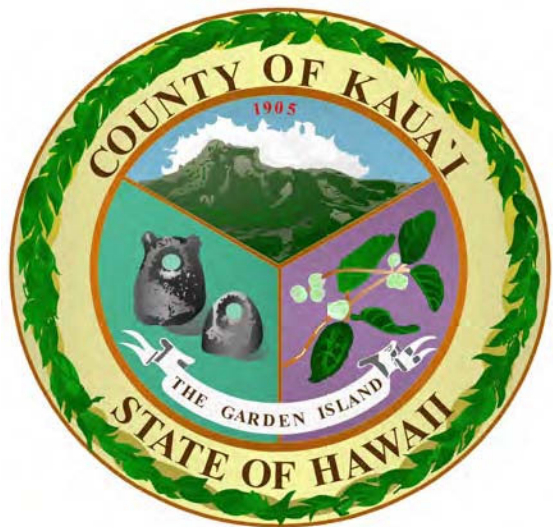


**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
County of Kauaʻi, Hawaiʻi**

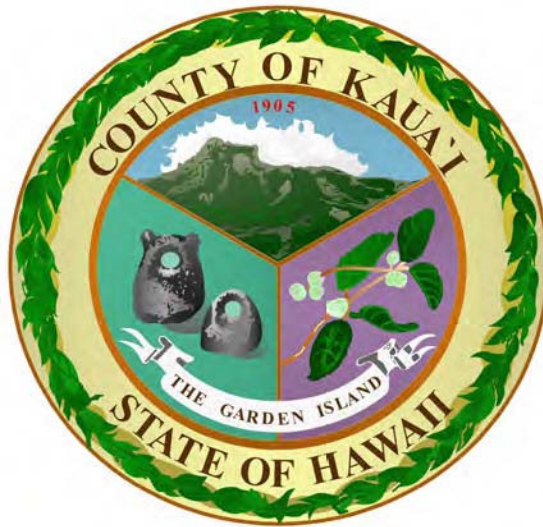


**For the Fiscal Year Ended
June 30, 2020**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

COUNTY OF KAUAʻI, HAWAII



**Derek S.K. Kawakami
Mayor**

**Reiko Matsuyama
Director of Finance**

**Prepared by:
The Department of Finance,
Accounting Division**

**COUNTY OF KAUAI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

DEPARTMENT OF FINANCE

REIKO MATSUYAMA, DIRECTOR

MICHELLE L. LIZAMA, DEPUTY DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR

January 20, 2021

Honorable Mayor Derek S.K. Kawakami,
Honorable Arryl Kaneshiro, Council Chair
And Members of the Kaua'i County Council
County of Kaua'i
4444 Rice Street
Līhu'e, Hawai'i 96766

Dear Mayor Kawakami, Chairman Kaneshiro, and Members of the Council:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the County of Kaua'i (County), State of Hawai'i (State) for the fiscal year ended June 30, 2020.

The CAFR was prepared by the Department of Finance, Accounting Division (Accounting Division). The accuracy of the financial statements and the completeness and fairness of their presentation are the responsibility of the County government. We believe the data presented in the CAFR are complete and accurate in all material respects and are provided in a manner designed to present the financial position and results of operations of the County. All disclosures necessary to convey the maximum understanding of the County's financial activities have been included.

The Department of Finance is tasked with the responsibility of establishing and maintaining an internal control structure and process that is designed to ensure that the assets of the County are protected from loss, theft, or misuse. Furthermore, it is the responsibility of the Accounting Division to compile adequate accounting data to allow for the accurate preparation of the financial statements in conformity with generally accepted accounting principles (GAAP).

Management is required to make decisions and judgments as to the concept of what constitutes reasonable assurance in reviewing the internal control mechanisms. Management must also weigh the cost of the control against the benefit that will likely be attained.

This report includes all funds of the County, including its component unit, the Department of Water (Department), established by the County Charter as a semi-autonomous body of the County government. This component unit is included in the County's reporting entity for fair presentation of the basic financial statements and to be in conformity with GAAP. The Board of Water Supply is appointed by the Mayor and is accountable for the activities of the Department. It would be potentially misleading if omitted in the County's financial reports because of its existing debt issuance, common employee benefits, and other fiscal dependence.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

www.kauai.gov

4444 Rice Street Suite 280 • Līhu'e, Hawai'i 96766 • (808) 241-4200 (b) • (808) 241-6529 (f)

An Equal Opportunity Employer



The Reporting Entity

The County of Kaua'i, commonly known as the "Garden Island", includes the populated island of Kaua'i and Ni'ihau and has over 72,000 residents. The island of Kaua'i has an area of 550 square miles and approximately 137 miles of coastline. Ni'ihau is a privately owned island encompassing approximately 70 square miles and is inhabited primarily by native Hawaiians who work on the Robinson Family ranch. Owners of the island grant limited access to the general public.

Kaua'i is the fourth largest island and is the smallest in size, population, and operating budget amongst the State's four counties. The County's largest industry is tourism. The island's scenic and natural beauty continue to draw tourist to attractions such as, the Waimea Canyon or the "Grand Canyon of the Pacific", the incomparable Na Pali Coast, with its secret beaches and hidden valleys, the Fern Grotto reached by riverboat cruises, and many others.

The County has operated under the Mayor-County Council form of government since 1969. The executive branch of the County is headed by the Mayor who is elected on a non-partisan basis for a four-year term, with a two-term limit. The legislative branch is the County Council which is composed of seven members who are elected at-large on a non-partisan basis, with a limit of four consecutive two-year terms.

There are no subordinate or separate municipal entities within the County's jurisdiction. All powers of the County shall be carried into execution as provided by its Charter or by ordinance of the County Council and Mayor. The State's constitution sets limits on total bonded indebtedness of the County. Under the Constitution and laws of the State, the full faith and credit of the County are pledged to the payment of the general obligation bonds issued. For the payment of the principal and interest on the bonds, the County has the power and is obligated to levy ad valorem taxes.

On January 1, 2019, the County authorized the imposition of a county surcharge of 0.5% on State general excise (GET) and use tax. The additional surcharge is currently being used to offset operational and capital costs of public transportation systems, including roadways, public buses, pedestrian and bicycle paths, and to comply with Americans with Disabilities Act of 1990 with respect to public transportation systems.

The County provides a full range of municipal services. These services include Public Safety (police, fire, emergency management, animal welfare, outreach program, highway safety grants, drug related grants, liquor control, lifeguards), Sanitation (wastewater, recycling and solid waste operations), Public Works (engineering, building and construction inspections and approvals), Culture and Recreation (public pools, parks and beaches, golf course, neighborhood centers, recreation programs, beautification program, auditorium, stadium, janitorial, and repair and maintenance of its facilities), Public Welfare (elderly affairs, transportation, housing, community development and assistance programs), Highways and Streets (highway repairs and maintenance, street lights), and General Government (mayor's office, council services, finance, prosecuting attorney, planning, human resources, economic development, and county attorney). The proprietary funds are accounted for separately from the above expense functions because combining the costs would obscure the matching of revenues and expenses of their required fund classification.

Services provided by the State are excluded from this report. The State provides the following services: educational, health and welfare benefits, airport and harbor functions, hospitals, State highway system and the judicial system.

The major revenue sources of the County consist of the following: real property tax, transient accommodation tax (TAT), county surcharge on GET, public service company tax, fuel tax, franchise tax, motor vehicle weight tax, commercial and residential refuse fees, and landfill disposal fees.

The Reporting Entity (Continued)

Other revenue sources include Federal and State grants, construction fees, development and impact fees, golf, and wastewater user fees. There are no personal taxes levied by the County.

Economic Conditions and Outlook

In March 2020, the novel coronavirus (COVID-19) pandemic hit the State of Hawai'i with devastating effect. While strict preventive measures on Kaua'i early on proved effective in halting the spread of the disease, it brought economic activity in the County to a standstill. The combination of the stay-at-home order for residents and the statewide mandatory quarantine for visitors resulted in an unprecedented plunge in employment and a painful economic downturn.

The passing of the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, extended the lifeline needed. The County received \$28 million to provide direct support and assistance, including loan programs to many businesses and non-profit organizations. Additionally, low interest rates and expansive lending from the Federal Reserve were also critical in surviving the on-going COVID-19 pandemic.

The unprecedented effects of the pandemic and drastic decline in visitor arrivals resulted in a suspension of all TAT distributions statewide as of May 2020. Second to real property taxes, TAT is heavily relied upon by the County for budgetary purposes. Reinstatement of TAT distributions may take years and will depend solely on the State's overall recovery; however and with the goal of recovery in mind, Kaua'i continued its efforts to reopen travel with the health and safety of its residents and visitors as the utmost priority. In September 2020, Governor David Ige signed Mayor Derek Kawakami's Emergency Rule 16 which established an Enhanced Movement Quarantine, or "Resort Bubble" program. In October 2020, Emergency Rule 19 that established a tiered system pre-travel testing program went into effect. Unfortunately, Kaua'i opted out of the State's pre-travel testing program in December 2020 and reinstated a 14-day mandatory quarantine for all in-coming travelers due to a rise in COVID-19 cases and low ICU bed capacity. The reinstatement of the mandatory 14-day quarantine resulted in mass visitor cancellations.

On a positive note, Kaua'i did see an increase in visitor arrivals when travel reopened on October 15, 2020. During the months of June through September 2020, there were approximately 1,300 visitor arrivals per month. In October and November 2020, there were 11,000 visitor arrivals and approximately 41,000 visitor arrivals, respectively. The spike in visitor arrivals during November 2020 were promising and could be attributable to Kaua'i being deemed a "safe" destination due to low COVID-19 infection rates.

National news of an approved COVID-19 vaccine and vaccinations underway brought hope for a faster recovery; however, the rate of recovery will depend on improved control of the disease nationally and abroad. With the current uncertainty of the pandemic and a heavy reliance on the visitor industry, Kaua'i's economic growth in the near-term will continue to struggle and recovery is expected to be slow. A continuation in an upward visitor arrival trend will be critical to Kaua'i's recovery.

In addition to the on-going pandemic, Kaua'i experienced another severe flood at the end of March 2020. Heavy rain caused significant flood damage to infrastructure across the island. Amongst the hardest hit was the Eastside of the island. Massive debris upstream of the Wailuā River created a makeshift dam as it slammed into the Wailuā Bridge causing the river to rise and overflow. Governor David Ige issued an emergency proclamation and a Presidential Disaster Declaration soon followed, providing federal funding for emergency repairs of public facilities damaged during the flooding.

A continued focus to diversify Kaua'i's economy has been on agriculture and renewable energy sources to help reduce the island's dependence on imported foods and fossil fuels, as well as reduce its overall cost of living over time.

Economic Conditions and Outlook (Continued)

Local island officials and community members have spent much time during the pandemic brainstorming and building economic diversification efforts; of which, were long overdue.

Tourism

Kaua'i is marketed as a destination for relaxation and rejuvenation, and it becomes the island's challenge to live up to that promise. For those who visit Kaua'i for a unique cultural experience, the visitor industry strives to offer an authentic Hawaiian cultural experience.

In August 2020, the Hawai'i Tourism Authority started the Destination Management Action Plan (DMAP). Community meetings were held and helped to influence many of the Kaua'i Tourism Strategic Plan for 2019-2021 (KTSP) initiatives. The plan was a collaborative effort with the Office of Economic Development, the Kaua'i Visitors Bureau, the Hawai'i Lodging and Tourism Association, the Hawai'i Tourism Authority, and the Kaua'i community at large. DMAP outlines a range of goals and measures to provide a forward-looking approach to tourism and respond to concerns related to an increase in the number of visitors to the island and perceived impacts of tourism on residents' quality of life. The plan focused its key strategies to better manage tourism and address challenges related to inadequate infrastructure, resource limitations, staffing needs, and communication. The plan also recognized a need to refocus away from an emphasis on growing tourism and instead focus on encompassing the visitor experience, the impact on local communities, and the welfare of industry employees and residents.

Per Hawai'i Tourism Authority, the number of visitors through September 2020 amounted to approximately 287 thousand visitor arrivals, a significant decrease as compared to approximately 1 million visitor arrivals in September 2019. As mentioned previously, with the current uncertainty of the pandemic and a heavy reliance on the visitor industry, Kaua'i's economic growth in the visitor industry will continue to struggle and a full recovery will take years to come. The spike in visitor arrivals during November 2020 were promising and continuation in an upward visitor arrival trend will be critical to Kaua'i's recovery.

Film and Technology

Hawai'i's film industry was also hit hard by the pandemic and all major production was placed on hold. The industry continues to work on strategies for safe work environments. Hawai'i continues to remain an attractive destination for film production, due in part to a refundable tax credit of up to 25%. The film industry continues to work through challenges and a successful restart of production would directly benefit the local economy. Productions on Kaua'i range from film productions, various reality and television shows such as: HGTV's Hawai'i Hunters, Hawai'i Life, commercials, print ads, and documentaries.

The Kaua'i Film Commission (KFC) continues to enhance Kaua'i's position as a premier location for film and media production. The KFC supports film, television, and commercial productions of all sizes and budgets by providing one-stop support services including location and troubleshooting assistance, permits for filming at County facilities, and access to resources including a digital location library. The KFC also assists as a liaison between the production community and all levels of government including local, state, and federal jurisdictions to reduce barriers to filming in-state.

The primary objectives of the KFC are to:

- Encourage a production-friendly environment to retain/grow production jobs and economic activity statewide while remaining committed to ensuring the safety and welfare of the local community and environment.
- Further develop skills and competencies of Kaua'i based production crew, both above and below the line.
- Advocate for film funding and financial support through use of State tax incentives.

Film and Technology (Continued)

- Develop efficient and effective marketing and communication to promote the Kaua'i film sector through collaboration with Film Offices of the Hawaiian Islands (FOHi) and active participation in industry trade shows and conferences.

The KFC works closely with the FOHi in setting marketing and strategy objectives for the following year. Typical conferences include: the AFCI (Association of Film Commissioners International); the AICP (Association of Independent Commercial Producers); the AFM (American Film Market).

The Kaua'i Film Commission website www.filmkauai.com serves as a key resource and contact point for filmmakers seeking information about film locations on Kaua'i and also provides film-related news and information to the media via press releases through the County's Public Information Office.

Real Estate and Construction

As mentioned previously, Kaua'i's economic recovery in the near-term is expected to be slow; however, the construction industry continued to grow and weather the impact of the pandemic. Overall growth in this industry can be attributable to rebuilding following April 2018's historic floods and a stream of construction projects from both public sector and residential development during the pandemic.

According to the County's Department of Public Works, Building Division statistics, the County issued 1,430 building permits with a total value of \$310.5 million in FY2020, another indication that Kaua'i's construction sector remains strong.

The Kaua'i real estate market at the end of the 3rd quarter 2020 experienced a 26.04% drop in sales across every category compared to 2019. The number of sales between January and March fell slightly from 235 to 227 in 2019 and 2020, respectively. The most significant dip in sales occurred in the 2nd quarter of 2020. Sales dropped from 360 to 172 houses sold in 2019 and 2020, respectively. During this period, inter-island and trans-Pacific travel ceased and a mandatory stay-at-home order issued. The real estate industry adapted and adjusted to allow buyers to view and purchase properties remotely.

There were several major renovation projects continuing in the current year. The County continues working on revitalizing Rice Street as a walkable, bike-friendly mixed-use community. This project is being funded by US Department of Transportation TIGER (Transportation Investment Generating Economic Recovery) grant. Sheraton Kaua'i continues plans to build a new timeshare wing. Kōloa Village, which will include 47,000 square feet of commercial space and 36 residential units, is currently underway. Many hotels took advantage to upgrade and renovate its properties during the shutdown.

