \$2.1 million, South Maui Recycled Water Distribution in the amount of \$2.5 million, and Wailuku/Kahului Wastewater Reclamation Facility in the amount of \$3.5 million were the major projects under this category.

Expenditures in the Governmental Facilities category of \$12.5 million comprised 15.3% of the total expenditures in the Capital Improvement Projects Fund. The major projects in this category were the land acquisition of the Maui Business Park II in the amount of \$7.1 million and Public Safety Radio System Replacement in the amount of \$3.5 million.

Expenses in the Other Projects category had expenditures of \$8.0 million or 9.7% of the total expenditures in the Capital Improvements Projects Fund. The major projects in this category were Countywide Equipment of \$2.9 million and Public Safety Radio System Replacement of \$3.4 million.

Expenditures in the Parks category of \$5.2 million comprised 6.4% of the total expenditures in the Capital Improvement Projects Fund. The Duke Maliau Ballfield Lighting Replacement in the amount of \$0.5 million, Countywide Parks American Disability Act (ADA) Improvements in the amount of \$0.4 million, and Wailuku Gym Improvements in the amount of \$1.2 million were the major projects in this category.

Expenditures in the Solid Waste Facilities category of \$3.3 million comprised 4.0% of the total expenditures in the Capital Improvement Projects Fund. The projects in this category were the Molokai Landfill Cell No. 4 Construction in the amount of \$2.7 million and Central Maui Landfill Wind Turbine in the amount of \$0.3 million.

COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015

BUDGETARY HIGHLIGHTS

The General Fund budget amendments for fiscal year 2015 primarily consisted of \$8.5 million for the Countywide Costs under the Department of Finance and \$2.2 million for the Department of Fire and Public Safety.

The major positive budget variance for revenues (final amended budget and actual amounts) in the General Fund was from licenses and permits. It reflected a positive variance with actual revenues of \$9.8 million exceeding the budget by \$4.0 million 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 Public Safety of \$3.8 million, followed by Legislative of \$1.5 million. Savings from the Investigative Service Program and Technical and Support Services Program in the Public Safety category primarily contribute to the positive variance in the expenditures for the General Fund.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015**

**CAPITAL ASSETS
(Dollars in Thousands)**

	Governmental		Business-Type		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Non-Depreciable Assets:						
Land	\$ 166,213	\$ 159,068	\$ 9,734	\$ 9,734	\$ 175,947	\$ 168,802
Construction in progress	95,082	82,891	45,327	49,734	140,409	132,625
	261,295	241,959	55,061	59,468	316,356	301,427
Depreciable Assets:						
Buildings and systems	162,753	162,097	8,793	8,702	171,546	170,799
Improvements other than buildings	136,370	135,367	2,972	2,972	139,342	138,339
Machinery and equipment	136,315	126,706	31,580	30,175	167,895	156,881
Infrastructure	1,050,788	997,443	497,834	474,282	1,548,622	1,471,725
	1,486,226	1,421,613	541,179	516,131	2,027,405	1,937,744
Accumulated Depreciation	(1,007,281)	(968,014)	(264,203)	(249,357)	(1,271,484)	(1,217,371)
Total Capital Assets, Net	\$ 740,240	\$ 695,558	\$ 332,037	\$ 326,242	\$ 1,072,277	\$ 1,021,800

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounted to \$1.07 billion (net of accumulated depreciation). This investment of capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure (roadway systems, bridges, landfills and sewer systems) and construction in progress.

During fiscal year 2015, capital assets relating to governmental activities reflected additions of \$159.3 million, depreciation expense of \$42.0 million, and transfers/retirements of \$72.6 million (net), resulting in capital assets, net of \$740.2 million. Capital assets relating to business-type activities reflected additions of \$43.0 million, depreciation expense of \$14.8 million, and transfers/retirements of \$22.4 million (net) resulting in capital assets, net of \$332.0 million.

Capital asset additions relating to governmental activities were primarily attributable to road, bikeway, and bridge improvements, sewer infrastructure, and government facilities. Capital assets additions related to business-type activities were primarily attributable to DWS infrastructure projects (waterlines, reservoirs, and replacement of pumping equipment).

Contractual commitments for capital assets at June 30, 2015 for the governmental and business-type activities amounted to \$67.5 million and \$26.3 million, respectively.

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

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015**

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>FY2015</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2014</u>
General Obligation Bonds (excluding unamortized premiums and deferrals)	\$ 215,136	\$ 199,042	\$ 27,413	\$ 23,277	\$ 242,549	\$ 222,319
State Revolving Fund and USDA Loans	55,184	53,293	20,469	17,672	75,653	70,965
Total Long-Term Debt	<u>\$ 270,320</u>	<u>\$ 252,335</u>	<u>\$ 47,882</u>	<u>\$ 40,949</u>	<u>\$ 318,202</u>	<u>\$ 293,284</u>

Long-Term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$318.2 million (\$270.3 million related to governmental activities and \$47.9 million related to business-type activities). Of this amount, \$242.5 million is comprised of debt backed by the full faith and credit of the government GO bonds, while \$75.7 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 \$24.9 million during the current fiscal year. The increase is primarily reflective of a \$20.2 million increase in GO bonds.

The County issued \$68.7 million in GO Bonds in July 2014. A portion of the bond proceeds were used to current refund Series 2004B general obligation debt in the amount of \$3.9 million and advance refund \$19.2 million of Series 2006A general obligation debt. Moody's Investors Service, Standard & Poor's, and Fitch Ratings assigned ratings of "Aa1," "AA+," and "AA+," respectively, to the bonds. All three qualified bond-rating agencies currently rate the County's bonded debt at the next-to-highest category for safety. The financing was the second competitive sale for Maui County since 1997. Subsequent to 1997, all general obligation bonds were issued by negotiated sale.

The State Constitution limits the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the County of Maui is \$5.4 billion, which is significantly in excess of the County's outstanding general obligation debt. As of June 30, 2015, the County's current outstanding debt applicable to the limit of \$290.8 million represents only 5.38% 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.

**COUNTY OF MAUI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Maui's near term outlook economy looks promising due to an unexpected surge in the tourism sector. Rising property values have helped the increase in County's real property tax revenues to near all-time high. Gradual improvement in the overall construction industry also shows sign in the County's anticipated revenues for other licenses and fees. The privatization of Maui's second largest employer, the Maui Medical Center, is promising to add much needed financial viability and the potential for added jobs and services. Looking forward, the County remains optimistic about the opportunities the coming year brings. Please refer to the Letter of Transmittal for more detailed discussion regarding the state of the County economy.

The real property tax base for fiscal year 2016 of \$40.7 billion is an increase of \$4.5 billion or 11.0% from the fiscal year 2015.

The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2016 decreased for all of the ten classifications of property. Specifically, the following decreases were made in these categories: Residential from \$5.57 to \$5.40, Apartment from \$6.20 to \$6.00, Commercial from \$6.83 to \$6.60, Industrial from \$7.07 to \$6.85, Agricultural from \$5.86 to \$5.75, Conservation from \$6.06 to \$5.90, Hotel and Resort from \$9.11 to \$8.85, Time share from \$15.07 to \$14.55, Homeowner from \$2.78 to \$2.75 and Commercialized Residential from \$4.46 to \$4.35. The budgeted real property tax levy of \$255.6 million for fiscal year 2016 is an increase of \$17.9 million or 7.5% from fiscal year 2015, largely as a result of the higher tax base.

There is no increase in the fee structure for water rates in fiscal year 2016.

The fiscal year 2016 budget appropriated \$14.9 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, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	\$ 207,626,268	\$ 68,448,084	\$ 276,074,352
Receivables (Note 3):			
Property taxes	7,840,092	--	7,840,092
State of Hawaii	13,200,637	--	13,200,637
Trade accounts, net	5,432,515	5,843,341	11,275,856
Federal government	8,156	--	8,156
Other	489,653	--	489,653
Inventory	--	1,224,186	1,224,186
Other assets (Note 9)	3,307,619	1,224,187	4,531,806
Capital Assets (Note 5):			
Land	166,213,559	9,734,009	175,947,568
Buildings and systems	162,753,447	8,793,167	171,546,614
Improvements other than buildings	136,370,151	2,971,632	139,341,783
Machinery and equipment	136,314,637	31,579,567	167,894,204
Infrastructure	1,050,787,986	497,834,001	1,548,621,987
Construction in progress	95,081,653	45,327,370	140,409,023
Accumulated depreciation	<u>(1,007,281,233)</u>	<u>(264,202,561)</u>	<u>(1,271,483,794)</u>
Total Capital Assets, net	<u>740,240,200</u>	<u>332,037,185</u>	<u>1,072,277,385</u>
Total Assets	<u>978,145,140</u>	<u>408,776,983</u>	<u>1,386,922,123</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions (Note 9)	33,681,887	2,454,241	36,136,128
Unamortized loss on advanced refunding	<u>4,772,534</u>	<u>117,326</u>	<u>4,889,860</u>
Total Deferred Outflows of Resources	<u>38,454,421</u>	<u>2,571,567</u>	<u>41,025,988</u>
Total Assets and Deferred Outflows of Resources	<u>1,016,599,561</u>	<u>411,348,550</u>	<u>1,427,948,111</u>
LIABILITIES:			
Accounts payable and accrued liabilities	30,767,653	7,989,033	38,756,686
Deposits	--	698,309	698,309
Unearned revenue	3,151,575	1,012,240	4,163,815
Advanced collections	971,870	80,823	1,052,693
Interest payable	2,429,180	344,106	2,773,286
Long-term obligations (Note 6):			
Due within one year	58,842,573	6,373,721	65,216,294
Due in more than one year	311,836,921	47,723,079	359,560,000
Net pension liability (Note 9)	<u>311,699,243</u>	<u>26,050,121</u>	<u>337,749,364</u>
Total Liabilities	<u>719,699,015</u>	<u>90,271,432</u>	<u>809,970,447</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions (Note 9)	50,960,313	3,516,560	54,476,873
Deferred inflows - nonexchange transactions (Note 3)	<u>2,559,736</u>	<u>--</u>	<u>2,559,736</u>
Total Deferred Inflows of Resources	<u>53,520,049</u>	<u>3,516,560</u>	<u>57,036,609</u>
Total Liabilities and Deferred Inflows of Resources	<u>773,219,064</u>	<u>93,787,992</u>	<u>867,007,056</u>
NET POSITION:			
Net investment in capital assets	478,520,918	282,110,202	760,631,120
Restricted for:			
Highways and streets	11,325,514	--	11,325,514
Capital projects	14,373,537	--	14,373,537
Open space and resources	8,196,099	--	8,196,099
Affordable housing	15,879,650	--	15,879,650
Water and other assessments (Note 13)	12,088,160	11,612,015	23,700,175
Unrestricted	<u>(297,003,381)</u>	<u>23,838,341</u>	<u>(273,165,040)</u>
Total Net Position	<u>\$ 243,380,497</u>	<u>\$ 317,560,558</u>	<u>\$ 560,941,055</u>

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

**COUNTY OF MAUI
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
		Charges for Services	Operating	Capital	Primary Government			
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 111,088,635	\$ 14,451,127	\$ 4,433,995	\$ 169,877	\$ (92,033,636)	\$ --	\$ (92,033,636)	
Public safety	99,054,738	416,811	4,225,778	--	(94,412,149)	--	(94,412,149)	
Highways and streets	49,622,318	22,228,842	665,681	19,923,178	(6,804,617)	--	(6,804,617)	
Sanitation	69,012,479	62,359,079	733,313	1,475,067	(4,445,020)	--	(4,445,020)	
Social welfare	43,497,160	2,488,394	18,912,354	--	(22,096,412)	--	(22,096,412)	
Culture and recreation	35,831,581	478,798	598,681	384,886	(34,369,216)	--	(34,369,216)	
Legislative	6,739,677	4,085	--	--	(6,735,592)	--	(6,735,592)	
Interest on long-term debt	8,558,826	--	--	--	(8,558,826)	--	(8,558,826)	
Total Governmental Activities	<u>423,405,414</u>	<u>102,427,136</u>	<u>29,569,802</u>	<u>21,953,008</u>	<u>(269,455,468)</u>	<u>--</u>	<u>(269,455,468)</u>	
Business-type Activities:								
Department of Water Supply	65,143,223	59,286,522	--	5,642,587	--	(214,114)	(214,114)	
Housing, Interim Financing and Buy-Back Revolving Fund	206,452	167,094	--	--	--	(39,358)	(39,358)	
Municipal Golf Course	3,443,679	1,136,425	--	--	--	(2,307,254)	(2,307,254)	
Total Business-type Activities	<u>68,793,354</u>	<u>60,590,041</u>	<u>--</u>	<u>5,642,587</u>	<u>--</u>	<u>(2,560,726)</u>	<u>(2,560,726)</u>	
	<u>\$ 492,198,768</u>	<u>\$ 163,017,177</u>	<u>\$ 29,569,802</u>	<u>\$ 27,595,595</u>	<u>\$ (269,455,468)</u>	<u>\$ (2,560,726)</u>	<u>\$ (272,016,194)</u>	
General Revenues:								
Taxes:								
Property taxes					236,947,252	--	236,947,252	
Transient accommodation tax					23,484,000	--	23,484,000	
Public service company tax					9,771,410	--	9,771,410	
Franchise tax					10,781,786	--	10,781,786	
Fuel taxes					10,899,948	--	10,899,948	
Interest and investment earnings, net (Note 2)					1,217,909	330,226	1,548,135	
Other					794,949	--	794,949	
Transfers (Note 4)					(2,229,721)	2,229,721	--	
Total General Revenues and Transfers					<u>291,667,533</u>	<u>2,559,947</u>	<u>294,227,480</u>	
					Change in Net Position	22,212,065	(779)	22,211,286
					Net Position - Beginning of Year, as previously stated	548,147,070	343,760,929	891,907,999
					Prior period adjustment (Note 14)	(326,978,638)	(26,199,592)	(353,178,230)
					Net Position - Beginning of Year, as adjusted	<u>221,168,432</u>	<u>317,561,337</u>	<u>538,729,769</u>
					Net Position - End of Year	<u>\$ 243,380,497</u>	<u>\$ 317,560,558</u>	<u>\$ 560,941,055</u>

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

**COUNTY OF MAUI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>	<u>Grant Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvement Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:								
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 80,421,523	\$ 11,237,643	\$ 5,331,883	\$ --	\$ --	\$ 59,065,989	\$ 38,144,837	\$ 194,201,875
Cash with fiscal agent	--	--	--	--	--	13,424,393	--	13,424,393
Receivables (Note 3):								
Property taxes	7,840,092	--	--	--	--	--	--	7,840,092
Trade accounts, net	--	--	2,037,030	--	--	--	3,395,485	5,432,515
State of Hawaii	--	938,329	--	5,450,280	--	6,812,028	--	13,200,637
Federal government	--	--	--	--	--	8,156	--	8,156
Other receivables	12,255	--	--	15,891	--	461,507	--	489,653
Due from other funds (Note 4)	<u>19,582,678</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,582,678</u>
Total Assets	<u>\$ 107,856,548</u>	<u>\$ 12,175,972</u>	<u>\$ 7,368,913</u>	<u>\$ 5,466,171</u>	<u>\$ --</u>	<u>\$ 79,772,073</u>	<u>\$ 41,540,322</u>	<u>\$ 254,179,999</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Vouchers payable	\$ 4,042,035	\$ 477,833	\$ 799,566	\$ 724,038	\$ --	\$ 7,846,598	\$ 776,713	\$ 14,666,783
Accounts payable	3,521,450	200,050	--	398,097	--	3,937,652	1,370,918	9,428,167
Contracts retentions payable	35,224	--	3,343	6,020	--	1,555,307	16,404	1,616,298
Due to other funds (Note 4)	--	--	--	496,684	--	19,085,994	--	19,582,678
Deposits payable	--	--	--	--	--	--	--	--
Accrued wages payable	4,459,349	172,575	204,375	--	--	--	220,106	5,056,405
Deposits and unearned revenues	--	--	--	2,428,482	--	723,093	--	3,151,575
Advanced collections	--	--	--	--	--	--	971,870	971,870
Total Liabilities	<u>12,058,058</u>	<u>850,458</u>	<u>1,007,284</u>	<u>4,053,321</u>	<u>--</u>	<u>33,148,644</u>	<u>3,356,011</u>	<u>54,473,776</u>
Deferred Inflows of Resources:								
Deferred inflows - nonexchange	879,966	--	--	1,412,850	--	--	266,920	2,559,736
Deferred inflows - unavailable revenues	<u>6,040,399</u>	<u>--</u>	<u>77,842</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,418,837</u>	<u>8,537,078</u>
Total Deferred Inflows of Resources	<u>6,920,365</u>	<u>--</u>	<u>77,842</u>	<u>1,412,850</u>	<u>--</u>	<u>--</u>	<u>2,685,757</u>	<u>11,096,814</u>
Fund Balances (Note 12):								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	8,196,098	11,325,514	--	--	--	15,526,169	27,971,824	63,019,605
Committed	28,307,381	--	6,283,787	--	--	--	7,526,730	42,117,898
Assigned	20,718,232	--	--	--	--	31,097,260	--	51,815,492
Unassigned	<u>31,656,414</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>31,656,414</u>
Total Fund Balances	<u>88,878,125</u>	<u>11,325,514</u>	<u>6,283,787</u>	<u>--</u>	<u>--</u>	<u>46,623,429</u>	<u>35,498,554</u>	<u>188,609,409</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 107,856,548</u>	<u>\$ 12,175,972</u>	<u>\$ 7,368,913</u>	<u>\$ 5,466,171</u>	<u>\$ --</u>	<u>\$ 79,772,073</u>	<u>\$ 41,540,322</u>	<u>\$ 254,179,999</u>

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

COUNTY OF MAUI
RECONCILIATION OF THE FUND BALANCES ON THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS TO THE NET POSITION
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total Fund Balances - Governmental Funds		\$ 188,609,409
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		740,240,200
Revenue is deferred for governmental fund purposes but recorded as revenue in the statement of activities.		8,537,078
Interest payable is not reported in the governmental funds.		(2,429,180)
Prepaid postemployment benefits are not reported in the governmental funds.		3,307,619
Deferred amounts on refunding are reported as deferred outflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		4,772,534
Deferred amounts related to pensions reported as deferred outflows and inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		(17,278,426)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:		
General obligation bonds	(227,834,704)	
SRF loans from the State of Hawaii	(55,184,431)	
Compensated absences	(30,522,398)	
Claims and judgments	(20,339,074)	
Net pension liability	(311,699,243)	
Accrued pollution remediation	(5,274,161)	
Landfill closure/post-closure costs	<u>(31,524,726)</u>	
Total Long-term Liabilities		<u>(682,378,737)</u>
Net Position of Governmental Activities		\$ <u>243,380,497</u>

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

**COUNTY OF MAUI
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Debt Service Fund	Capital Improvement Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	\$ 246,496,600	\$ 21,681,733	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 268,178,333
Licenses and permits	9,843,017	18,670,008	32,215	--	--	--	2,400,659	30,945,899
Intergovernmental revenues	23,557,686	--	--	28,528,997	--	19,961,425	523	72,048,631
Charges for current services	1,616,055	2,716,089	46,658,016	--	--	--	13,848,566	64,838,726
Fines and forfeitures	1,930,384	--	--	(1,855)	--	--	146,825	2,075,354
Interest and investment earnings, net (Note 2)	1,325,512	--	--	8,994	--	23,829	--	1,358,335
Other revenues	1,357,437	2,860	1,834	1,250,437	--	2,484	1,988,843	4,603,895
Assessments	--	--	--	--	--	--	1,321,707	1,321,707
Total Revenues	<u>286,126,691</u>	<u>43,070,690</u>	<u>46,692,065</u>	<u>29,786,573</u>	<u>--</u>	<u>19,987,738</u>	<u>19,707,123</u>	<u>445,370,880</u>
EXPENDITURES:								
Current:								
General government	99,735,672	--	--	4,844,128	--	--	899,229	105,479,029
Public safety	85,759,921	--	--	4,336,298	--	--	252,421	90,348,640
Highways and streets	7,538,742	30,577,337	--	665,681	--	--	1,477,931	40,259,691
Sanitation	615,784	--	29,015,338	732,790	--	--	24,187,657	54,551,569
Social welfare	18,921,037	--	--	18,663,215	--	--	4,994,682	42,578,934
Culture and recreation	28,902,060	--	--	598,681	--	--	29,150	29,529,891
Legislative	6,559,236	--	--	--	--	--	--	6,559,236
Capital outlay	--	--	--	--	--	81,371,146	--	81,371,146
Debt Service:								
Principal	--	--	--	--	26,925,892	--	--	26,925,892
Interest and other issuance cost	--	--	--	--	10,460,499	444,826	--	10,905,325
Total Expenditures	<u>248,032,452</u>	<u>30,577,337</u>	<u>29,015,338</u>	<u>29,840,793</u>	<u>37,386,391</u>	<u>81,815,972</u>	<u>31,841,070</u>	<u>488,509,353</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,094,239</u>	<u>12,493,353</u>	<u>17,676,727</u>	<u>(54,220)</u>	<u>(37,386,391)</u>	<u>(61,828,234)</u>	<u>(12,133,947)</u>	<u>(43,138,473)</u>
OTHER FINANCING SOURCES (USES):								
Issuance of Debt (Note 6):								
General obligation bonds	--	--	--	--	--	40,015,000	--	40,015,000
General obligation refunding bonds	--	--	--	--	--	21,860,000	--	21,860,000
Net premiums received	--	--	--	--	--	6,282,606	--	6,282,606
SRF and USDA loans	--	--	--	--	--	6,630,741	--	6,630,741
Use of Debt:								
Payments to escrow for bond refunding	--	--	--	--	--	(24,827,405)	--	(24,827,405)
Transfers In (Note 4)								
General Fund	--	75,000	--	54,220	37,386,391	9,555,000	19,814,598	66,885,209
Special Revenue Funds	16,167,938	--	--	--	--	22,541,698	2,007,848	40,717,484
Capital Improvement Projects Fund	806,588	1,536,516	1,420,876	--	--	--	646,703	4,410,683
Other Governmental Funds	5,304,109	340,000	--	--	--	3,450,000	--	9,094,109
Proprietary Funds	314,923	--	--	--	--	--	--	314,923
Transfers Out (Note 4)								
General Fund	--	(6,334,572)	(9,833,366)	--	--	(806,588)	(5,304,109)	(22,278,635)
Special Revenue Funds	(129,220)	--	--	--	--	(2,957,392)	(340,000)	(3,426,612)
Debt Service Fund	(37,386,391)	--	--	--	--	--	--	(37,386,391)
Capital Improvement Projects Fund	(9,555,000)	(8,886,698)	(13,655,000)	--	--	--	(3,450,000)	(35,546,698)
Other Governmental Funds	(19,814,598)	(213,054)	(1,794,794)	--	--	(646,703)	--	(22,469,149)
Proprietary Funds	(2,544,644)	--	--	--	--	--	--	(2,544,644)
Total Other Financing Sources (Uses)	<u>(46,836,295)</u>	<u>(13,482,808)</u>	<u>(23,862,284)</u>	<u>54,220</u>	<u>37,386,391</u>	<u>81,096,957</u>	<u>13,375,040</u>	<u>47,731,221</u>
Net Change in Fund Balances	(8,742,056)	(989,455)	(6,185,557)	--	--	19,268,723	1,241,093	4,592,748
Fund Balances, Beginning of Year, as previously stated	97,620,181	12,314,969	12,469,344	--	--	31,929,755	34,257,461	188,591,710
Prior period adjustment (Note 14)	--	--	--	--	--	(4,575,049)	--	(4,575,049)
Fund Balances, Beginning of Year, as restated	<u>97,620,181</u>	<u>12,314,969</u>	<u>12,469,344</u>	<u>--</u>	<u>--</u>	<u>27,354,706</u>	<u>34,257,461</u>	<u>184,016,661</u>
Fund Balances, End of Year	<u>\$ 88,878,125</u>	<u>\$ 11,325,514</u>	<u>\$ 6,283,787</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 46,623,429</u>	<u>\$ 35,498,554</u>	<u>\$ 188,609,409</u>

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

COUNTY OF MAUI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 4,592,748
Amounts reported for governmental activities in the Statement of Activities are different due to:	
Governmental funds report capital outlays as expenditures and do not report depreciation expense. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays reported in the Capital Improvement Project Fund and other funds, net of retirements	86,718,991
Depreciation expense	(42,037,057)
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.	(16,093,469)
This is the amount by which loans proceeds exceeded payable principal payments.	(1,891,380)
Certain expenses related to the accrual of vacation, landfill closure, postemployment benefits, and claims and judgments are not current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
This is the amount by which vacation accrual exceeded the payments.	(1,420,762)
This is the amount by which landfill closure payments exceeded the accrual.	4,775,740
This is the amount by which postemployment benefit accrual exceeded payments.	(132,561)
This is the amount by which claims and judgments payments exceeded the accrual.	(224,563)
This is the amount by which pollution remediation accrual exceeded the payments.	(5,274,161)
Accrued interest reported is an expense in the Statement of Activities but not reported as an expenditure in the governmental funds.	264,350
Unavailable revenues are recognized in the Statement of Activities which differs from the current financial resource measurement of the governmental funds.	1,976,322
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.	(3,442,859)
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.	974,806
The County's proportionate share of pension expense requiring immediate recognition, but not reported as expenditures in the governmental funds. This is the net difference between fiscal year 2015 employer paid contributions, recorded as deferred outflows in the current year and fiscal year 2014 employer paid contributions being expensed in the Statement of Activities.	<u>(6,574,080)</u>
Change in Net Position of Governmental Activities - Government-Wide Statement of Activities	\$ <u>22,212,065</u>

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

**COUNTY OF MAUI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015**

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
ASSETS:				
Current Assets:				
Unrestricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	\$ 49,776,359	\$ 1,612,698	\$ 687,359	\$ 52,076,416
Trade accounts, net (Note 3)	5,836,597	6,744	--	5,843,341
Inventory	1,224,186	--	--	1,224,186
Other current assets	972,859	251,328	--	1,224,187
Total Current Unrestricted Assets	57,810,001	1,870,770	687,359	60,368,130
Restricted:				
Equity in pooled cash and investments held in County Treasury (Notes 2 and 13)	16,371,668	--	--	16,371,668
Total Current Assets	74,181,669	1,870,770	687,359	76,739,798
Capital assets (Note 5):				
Land	6,931,003	2,427,000	376,006	9,734,009
Buildings and systems	3,336,702	1,890,885	3,565,580	8,793,167
Improvements other than buildings	--	--	2,971,632	2,971,632
Machinery and equipment	30,103,735	7,124	1,468,708	31,579,567
Infrastructure	497,834,001	--	--	497,834,001
Construction in progress	45,327,370	--	--	45,327,370
Accumulated depreciation	(257,901,850)	(1,064,130)	(5,236,581)	(264,202,561)
Total Capital Assets, net	325,630,961	3,260,879	3,145,345	332,037,185
Total Assets	399,812,630	5,131,649	3,832,704	408,776,983
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	2,291,654	--	162,587	2,454,241
Unamortized loss on advanced refunding	117,326	--	--	117,326
Total Deferred Outflow of Resources	2,408,980	--	162,587	2,571,567
Total Assets and Deferred Outflows of Resources	402,221,610	5,131,649	3,995,291	411,348,550
LIABILITIES:				
Current Liabilities:				
Accounts payable	7,890,189	27,977	70,867	7,989,033
Bonds payable - current portion (Note 6)	2,742,890	--	--	2,742,890
Notes payable - current portion (Note 6)	1,138,542	--	--	1,138,542
Claims and judgments - current portion (Note 6 and 10)	1,444,995	--	--	1,444,995
Accrued vacation - current portion (Note 6)	957,741	--	89,553	1,047,294
Deposits	698,309	--	--	698,309
Unearned revenue	1,000,000	12,240	--	1,012,240
Advanced collections	80,823	--	--	80,823
Interest payable	344,106	--	--	344,106
Total Current Liabilities	16,297,595	40,217	160,420	16,498,232
Noncurrent Liabilities:				
Bonds payable - less current portion (Note 6)	27,202,780	--	--	27,202,780
Notes payable - less current portion (Note 6)	19,330,358	--	--	19,330,358
Accrued vacation - less current portion (Note 6)	1,051,319	--	138,622	1,189,941
Net pension liability (Note 9)	24,207,754	--	1,842,367	26,050,121
Total Noncurrent Liabilities	71,792,211	--	1,980,989	73,773,200
Total Liabilities	88,089,806	40,217	2,141,409	90,271,432
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	3,267,855	--	248,705	3,516,560
Total Deferred Inflow of Resources	3,267,855	--	248,705	3,516,560
Total Liabilities and Deferred Inflow of Resources	91,357,661	40,217	2,390,114	93,787,992
NET POSITION:				
Net investment in capital assets	275,703,978	3,260,879	3,145,345	282,110,202
Restricted - water (Note 13)	11,612,015	--	--	11,612,015
Unrestricted	23,547,956	1,830,553	(1,540,168)	23,838,341
Total Net Position	\$ 310,863,949	\$ 5,091,432	\$ 1,605,177	\$ 317,560,558