For the last decade, the island continued to experience a housing shortage. This was partly due to a combination of supply and demand, prices, and infrastructure challenges. The median price of a single-family home at the end of the 3rd quarter of 2020 was \$765,000, as compared to \$647,500 in 2019. Housing prices have exceeded 300% of the national average. The high prices on island homes have depleted available rental units on Kaua'i and housing affordability for residents has reached a crisis level with far-ranging social impacts. The Kaua'i County Council recently amended the Housing Policy which would allow modifications to the housing market.

To counter the island's housing shortage, several County affordable housing projects are in pre-development, construction phase, or recently completed. The projects listed below will provide approximately 115 rental units and 600 single and multi-family homes when fully completed:

Real Estate and Construction (Continued)

- Koa'e Housing Project
- 'Ele'ele Illuna
- Lima Ola
- Keaula at Pua Loke Street
- Waimea Huaka'i
- Kohea Loa

Agriculture / Energy

Kaua'i is one of the wettest locations in the world and its landscape is fertile and green. More than one-half of the island's acreage is State forest reserves or conservation land.

The Seed Corn industry continues to be Kaua'i's lead agricultural crop and its value and economic impact on Kaua'i is significant. There are currently three seed corn operations in the County: Corteva/Pioneer Hybrid, Hartung Brothers, Inc., and Beck's Hybrids. Combined, they have approximately 5,000 acres in production throughout the County. The weather in Hawai'i allows for three to four crop cycles of corn per year as compared to one to two crop cycles per year on the U.S. mainland. In 2020, Hartung Brothers, Inc. expanded beyond seed corn and started growing alfalfa to help the local cattle industry with the use of CARES funding.

Other agriculture-related companies that Kaua'i can be very proud of include, but are not limited to: Kaua'i Coffee, Kaua'i Shrimp, Kōloa Rum and up and coming specialty crop farms.

Kaua'i Coffee Company is Hawai'i's only vertically integrated coffee company, from orchards to retail. The company uses mechanical harvesting and other techniques to create economies of scale. With over 4 million coffee trees grown on 3,100 acres, Kaua'i Coffee Company is Hawai'i's largest coffee grower and remains the largest coffee plantation in the United States. Kaua'i Coffee Company is the sole producer of more than half of the coffee grown in the United States. Additionally, Kaua'i Coffee's Visitor Center and Agri-Tourism operations offer guests a hands-on coffee experience with orchard walking tours and a guided farm tour.

Kaua'i Shrimp is the third largest brood stock supplier in the world with customers in China, Vietnam, and India. Sales continue to climb as their product is distributed and sold in restaurants in the United States and Japan, including Sam's Club and Costco.

Kōloa Rum is another success story where the company is taking advantage of synergies between agriculture and the visitor industry and the popularity of ready-to-drink mixes. During the pandemic, the company created hand sanitizer and provided it to emergency workers. It will be later sold and marketed as a product for sale. Kōloa Rum recently opened a museum and tasting room in Kōloa Town, to further expand their reach.

Kaua'i also has high-quality cacao which is one of the many up and coming cacao and specialty crops grown on small to medium farms on island. Production of chocolate, vanilla, honey, jams, jellies and many other value-added products will be available under the Kaua'i Grown, Kaua'i Made program.

HEMP is a farm product now being grown by several farmers on island. Nalu Botanicals is currently Hawai'i's first and only organic ethanol hemp extraction center. Island entrepreneurs are just starting to experiment with this diverse product that grows well year-round.

In a typical year, Kaua'i produces 80% of the State's taro and poi; a staple of the Hawaiian diet and a culturally significant product. Farmers on the North Shore continue to recuperate and work to restore and repair the damages sustained by the historic floodwaters in April 2018. CARES funding allowed the County to start the USDA and Food Safety and Modernization Act (FSMA) certification process for 40 local farmers across the island. Certification will allow farmers to sell their product directly to hoteliers, restaurants, and grocery stores. Ultimately, farmers will be able to increase production acreage and promote sustainability.

Agriculture / Energy (continued)

The County is making headway in creating facilities on island to help farmers create value-added products from their crops using community partners.

Floriculture and Nursery products on Kaua'i continue to see steady growth over the years on island and in export sales.

Opportunities exist for grass-fed beef and orchard crops for export, but the entry costs in terms of processing facilities are high. They are less high for export substitution, but present a barrier to commercial expansion, nevertheless. Kaua'i beef processing facilities are upgrading their plans to meet increasing demand for locally grown grass-fed beef. Gay and Robinson ranch recently created a finishing area for cattle and will move forward for certification; further promoting sustainability of local products.

The County's programs that are housed in or are supported by OED include, but are not limited to: the County's Sunshine Markets, Kaua'i Film Commission, Kaua'i County Farm Bureau, Kaua'i Cattlemen's Association, Tropical Fruit & Flower Industry, and Kaua'i Grown Programs, Kaua'i Made program and Business Innovation program.

The objective of the County's Sustainability & Energy Program is two-fold: (1) to help the County lead by example in developing, adopting, and implementing sustainable practices for County operations and the island community, and (2) manage and reduce the County's fossil energy use through increased efficiency, conservation, and use of renewable energy.

A leader in renewable energy, Kaua'i Island Utility Cooperative (KIUC) continues to make significant progress of using renewable sources to generate the island's power. Approximately 55 percent of the electricity generated on Kaua'i comes from a mix of renewable resources (solar, hydropower, and biomass). To date, KIUC has two solar plus battery storage facilities that allows the storage of solar power during the day and can provide 90 percent or more renewable power utilized in daylight hours on most sunny days.

Major Initiatives and Achievements

As mentioned previously, the County authorized the imposition of a county surcharge of 0.5% on State general excise (GET) and use tax. The additional surcharge took effect on January 1, 2019 and is currently being used to offset operational and capital costs of public transportation systems, including roadways, public buses, pedestrian and bicycle paths, and to comply with Americans with Disabilities Act of 1990 with respect to public transportation systems. Total GET revenues amounted to approximately \$23.8 million in the current fiscal year.

The County's capital improvement projects that are in-progress, completed, or substantially completed during the year include the Lihue Town core mobility and revitalization, Adolescent Drug Treatment Center, Kekaha Landfill lateral expansion Cell 2, Salt Pond disposal system, Opaeka'a Bridge replacement, Weke Road restoration, Maluhia Road improvements, Kahiliholo Road and culvert replacement, Blackpot Beach comfort station, Hanamaulu/Kapaia sewer pump upgrade, Bryan J. Baptiste Sports Complex improvements, Kalaheo gym roof repairs, and various affordable housing projects.

The Department of Public Works administers the sewer credit relief program for qualified low-income residential users. A total of 5,565 credits at \$20.00 per month were issued to eligible residential users that amounted to approximately \$111K in savings for households in fiscal year 2020. The General Fund subsidized the sewer credit relief program.

The County recently hired a business innovation coordinator and a business mentor to try to help diversify the island's economy and help Kaua'i businesses expand and strengthen. These efforts allow the County to pinpoint businesses with potential and grit for growth and provide a mentor with experience in the difficulties of entrepreneurial efforts in the Hawai'i business world.

Long-term Financial Planning

No new General Obligation Bonds (GO Bonds) were issued during the current fiscal year. The appropriated balance in the Bond Fund amounted to \$12.4 million. The following major projects have been appropriated for:

- Phase I Lima Ola affordable housing project
- Land Information Management Plan
- Kōloa Fire Station Improvements
- Kilauea, Kolo Road improvements
- KFD helicopter hanger
- Niumalu bridge replacement
- NPDES Compliance
- Kapaa Police Sub-station

Budgeting Controls

The County maintains a budgetary control system that enables County departments to comply with legal provisions incorporated in the annual budget ordinance and capital improvement budgets as approved by the County Council.

The County Charter requires that the annual operating budget ordinance be balanced. Financial reports or “Detail Budget Reports” are provided monthly to each department, enabling management to monitor the enacted budget appropriations, including current budget amendments with the expenditures and encumbrances that were charged to the appropriation. The County does not perform formal multi-year forecasts and budgeting. Certain budget amendments need Council approval and are detailed in the operating budget ordinance and charter provisions.

Employee Union Contracts

The negotiated union contracts along with the effective period of the contract for all County employees are listed by union as follows:

Public Safety:

State of Hawai'i Organization of Police Officers (SHOPO) – July 1, 2017 to June 30, 2021:

Arbitrated across the board increases (ATB) as follows:

- | | |
|----------------|---|
| July 1, 2017: | 2% ATB; continue step movement plan; annual firearm maintenance allowance increased from \$500 to \$1,000 per year. |
| July 1, 2018: | 2.25% ATB increase; continue step movement plan. |
| July 1, 2019: | 2% ATB; continue step movement plan. PO-7 to PO-15 employees receive lump sum bonus (\$1,800-\$2,000); amount dependent on their current step. |
| July 1, 2020: | 2% ATB; continue step movement plan. PO-7 to PO-15 employees receive lump sum bonus (\$1,800-\$2,000); amount dependent on their current step; employees on step L-5 with 28 or more years of service accrued on or before July 1, 2020 receive a one-time lump sum bonus of \$500. |
| June 30, 2021: | New Step L-6 established and implemented. |

Hawai'i Fire Fighters Association (HFFA) – July 1, 2019 to June 30, 2021

- | | |
|----------------|--|
| July 1, 2019: | 2% ATB; continue step movement plan; SR-17 to SR-27 employees receive lump sum bonus (\$2,800-\$2,000); amount dependent on their current step. |
| July 1, 2020: | 2% ATB; continue step movement plan; SR-17 to SR-27 employees receive lump sum bonus (\$1,800-\$2,000); amount dependent on their current step; employees on step L-5 with 28 or more years of service accrued on or before June 30, 2020 receive a lump sum bonus of \$500. |
| June 30, 2021: | New Step L-6 established and implemented. |

Employee Union Contracts (continued)

Clerical and Professional:

Bargaining Unit 2 – July 1, 2019 to June 30, 2021

July 1, 2019:	\$2,000 lump sum; step movement plan deleted.	
July 1, 2020:	1.2% ATB; employees on step A1 move to C1 and step A1 and step B1 deleted; 5.29% increase for employees on step B1 and C1 and former L5.	
	Uniform maintenance allowance:	Meal allowance:
	- Full uniform	- Breakfast
	\$25	\$8
	- Button shirt, trousers, or jacket	- Lunch
	\$15	\$10
	- T-shirt and/or shorts	- Dinner
	\$10	\$12
January 1, 2021:	1.2% ATB; 1.2% ATB for employees on former steps L5, B1, and C1.	

Bargaining Unit 3 – July 1, 2019 to June 30, 2021

July 1, 2019:	\$2,000 lump sum; step movement plan deleted.	
July 1, 2020:	Employees on Step B through L move one step; Step B deleted; salary scale for SR-04 to SR-08 increased between 2% to 10.1%; SR-08 employees on Step M receive a 2% lump sum; SR-09 and above employees on Step M and employees not administratively assigned to the salary scale receive a 4% lump sum.	
January 1, 2021:	3.46% ATB; 3.46% ATB for employees not administratively assigned to the salary scale.	

Bargaining Unit 4 – July 1, 2019 to June 30, 2021

July 1, 2019:	5.98% lump sum; step movement plan deleted.	
July 1, 2020:	Employees on Step B move to step C; Step B deleted; SR-04 deleted; 5.6% to 11.8% ATB for SR-05 to SR-08; 3.6% ATB for SR-09 and above and employees not administratively assigned to the salary scale.	
January 1, 2021:	3.74% ATB; 3.74% ATB for employees not administratively assigned to the salary scale.	

Bargaining Unit 13 – July 1, 2019 to June 30, 2021:

July 1, 2019:	2.15% ATB; continue step movement plan; 2.15% increase for employees not administratively assigned to the salary schedule; \$750 lump sum for employees employed as of June 30, 2019 and are not eligible for a step movement in the contract period.	
July 1, 2020:	2.03% ATB; continue step movement plan; 2.03% increase for employees not administratively assigned to the salary schedule; \$750 lump sum for employees employed as of June 30, 2019 and are not eligible for a step movement in the contract period.	

Bargaining Unit 14 – July 1, 2019 to June 30, 2021:

- July 1, 2019: 4.5% ATB; continue step movement plan.
- July 1, 2020: 4.5% ATB; continue step movement plan.

Utility and Janitorial:

United Public Workers (UPW) – July 1, 2017 to June 30, 2021:

November 1, 2017:	\$1,000 lump sum	July 1, 2019:	2% ATB
June 1, 2018:	3.2% ATB	January 1, 2020:	1.2% ATB
November 1, 2018:	\$1,000 lump sum	July 1, 2020:	2% ATB
May 1, 2019:	3.45% ATB	January 1, 2021:	1.2% ATB

Independent Audit

The County Charter requires an annual financial audit by licensed and independent certified public accountants at least once every two years, or as deemed necessary. The financial statements are audited on an annual basis. The basic financial statements in this report have been audited by N&K CPAs, Inc. The financial statements of the Department, an enterprise fund included in the government-wide financial statements as a discretely presented component unit, were audited by Accuity, LLP. The County is also required to have an annual "single audit" in conformity with the provisions of the Single Audit Act of 1984, as amended, and the requirements of Title 2 U.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information pertaining to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the report of the independent auditors on the internal controls and compliance with all applicable laws and regulations are included in a separate report and has been audited by N&K CPAs, Inc.

Awards

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 for its CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is only valid for period of one year. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility of another certificate. The County has received this award for twenty-seven consecutive years.

Acknowledgments

The preparation of the CAFR could not have been accomplished without the commitment, dedication, and efforts of the Accounting Division. We extend our appreciation to the other divisions within the Finance Department and the assistance provided from fiscal personnel in other County departments. We also thank the Mayor and the County Council for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Reiko Matsuyama', followed by a large, loopy circular flourish.