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

COUNTY OF MAUI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Operating Revenues:				
Charges for services	\$ 59,286,522	\$ 167,094	\$ 1,136,425	\$ 60,590,041
Total Operating Revenues	<u>59,286,522</u>	<u>167,094</u>	<u>1,136,425</u>	<u>60,590,041</u>
Operating Expenses:				
Salaries and personnel services	10,657,943	--	914,598	11,572,541
Other operating expenses	38,678,438	155,941	2,195,571	41,029,950
Depreciation and amortization (Note 5)	14,431,573	50,511	333,510	14,815,594
Total Operating Expenses	<u>63,767,954</u>	<u>206,452</u>	<u>3,443,679</u>	<u>67,418,085</u>
Operating Income (Loss)	<u>(4,481,432)</u>	<u>(39,358)</u>	<u>(2,307,254)</u>	<u>(6,828,044)</u>
Nonoperating Revenues (Expenses):				
Interest and investment earnings, net	322,326	7,900	--	330,226
Interest expense, net of capitalized interest	(1,375,269)	--	--	(1,375,269)
Total Non-Operating Revenues (Expenses), Net	<u>(1,052,943)</u>	<u>7,900</u>	<u>--</u>	<u>(1,045,043)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(5,534,375)</u>	<u>(31,458)</u>	<u>(2,307,254)</u>	<u>(7,873,087)</u>
Capital Contributions	5,642,587	--	--	5,642,587
Transfers In (Note 4)	--	--	2,544,644	2,544,644
Transfers Out (Note 4)	<u>--</u>	<u>--</u>	<u>(314,923)</u>	<u>(314,923)</u>
Change in Net Position	108,212	(31,458)	(77,533)	(779)
Net Position, Beginning of Year, as previously stated	335,102,390	5,122,890	3,535,649	343,760,929
Change in accounting principle (Note 14)	(24,346,653)	--	(1,852,939)	(26,199,592)
Net Position, Beginning of Year, as restated	<u>310,755,737</u>	<u>5,122,890</u>	<u>1,682,710</u>	<u>317,561,337</u>
Net Position, End of Year	<u>\$ 310,863,949</u>	<u>\$ 5,091,432</u>	<u>\$ 1,605,177</u>	<u>\$ 317,560,558</u>

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

**COUNTY OF MAUI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Golf Course Special Fund	Total
Cash Flows from Operating Activities:				
Receipts from customers	\$ 59,020,554	\$ 163,070	\$ 1,136,425	\$ 60,320,049
Payments to employees	(10,603,511)	--	(843,831)	(11,447,342)
Payments to suppliers	(35,591,967)	(170,354)	(2,210,517)	(37,972,838)
Refunds of utility construction advances	(28,778)	--	--	(28,778)
Net cash provided by (used in) operating activities	<u>12,796,298</u>	<u>(7,284)</u>	<u>(1,917,923)</u>	<u>10,871,091</u>
Cash Flows from Capital and Related Financing Activities:				
Cash paid for the acquisition and construction of capital assets	(18,334,966)	(91,263)	(91,551)	(18,517,780)
Proceeds from bonds and notes payable	10,630,571	--	--	10,630,571
Principal paid on bonds and notes payable	(3,687,745)	--	--	(3,687,745)
Cash received from capital contributions	3,549,069	--	--	3,549,069
Interest paid on bonds and notes payable	(1,067,045)	--	--	(1,067,045)
Net cash provided by (used in) capital and related financing activities	<u>(8,910,116)</u>	<u>(91,263)</u>	<u>(91,551)</u>	<u>(9,092,930)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	--	--	2,544,644	2,544,644
Transfers out	--	--	(314,923)	(314,923)
Net cash provided by (used in) non-capital financing activities	<u>--</u>	<u>--</u>	<u>2,229,721</u>	<u>2,229,721</u>
Cash Flows from Investing Activities:				
Interest and investment earnings received from investments	322,326	7,900	--	330,226
Net cash provided by investing activities	<u>322,326</u>	<u>7,900</u>	<u>--</u>	<u>330,226</u>
Change in Cash and Cash Equivalents	4,208,508	(90,647)	220,247	4,338,108
Cash and Cash Equivalents, Beginning of Year	<u>61,939,519</u>	<u>1,703,345</u>	<u>467,112</u>	<u>64,109,976</u>
Cash and Cash Equivalents, End of Year	<u>\$ 66,148,027</u>	<u>\$ 1,612,698</u>	<u>\$ 687,359</u>	<u>\$ 68,448,084</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (4,481,432)	\$ (39,358)	\$ (2,307,254)	\$ (6,828,044)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	14,431,573	50,511	333,510	14,815,594
Bad debt recoveries, net	47,148	--	--	47,148
Pension expense	2,821,120	--	214,705	3,035,825
Net (increase) decrease in receivables, inventory, other current assets, and deferred outflows	(3,053,050)	(32,137)	(139,159)	(3,224,346)
Net increase (decrease) in accounts payable, accrued vacation, other current liabilities, and deferred inflows	<u>3,030,939</u>	<u>13,700</u>	<u>(19,725)</u>	<u>3,024,914</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 12,796,298</u>	<u>\$ (7,284)</u>	<u>\$ (1,917,923)</u>	<u>\$ 10,871,091</u>
Noncash Capital Financing Activities				
Capital contributions	<u>\$ 2,093,518</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,093,518</u>

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

**COUNTY OF MAUI
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	<u>Agency Funds</u>
ASSETS:	
Equity in pooled cash and investments held in County Treasury (Note 2)	\$ 31,437,269
Other current assets	976,990
Other non-current assets	<u>95,655</u>
Total Assets	\$ <u>32,509,914</u>
 LIABILITIES:	
Accounts payable	\$ 42,451
Deposits	32,318,568
Due to State of Hawaii	<u>148,895</u>
Total Liabilities	\$ <u>32,509,914</u>

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

The Financial Reporting Entity –

County of Maui - The County is a municipal corporation governed by an elected mayor and a nine-member County Council. The County operates under the Charter of the County of Maui that was last amended in 2014.

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

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

Financial Statement Presentation –

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

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

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

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

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

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

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

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

Fiduciary funds of the County include the following agency funds:

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

Summary of Significant Accounting Policies -

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

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

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

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

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

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

Real Property Taxes - Real property taxes are assessed and billed annually. The County's real property taxes, which are levied on July 1st and billed by July 20th of each year based on assessed valuations as of January 1st, are due in two equal installments on the following August 20th and February 20th. Accordingly, real property tax receivables at June 30, 2015 are delinquent and amounts, if not collected within sixty days after year-end, are reported as deferred inflows in the General Fund. A lien for real property tax is attached as of July 1st of each year.

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

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

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

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

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

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

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt is deferred. The amount deferred is reported as a deferred inflow of resources or outflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

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

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued on either the government-wide or fund financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2015, accumulated sick leave amounted to approximately \$79.6 million.

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

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

Fund Balance Policies - Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. As of June 30, 2015, fund balances for government funds are comprised of the following:

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

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

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

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

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

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

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

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

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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

During fiscal year, 2015, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*. GASB 68 establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements in which:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employer, nonemployee contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

GASB 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

GASB 71 is required to be implemented simultaneously with Statement No. 68 and amends the requirement related to certain pension contributions made to defined benefit pension plans prior to implementation of GASB 68 by employers and nonemployer contributing entities.

The adoption of GASB 68 and GASB 71 has no impact on the County's governmental fund financial statements, which continue to report expenditures in the amount statutorily required. However, adoption has resulted in the restatement of the County's fiscal year 2014 government-wide financial statements to reflect the reporting in net pension liability in accordance with the provisions of GASB 68 and deferred outflows of resources related to pensions in accordance with GASB 71.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72). This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73). This Statement establishes requirements for defined benefit pensions that are not within the scope of GASB 68, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of GASB 68. It also amends certain provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67), and GASB 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that addresses accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of GASB 67 or for pensions that are within the scope of GASB 68 are effective for fiscal years beginning after June 15, 2015.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 74). This Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution other postemployment benefits (OPEB) plans that replace the requirements for those OPEB plans in GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, GASB Statement 43, and GASB Statement No. 50, *Pension Disclosures*. GASB 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). This Statement replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. GASB 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local government employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity. The requirements of this Statement are effective for years beginning after June 15, 2017. Early application is encouraged.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB 76). This Statement establishes the hierarchy of generally accepted accounting principles (GAAP) for state and local governments. The requirements of this Statement apply to all state and local government entities. This Statement supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. It also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, paragraphs 64, 74, and 82*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. Earlier application is permitted.

Management has not yet determined the effect GASB 72, 73, 74, 75, and 76 will have on the County's financial statements.

NOTE 2 - CASH, DEPOSITS, AND INVESTMENTS

Pooled Cash and Investments Held in County Treasury -

Total County cash, deposits, and investments as of June 30, 2015, at fair value, are as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Carrying Value
Equity in pooled cash and investments	\$ 207,626,268	\$ 52,076,416	\$ 31,437,269	\$ 291,139,953
Restricted investments – equity in pooled cash and investments	<u> --</u>	<u>16,371,668</u>	<u> --</u>	<u>16,371,668</u>
Total equity in pooled cash and investments	\$ <u>207,626,268</u>	\$ <u>68,448,084</u>	\$ <u>31,437,269</u>	\$ <u>307,511,621</u>
			Cash on hand and deposits	\$ 78,502,038
			Certificates of deposit	33,709,409
			Investments	<u>195,300,174</u>
			Total equity in pooled cash and investments	\$ <u>307,511,621</u>

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

County's Investment Policy -

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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, 2015 were "Aaa" and "AA+" by Moody's and Standard & Poor's, respectively.

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

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

Custodial credit risk for bank depository accounts is the risk that in the event of a bank failure, the County's deposits may not be returned. It is the County's policy to place its bank deposits with State of Hawaii high credit quality financial institutions that are able to meet the collateral requirements for the County's deposits. As of June 30, 2015, substantially all of the County's cash balance of \$78.5 million and certificates of deposit of \$33.7 million were insured or collateralized.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Investments -

As of June 30, 2015, the County's investments were as follows:

Type of Investment	% Yield	Maturity				Premiums (Discounts)	Carrying Value
		Under 30 Days	31-180 Days	181-365 Days	1 - 5 Years		
Federal National Mortgage Association Coupon Notes	0.365 - 1.886	\$ 5,000,000	\$ 10,010,000	\$ --	\$ 38,500,000	\$ 535,861	\$ 54,045,861
Federal Home Loan Bank Notes	0.177 - 2.00	--	4,000,000	--	16,000,000	47,603	20,047,603
Federal Farm Credit Bank Notes	0.281 - 0.938	--	2,270,000	21,250,000	8,750,000	5,077	32,275,077
Federal Agricultural Mortgage Corporation Notes	0.250 - 0.875	1,000,000	3,750,000	4,500,000	19,100,000	3,030	28,353,030
Federal Home Loan Mortgage Corporation Notes	0.2444 - 1.6678	--	7,000,000	--	32,625,000	(13,271)	39,611,729
U.S. Treasury Bills	1.38	--	--	--	3,000,000	(125,125)	2,874,875
U.S. Treasury Notes	0.216 - 1.1886	--	<u>3,500,000</u>	<u>11,000,000</u>	<u>3,625,000</u>	<u>(33,001)</u>	<u>18,091,999</u>
Total investments		\$ <u>6,000,000</u>	\$ <u>30,530,000</u>	\$ <u>36,750,000</u>	\$ <u>121,600,000</u>	\$ <u>420,174</u>	195,300,174
Type of Deposits							
Various certificates of deposit	0.10 - 2.20	\$ --	\$ --	\$ --	\$ <u>33,709,409</u>		<u>33,709,409</u>
					Total investments and certificates of deposit		229,009,583
					Cash on hand and deposits		<u>78,502,038</u>
					Total equity in pooled cash and investments	\$	<u><u>307,511,621</u></u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 - RECEIVABLES

Receivables as of June 30, 2015, for the County's governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Highway Fund	Sewer Fund	Grant Fund	Capital Improvements Project Fund	Non-Major Funds	Total Governmental Activities
Receivables, net:							
Real property taxes	\$ 7,840,092	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,840,092
Intergovernmental	--	938,329	--	5,450,280	6,820,184	--	13,208,793
Sewer charges	--	--	2,311,895	--	--	--	2,311,895
Landfill charges	--	--	--	--	--	3,846,765	3,846,765
Other	12,255	--	--	15,891	461,507	--	489,653
Less: allowance for uncollectible accounts	--	--	(274,865)	--	--	(451,280)	(726,145)
Total Receivables, net:	\$ <u>7,852,347</u>	\$ <u>938,329</u>	\$ <u>2,037,030</u>	\$ <u>5,466,171</u>	\$ <u>7,281,691</u>	\$ <u>3,395,485</u>	\$ <u>26,971,053</u>

Receivables included in the County's proprietary funds as of June 30, 2015 were as follows:

	Department of Water Supply	Housing, Interim Financing, and Buy-Back Revolving Fund	Total Business-Type Activities
Receivables, net:			
Charges for services	\$ 5,973,009	\$ 6,744	\$ 5,979,753
Less: allowance for uncollectible charges	<u>(136,412)</u>	<u>--</u>	<u>(136,412)</u>
Total Receivables, net:	\$ <u>5,836,597</u>	\$ <u>6,744</u>	\$ <u>5,843,341</u>

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

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 - RECEIVABLES (Continued)

At June 30, 2015, the various components of deferred inflows of resources were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent real property tax receivables not collected within 60 days of year-end (General Fund)	\$ 6,040,399	\$ --
Real property tax collections received in advance (General Fund)	--	879,966
Sewer and landfill fees not collected within 60 days of year-end (Non-Major Fund)	2,496,679	--
Grant funds received before time requirements are met, but after all other eligibility requirements have been met (Grant Fund)	--	1,412,850
Fees collected in advance for liquor licenses (Non-Major Fund)	<u>--</u>	<u>266,920</u>
	<u>\$ 8,537,078</u>	<u>\$ 2,559,736</u>

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

Amounts due from and due to other funds as of June 30, 2015 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 19,582,678	\$ --
Capital Improvement Project Fund	--	19,085,994
Grant Fund	<u>--</u>	<u>496,684</u>
	<u>\$ 19,582,678</u>	<u>\$ 19,582,678</u>

Pursuant to Budget Ordinance, the General Fund advances funds for bond-funded projects for which proceeds have not yet been received. These amounts are intended to be repaid in one year.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

A summary of the inter-fund transfers as of June 30, 2015 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 22,593,558	\$ 69,429,853
Highway Fund	1,951,516	15,434,324
Sewer Fund	1,420,876	25,283,160
Grant Fund	54,220	--
Debt Service Fund	37,386,391	--
Capital Improvement Project Fund	35,546,698	4,410,683
Non-Major Governmental Funds	22,469,149	9,094,109
Major Proprietary Fund – Golf Course Special Fund	<u>2,544,644</u>	<u>314,923</u>
	<u>\$ 123,967,052</u>	<u>\$ 123,967,052</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.

NOTE 5 - CAPITAL ASSETS

A summary of capital asset activity of the primary government during the fiscal year ended June 30, 2015, was as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Reductions/ Retirements</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 159,067,977	\$ 7,145,582	\$ --	\$ 166,213,559
Construction in progress	82,891,537	83,465,198	(71,275,082)	95,081,653
	<u>241,959,514</u>	<u>90,610,780</u>	<u>(71,275,082)</u>	<u>261,295,212</u>
Depreciable assets:				
Buildings and systems	162,097,487	2,738,562	(2,082,602)	162,753,447
Improvements other than buildings	135,367,004	1,003,147	--	136,370,151
Machinery and equipment	126,705,502	11,620,253	(2,011,118)	136,314,637
Infrastructure	997,442,965	53,345,021	--	1,050,787,986
	<u>1,421,612,958</u>	<u>68,706,983</u>	<u>(4,093,720)</u>	<u>1,486,226,221</u>
Accumulated depreciation				
Buildings and improvements	80,700,675	5,558,553	(788,921)	85,470,307
Improvements other than buildings	75,702,913	5,417,946	--	81,120,859
Machinery and equipment	104,075,883	8,730,166	(1,981,107)	110,824,942
Infrastructure	707,534,733	22,330,392	--	729,865,125
	<u>968,014,204</u>	<u>42,037,057</u>	<u>(2,770,028)</u>	<u>1,007,281,233</u>
Total Governmental Activities - Capital Assets, Net	<u>\$ 695,558,268</u>	<u>\$ 117,280,706</u>	<u>\$ (72,598,774)</u>	<u>\$ 740,240,200</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance July 1, 2014	Additions	Transfers/ Reductions/ Retirements	Balance June 30, 2015
Business-type Activities:				
Non-depreciable assets:				
Land	\$ 9,734,009	\$ --	\$ --	\$ 9,734,009
Construction in progress	<u>49,734,238</u>	<u>17,943,378</u>	<u>(22,350,246)</u>	<u>45,327,370</u>
	<u>59,468,247</u>	<u>17,943,378</u>	<u>(22,350,246)</u>	<u>55,061,379</u>
Depreciable assets:				
Buildings and systems	8,701,904	91,263	--	8,793,167
Improvements other than buildings	2,971,632	--	--	2,971,632
Machinery and equipment	30,174,872	1,375,112	29,583	31,579,567
Infrastructure	<u>474,282,210</u>	<u>23,551,791</u>	<u>--</u>	<u>497,834,001</u>
	<u>516,130,618</u>	<u>25,018,166</u>	<u>29,583</u>	<u>541,178,367</u>
Accumulated depreciation:				
Buildings and systems	4,633,629	269,153	--	4,902,782
Improvements other than buildings	2,724,915	67,466	--	2,792,381
Machinery and equipment	15,961,950	1,157,950	29,583	17,149,483
Infrastructure	<u>226,036,890</u>	<u>13,321,025</u>	<u>--</u>	<u>239,357,915</u>
	<u>249,357,384</u>	<u>14,815,594</u>	<u>29,583</u>	<u>264,202,561</u>
Business-type Activities - Capital Assets, net	\$ <u>326,241,481</u>	\$ <u>28,145,950</u>	\$ <u>(22,350,246)</u>	\$ <u>332,037,185</u>

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

Governmental Activities:

General government	\$ 1,072,036
Public safety	7,224,710
Highways and streets	10,535,277
Sanitation	16,486,425
Social and welfare	688,054
Culture and recreation	6,027,487
Legislative	<u>3,068</u>

Total Depreciation Expense - Governmental Activities \$ 42,037,057

Business-type Activities:

Department of Water Supply	\$ 14,431,573
Golf course	333,510
Housing interim financing	<u>50,511</u>

Total Depreciation Expense - Business-type Activities \$ 14,815,594

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS (Continued)

Construction in progress is comprised of the following as of June 30, 2015:

	Project			
	Authorized	Expended to	Committed	
	(Appropriated)	June 30, 2015	(Encumbered)	
Governmental Activities:				
Government facilities	\$ 43,228,668	\$ 23,687,153	\$ 3,042,239	
Roadway systems	97,363,189	32,909,497	22,952,716	
Sewer systems	60,515,120	18,282,905	17,209,697	
Sanitation	3,004,255	815,966	621,487	
Parks and recreation	31,962,793	4,017,153	5,085,310	
Drainage	29,851,781	9,023,617	9,100,888	
Other	<u>13,526,028</u>	<u>6,345,362</u>	<u>1,400,372</u>	
Total	\$ <u>279,451,834</u>	\$ <u>95,081,653</u>	\$ <u>59,412,709</u>	
	Project			
	Authorized	Expended to	Committed	
	(Appropriated)	June 30, 2015	(Encumbered)	
Business-Type Activities:				
Department of Water Supply	\$ <u>91,438,321</u>	\$ <u>45,327,370</u>	\$ <u>21,028,089</u>	

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

The following is a summary of long-term debt transactions during the fiscal year ended June 30, 2015:

	Balance			Balance	Due Within
	June 30, 2014	Additions	Reductions	June 30, 2015	One Year
Governmental Activities:					
General obligation bonds	\$ 208,298,376	\$ 68,157,606	\$ 48,621,278	\$ 227,834,704	\$ 19,776,110
State Revolving Fund and USDA loans	<u>53,293,051</u>	<u>6,630,741</u>	<u>4,739,361</u>	<u>55,184,431</u>	<u>4,461,042</u>
Total	\$ <u>261,591,427</u>	\$ <u>74,788,347</u>	\$ <u>53,360,639</u>	\$ <u>283,019,135</u>	\$ <u>24,237,152</u>
Business-Type Activities:					
General obligation bonds	\$ 25,601,815	\$ 7,288,177	\$ 2,944,322	\$ 29,945,670	\$ 2,742,890
Notes payable	<u>17,671,673</u>	<u>3,826,002</u>	<u>1,028,775</u>	<u>20,468,900</u>	<u>1,138,542</u>
Total	\$ <u>43,273,488</u>	\$ <u>11,114,179</u>	\$ <u>3,973,097</u>	\$ <u>50,414,570</u>	\$ <u>3,881,432</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 - LONG-TERM DEBT AND OTHER GENERAL OBLIGATIONS

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, 2015 are comprised of the following individual issues:

Year	Description	Interest Rates	Original Issue Amount	Final Maturity	Outstanding Balance June 30, 2015
1982	Farmers Home Administration	5.00%	\$ 1,500,000	2016	\$ 89,000
2005	Series A,B,C GO and Refunding	2.50%-5.00%	50,485,000	2025	12,690,000
2006	Series A,B,C GO and Refunding	4.00%-5.00%	54,615,000	2022	19,985,000
2008	Series A GO	3.50%-5.00%	34,000,000	2028	26,911,646
2010	Series A GO	0.53%-5.95%	23,375,000	2030	18,540,000
2010	Series B GO	3.00%-5.00%	46,300,000	2021	27,147,882
2012	Series A,B, and D GO and Refunding	2.00%-5.00%	56,885,000	2032	51,012,449
2014	Series A,B,D and E GO and Refunding	2.00%-5.00%	61,875,000	2034	58,760,000
	Total general obligation bonds		\$ <u>329,035,000</u>		215,135,977
	Unamortized premium				<u>12,698,727</u>
	Net general obligation bonds outstanding				\$ <u>227,834,704</u>

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

Governmental Activities – State Revolving Fund and USDA Loans –

State Revolving Fund Loans

The State Revolving Fund Loans are for the construction of necessary water treatment works, and for wastewater reclamation projects. The notes' original issue amounted to \$75.5 million and outstanding principal amounted to \$47.3 million at June 30, 2015, and bear interest at 0.25% to 2.60%. The loans require semi-annual principal and interest payments, and loan fees through fiscal year 2034. The County has 23 projects funded with these SRF loans.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

USDA Loans

The USDA loan was issued by the Rural Housing Service of the U.S. Department of Agriculture for an amount up to \$17.0 million for the construction of the County's Kihei Police Station. The original issue amount and outstanding principal amounted to \$17.0 million and \$7.9 million, respectively, at June 30, 2015, and bears interest at 3.75%. The loan requires semi-annual principal and interest payments through fiscal year 2030.

The schedule below shows the State Revolving Fund and USDA Loans outstanding as of June 30, 2015:

<u>Year</u>	<u>Description</u>	<u>Loan Number</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Outstanding Balance June 30, 2015</u>
State Revolving Fund Loans:					
1997	Lahaina Pump Station No. 3	C150054-07	\$ 2,644,416	2016	\$ 171,125
1997	Kihei Wastewater Reclamation Phase IIB	C150077-06	9,018,078	2016	581,645
1998	Kihei Reuse Core Distribution System	C150077-09	3,231,080	2018	515,469
2004	Lahaina Pump Station Nos. 5 & 6	C150054-12	3,300,000	2026	1,922,751
2004	Kahului Pump Station Modification	C150052-30	2,623,957	2026	1,545,248
2006	Lahaina Pump Station No. 4	C150054-09	1,700,000	2027	1,090,392
2008	Wailuku-Kahului Wastewater Pump Station	C150052-19	9,931,786	2028	6,771,718
2009	Wailuku-Kahului Wastewater Reclamation	C150052-32	2,000,000	2029	1,403,719
2009	Lahaina Wastewater Pump Station No.1	C150054-06	7,050,000	2029	5,015,104
2009	Central Maui Landfill Gas Collection	NPS0052-39	3,502,173	2029	2,464,748
2009	Islandwide EPA Consent Decree	C150052-31	8,438,770	2029	5,976,395
2009	Molokai Integrated Solid Waste Facility	NPS0041-07	3,241,038	2029	2,397,947
2010	Front Street Sewer Line Rehabilitation	C150054-11	447,454	2029	342,059
2010	Hyatt/Kaanapali Force Main Replacements	C150054-25	1,737,541	2030	1,349,957
2010	Countywide Pump Station Renovations	C150052-28	928,608	2029	743,995
2011	Kihei No. 2 Force Main Replacement	C150077-20	1,022,919	2032	836,342
2013	Alamaha Force Main Replacement	C150052-40	1,128,000	2033	1,016,564
2013	West Maui Recycled Water	C150054-23	1,205,090	2033	1,152,872
2012	Wailuku-Kahului Force Main Replacement	C150052-35	3,621,040	2034	3,478,022
2012	Countywide Pump Station Renovations	C150054-34	2,727,744	2034	2,649,634
2010	Central Operations and Maintenance Facility	C150052-33	500,000	2034	475,129
2013	Lahaina No. 3 Force Main Replacement	C150054-28	4,719,007	2034	4,519,072
2013	Lahaina Wastewater Pump Station No.2	C150054-10	835,039	2034	835,039
			<u>\$ 75,553,740</u>		<u>\$ 47,254,946</u>
USDA Loan					
2012	Kihei Police Station Project	NO. R-1	<u>\$ 17,000,000</u>	2030	<u>7,929,485</u>
	Total				<u>\$ 55,184,431</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Annual debt service requirements to maturity for the general obligation bonds and the State Revolving Fund and USDA Loans at June 30, 2015, 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>
2016	\$ 19,776,110	\$ 9,024,222	\$ 28,800,332
2017	21,887,392	8,234,574	30,121,966
2018	19,995,127	7,269,872	27,264,999
2019	18,530,114	6,308,862	24,838,976
2020	18,391,506	5,455,881	23,847,387
2021-2025	62,657,538	16,791,345	79,448,883
2026-2030	39,404,929	6,339,004	45,743,933
2031-2034	14,493,261	999,467	15,492,728
Total	<u>\$ 215,135,977</u>	<u>\$ 60,423,227</u>	<u>\$ 275,559,204</u>

<u>Year Ending June 30,</u>	<u>Governmental Activities SRF and USDA Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,461,042	\$ 751,914	\$ 5,212,956
2017	3,742,340	623,327	4,365,667
2018	3,668,578	575,769	4,244,347
2019	3,597,424	533,012	4,130,436
2020	3,626,412	491,406	4,117,818
2021-2025	18,626,846	1,804,201	20,431,047
2026-2030	14,712,044	672,637	15,384,681
2031-2034	2,749,745	46,042	2,795,787
	<u>\$ 55,184,431</u>	<u>\$ 5,498,308</u>	<u>\$ 60,682,739</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, 2015**

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

General obligation bonds payable reported in the Business-Type Activities column of the statement of net position at June 30, 2015 are comprised of the following individual issues:

<u>Year</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding Balance June 30, 2015</u>
2005	Series B GO Refunding Bonds	3.80%-5.00%	3/1/2018	\$ 3,035,000
2008	Series A GO Refunding Bonds	3.50%-5.00%	7/1/2028	4,353,354
2010	Series B GO Refunding Bonds	4.00%-5.00%	6/1/2021	2,357,118
2012	Series B and C GO and Refunding	2.10%-5.00%	6/1/2032	11,122,551
2014	Series C GO Bonds	3.00%-5.00%	6/1/2034	<u>6,545,000</u>
	Total general obligation bonds			27,413,023
	Unamortized premium			<u>2,532,647</u>
	Net general obligation bonds outstanding			<u>\$ 29,945,670</u>

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

Annual debt service requirements to maturity for these general obligation bonds at June 30, 2015, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Business-Type Activities General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	2,742,890	1,168,035	3,910,925
2017	2,842,608	1,061,371	3,903,979
2018	2,984,873	925,921	3,910,794
2019	2,019,886	778,156	2,798,042
2020	2,118,494	681,349	2,799,843
2021-2025	7,952,462	1,981,771	9,934,233
2026-2030	4,425,071	762,256	5,187,327
2031-2034	<u>2,326,739</u>	<u>170,902</u>	<u>2,497,641</u>
Totals	\$ <u>27,413,023</u>	\$ <u>7,529,761</u>	\$ <u>34,942,784</u>

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

At June 30, 2015, notes payable of the Department consisted of the following:

	<u>Amount</u>
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.37%, and loan fee rate of 3.25%, maturing in 2029.	\$ 1,301,387
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan rate of 3.25%, maturing in 2031.	553,361
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.35%, loan fee rate of 3.25%, maturing in 2032.	2,945,305
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 3.25%, maturing in 2032.	837,883
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2032.	210,952
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50% and loan fee rate of 1.00%, maturing in 2033.	807,034
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2033.	786,987
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00% and loan fee rate of 1.00%, maturing in 2033.	<u>7,145,373</u>
Balance forward	\$ <u>14,588,282</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

	<u>Amount</u>
Balance carried forward	\$ 14,588,282
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00% maturing in 2034.	3,985,317
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00% maturing in 2034.	1,829,921
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00% maturing in 2035.	<u>65,380</u>
	20,468,900
Less current maturities	<u>(1,138,542)</u>
	<u>\$ 19,330,358</u>

Annual debt service requirements of these notes payable at June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Business-Type Activities Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,138,542	\$ 392,787	\$ 1,531,329
2017	1,143,358	370,872	1,514,230
2018	1,146,921	347,969	1,494,890
2019	1,150,596	324,897	1,475,493
2020	1,154,222	301,815	1,456,037
2021-2025	5,827,885	1,158,415	6,986,300
2026-2030	5,828,527	567,807	6,396,334
2031-2035	<u>3,078,849</u>	<u>85,696</u>	<u>3,164,545</u>
Totals	\$ <u>20,468,900</u>	\$ <u>3,550,258</u>	\$ <u>24,019,158</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

Line of Credit –

The County has a line of credit agreement with a bank with a total authorized balance of \$1 million. There were no outstanding balances as of June 30, 2015. The line of credit agreement requires interest-only payments at the bank's base rate plus 0.90% (3.94% at June 30, 2015), with all unpaid principal due at the maturity date. The line of credit was originally due on July 30, 2015 and has been renewed to July 30, 2016.

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, 2015, are approximately \$5.4 billion and \$5.1 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, 2015.

Refunded Bonds –

The County issued refunding bonds, namely the 2012A and 2014 general obligation bonds, in which proceeds were placed in an irrevocable trust, to repay all future debt service payments on the 2005A, 2004B, and 2006A general obligation bonds. As of June 30, 2015, the outstanding balance of the unpaid defeased debt was \$34.2 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, accrued environmental liability or pollution remediation obligation, post-closure costs, accrued postemployment benefits, and claims and judgments. The accrued vacation liability is typically liquidated by the General, Highway, Sewer, Grant, and Other Governmental Funds. The accrued landfill closure and post-closure costs liability is typically liquidated by the Capital Improvement Projects and Other Governmental Funds. The accrued environmental liability is typically liquidated by other governmental funds. The accrued postemployment benefits liability is typically liquidated by the General, Highway, Sewer, and Other Governmental Funds. Claims and judgments liability is typically liquidated by the General Fund.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

A summary of long-term debt and other long-term general obligations for the year ended June 30, 2015 is as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Prepaid</u> <u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Prepaid</u> <u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:							
Accrued vacation	\$ 29,101,636	\$ --	\$ 14,491,662	\$ 13,070,900	\$ 30,522,398	\$ --	\$ 13,070,900
Accrued landfill closure and postclosure costs (Note 8)	36,300,466	--	--	4,775,740	31,524,726	--	252,844
Accrued pollution remediation	--	--	5,274,161	--	5,274,161	--	942,603
Accrued postemployment benefits (Note 9)	--	(3,440,180)	28,216,551	28,083,990	--	(3,307,619)	--
Claims and judgments	<u>20,114,511</u>	<u>--</u>	<u>6,314,926</u>	<u>6,090,363</u>	<u>20,339,074</u>	<u>--</u>	<u>20,339,074</u>
Total Other General Obligations	85,516,613	(3,440,180)	54,297,300	52,020,993	87,660,359	(3,307,619)	34,605,421
Long-Term Debt	<u>261,591,427</u>	<u>--</u>	<u>74,788,347</u>	<u>53,360,639</u>	<u>283,019,135</u>	<u>--</u>	<u>24,237,152</u>
Total Long-Term Obligations	<u>\$ 347,108,040</u>	<u>\$ (3,440,180)</u>	<u>\$ 129,085,647</u>	<u>\$ 105,381,632</u>	<u>\$ 370,679,494</u>	<u>\$ (3,307,619)</u>	<u>\$ 58,842,573</u>
	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>		
Business-Type Activities:							
Accrued vacation	\$ 2,309,956	\$ 1,004,364	\$ 1,077,085	\$ 2,237,235	\$ 1,047,294		
Claims and judgments	<u>661,432</u>	<u>1,195,807</u>	<u>412,244</u>	<u>1,444,995</u>	<u>1,444,995</u>		
Total Other General Obligations	2,971,388	2,200,171	1,489,329	3,682,230	2,492,289		
Long-Term Debt	<u>43,273,488</u>	<u>11,114,179</u>	<u>3,973,097</u>	<u>50,414,570</u>	<u>3,881,432</u>		
Total Long-Term Obligations	<u>\$ 46,244,876</u>	<u>\$ 13,314,350</u>	<u>\$ 5,462,426</u>	<u>\$ 54,096,800</u>	<u>\$ 6,373,721</u>		

NOTE 7 - OPERATING LEASES

The County is party to various operating lease agreements, predominantly for the purposes of office space and facility use. Lease terms range from month-to-month to 5 years and annual rents range from \$7,000 to approximately \$318,000. Total annual rent expenditures for the fiscal year 2015 were approximately \$3.6 million.

As of June 30, 2015, the future minimum noncancelable operating lease payments were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 1,623,087
2017	1,116,888
2018	<u>472,891</u>
	<u>\$ 3,212,866</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - SOLID WASTE LANDFILL CLOSURE, POST-CLOSURE CARE COSTS AND POLLUTION REMEDIATION OBLIGATION

The County recognizes closure and post-closure care costs over the life of the landfill. The County owns and operates four active landfills. State and federal laws require the County to monitor and maintain each site for thirty years after the facility is closed. Although the closure and post-closure care costs will be paid only near and after the date that the landfill stops accepting waste, the County recognizes a portion of the closure and post-closure care costs in each operating period. The liability for these costs is included in the governmental activities column of the government-wide financial statements. The amount recognized each year is based on the landfill capacity used as of the statement of net position date.

The \$31.5 million of accrued landfill closure and post-closure costs at June 30, 2015 represents the cumulative amount reported to date based on the estimated capacity used at each landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$17.8 million as the remaining estimated capacity of each landfill is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2015. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

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

<u>Landfill</u>	<u>Capacity Used</u>	<u>Remaining Life (Years)</u>
Central Maui Phase I and II	100%	0
Central Maui Phase IV	64%	5
Central Maui Phase V	50%	5
Hana	35%	58
Molokai	79%	6
Lanai	75%	16

The County incurred closure costs of approximately \$241,123 in fiscal year 2015, with an additional \$252,844 estimated to be incurred in fiscal year 2016. Post-closure costs of approximately \$23.2 million are estimated over the next 30 years.

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

In July 2013, a landfill compliance inspection was completed by the State of Hawaii, Department of at the Hana Municipal Solid Waste Landfill. The County of Maui was notified of a potential violation due to "Constructing and operating a waste disposal unit outside the "existing" limits of waste, without complying with the design criteria for municipal solid waste landfills, and without a solid waste management permit." As a result of the inspection, the County engaged a third-party consulting firm to provide different alternatives to remediate the potential violation. The two options presented were as follows; 1) Capping and covering with soil in conformance with DOH standards for unlined landfills; and 2) Clean closure by the removal of all waste. In 2014, the County elected Option 1 and included the estimated cost of closure and post-closure costs in its financials. After further review and analysis, the County has now elected to implement Option 2. It is estimated that the clean closure option will cost a total of \$5.47 million with \$196,000 already being spent in fiscal year 2014 and fiscal year 2015.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS

Pensions

Pension Plan Description - All eligible employees of the State and counties are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by the Employee Retirement System (ERS). Benefit terms, eligibility, and contribution requirements are established by HRS Chapter 88 and can be amended through legislation.

Benefits Provided - The ERS provides retirement, disability, and death benefits that are covered by the provisions of the noncontributory, contributory, and hybrid retirement plans. The three plans provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% or 2%) multiplied by the average final compensation multiplied by years of credited service. The benefit multiplier decreased by 0.25% for new hybrid and contributory plan members hired after June 30, 2012. Average final compensation is an average of the highest salaries during any 3 years of credited service, excluding any salary paid in lieu of vacation for employees hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for employees hired prior to January 1, 1971.

For members hired before July 1, 2012, the original retirement allowance is increased by 2.5% 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, 5.0% the second year, 7.5% the third year, etc.). For members hired after June 30, 2012 the post-retirement annuity increase was decreased to 1.5% per year.

Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Plan

Retirement Benefits - General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with 10 years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

Ten years of credited service is required for ordinary death benefits. For ordinary death benefits, the surviving spouse/reciprocal beneficiary (until remarriage/reentry into a new reciprocal beneficiary relationship) and dependent children (up to age 18) receive a benefit equal to a percentage of member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension.

Contributory Plan for Employees Hired Prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with 5 years of credited service are eligible to retire at age 55.

Police and firefighters' retirement benefits are determined as 2.25% of average final compensation for each year of service up to a maximum of 80%. Police and firefighters with 5 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 66-2/3% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least 1 year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% Joint and Survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% Joint and Survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Plan for Employees Hired After June 30, 2012

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

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

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

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

Hybrid Plan for Employees Hired Prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with 5 years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least 5 years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 150%, or 50% Joint and Survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least 10 years of service and designated one beneficiary, or 100% Joint and Survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Plan for Employees Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with 10 years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers, and EMTs may retire with 25 years of credited service at age 55.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS (Continued)

Disability and Death Benefits - Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least 10 years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 50% Joint and Survivor lifetime pension if the member was not eligible for retirement at the time of death and designated one beneficiary, or 100% Joint and Survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributions - Contributions are established by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2015 were 22.00% for police and firefighters and 15.50% for all other employees. Contributions to the pension plan from the County were \$30,239,157, for the fiscal year ended June 30, 2015.

The employer is required to make all contributions for members in the noncontributory plan. For contributory plan employees hired prior to July 1, 2012, general employees are required to contribute 7.8% of their salary and police and firefighters are required to contribute 12.2% of their salary. For contributory plan employees hired after June 30, 2012, judges and elected officials are required to contribute 9.8% of their salary and police and firefighters are required to contribute 14.2% of their salary. Hybrid plan members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid plan members hired after June 30, 2012 are required to contribute 8.0% of their salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the County reported a liability of \$337.7 million, for the County's proportionate share of net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2014, the County's proportion was 4.2129% which was a decrease of 0.1227% from its proportion measured as of June 30, 2013.

There were no changes in other assumptions and inputs that affected the measurement of the total pension liability since the prior measurement date. There were no changes between the measurement date, June 30, 2014, and the reporting date, June 30, 2015, that are expected to have a significant effect on the proportionate share of the net pension liability.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS (Continued)

For the year ended June 30, 2015, the County recognized pension expense of \$37,726,086. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,346,449	\$ (4,357,247)
Net difference between projected and actual earnings on pension plan investments	--	(46,625,414)
Changes in proportion and difference between County contributions and proportionate share of contributions	3,550,522	(3,494,212)
County contributions subsequent to the measurement date	30,239,157	--
	\$ 36,136,128	\$ (54,476,873)

The \$30.2 million reported as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2016	\$ (12,066,435)
2017	(12,066,435)
2018	(12,066,435)
2019	(12,066,435)
2020	(314,162)
Total	\$ (48,579,902)

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Payroll growth	3.50%
Salary increases, including inflation at 3.00%	
Police and fire employees	5.00 to 19.00%
General employees	4.00% to 8.00%
Teachers	4.50 to 8.50%
Investment rate of return, including inflation at 3.00%	7.75%
Cost of living adjustments (COLAs)	2.50%/1.50%
COLAs are not compounded; and are based on original pension amounts	

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 - RETIREMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2010. ERS updates their experience studies every five years.

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

<u>Asset class</u>	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Rate of Return</u>
Domestic equity	30.00%	8.50%
International equity	26.00%	9.00%
Total fixed income	20.00%	3.10%
Real estate	7.00%*	8.46%
Private equity	7.00%*	11.75%
Real return	5.00%*	6.10%
Covered calls	<u>5.00%</u>	7.65%
	<u>100%</u>	

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

Discount Rate - The discount rate used to measure the net pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. There has been no change in the discount rate since the prior measurement date.

Sensitivity of the County and Department’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
County’s proportionate share of the net pension liability	\$ <u>438,487,489</u>	\$ <u>337,749,364</u>	\$ <u>237,011,240</u>

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

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

Payables to the Pension Plan

As of June 30, 2015, the County and the Department had \$3,879,921 payable to the pension plan.

Postemployment Benefits –

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

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

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

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

Based on the actuarial valuation study as of July 1, 2013 (the most recent valuation study), the County has 1,223 retirees (including surviving spouses), 188 of deferred vested, and 2,450 of actives, which were used to arrive at the actuarial valuation amount.

The County's annual other postemployment benefit (OPEB) cost is calculated based on its annual required contribution (ARC), which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years. The current ARC rate is 22.8% of annual covered payroll used in the actuarial valuation study as of July 1, 2013.

The following tables present the annual OPEB cost, the amount contributed to the plan, and the net OPEB asset as of and for the fiscal year ended June 30, 2015:

Annual required contribution	\$ 28,241,000
Interest on net OPEB asset	(240,813)
Adjustment to annual required contribution	<u>216,364</u>
Annual OPEB cost	28,216,551
Contributions made	<u>(28,083,990)</u>
Increase in net OPEB obligation	132,561
Net OPEB asset at beginning of year	<u>(3,440,180)</u>
 Net OPEB asset at end of year	 \$ <u>(3,307,619)</u>

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

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

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

The initial unfunded liability is amortized over a period of 30 years, ending June 30, 2037. Closed bases are established at each valuation for new unfunded liabilities. If experience produces a gain during a valuation cycle, the new base will be netted against prior loss bases by setting the amortization period to that of the loss base. For example, the 2011 gain is being amortized over the same 26 year period as the 2009 loss. This process substantially reduces volatility as bases are fully amortized. For fiscal year ending June 30, 2015, the Equivalent Single Amortization Period equals 23.9.

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2015, 2014, and 2013 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation / (Asset)</u>
July 1, 2013	31,092,000	38.6%	74,043,306
July 1, 2014	32,239,000	340.3%	(3,440,180)
July 1, 2015	28,216,551	99.5%	(3,307,619)

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

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

In the July 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.0% discount rate, which is based on the County's anticipated funding level and an annual healthcare costs trend rate of 9.0% for pre-Medicare and post-Medicare initially, reduced by decrements to an ultimate rate of 5.0% over ten years. The assumptions also included a 3.5% increase in payroll and a 3.0% inflation rate. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2013 for the UAAL balance varies depending on the date each portion was established but is set to not exceed 30 years.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

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

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

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

Deferred Compensation Plan -

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 - RETIREMENT BENEFITS (Continued)

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

NOTE 10 - CLAIMS AND JUDGMENTS

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

Settled claims have not exceeded these coverages in any of the past three fiscal years. The estimated total liability of the County of \$21.8 million, with respect to claims and judgments, including claims incurred but not reported and related loss adjustment expenses by the claimant and settled claims is presented on the statement of net position on the government-wide financial statements.

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

Changes in the claims and judgments liability account for the years ended June 30, 2015 and 2014 were as follows:

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

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 - CLAIMS AND JUDGMENTS (Continued)

2014 - Claims and Judgments					
	Balance July 1, 2013	Change to Estimate Additions/ (Reductions)	Claim Payments	Balance June 30, 2014	Due Within One Year
Governmental Activities:					
Workers' compensation	\$ 3,880,639	\$ 5,857,405	\$ 2,910,716	\$ 6,827,328	\$ 6,827,328
Automobile, general liability and other	<u>17,934,718</u>	<u>(2,231,618)</u>	<u>2,415,917</u>	<u>13,287,183</u>	<u>13,287,183</u>
	<u>\$ 21,815,357</u>	<u>\$ 3,625,787</u>	<u>\$ 5,326,633</u>	<u>\$ 20,114,511</u>	<u>\$ 20,114,511</u>
Business-Type Activities:					
Workers' compensation	\$ 340,883	\$ 613,061	\$ 297,512	\$ 656,432	\$ 656,432
Automobile, general liability and other	<u>131,985</u>	<u>(126,550)</u>	<u>435</u>	<u>5,000</u>	<u>5,000</u>
	<u>\$ 472,868</u>	<u>\$ 486,511</u>	<u>\$ 297,947</u>	<u>\$ 661,432</u>	<u>\$ 661,432</u>

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

Because of the inherent uncertainties in estimating future projected liabilities of claims and judgments, it is at least reasonably possible that the estimates used may change within the near term.

COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Contractual commitments –

Contractual commitments for capital projects, expenditures, and supplies for the governmental funds amounted to \$101.2 million at June 30, 2015. Contractual commitments for the proprietary funds amounted to \$26.3 million at June 30, 2015.

Claims –

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

Federal Financial Assistance Programs –

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

Although the County's grant programs have been audited in accordance with the provisions of the Single Audit Act for the fiscal year ended June 30, 2015, 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, 2015**

NOTE 12 - FUND BALANCES

Fund balances for all the major and other governmental funds as of June 30, 2015, are distributed as follows:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>	<u>Capital Improvements Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Nonspendable						
Restricted for:						
Capital improvement projects	--	--	--	15,526,169	--	15,526,169
Housing and human concerns	--	--	--	--	15,654,702	15,654,702
Liquor control	--	--	--	--	2,067,079	2,067,079
Other expenditures	--	--	--	--	154,876	154,876
Parks and recreation	--	--	--	--	5,308,718	5,308,718
Highway and transportation services	--	11,325,514	--	--	--	11,325,514
Wastewater services	--	--	--	--	4,312,739	4,312,739
Open space preservation	8,196,098	--	--	--	--	8,196,098
Bikeway service	--	--	--	--	473,710	473,710
Subtotal	<u>8,196,098</u>	<u>11,325,514</u>	<u>--</u>	<u>15,526,169</u>	<u>27,971,824</u>	<u>63,019,605</u>
Committed to:						
Emergency reserve	27,201,919	--	--	--	--	27,201,919
Countywide costs	230,462	--	--	--	--	230,462
Economic development	875,000	--	--	--	--	875,000
Fire control	--	--	--	--	422,626	422,626
Housing and human concerns	--	--	--	--	994,477	994,477
Parks and recreation	--	--	--	--	378,116	378,116
Highway and transportation services	--	--	--	--	4,070,242	4,070,242
Solid waste services	--	--	--	--	1,657,316	1,657,316
Wastewater services	--	--	6,283,787	--	3,953	6,287,740
Subtotal	<u>28,307,381</u>	<u>--</u>	<u>6,283,787</u>	<u>--</u>	<u>7,526,730</u>	<u>42,117,898</u>
Assigned to:						
Administrative	4,904,606	--	--	--	--	4,904,606
Capital improvement projects	--	--	--	31,097,260	--	31,097,260
Civil defense	1,148	--	--	--	--	1,148
Countywide costs	825,291	--	--	--	--	825,291
Economic development	4,075,086	--	--	--	--	4,075,086
Environmental services	18,248	--	--	--	--	18,248
Fire control	882,262	--	--	--	--	882,262
Highway and transportation services	69,229	--	--	--	--	69,229
Housing and human concerns	3,524,132	--	--	--	--	3,524,132
Legislative	548,496	--	--	--	--	548,496
Parks and recreation	2,674,621	--	--	--	--	2,674,621
Personnel	60,294	--	--	--	--	60,294
Planning	350,320	--	--	--	--	350,320
Police Services	2,452,417	--	--	--	--	2,452,417
Public works	332,082	--	--	--	--	332,082
Subtotal	<u>20,718,232</u>	<u>--</u>	<u>--</u>	<u>31,097,260</u>	<u>--</u>	<u>51,815,492</u>
Unassigned	<u>31,656,414</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>31,656,414</u>
Total	<u>\$ 88,878,125</u>	<u>\$ 11,325,514</u>	<u>\$ 6,283,787</u>	<u>\$ 46,623,429</u>	<u>\$ 35,498,554</u>	<u>\$ 188,609,409</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 - FUND BALANCES (Continued)

The County's General Fund classifications of fund balance are listed below with the June 30, 2015 balances:

Restricted:		
Open space, natural resources, cultural resources and scenic views preservation fund	\$	8,196,098
Committed:		
Other postemployment obligations fund		230,462
Emergency fund		27,201,919
Economic development fund		875,000
Assigned:		
Encumbrances		20,718,232
Unassigned:		<u>31,656,414</u>
 Total	 \$	 <u>88,878,125</u>

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

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

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

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

***Encumbrances* -**

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

These encumbrances at June 30, 2015 are not separately classified in the financial statements, and are summarized as follows:

General Fund	\$	20,718,232
Highway Fund		2,447,473
Sewer Fund		894,217
Grant Fund		4,055,584
Capital Improvement Projects Fund		67,529,014
Non-Major Governmental Funds		<u>5,590,790</u>
 Total	 \$	 <u>101,235,305</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 - BUSINESS-TYPE ACTIVITY - DEPARTMENT OF WATER SUPPLY

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

Unrestricted Cash and Investments –

Unrestricted cash, cash equivalents, and investments at June 30, 2015 include funds for the following purposes:

Board-designated		
Capital improvements	\$	17,623,379
Debt service		<u>1,521,406</u>
Total board-designated		19,144,785
 Undesignated		 <u>30,631,574</u>
 Total	 \$	 <u>49,776,359</u>

At June 30, 2015, construction voucher and contract payables, including retentions, to be paid with board-designated funds were approximately \$1.5 million. Construction contract commitments as of June 30, 2015, to be paid with board-designated funds aggregated approximately \$8.7 million. There are no amounts included in the construction contract commitment amounts for 2015 for maintenance of compliance-order projects to get the water system up to Environmental Protection Agency standards. At June 30, 2015, the Department's management estimates an additional \$16.8 million will be needed to complete the compliance projects.

Restricted Cash and Investments –

Restricted cash and investments consisted of the following at June 30, 2015:

Water system development fee	\$	9,689,655
Bond funds		4,133,804
Federal funds		1,068,040
Customer deposits		698,309
State funds		346,463
Special assessment fund for storage		252,219
Source development fund assessments		<u>183,178</u>
 Total	 \$	 <u>16,371,668</u>

At June 30, 2015, construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$2.7 million. The construction contract commitments as of June 30, 2015, to be paid with restricted assets, aggregated approximately \$14.6 million.

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Restricted Net Position –

At June 30, 2015, restricted net position consisted of the following:

Water system development fee	\$	9,689,655
Special assessment fund for storage		252,219
Source development fund assessments		183,178
Other restricted funds		<u>1,486,963</u>
Total	\$	<u>11,612,015</u>

NOTE 14 - RESTATEMENTS OF NET POSITION AND FUND BALANCE

Prior Period Adjustment - The accompanying financial statements reflect an adjustment resulting from a restatement of the beginning Capital Improvement Project fund balance and the Governmental Activities net position as of June 30, 2014 due to \$4.6 million in loan proceeds that were accrued and recognized as intergovernmental revenues.

Implementation of Accounting Principle - During the fiscal year ended June 30, 2015, the County has adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. The standard established the accounting and reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts or equivalent arrangements.

The effect of adopting the provision of GASB No. 68, as amended, resulted in a decrease in beginning net position of \$322.4 million for governmental activities and \$26.2 million for business-type activities at July 1, 2014. The effect for the fiscal year ended June 30, 2015 was a decrease to the change in net position of \$6,574,080 for governmental activities and \$912,849 for business-type activities. The impact on beginning net position is summarized as follows:

	Governmental Activities	Business-type Activities
Net position at beginning of fiscal year, as previously reported	\$ 548,147,070	\$ 343,760,929
Prior period adjustments:		
Recognition of loan proceeds as revenues	(4,575,049)	--
Cumulative effect of applying GASB 68, as amended		
Net pension liability as of June 30, 2013	(358,016,632)	(29,229,549)
Deferred outflows of resources – employer and employee contributions made subsequent to the measurement date of the beginning net pension liability but prior to June 30, 2014	<u>35,613,043</u>	<u>3,029,957</u>
Net position at beginning of fiscal year, as restated	\$ <u>221,168,432</u>	\$ <u>317,561,337</u>

**COUNTY OF MAUI
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

	Governmental Funds
Fund balance at beginning of fiscal year, as previously reported	\$ 188,591,710
Prior period adjustment:	
Recognition of loan proceeds as revenues	(4,575,049)
Fund Balance at beginning of fiscal year, as restated	\$ <u>184,016,661</u>

NOTE 15 - SUBSEQUENT EVENTS

The County has evaluated subsequent events through January 5, 2016, the date the financial statements were available to be issued. On October 28, 2015, the County issued approximately \$68.5 million of Series 2015 general obligation bonds. The proceeds from the bonds will be utilized for capital projects, prepayment of USDA loans, and to refund 2005ABC and 2008A general obligation debt.