Reiko Matsuyama
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Kauai
Hawaii**

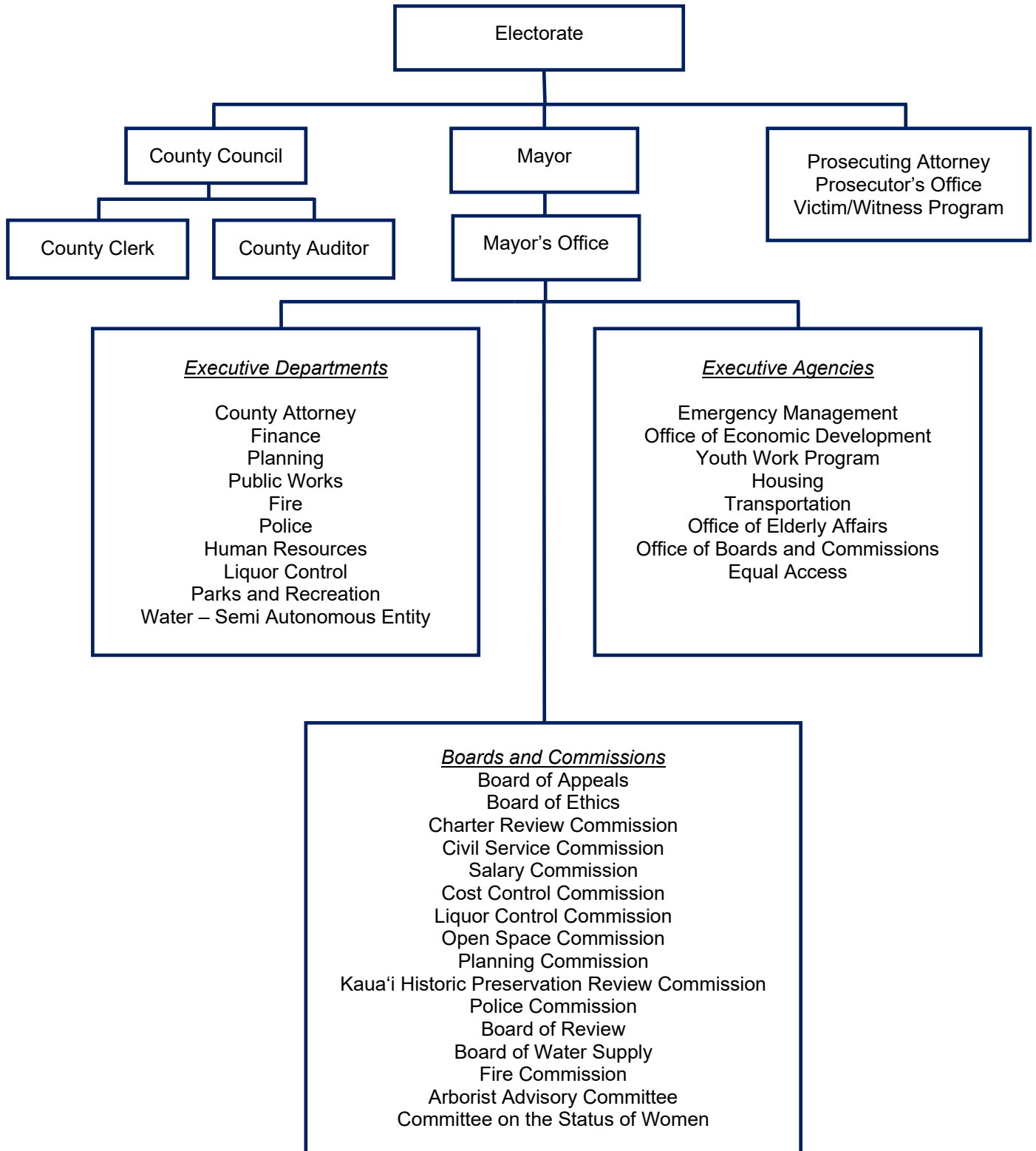
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

County of Kauaʻi Organization Chart



**COUNTY OF KAUAI
PRINCIPAL ELECTED OFFICIALS
2018 - 2020 TERM**

County Council Members

Arryl Kaneshiro	Chair
Ross Kagawa	Vice-Chair
Arthur Brun	Member
Mason K. Chock	Member
Felicia Cowden	Member
Luke A. Evslin	Member
KipuKai Kualii	Member

Mayor

Derek S.K. Kawakami

Prosecuting Attorney

Justin Kollar

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Chair and Members of the County Council
County of Kaua'i
Lihue, Kaua'i, 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 Kaua'i, State of Hawai'i (County), as of and for the fiscal year ended June 30, 2020, 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 did not audit the financial statements of the Department of Water, which is the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Department of Water, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Kaua'i, State of Hawai'i, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Housing and Community Development Revolving Fund and the Solid Waste Disposal Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 29, the schedule of the County's proportionate share of the net pension liability on page 109, the schedule of employer pension contributions on page 109, schedule of changes in the net OPEB liability and related ratios on page 112, and the schedule of contributions (OPEB) on page 113 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 and the other auditors 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, combining and individual fund financial statements, the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) are the responsibility of management and were 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 combining and individual fund financial statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) are 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 20, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 20, 2021

COUNTY OF KAUA'I, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The management of the County of Kaua'i (the County) offers to readers a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-10 of this report and the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

In March 2020, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a direct response to the economic crisis resulting from the COVID-19 pandemic. The County's allocated portion amounted to \$28 million to aid in providing direct support and assistance, including loan programs to many businesses and non-profit organizations. On June 29, 2020, the County received \$14.4 million of its allocated portion. Majority of these funds remained unspent at the end of the fiscal year and is reported as unearned revenue in the Federal Grants Fund.

Additionally, the County recorded prior period adjustments to beginning net position in both governmental and business-type activities of \$2.6 million and \$0.3 million, respectively. The prior period adjustments were due to other postemployment benefit (OPEB) contributions that were not previously included in deferred outflows of resources, offset by an understatement of landfill closure and postclosure care cost liability estimates. The net adjustment resulted in overall increases to net position in both governmental and business-type activities.

Additional information can be found in Note 20 in the notes to the basic financial statements.

Governmental Activities

The assets and deferred outflows of the governmental activities exceeded its liabilities and deferred inflows at the close of the fiscal year by \$223.4 million in its government-wide financial statements, an increase of \$37.4 million from the prior year. Restricted net position increased \$8.8 million, ending at \$18.7 million. Unrestricted net position is reported as a negative (\$267.9) million, increasing by another negative (\$11.4) million from the prior year.

The following explains the significant changes in net position in governmental activities:

1. Expenses increased slightly by \$0.4 million and ended at \$243 million as compared to \$242.6 million from the prior year.
2. Program revenues increased by \$19.4 million and ended at \$106.1 million or 22.4% from the prior year.
3. General revenues and transfers increased by \$4.8 million and ended at \$174.2 million or 2.8% from the prior year.
4. Total revenues exceeded expenses and transfers by \$37.4 million, increasing net position.
5. Assets, including capital assets, ended at \$830.9 million; an increase of \$57.3 million or 7.4% from the prior year.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

Business-type Activities

The assets and deferred outflows of the business-type activities exceeded its liabilities and deferred inflows at the close of the fiscal year by \$74.2 million in its government-wide financial statements, an increase of \$4.9 million from the prior year. Restricted net position remained flat, ending at \$1.4 million. Unrestricted net position is reported as a negative (\$10) million, increasing by another negative (\$3.1) million from the prior year. The business-type activities recorded in the government-wide financial statements are identical to the proprietary funds except for some consolidation of inter-fund receivables and payables within the primary government.

The following explains the significant changes in net position in business-type activities:

1. Expenses increased by \$1 million and ended at \$19.3 million or 5.5% from the prior year.
2. Program revenues increased by \$4.5 million and ended at \$19.1 million as compared to \$14.6 million in the prior year.
3. Revenues and transfers exceeded total expenses by \$4.8 million, increasing net position.
4. Assets, including capital assets, ended at \$115.1 million; an increase of \$7.9 million or 7.4% from the prior year.

Governmental Funds

As of the close of the fiscal year, the County's governmental fund financial statements reported a combined ending fund balance of \$178.6 million, an increase of \$13.3 million or 8% from the prior year.

The General Fund balance at June 30, 2020 amounted to \$81.2 million, an increase of \$6.1 million from the prior year. The General Fund balance consisted of \$0.5 million in restricted fund balance, \$26.6 million in committed fund balance, \$8.5 million in assigned fund balance, and \$45.6 million in unassigned fund balance. In December 2011, the County established a Reserve Fund Policy maintained within the General Fund. At June 30, 2020, the reserve fund balance amounted to \$49.5 million and is currently reported in committed fund balance (\$16.5 million) and unassigned fund balance (\$33 million). Additional information can be found in Note 16 in the notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A serves 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The 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.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

Accordingly, it presents the financial picture of the County from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position presents information on all the County's assets (including capital and infrastructure assets), plus deferred outflows of resources, less liabilities (including long-term debt), less deferred inflows of resources, with the difference 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. As such, revenues and expenses, including depreciation expenses, are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are primarily 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, Public Works, Highways and Streets, Sanitation, Culture and Recreation, and Public Welfare. The business-type activities of the County include three enterprises: Public Housing Fund, Sewer Fund, and Golf Fund.

The government-wide financial statements include the governmental activities and business-type activities of the County (known as the primary government) and the Department of Water (Department), which is a semi-autonomous entity, and is reported separately from the primary government as a discretely presented component unit. Complete financial statements of the Department, which include its MD&A, may be obtained from the Department of Water at 4398 Pua Loke, Lihu'e, Kauai'i, Hawaii, 96766.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and GASB Statement No. 54 to define and classify the existing governmental fund types. All of the funds of the County 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 a government's near-term financing requirements. These funds are reported using the modified-accrual basis of accounting.

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.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities which is required for Generally Accepted Accounting Principles (GAAP) reporting.

The County's governmental fund types are the General, Special Revenue, Debt Service and Capital Improvement Funds. Governmental fund financial statements include a Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. The General Fund, Housing and Community Development Revolving Fund, Solid Waste Disposal Fund, Bond Fund, Federal Grants Fund, State Grants Fund, Grants Capital Improvement Fund, and General Capital Improvement Fund are considered major funds. Balances from the remaining 18 non-major governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Budgetary comparisons have been provided for the General Fund and major Special Revenue Funds (Housing and Community Development Revolving Fund and Solid Waste Disposal Fund) to demonstrate compliance with its annual appropriated budget as required for GAAP financial statements.

Proprietary Funds – Services for which the County charges fees to customers are reported as proprietary funds. Similar to the government-wide financial statements, the proprietary fund statements report both long-term and short-term financial information. The County's proprietary funds include the Public Housing Fund, Sewer Fund, and Golf Fund.

Fiduciary Funds – Fiduciary funds are used to account for money received, held and disbursed in a trustee capacity or as an agent for individuals, other governmental units, and other funds. 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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and is part of the basic financial statements.

Other Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with non-major governmental funds and budgetary comparison schedules (including Capital Improvement Funds and Bond Fund) for legally adopted annual budgets are presented immediately following the notes to the financial statements.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the Statement of Net Position as of June 30, 2020 and 2019:

Summary Statement of Net Position
(Amount in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2020	2019 (as restated)	2020	2019 (as restated)	2020	2019 (as restated)
Current and other assets	\$ 259.91	\$ 225.73	\$ 15.28	\$ 14.01	\$ 275.19	\$ 239.74
Capital assets	<u>571.06</u>	<u>547.90</u>	<u>99.88</u>	<u>93.20</u>	<u>670.94</u>	<u>641.10</u>
Total Assets	<u>830.97</u>	<u>773.63</u>	<u>115.16</u>	<u>107.21</u>	<u>946.13</u>	<u>880.84</u>
Deferred Outflows of Resources	<u>99.08</u>	<u>110.15</u>	<u>3.23</u>	<u>3.32</u>	<u>102.31</u>	<u>113.47</u>
Non-current liabilities	606.27	625.70	34.09	35.51	640.36	661.21
Other liabilities	<u>80.44</u>	<u>60.33</u>	<u>4.86</u>	<u>2.33</u>	<u>85.30</u>	<u>62.66</u>
Total Liabilities	<u>686.71</u>	<u>686.03</u>	<u>38.95</u>	<u>37.84</u>	<u>725.66</u>	<u>723.87</u>
Deferred Inflows of Resources	<u>19.90</u>	<u>11.71</u>	<u>5.21</u>	<u>3.31</u>	<u>25.11</u>	<u>15.02</u>
Net position:						
Net investment in capital assets	472.68	455.39	82.85	74.87	555.53	530.26
Restricted	18.73	9.95	1.37	1.37	20.10	11.32
Unrestricted	<u>(267.97)</u>	<u>(279.30)</u>	<u>(9.99)</u>	<u>(6.86)</u>	<u>(277.96)</u>	<u>(286.16)</u>
Total Net Position	\$ <u>223.44</u>	\$ <u>186.04</u>	\$ <u>74.23</u>	\$ <u>69.38</u>	\$ <u>297.67</u>	\$ <u>255.42</u>

As noted earlier, net position may serve over time as a useful indicator of the County's financial condition. The largest portion of the County's net position reflects its net investment in capital assets, ending at \$555.5 million or 186.6% of net position. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The County's restricted net position category represents \$20.1 million or 6.8% of net position. These restrictions on net position are imposed by enabling legislation or parties outside the government (such as creditors, grantors, contributors, laws or regulations of other governments).

The difference between total net position and the two categories just discussed (net investment in capital assets and restricted net position) is the unrestricted net position. The County previously implemented GASB 68 and GASB 71 (fiscal year 2015), GASB 82 (fiscal year 2016) and GASB 75 (fiscal year 2018). As of June 30, 2020, the County's governmental and business-type activities have significant unfunded liabilities for pension and OPEB liabilities totaling \$302.2 million and \$145.2 million, respectively. These unfunded liabilities contributed to a negative (\$277.9) million or (93.4%) of unrestricted net position.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

The following is a summary of the Statement of Activities for the fiscal years ended June 30, 2020 and 2019:

Summary Statement of Activities (Amount in millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u> <small>(as restated)</small>	<u>2020</u>	<u>2019</u> <small>(as restated)</small>	<u>2020</u>	<u>2019</u> <small>(as restated)</small>
Revenues:						
Program revenues:						
Charges for services	\$ 26.24	\$ 25.74	\$ 11.78	\$ 12.60	\$ 38.02	\$ 38.34
Operating grants and contributions	50.60	46.28	--	--	50.60	46.28
Capital grants and contributions	29.31	14.71	7.31	2.01	36.62	16.72
General revenues:						
Property taxes	148.59	138.13	--	--	148.59	138.13
Other taxes	12.89	13.27	--	--	12.89	13.27
Other	17.91	21.17	(0.06)	0.18	17.85	21.35
Total Revenues	<u>285.54</u>	<u>259.30</u>	<u>19.03</u>	<u>14.79</u>	<u>304.57</u>	<u>274.09</u>
Expenses:						
General government	41.20	38.52	--	--	41.20	38.52
Public safety	85.76	84.43	--	--	85.76	84.43
Public works	12.27	11.25	--	--	12.27	11.25
Highways and streets	31.19	24.73	--	--	31.19	24.73
Sanitation	8.16	28.26	--	--	8.16	28.26
Culture and recreation	23.14	22.13	--	--	23.14	22.13
Public welfare	36.14	27.89	--	--	36.14	27.89
Interest on long-term debt	5.15	5.37	--	--	5.15	5.37
Housing programs	--	--	2.38	2.19	2.38	2.19
Sewer	--	--	13.85	13.07	13.85	13.07
Golf	--	--	3.08	3.03	3.08	3.03
Total Expenses	<u>243.01</u>	<u>242.58</u>	<u>19.31</u>	<u>18.29</u>	<u>262.32</u>	<u>260.87</u>
Increase (Decrease) before transfers	42.53	16.72	(0.28)	(3.50)	42.25	13.22
Transfers	<u>(5.13)</u>	<u>(3.13)</u>	<u>5.13</u>	<u>3.13</u>	<u>--</u>	<u>--</u>
Change in Net Position	37.40	13.59	4.85	(0.37)	42.25	13.22
Net Position, July 1	<u>186.04</u>	<u>172.45</u>	<u>69.38</u>	<u>69.75</u>	<u>255.42</u>	<u>242.20</u>
Net Position - Ending	<u>\$ 223.44</u>	<u>\$ 186.04</u>	<u>\$ 74.23</u>	<u>\$ 69.38</u>	<u>\$ 297.67</u>	<u>\$ 255.42</u>

The current fiscal year, total government-wide revenues increased from the prior year by approximately \$30.5 million and government-wide expenses increased by approximately \$1.5 million. Total revenues, offset by transfers, exceeded expenses and ultimately increased net position by \$37.4 million and \$4.9 million for governmental and business-type activities, respectively.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

The major components of the changes in government-wide revenue were:

Governmental Activities

Operating grants and contributions increased by \$4.3 million from the prior year. Increases in operating grants and contributions were primarily attributed to completion of the remaining Act 12 disaster relief projects, such as bridge and road repairs damaged during the April 2018 floods.