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COUNTY OF MAUI
REQUIRED SUPPLEMENTARY INFORMATION
(See Independent Auditor's Report)

Required Supplementary Information

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

- General Fund
- Highway Fund
- Sewer Fund

Schedule of Funding Progress for the EUTF

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

Schedule of Employer Pension Contributions

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 246,718,190	\$ 246,718,190	\$ 246,496,600	\$ (221,590)
Licenses and permits	5,822,000	5,822,000	9,843,017	4,021,017
Intergovernmental revenues	23,345,000	23,345,000	23,557,686	212,686
Charges for services	1,250,000	1,250,000	1,616,055	366,055
Fines and forfeitures	1,800,000	1,800,000	1,930,384	130,384
Interest and investment earnings, net	785,000	785,000	1,270,053	485,053
Other revenues	800,000	800,000	1,357,437	557,437
Total Revenues	280,520,190	280,520,190	286,071,232	5,551,042
EXPENDITURES:				
Current:				
General government	83,797,792	83,797,792	85,982,304	(2,184,512)
Public safety	87,063,141	89,215,547	85,375,270	3,840,277
Highways and streets	7,533,463	7,533,463	7,503,101	30,362
Sanitation	591,819	591,819	586,290	5,529
Social welfare	19,941,419	19,919,861	19,220,647	699,214
Culture and recreation	29,927,812	30,077,812	29,195,713	882,099
Legislative	7,610,558	7,610,558	6,069,305	1,541,253
Total Expenditures	236,466,004	238,746,852	233,932,630	4,814,222
Excess Revenues over Expenditures	44,054,186	41,773,338	52,138,602	10,365,264
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Special Revenue Funds	14,805,841	16,380,991	16,167,938	(213,053)
Capital Improvement Projects Fund	--	--	806,588	806,588
Other Governmental Funds	4,620,927	5,304,109	5,304,109	--
Proprietary Funds	(569,393)	(539,985)	314,923	854,908
Transfers out:				
Special Revenue Funds	(75,000)	(129,220)	(129,220)	--
Debt Service Fund	(37,386,391)	(37,386,391)	(37,386,391)	--
Capital Improvement Projects Fund	(9,505,000)	(9,555,000)	(9,555,000)	--
Other Governmental Funds	(19,814,598)	(19,814,598)	(19,814,598)	--
Proprietary Funds	(2,544,644)	(2,544,644)	(2,544,644)	--
Total Other Financing Sources (Uses)	(50,468,258)	(48,284,738)	(46,836,295)	1,448,443
Net Change in Fund Balance	(6,414,072)	(6,511,400)	5,302,307	11,813,707
Fund Balance - Beginning	42,404,171	42,404,171	42,404,171	--
Fund Balance - Ending	\$ 35,990,099	\$ 35,892,771	\$ 47,706,478	\$ 11,813,707

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

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 21,100,000	\$ 21,100,000	\$ 21,681,733	\$ 581,733
Licenses and permits	17,000,000	17,000,000	18,670,008	1,670,008
Charges for services	2,700,000	2,700,000	2,716,089	16,089
Other revenues	--	--	2,860	2,860
Total Revenues	40,800,000	40,800,000	43,070,690	2,270,690
EXPENDITURES:				
Current:				
Highways and streets	30,326,649	30,151,586	29,229,938	921,648
Excess Revenues over Expenditures	10,473,351	10,648,414	13,840,752	3,192,338
OTHER FINANCING SOURCES (USES):				
Transfers in:				
General Fund	75,000	75,000	75,000	--
Capital Improvement Projects Fund	--	--	1,536,516	1,536,516
Other Governmental Funds	340,000	340,000	340,000	--
Transfers out:				
General Fund	(5,645,575)	(7,129,635)	(6,334,572)	795,063
Capital Improvement Projects Fund	(8,886,698)	(8,886,698)	(8,886,698)	--
Other Governmental Funds	(213,054)	(213,054)	(213,054)	--
Total Other Financing Sources (Uses)	(14,330,327)	(15,814,387)	(13,482,808)	2,331,579
Net Change in Fund Balance	(3,856,976)	(5,165,973)	357,944	5,523,917
Fund Balance - Beginning	8,520,097	8,520,097	8,520,097	--
Fund Balance - Ending	\$ 4,663,121	\$ 3,354,124	\$ 8,878,041	\$ 5,523,917

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

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ --	\$ --	\$ 32,215	\$ 32,215
Charges for services	46,339,773	46,339,773	46,658,016	318,243
Other revenues	30,000	30,000	1,834	(28,166)
Total Revenues	<u>46,369,773</u>	<u>46,369,773</u>	<u>46,692,065</u>	<u>322,292</u>
EXPENDITURES:				
Current:				
Sanitation	30,079,556	28,968,158	29,537,179	(569,021)
Excess Revenues over Expenditures	<u>16,290,217</u>	<u>17,401,615</u>	<u>17,154,886</u>	<u>(246,729)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Capital Improvement Projects Fund	--	--	1,420,876	1,420,876
Transfers out:				
General Fund	(8,947,213)	(10,944,764)	(9,833,366)	1,111,398
Capital Improvement Projects Fund	(13,655,000)	(13,655,000)	(13,655,000)	--
Other Governmental Funds	(2,066,700)	(2,066,700)	(1,794,794)	271,906
Total Other Financing Sources (Uses)	<u>(24,668,913)</u>	<u>(26,666,464)</u>	<u>(23,862,284)</u>	<u>2,804,180</u>
Net Change in Fund Balance	(8,378,696)	(9,264,849)	(6,707,398)	2,557,451
Fund Balance - Beginning	12,096,969	12,096,969	12,096,969	--
Fund Balance - Ending	<u>\$ 3,718,273</u>	<u>\$ 2,832,120</u>	<u>\$ 5,389,571</u>	<u>\$ 2,557,451</u>

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

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The detail at which expenditures may not legally exceed appropriations without amendment is at the program level or the specific line- item appropriations as shown in the schedules by fund. Any transfers or increase of an appropriation require the approval of the County Council. Transfers with a department are approved by resolution, and transfers between departments and increases or decreases in appropriations are approved by ordinance. Legally adopted budgets include the General Fund, Highway Fund, Sewer Fund, Grant Fund, Debt Service Fund, Capital Improvement Projects Fund, Liquor Control Fund, Solid Waste Fund, Department of Water Supply, and the Golf Course Special Fund.

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

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

COUNTY OF MAUI
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a summary of the adjustments necessary to convert major funds from the GAAP basis to the non-GAAP budgetary basis for the year ended June 30, 2015.

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>
GAAP Basis - Net change in fund balances	\$ (8,742,056)	\$ (989,455)	\$ (6,185,557)
Less adjustments for revenues (\$55,459), expenditures (\$15,430,000) related to certain funds included in General Fund GAAP basis financial statements, but included in special revenue funds for budgetary purposes (fund perspective difference)	15,374,541	--	--
Less encumbrances of budgeted funds June 30, 2015	(20,718,232)	(2,447,473)	(894,217)
Add encumbrances of budgeted funds July 1, 2014	<u>19,388,054</u>	<u>3,794,872</u>	<u>372,376</u>
Non-GAAP Budgetary Basis - net change in fund balances	\$ <u>5,302,307</u>	\$ <u>357,944</u>	\$ <u>(6,707,398)</u>

COUNTY OF MAUI
SCHEDULE OF FUNDING PROGRESS FOR THE EUTF
(DOLLARS IN THOUSANDS)
FOR THE YEAR ENDED JUNE 30, 2015

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	\$ 25,089	\$ 382,835	\$ 357,746	7%	\$ 135,591	264%
July 1, 2011	\$ 25,138	\$ 369,774	\$ 344,636	7%	\$ 132,400	260%
July 1, 2013	\$ 26,838	\$ 386,100	\$ 359,262	7%	\$ 143,438	250%

See accompanying independent auditor's report.

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

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

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

See accompanying independent auditor's report.

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

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

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

See accompanying independent auditor's report.

COUNTY OF MAUI

OTHER SUPPLEMENTARY INFORMATION (See Independent Auditor's Report)

Other Supplementary Information

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

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

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

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

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

**COUNTY OF MAUI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>Liquor Control Fund</u>	<u>County Funds</u>	<u>Bikeway Fund</u>	<u>Solid Waste Fund</u>	<u>Other Assessment Fund</u>	<u>Total Non-Major Governmental Funds</u>
Assets:						
Equity in pooled cash and investments held in County Treasury	\$ 2,059,889	\$ 22,253,363	\$ 473,710	\$ 3,581,542	\$ 9,776,333	\$ 38,144,837
Trade receivables, net	--	--	--	3,395,485	--	3,395,485
Total Assets	<u>\$ 2,059,889</u>	<u>\$ 22,253,363</u>	<u>\$ 473,710</u>	<u>\$ 6,977,027</u>	<u>\$ 9,776,333</u>	<u>\$ 41,540,322</u>
Liabilities:						
Vouchers payable	\$ 8,333	\$ 75,940	\$ --	\$ 692,440	\$ --	\$ 776,713
Accounts payable	--	12	--	1,370,906	--	1,370,918
Contract retention payable	--	16,404	--	--	--	16,404
Accrued wages payable	46,895	25,193	--	148,018	--	220,106
Advanced collections	--	--	--	971,870	--	971,870
Total Liabilities	<u>55,228</u>	<u>117,549</u>	<u>--</u>	<u>3,183,234</u>	<u>--</u>	<u>3,356,011</u>
Deferred Inflows of Resources:						
Deferred inflows - nonexchange	266,920	--	--	--	--	266,920
Deferred inflows - unavailable revenue	--	--	--	2,418,837	--	2,418,837
Total Deferred Inflows of Resources	<u>266,920</u>	<u>--</u>	<u>--</u>	<u>2,418,837</u>	<u>--</u>	<u>2,685,757</u>
Fund Balances:						
Restricted	1,737,741	15,984,040	473,710	--	9,776,333	27,971,824
Committed	--	6,151,774	--	1,374,956	--	7,526,730
Total Fund Balances	<u>1,737,741</u>	<u>22,135,814</u>	<u>473,710</u>	<u>1,374,956</u>	<u>9,776,333</u>	<u>35,498,554</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,059,889</u>	<u>\$ 22,253,363</u>	<u>\$ 473,710</u>	<u>\$ 6,977,027</u>	<u>\$ 9,776,333</u>	<u>\$ 41,540,322</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Liquor Control Fund	County Funds	Bikeway Fund	Solid Waste Fund	Other Assessments Fund	Total Non-major Governmental Funds
REVENUES:						
Licenses and permits	\$ 2,243,745	\$ 98,935	\$ 57,979	\$ --	\$ --	\$ 2,400,659
Intergovernmental revenues	--	523	--	--	--	523
Charges for current services	--	--	--	13,848,566	--	13,848,566
Fines and forfeitures	--	146,825	--	--	--	146,825
Other revenues	--	1,963,451	--	25,392	--	1,988,843
Assessments	--	--	--	--	1,321,707	1,321,707
Total Revenues	<u>2,243,745</u>	<u>2,209,734</u>	<u>57,979</u>	<u>13,873,958</u>	<u>1,321,707</u>	<u>19,707,123</u>
EXPENDITURES:						
General government	--	899,229	--	--	--	899,229
Public safety	--	252,421	--	--	--	252,421
Highways and streets	--	1,477,931	--	--	--	1,477,931
Sanitation	--	--	--	24,187,657	--	24,187,657
Social welfare	2,159,177	2,835,505	--	--	--	4,994,682
Culture and Recreation	--	29,150	--	--	--	29,150
Total Expenditures	<u>2,159,177</u>	<u>5,494,236</u>	<u>--</u>	<u>24,187,657</u>	<u>--</u>	<u>31,841,070</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>84,568</u>	<u>(3,284,502)</u>	<u>57,979</u>	<u>(10,313,699)</u>	<u>1,321,707</u>	<u>(12,133,947)</u>
OTHER FINANCING SOURCES (USES):						
Transfers In:						
General Fund	--	4,754,364	--	15,060,234	--	19,814,598
Special Revenue Funds	--	--	213,054	1,794,794	--	2,007,848
Capital Improvement Projects Fund	27,515	--	147,942	147,489	323,757	646,703
Transfers Out:						
General Fund	--	--	--	(5,304,109)	--	(5,304,109)
Special Revenue Funds	--	--	--	(340,000)	--	(340,000)
Capital Improvement Projects Fund	--	--	(620,000)	(1,950,000)	(880,000)	(3,450,000)
Total Other Financing Sources (Uses)	<u>27,515</u>	<u>4,754,364</u>	<u>(259,004)</u>	<u>9,408,408</u>	<u>(556,243)</u>	<u>13,375,040</u>
Net Change in Fund Balances	112,083	1,469,862	(201,025)	(905,291)	765,464	1,241,093
Fund Balance - Beginning of Year	<u>1,625,658</u>	<u>20,665,952</u>	<u>674,735</u>	<u>2,280,247</u>	<u>9,010,869</u>	<u>34,257,461</u>
Fund Balance - End of Year	<u>\$ 1,737,741</u>	<u>\$ 22,135,814</u>	<u>\$ 473,710</u>	<u>\$ 1,374,956</u>	<u>\$ 9,776,333</u>	<u>\$ 35,498,554</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Refundable Deposits Fund:				
Assets:				
Cash and cash equivalents	\$ 23,964,579	\$ 1,550,325	\$ 2,873,819	\$ 22,641,085
Other current assets	1,675,490	--	1,198,500	476,990
Other non-current assets	132,745	--	37,090	95,655
Total Assets	<u>\$ 25,772,814</u>	<u>\$ 1,550,325</u>	<u>\$ 4,109,409</u>	<u>\$ 23,213,730</u>
Liabilities:				
Accounts payable	\$ 72,679	\$ 2,422,067	\$ 2,422,794	\$ 71,952
Deposits	25,551,240	1,518,975	4,077,332	22,992,883
Due to General Fund	--	1,000	1,000	--
Due to State of Hawaii	148,895	--	--	148,895
Total Liabilities	<u>\$ 25,772,814</u>	<u>\$ 3,942,042</u>	<u>\$ 6,501,126</u>	<u>\$ 23,213,730</u>
Liquor Control Fund:				
Assets:				
Cash and cash equivalents	\$ (118)	\$ 274,540	\$ 272,828	\$ 1,594
Total Assets	<u>\$ (118)</u>	<u>\$ 274,540</u>	<u>\$ 272,828</u>	<u>\$ 1,594</u>
Liabilities:				
Accounts payable	\$ 1,102	\$ 6,399	\$ 5,907	\$ 1,594
Deposits	(1,220)	274,540	273,320	--
Total Liabilities	<u>\$ (118)</u>	<u>\$ 280,939</u>	<u>\$ 279,227</u>	<u>\$ 1,594</u>
State Highway Fund:				
Assets:				
Cash and cash equivalents	\$ 430,098	\$ 20,136,926	\$ 19,637,626	\$ 929,398
Total Assets	<u>\$ 430,098</u>	<u>\$ 20,136,926</u>	<u>\$ 19,637,626</u>	<u>\$ 929,398</u>
Liabilities:				
Accounts payable	\$ 137	\$ 19,691,508	\$ 19,691,630	\$ 15
Deposits	429,961	23,172,663	22,673,241	929,383
Total Liabilities	<u>\$ 430,098</u>	<u>\$ 42,864,171</u>	<u>\$ 42,364,871</u>	<u>\$ 929,398</u>
Other Funds:				
Assets:				
Cash and cash equivalents	\$ 7,484,623	\$ 36,222,844	\$ 35,842,275	\$ 7,865,192
Other current assets	500,000	--	--	500,000
Total Assets	<u>\$ 7,984,623</u>	<u>\$ 36,222,844</u>	<u>\$ 35,842,275</u>	<u>\$ 8,365,192</u>
Liabilities:				
Accounts payable	\$ (14,821)	\$ 29,567,711	\$ 29,584,000	\$ (31,110)
Deposits	7,999,444	36,226,192	35,829,334	8,396,302
Total Liabilities	<u>\$ 7,984,623</u>	<u>\$ 65,793,903</u>	<u>\$ 65,413,334</u>	<u>\$ 8,365,192</u>
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 31,879,182	\$ 58,184,635	\$ 58,626,548	\$ 31,437,269
Other current assets	2,175,490	--	1,198,500	976,990
Other non-current assets	132,745	--	37,090	95,655
Total Assets	<u>\$ 34,187,417</u>	<u>\$ 58,184,635</u>	<u>\$ 59,862,138</u>	<u>\$ 32,509,914</u>
Liabilities:				
Accounts payable	\$ 59,097	\$ 51,687,685	\$ 51,704,331	\$ 42,451
Deposits	33,979,425	61,192,370	62,853,227	32,318,568
Due to General Fund	--	1,000	1,000	--
Due to State of Hawaii	148,895	--	--	148,895
Total Liabilities	<u>\$ 34,187,417</u>	<u>\$ 112,881,055</u>	<u>\$ 114,558,558</u>	<u>\$ 32,509,914</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt Service:				
Principal payments	\$ 26,925,892	\$ 26,925,892	\$ 26,925,892	\$ --
Interest and other issuance cost	10,460,499	10,460,499	10,460,499	--
Total Expenditures	<u>37,386,391</u>	<u>37,386,391</u>	<u>37,386,391</u>	--
Deficiency of Revenues over Expenditures	<u>(37,386,391)</u>	<u>(37,386,391)</u>	<u>(37,386,391)</u>	--
OTHER FINANCING SOURCES:				
Transfers in:				
General Fund	37,386,391	37,386,391	37,386,391	--
Total Other Financing Sources	<u>37,386,391</u>	<u>37,386,391</u>	<u>37,386,391</u>	--
Net Change in Fund Balance	--	--	--	--
Fund Balance - Beginning	--	--	--	--
Fund Balance - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Real property taxes	\$ 237,718,190	\$ --	\$ 237,718,190	\$ 236,725,190	\$ (993,000)
Public service company tax	9,000,000	--	9,000,000	9,771,410	771,410
Total - General revenue	<u>246,718,190</u>	<u>--</u>	<u>246,718,190</u>	<u>246,496,600</u>	<u>(221,590)</u>
Total - Taxes	<u>246,718,190</u>	<u>--</u>	<u>246,718,190</u>	<u>246,496,600</u>	<u>(221,590)</u>
Licenses and permits:					
General government:					
Business licenses and permits	22,000	--	22,000	22,330	330
Other licenses and permits	2,300,000	--	2,300,000	5,781,558	3,481,558
Motor vehicle licenses and fees	3,500,000	--	3,500,000	4,039,129	539,129
Total - General government	<u>5,822,000</u>	<u>--</u>	<u>5,822,000</u>	<u>9,843,017</u>	<u>4,021,017</u>
Total - Licenses and permits	<u>5,822,000</u>	<u>--</u>	<u>5,822,000</u>	<u>9,843,017</u>	<u>4,021,017</u>
Intergovernmental revenues:					
General revenue:					
Federal payment in lieu of taxes	5,463	--	5,463	23,561	18,098
Transient accommodation taxes	23,280,000	--	23,280,000	23,484,000	204,000
State payment in lieu of taxes	5,225	--	5,225	--	(5,225)
Total - General revenue	<u>23,290,688</u>	<u>--</u>	<u>23,290,688</u>	<u>23,507,561</u>	<u>216,873</u>
Public safety:					
Federal grants passed through the state	46,000	--	46,000	297	(45,703)
Social welfare:					
Federal grants	8,312	--	8,312	49,828	41,516
Total - Intergovernmental revenues	<u>23,345,000</u>	<u>--</u>	<u>23,345,000</u>	<u>23,557,686</u>	<u>212,686</u>
Charges for current services:					
General government:					
General government	74,390	--	74,390	391,956	317,566
Safety	712,275	--	712,275	721,945	9,670
Recreation	--	--	--	(15)	(15)
Total - General government	<u>786,665</u>	<u>--</u>	<u>786,665</u>	<u>1,113,886</u>	<u>327,221</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Public Safety:					
General government	\$ 25,610	\$ --	\$ 25,610	\$ 8,535	\$ (17,075)
Safety	37,725	--	37,725	71,958	34,233
Total - Public safety	<u>63,335</u>	<u>--</u>	<u>63,335</u>	<u>80,493</u>	<u>17,158</u>
Social welfare:					
Safety	--	--	--	150	150
Culture and recreation:					
Recreation	400,000	--	400,000	417,970	17,970
Legislative:					
General government	--	--	--	3,556	3,556
Total - Charges for current services	<u>1,250,000</u>	<u>--</u>	<u>1,250,000</u>	<u>1,616,055</u>	<u>366,055</u>
Fines and forfeitures:					
General government:					
Penalties and interest	1,800,000	--	1,800,000	1,863,970	63,970
Fines	--	--	--	47,061	47,061
Total - General government	<u>1,800,000</u>	<u>--</u>	<u>1,800,000</u>	<u>1,911,031</u>	<u>111,031</u>
Public safety:					
Unclaimed monies	--	--	--	19,353	19,353
Total - Fines and forfeitures	<u>1,800,000</u>	<u>--</u>	<u>1,800,000</u>	<u>1,930,384</u>	<u>130,384</u>
Interest and Investment earnings:					
General revenue:					
Interest on investments	700,000	--	700,000	1,129,627	429,627
General government:					
Rental income	40,800	--	40,800	134,926	94,126
Culture and recreation:					
Rental income	44,200	--	44,200	5,500	(38,700)
Total - Interest and investment earnings	<u>785,000</u>	<u>--</u>	<u>785,000</u>	<u>1,270,053</u>	<u>485,053</u>
Other revenues:					
General revenue:					
Miscellaneous general receipts	40,000	--	40,000	692,504	652,504