Capital grants and contributions increased by \$14.6 million from the prior year. Increases in capital grants and contributions were primarily attributed to on-going construction of the Līhu'e Town Core project and the Kekaha Landfill expansion of cells 2A and 2B in the current year.

The County's real property taxes billed (revenues on full accrual basis) increased by \$10.5 million or 7.6%. This revenue growth was once again primarily attributed to increasing values and new construction being added to the assessment list, with some additional revenue coming from tax classification enforcement. In the current fiscal year, the total amount billed was \$147.9 million as compared to \$137.7 million in the prior year. The gross assessed values increased by approximately \$1.3 billion (or 5.6%) from \$23.1 billion to \$24.4 billion in the current year, while the net taxable values increased by approximately \$1.2 billion (or 6.3%) from \$20 billion to \$21.2 billion in the current year. Additionally, there was a decrease in the total number of appeals while the aggregate value of the appeals increased slightly. There were 159 appeals as compared to 269 appeals in the prior year. The total assessed value being contested was approximately \$188.8 million, compared to \$185.2 million in the prior tax year. Tax credits for the County's two tax relief programs, Very Low Income and Home Preservation Limit, amounted to approximately \$0.2 million and were awarded to 192 recipients.

Business-type Activities

Capital grants and contributions increased by \$5.3 million from the prior year. Increases in capital grants and contributions were primarily attributed to land acquisition and construction of additional affordable housing development projects in the current year.

The major components of the changes in government-wide expenses were:

Governmental Activities

Overall expenses remained relatively flat as compared to the prior year, increasing by \$0.4 million. As noted previously, the County recorded prior period adjustments for OPEB and landfill closure and postclosure care costs liability estimates. Current year expenses of \$243 million were primarily attributable to continuous disaster relief projects to repair major damages to roads and bridges, increases in pension related expenses for both general government and public safety employees, overall decrease in landfill closure and postclosure care cost liability estimates, increases in repair and maintenance expenses, and financing of newly acquired capital assets. Additionally, a large expense came from the funding of OPEB; whereby, qualified employees are promised specific healthcare benefits upon separation or retirement. Funding for these OPEB benefits are made through monthly pre-funding contributions into the OPEB Trust. The County paid 100% of its annual required contribution (ARC), amounting to \$17.2 million in the current fiscal year. The County's ARC is calculated by the actuary contracted by the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF). The actuary also provided the information needed for financial statement reporting and footnote disclosures. EUTF administers the healthcare benefit plan and develops the annual funding requirements based on the present value of benefits of the actuarial accrued liability using the entry age normal method for calculation.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

Additional information can be found in Note 13 in the notes to the basic financial statements and required supplementary information other than MD&A.

Business-type Activities

Overall expenses remained relatively flat as compared to the prior year, increasing slightly by \$1 million. The County recorded a prior period adjustment for OPEB. Current year expenses of \$19.3 million were primarily attributable to construction costs for affordable housing development projects in the current year.

ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds - 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. The County follows GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which primarily establishes a hierarchy of fund balance classifications based on constraints placed on the use of these resources.

As of the end of the current fiscal year, the County's governmental fund balances increased by \$13.3 million, ending at \$178.6 million. The increase in fund balances are primarily attributable to an increase in General Fund real property tax revenues and an increase in General Excise Tax Fund revenue received from the State for the County's surcharge of 0.5% on State general excise (GET) and use tax. Fund balances are reserved to indicate that it is not available for new spending because it is in non-spendable form (\$0.7 million), has already been committed to liquidate contracts and purchase orders (\$46.3 million), pay debt service (\$1.8 million), and/or certain other restricted and/or designated purposes (\$84.1 million).

The following table summarizes the changes in fund balances of the County's governmental funds as of June 30, 2020 in comparison to fiscal year 2019:

Changes in Fund Balances (Amount in millions)					
	General Fund	Major Governmental Funds	Non-major Governmental Funds	<u>Totals</u>	
				2020	2019
Revenues					
Taxes	\$ 151.67	\$ --	\$ 9.14	\$ 160.81	\$ 151.02
Other	20.22	60.69	43.00	123.91	107.71
Total Revenues	171.89	60.69	52.14	284.72	258.73
Expenditures	132.68	82.77	56.32	271.77	244.10
Excess (deficiency) of Revenues over Expenditures	39.21	(22.08)	(4.18)	12.95	14.63
Transfers and others	(33.12)	20.70	12.77	0.35	1.84
Net Changes in Fund Balances	\$ 6.09	\$ (1.38)	\$ 8.59	\$ 13.30	\$ 16.47

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

The Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position can be found on page 34. The major differences relate to certain financial resources and expenditures such as debt financing and capital outlays that are included in the changes in governmental fund balances but are not reported in the changes in net position.

General Fund - The General Fund is the chief operating fund of the County. Total revenues in the General Fund amounted to \$171.9 million, or an increase of \$6.7 million as compared to the prior year. As noted previously, the County reported an unassigned fund balance of \$45.6 million and includes \$33 million, representing a portion of the County's Reserve Fund. The unassigned fund balance increased by \$1.3 million, as compared to \$44.3 million in the prior year. The increase in the overall fund balance may be attributable to the cumulative effect of the following key factors:

- An increase of \$10.4 million or 7.4% in property tax revenue, primarily due to results from growth in billable assessed value and increasing enforcement of the County's tax classifications.
- A decrease of \$2.5 million or 16.7% in State TAT distributions. In May 2020, the State suspended all TAT distributions due to the on-going COVID-19 pandemic.
- Total expenditures increased by \$5.2 million or 4%, ending at \$132.6 million.

Major Governmental Funds – The State Grants Fund continues to be presented as a major governmental fund. The threshold criteria to be classified and presented as a major governmental fund were met, due to the amounts reported on its Balance Sheet.

Major governmental fund revenues increased by \$8.3 million from \$52.4 million to \$60.7 million in the current fiscal year. The increase was primarily attributable to a combination of the following:

- Grants Capital Improvement Fund revenues increased by \$14.6 million, primarily due to on-going construction of Līhu'e Town Core project, Kekaha Landfill expansion of cells 2A and 2B, and other highway and street projects such as bridge and road repairs.
- State Grants Fund overall revenues decreased by \$6.9 million over the prior year; majority of the public safety (e.g. police, fire, emergency management, etc.), public works, and public welfare disaster grants were completed in the prior year.
- General Capital Improvement Fund revenue increased by \$2.2 million, primarily due to revenues received for Special District Bonds issued in December 2019. These bonds were issued to finance the Kukui'ula Development Project in Kōloa.

Total expenditures increased by \$15.4 million from \$67.4 million to \$82.8 million in the current fiscal year. Significant variances included the following:

- Housing and Community Development Revolving Fund expenditures increased by \$0.3 million, primarily due to affordable housing development costs. Expenditures exceeded revenues resulting in a negative change in fund balance of (\$0.4) million.
- Solid Waste Disposal Fund expenditures increased by \$4 million, primarily due to increases in salaries, overtime, and related fringe and benefit expenditures and operating costs of the Kekaha Landfill. Although expenditures exceeded revenues, transfers from the General Fund of approximately \$12.6 million and issuance of new capital leases resulted in an overall positive net change in fund balance of \$1.1 million.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

- Bond Fund expenditures increased by \$6.5 million, primarily due to land acquisition in Waimea for an affordable housing development project and the County's matching of TIGER grant funds for the revitalization of Rice Street project. Expenditures exceeded revenues, resulting in a negative change in fund balance of (\$10.1) million.
- State Grants Fund expenditures decreased by \$6.9 million, primarily due to decreases in public safety, public works, and sanitation expenditures for disaster relief projects in the current year as compared to the prior year.
- Grants Capital Improvement Fund expenditures increased by \$14.3 million, primarily due capital type expenditures for the construction of Līhu'e Town Core project, Kekaha Landfill expansion of cells 2A and 2B, and other highway and street projects such as bridge and road repairs in the current year.

All Other Governmental Funds – As noted previously, the County authorized the imposition of a county surcharge of 0.5% on State GET and use tax. The additional surcharge took effect on January 1, 2019 and is currently being used to offset operational and capital costs of public transportation systems, including roadways, public buses, pedestrian and bicycle paths, and to comply with Americans with Disabilities Act of 1990 with respect to public transportation systems. In the current year, the County created the General Excise Tax Capital Improvement Fund to account for the capital improvement costs of public transportation system improvements.

Other governmental fund total revenues increased by \$11 million from \$41.1 million to \$52.1 million in the current fiscal year. Significant variances included the following:

- General Excise Tax Fund revenues increased by \$10.8 million, due to revenues received from the County's surcharge on State GET. The additional county surcharge of 0.5% took effect on January 1, 2019. Total revenues for the current year amounted to \$23.8 million.
- Section 8 Fund revenues increased by \$1.1 million, due to fair market rent adjustment increases and additional funding from the U.S. Department of Housing and Urban Development (HUD) to aid in direct support to families impacted by the pandemic.
- Highway Fund revenues decreased by \$0.9 million, due to less fuel tax revenues received from the State. Due to the COVID-19 pandemic, the County issued stay-at-home orders for residents and the State issued mandatory quarantine for incoming travelers resulting in a significant decrease in cars traveling on roadways for a period on time. Additionally, distance learning for school, work-from-home and/or teleworking options, further decreased the need to commute.
- Liquor Fund revenues decreased by \$0.2 million, due to a decline in liquor license renewals as a direct result of the on-going pandemic. Hotels, business, and restaurants continue to fight to remain in business; however, many have shuttered since March 2020.

Other governmental fund total expenditures increased by \$7.1 million from \$49.2 million to \$56.3 million in the current fiscal year. Significant variances included the following:

- General Excise Tax Fund reported expenditures of \$14 million, primarily attributable to highway and street projects such road repairs, salaries and fringe related benefits. Revenues exceeded expenditures by \$9.8 million resulting in an overall positive net change in fund balance of \$9.6 million.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

- Highway Fund reported a slight increase in expenditures of \$1 million, primarily due to increases in salaries and fringe related benefits and other capital expenditures. Expenditures exceeded revenues collected by \$2.3 million, offset by issuance of new capital leases of approximately \$0.9 million and transfers out to Highway Capital Improvement Fund of (\$0.8) million, resulted in an overall negative net change in fund balance of (\$2.2) million.
- Public Access Fund expenditures remained flat compared to the prior year; however, approximately \$0.7 million was transferred from the General Fund resulting in an overall positive net change in fund balance of \$0.6 million.

BUDGETARY HIGHLIGHTS

The General Fund exceeded its estimate of budgeted revenues by \$4.4 million. The General Fund lapsed \$9.2 million of budgeted appropriations at year end. General Fund contribution to other funds amounted to \$35.7 million in the current fiscal year, an increase of \$10.8 million as compared to the prior year. Fund budgetary expenditures differ from the fund expenditures in that the encumbrances at year end are accounted for as expenditures for budgetary purposes. The original budget amount in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) include re-appropriated and committed prior-period encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) provides the reader the assurance of compliance to the budget ordinance. Only budgeted funds have this type of financial statements.

Estimated budgeted General Fund revenues for the fiscal year ended June 30, 2020 was \$167.4 million as compared to \$159.1 million in the prior year, an increase of \$8.3 million. Positive revenue budget variances of \$4.4 million occurred primarily because of the volatility of predicting certain types of revenues and the conservative approach in estimated revenues. Positive variances occurred in revenue from real property taxes of \$4 million and interest earned of \$2.9 million. As noted previously, the State suspended all TAT distributions as of May 2020, resulting in a negative \$2.5 million variance between budgeted and actual TAT revenue received.

Final amended budgeted expenditures in the General Fund for fiscal year ended June 30, 2020 increased by \$8.5 million, ending at \$150.6 million. The general government function budget increased by 6.8%, public safety function increased 8%, public works function increased 2.8%, culture and recreation function increased 1%, and public welfare function decreased by 5.2%. Overall increases are primarily due to increased spending for COVID-19 related costs and related salaries, fringe and benefits in the public safety and public works functional areas.

The following represent major variances in the final amended budget to actual expenditures in the General Fund:

- Council Services had a favorable variance of approximately \$0.8 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended consulting services, travel, special projects, and other miscellaneous items.
- Office of the County Attorney had a favorable variance of approximately \$0.5 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended consulting services, travel, and other miscellaneous items.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

- Less than anticipated claims were paid out of the self-insurance account in the current fiscal year, creating a favorable variance of \$0.7 million. The purpose of this account is to prepare for unanticipated and unpredictable future claims.
- Less than anticipated claims were paid out of the County-wide claims account in the current fiscal year, creating a favorable variance of \$0.4 million.
- Human Resources had a favorable variance of \$0.7 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended consulting services, training, and other miscellaneous items.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The County's capital assets for its governmental and business-type activities as of June 30, 2020 amounted to \$670.9 million, an increase of \$29.8 million. Net capital assets include land, buildings and improvements, machinery and equipment, infrastructure (e.g. roadways, bridges, and sewer), and construction-in-progress, less accumulated depreciation. Most capital projects pass through construction-in-progress before being capitalized because of the multi-year completion process.

Major capital asset activity during the current fiscal year included the following:

- Completion of the construction of Cells 2A and 2B of the Kekaha Landfill Lateral Expansion; extending the life of the landfill by an additional 7 years.
- Completion of the County's Adolescent Drug Treatment Center.
- Infrastructure restoration of Weke Road, Kahiliholo Road and Blackpot Beach comfort station that were heavily damaged by the April 2018 floods.
- Improvements and structural renovation to Maluhia Road, Pu'u'ōpae Bridge, and 'Opaeka'a Bridge.
- Land purchased in Waimea, slated for County affordable housing development.
- Hanamā'ulu and Kapaia sewer pump station upgrades.

The following is a summary of the capital assets as of June 30, 2020 in comparison to fiscal year 2019:

Government Activities Summary of Capital Assets (Amounts in millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Non-depreciable assets:						
Land	\$ 192.21	\$ 191.69	\$ 22.51	\$ 17.13	\$ 214.72	\$ 208.82
CIP	46.43	42.08	9.81	6.23	56.24	48.31
Depreciable assets:						
Buildings and improvements	167.43	157.19	105.40	105.40	272.83	262.59
Equipment	108.38	100.16	17.14	16.54	125.52	116.70
Infrastructure	711.52	690.56	15.34	13.76	726.86	704.32
Less: Accumulated depreciation	<u>(654.91)</u>	<u>(633.78)</u>	<u>(70.32)</u>	<u>(65.86)</u>	<u>(725.23)</u>	<u>(699.64)</u>
Total Capital Assets, net	\$ <u>571.06</u>	\$ <u>547.90</u>	\$ <u>99.88</u>	\$ <u>93.20</u>	\$ <u>670.94</u>	\$ <u>641.10</u>

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2020

Additional information on the County's capital assets can be found in Note 7 in the notes to the financial statements.

Long-term Debt – At the end of the current fiscal year, the County had total bonds and loans outstanding of \$127.3 million (\$110.6 million related to governmental activities and \$16.7 million related to business-type activities). Of this amount, \$106.4 million is comprised of debt backed by the full faith and credit of the government (general obligations) and \$20.9 million represents State Revolving Fund (SRF) loans used to finance construction of wastewater and landfill projects.

At the end of the fiscal year, Standard and Poor's Ratings Services, Moody's Investors Service and Fitch, Inc. assigned the County's GO Bonds ratings of AA, Aa2, and AA, respectfully.

State statutes limit the amount of general obligation debt the County may issue up to 15 percent of its net assessed valuation. The current debt limitation for the County is \$3.2 billion. As of June 30, 2020, the County's current outstanding debt applicable to the legal debt margin totaled \$106.4 million or 3.3% of the County's debt limitation.