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
General government:					
Miscellaneous general receipts	\$ --	\$ --	\$ --	\$ 79,946	\$ 79,946
Miscellaneous program receipts	760,000	--	760,000	271,396	(488,604)
Total - General government	<u>760,000</u>	<u>--</u>	<u>760,000</u>	<u>351,342</u>	<u>(408,658)</u>
Public safety:					
Miscellaneous program receipts	--	--	--	103,381	103,381
Highways and streets:					
Miscellaneous general receipts	--	--	--	22,500	22,500
Miscellaneous program receipts	--	--	--	2,181	2,181
Total - Highways and streets	<u>--</u>	<u>--</u>	<u>--</u>	<u>24,681</u>	<u>24,681</u>
Sanitation:					
Miscellaneous program receipts	--	--	--	15,236	15,236
Social welfare:					
Operating contributions	--	--	--	6	6
Miscellaneous program receipts	--	--	--	167,729	167,729
Total - Social welfare	<u>--</u>	<u>--</u>	<u>--</u>	<u>167,735</u>	<u>167,735</u>
Culture and recreation:					
Miscellaneous program receipts	--	--	--	2,029	2,029
Legislative:					
Miscellaneous program receipts	--	--	--	529	529
Total - Other revenues	<u>800,000</u>	<u>--</u>	<u>800,000</u>	<u>1,357,437</u>	<u>557,437</u>
Total General Fund Revenues	<u>\$ 280,520,190</u>	<u>\$ --</u>	<u>\$ 280,520,190</u>	<u>\$ 286,071,232</u>	<u>\$ 5,551,042</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
General government:							
Office of the Mayor:							
Office of Mayor Administration	\$ 21,175	\$ 1,836,892	\$ --	\$ 1,858,067	\$ 1,837,700	\$ 3,393	\$ 16,974
Economic Development	24,053	1,040,169	--	1,064,222	1,057,949	6,273	--
Molokai Economic Development & Cultural	53,716	120,000	--	173,716	92,677	71,859	9,180
Agriculture Promotion	22,678	100,000	--	122,678	34,984	82,682	5,012
Aquaculture & Marine Resources	29,184	40,000	--	69,184	28,846	40,000	338
Film Industry Promotions	25,000	150,000	--	175,000	129,244	25,000	20,756
Maui County Farm Bureau	167,197	319,793	--	486,990	284,993	193,572	8,425
Maui Economic Development Board	229,614	730,000	--	959,614	560,772	398,842	--
Maui Visitors Bureau	27,770	3,713,150	--	3,740,920	3,726,427	14,250	243
Small Business & High Tech Promo	26,280	125,000	--	151,280	133,142	5,550	12,588
Maui Arts & Cultural Center	--	318,270	--	318,270	286,443	31,827	--
Business Research Library	72,100	72,100	--	144,200	106,488	37,712	--
Environmental Protection	1,303,105	1,161,342	--	2,464,447	948,704	1,496,634	19,109
East Maui Econ Development & Cultural	81,110	120,000	--	201,110	93,732	103,436	3,942
Agricultural Processing Plant	72,380	--	--	72,380	--	72,380	--
UH Tropical Agricultural & Human Resources	80,000	40,000	--	120,000	38,184	81,816	--
MEO Bus Development CP Microenterprise	124,034	237,000	--	361,034	221,944	139,090	--
Maui Nui Botanical Gardens	14,983	157,590	--	172,573	14,983	157,590	--
Maui Arts & Cultural Capital	--	400,000	--	400,000	--	400,000	--
Grant - Maui Comm Theater - Iao Improvement	7,061	53,045	--	60,106	44,851	15,255	--
Maui Soil & Water Conservation	--	132,100	--	132,100	132,100	--	--
Soil & Water Conservation - Molokai	11,587	20,000	--	31,587	7,724	23,863	--
Lanai Watershed	--	30,000	--	30,000	--	--	30,000
Watershed Protection	23,871	--	--	23,871	23,871	--	--
Culture & Arts Program	24,816	70,000	--	94,816	63,939	29,877	1,000
Molokai Livestock Cooperative	15,000	10,300	--	25,300	15,000	--	10,300
Academy of Hospitality & Tourism	--	10,000	--	10,000	--	10,000	--
Ke Ao I Ka Makani Ho'eha'ili	--	25,000	--	25,000	--	25,000	--
KA 'OHANA O KALAUAPA	--	100,000	--	100,000	--	100,000	--
Maui HS Marching Band	--	100,000	--	100,000	100,000	--	--
MCC Nursing & Dental Assistant Program	76,521	--	--	76,521	65,506	11,015	--
Ka Ipu Kukui Fellows Leadership	25,000	25,750	--	50,750	33,644	16,893	213
Renewable Energy Programs	3,316	66,950	--	70,266	34,228	3,316	32,722
Grants Friends of Maui High School	5,552	82,400	--	87,952	68,604	19,309	39
4-H UPCOUNTRY FAIR	--	35,000	--	35,000	5,100	29,900	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Maui Economic Development Board - Maui HS Program	\$ 37,201	\$ 45,000	\$ --	\$ 82,201	\$ 29,444	\$ 52,757	\$ --
Aha Kukui O Molokai for Canoe	51,351	--	--	51,351	--	51,351	--
HAI-MAK-PAI ECO DEVT&CULTURAL	--	120,000	--	120,000	40,602	79,398	--
Ma Ka Hana Ka Ike - OED	82,400	90,000	--	172,400	82,400	90,000	--
Maui Aloha Aina	10,000	--	--	10,000	9,645	--	355
Festivals of Aloha	41,200	42,436	--	83,636	83,636	--	--
Lanai Economic Development & Cultural Programs	95,819	120,000	--	215,819	103,095	108,463	4,261
Sister City Program	6,568	30,000	--	36,568	21,610	14,958	--
GASB 34 Compliance	25,927	--	--	25,927	25,927	--	--
Hana Canoe Club Grants/Disbursements	5,000	--	--	5,000	5,000	--	--
Economic Development Initiatives Program	71,124	210,750	--	281,874	244,122	35,219	2,533
Total Office of the Mayor	<u>2,993,693</u>	<u>12,100,037</u>	<u>--</u>	<u>15,093,730</u>	<u>10,837,260</u>	<u>4,078,480</u>	<u>177,990</u>
Management:							
Management	159,858	1,339,037	--	1,498,895	1,285,188	210,982	2,725
Molokai Veterans Caring	22,832	--	--	22,832	22,832	--	--
County Facilities Security Program	23,580	175,000	--	198,580	194,617	--	3,963
Management Information Systems	1,694,330	7,725,561	--	9,419,891	6,275,758	3,144,133	--
Geographic Information Systems	7,673	450,005	--	457,678	399,282	19,954	38,442
Total Management	<u>1,908,273</u>	<u>9,689,603</u>	<u>--</u>	<u>11,597,876</u>	<u>8,177,677</u>	<u>3,375,069</u>	<u>45,130</u>
Corporation Counsel:							
Legal Services	115,115	3,209,038	--	3,324,153	3,040,992	75,824	207,337
Finance:							
Finance Administration	78,684	719,272	--	797,956	647,134	38,197	112,625
Treasury	66,706	994,357	--	1,061,063	839,182	164,873	57,008
Accounts	118,298	1,363,209	65,000	1,546,507	1,320,222	100,695	125,590
Purchasing	11,752	469,561	--	481,313	394,637	12,856	73,820
Financial Services	1,543,759	5,848,400	--	7,392,159	5,496,007	1,055,797	840,355
CW Service Center - Annual Lease Costs	186,448	506,800	--	693,248	630,365	62,883	--
Countywide Fringe Benefits	134,750	65,188,267	1,270,000	66,593,017	66,341,709	249,853	1,455
Interfund Fringe Reimbursement	--	(17,105,491)	(1,450,000)	(18,555,491)	(17,688,526)	--	(866,965)
Bond Issuance & Debt Services	183,250	(5,726,543)	--	(5,543,293)	22,292	81,000	(5,646,585)
Insurance & Self Insurance	541,756	8,000,000	--	8,541,756	6,846,506	489,655	1,205,595
Countywide General Costs	48,418	980,126	115,000	1,143,544	1,060,385	4,783	78,376
Overhead Reimbursement	--	(18,112,535)	--	(18,112,535)	(17,535,593)	--	(576,942)
Total Finance	<u>2,913,821</u>	<u>43,125,423</u>	<u>--</u>	<u>46,039,244</u>	<u>48,374,320</u>	<u>2,260,592</u>	<u>(4,595,668)</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Personnel Services:							
Personnel Services	\$ 115,640	\$ 1,538,115	\$ --	\$ 1,653,755	\$ 1,394,394	\$ 60,294	\$ 199,067
Planning:							
Planning	355,445	4,786,454	--	5,141,899	4,514,024	171,863	456,012
Development Fee Impact Study	32,739	--	--	32,739	29,644	3,095	--
General Plan Update	99,883	--	--	99,883	39,920	59,963	--
Maui Redevelopment Agency	10,311	83,500	--	93,811	68,926	18,712	6,173
UH-Maui Sea Grant	13,568	78,246	--	91,814	91,400	7	407
Development Mitigation Fee Study	15,280	--	--	15,280	--	15,280	--
Small Town Planning	102,872	--	--	102,872	45,376	57,496	--
Integrated Socioeconomic Land Use	18,750	--	--	18,750	18,750	--	--
Cultural Resource Management	--	25,000	--	25,000	8,677	--	16,323
Puunene Airport Master Plan Update	20,780	--	--	20,780	11,657	9,123	--
Environmental Assessments - Planning	4,164	--	--	4,164	--	4,164	--
Total Planning	<u>673,792</u>	<u>4,973,200</u>	<u>--</u>	<u>5,646,992</u>	<u>4,828,374</u>	<u>339,703</u>	<u>478,915</u>
Public Works:							
Public Works Administration	23,359	556,191	--	579,550	483,224	18,793	77,533
Engineering	27,784	3,475,222	--	3,503,006	2,714,119	152,909	635,978
Special Maintenance	68,356	2,658,507	--	2,726,863	2,198,951	133,378	394,534
Development Services Administration	20,137	2,316,956	--	2,337,093	2,116,414	26,009	194,670
Total Public Works	<u>139,636</u>	<u>9,006,876</u>	<u>--</u>	<u>9,146,512</u>	<u>7,512,708</u>	<u>331,089</u>	<u>1,302,715</u>
Environmental Management:							
Community Work Day	--	155,500	--	155,500	139,950	15,550	--
Total General Government	<u>8,859,970</u>	<u>83,797,792</u>	<u>--</u>	<u>92,657,762</u>	<u>84,305,675</u>	<u>10,536,601</u>	<u>(2,184,514)</u>
Public safety:							
Prosecuting Attorney:							
Prosecutors Administration	4,155	835,898	--	840,053	836,461	3,592	--
General Prosecution	10,745	5,190,089	(32,662)	5,168,172	4,887,653	11,426	269,093
Total Prosecuting Attorney	<u>14,900</u>	<u>6,025,987</u>	<u>(32,662)</u>	<u>6,008,225</u>	<u>5,724,114</u>	<u>15,018</u>	<u>269,093</u>
Police:							
Police Administration	38,874	4,845,289	--	4,884,163	4,769,243	114,920	--
Investigative Service	625,770	9,941,670	--	10,567,440	8,632,558	173,996	1,760,886
Uniformed Patrol Services	877,293	27,068,934	--	27,946,227	25,932,409	1,315,521	698,297
Technical and Support Services	1,822,857	8,671,634	--	10,494,491	8,631,881	847,980	1,014,630
Total Police	<u>3,364,794</u>	<u>50,527,527</u>	<u>--</u>	<u>53,892,321</u>	<u>47,966,091</u>	<u>2,452,417</u>	<u>3,473,813</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Fire and Public Safety:							
Fire Control Administration and Maintenance	\$ 19,148	\$ 2,383,157	\$ 359,374	\$ 2,761,679	\$ 2,424,570	\$ 337,109	\$ --
Fire Control Training	31,072	1,283,047	--	1,314,119	1,142,800	163,871	7,448
Fire Rescue Operations	258,442	25,418,264	1,799,652	27,476,358	27,115,203	361,155	--
Fire Prevention	13,283	836,324	26,042	875,649	855,523	20,126	--
Total Fire and Public Safety	321,945	29,920,792	2,185,068	32,427,805	31,538,096	882,261	7,448
Civil Defense:							
Civil Defense	33,857	563,835	--	597,692	506,620	1,148	89,924
Grant American Red Cross	--	25,000	--	25,000	25,000	--	--
Total Civil Defense	33,857	588,835	--	622,692	531,620	1,148	89,924
Total Public Safety	3,735,496	87,063,141	2,152,406	92,951,043	85,759,921	3,350,844	3,840,278
Highways and Streets:							
Transportation:							
Transportation Administration	55,032	610,808	--	665,840	604,226	31,255	30,359
Bus Replacement Grant	--	250,000	--	250,000	249,997	--	3
Human Service Transportation	6,400	6,000,440	--	6,006,840	6,006,840	--	--
MEO Vet 1 Call 1 Click	43,438	--	--	43,438	5,464	37,974	--
Air Ambulance Program	--	672,215	--	672,215	672,215	--	--
Total Transportation	104,870	7,533,463	--	7,638,333	7,538,742	69,229	30,362
Total Highways and Streets	104,870	7,533,463	--	7,638,333	7,538,742	69,229	30,362
Sanitation:							
Environmental Management:							
Environmental Management Administration	32,192	591,819	--	624,011	615,784	2,698	5,529
Total Environmental Management	32,192	591,819	--	624,011	615,784	2,698	5,529
Total Sanitation	32,192	591,819	--	624,011	615,784	2,698	5,529
Social Welfare:							
Housing and Human Concerns:							
Housing and Human Concerns Administration	14,114	541,462	--	555,576	544,131	9,630	1,815
Housing	35,739	580,217	--	615,956	502,172	16,131	97,653
Affordable Rental Housing Program	235,988	962,063	--	1,198,051	1,070,863	77,350	49,838
Hale Mahaolu - Homeownership/Housing	10,047	36,050	--	46,097	35,270	10,827	--
Human Concerns - General	112,110	4,559,120	--	4,671,230	4,357,244	94,183	219,803
Hana Youth Center, Inc.	13,860	142,758	--	156,618	142,242	14,276	100
Women Helping Women	19,500	200,850	--	220,350	200,265	20,085	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances		Transfers and		Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
	Forwarded	Appropriations	Additions					
Early Childhood	\$ 25,750	\$ 103,000	\$ --	\$ 128,750	\$ 103,000	\$ 25,750	\$ --	
Substance Abuse	169,702	607,650	--	777,352	608,387	147,397	21,568	
E Malama I Na Keiki Preschool	33,858	83,821	--	117,679	93,306	24,373	--	
Homelessness Programs	113,124	641,000	--	754,124	662,075	80,724	11,325	
Maui Adult Day Care Center	27,810	348,000	--	375,810	341,010	34,800	--	
MCC Cooperative Education	5,000	25,000	--	30,000	27,372	2,500	128	
MEO Headstart After School	56,644	237,903	--	294,547	270,756	23,791	--	
MEO Headstart Summer	175,982	168,428	--	344,410	175,982	168,428	--	
Community Partnership Grants	124,687	1,110,845	--	1,235,532	1,089,775	106,488	39,269	
Lanai Youth Center	14,910	153,573	--	168,483	148,106	15,357	5,020	
Kihei Youth Center	18,795	217,950	--	236,745	214,950	21,795	--	
Youth	12,049	107,108	--	119,157	98,213	9,662	11,282	
Maui Family Support Services	15,450	63,654	--	79,104	15,450	63,654	--	
J. Water Cameron Center Expansion	10,000	500,000	--	510,000	385,000	125,000	--	
Big Brothers and Big Sisters	9,129	94,012	--	103,141	93,740	9,401	--	
Mental Health Association	2,447	25,207	--	27,654	25,133	2,521	--	
Self Sufficiency	22,046	144,200	--	166,246	133,877	25,099	7,270	
Hana Community Association	12,746	46,680	--	59,426	59,426	--	--	
MEO Infant Toddler Care	21,026	88,308	--	109,334	100,503	8,831	--	
Maui Community Food Bank	33,500	345,050	--	378,550	344,045	34,505	--	
Hui Malama Learning Center	21,321	274,606	--	295,927	295,927	--	--	
Family Spt - Teen Voices	2,100	21,630	--	23,730	23,730	--	--	
Boy Scouts of America	--	250,000	--	250,000	--	250,000	--	
Salvation Army	13,400	138,020	--	151,420	137,618	13,802	--	
Community Work Day	15,550	--	--	15,550	14,744	--	806	
Grant for Molokai Youth Center	21,525	245,250	--	266,775	242,250	24,525	--	
Paia Youth Council, Inc.	--	224,250	--	224,250	224,250	--	--	
Boys and Girls Club of Maui, Inc.	--	949,600	--	949,600	949,600	--	--	
Maui Farm	22,429	235,508	--	257,937	256,342	--	1,595	
Youth Alcohol Education Awareness	20,000	150,000	--	170,000	149,095	20,000	905	
Coalition for Drug Free Lanai	8,534	42,012	--	50,546	46,345	4,201	--	
MEO Enlace Hispano Program	--	95,550	--	95,550	85,995	9,555	--	
Lahaina Tutoring Project	--	11,000	--	11,000	9,900	1,100	--	
Volunteer Center Project Graduation	4,635	47,741	--	52,376	46,014	4,774	1,588	
Ohana Makamae	8,807	90,707	--	99,514	90,443	9,071	--	
Lanai Women's Center	7,787	80,204	--	87,991	87,991	--	--	
Grants/Disability Services - Frail/Elderly	117,947	661,739	(21,558)	758,128	653,838	104,230	60	
Kansha Preschool	2,575	10,609	--	13,184	2,575	10,609	--	

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Lanai Community Health Center Facility	\$ --	\$ 500,000	\$ --	\$ 500,000	\$ 500,000	\$ --	\$ --
MEO Planning & Coordinating	--	80,000	--	80,000	72,000	8,000	--
Molokai Community Health Center	--	300,000	--	300,000	25,000	275,000	--
Grants - Best Buddies Program	7,733	79,652	--	87,385	87,385	--	--
Grants - American Red Cross	927	--	--	927	927	--	--
Lanai Youth Center Facility	--	250,000	--	250,000	90,000	10,000	150,000
Hawaiian Kamalii Inc.	--	18,672	--	18,672	18,672	--	--
MEO Youth Services	18,128	186,718	--	204,846	186,174	18,672	--
Special Olympics Hawaii Grants	--	37,132	--	37,132	33,419	3,713	--
Arts Education/Innovative Program	41,200	424,360	--	465,560	423,124	42,436	--
Heritage Hall, Inc.	1,443,930	750,000	--	2,193,930	690,878	1,503,052	--
Animal Management	--	77,250	--	77,250	54,715	22,535	--
Animal Sheltering Program	--	903,568	--	903,568	893,268	10,300	--
Animal Enforcement Program	--	536,391	--	536,391	531,391	5,000	--
Grant - Molokai Humane Society	67,474	--	--	67,474	67,474	--	--
Grant - Lanai Animal Rescue	1,000	--	--	1,000	--	1,000	--
Grant - SPCA Maui SNIP	7,500	--	--	7,500	--	--	7,500
Grant - Valley Isle Animal Rec	25,000	25,750	--	50,750	--	--	50,750
Total Housing and Human Concerns	<u>3,225,515</u>	<u>19,831,828</u>	<u>(21,558)</u>	<u>23,035,785</u>	<u>18,833,377</u>	<u>3,524,133</u>	<u>678,275</u>
Public Works:							
Special Maintenance	--	109,591	--	109,591	87,660	994	20,937
Total Social Welfare	<u>3,225,515</u>	<u>19,941,419</u>	<u>(21,558)</u>	<u>23,145,376</u>	<u>18,921,037</u>	<u>3,525,127</u>	<u>699,212</u>
Culture and Recreation:							
Parks and Recreation:							
Parks and Recreation Administration	32,992	1,352,166	--	1,385,158	1,338,931	46,227	--
MCCC Workline	117,000	117,000	--	234,000	117,000	117,000	--
Friends of Moku'ula	75,000	-	--	75,000	--	--	75,000
Lahaina Restoration Foundation	58,034	178,828	--	236,862	137,981	98,881	--
Lahaina Restoration Capital	--	750,000	--	750,000	74,297	675,703	--
Haiku Community Assoc Kalakupua	--	--	150,000	150,000	75,000	75,000	--
Park Maintenance	452,091	3,490,878	--	3,942,969	3,461,936	379,446	101,587
Planning and Development	8,026	423,445	--	431,471	411,408	10,616	9,447
Recreation and Support Services	1,286,106	15,654,625	--	16,940,731	16,015,576	894,799	30,356
PALS	108,895	1,775,547	--	1,884,442	1,222,271	159,703	502,468

See accompanying independent auditor's report.

**COUNTY OF MAUI
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Aquatics	\$ 253,441	\$ 6,185,323	\$ --	\$ 6,438,764	\$ 6,047,660	\$ 227,861	\$ 163,243
Total Parks and Recreation	<u>2,391,585</u>	<u>29,927,812</u>	<u>150,000</u>	<u>32,469,397</u>	<u>28,902,060</u>	<u>2,685,236</u>	<u>882,101</u>
Total Culture and Recreation	<u>2,391,585</u>	<u>29,927,812</u>	<u>150,000</u>	<u>32,469,397</u>	<u>28,902,060</u>	<u>2,685,236</u>	<u>882,101</u>
Legislative:							
County Council:							
Council Services	488,791	5,042,637	--	5,531,428	4,553,146	263,133	715,149
County Auditor Program	<u>280,329</u>	<u>1,133,575</u>	<u>--</u>	<u>1,413,904</u>	<u>719,897</u>	<u>239,380</u>	<u>454,627</u>
Total County Council	<u>769,120</u>	<u>6,176,212</u>	<u>--</u>	<u>6,945,332</u>	<u>5,273,043</u>	<u>502,513</u>	<u>1,169,776</u>
County Clerk:							
County Clerk	<u>269,306</u>	<u>1,434,346</u>	<u>--</u>	<u>1,703,652</u>	<u>1,286,191</u>	<u>45,984</u>	<u>371,477</u>
Total Legislative	<u>1,038,426</u>	<u>7,610,558</u>	<u>--</u>	<u>8,648,984</u>	<u>6,559,234</u>	<u>548,497</u>	<u>1,541,253</u>
Totals for the General Fund	<u>\$ 19,388,054</u>	<u>\$ 236,466,004</u>	<u>\$ 2,280,848</u>	<u>\$ 258,134,906</u>	<u>\$ 232,602,453</u>	<u>\$ 20,718,232</u>	<u>\$ 4,814,221</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Taxes:					
General revenues:					
Franchise tax	\$ 10,600,000	\$ --	\$ 10,600,000	\$ 10,781,786	\$ 181,786
Fuel tax	<u>10,500,000</u>	<u>--</u>	<u>10,500,000</u>	<u>10,899,947</u>	<u>399,947</u>
Total - General revenue	<u>21,100,000</u>	<u>--</u>	<u>21,100,000</u>	<u>21,681,733</u>	<u>581,733</u>
Total - Taxes	<u>21,100,000</u>	<u>--</u>	<u>21,100,000</u>	<u>21,681,733</u>	<u>581,733</u>
Licenses and permits:					
Highways and streets:					
Motor vehicle licenses and fees	<u>17,000,000</u>	<u>--</u>	<u>17,000,000</u>	<u>18,670,008</u>	<u>1,670,008</u>
Total - Licenses and permits	<u>17,000,000</u>	<u>--</u>	<u>17,000,000</u>	<u>18,670,008</u>	<u>1,670,008</u>
Charges for current services:					
Highways and streets:					
Public transit bus fare	<u>2,700,000</u>	<u>--</u>	<u>2,700,000</u>	<u>2,716,089</u>	<u>16,089</u>
Total - Charges for current services	<u>2,700,000</u>	<u>--</u>	<u>2,700,000</u>	<u>2,716,089</u>	<u>16,089</u>
Other revenues:					
Highways and streets:					
Miscellaneous program receipts	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,860</u>	<u>2,860</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,860</u>	<u>2,860</u>
Total Highway Fund Revenues	<u>\$ 40,800,000</u>	<u>\$ --</u>	<u>\$ 40,800,000</u>	<u>\$ 43,070,690</u>	<u>\$ 2,270,690</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
HIGHWAY FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations	Transfers and Additions	Total	Expenditures	Reserves and Encumbrances	Lapsed Appropriations
Highways and streets:							
Public Works:							
Highway Administration	\$ 26,845	\$ 529,127	\$ --	\$ 555,972	\$ 540,633	\$ --	\$ 15,339
Highway ERS & FICA	--	1,158,767	330,000	1,488,767	1,445,064	--	43,703
Highway Health Fund	--	844,484	290,000	1,134,484	1,095,467	--	39,017
Highway Admin Overhead	--	3,117,109	--	3,117,109	3,117,109	--	--
Highway Contribution to OPEB	--	795,063	(795,063)	-	795,063	--	(795,063)
Road/Bridge/Drain Maintenance	1,800,160	10,578,704	--	12,378,864	10,654,924	825,546	898,394
Traffic Signs & Marking	356,767	1,536,451	--	1,893,218	1,408,213	62,806	422,199
Garage Services	48,090	1,281,444	--	1,329,534	1,135,796	63,283	130,455
Total Public Works	<u>2,231,862</u>	<u>19,841,149</u>	<u>(175,063)</u>	<u>21,897,948</u>	<u>20,192,269</u>	<u>951,635</u>	<u>754,044</u>
Transportation:							
Transportation Admin	996,376	600,000	--	1,596,376	996,376	440,875	159,125
Transportation Shelter Cleaning	--	75,000	--	75,000	47,992	18,660	8,348
Public Transit-Highway Funds	566,634	9,810,500	--	10,377,134	9,340,700	1,036,303	131
Total Transportation	<u>1,563,010</u>	<u>10,485,500</u>	<u>--</u>	<u>12,048,510</u>	<u>10,385,068</u>	<u>1,495,838</u>	<u>167,604</u>
Total Highways and Streets	<u>3,794,872</u>	<u>30,326,649</u>	<u>(175,063)</u>	<u>33,946,458</u>	<u>30,577,337</u>	<u>2,447,473</u>	<u>921,648</u>
Totals for the Highway Fund	<u>\$ 3,794,872</u>	<u>\$ 30,326,649</u>	<u>\$ (175,063)</u>	<u>\$ 33,946,458</u>	<u>\$ 30,577,337</u>	<u>\$ 2,447,473</u>	<u>\$ 921,648</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Licenses and permits:					
Sanitation:					
Other licenses and permits	\$ --	\$ --	\$ --	\$ 32,215	\$ 32,215
Total - Licenses and permits	<u> --</u>	<u> --</u>	<u> --</u>	<u> 32,215</u>	<u> 32,215</u>
Intergovernmental revenues:					
Sanitation:					
Federal grants passed through the state	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total - Intergovernmental revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Charges for current services:					
Sanitation:					
General government	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Waste management	<u> 46,339,773</u>	<u> --</u>	<u> 46,339,773</u>	<u> 46,658,016</u>	<u> 318,243</u>
Total - Charges for current services	<u> 46,339,773</u>	<u> --</u>	<u> 46,339,773</u>	<u> 46,658,016</u>	<u> 318,243</u>
Other revenues:					
Sanitation:					
Miscellaneous program receipts	<u> 30,000</u>	<u> --</u>	<u> 30,000</u>	<u> 1,834</u>	<u> (28,166)</u>
Total - Other revenues	<u> 30,000</u>	<u> --</u>	<u> 30,000</u>	<u> 1,834</u>	<u> (28,166)</u>
Total Sewer Fund Revenues	<u>\$ 46,369,773</u>	<u>\$ --</u>	<u>\$ 46,369,773</u>	<u>\$ 46,692,065</u>	<u>\$ 322,292</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SEWER FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Sanitation:							
Environmental Management:							
Wastewater Administration	\$ 86,670	\$ 2,435,468	\$ --	\$ 2,522,138	\$ 2,202,942	\$ 49,725	\$ 269,471
Wastewater ERS & FICA	--	1,619,811	--	1,619,811	1,522,972	--	96,839
Wastewater Health Fund	--	1,180,483	--	1,180,483	1,135,735	--	44,748
Wastewater Admin Overhead	--	3,720,533	--	3,720,533	3,596,671	--	123,862
Wastewater contribution to OPEB	--	1,111,398	(1,111,398)	--	1,111,398	--	(1,111,398)
Wastewater Reclamation	285,706	20,011,863	--	20,297,569	19,445,620	844,492	7,457
Total Environmental Management	<u>372,376</u>	<u>30,079,556</u>	<u>(1,111,398)</u>	<u>29,340,534</u>	<u>29,015,338</u>	<u>894,217</u>	<u>(569,021)</u>
Total Sanitation	<u>372,376</u>	<u>30,079,556</u>	<u>(1,111,398)</u>	<u>29,340,534</u>	<u>29,015,338</u>	<u>894,217</u>	<u>(569,021)</u>
Totals for the Sewer Fund	<u>\$ 372,376</u>	<u>\$ 30,079,556</u>	<u>\$ (1,111,398)</u>	<u>\$ 29,340,534</u>	<u>\$ 29,015,338</u>	<u>\$ 894,217</u>	<u>\$ (569,021)</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenues:					
General government					
Federal grants	\$ --	\$ 1,592,771	\$ 1,592,771	\$ 1,064,266	\$ (528,505)
State grants	--	1,811,745	1,811,745	2,008,369	196,624
Federal grants passed through the state	--	1,516,834	1,516,834	1,552,384	35,550
Total - General government	--	4,921,350	4,921,350	4,625,019	(296,331)
Public Safety:					
Federal grants	--	435,877	435,877	238,621	(197,256)
State grants	--	2,318,058	2,318,058	1,827,884	(490,174)
Federal grants passed through the state	--	1,960,093	1,960,093	2,131,089	170,996
Total - Public safety	--	4,714,028	4,714,028	4,197,594	(516,434)
Highways and streets:					
Federal grants passed through the state	--	--	--	665,681	665,681
Sanitation:					
State grants	--	296,733	296,733	227,104	(69,629)
Social welfare:					
Federal grants	--	13,820,772	13,820,772	15,364,418	1,543,646
State grants	--	1,971,628	1,971,628	1,573,797	(397,831)
Federal grants passed through the state	--	3,433,799	3,433,799	1,277,487	(2,156,312)
Total - Social welfare	--	19,226,199	19,226,199	18,215,702	(1,010,497)
Cultural and recreation:					
State grants	--	606,469	606,469	535,000	(71,469)
Federal grants passed through the state	--	100,000	100,000	62,897	(37,103)
Total - Cultural and recreation	--	706,469	706,469	597,897	(108,572)
Total - Intergovernmental revenues	--	29,864,779	29,864,779	28,528,997	(1,335,782)

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Fines and forfeitures:					
Public safety:					
Unclaimed monies	\$ --	\$ --	\$ --	\$ (1,855)	\$ (1,855)
Total - Fines and forfeitures	<u> --</u>	<u> --</u>	<u> --</u>	<u> (1,855)</u>	<u> (1,855)</u>
Interest and Investment earnings:					
Social welfare:					
Interest on investments	--	4,424	4,424	8,994	4,570
Total - Interest and investment earnings	<u> --</u>	<u> 4,424</u>	<u> 4,424</u>	<u> 8,994</u>	<u> 4,570</u>
Other revenues:					
General government:					
Operating contributions	--	--	--	(21,148)	(21,148)
Miscellaneous program receipts	--	--	--	240,251	240,251
Total - General government	<u> --</u>	<u> --</u>	<u> --</u>	<u> 219,103</u>	<u> 219,103</u>
Public safety:					
Operating contributions	--	28,286	28,286	27,886	(400)
Miscellaneous program receipts	--	--	--	80,011	80,011
Total - Public Safety	<u> --</u>	<u> 28,286</u>	<u> 28,286</u>	<u> 107,897</u>	<u> 79,611</u>
Sanitation:					
Operating contributions	--	--	--	505,687	505,687
Social welfare:					
Miscellaneous program receipts	--	--	--	(17)	(17)
Operating contributions	--	390,284	390,284	416,983	26,699
Total - Social welfare	<u> --</u>	<u> 390,284</u>	<u> 390,284</u>	<u> 416,966</u>	<u> 26,682</u>
Culture and recreation:					
Operating contributions	--	--	--	784	784
Total - Other revenues	<u> --</u>	<u> 418,570</u>	<u> 418,570</u>	<u> 1,250,437</u>	<u> 831,867</u>
Total Grant Fund Revenues	<u>\$ --</u>	<u>\$ 30,287,773</u>	<u>\$ 30,287,773</u>	<u>\$ 29,786,573</u>	<u>\$ (501,200)</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
General government:						
Office of the Mayor:						
ARRA09 Easter Seals of HI Facility Rehab	\$ 103,595	\$ --	\$ 103,595	\$ --	\$ --	\$ 103,595
Energy Efficiency/Conservation Block Grant	34,892	--	34,892	--	--	34,892
Workforce Investment PY09-DsIctd Worker	12,390	--	12,390	--	--	12,390
Hana Police Station Rehabilitation	467	--	467	--	--	467
CDBG Program Admin FY2011	--	21,405	21,405	--	--	21,405
Easter Seals Maui Phase II	19,744	--	19,744	19,744	--	--
ARRA09 State Energy Sctr Training Grant	3,222	--	3,222	--	--	3,222
MPD Emergency Response Vehicle Hana	480	(480)	--	--	--	--
Ka Hale A Ke Ola Rehabilitation/Improvement	15,000	(9,778)	5,222	--	--	5,222
LCHC Infrastructure 13-4	--	738	738	--	--	738
CDBG Program Admin FY2012	15,801	(15,801)	--	--	--	--
Molokai Tanker-reprg	--	25,320	25,320	--	25,320	--
Food and Energy Security Project	71,811	--	71,811	--	--	71,811
Molokai Youth Opportunity	275,608	--	275,608	--	--	275,608
Workforce Investment Act PY11-Youth	2,222	(2,222)	--	--	--	--
Workforce Investment Act PY11-Adult	12,854	--	12,854	--	--	12,854
Workforce Investment Act PY11-Admin	6,162	--	6,162	--	--	6,162
CDBG Program Admin FY2013	26,243	(26,243)	--	--	--	--
LCHC Infrastructure 13-4	--	370,818	370,818	--	--	370,818
Lanai Community Land Acquisition	391,110	(344,575)	46,535	5,569	--	40,966
HTA Product Enrichment CY13	10,000	--	10,000	10,000	--	--
Workforce Investment Act (WIA) PY02	427,378	--	427,378	--	--	427,378
WIA Youth Program - PY2012	951	--	951	--	--	951
WIA Adult Program - PY2012	1,665	--	1,665	--	--	1,665
WIA Administrative PY2012	7,913	--	7,913	--	141	7,772
WIA Dislocated Worker PY2012	4,939	--	4,939	--	--	4,939
Easter Seals Maui Phase II	156,009	--	156,009	156,009	--	--
Molokai Youth Opportunity - 04DOL	12,364	--	12,364	--	--	12,364
Workforce Investment Act Admin	59,397	--	59,397	52,936	--	6,461
Workforce Investment Act DWP	230,596	--	230,596	217,282	6,708	6,606
Workforce Investment Act Adult	232,787	--	232,787	218,871	12,268	1,648
Workforce Investment Act Youth	214,612	--	214,612	203,178	10,635	799
HTA Product Enrichment CY14	228,034	--	228,034	228,022	--	12
Lanai Brush Truck	125,000	--	125,000	124,500	--	500
Molokai Landfill Dump Truck	200,000	--	200,000	183,206	--	16,794