Additional information on the County's long-term debt can be found in Note 11 in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances. Questions surrounding any information provided in this report or requests for additional information should be addressed to the Director of Finance, 4444 Rice Street, Suite 280, Lihue, Kauai, Hawaii 96766.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF KAUAI, HAWAII
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type		Department
	Activities	Activities	Total	of Water
Assets:				
Cash and cash equivalents	\$ 22,800,283	\$ 9,330,210	\$ 32,130,493	\$ 12,085,164
Investments	163,121,192	2,805,874	165,927,066	42,076,446
Receivables, net	12,491,685	1,953,139	14,444,824	5,561,459
Internal balances	184,942	(184,942)	--	--
Due from other governments	41,658,038	--	41,658,038	--
Materials and supplies	--	--	--	1,089,732
Prepaid items and other	678,356	936	679,292	46,629
Restricted Assets:				
Cash and cash equivalents	--	370,195	370,195	3,188,287
Investments	--	--	--	8,623,168
Other	--	--	--	99,725
Noncurrent Assets:				
Loans receivable	18,975,907	1,000,000	19,975,907	--
Capital Assets:				
Land	192,209,287	22,508,545	214,717,832	1,343,144
Construction in progress	46,425,663	9,811,496	56,237,159	15,819,422
Buildings and improvements	98,190,054	52,928,749	151,118,803	12,880,845
Machinery and equipment	33,210,527	8,902,257	42,112,784	2,674,887
Infrastructure	201,022,677	5,733,001	206,755,678	188,553,178
Total Capital Assets, net	571,058,208	99,884,048	670,942,256	221,271,476
Total Assets	830,968,611	115,159,460	946,128,071	294,042,086
Deferred Outflows of Resources:				
Deferred loss on refunding	923,255	--	923,255	--
Deferred outflows of resources on net pension liability	73,961,087	2,143,884	76,104,971	7,031,125
Deferred outflows of resources on net other postemployment benefits liability	24,198,290	1,082,615	25,280,905	1,438,103
Total Deferred Outflows of Resources	99,082,632	3,226,499	102,309,131	8,469,228
Total Assets and Deferred Outflows of Resources	930,051,243	118,385,959	1,048,437,202	302,511,314
Liabilities:				
Accounts payable and accrued liabilities	29,677,912	1,483,324	31,161,236	2,952,156
Contracts payable	1,191,587	141,613	1,333,200	491,013
Due to other governments	--	2,959,825	2,959,825	--
Customer deposits	337,425	147,245	484,670	894,052
Unearned revenue	47,142,833	60,353	47,203,186	--
Interest payable	2,087,470	65,214	2,152,684	--
Noncurrent Liabilities:				
Due within one year	16,255,118	2,185,065	18,440,183	5,712,659
Due in more than one year	158,363,494	16,130,485	174,493,979	63,131,971
Net pension liability	292,457,791	9,756,592	302,214,383	21,971,493
Net other postemployment benefits liability	139,191,939	6,020,136	145,212,075	8,525,884
Total Liabilities	686,705,569	38,949,852	725,655,421	103,679,228
Deferred Inflows of Resources:				
Deferred gain on refunding	2,415,558	--	2,415,558	15,216
Deferred inflows of resources on net pension liability	16,947,437	5,182,044	22,129,481	458,129
Deferred inflows of resources on net other postemployment benefits liability	540,599	24,331	564,930	97,076
Total Deferred Inflows of Resources	19,903,594	5,206,375	25,109,969	570,421
Total Liabilities and Deferred Inflows of Resources	706,609,163	44,156,227	750,765,390	104,249,649
Net Position:				
Net investment in capital assets	472,677,653	82,847,005	555,524,658	163,824,472
Restricted for capital activity and other	17,147,088	370,195	17,517,283	2,050,166
Restricted for debt service	1,588,524	--	1,588,524	--
Restricted for housing program	--	1,000,000	1,000,000	--
Unrestricted	(267,971,185)	(9,987,468)	(277,958,653)	32,387,027
Total Net Position	\$ 223,442,080	\$ 74,229,732	\$ 297,671,812	\$ 198,261,665

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

**COUNTY OF KAUAI, HAWAII
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Department of Water
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 41,191,065	\$ 7,044,542	\$ 3,089,927	\$ 316,636	\$ (30,739,960)	\$ --	\$ (30,739,960)	\$ --
Public safety	85,764,334	893,593	3,163,247	57,183	(81,650,311)	--	(81,650,311)	--
Public works	12,273,793	437,061	3,918,458	120,979	(7,797,295)	--	(7,797,295)	--
Highways and streets	31,193,348	8,130,234	23,827,937	13,990,735	14,755,558	--	14,755,558	--
Sanitation	8,157,902	8,801,077	479,774	10,880,069	12,003,018	--	12,003,018	--
Culture and recreation	23,142,666	570,656	85,070	1,946,975	(20,539,965)	--	(20,539,965)	--
Public welfare	36,135,020	360,100	16,041,469	1,998,410	(17,735,041)	--	(17,735,041)	--
Interest on long-term debt, unallocated	5,154,183	--	--	--	(5,154,183)	--	(5,154,183)	--
Total Governmental Activities	<u>243,012,311</u>	<u>26,237,263</u>	<u>50,605,882</u>	<u>29,310,987</u>	<u>(136,858,179)</u>	<u>--</u>	<u>(136,858,179)</u>	<u>--</u>
Business-type Activities								
Housing programs	2,379,496	2,099,455	--	5,962,934	--	5,682,893	5,682,893	--
Sewer	13,845,522	8,656,233	--	1,349,053	--	(3,840,236)	(3,840,236)	--
Golf	3,085,392	1,020,877	--	--	--	(2,064,515)	(2,064,515)	--
Total Business-type Activities	<u>19,310,410</u>	<u>11,776,565</u>	<u>--</u>	<u>7,311,987</u>	<u>--</u>	<u>(221,858)</u>	<u>(221,858)</u>	<u>--</u>
Total Primary Government	<u>\$ 262,322,721</u>	<u>\$ 38,013,828</u>	<u>\$ 50,605,882</u>	<u>\$ 36,622,974</u>	<u>\$ (136,858,179)</u>	<u>\$ (221,858)</u>	<u>\$ (137,080,037)</u>	<u>\$ --</u>
Component Unit:								
Department of Water	<u>\$ 32,350,451</u>	<u>\$ 29,013,044</u>	<u>\$ --</u>	<u>\$ 3,504,866</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>167,459</u>
General Revenues:								
Property taxes					148,586,519	--	148,586,519	--
Public service company tax					3,754,911	--	3,754,911	--
Franchise tax					3,907,706	--	3,907,706	--
Fuel taxes					5,227,648	--	5,227,648	--
Grants and contributions not restricted to specific programs					13,438,043	--	13,438,043	--
Unrestricted investment earnings					4,468,452	(55,778)	4,412,674	--
Transfers					(5,128,455)	5,128,455	--	--
Total General Revenues and Transfers					<u>174,254,824</u>	<u>5,072,677</u>	<u>179,327,501</u>	<u>--</u>
Change in Net Position					37,396,645	4,850,819	42,247,464	167,459
Net Position - Beginning of Year July 1, 2019, as previously stated					183,440,015	69,062,074	252,502,089	198,094,206
Prior period adjustment (Note 20)					2,605,420	316,839	2,922,259	--
Net Position - Beginning of Year July 1, 2019, as restated					<u>186,045,435</u>	<u>69,378,913</u>	<u>255,424,348</u>	<u>198,094,206</u>
Net Position - End of Year June 30, 2020					<u>\$ 223,442,080</u>	<u>\$ 74,229,732</u>	<u>\$ 297,671,812</u>	<u>\$ 198,261,665</u>

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

MAJOR FUNDS

General Fund

Accounts for all financial resources traditionally associated with the government which are not required legally, or by sound financial management, to be accounted for in another fund.

Special Revenue Funds

Housing and Community Development Revolving Fund

Monies collected from the Home Disaster grant loans, Housing Preservation grant loans and Special Purpose grant loans fund the Housing and Community Development Revolving Fund. This fund supports administrative costs for the Development staff and also supports the "Homebuyer Loan Program" for eligible homebuyers and future project development costs.

Solid Waste Disposal Fund

Accounts for the costs of operating the County's solid waste disposal system. Financing is provided by charges to commercial users for solid waste disposal services and General Fund contributions for other users.

Federal Grants Fund

Accounts for federal grant revenues and related expenditures.

State Grants Fund

Accounts for expenditures of state and county grants.

Capital Project Funds

Grants Capital Improvement Fund

Accounts for revenues and capital improvements financed by federal and state grants.

General Capital Improvement Fund

Accounts for the costs of capital projects financed by the General Fund.

Bond Fund

Accounts for proceeds from and the costs of constructing County capital improvements financed by general obligation bond proceeds.

COUNTY OF KAUAI, HAWAII
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	General Fund	Housing and Community Development Revolving Fund	Solid Waste Disposal Fund	Bond Fund	Federal Grants Fund	State Grants Fund	Grants Capital Improvement Fund	General Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:										
Cash and cash equivalents	\$ 1,250,012	\$ 69,293	\$ 12,351,329	\$ --	\$ --	\$ --	\$ --	\$ 18,574	\$ 9,111,075	\$ 22,800,283
Investments	110,719,838	3,000,000	10,514,422	29,358,771	1,751,257	--	--	--	7,776,904	163,121,192
Accounts receivable, net	251,845	--	789,530	--	--	1,857,355	--	2,983,563	63,422	5,945,715
Taxes receivable	4,139,405	--	--	--	--	--	--	--	--	4,139,405
Interest receivable	321,856	1,329,926	54,496	184,447	501,620	--	--	--	14,220	2,406,565
Due from other funds	1,050,612	--	--	--	14,352,069	7,976,452	--	7,723,737	24,795,388	55,898,258
Due from other governments	--	--	--	--	2,026,129	--	32,792,859	--	6,839,050	41,658,038
Loans receivable	--	6,401,783	--	--	12,574,124	--	--	--	--	18,975,907
Prepaid items	--	--	--	--	--	--	--	--	678,358	678,358
Total Assets	\$ 117,733,568	\$ 10,801,002	\$ 23,709,777	\$ 29,543,218	\$ 31,205,199	\$ 9,833,807	\$ 32,792,859	\$ 10,725,874	\$ 49,278,417	\$ 315,623,721
Liabilities, Deferred Inflows of Resources and Fund Balances:										
Liabilities:										
Accounts payable	\$ 8,998,795	\$ 519,310	\$ 2,801,736	\$ 2,046,454	\$ 495,680	\$ 646,560	\$ 7,071,574	\$ 157,121	\$ 6,940,682	\$ 29,677,912
Contracts payable	93,584	--	163,438	205,613	--	68,373	158,844	4,122	497,613	1,191,587
Due to other funds	24,461,669	--	217,443	4,077,903	141,384	55,263	25,539,601	--	1,220,053	55,713,316
Due to customers	--	--	--	--	--	--	--	--	337,425	337,425
Unearned revenue	--	7,208,610	14,803	--	30,568,135	9,063,611	22,840	--	264,834	47,142,833
Total Liabilities	33,554,048	7,727,920	3,197,420	6,329,970	31,205,199	9,833,807	32,792,859	161,243	9,260,607	134,063,073
Deferred Inflows of Resources:										
Unavailable revenues	2,994,201	--	--	--	--	--	--	--	--	2,994,201
Total Deferred Inflow of Resources	2,994,201	--	--	--	--	--	--	--	--	2,994,201
Fund Balance:										
Nonspendable	--	--	--	--	--	--	--	--	678,358	678,358
Restricted	490,000	523,100	12,574,924	--	--	--	--	--	1,810,211	15,398,235
Committed	26,591,384	187,194	5,657,686	7,773,201	--	--	--	2,607,560	20,071,955	62,888,980
Assigned	8,486,832	2,362,788	2,279,747	15,440,047	--	--	--	7,957,071	17,457,286	53,983,771
Unassigned	45,617,103	--	--	--	--	--	--	--	--	45,617,103
Total Fund Balance	81,185,319	3,073,082	20,512,357	23,213,248	--	--	--	10,564,631	40,017,810	178,566,447
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 117,733,568	\$ 10,801,002	\$ 23,709,777	\$ 29,543,218	\$ 31,205,199	\$ 9,833,807	\$ 32,792,859	\$ 10,725,874	\$ 49,278,417	\$ 315,623,721

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

COUNTY OF KAUAI, HAWAII
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Fund Balances - Governmental Funds \$ 178,566,447

Amounts reported for governmental activities in the Statement of Net Position are different due to:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$	192,209,287
Construction in progress		46,425,663
Buildings and improvements		167,431,867
Equipment		108,378,538
Infrastructure		711,523,462
Accumulated depreciation		<u>(654,910,609)</u>

Total Capital Assets, net 571,058,208

Some of the County's revenues will be collected after the year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds. 2,994,201

Deferred amounts on refunding are reported as deferred outflows/inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements. (1,492,303)

Deferred amounts related to pensions reported as deferred outflows/inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements. 57,013,650

Deferred amounts related to other postemployment benefits reported as deferred outflows/inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements. 23,657,691

Interest payable on outstanding bonds and capital leases are expensed on the government-wide statement of activities. (2,087,470)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:

Bonds and loans payable		(110,648,363)
Capital leases		(9,453,137)
Compensated absences		(15,424,601)
Claims and judgments		(7,674,425)
Landfill closure and post-closure		(31,418,086)
Net pension liability		(292,457,791)
Net other postemployment benefits liability		<u>(139,191,939)</u>

Total Long-term Liabilities (606,268,342)