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Hana Landfill Dump Truck	\$ 275,000	\$ --	\$ 275,000	\$ 233,034	\$ --	\$ 41,966
Women Helping Women Dom Violence	87,000	--	87,000	6,831	80,169	--
Na Pu'uwai Adult Day Care Exp	300,000	--	300,000	--	300,000	--
Lanai Community Health Center Infrs	324,984	--	324,984	11,112	293,979	19,893
CDBG Program Admin FY2014	36,233	--	36,233	12,796	--	23,437
Molokai Youth Opportunity 05DOL	630	--	630	--	--	630
Workforce Investmenrt Act Admin	--	69,334	69,334	31,615	--	37,719
Workforce Investment Act DWP	--	172,063	172,063	121,096	18,334	32,633
The Maui Farm Rehabilitation	--	126,748	126,748	1,023	125,725	--
Maui Food Bank Rehab	--	416,000	416,000	15,915	400,085	--
Workforce Investment Act Adult	--	224,727	224,727	116,644	71,064	37,019
Workforce Investment Act Youth	--	227,229	227,229	103,376	99,390	24,463
HTA Product Enrichment CY14	--	400,000	400,000	102,009	206,500	91,491
HSEO Maui Energy Conference	--	20,000	20,000	20,000	--	--
Lanai ER Incident Resp Vehicle	--	39,300	39,300	--	--	39,300
Molokai Tanker	--	675,000	675,000	--	675,000	--
CDBG Program Admin FY15	--	314,262	314,262	294,526	829	18,907
Housing Rehab Loan Project Inc	13,092	--	13,092	--	--	13,092
Ka Hale A Ke Ola Resource Center Rehab	--	--	--	--	--	--
Lanai Community Health Center Predv-Rprg	8,180	(8,180)	--	--	--	--
Molokai Tanker - Reprg	--	8,180	8,180	--	8,180	--
Storms 12-4-7/07 FEMA#1743	32,616	--	32,616	--	--	32,616
Hazard Mitigation Kula Ag Park	171,189	--	171,189	167,824	--	3,365
Total Office of the Mayor	<u>4,152,170</u>	<u>2,703,845</u>	<u>6,856,015</u>	<u>2,657,118</u>	<u>2,334,327</u>	<u>1,864,570</u>
Management:						
Energy Emergency Planning	4,575	--	4,575	--	--	4,575
Dell Online Self-Dispatch Program	12,000	--	12,000	--	--	12,000
Total Management	<u>16,575</u>	<u>--</u>	<u>16,575</u>	<u>--</u>	<u>--</u>	<u>16,575</u>
Finance:						
State Motor Vehicle Reg FY13	13,550	(13,550)	--	--	--	--
State Identification Program	30,914	(30,914)	--	--	--	--
Periodic Motor Vehicle Inspection FY13	37,222	(37,222)	--	--	--	--
Commercial Driver License Program FY13	93,068	(93,068)	--	--	--	--
Commercial Driver License Program FY14	138,791	(107,432)	31,359	31,359	--	--
Periodic Motor Vehicle Inspection FY14	53,852	(45,240)	8,612	8,612	--	--
State Identification Program	30,469	(27,636)	2,833	2,833	--	--
State Motor Vehicle Registration	47,170	(41,147)	6,023	6,023	--	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Commercial Driver License Program FY15	\$ --	\$ 482,132	\$ 482,132	\$ 482,132	\$ --	\$ --
Periodic Motor Vehicle Inspection FY15	--	432,067	432,067	432,067	--	--
State Motor Vehicle Registration	--	255,073	255,073	255,073	--	--
State Identification Program	--	222,472	222,472	222,472	--	--
Total Finance	<u>445,036</u>	<u>995,535</u>	<u>1,440,571</u>	<u>1,440,571</u>	<u>--</u>	<u>--</u>
Planning:						
EDA Economic Adjustment Assistance	1,200,000	--	1,200,000	--	--	1,200,000
Coastal Zone Management Program	25,436	--	25,436	--	--	25,436
Coastal Zone Management Program	220,252	(213,080)	7,172	7,172	--	--
Coastal Zone Management FY15	--	344,500	344,500	179,313	--	165,187
Certified Local Government Program	--	22,500	22,500	--	--	22,500
Total Planning	<u>1,445,688</u>	<u>153,920</u>	<u>1,599,608</u>	<u>186,485</u>	<u>--</u>	<u>1,413,123</u>
Public Works:						
FHWA Projects State Reviews	29,879	50,881	80,760	74,939	--	5,821
Bridge Inspection NBIS(057)	99,250	(34,400)	64,850	51,890	--	12,960
FHWA Various Projects County	--	440,000	440,000	433,125	--	6,875
Total Public Works	<u>129,129</u>	<u>456,481</u>	<u>585,610</u>	<u>559,954</u>	<u>--</u>	<u>25,656</u>
Total General Government	<u>6,188,598</u>	<u>4,309,781</u>	<u>10,498,379</u>	<u>4,844,128</u>	<u>2,334,327</u>	<u>3,319,924</u>
Public safety:						
Prosecuting Attorney:						
Career Criminal Prosecution FY12	686	(686)	--	--	--	--
E Byrne Memorial Grant 2011DJBX2095	1,472	(1,472)	--	--	--	--
Defendant/Witness Trial Program 12	71,867	--	71,867	--	--	71,867
Prosecuting Attorney Asset Forfeitures-ST12	3,508	--	3,508	--	--	3,508
Defendant/Witness Trial Program	88,880	--	88,880	--	--	88,880
Asset Forfeitures Program	2,860	(2,860)	--	--	--	--
Justice Reinvestment Initiative	10,140	--	10,140	10,140	--	--
Defendant/Witness Trial Program	35,970	--	35,970	(1,891)	--	37,861
Victim/Witness Assistance Program	21,895	--	21,895	21,199	--	696
Criminal Justice Information System	109,511	--	109,511	84,772	--	24,739
Special Needs Advocacy Program	119,332	--	119,332	119,332	--	--
Domestic Violence Investigations	37,341	--	37,341	37,341	--	--
Prosecutors Highway Safety Training	4,535	--	4,535	672	--	3,863
Defendant/Witness Trial Program	--	170,000	170,000	65,629	--	104,371
Victim/Witness Assistance Program	--	64,864	64,864	40,348	--	24,516

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Career Criminal Program	\$ --	\$ 162,924	\$ 162,924	\$ 155,706	\$ --	\$ 7,218
E Byrne Memorial Jag FY15	--	67,060	67,060	--	--	67,060
Special Needs Advocacy Program	--	285,252	285,252	271,295	13,330	627
Asset Forfeitures Program	--	80,000	80,000	42,638	--	37,362
Maui Prosecutors Traffic Rec	--	9,085	9,085	4,848	--	4,237
E Byrne/pros of Drug Crimes	--	148,617	148,617	8,542	--	140,075
Domestic Violence Investigations	--	51,289	51,289	39,418	--	11,871
Highway Safety Grant	--	19,561	19,561	12,441	--	7,120
Justice Reinvestment Initiative	--	66,666	66,666	53,761	--	12,905
Victim Witness Books	7,280	--	7,280	--	--	7,280
Total Prosecuting Attorney	<u>515,277</u>	<u>1,120,300</u>	<u>1,635,577</u>	<u>966,191</u>	<u>13,330</u>	<u>656,056</u>
Planning:						
UH Sea Grant College Program	<u>65,375</u>	<u>--</u>	<u>65,375</u>	<u>63,019</u>	<u>--</u>	<u>2,356</u>
Police:						
Maui Child Passenger Safety	541	--	541	--	--	541
Cops Hiring Program	139,709	--	139,709	96,710	--	42,999
Cops Technology Grant USDJ	463	--	463	--	--	463
Safe & Drug Free Schools #2 DHS	252	--	252	--	--	252
Training Grants - SOH Various FY2011	9,450	--	9,450	--	--	9,450
Juvenile Act/Inc BG DHS-2-OYS-1160A	7,483	--	7,483	--	--	7,483
Juvenile Act/Inc BG DHS-2-OYS-1160B	580	--	580	--	--	580
Prohibiting Alcohol Sales to Minors	4,315	--	4,315	--	--	4,315
Maui Safe Community Speed SC02-06	1,177	--	1,177	--	--	1,177
Federal Equity/Sharing Forfeiture Policy	864	--	864	--	--	864
911 Emergency Medical FY02	1,200	--	1,200	--	--	1,200
Cops in School Award	38,462	--	38,462	--	--	38,462
Marijuana Eradication DEA 2002	1,035	--	1,035	--	--	1,035
Training Grants - SOH Various FY2011	251,435	--	251,435	203	--	251,232
Vawa/Sexual Assault Examination	2,959	--	2,959	2,959	--	--
State e911 Wireless Commission	120,536	--	120,536	--	108,235	12,301
Vawa/Domestic Violence Outreach	41,554	--	41,554	16,980	--	24,574
High Intensity Drug Trafficking	42,629	--	42,629	33,507	--	9,122
Juvenile Account Incentive Block	3,162	--	3,162	3,162	--	--
DOH-ADAD Tobacco Sales - Minors	1,016	--	1,016	--	--	1,016
MPD Roadblock Program	--	1,387	1,387	1,387	--	--
Juv Act/Incentive Block Grant Proj#P.O.I.	6,678	--	6,678	--	--	6,678

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Juv Act/Incentive Block Grant Proj #Comp Stra	\$ 2,227	\$ --	\$ 2,227	\$ --	\$ --	\$ 2,227
Maui Safe Community Speed SC03-06	3,111	--	3,111	(415)	--	3,526
Maui Speed Enforcement SC030601M03	7,294	(8,314)	(1,020)	(1,020)	--	--
Mpd Data Records	--	(6,224)	(6,224)	(6,224)	--	--
MPD Seatbelt Program - OPO3-05	32,203	--	32,203	--	--	32,203
Federal Equity/Sharing Forfeiture Policy	135	--	135	--	--	135
DOH Prohibiting Tobacco Sales	3,161	--	3,161	1,626	--	1,535
Choices Mentorship Program	1,825	(1,825)	--	--	--	--
Public Housing Drug Elimination RSS0301	6,364	--	6,364	--	--	6,364
Training Grants FY2013	72,776	--	72,776	--	--	72,776
Hawaii Narcotics Task Force	16,877	--	16,877	16,877	--	--
HI Intragency Mobile Police 02	2,507	--	2,507	--	--	2,507
Training Grants FY2014	72,192	--	72,192	67	--	72,125
State e911 Wireless Commission	550,513	--	550,513	43,081	--	507,432
911 Emergency Medical Service	84,068	--	84,068	13,324	--	70,744
MPD Traffic Services	16,300	6,069	22,369	22,369	--	--
Distracted Driving Enforcement	27,169	--	27,169	9,425	--	17,744
FFY14 MPD Seat Belt Program	74,928	--	74,928	15,496	--	59,432
FFY14 Speed Enforcement	65,809	(33,425)	32,384	32,384	--	--
FFY14 MPD Traffic Data Records	30,123	--	30,123	771	--	29,352
MPD Child Restraint Project	52,029	--	52,029	8,032	--	43,997
MPD Roadblock Program	122,529	--	122,529	53,554	--	68,975
Violence Against Women Act	39,560	--	39,560	17,813	--	21,747
Juvenile Account Incentive Block	40,167	--	40,167	39,881	--	286
SW Marijuana Eradication	46,406	--	46,406	4,336	--	42,070
Domestic Cannabis DEA	86,816	--	86,816	53,468	--	33,348
E Byrne/Epic Awareness	104,772	--	104,772	14,431	11,735	78,606
Marijuana Eradication DEA 2003-51	6,254	--	6,254	--	--	6,254
Domestic Cannabis DEA 2004-53	13,772	--	13,772	--	--	13,772
Training Grants FY2015	--	100,000	100,000	12,185	--	87,815
State e911 Wireless Commission	--	1,302,000	1,302,000	1,127,334	--	174,666
911 Emergency Medical Service	--	376,866	376,866	326,103	--	50,763
MPD Traffic Services	--	49,740	49,740	33,898	--	15,842
Prohibit Tobacco Sales to Minors	--	8,000	8,000	--	--	8,000
FFY15 MPD Seat Belt Program	--	120,225	120,225	29,143	--	91,082
FFY15 Speed Enforcement	--	120,158	120,158	28,066	--	92,092
FFY15 MPD Traffic Data Records	--	93,885	93,885	16,715	--	77,170
Distracted Driving Enforcement	--	49,052	49,052	92	--	48,960

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
MPD Roadblock Program	\$ --	\$ 267,376	\$ 267,376	\$ 135,106	\$ --	\$ 132,270
Kalo Program	--	89,000	89,000	88,874	--	126
Domestic Cannabis DEA	--	90,000	90,000	1,638	--	88,362
Hawaii Narcotics Task Force	--	30,510	30,510	16,390	2,499	11,621
High Intensity Drug Trafficking	--	130,200	130,200	65,296	7,799	57,105
MPD Child Restraint Project	--	73,400	73,400	12,237	900	60,263
Juvenile Account Incentive Block	--	61,463	61,463	4,492	499	56,472
Juv/Act/Bg POI DHS-05OYS-2153	4,956	--	4,956	--	--	4,956
G.R.E.A.T. ATF 2004-JV-FX-0133	110	--	110	--	--	110
Domestic Cannabis DEA 2005-60	3,883	--	3,883	--	--	3,883
HI Interagency Mobile Police 03	4,279	--	4,279	--	--	4,279
SW Marijuana Eradication Task Force	23,893	--	23,893	--	--	23,893
Police Against Street Sales 06	423	--	423	--	--	423
SW Juvenile Justice Information/System	15,964	--	15,964	--	--	15,964
Domestic Violence VctmIss 02WF17	20,359	--	20,359	--	--	20,359
Fed. Justice Police Forfeitures	33,051	25,000	58,051	34,216	--	23,835
Total Police	<u>2,364,305</u>	<u>2,944,543</u>	<u>5,308,848</u>	<u>2,425,969</u>	<u>131,667</u>	<u>2,751,212</u>
Fire and Public Safety:						
Volunteer Fire Assistance DLNR10	180	--	180	--	--	180
EMS (Fire) Training (PVT) IAAI	1,276	--	1,276	--	--	1,276
Fire/LEPC (DOH) HMEP	28,663	--	28,663	6,958	--	21,705
Volunteer Fire Assistance DLNR11	1,432	--	1,432	--	--	1,432
MFD Equipment Purchase EMOL-04	163	--	163	--	--	163
Private Donations - Fire Dept	5,000	15,200	20,200	--	--	20,200
Hazardous Materials (HMEP) Grant11	147,618	--	147,618	--	--	147,618
FEMA-1967-Dr-Hi-Tsunami MFD	16,631	--	16,631	--	--	16,631
HMEP Hazardous Materials EM	24,999	--	24,999	--	--	24,999
Wellness/Fitness Fire Act Grant	1,000	--	1,000	--	--	1,000
Vol Fire Assistance Grant FY14	7,101	--	7,101	7,101	--	--
NHTSA MFD Pneumatic Struts	153	--	153	--	--	153
Monsanto Grant FY14	14,800	--	14,800	14,800	--	--
Fire Safety HSE-EMW2003FP01732	3,452	--	3,452	--	--	3,452
Vol Fire Assistance Grant FY15	--	18,750	18,750	--	--	18,750
Monsanto Grant FY15	--	13,086	13,086	13,086	--	--
MFD Hydrafusion Struts	--	27,923	27,923	27,923	--	--
Fire Inoperability Grant FE15141	96	--	96	--	--	96
USDA Rural 1st Responder Lanai	9,083	--	9,083	--	--	9,083
USDA Rural 1st Responder Molokai	3,548	--	3,548	--	--	3,548

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Firefighters Charitable Foundation	\$ 550	\$ --	\$ 550	\$ --	\$ --	\$ 550
FEMA Fire Training Funds	13,813	--	13,813	648	--	13,165
Total Fire and Public Safety	<u>279,558</u>	<u>74,959</u>	<u>354,517</u>	<u>70,516</u>	<u>--</u>	<u>284,001</u>
Civil Defense:						
FFY09 Law Enforcement Terrorism Prev	27,838	(27,997)	(159)	(159)	--	--
FFY09 Citizen Corps Program	11,441	6,882	18,323	18,323	--	--
FFY09 State Homeland Security	--	(159)	(159)	(159)	--	--
Introprbl Emergency Comm Grant	19,163	--	19,163	--	--	19,163
FFY10 Citizens Corp Prg	10,955	5,992	16,947	16,947	--	--
FFY10 St Homeland Security Program	521	17,287	17,808	--	--	17,808
FFY11 Statewide Outreach/CCP	10,368	--	10,368	579	--	9,789
FFY11 State Homeland Security Program	235,515	--	235,515	224,235	--	11,280
Disaster Preparedness Train	19,957	--	19,957	--	--	19,957
FFY12 Community Outreach/CCP	13,469	15,963	29,432	21,947	--	7,485
FFY12 State Homeland Security Grant	188,431	14,037	202,468	199,943	--	2,525
Interoperable ER Communications	19,000	--	19,000	--	--	19,000
Inoperable ER Communications	3,459	--	3,459	--	--	3,459
Emergency Mgt Performance Grant	85,000	--	85,000	--	--	85,000
Emergency Mgt Performance Grant	115,000	--	115,000	45,328	--	69,672
FFY13 State Homeland Security Grant	331,248	--	331,248	144,668	--	186,580
FFY13 SHSG Community & Citizen Prep	20,000	--	20,000	6,187	--	13,813
FFY09 Port Security Grant Program	114,464	--	114,464	114,464	--	--
State Homeland Security	--	525,000	525,000	4,800	--	520,200
Citizen Corps Program	--	25,552	25,552	--	--	25,552
Emergency Mgt Performance Grant	--	100,000	100,000	13,500	61,500	25,000
Total Civil Defense	<u>1,225,829</u>	<u>682,557</u>	<u>1,908,386</u>	<u>810,603</u>	<u>61,500</u>	<u>1,036,283</u>
Total Public Safety	<u>4,450,344</u>	<u>4,822,359</u>	<u>9,272,703</u>	<u>4,336,298</u>	<u>206,497</u>	<u>4,729,908</u>
Highways and Streets:						
Transportation:						
FTA Rural Trans Asst Program FFY09	10,710	(10,710)	--	--	--	--
FTA 5309 FFY2010 Bus & Facilities	973,045	--	973,045	--	--	973,045
FTA Rural Trnst Assistance FFY12	15,808	--	15,808	--	--	15,808
FTA5309 Bus & Bus Facilities Sgr	445,458	--	445,458	445,458	--	--
FTA#5309 Formula Funds Program	1,973,751	--	1,973,751	21,857	185,024	1,766,870
FTA Rural Transit Assistance	10,795	(10,795)	--	--	--	--
FTA5309 Livability Program FY13	116,963	--	116,963	96,677	--	20,286
FTA Sec 5311 Non-Urbanized Area	595,843	--	595,843	--	595,843	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Department and Appropriation	Balances Forwarded	Appropriations & Amendments	Total	Expenditures	Reserves and Encumbrances	Unexpended Appropriations
FTA Rural Trnst Asst - RTAP	\$ 10,925	\$ --	\$ 10,925	\$ 6,746	\$ --	\$ 4,179
FTA Planning Program 5305(e)	133,605	--	133,605	94,943	38,662	--
Total Transportation	<u>4,286,903</u>	<u>(21,505)</u>	<u>4,265,398</u>	<u>665,681</u>	<u>819,529</u>	<u>2,780,188</u>
Total Highways and Streets	<u>4,286,903</u>	<u>(21,505)</u>	<u>4,265,398</u>	<u>665,681</u>	<u>819,529</u>	<u>2,780,188</u>
Sanitation:						
Environmental Management:						
Glass Recovery DOH ASO#11-005	3,250	--	3,250	--	--	3,250
W Maui Recycled Water System Exp	1,150,926	--	1,150,926	479,926	163,298	507,702
Used Oil Recovery FY2013	1,411	(1,411)	--	--	--	--
Used Motor Oil Collection Program	10,416	(5,542)	4,874	4,874	--	--
Electronic Device Recycling	10,950	--	10,950	10,950	--	--
Hyatt/W Maui Recycled Water	501,237	--	501,237	--	--	501,237
Starwood/W Maui Recycled Water	1,863,840	--	1,863,840	--	--	1,863,840
Dep Beverage Container DOH-MOL	11,824	--	11,824	--	--	11,824
Used Motor Oil Collection FY 15	--	73,333	73,333	63,000	8,125	2,208
Electronic Device Recycling	--	100,000	100,000	100,000	--	--
Glass Recovery Program	--	123,400	123,400	74,040	--	49,360
Dep Beverage Container DOH-MOL06	123,795	(123,795)	--	--	--	--
Used Oil Recovery07 aso06145#2	339	--	339	--	--	339
Total Environmental Management	<u>3,677,988</u>	<u>165,985</u>	<u>3,843,973</u>	<u>732,790</u>	<u>171,423</u>	<u>2,939,760</u>
Total Sanitation	<u>3,677,988</u>	<u>165,985</u>	<u>3,843,973</u>	<u>732,790</u>	<u>171,423</u>	<u>2,939,760</u>
Social Welfare:						
Office of the Mayor:						
Hawaii St Comm/Status Women	649	--	649	--	--	649
Hawaii St Comm/Status Women	--	5,000	5,000	2,978	1,701	321
Innovate Hawaii	--	10,000	10,000	10,000	--	--
Total Office of the Mayor	<u>649</u>	<u>15,000</u>	<u>15,649</u>	<u>12,978</u>	<u>1,701</u>	<u>970</u>
Housing and Human Concerns:						
Aging/Disability Rsrc Center ST/Hi	3,352	--	3,352	--	--	3,352
Hawaii Community Living 2010.11N	1,301	--	1,301	--	--	1,301
Home FFY09 Administration	16	(16)	--	--	--	--
Sec 8 Housing Voucher FY10	129,382	(129,382)	--	--	--	--
Sec 8 Housing Voucher Admin FY10	9,706	(9,706)	--	--	--	--
Maui to Work Program (MEO)	--	131,729	131,729	131,729	--	--
HI Mental Health Transform Sig	24,000	--	24,000	--	--	24,000

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Home - 1st Time Homebuyers Proj	\$ --	\$ 18,842	\$ 18,842	\$ 18,842	\$ --	\$ --
Home Reprogrammed Funds	19,582	(19,582)	--	--	--	--
Hospital Discharge PIng Grant	3,350	--	3,350	--	--	3,350
Aging/Disability Rsrc Ctr 2010N	15,720	--	15,720	--	--	15,720
ARRA09 Healthy Aging Partnership	511	--	511	--	--	511
Aging Title III DHHS FY11 MA201103	73,232	--	73,232	--	190	73,042
Elder Abuse Related Services - FY11	3,664	--	3,664	--	--	3,664
EOA/DOH MA.KC.FB10-11.a FY11	6,459	--	6,459	--	--	6,459
Home FFY10 Kahawai Apt	245,035	(18,842)	226,193	226,193	--	--
Home FFY10 Administration	39,539	--	39,539	31,000	8,331	208
MSC Leisure FY2011	1,744	--	1,744	1,704	--	40
I&A Outreach Aging 00/01	597	--	597	--	--	597
Hospital Discharge PIng Grant	25,736	--	25,736	--	--	25,736
Aging/Disability Rsrc Ctr 2010N	13,156	--	13,156	--	--	13,156
ARRA09 Healthy Aging Partnership	2,260	--	2,260	--	--	2,260
Aging Title III DHHS FY12	61,962	--	61,962	61,412	--	550
Mental Health Transformation Grant	16	--	16	--	--	16
Aging EOA/DOH Kupuna Care FY12	46,113	--	46,113	--	--	46,113
Home FFY07 Kahawai Apt	20,000	(20,000)	--	--	--	--
Home FFY09 CHDO MMSHH2 Cnst	151,769	(151,769)	--	--	--	--
Home FFY10 CHDO MMSHH2 Cnst	152,186	(152,186)	--	--	--	--
Home FFY11 CHDO MMSHH2 Cnst	150,056	(150,056)	--	--	--	--
Home FFY11 Administration	39,406	--	39,406	37,192	2,214	--
MSC Leisure FY2012	61,189	--	61,189	10,815	--	50,374
Healthy Aging Partnership	48,619	--	48,619	48,618	--	1
Aging Title III Programs	94	--	94	--	--	94
Elder Abuse Prevention SFY13	185	--	185	60	--	125
Elder Abuse Prevention SFY12	26,493	--	26,493	11,778	--	14,715
Kupuna Care Program	5,496	28,314	33,810	4,253	319	29,238
Aging & Disability Resource	21,146	--	21,146	18,993	214	1,939
Congregate Meals Title III	30,254	--	30,254	--	--	30,254
Home Delivered Meals Title III	(13,925)	--	(13,925)	(13,925)	--	--
Congregate Meals Private Donation	2,587	(398)	2,189	2,186	--	3
Leisure Activities FY13	3,780	(28)	3,752	220	--	3,532
Sec 8 Housing Admin Prg FY2013	93,340	(93,295)	45	--	45	--
Kupuna Care Program SF14	84,742	(10,997)	73,745	72,662	104	979
Elder Abuse Prevention SF14	2	--	2	--	--	2
Home Delivered Meals Private Donation	7,298	--	7,298	7,298	--	--

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Leisure Activities FY14	\$ 52,058	\$ --	\$ 52,058	\$ 855	\$ --	\$ 51,203
Assisted Transportation FY14	6,859	(6,859)	--	--	--	--
Congregate Meals Title III	24,204	(14,552)	9,652	9,652	--	--
Congregate Meals NSIP FY14	26,720	547	27,267	26,720	--	547
Home Delivered Meals - State	37,221	(26,224)	10,997	10,997	--	--
Home Delivered Meals - NSIP FY14	17,094	--	17,094	17,090	--	4
Home Delivered Meals Title III	6,184	(1,997)	4,187	4,187	--	--
Aging Title III Programs	134,638	21,960	156,598	97,277	48,123	11,198
Care Transition Program	237,230	--	237,230	52,839	--	184,391
Aging & Disability Resource	295,907	(4,259)	291,648	242,053	11,650	37,945
Healthy Aging Partnership	87,516	--	87,516	87,516	--	--
RSVP Retired & Sr Vol Program	46,833	2,500	49,333	49,333	--	--
Sec 8 Housing Voucher FY2014	1,049,879	(1,051,656)	(1,777)	(1,777)	--	--
Sec 8 Housing Admin FY2014	136,836	63,487	200,323	2,040	148	198,135
Kupuna Care Program	--	862,518	862,518	723,817	100,665	38,036
Elder Abuse Prevention SF15	--	26,492	26,492	3,817	--	22,675
Home Delivered Meals Private Donation	--	84,092	84,092	84,092	--	--
Congregate Meals Private Donation	--	113,876	113,876	113,876	--	--
Leisure Activities FY15	--	101,570	101,570	20,453	--	81,117
Assisted Transportation Private	--	15,777	15,777	15,777	--	--
Congregate Meals Title III	--	144,100	144,100	143,477	--	623
Assisted Transportation -Kupuna	--	172,000	172,000	172,000	--	--
Banfield Charitable Trust	--	1,000	1,000	313	--	687
Congregate Meals NSIP FY15	--	60,000	60,000	30,525	--	29,475
Home Delivered Meals Kupuna	--	93,000	93,000	93,000	--	--
Home Delivered Meals - NSIP FY15	--	60,000	60,000	18,017	--	41,983
Home Delivered Meals Title III	--	140,000	140,000	113,820	--	26,180
Aging Title III Programs	--	545,069	545,069	336,984	55,319	152,766
Aging & Disability Resource	--	598,662	598,662	67,819	19,210	511,633
Private Donation/Matson	--	1,000	1,000	--	--	1,000
Voluntary Contributions	--	20,000	20,000	--	--	20,000
Healthy Aging Partnership	--	178,340	178,340	5,692	--	172,648
RSVP Retired & Sr Vol Program	--	65,850	65,850	13,984	--	51,866
NSIP Nutrition Services Incentive	--	133,543	133,543	--	--	133,543
Healthy Aging Volunatry Contribution	--	32,970	32,970	--	--	32,970
A&B Kokua Giving Contribution	--	20,000	20,000	--	--	20,000
Home FFY14 Kulamalu Reprg	--	124,467	124,467	124,467	--	--
Home FFY14 Administration	--	150,894	150,894	830	358	149,706

See accompanying independent auditor's report.