Net Position of Governmental Activities \$ 223,442,080

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

COUNTY OF KAUAI, HAWAII
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Housing and Community Development Revolving Fund	Solid Waste Disposal Fund	Bond Fund	Federal Grants Fund	State Grants Fund	Grants Capital Improvement Fund	General Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:										
Taxes	\$ 151,674,266	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,135,354	\$ 160,809,620
Licenses and permits	2,164,402	--	--	--	--	--	--	--	8,750,552	10,914,954
Rents and concessions	120,347	--	2,399	--	--	--	--	--	167,189	289,935
Interest	2,975,266	137,236	468,498	413,508	--	--	--	--	473,944	4,468,452
Intergovernmental revenues	12,479,605	54,324	--	--	9,552,740	8,861,574	29,163,404	--	32,137,244	92,248,891
Charges for current services	2,042,947	--	8,798,228	--	--	--	--	--	833,539	11,674,714
Bond subsidy	--	--	--	958,438	--	--	--	--	--	958,438
Miscellaneous	434,186	148	450	--	--	--	--	2,282,660	640,216	3,357,660
Total Revenues	171,891,019	191,708	9,269,575	1,371,946	9,552,740	8,861,574	29,163,404	2,282,660	52,138,038	284,722,664
Expenditures:										
General government	31,335,337	--	--	714,585	1,332,417	1,757,511	316,636	376,167	80,332	35,912,985
Public safety	69,886,290	--	--	--	825,798	1,773,838	--	--	991,753	73,477,679
Public works	6,154,755	--	--	87,860	321,199	1,389,191	30,579	23,497	167,804	8,174,885
Highways and streets	1,245,873	--	140,714	28,016	20,651	--	287,117	--	21,249,670	22,972,041
Sanitation	--	--	17,740,113	1,041,212	84,453	395,321	--	73,490	--	19,334,589
Culture and recreation	17,815,752	--	--	--	32,404	--	180,113	449,808	--	18,478,077
Public welfare	2,986,436	561,385	--	3,878,344	4,422,719	1,112,702	1,998,410	--	17,530,508	32,490,504
Capital outlay	2,056,658	--	3,392,120	4,710,397	2,513,099	2,433,011	26,350,549	220,940	4,285,515	45,962,289
Debt Service:										
Principal	1,118,958	--	1,668,234	--	--	--	--	--	6,872,099	9,659,291
Interest and debt issuance cost	84,391	--	92,705	--	--	--	--	--	5,147,578	5,324,674
Total Expenditures	132,684,450	561,385	23,033,886	10,460,414	9,552,740	8,861,574	29,163,404	1,143,902	56,325,259	271,787,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,206,569	(369,677)	(13,764,311)	(9,088,468)	--	--	--	1,138,758	(4,187,221)	12,935,650
Other Financing Sources (Uses):										
Issuance of capital leases	1,347,824	--	3,236,127	--	--	--	--	--	910,143	5,494,094
Transfers in	1,250,892	--	12,634,954	--	--	--	--	6,782,956	13,153,689	33,822,491
Transfers out	(35,714,686)	--	(955,084)	(996,839)	--	--	--	--	(1,284,337)	(38,950,946)
Total Other Financing Sources (Uses)	(33,115,970)	--	14,915,997	(996,839)	--	--	--	6,782,956	12,779,495	365,639
Net Change in Fund Balances	6,090,599	(369,677)	1,151,686	(10,085,307)	--	--	--	7,921,714	8,592,274	13,301,289
Fund Balance - Beginning of Year July 1, 2019	75,094,720	3,442,759	19,360,671	33,298,555	--	--	--	2,642,917	31,425,536	165,265,158
Fund Balance - End of Year June 30, 2020	\$ 81,185,319	\$ 3,073,082	\$ 20,512,357	\$ 23,213,248	\$ --	\$ --	\$ --	\$ 10,564,631	\$ 40,017,810	\$ 178,566,447

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

COUNTY OF KAUAI, HAWAII
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 13,301,289

Amounts reported for governmental activities in the Statement of Activities are different due to:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period:

Capital outlay	\$	45,962,289	
Depreciation expense		<u>(22,766,390)</u>	
Net Capital Outlay			23,195,899

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, CIP closures/transfers, contributed/donated capital assets) is to decrease net position. (46,564)

Capital leases and loans are recorded as current financial sources in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. However, in the Statement of Net Position, capital leases and loans are recorded as long-term debt and capital assets. (5,494,094)

Real property taxes in the Statement of Activities includes all billed amounts which differ from the current financial resource measurement of the governmental funds. This is the net difference of both measurement focuses. 667,164

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 FY19 employer paid contributions, recorded as deferred outflows in the current year, FY18 employer paid contributions being expensed, and FY19 pension expense in the Statement of Activities. (21,929,560)

The County's OPEB expense requiring immediate recognition, but not reported as expenditures in the governmental funds. This is the net difference between FY20 employer paid contributions, recorded as deferred outflows in the current year and FY19 OPEB expense in the Statement of Activities. 4,139,968

Bond and loan proceeds are reported as other financing sources in governmental funds and contribute to the increase in fund balance. Bond, loan, and capital lease principal payments are reported as an expenditure in governmental funds and reduce fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities while debt repayment reduces long-term liabilities and affects the Statement of Activities.

Bond principal retirement and loan payments	6,459,101		
Capital lease principal payments		<u>3,200,190</u>	
Net Long-term Debt Repayment			9,659,291

Some items reported in the Statement of Activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities are:

Amortization of premium from bond issuance	175,978		
Amortization of deferred refunding costs		(115,408)	
Increase in compensated absences		(1,186,127)	
Decrease in claims and judgments		335,587	
Decrease in landfill closure and post-closure care		14,583,301	
Decrease in accrued interest payable		<u>109,921</u>	
Net Increase in Expenditures			<u>13,903,252</u>

Change in Net Position - Governmental Activities \$ 37,396,645

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

COUNTY OF KAUAI, HAWAII
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Taxes:						
Real property taxes	\$ 143,874,972	\$ 143,874,972	\$ 147,919,355	\$ --	\$ 147,919,355	\$ 4,044,383
Public services company taxes	3,500,000	3,500,000	3,754,911	--	3,754,911	254,911
Total Taxes	147,374,972	147,374,972	151,674,266	--	151,674,266	4,299,294
Licenses and Permits:						
Street use	224,600	224,600	191,623	--	191,623	(32,977)
Business licenses and fees	8,240	8,240	13,795	--	13,795	5,555
Non-business licenses and fees	2,113,000	2,113,000	1,958,984	--	1,958,984	(154,016)
Total Licenses and Permits	2,345,840	2,345,840	2,164,402	--	2,164,402	(181,438)
Rents and Concessions	200,000	200,000	120,347	--	120,347	(79,653)
Interest	115,500	115,500	2,975,266	--	2,975,266	2,859,766
Intergovernmental Revenues:						
State grants-in-aid share of transient accommodation tax	14,935,000	14,935,000	12,445,833	--	12,445,833	(2,489,167)
Other state grants-in-aid	25,000	25,000	33,772	--	33,772	8,772
Total Intergovernmental Revenues	14,960,000	14,960,000	12,479,605	--	12,479,605	(2,480,395)
Charges for Current Services	2,047,250	2,047,250	2,042,947	--	2,042,947	(4,303)
Miscellaneous	443,000	443,000	434,186	--	434,186	(8,814)
Total Revenues	\$ 167,486,562	\$ 167,486,562	\$ 171,891,019	\$ --	\$ 171,891,019	\$ 4,404,457

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

COUNTY OF KAUAI, HAWAII
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Expenditures:						
General Government:						
Council Services and County Clerk	\$ 3,828,926	\$ 3,828,926	\$ 2,952,552	\$ 67,231	\$ 3,019,783	\$ 809,143
Elections	775,029	775,029	522,126	30,788	552,914	222,115
Office of the County Auditor	261,040	261,040	260,246	--	260,246	794
Office of the Mayor:						
Administration	1,846,026	1,846,026	1,706,557	38,629	1,745,186	100,840
Youth Work Program	26,133	26,133	4,234	--	4,234	21,899
Boards and commissions	852,217	852,217	635,105	62,834	697,939	154,278
Office of the County Attorney	3,294,998	3,294,998	2,366,348	473,159	2,839,507	455,491
Office of the Prosecuting Attorney	4,798,094	4,798,094	4,592,063	8,228	4,600,291	197,803
Department of Finance:						
Administration	779,183	772,571	766,564	--	766,564	6,007
Accounting	1,378,282	1,358,595	999,980	1,461	1,001,441	357,154
Treasury	337,024	259,861	193,528	--	193,528	66,333
Motor vehicle	761,159	1,013,644	802,081	189,820	991,901	21,743
Drivers license	529,325	528,511	368,548	5,618	374,166	154,345
Real property assessment	2,278,273	2,421,123	1,931,790	399,364	2,331,154	89,969
Real property collections	410,058	419,934	344,491	40,944	385,435	34,499
Purchasing and Budgeting	1,019,515	1,001,156	905,132	2,147	907,279	93,877
Information technology	2,963,792	2,860,616	2,818,249	33,607	2,851,856	8,760
County-wide Costs:						
Insurance:						
Liability insurance	703,960	791,460	785,090	--	785,090	6,370
Fire insurance	528,378	665,478	665,442	--	665,442	36
Self insurance (Note D)	663,398	663,398	--	--	--	663,398
Excess workers compensation	358,661	299,661	299,527	--	299,527	134
Other County-wide Costs:						
Central services cost	(2,680,000)	(2,680,000)	(2,680,000)	--	(2,680,000)	--
Collective bargaining raises	60,000	60,000	--	--	--	60,000
Special projects	1,370,708	3,306,483	2,280,702	912,479	3,193,181	113,302
Claims	888,348	548,348	27,659	153,347	181,006	367,342
Training	6,000	293	293	--	293	--
Telephone services	136,800	112,800	109,003	--	109,003	3,797
Computers and accessories	391,762	517,441	276,636	240,797	517,433	8
Repair and maintenance, financial system	400,974	364,203	329,520	34,662	364,182	21
Human Resources	2,922,719	2,922,720	2,062,187	118,494	2,180,681	742,039
Planning	3,342,267	3,342,266	2,836,238	242,854	3,079,092	263,174
Office of Economic Development	2,928,084	2,928,085	2,330,443	379,127	2,709,570	218,515
Total General Government	\$ 38,161,133	\$ 40,161,110	\$ 31,492,334	\$ 3,435,590	\$ 34,927,924	\$ 5,233,186

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

COUNTY OF KAUAI, HAWAII
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Public Safety:						
Police Department	\$ 39,696,272	\$ 39,696,271	\$ 35,975,152	\$ 3,044,927	\$ 39,020,079	\$ 676,192
Fire Department	34,469,281	34,469,281	33,099,348	804,765	33,904,113	565,168
Emergency Management	2,171,455	2,171,456	1,882,270	114,937	1,997,207	174,249
Total Public Safety	76,337,008	76,337,008	70,956,770	3,964,629	74,921,399	1,415,609
Public Works:						
Administrative	1,049,056	993,682	818,640	--	818,640	175,042
Fiscal and clerical	377,036	374,706	340,866	--	340,866	33,840
Plans, survey and construction	1,869,506	1,869,506	1,838,410	16,681	1,855,091	14,415
Auto maintenance and fuel	751,723	683,093	511,305	166,847	678,152	4,941
Roads maintenance	673,486	818,091	734,568	83,517	818,085	6
Building division:						
Inspection	3,400,863	3,382,592	3,172,788	--	3,172,788	209,804
Total Public Works	8,121,670	8,121,670	7,416,577	267,045	7,683,622	438,048
Culture and Recreation:						
Administrative and fiscal	5,368,032	5,426,851	3,913,291	1,274,626	5,187,917	238,934
Planning and development	395,390	369,603	348,263	5,643	353,906	15,697
Facilities maintenance	4,922,898	4,899,549	4,546,590	111,773	4,658,363	241,186
Recreation	2,996,808	2,990,692	2,200,789	213,505	2,414,294	576,398
Maintenance	6,143,417	6,178,044	5,140,183	586,545	5,726,728	451,316
Beautification	1,188,724	1,172,764	1,025,169	--	1,025,169	147,595
Auditorium	382,734	356,874	346,679	575	347,254	9,620
Stadiums	1,065,836	1,069,463	947,796	48,138	995,934	73,529
Total Culture and Recreation	\$ 22,463,839	\$ 22,463,840	\$ 18,468,760	\$ 2,240,805	\$ 20,709,565	\$ 1,754,275

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

COUNTY OF KAUAI, HAWAII
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Public Welfare:						
Housing	\$ 1,699,880	\$ 1,699,880	\$ 1,363,556	\$ 155,896	\$ 1,519,452	\$ 180,428
Elderly Affairs	1,427,665	1,427,666	1,318,848	2,790	1,321,638	106,028
Transportation	357,212	357,212	319,781	—	319,781	37,431
Total Public Welfare	3,484,757	3,484,758	3,002,185	158,686	3,160,871	323,887
Total General Fund Expenditures	148,568,407	150,568,386	131,336,626	10,066,755	141,403,381	9,165,005
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,918,155	16,918,176	40,554,393	(10,066,755)	30,487,638	13,569,462
Other Financing Sources (Uses):						
Transfers In	996,839	1,250,892	1,250,892	—	1,250,892	—
Transfers Out	(34,964,686)	(35,714,686)	(35,714,686)	—	(35,714,686)	—
Total Other Financing Sources (Uses)	(33,967,847)	(34,463,794)	(34,463,794)	—	(34,463,794)	—
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Source (Note C)	\$ (15,049,692)	\$ (17,545,618)	6,090,599	(10,066,755)	(3,976,156)	13,569,462
Fund Balance - Beginning of Year July 1, 2019			75,094,720			
Fund Balance - End of Year June 30, 2020			\$ 81,185,319			

- Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances, as applicable.
- Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
- Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.
- Note D: General Fund includes the General Fund (001) and the Self Insurance Fund (002).

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

COUNTY OF KAUAI, HAWAII
HOUSING AND COMMUNITY DEVELOPMENT REVOLVING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest	\$ 150,400	\$ 150,400	\$ 137,236	\$ --	\$ 137,236	\$ (13,164)
Intergovernmental	90,000	90,000	54,324	--	54,324	(35,676)
Miscellaneous	813	813	148	--	148	(665)
Total Revenues	<u>241,213</u>	<u>241,213</u>	<u>191,708</u>	<u>--</u>	<u>191,708</u>	<u>(49,505)</u>
Expenditures - Public Welfare:						
Travel expenses	6,081	6,081	--	--	--	6,081
Other expenses	1,008	1,008	--	--	--	1,008
Central services cost	25,000	25,000	25,000	--	25,000	--
Loans	100,000	85,000	--	--	--	85,000
Special projects	715,352	730,352	536,385	187,194	723,579	6,773
Total Expenditures - Public Welfare	<u>847,441</u>	<u>847,441</u>	<u>561,385</u>	<u>187,194</u>	<u>748,579</u>	<u>98,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(606,228)</u>	\$ <u>(606,228)</u>	(369,677)	\$ <u>(187,194)</u>	\$ <u>(556,871)</u>	\$ <u>49,357</u>
Fund Balance - Beginning of Year July 1, 2019			<u>3,442,759</u>			
Fund Balance - End of Year June 30, 2020			\$ <u>3,073,082</u>			

- Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances, as applicable.
Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

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

COUNTY OF KAUAI, HAWAII
SOLID WASTE DISPOSAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Rents and concessions	\$ 2,496	\$ 2,496	\$ 2,399	\$ --	\$ 2,399	\$ (97)
Interest	5,500	5,500	468,498	--	468,498	462,998
Miscellaneous	--	--	450	--	450	450
Charges for current services:						
Tipping fees	5,232,500	5,232,500	4,953,691	--	4,953,691	(278,809)
Disposal fees	3,871,000	3,871,000	3,844,537	--	3,844,537	(26,463)
Total Revenues	<u>9,111,496</u>	<u>9,111,496</u>	<u>9,269,575</u>	<u>--</u>	<u>9,269,575</u>	<u>158,079</u>
Expenditures - Sanitation:						
Salaries, solid waste disposal	1,870,498	1,883,794	1,881,236	--	1,881,236	2,558
Other expenses, solid waste disposal	103,943	103,943	91,460	--	91,460	12,483
Special projects, solid waste disposal	6,588,257	5,634,576	3,758,536	1,324,642	5,083,178	551,398
Salaries, solid waste collections	2,464,528	2,361,676	2,355,906	--	2,355,906	5,770
Other expenses, solid waste collections	670,143	671,143	372,688	101,291	473,979	197,164
Salaries, Kauai recycling center	69,594	85,864	80,569	--	80,569	5,295
Other expenses, Kauai recycling center	55,951	55,451	33,064	12,060	45,124	10,327
Recycling programs	6,099,870	5,905,770	4,104,278	1,548,012	5,652,290	253,480
Salaries, roads maintenance	123,706	143,906	140,714	--	140,714	3,192
Salaries, auto maintenance	164,100	189,605	189,532	--	189,532	73
Auto maintenance and repair	427,516	412,010	343,073	10,160	353,233	58,777
Central services cost	1,060,495	1,786,095	1,624,585	20,925	1,645,510	140,585
Equipment including capital leases	3,796,684	4,543,685	1,550,591	2,640,596	4,191,187	352,498
Fuel	206,000	269,000	249,486	--	249,486	19,514
Social security taxes	335,088	336,313	302,965	--	302,965	33,348
Public employees' health fund	452,424	453,754	424,952	--	424,952	28,802
Worker's compensation	6	261,010	260,310	--	260,310	700
Unemployment compensation	3	16,117	16,111	--	16,111	6
Employees' retirement system	963,652	1,169,910	1,169,624	--	1,169,624	286
Employees' other post employment benefits	892,220	853,056	848,079	--	848,079	4,977
Total Expenditures - Sanitation	<u>26,344,678</u>	<u>27,136,678</u>	<u>19,797,759</u>	<u>5,657,686</u>	<u>25,455,445</u>	<u>1,681,233</u>
Deficiency of Revenues Under Expenditures	(17,233,182)	(18,025,182)	(10,528,184)	(5,657,686)	(16,185,870)	1,839,312
Other Financing Sources (Uses):						
Transfers in	12,634,954	12,634,954	12,634,954	--	12,634,954	--
Transfers out	(955,084)	(955,084)	(955,084)	--	(955,084)	--
Total Other Financing Sources (Uses)	<u>11,679,870</u>	<u>11,679,870</u>	<u>11,679,870</u>	<u>--</u>	<u>11,679,870</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Note C)	<u>\$ (5,553,312)</u>	<u>\$ (6,345,312)</u>	1,151,686	<u>\$ (5,657,686)</u>	<u>\$ (4,506,000)</u>	<u>\$ 1,839,312</u>
Fund Balance - Beginning of Year July 1, 2019			19,360,671			
Fund Balance - End of Year June 30, 2020			<u>\$ 20,512,357</u>			

- Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances, as applicable.
Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

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

PROPRIETARY FUND FINANCIAL STATEMENTS

MAJOR FUNDS

Public Housing Fund

Accounts for the acquisition, development, sale, and rental of low-income housing. Financing is provided by low-income housing sales and operating contributions.