**COUNTY OF MAUI
GRANT FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations & Amendments</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Unexpended Appropriations</u>
Home FFY14 Kulamalu Ah Prj	\$ --	\$ 2,263,415	\$ 2,263,415	\$ --	\$ --	\$ 2,263,415
Sec 8 Housing Voucher FY2015	--	14,178,279	14,178,279	14,014,592	--	163,687
Sec 8 Housing Admin FY2015	--	1,473,164	1,473,164	1,168,010	2,172	302,982
Home FFY04 Administration	7,500	--	7,500	151	7,145	204
MSC Leisure Activity FY06	13,708	--	13,708	13,593	--	115
Title V Local Delinquency Prevention	66,404	--	66,404	--	--	66,404
MSC Leisure Activity FY07	20,725	--	20,725	12,816	1,000	6,909
Sec 8 Family Self-Sufficient	77,448	63,676	141,124	73,971	--	67,153
Aging EOA/DOH MA-KC-2008-09(a)	1	--	1	--	--	1
Home FFY06 administration	9,217	--	9,217	--	--	9,217
Home FFY06 ADDI Program	10,755	(10,755)	--	--	--	--
Assisted Transportation SH POS08	56,699	--	56,699	14,532	1,479	40,688
Home FFY08 Administration	925	--	925	--	378	547
Sec8 Hsg Asst Pymts (HAP)-NRA	87,014	6,281	93,295	--	--	93,295
Sec8 Hsg Asst Pymts (Adm)-NRA	811,250	(184,356)	626,894	--	--	626,894
Total Housing and Human Concerns	<u>4,931,975</u>	<u>19,940,499</u>	<u>24,872,474</u>	<u>18,650,237</u>	<u>259,064</u>	<u>5,963,173</u>
Total Social Welfare	<u>4,932,624</u>	<u>19,955,499</u>	<u>24,888,123</u>	<u>18,663,215</u>	<u>260,765</u>	<u>5,964,143</u>
Culture and Recreation:						
Parks and Recreation:						
Playground Equipment One Alii Park - USDA	19,042	--	19,042	--	--	19,042
ST/HI WM STDMPA SYS SLH2010	145,000	--	145,000	--	--	145,000
ST/HI Nahiku Community Center	250,000	--	250,000	--	250,000	--
2012 USTA Wheelchair Tennis	784	--	784	784	--	--
Makena Lifeguard Services	19,535	--	19,535	19,535	--	--
Play & Learn Sessions (PALS)	35,135	(35,135)	--	--	--	--
War Memorial Stadium	829,855	--	829,855	--	--	829,855
Makena Lifeguard Services	--	606,469	606,469	456,904	13,043	136,522
Play & Learn Sessions (PALS)	--	62,897	62,897	62,897	--	--
Binhi At-Ani Community Center-DAGS06	83,318	(24,757)	58,561	58,561	--	--
Total Parks and Recreation	<u>1,382,669</u>	<u>609,474</u>	<u>1,992,143</u>	<u>598,681</u>	<u>263,043</u>	<u>1,130,419</u>
Total Culture and Recreation	<u>1,382,669</u>	<u>609,474</u>	<u>1,992,143</u>	<u>598,681</u>	<u>263,043</u>	<u>1,130,419</u>
Totals for the Intergovernmental Grants Fund	\$ <u>24,919,126</u>	\$ <u>29,841,593</u>	\$ <u>54,760,720</u>	\$ <u>29,840,793</u>	\$ <u>4,055,584</u>	\$ <u>20,864,342</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Charges for current services:					
Sanitation:					
Refuse	\$ 5,300,000	\$ --	\$ 5,300,000	\$ 5,587,927	\$ 287,927
Landfill disposal fee	8,006,350	--	8,006,350	8,260,639	254,289
Total - Sanitation	<u>13,306,350</u>	<u>--</u>	<u>13,306,350</u>	<u>13,848,566</u>	<u>542,216</u>
Total - Charges for current services	<u>13,306,350</u>	<u>--</u>	<u>13,306,350</u>	<u>13,848,566</u>	<u>542,216</u>
Other revenues:					
Sanitation:					
Miscellaneous general receipts	--	--	--	--	--
Miscellaneous program receipts	--	--	--	25,392	25,392
Total - Sanitation	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,392</u>	<u>25,392</u>
Total - Other revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,392</u>	<u>25,392</u>
Total Solid Waste Fund Revenues	<u>\$ 13,306,350</u>	<u>\$ --</u>	<u>\$ 13,306,350</u>	<u>\$ 13,873,958</u>	<u>\$ 567,608</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
SOLID WASTE FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Sanitation:							
Environmental Management:							
Solid Waste Administration	\$ 18,220	\$ 1,070,538	\$ --	\$ 1,088,758	\$ 954,595	\$ 29,856	\$ 104,307
Solid Waste ERS & FICA	--	1,273,553	(70,000)	1,203,553	1,187,053	--	16,500
Solid Waste Health Fund	--	928,137	--	928,137	888,408	--	39,729
Solid Waste Admin Overhead	--	4,293,086	(150,000)	4,143,086	4,143,086	--	--
Solid Waste Contribution OPEB	--	873,821	(873,821)	--	873,821	--	(873,821)
Solid Waste Operations	1,869,951	16,415,422	220,000	18,505,373	15,891,865	2,031,325	582,183
Abandoned Vehicle Scrap Metal	300,272	--	(674)	299,598	248,829	50,769	--
Total Environmental Management	<u>2,188,443</u>	<u>24,854,557</u>	<u>(874,495)</u>	<u>26,168,505</u>	<u>24,187,657</u>	<u>2,111,950</u>	<u>(131,102)</u>
Total Sanitation	<u>2,188,443</u>	<u>24,854,557</u>	<u>(874,495)</u>	<u>26,168,505</u>	<u>24,187,657</u>	<u>2,111,950</u>	<u>(131,102)</u>
Totals for the Solid Waste Fund	\$ <u>2,188,443</u>	\$ <u>24,854,557</u>	\$ <u>(874,495)</u>	\$ <u>26,168,505</u>	\$ <u>24,187,657</u>	\$ <u>2,111,950</u>	\$ <u>(131,102)</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Source of Revenues</u>	<u>Original Estimate</u>	<u>Amendments and Transfers</u>	<u>Final Estimate</u>	<u>Actual Revenues</u>	<u>Revenues Over or (Under) Estimate</u>
Licenses and permits:					
Social Welfare:					
Business licenses and permits	\$ <u>2,321,231</u>	\$ <u> --</u>	\$ <u>2,321,231</u>	\$ <u>2,243,745</u>	\$ <u>(77,486)</u>
Total - Licenses and permits	<u>2,321,231</u>	<u> --</u>	<u>2,321,231</u>	<u>2,243,745</u>	<u>(77,486)</u>
Total Liquor Control Fund Revenues	\$ <u><u>2,321,231</u></u>	\$ <u><u> --</u></u>	\$ <u><u>2,321,231</u></u>	\$ <u><u>2,243,745</u></u>	\$ <u><u>(77,486)</u></u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
LIQUOR CONTROL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Department and Appropriation</u>	<u>Balances Forwarded</u>	<u>Appropriations</u>	<u>Transfers and Additions</u>	<u>Total</u>	<u>Expenditures</u>	<u>Reserves and Encumbrances</u>	<u>Lapsed Appropriations</u>
Social Welfare:							
Liquor Control:							
Liquor Control General	\$ 42,274	\$ 1,976,255	\$ --	\$ 2,018,529	\$ 1,425,971	\$ 32,551	\$ 560,007
Liquor Admin Overhead Charges	--	1,064,085	--	1,064,085	733,206	--	330,879
Total Liquor Control	<u>42,274</u>	<u>3,040,340</u>	<u>--</u>	<u>3,082,614</u>	<u>2,159,177</u>	<u>32,551</u>	<u>890,886</u>
Total Social Welfare	<u>42,274</u>	<u>3,040,340</u>	<u>--</u>	<u>3,082,614</u>	<u>2,159,177</u>	<u>32,551</u>	<u>890,886</u>
Totals for the Liquor Control Fund	<u>\$ 42,274</u>	<u>\$ 3,040,340</u>	<u>\$ --</u>	<u>\$ 3,082,614</u>	<u>\$ 2,159,177</u>	<u>\$ 32,551</u>	<u>\$ 890,886</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

Source of Revenues	Original Estimate	Amendments and Transfers	Final Estimate	Actual Revenues	Revenues Over or (Under) Estimate
Intergovernmental revenue:					
Capital improvement projects:					
State grants	\$ --	\$ 152,109	\$ 152,109	\$ --	\$ (152,109)
Federal grants passed through the state	18,401,000	3,860,888	22,261,888	19,961,425	(2,300,463)
Total - Intergovernmental revenues	<u>18,401,000</u>	<u>4,012,997</u>	<u>22,413,997</u>	<u>19,961,425</u>	<u>(2,452,572)</u>
Interest and investment earnings:					
General revenue:					
Interest on investments	--	--	--	2,071	2,071
Capital improvement projects:					
Interest on investments	--	--	--	21,758	21,758
Total - Interest and investment earnings	<u>--</u>	<u>--</u>	<u>--</u>	<u>23,829</u>	<u>23,829</u>
Other revenues:					
Capital improvement projects:					
Capital contributions	--	715,000	715,000	--	(715,000)
Miscellaneous program receipts	--	--	--	2,484	2,484
Total - Other revenues	<u>--</u>	<u>715,000</u>	<u>715,000</u>	<u>2,484</u>	<u>(712,516)</u>
Total Capital Improvement Projects Fund Revenues	\$ <u>18,401,000</u>	\$ <u>4,727,997</u>	\$ <u>23,128,997</u>	\$ <u>19,987,738</u>	\$ <u>(3,141,259)</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL IMPROVEMENT PROJECTS FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

EXPENDITURES:	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
Capital outlay:				
Drainage	\$ 2,045,499	\$ 3,735,694	\$ 5,781,193	\$ 16,256,780
Other projects	1,560,424	7,956,019	9,516,443	11,276,845
Government facilities	36,659,665	12,510,800	49,170,465	55,579,655
Parks and recreation	1,800,326	5,208,877	7,009,203	13,594,261
Roads	12,929,253	30,688,434	43,617,687	90,964,680
Solid waste facilities	579,726	3,251,948	3,831,674	6,048,252
Wastewater facilities	20,313,301	18,019,374	38,332,675	66,545,925
Other expenditures	--	444,826	444,826	--
Total Expenditures	<u>\$ 75,888,194</u>	<u>\$ 81,815,972</u>	<u>\$ 157,704,166</u>	<u>\$ 260,266,398</u>

See accompanying independent auditor's report.

**COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULE BY TYPE
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Governmental activities capital assets:		
Land	\$ 166,213,559	\$ 159,067,977
Buildings and systems	162,753,447	162,097,487
Improvements other than buildings	136,370,151	135,367,004
Machinery and equipment	136,314,637	126,705,502
Infrastructure	1,050,787,986	997,442,965
Construction in progress	95,081,653	82,891,537
Accumulated depreciation	<u>(1,007,281,233)</u>	<u>(968,014,204)</u>
Total governmental activities capital assets	<u>\$ 740,240,200</u>	<u>\$ 695,558,268</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND DEPARTMENT
JUNE 30, 2015

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	\$ --	\$ 1,800,722	\$ 100,111	\$ --	\$ 113,952	\$ (562,082)	\$ 14,465,911
Management	9,661,040	1,075,286	--	3,304,069	--	2,283,213	(2,687,971)	13,635,637
Corporation Counsel	--	--	--	91,719	--	--	(91,719)	--
Finance	--	845,180	--	842,781	--	15,176	(1,343,611)	359,526
Planning	--	--	--	646,850	--	1,094,765	(638,149)	1,103,466
Parks and Recreation	2,893,700	306,300	--	--	--	--	(116,139)	3,083,861
Public Works	12,987,221	14,507,313	9,425,284	1,315,208	--	2,508,107	(21,115,773)	19,627,360
Total for General government	<u>38,555,169</u>	<u>16,734,079</u>	<u>11,226,006</u>	<u>6,300,738</u>	<u>--</u>	<u>6,015,213</u>	<u>(26,555,444)</u>	<u>52,275,761</u>
Public safety:								
Management	--	--	--	--	--	21,661,739	--	21,661,739
Prosecuting Attorney	--	--	--	223,082	--	--	(223,082)	--
Police	1,318,642	54,669,639	4,763,175	29,254,174	--	--	(41,307,023)	48,698,607
Fire and Public Safety	1,186,759	38,784,186	892,498	23,204,071	--	942,861	(39,322,303)	25,688,072
Civil Defense	--	497,445	--	773,394	--	290,517	(556,653)	1,004,703
Total for Public safety	<u>2,505,401</u>	<u>93,951,270</u>	<u>5,655,673</u>	<u>53,454,721</u>	<u>--</u>	<u>22,895,117</u>	<u>(81,409,061)</u>	<u>97,053,121</u>
Highways and streets:								
Public Works	58,347,430	--	643,822	20,262,321	556,061,111	41,420,731	(461,002,794)	215,732,621
Transportation	--	229,700	--	15,380,429	--	737,614	(9,898,032)	6,449,711
Total for Highways and streets	<u>58,347,430</u>	<u>229,700</u>	<u>643,822</u>	<u>35,642,750</u>	<u>556,061,111</u>	<u>42,158,345</u>	<u>(470,900,826)</u>	<u>222,182,332</u>
Sanitation:								
Environmental Management	4,231,746	1,927,524	--	29,656,259	494,726,875	19,098,870	(310,941,552)	238,699,722
Total for Sanitation	<u>4,231,746</u>	<u>1,927,524</u>	<u>--</u>	<u>29,656,259</u>	<u>494,726,875</u>	<u>19,098,870</u>	<u>(310,941,552)</u>	<u>238,699,722</u>
Social welfare:								
Liquor Control	--	--	--	470,973	--	--	(401,490)	69,483
Housing and Human Concerns	3,855,202	14,455,693	983,124	1,296,576	--	793,883	(11,224,909)	10,159,569
Total for Social welfare	<u>3,855,202</u>	<u>14,455,693</u>	<u>983,124</u>	<u>1,767,549</u>	<u>--</u>	<u>793,883</u>	<u>(11,626,399)</u>	<u>10,229,052</u>
Culture and recreation:								
Parks and Recreation	58,718,611	35,455,181	117,861,526	9,360,507	--	4,120,225	(105,721,620)	119,794,430
Total for Culture and recreation	<u>58,718,611</u>	<u>35,455,181</u>	<u>117,861,526</u>	<u>9,360,507</u>	<u>--</u>	<u>4,120,225</u>	<u>(105,721,620)</u>	<u>119,794,430</u>
Legislative:								
County Council	--	--	--	108,117	--	--	(102,335)	5,782
County Clerk	--	--	--	23,996	--	--	(23,996)	--
Total for Legislative	<u>--</u>	<u>--</u>	<u>--</u>	<u>132,113</u>	<u>--</u>	<u>--</u>	<u>(126,331)</u>	<u>5,782</u>
Cost of capital assets used by governmental funds	<u>\$ 166,213,559</u>	<u>\$ 162,753,447</u>	<u>\$ 136,370,151</u>	<u>\$ 136,314,637</u>	<u>\$ 1,050,787,986</u>	<u>\$ 95,081,653</u>	<u>\$ (1,007,281,233)</u>	<u>\$ 740,240,200</u>

See accompanying independent auditor's report.

COUNTY OF MAUI
CAPITAL ASSETS USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2015

Function and Department	Governmental Capital Assets July 1, 2014	Additions	Deductions	Governmental Capital Assets June 30, 2015
General government:				
Office of the Mayor	\$ 17,079,529	\$ 31,066	\$ (2,082,602)	\$ 15,027,993
Management	6,726,932	23,887,840	(14,291,164)	16,323,608
Corporation Counsel	91,719	--	--	91,719
Finance	3,887,038	2,921,218	(5,105,119)	1,703,137
Planning	1,747,615	--	(6,000)	1,741,615
Liquor Control	4,068	--	(4,068)	--
Parks and Recreation	3,200,000	--	--	3,200,000
Public Works	39,639,855	1,389,251	(285,973)	40,743,133
Total for General government	<u>72,376,756</u>	<u>28,229,375</u>	<u>(21,774,926)</u>	<u>78,831,205</u>
Public safety:				
Management	13,936,322	7,809,035	(83,618)	21,661,739
Prosecuting Attorney	223,082	--	--	223,082
Police	88,552,966	2,724,798	(1,272,134)	90,005,630
Fire and Public Safety	62,098,636	3,017,370	(105,631)	65,010,375
Civil Defense	1,554,040	7,316	--	1,561,356
Parks and Recreation	--	--	--	--
Public Works	814,172	--	(814,172)	--
Total for Public safety	<u>167,179,218</u>	<u>13,558,519</u>	<u>(2,275,555)</u>	<u>178,462,182</u>
Highways and streets:				
Public Works	642,798,123	64,790,565	(30,853,273)	676,735,415
Transportation	14,094,214	2,307,761	(54,232)	16,347,743
Total for Highways and streets	<u>656,892,337</u>	<u>67,098,326</u>	<u>(30,907,505)</u>	<u>693,083,158</u>
Sanitation:				
Environmental Management	525,013,144	50,359,330	(25,731,200)	549,641,274
Total for Sanitation	<u>525,013,144</u>	<u>50,359,330</u>	<u>(25,731,200)</u>	<u>549,641,274</u>
Social welfare:				
Liquor Control	457,388	102,010	(88,425)	470,973
Housing and Human Concerns	21,356,545	55,625	(27,692)	21,384,478
Total for Social welfare	<u>21,813,933</u>	<u>157,635</u>	<u>(116,117)</u>	<u>21,855,451</u>
Culture and recreation:				
Parks and Recreation	220,164,771	9,073,727	(3,722,448)	225,516,050
Public Works	200	--	(200)	--
Total for Culture and recreation	<u>220,164,971</u>	<u>9,073,727</u>	<u>(3,722,648)</u>	<u>225,516,050</u>
Legislative:				
County Council	108,117	--	--	108,117
County Clerk	23,996	--	--	23,996
Total for Legislative	<u>132,113</u>	<u>--</u>	<u>--</u>	<u>132,113</u>
Economic development:				
Environmental Management	--	--	--	--
Total for Economic development	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Cost of capital assets used by governmental funds	1,663,572,472	168,476,912	(84,527,951)	1,747,521,433
Less accumulated depreciation	<u>(968,014,204)</u>	<u>(42,037,057)</u>	<u>2,770,028</u>	<u>(1,007,281,233)</u>
Capital assets net of accumulated depreciation	<u>\$ 695,558,268</u>	<u>\$ 126,439,855</u>	<u>\$ (81,757,923)</u>	<u>\$ 740,240,200</u>

See accompanying independent auditor's report.

COUNTY OF MAUI

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

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

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in capital assets, net of related debt	\$ 284,331	\$ 276,942	\$ 287,157	\$ 343,638	\$ 371,411	\$ 361,022	\$ 395,526	\$ 396,519	\$ 457,961	\$ 478,521
Restricted	64,401	122,451	91,444	76,825	83,950	91,162	71,585	68,375	47,433	61,863
Unrestricted ¹	18,833	41,913	119,560	98,814	85,356	85,850	55,090	72,103	42,753	(297,003)
Total governmental activities net assets	\$ 367,565	\$ 441,306	\$ 498,161	\$ 519,277	\$ 540,717	\$ 538,034	\$ 522,201	\$ 536,997	\$ 548,147	\$ 243,381
Business-type activities										
Invested in capital assets, net of related debt	\$ 244,149	\$ 261,268	\$ 267,744	\$ 271,646	\$ 285,042	\$ 290,830	\$ 286,968	\$ 290,752	\$ 284,637	\$ 282,110
Restricted	17,052	18,518	15,999	14,816	14,973	14,609	13,646	12,284	13,082	11,612
Unrestricted ¹	19,836	15,146	20,563	19,023	18,970	26,167	32,605	36,456	46,042	23,838
Total business-type activities net assets	\$ 281,037	\$ 294,932	\$ 304,306	\$ 305,485	\$ 318,985	\$ 331,606	\$ 333,219	\$ 339,492	\$ 343,761	\$ 317,560
Primary Government										
Invested in capital assets, net of related debt	\$ 528,480	\$ 538,210	\$ 554,901	\$ 615,284	\$ 656,453	\$ 651,852	\$ 682,494	\$ 687,271	\$ 742,598	\$ 760,631
Restricted	81,453	140,969	107,443	91,641	98,923	105,771	85,231	80,659	60,515	73,475
Unrestricted ¹	38,669	57,059	140,123	117,837	104,326	112,017	87,695	108,559	88,795	(273,165)
Total Primary Government Net Assets	\$ 648,602	\$ 736,238	\$ 802,467	\$ 824,762	\$ 859,702	\$ 869,640	\$ 855,420	\$ 876,489	\$ 891,908	\$ 560,941

¹ Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pensions for contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68*.

See accompanying independent auditor's report

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

Expenses ¹	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General government	\$ 68,334	\$ 68,533	\$ 101,570	\$ 96,688	\$ 100,571	\$ 126,334	\$ 134,646	\$ 107,565	\$ 118,866	\$ 111,089
Public safety	56,947	65,216	71,018	83,079	80,480	85,000	84,585	85,261	84,280	99,055
Highways and streets	29,384	31,534	36,765	47,619	48,876	51,132	46,329	45,106	51,607	49,622
Sanitation	39,659	49,044	39,017	55,094	69,920	58,654	62,793	65,402	69,856	69,012
Social welfare	31,077	35,393	38,537	43,522	44,303	40,782	42,989	46,866	46,072	43,497
Culture and recreation	24,301	26,693	29,478	30,698	36,310	36,239	34,396	33,018	34,418	35,831
Legislative	4,122	4,592	4,779	5,318	5,200	5,248	5,251	5,539	5,998	6,740
Interest on long term debt	9,316	10,487	13,547	10,628	10,131	9,438	8,926	8,960	7,982	8,559
Total governmental activities expenses	\$ 263,140	\$ 291,492	\$ 334,711	\$ 372,646	\$ 395,791	\$ 412,827	\$ 419,915	\$ 397,717	\$ 419,079	\$ 423,405
Business-Type activities:										
Department of Water Supply	\$ 38,477	\$ 42,021	\$ 44,390	\$ 46,959	\$ 46,827	\$ 46,687	\$ 54,013	\$ 53,612	\$ 55,539	\$ 65,143
Housing, Interim Financing and Buy-Back Revolving Fund	186	186	181	175	610	206	268	207	514	206
Municipal Golf Course	1,722	1,838	1,949	2,138	2,389	2,088	2,096	2,235	2,348	3,444
Total business-type activities expenses	40,385	44,045	46,520	49,272	49,826	48,981	56,377	56,054	58,401	68,793
Total primary government expenses	\$ 303,525	\$ 335,537	\$ 381,231	\$ 421,918	\$ 445,617	\$ 461,808	\$ 476,292	\$ 453,771	\$ 477,480	\$ 492,198
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,916	\$ 12,806	\$ 11,765	\$ 12,663	\$ 10,950	\$ 12,433	\$ 12,602	\$ 13,265	\$ 13,104	\$ 14,455
Public safety	365	527	384	1,465	337	436	452	458	550	417
Highways and streets	8,511	9,277	10,006	10,166	12,097	17,821	20,006	21,272	21,859	22,229
Sanitation	38,012	42,451	47,075	48,682	54,093	59,082	60,568	61,559	59,583	62,359
Social welfare	2,619	1,581	2,537	2,518	2,563	2,360	2,534	2,403	3,202	2,488
Culture and recreation	470	500	439	542	584	511	574	617	670	479
Operating grants and contributions	29,520	30,087	32,907	40,534	39,353	35,216	34,017	34,447	38,917	29,570
Capital grants and contributions	10,016	10,960	4,361	8,446	7,413	6,191	12,530	11,332	15,142	21,953
Total governmental activities program revenues	\$ 102,429	\$ 108,189	\$ 109,474	\$ 125,016	\$ 127,390	\$ 134,050	\$ 143,283	\$ 145,353	\$ 153,027	\$ 153,950
Business-Type activities:										
Charges for services:										
Department of Water Supply	\$ 42,348	\$ 37,663	\$ 40,722	\$ 42,641	\$ 46,453	\$ 47,214	\$ 50,992	\$ 54,439	\$ 55,245	\$ 59,286
Housing, Interim Financing and Buy-Back Revolving Fund	146	148	149	157	154	147	527	163	167	167
Municipal Golf Course	1,437	1,427	1,403	1,229	1,138	1,158	1,106	1,116	1,087	1,136
Capital grants and contributions	16,586	11,317	5,865	9,983	11,901	2,541	5,552	4,369	5,643	5,643
Total business-type program revenues	43,931	55,824	53,591	49,892	57,728	60,420	55,166	61,270	60,868	66,232
Total primary government program revenues	\$ 146,360	\$ 164,013	\$ 163,065	\$ 174,908	\$ 185,118	\$ 194,470	\$ 198,449	\$ 206,623	\$ 213,895	\$ 220,182
Net (expense)/revenue ¹										
Governmental activities	\$ (160,711)	\$ (183,303)	\$ (225,237)	\$ (247,630)	\$ (268,401)	\$ (278,777)	\$ (276,632)	\$ (252,364)	\$ (266,052)	\$ (269,455)
Business-Type activities	3,546	11,779	7,071	620	7,902	11,439	(1,211)	5,216	2,467	(2,561)
Total primary government net expense	\$ (157,165)	\$ (171,524)	\$ (218,166)	\$ (247,010)	\$ (260,499)	\$ (267,338)	\$ (277,843)	\$ (247,148)	\$ (263,585)	\$ (272,016)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 162,794	\$ 194,467	\$ 216,306	\$ 215,005	\$ 235,861	\$ 220,477	\$ 208,645	\$ 214,244	\$ 224,055	\$ 236,947
Transient accommodation tax	22,294	22,911	23,412	21,315	20,972	23,479	22,906	21,204	21,204	23,484
Public service corporation tax	6,390	7,887	7,983	9,335	10,265	6,094	9,622	9,767	9,834	9,771
Franchise tax	7,382	8,673	8,743	11,298	7,550	8,468	10,429	10,714	10,762	10,782
Fuel tax	12,659	11,837	11,383	10,498	9,679	11,085	10,438	10,618	10,676	10,900
Interest and investment earnings	5,415	11,431	13,935	1,538	9,858	6,489	1,283	908	1,579	1,218
Other	80	182	546	209	56	399	(4)	857	(132)	795
Transfers	38	(265)	(136)	(359)	(4,308)	(267)	(2,388)	(948)	(775)	(2,230)
Total governmental activities	\$ 217,052	\$ 257,123	\$ 282,172	\$ 268,839	\$ 289,933	\$ 276,224	\$ 260,931	\$ 267,364	\$ 277,203	\$ 291,667
Business-Type activities:										
Interest and investment earnings	\$ 1,600	\$ 1,851	\$ 1,924	\$ 193	\$ 1,174	\$ 916	\$ 165	\$ 135	\$ 293	\$ 330
Others	-	-	243	7	115	-	270	154	735	-
Transfers	(38)	265	136	359	4,308	267	2,388	948	775	2,230
Total business-type activities	1,562	2,116	2,303	559	5,597	1,183	2,823	1,237	1,803	2,560
Total primary government	\$ 218,614	\$ 259,239	\$ 284,475	\$ 269,398	\$ 295,530	\$ 277,407	\$ 263,754	\$ 268,601	\$ 279,006	\$ 294,227
Change in Net Assets ¹										
Governmental activities	\$ 56,341	\$ 73,820	\$ 56,935	\$ 21,209	\$ 21,532	\$ (2,553)	\$ (15,701)	\$ 15,000	\$ 11,150	\$ 22,212
Business-Type activities	5,108	13,895	9,374	1,179	13,499	12,622	1,612	6,453	4,270	(1)
Total primary government	\$ 61,449	\$ 87,715	\$ 66,309	\$ 22,388	\$ 35,031	\$ 10,069	\$ (14,089)	\$ 21,453	\$ 15,420	\$ 22,211

¹ Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27, as amended by GASB Statement No. 71, Pension Transition for contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68.