Sewer Fund

Accounts for the costs of operating the County's sewer system. Financing is provided by charges to users for services.

Golf Fund

Accounts for the costs of operating the County's golf course. Financing is provided primarily by golf fees, rents, and concessions.

COUNTY OF KAUAI, HAWAII
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 9,051,354	\$ --	\$ 278,856	\$ 9,330,210
Restricted cash and cash equivalents	370,195	--	--	370,195
Investments	2,805,874	--	--	2,805,874
Receivables, net:				
Accounts	142,659	1,785,046	2,279	1,929,984
Interest	23,155	--	--	23,155
Due from other proprietary funds	48,960	--	--	48,960
Prepaid expenses	--	936	--	936
Total Current Assets	<u>12,442,197</u>	<u>1,785,982</u>	<u>281,135</u>	<u>14,509,314</u>
Noncurrent Assets:				
Loans receivable	1,000,000	--	--	1,000,000
Capital assets:				
Land	21,281,945	1,226,600	--	22,508,545
Construction in progress	2,338,807	7,472,689	--	9,811,496
Buildings	31,338,515	71,291,869	2,776,243	105,406,627
Equipment	7,292	15,721,279	1,413,223	17,141,794
Infrastructure	--	12,599,329	2,739,725	15,339,054
Less: accumulated depreciation	<u>(16,114,528)</u>	<u>(50,574,756)</u>	<u>(3,634,184)</u>	<u>(70,323,468)</u>
Total Noncurrent Assets	<u>39,852,031</u>	<u>57,737,010</u>	<u>3,295,007</u>	<u>100,884,048</u>
Total Assets	<u>52,294,228</u>	<u>59,522,992</u>	<u>3,576,142</u>	<u>115,393,362</u>
Deferred Outflows of Resources:				
Deferred outflows of resources on net pension liability	--	1,522,710	621,174	2,143,884
Deferred outflows of resources on net other postemployment benefits	--	771,398	311,217	1,082,615
Total Deferred Outflows of Resources	<u>--</u>	<u>2,294,108</u>	<u>932,391</u>	<u>3,226,499</u>
Total Assets and Deferred Outflows of Resources	<u>52,294,228</u>	<u>61,817,100</u>	<u>4,508,533</u>	<u>118,619,861</u>
Current Liabilities:				
Accounts payable and accrued liabilities	243,463	1,063,509	176,352	1,483,324
Contracts payable	107,755	33,858	--	141,613
Interest payable	--	63,222	1,992	65,214
Internal balances	2,488	123,975	58,479	184,942
Due to other proprietary funds	--	48,960	--	48,960
Due to other government	--	2,959,825	--	2,959,825
Security deposits payable	147,245	--	--	147,245
Unearned revenue	9,945	50,408	--	60,353
Compensated absences, current portion	--	147,237	45,131	192,368
Claims and judgements, current portion	--	124,401	35,509	159,910
Notes payable, current portion	--	1,786,880	45,907	1,832,787
Total Current Liabilities	<u>510,896</u>	<u>6,402,275</u>	<u>363,370</u>	<u>7,276,541</u>
Noncurrent Liabilities:				
Notes payable	--	15,183,021	21,235	15,204,256
Compensated absences	--	441,710	135,393	577,103
Claims and judgements	--	271,601	77,525	349,126
Net pension liability	--	6,803,209	2,953,383	9,756,592
Net other postemployment benefits liability	--	4,247,377	1,772,759	6,020,136
Total Noncurrent Liabilities	<u>--</u>	<u>26,946,918</u>	<u>4,960,295</u>	<u>31,907,213</u>
Total Liabilities	<u>510,896</u>	<u>33,349,193</u>	<u>5,323,665</u>	<u>39,183,754</u>
Deferred Inflows of Resources:				
Deferred inflows of resources on net pension liability	--	3,626,895	1,555,149	5,182,044
Deferred inflows of resource on net other postemployment benefits liability	--	17,386	6,945	24,331
Total Deferred Inflows of Resources	<u>--</u>	<u>3,644,281</u>	<u>1,562,094</u>	<u>5,206,375</u>
Total Liabilities and Deferred Inflows of Resources	<u>510,896</u>	<u>36,993,474</u>	<u>6,885,759</u>	<u>44,390,129</u>
Net Position:				
Net investment in capital assets	38,852,031	40,767,109	3,227,865	82,847,005
Restricted assets:				
Nonexpendable - cash	370,195	--	--	370,195
Housing program	1,000,000	--	--	1,000,000
Unrestricted	<u>11,561,106</u>	<u>(15,943,483)</u>	<u>(5,605,091)</u>	<u>(9,987,468)</u>
Total Net Position	<u>\$ 51,783,332</u>	<u>\$ 24,823,626</u>	<u>\$ (2,377,226)</u>	<u>\$ 74,229,732</u>

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

COUNTY OF KAUAI, HAWAII
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Total
Operating Revenues:				
Pa'anau rents	\$ 742,149	\$ --	\$ --	\$ 742,149
Rents and concessions	1,339,995	--	197,610	1,537,605
Charges for current services	--	8,656,233	822,882	9,479,115
Other	17,311	--	385	17,696
Total Operating Revenues	<u>2,099,455</u>	<u>8,656,233</u>	<u>1,020,877</u>	<u>11,776,565</u>
Operating Expenses:				
Public housing	1,596,007	--	--	1,596,007
Sewer	--	10,163,895	--	10,163,895
Golf	--	--	2,865,537	2,865,537
Depreciation	783,489	3,531,921	217,296	4,532,706
Total Operating Expenses	<u>2,379,496</u>	<u>13,695,816</u>	<u>3,082,833</u>	<u>19,158,145</u>
Operating Income (Loss)	<u>(280,041)</u>	<u>(5,039,583)</u>	<u>(2,061,956)</u>	<u>(7,381,580)</u>
Nonoperating Revenues (Expenses):				
Interest and investment earnings (losses)	(55,778)	--	--	(55,778)
Interest expense on long-term debt	--	(149,706)	(2,559)	(152,265)
Total Nonoperating Revenues (Expenses)	<u>(55,778)</u>	<u>(149,706)</u>	<u>(2,559)</u>	<u>(208,043)</u>
Income (Loss) Before Transfers and Contributions	(335,819)	(5,189,289)	(2,064,515)	(7,589,623)
Capital contributions	5,962,934	1,349,053	--	7,311,987
Transfers In	2,630,284	1,912,094	1,287,934	5,830,312
Transfers Out	--	(701,857)	--	(701,857)
Change in Net Position	8,257,399	(2,629,999)	(776,581)	4,850,819
Net Position - Beginning of Year July 1, 2019, as previously stated	43,525,933	27,229,972	(1,693,831)	69,062,074
Prior period adjustment (Note 20)	--	223,653	93,186	316,839
Net Position - Beginning of Year July 1, 2019, as restated	<u>43,525,933</u>	<u>27,453,625</u>	<u>(1,600,645)</u>	<u>69,378,913</u>
Net Position - Ending of Year June 30, 2020	<u>\$ 51,783,332</u>	<u>\$ 24,823,626</u>	<u>\$ (2,377,226)</u>	<u>\$ 74,229,732</u>

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

COUNTY OF KAUAI, HAWAII
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ 2,069,611	\$ 9,683,210	\$ 1,018,633	\$ 12,771,454
Payments to employees	(68,552)	(2,826,123)	(1,157,924)	(4,052,599)
Payments to suppliers	(2,684,591)	(5,023,654)	(1,146,643)	(8,854,888)
Net Cash Provided by (Used in) Operating Activities	(683,532)	1,833,433	(1,285,934)	(136,033)
Cash Flows from Non-capital Financing Activities:				
Transfers from other funds	2,630,284	1,912,094	1,287,934	5,830,312
Transfers to other funds	--	(701,857)	--	(701,857)
Changes in amounts due to other funds	1,098,530	(972,067)	4,250	130,713
Net Cash Provided by (Used in) Non-capital Financing Activities	3,728,814	238,170	1,292,184	5,259,168
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(6,501,143)	(4,412,257)	(11,746)	(10,925,146)
Proceeds from loans	--	224,185	--	224,185
Capital contributions	5,962,934	1,321,753	--	7,284,687
Due to other government	--	2,679,211	--	2,679,211
Development fees	--	27,300	--	27,300
Principal payments - bonds and loans	--	(1,696,976)	--	(1,696,976)
Principal payments - capital leases	--	(66,861)	(44,873)	(111,734)
Interest payments - bonds and loans	--	(147,958)	(5,118)	(153,076)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(538,209)	(2,071,603)	(61,737)	(2,671,549)
Cash Flows from Investing Activities:				
Interest received from investments	(65,689)	--	--	(65,689)
Changes in investments, net	164,999	--	--	164,999
Net Cash Provided by (Used in) Investing Activities	99,310	--	--	99,310
Net Increase (Decrease) in Cash and Cash Equivalents	2,606,383	--	(55,487)	2,550,896
Cash and Cash Equivalents, Beginning of Year July 1, 2019	6,815,166	--	334,343	7,149,509
Cash and Cash Equivalents, End of Year June 30, 2020 (including \$370,195 for Public Housing reported in restricted accounts)	\$ 9,421,549	\$ --	\$ 278,856	\$ 9,700,405
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (280,041)	\$ (5,039,583)	\$ (2,061,956)	\$ (7,381,580)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	783,489	3,531,921	217,296	4,532,706
Change in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	(31,299)	1,033,144	(2,244)	999,601
Deferred outflows of resources on net pension liability	--	12,458	11,051	23,509
Deferred outflows of resources on net other postemployment benefits	--	(171,914)	(70,227)	(242,141)
Prepaid items	--	--	1,889	1,889
Accounts payable and accrued liabilities	(1,274,836)	994,026	(20,159)	(300,969)
Security deposits payable	1,455	--	--	1,455
Contracts payable	107,755	(5,522)	--	102,233
Unearned revenue	9,945	(6,167)	--	3,778
Net pension liability	--	(140,162)	155,465	15,303
Net other postemployment pension liability	--	101,782	40,396	142,178
Deferred inflows of resources on net pension liability	--	1,501,612	469,778	1,971,390
Deferred inflows of resources on net other postemployment benefits liability	--	(56,168)	(23,701)	(79,869)
Compensated absences	--	78,006	(3,522)	74,484
Net Cash Provided by (Used in) Operating Activities	\$ (683,532)	\$ 1,833,433	\$ (1,285,934)	\$ (136,033)
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES				
Equipment acquired through capital leases	\$ --	\$ 295,270	\$ --	\$ 295,270

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

FIDUCIARY FUNDS FINANCIAL STATEMENT

COUNTY OF KAUAI, HAWAII
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>5,491,034</u>
Total Assets	<u>5,491,034</u>
Liabilities:	
Customer deposits	3,878,757
Due to other governments	<u>1,612,277</u>
Total Liabilities	<u>5,491,034</u>
Net Position	\$ <u><u> --</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The County of Kauai (County) is a municipal corporation governed by an elected Mayor and a seven-member County Council. The County operates under a County Charter, which was originally adopted in 1969 and last amended in 2020.

The accompanying financial statements present the operations of the County, the primary government, as well as its discretely presented component unit, the Department of Water (Department). The County's operations are organized into the following general functions: general government, public safety, public works, highways and streets, sanitation, culture and recreation, public welfare, housing, sewer, and other enterprises. For financial reporting purposes, the County includes all funds, agencies, boards, commissions, and authorities that are fiscally dependent upon the County and for which the County is financially accountable.

State of Hawaii (State) agencies assume responsibility for several major functions often performed by local governments; including education, welfare, health, and judiciary functions. State agencies are not fiscally dependent on the County and, therefore, are not included in these financial statements. There are no separate city, county or township governments, nor any school districts, special districts, authorities, nor public corporations with overlapping authority presented in the accompanying financial statements.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its Codification of existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (*Statement and Interpretations*), constitutes GAAP for governmental units. The County's more significant accounting policies are described below.

The County follows GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - An Amendment of GASB Statements No. 21 and No. 34*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement*

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Date - An Amendment of GASB Statement No. 68, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and GASB Statement No. 77, Tax Abatement Disclosures. The statements contained herein reflect the changes in reporting and presentation.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the County's discretely presented component unit, the Department, which is a semi-autonomous proprietary agency of the County. It is reported in a separate column to emphasize that it is legally separate from the County.

A majority of the members of the Department's governing body are appointed by the Mayor and confirmed by the County Council. The Department is granted corporate powers by the County Charter. The County Council does not have the authority to modify or approve the Department's budgets. Revenue bonds and loans payable of the Department are general obligations of the County. As the County would be obligated to repay these bonds in the event of default by the Department, the County is financially accountable for the debts of the Department. The Department is audited separately. Complete financial statements of the Department may be obtained from:

Department of Water
County of Kaua'i
4398 Pua Loke Street
Līhu'e, Kaua'i, Hawaii 96766

Government-wide Statements

The basic financial statements include both government-wide and fund financial statements. The reporting model under GASB Statement No. 34 focuses on the County as a whole in the government-wide financial statements and major individual funds in the fund financial statements. Both types of statements categorize primary activities as governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the County and the Department. For the most part, the effect of interfund activity has been removed from these statements. Internal activities are treated as reimbursements (reductions and increases in expenses) from various functional categories and accordingly adjusted in the *Statement of*

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Activities. Charges to governmental functions for centralized services are made to recover administrative costs incurred by the general government function as outlined in the operating budget ordinance and are also treated as reimbursements. Certain capital asset payments from governmental activities are treated as capital contributions in the business-type activities and, therefore, are capitalized. Interfund contributions are eliminated among governmental activities, but are recorded as transfers in the fund financial statements if between governmental and business-type activities. Interfund payables and reported receivables have been eliminated among governmental activities, but are recorded as internal balances between governmental and business-type activities. In the *Statement of Net Position*, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The *Statement of Activities* reflects the direct expenses of each functional category or identifiable activity, which are supported by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included in program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The County reports the following major governmental funds:

General Fund - Accounts for all financial resources traditionally associated with the government which are not required legally, or by sound financial management, to be accounted for in another fund.