See accompanying independent auditor's report

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

Fiscal Year	Property Tax	Transient Accommodation Tax	Public Service Corporation Tax	Franchise Tax	Fuel Tax	Total
2006	162,794 ¹	22,294	6,390	7,382	12,659	211,520
2007	194,467	22,911	7,887	8,673	11,837	245,775
2008	216,306	23,412	7,983	8,743	11,383	267,827
2009	215,005	21,315	9,335	11,298	10,498	267,451
2010	235,861	20,972	10,265	7,550	9,679	284,327
2011	220,477	23,479	6,094	8,468	11,085	269,603
2012	208,645	22,906	9,622	10,429	10,438	262,040
2013	214,244	21,204	9,767	10,714	10,618	266,547
2014	224,055	21,204	9,834	10,762	10,676	276,531
2015	236,947	23,484	9,771	10,782	10,900	291,884

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

See accompanying independent auditor's report

**TABLE 4
COUNTY OF MAUI
FUND BALANCES OF GOVERNMENTAL FUNDS ¹
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING, DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 18,437	\$ 26,590	\$ 31,022	\$ 25,717	\$ 17,549					
Unreserved ³	53,109 ²	64,887 ²	56,376 ²	49,748 ²	68,306 ²					
Restricted						\$ 12,113	\$ 13,189	\$ 15,317	\$ 5,819	\$ 8,196
Committed						49,042	75,114	100,727	30,009	28,307
Assigned						22,153	16,681	16,430	19,388	20,718
Unassigned ³						87,319 ²	51,006 ²	51,979 ²	42,404	31,657
Total general fund	\$ 71,546	\$ 91,477	\$ 87,398	\$ 75,465	\$ 85,855	\$ 170,627	\$ 155,990	\$ 184,453	\$ 97,620	\$ 88,878
All other governmental funds										
Reserved	\$ 47,439	\$ 58,228	\$ 100,207	\$ 86,117	\$ 81,585					
Unreserved, reported in: ³										
Special revenue funds	33,713	55,074	62,160	78,114	102,777					
Capital projects fund	(16,751)	9,149	9,956	(10,142)	(23,132)					
Restricted						\$ 78,768	\$ 56,745	\$ 60,479	\$ 40,722	\$ 54,824
Committed						43,626	44,561	48,599	38,535	13,811
Assigned						4,253	19,155	12,543	11,715	31,097
Total all other governmental funds	\$ 64,401	\$ 122,451	\$ 172,323	\$ 154,089	\$ 161,230	\$ 126,647	\$ 120,461	\$ 121,621	\$ 90,972	\$ 99,732

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

² Includes restatement made to property taxes and planning fee deposits

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

See accompanying independent auditor's report

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 188,704	\$ 223,058	\$ 243,510	\$ 245,267	\$ 261,332	\$ 244,852	\$ 238,829	\$ 246,315	\$ 255,440	\$ 268,178
Licenses and permits	17,611	16,996	17,719	16,278	17,946	22,362	26,650	27,231	28,185	30,946
Intergovernmental revenues	54,268	53,117	57,001	66,185	62,707	63,792	68,001	64,074	69,449	72,049
Charges for current services	39,511	44,159	49,196	51,525	57,633	62,234	64,364	66,036	64,251	64,839
Fines and forfeitures	1,463	1,778	2,049	2,294	2,712	2,767	2,131	3,018	2,250	2,075
Interest and investment earnings	5,586	11,953	14,164	1,706	9,973	6,594	1,416	1,018	1,747	1,358
Assessments	7,123	10,370	3,149	1,213	231	670	1,219	791	1,086	1,322
Other revenues	4,598	4,186	3,809	9,128	7,507	5,387	3,842	6,076	6,882	4,604
Total revenues	318,864	365,617	390,597	393,596	420,041	408,658	406,452	414,559	429,290	445,371
EXPENDITURES ¹										
Current:										
General government	67,352	70,467	98,268	94,429	90,136	90,652	105,552	89,510	190,718	105,479
Public safety	55,799	64,080	72,293	78,163	80,376	78,703	79,427	80,781	78,981	90,349
Highways and streets	21,341	25,123	30,786	33,711	35,039	32,484	33,798	35,926	44,878	40,260
Sanitation	28,670	34,419	39,363	43,875	40,832	39,835	41,891	45,366	46,344	54,551
Social welfare	30,454	34,840	38,105	42,893	43,509	43,999	42,459	46,315	45,298	42,579
Culture and recreation	20,451	23,149	26,418	27,592	27,034	23,652	27,257	26,346	39,739	29,530
Legislative	4,114	4,602	4,767	5,336	5,199	5,238	5,251	5,533	5,987	6,559
Capital outlay	30,594	38,027	46,964	88,612	54,804	57,278	57,976	68,648	77,097	81,371
Debt service:										
Principal	10,307	17,864	18,373	18,879	20,485	26,894	22,469	23,770	24,593	26,926
Interest and other issuance costs	17,059	9,822	9,954	10,689	10,219	10,332	9,604	10,051	9,423	10,905
Total expenditures	286,141	322,393	385,291	444,179	407,633	409,067	425,684	432,246	563,058	488,509
Excess of revenues over (under) expenditures	32,723	43,224	5,306	(50,583)	12,408	(409)	(19,232)	(17,687)	(133,768)	(43,138)
OTHER FINANCING SOURCES (USES)										
Issuance of debt:										
General obligation bond proceeds	-	30,010	35,094	-	-	46,300	-	38,375	17,061	40,015
General obligation refunding bonds	-	25,183	-	-	-	23,375	-	18,510	-	21,860
Net premiums received	-	520	-	-	-	4,606	-	6,806	-	6,283
State revolving fund loan proceeds	546	5,113	5,721	21,048	9,906	2,856	1,095	2,053	-	6,631
Capital lease obligations	-	63	118	230	-	-	-	-	-	-
Use of debt:										
Payment to escrow for bond refunding	-	(25,524)	-	-	-	(25,939)	-	(21,321)	-	(24,827)
Transfers in:										
General fund	44,005	72,489	99,600	87,987	80,932	46,097	57,950	47,832	51,346	66,885
Special revenue funds	32,250	25,462	56,345	34,174	30,306	34,428	39,126	47,880	46,065	40,717
Capital projects fund	4,184	12,566	16,500	9,978	6,675	8,903	3,748	6,889	7,814	4,411
Proprietary funds	86	132	-	313	415	402	407	378	352	315
Other governmental funds	-	2,744	3,230	10,642	11,454	7,520	6,692	7,317	7,015	9,094
Transfers out:										
General fund	(15,353)	(17,285)	(27,866)	(22,185)	(22,932)	(26,089)	(20,695)	(23,667)	(24,078)	(22,279)
Special revenue funds	(13,976)	(19,075)	(60,497)	(28,674)	(9,196)	(6,447)	(4,644)	(6,277)	(7,879)	(3,427)
Debt service fund	(27,366)	(27,506)	(28,326)	(29,567)	(30,704)	(36,860)	(32,073)	(33,392)	(34,016)	(37,386)
Capital projects fund	(23,743)	(49,395)	(58,985)	(36,571)	(31,127)	(16,885)	(35,034)	(34,693)	(32,514)	(35,547)
Proprietary funds	(48)	(397)	(136)	(672)	(35,409)	(669)	(2,795)	(1,326)	(1,127)	(2,545)
Other governmental funds	-	-	-	(25,785)	(4,723)	(10,668)	(15,070)	(11,888)	(13,752)	(22,469)
Total financing sources, net	585	35,100	40,798	20,918	5,597	50,930	(1,293)	43,476	16,287	47,731
Net change in fund balances	\$ 33,308	\$ 78,324	\$ 46,104	\$ (29,665)	\$ 18,005	\$ 50,521	\$ (20,525)	\$ 25,789	\$ (117,481)	\$ 4,593
Capital outlays reported in the CIP fund and other funds, net of retirements	30,510	34,380	58,288	90,670	59,804	38,566	54,259	66,231	93,404	86,719
Debt service as a percentage of noncapital expenditures	10.71%	9.61%	8.66%	8.36%	8.83%	10.05%	8.64%	9.24%	7.24%	9.42%

¹ Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*, as amended by GASB No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68*.

See accompanying independent auditor's report

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

Fiscal Year Ended June 30	Classification											
	Improved Residential		Apartment		Commercial		Industrial		Agricultural		Commercial Residential	
	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹
2006	\$ 4,878,831	5.86	\$ 3,303,913	5.86	\$ 1,427,944	6.75	\$ 1,129,258	6.75	\$ 2,756,504	4.93		
2007	6,414,981	5.00	4,633,340	5.00	1,775,355	6.00	1,222,432	6.50	3,566,910	4.50		
2008	7,070,528	4.85	5,302,077	4.55	1,905,614	6.25	1,409,941	6.50	3,930,246	4.50		
2009	7,287,327	4.85	5,595,854	4.55	2,047,183	6.25	1,548,914	6.50	4,065,811	4.50		
2010	6,906,546	4.85	5,983,881	4.55	2,134,769	6.25	1,609,950	6.50	3,934,471	4.50		
2011	5,795,214	5.00	5,659,454	5.00	2,121,834	6.25	1,614,057	6.50	3,452,417	5.00	\$ 73,191 ²	4.00
2012	5,645,593	5.55	5,016,127	5.50	2,126,142	6.25	1,466,957	7.00	2,978,918	5.80	70,301	4.20
2013	5,241,369	5.75	4,623,504	6.20	1,910,261	6.90	1,522,372	7.10	2,975,466	6.00	75,166	4.50
2014	5,461,103	5.75	4,782,464	6.40	1,952,055	7.05	1,676,982	7.30	3,194,538	6.05	94,183	4.60
2015	5,570,175	5.57	5,118,013	6.20	1,998,655	6.83	1,546,738	7.07	3,318,065	5.86	109,353	4.46

Fiscal Year Ended June 30	Classification											
	Conservation		Hotel & Resort		Time Share		Unimproved Residential		Homeowner		Total	
	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Tax Rate ¹	Assessed Value	Direct Tax Rate ¹
2006	\$ 331,244	4.93	\$ 6,308,394	8.30	\$ 578,735	14.00	\$ 466,086	5.86	\$ 7,366,375	3.50	\$ 28,547,284	5.80
2007	336,500	4.75	8,559,967	8.20	863,831	14.00	576,458	5.86	6,794,406	2.50	34,744,180	5.60
2008	349,991	4.75	9,792,338	8.20	1,011,247	14.00	560,716	5.35	9,835,022	2.00	41,167,720	5.25
2009	417,141	4.75	9,616,912	8.20	1,104,768	14.00	513,894	5.35	10,381,295	2.00	42,579,099	5.21
2010	385,496	4.75	9,940,281	8.20	1,743,996	14.00	521,227	5.35	9,907,664	2.00	43,068,281	5.42
2011	445,265	5.00	8,183,430	8.30	1,776,953	14.00	331,079	6.25	7,803,966	2.50	37,256,860	5.78
2012	362,724	5.60	7,471,672	9.00	1,607,462	15.00	-	-	6,174,696	2.50	32,920,592	6.34
2013	359,573	6.20	7,304,445	9.15	1,508,875	15.50	-	-	6,952,272	2.75	32,473,303	6.55
2014	409,933	6.25	7,303,708	9.40	1,483,432	15.55	-	-	7,053,159	2.87	33,411,557	6.65
2015	391,136	6.06	8,865,184	9.11	1,591,353	15.07	-	-	7,740,439	2.78	36,249,111	6.51

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

² First year of tax

See accompanying independent auditor's report

**TABLE 7
COUNTY OF MAUI
PRINCIPAL TAXPAYERS
FISCAL YEARS 2015 AND NINE YEARS AGO
(DOLLARS EXPRESSED IN THOUSANDS - UNAUDITED)**

Taxpayer	Type of Business	2015 ¹			2006 ²		
		Percentage of Total tax			Percentage of Total tax		
		Taxes	Levy	Rank	Taxes	Levy	Rank
Westin Maui Corp (Leasehold), SVO Pacific, Inc, Ocean Resort Villas Vacation	Hotel (Westin) / Time Share	9,649	4.04%	1			
Marriott Ownership Resorts	Time Share	5,852	2.45%	2	1,238	0.76%	9
HMC Maui LP, HMC Kea Lani LLC	Hotel (Kea Lani & Hyatt)	3,746	1.57%	3			
GWR Wailea Property LLC	Hotel (Grand Wailea)	2,789	1.17%	4			
Alexander & Baldwin, A & B, East Maui Irrigation	Sugar, Development, Property Management	2,638	1.10%	5			
Island Acquisitions Kapalua LLC	Time Share, Apartment	2,612	1.09%	6			
Lanai Resorts LLC	Hotel, Golf Course	2,442	1.02%	7			
West Maui Resort Partners LP	Time Share/Hotel (Embassy Suites)	2,284	0.96%	8	1,403	0.86%	8
3900 WA Associates LLC	Hotel (Four Seasons Resort)	1,422	0.60%	9	1,212	0.74%	10
KYO-YA Hotels & Resorts LP	Hotel (Sheraton)	1,214	0.51%	10			
Host Marriott	Hotels (Hyatt/Kea Lani)				2,762	1.69%	1
KSL Grand Wailea Resort Inc.	Hotel (Grand Wailea)				2,635	1.61%	2
Alexander & Baldwin Inc., East Maui Irrigation Co., A & B Properties Inc., A & B Hawaii Inc.	Sugar/Development/Property Management				2,237	1.37%	3
Consolidated Maui Inc.	Time Share				1,795	1.10%	4
Ocean Resorts Villas (Starwood)	Time Share				1,709	1.05%	5
Castle & Cooke, Inc. Resorts LLC, Lanai Properties, Dole Lanai Co., Lanai Developers	Development/Property Management/Hotel/Golf Course				1,638	1.00%	6
Seibu: Makena Golf Corp, Makena Aina Corp, Maui Prince Hotel LLC, Ainamua Corp	Hotel/Golf Course/Development				1,536	0.94%	7
TOTALS		34,648	14.51%		18,165	11.12%	

¹ Fiscal Year 2015 taxes were calculated from the January 1, 2014 assessment. The taxes levied are for the year July 1, 2014 through June 30, 2015.

² Fiscal Year 2006 taxes were calculated from the January 1, 2005 assessment. The taxes levied are for the fiscal year July 1, 2005 through June 30, 2006.
The tax levy is \$163,276,390.

See accompanying independent auditor's report

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustments ²	Adjusted Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 168,367 ¹	\$ 68 ³	168,435	\$ 160,589	95.3%	\$ 7,678 ³	\$ 168,267	99.9%
2007	192,997 ¹	(50) ³	192,947	192,771	99.9%	(17) ³	192,754	99.9%
2008	214,785 ¹	(2,270) ³	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) ³	234,529	236,084	100.7%	(1,812)	234,272	99.9%
2011	225,034	(6,199) ³	218,835	217,843	99.5%	1,318	219,161	100.1%
2012	211,712	(2,792) ³	208,920	205,489	98.4%	2,071	207,560	99.3%
2013	215,417	(598) ³	214,819	211,855	98.6%	-	211,855	98.6%
2014	225,766	(78)	225,688	223,076	98.8%	-	223,076	98.8%
2015	238,934	(1,069)	237,865	235,260	98.9%	(8)	235,252	98.9%

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

² Adjustments include appeals.

³ See Footnote 2 for the effect of a prior period adjustment.

See accompanying independent auditor's report

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

Fiscal Year	Government Activities		Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Notes Payable ⁴	General Obligation Bonds	Notes Payable ⁴	Total Outstanding Debt	Percentage of Personal Income ³	Per Capita ³
2006	\$ 187,199	\$ 28,299	\$ 28,137	\$ 5,996	\$ 249,631	5.01%	1,767
2007	201,751	31,102	24,969	8,976	266,798	5.03%	1,886
2008	221,085	34,272	26,173	12,990	294,520	5.43%	2,050
2009	204,934	52,660	21,114	12,918	291,626	5.49%	2,008
2010	188,613	57,993	16,104	13,264	275,974	5.18%	1,782
2011	214,402	56,308	17,512	13,331	301,553	5.66%	1,925
2012	196,017	52,720	14,443	14,609	277,789	5.21%	1,756
2013	226,631	41,828	27,961	5,262	301,682	4.86%	1,875
2014	208,298	53,293	25,602	17,672	304,865	4.91% ¹	1,870 ²
2015	227,835	55,184	29,936	20,469	333,424	5.37% ¹	2,045 ²

¹ 2014 and 2015 Personal Income is not available, 2013 data is utilized.

² 2015 Total Resident Population data is not available, 2014 data is utilized.

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

⁴ Notes payable include capital lease obligations.

See accompanying independent auditor's report

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

<u>Fiscal Year</u>	<u>General Obligation Bonds⁴</u>	<u>Percentage of Estimated Actual Taxable Value of Property¹</u>	<u>Per Capita²</u>
2006	\$ 215,336	0.754%	1,477
2007	226,720	0.653%	1,531
2008	247,258	0.601%	1,633
2009	226,048	0.531%	1,474
2010	204,717	0.475%	1,321
2011	231,914	0.622%	1,479
2012	210,460	0.639%	1,328
2013	254,592	0.784%	1,582
2014	233,900	0.700%	1,435
2015	257,771	0.711%	1,581 ³

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

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

³ 2015 Population data not available; 2014 Maui population from the inter-U.S. Census Bureau.

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit ¹	\$ 4,282,093	\$ 5,568,087	\$ 6,175,158	\$ 6,386,865	\$ 6,460,242	\$ 5,588,529	\$ 4,938,089	\$ 4,870,995	\$ 5,011,734	\$ 5,409,678
Debt applicable to limit	222,939	243,502	268,865	\$ 270,961	260,287	280,983	261,356	283,244	287,007	290,789
Legal debt margin ²	\$ 4,059,154	\$ 5,324,585	\$ 5,906,293	\$ 6,115,904	\$ 6,199,955	\$ 5,307,546	\$ 4,676,733	\$ 4,587,751	\$ 4,724,727	\$ 5,118,889
Debt applicable to the limit as a percentage of debt limit	5.21%	4.37%	4.35%	4.24%	4.03%	5.03%	5.29%	5.81%	5.73%	5.38%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessor's net taxable income	\$ 36,249,111
Less: 50% of valuation on appeal	<u>184,591</u>
Valuation for tax rate purpose	<u>\$ 36,064,520</u>
Debt limit (15% of total assessed value)	\$ 5,409,678
Debt applicable to limit	\$ 290,789
Legal debt margin	<u>\$ 5,118,889</u>

Notes:

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

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

See accompanying independent auditor's report

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

Fiscal Year	Population ¹	Personal Income (x\$1,000)¹	Per Capita Personal Income¹	Median Age ²	School Enrollment ¹	Unemployment Rate ¹
2006	145,776 ^a	\$ 4,980	\$ 35,440	37.4	24,537	2.40%
2007	148,117 ^a	5,301	37,325	38.2	24,359	2.80%
2008	151,424 ^a	5,420	37,521	38.0	25,121	4.60%
2009	153,393 ^a	5,314	36,585	37.9	21,151	8.70%
2010	154,924 ^a	5,397	34,789	39.6	21,316	8.50% ^a
2011	156,854 ^a	5,686	36,272	39.5	21,668	7.70% ^a
2012	158,521 ^a	6,002	37,909	39.5	21,981	6.20% ^a
2013	160,880 ^a	6,206 ^a	38,714 ^a	39.8	22,242 ^a	5.10% ^a
2014	163,019 ²	N/A	N/A	N/A	21,782 ^a	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A

¹ Source: Maui County Data Book; Population, Personal Income, Per Capita, School Enrollment and Unemployment Rate for 2014

² U.S. Census Bureau; Median Age for 2009-2013

^a Revised from Maui County Data Book, 2014

N/A = Not Available

**TABLE 13
COUNTY OF MAUI
PRINCIPAL EMPLOYERS
FISCAL YEARS 2015 AND NINE YEARS AGO - (UNAUDITED)**

Employer	2015			2006		
	Employees ³	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
State of Hawaii ²	6,300 ¹	1	8.32%	5,750 ¹	1	7.69%
County Government	2,399 ²	2	3.17%	2,148 ²	2	2.87%
Town Realty of Hawaii	2,001	3	2.64%			
Grand Wailea-Waldorf Astoria	1,400	4	1.85%			
Ritz-Carlton-Kapalua	1,000	5	1.32%			
Federal Government ²	800 ¹	6	1.06%	800	7	
Four Seasons Resort-Maui	800	6	1.06%	807	6	
Maui Brand Sugar	800	6	1.06%			
Maui Memorial Medical Center	800	6	1.06%			
Four Seasons Resort-Lanai	700	7	0.92%			
Westin-Maui Resort & Spa	700	7	0.92%			
Hyatt Regency-Maui Resort & Spa	600	8	0.79%	900	5	
Makena Beach & Golf Resort	518	9	0.68%			
Kaanapali Beach Club	500	10	0.66%			
Royal Lahaina Resort	500	10	0.66%			
Walmart	500	10	0.66%			
TS Restaurant of Hawaii & California				1,800	3	2.41%
Maui Land & Pineapple Co., Inc.				1,195	4	1.60%
Hale Makua				475	8	0.64%
West Maui Resort Partners LP				418	10	0.56%
Dorvin D. Leis Co., Inc.				459	9	0.61%
Total	20,318		26.83%	14,752		16.38%

¹ Maui County Data Book 2007 & 2014

² 2006, 2015 County of Maui actual employee count.

³ Hawaii Business Research Library

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	490	349	401	410	435	481	495	517	508	529
Public safety										
Police										
Officers	343	425	436	476	494	332	331	343	341	359
Civilians	73	104	104	104	117	149	134	143	103	111
Fire and Public Safety										
Firefighters and officers	264	295	300	288	282	286	282	290	298	302
Civilians	12	14	10	10	23	12	11	12	33	13
Highways and Streets										
Engineering	31	36	33	32	33	33	35	35	35	32
Maintenance	206	209	224	225	235	220	217	217	216	211
Sanitation	74	81	94	93	109	147	99	106	153	97
Social Welfare	89	170	173	185	184	131	154	164	106	101
Culture and Recreation	296	338	424	466	455	449	366	371	329	332
Sewer	98	99	101	120	120	104	95	107	110	112
Department of Water Supply	172	189	193	202	200	205	192	194	205	200
Total	2,148	2,309	2,493	2,611	2,687	2,549	2,411	2,499	2,437	2,399

Source: Annual Govt Survey submitted by Payroll.

See accompanying independent auditor's report

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrests	4,365	4,742	4,451	4,400	4,700	4,200	5,000	9,541	9,830	9,912
Parking violations	9,734	9,721	12,151	12,000	10,300	12,000	11,200	8,883	8,934	9,235
Fire										
Number of calls answered	1,921	6,623	6,908	6,600	7,480	8,043	8,816	9,834	10,930	10,714
Inspections	1,055	515	995	1,160	646	1,368	1,461	1,152	849	901
Highways and streets										
Street resurfacing (miles)	26	21	21	18	18	21	49	26	23	23
Sanitation										
Refuse collected (tons/day)	112	115	403	463	474	469	436 ¹	436 ²	459 ²	479
Recyclables collected (tons/day)	271	311	354	342	328	324	440	209	168	162
Culture and recreation										
Athletic field permits issued	877	1,757	1,107	3,417	1,012	902	924	895	848	771
Camping center permits issued	1,872	615	2,501	1,347	2,368	2,429	2,671	2,650	2,400	2,203
Community center permits issued	2,440	2,010	2,806	4,101	2,461	2,401	2,237	2,286	2,220	2,448
Water										
New connections	552	1,007	762	96	71	87	55	25	174	64
Water mains breaks	158	243	64	577	806	483	371	252	253	174
Average daily consumption (thousands of gallons)	36,126	36,322	35,061	33,079	30,640	29,660	30,150	34,250	32,471	33,771
Wastewater										
Average daily sewage treatment (thousands of gallons)	15,315	14,743	14,743	12,622	12,152	13,000	12,100	12,451	12,710	13,067

Sources: Various county departments

¹ Revised per Solid Waste

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

See accompanying independent auditor's report

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police:										
Stations	6	6	6	6	6	6	6	6	6	6
Patrol units	7	7	6	6	6	6	6	6	6	26
Fire stations	14	14	14	14	14	14	14	15	14	14
Sanitation										
Collection trucks	24	31	32	25	29	31	33	32	32	33
Highways and streets										
Streets (miles)	631	563	563	563	565	565.64	565.64	566	568	568
Street lights	4,147	4,147	4,147	4,228	4,228	4,228	4,228	4,228	4,719	4,720
Traffic signals	27	35	35	35	35	30	31	31	32	35
Culture and recreation										
Parks acreage (includes underdeveloped parks)	42,620	42,902	41,581	41,581	NA ¹	NA ¹	1,721 ²	1,807 ²	2,117 ²	2,154
Parks	NA	NA	NA	NA ¹	1,395 ¹	1,620 ¹	136 ²	138 ²	143 ²	144
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	39	39	39	49	55	55	55	55	53	53
Community centers	21	21	21	22	22	22	22	22	22	22
Other Enterprise										
Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Fire hydrants/stand pipes	6,488	6,643	6,846	6,879	6,936	6,981	7,016	7,016	7,091	7,122
Maximum daily capacity (thousands of gallons)	46,716	50,000	50,000	57,000	57,000	42,000	57,000	41,310	68,595 ³	52,800
Sewer										
Sanitary sewers (miles)	225	219	215	277	242	223.6	223.2	249	249	250
Maximum daily treatment capacity (thousands of gallons)	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700	25,700

Sources: Various county departments

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

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

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

See accompanying independent auditor's report