Housing and Community Development Revolving Fund - Monies collected from the Home Disaster grant loans, Housing Preservation grant loans, and Special Purpose grant loans fund the Housing and Community Development Revolving Fund. This fund

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

supports administrative costs for the Development staff and also supports the “Homebuyer Loan Program” for eligible homebuyers and future project development costs.

Solid Waste Disposal Fund - Accounts for the costs of operating the County’s solid waste disposal system. Financing is provided by charges to commercial users for solid waste disposal services and General Fund contributions for other users.

Federal Grants Fund - Accounts for federal grant revenues and related expenditures.

State Grants Fund - Accounts for expenditures of state and county grants.

Grants Capital Improvement Fund - Accounts for revenues and capital improvements financed by federal and state grants.

General Capital Improvement Fund - Accounts for the costs of capital projects financed by the General Fund.

Bond Fund - Accounts for proceeds from and the costs of constructing County capital improvements financed by general obligation bond proceeds.

The County reports the following major proprietary funds:

Public Housing Fund - Accounts for the acquisition, development, sale, and rental of low-income housing. Financing is provided by low-income housing sales and operating contributions.

Sewer Fund - Accounts for the costs of operating the County’s sewer system. Financing is provided by charges to users for services.

Golf Fund - Accounts for the costs of operating the County’s golf course. Financing is provided primarily by golf fees, rents, and concessions.

The County’s fiduciary funds are limited to agency funds. Agency funds are custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting.

Fiduciary funds include the following agency funds:

Trust and Agency Fund - This fund is used to account for other monies collected in an agency capacity and include motor vehicle registration fees collected on behalf of the State of Hawai‘i.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Treasury Trust Fund - This fund is used to account for performance and payment bond monies, monies collected from public auctions, monies collected for application fees for public notices, and other monies collected and held for specific purposes as agent or custodian.

Real Property Trust Fund - This fund is used for refunds and/or adjustments to real property taxes.

The County has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes the criteria for classifying governmental fund balances, to the extent to which a government entity is bound to honor constraints on the specific purposes for which amount in that fund can be spent. The fund balances reported on the governmental fund financial statements consist of the following categories:

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

Restricted Fund Balance - This includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Sources of these externally enforceable legal restrictions include creditors, grantors, contributors, federal regulations, the State Constitution, State Statutes, and/or County Charter.

Committed Fund Balance - This includes amounts that are subject to constraint created by the County's highest level of formal action and can only be changed by the County's highest level of formal action. The County Council and Mayor of the County of Kauai are the highest decision-making authorities. The formal action to constrain resources is ordinances passed by the County Council and signed by the Mayor.

Assigned Fund Balance - This includes amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. The Director of Finance is authorized to assign amounts for specific purposes and permit disbursements to be made pursuant to policies established by the County Council.

Unassigned Fund Balance - This is the residual classification that includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the County's policy is to apply restricted fund balances first.

When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the County's policy is to apply committed fund balance first, then assigned fund balance and finally unassigned fund balance.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means the amounts are determinable. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and landfill post-closure costs are recognized only when payment is due.

Significant revenues that are susceptible to accrual are as follows:

- *Property taxes collected within sixty days after year end*
- *Rents and concessions*
- *Federal and State financial assistance (to the extent that related expenditures that are eligible for reimbursements have been incurred)*
- *Interest*
- *Revenues collected by the State on behalf of the County, such as fuel taxes, general excise tax surcharges, and transient accommodation taxes*

All other revenue items are considered to be measurable and available only when cash is received.

Intergovernmental revenues are susceptible to accrual based on the compliance, legal, and contractual requirements of the individual programs. There are essentially two types of these revenues. For one type of revenues, monies must be expended for a specific purpose or project and revenues are recognized to the extent of such expenditures. Revenues of this type are deferred for monies received in advance of expenditures and accrued for expenditures in advance of monies received. For the other type of revenues, monies are virtually unrestricted as to the purpose of the expenditure. These resources are recognized as revenues when received, or earlier if susceptible to the accrual criteria.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County and the Department has implemented GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and its subsequent amendment, GASB Statement No. 66, *Technical Corrections - 2012 – an amendment of GASB Statements No. 10 and No. 62*. GASB No. 62 incorporates Financial Standards Board pronouncements, not conflicting with GASB pronouncements, and issued on or before November 30, 1989, into the GASB authoritative literature. GASB No. 66 resolved any conflicting guidance resulting from the issuance of GASB No. 62. Proprietary funds are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary fund types are accounted for according to the nature of the fund. 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 has only Agency funds, which are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. Agency funds are accounted for using accrual basis accounting.

The Agency funds are used to account for the (1) money collected and held for specific purposes by certain County agencies as escrow agent or custodian and (2) money and property held by the County as trustee or custodian such as refundable deposits.

Cash and Cash Equivalents

The County's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash on deposit with financial institutions is collateralized in accordance with State statutes.

Investments

The County generally invests in certificates of deposit, repurchase agreements, money market funds, and government agency securities with federally insured financial institutions. Investments are reported at fair value. The County's investments are consistent with the investment guidelines contained in the Hawaii Revised Statutes (HRS).

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

HRS authorizes the County to invest, with certain restrictions, in obligations of the State of Hawaii, the United States or agencies of the United States, time certificates of deposit and repurchase agreements with federally insured banks and savings and loan associations authorized to do business in the State of Hawaii.

Real Property Taxes

Real property taxes are assessed and billed annually. The County's real property taxes, which are levied on July 1 and billed on July 20 of each year, are based on assessed valuations as of the previous January 1. Real property taxes are due in two equal installments on August 20 and February 20. Accordingly, all real property taxes receivable as of June 30 are delinquent and are reported as deferred revenue for amounts not collected within 60 days after the fiscal year end in the fund financial statements. A lien for real property taxes attaches as of July 1 of each year.

Real Property Tax Abatement Programs

The County provides four real property tax abatement programs –

Commercial Alternative Energy Improvement Exemption – Section 5A-11.30 of the Kauai County Code (K.C.C.) provides abatement for properties that produce electricity from renewable sources and sell at least 25% of the onsite electricity produced to the public utility. The exemption application must show the land area where energy production occurs as well as details about the improvements installed to produce the energy. Sources of energy may include, but are not limited to, solid wastes, hydroelectric, solar, fuel cells, biomass, or tides or currents. Under this exemption, all improvements that are directly related to the production of energy are 100% exempt and the land underlying the commercial alternative energy facility is assessed as though zoned industrial with a 50% exemption applied to the land. Although no annual application is required by the taxpayer after the initial petition has been submitted, after one year of being fully operational the applicant may elect to re-petition to have both the land and the improvements fully exempt, and rather pay the in-lieu of tax which is based on 1% of the gross revenue generated from the energy facility. (Ordinances 916, 920, and 932).

Historic Residential Dedication Exemption - Section 5A-11.22 of the K.C.C. provides abatements to encourage the preservation of residential structures that have been places on the Hawaii Register of Historic Places and which are more than fifty years old. The property owner must provide visual access on a year-round basis or open the property to the public for twelve days per year. The improvements must meet or exceed average condition and must be maintained structurally sound and weather tight throughout the ten-year dedication period. The owner must attest to the soundness and integrity of the historical improvements by submitting a certification of the structural soundness and weathertightness every 5 years. Historic residential properties that are used as the owner's primary residence receive an abatement of 100% of the assessed value for the qualified area and structures, but not less than the minimum tax of \$150.00 (or \$75.00 if receiving the additional low-income exemption).

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-owner-occupied historic residential properties receive an exemption of 75% for the qualifying area and structures. Dedications must be recorded at the Bureau of Conveyances and renewed every ten years. (Ordinances 434, 467, 564, 637, and 920).

Low and Moderate-Income Housing Exemption - Section 5A-11.20 of the K.C.C. provides abatement to property owners that participate in long-term housing projects that have regulatory agreements mandating rent levels. Applicants must submit an application form along with a copy of the recorded regulatory agreement. Abatement is equal to 100% of the assessed value for the portion of the real property that is dedicated as low- and moderate-income rentals. If the entire property is dedicated, then the net taxable is zero but the property is still subject to the minimum tax of \$150.00. The application is a one-time filing and runs concurrent with the termination of the regulatory agreement. If the rental units do not comply with the regulatory conditions, the property would be subject to roll back taxes, including penalty and interest. (Ordinances 394 and 954, Section 53-38 H.R.S.).

Agricultural Use Dedication - Section 5A-9.1 of the K.C.C. provides reduced assessments to encourage local agricultural production as well as the preservation of agricultural lands that could otherwise be further developed, by valuing the dedicated lands at the agricultural use value as opposed to the market value. An application form must be filed along with a plot plan, a management plan, and a marketing plan that provide details as to what agricultural activities will be conducted on the property. Upon review and approval, the owner is required to record the dedication at the Bureau of Conveyances. There are two available dedication lengths, 10 years or 20 years, and the dedications do not automatically renew. Valuation consideration is given to both the type of agricultural activity, diversified agriculture or pasturing of livestock, as well as the length of the dedication. Those that dedicate for 20 years receive 50% of the agricultural value ascribed to 10 year dedications. Any breach to the terms of the recorded dedication would result in the cancellation of the dedication, or portion thereof, and the immediate rollback on taxes abated plus penalties and interest. (Ordinances 394, 464, 520, 547, 679, 741, 822, 915, 920, and 932).

The gross amount by which the County's tax revenues were reduced during the year as a result of the tax abatement programs were as follows:

	<u>Amount</u>
Agricultural Use	\$ 8,181,370
Historic Residential Dedication	194,706
Low and Moderate Income Housing	533,007
Other	<u>109,878</u>
Total	\$ <u>9,018,961</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Loans receivable consist of housing rehabilitation loans made with federal funds by the Housing and Community Development Revolving Fund (HCDRF), Federal Grants Fund, and special revenue funds. The loans are partially offset by an unearned revenue account. Revenue is recognized and included in intergovernmental revenues when the loans made with federal funds are collected. Receivables for federal and state financial assistance are recognized as revenue, in all fund types, as related expenditures are made.

Receivables of the Department are recognized when revenue is earned, including charges for services rendered but not billed, net of allowance for doubtful accounts approximating \$247,000 of billed receivables.

Inventories

Inventories consist of general supplies and materials and are valued at cost using the first-in first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Materials and Supplies

Materials and supplies are stated at the lower of average cost (which approximates the first-in, first-out method) or market. The cost of materials and supplies is recorded as an expense when consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County utilizes the consumption method to account for prepaid items.

Capital Assets

Capital assets, which include property, plant, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. The Department defines capital assets as assets with an initial, individual cost of more than \$1,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. 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 is included as part of the capitalized value of the asset constructed.

Depreciation on all assets is provided for on the straight-line basis over the following estimated useful lives:

Primary Government

Motor vehicles	3 to 15 years
Furniture and equipment	5 to 20 years
Building and improvements	20 to 50 years
Transmission and distribution equipment	25 to 40 years
Infrastructure	30 to 60 years

Component Unit

Motor vehicles	7 to 10 years
Furniture and equipment	5 to 20 years
Building and improvements	40 to 50 years
Transmission and distribution equipment	18 to 63 years

Restricted Assets

The Department sets aside certain resources to fund future capital improvements of the water supply system.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted funds first, then unrestricted resources as they are needed.

Interfund Transactions

Interfund receivables and payables are reported in each fund. Transfers of financial resources between agencies and activities within the same fund, which are recorded as revenues by the transferee and expenditures by the transferor, have been eliminated. Transactions that represent reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

Transfers include subsidies and authorized transfers from funds receiving revenues to funds that will expend those resources.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund receivables and payables represent borrowing arrangements between governmental fund types that are current interfund loans and expected to be paid off within one year. Advances to and from other funds represent borrowing arrangements between nongovernmental fund types that are noncurrent. All other outstanding current balances between funds are reported as "Due To/From Other Funds."

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents 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 and Department has three items that qualifies for reporting in this category. The County and Department reports the deferred loss on refunding and contributions to the pension and other postemployment benefits (OPEB) plans from the employer subsequent to the measurement date of the net pension liability and OPEB liability, respectively, and before the end of the reporting period are reported as a deferred outflows of resources in its *Statement of Net Position*.

Deferred inflows of resources represents 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. The County has four items that qualifies for reporting in this category. Property taxes and fees collected in the fiscal year, for the ensuing fiscal year are reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available. The County also reports deferred inflows of resources related to the deferred gain on refunding, and deferred inflows of resources related to pensions and OPEB.

Net Position

The County's net position is comprised of the various net earnings (losses) from operating and nonoperating revenues, expenses, transfers, and contributed capital. The County's net position is classified in the following three components: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments at year end is not included in the calculation of the amount of net investment in capital assets. Restricted net position consists of the County's net position thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates. Restricted net position is based on the same criteria used to report restricted governmental fund balances. Unrestricted net position consist of all other net position not included in the above categories.

Compensated Absences

Vacation leave and other compensated absences are accrued as a liability as the benefits are earned if the leave is attributable to past service and it is probable that the employees will be compensated for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation pay is recognized as an expenditure in the governmental fund types when the amounts, if any, are due and payable. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee retirement or termination. Vacation credit payout is recorded in the respective funds where the employees' salary is incurred.

Sick Leave

Permanent full-time County employees accrue sick leave. Sick leave is calculated based upon current compensation levels. Sick pay can be taken only in the event of illness and is not convertible to pay upon termination of employment. Sick pay is recognized when leave is taken because it does not vest when earned. As a result, no liability for sick pay is recognized in the accompanying financial statements. Accumulated sick leave (including the Department) was approximately \$36.8 million at June 30, 2020.

Capital Leases

Leases that substantially transfer all of the risks and benefits of ownership are accounted for as capital leases. Capital leases are included in capital assets and, where appropriate, are amortized over the shorter of their economic useful lives or lease terms. The related capital lease obligations are included in long-term liabilities in the government-wide financial statements.

Long-term Obligations

In the government-wide financial statements, proprietary fund financial statements, and component unit financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund, or component unit's *Statement of Net Position*. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or the remaining life of the refunded debt. Amortization of bond premiums or discounts, and deferred amounts on refunding are included in interest expense. Bond issuance costs are expensed as incurred.

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

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Employees' Retirement System of the State of Hawaii (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.

Postemployment Benefits Other Than Pensions

For purposes of measuring the net postemployment benefits other than pensions (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and additions to/deductions from EUTF's fiduciary net position have been determined on the same basis as they are reported by EUTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Facility Reserve Charges

The Department assesses a fee to commercial and residential developers based upon the number and size of water meters installed at the respective projects. These fees are restricted to fund the capital improvements of the water supply system and recorded as contributions in the Department's statement of revenues, expenses and changes in net position.

Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses/expenditures, and other financing sources and uses during the reported period. Actual results could differ from these estimates.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets are adopted for the following funds:

General	Public Access
Housing and Community Development Revolving	Sewer Trust
General Excise Tax	Development Capital Improvement
Solid Waste Disposal	Bikeway Capital Improvement
Highway	Highway Capital Improvement
Liquor	Public Housing Enterprise
Beautification	Sewer Enterprise
Criminal Asset Forfeiture	Golf Enterprise
Parks and Playground Capital Improvement	
General Excise Tax Capital Improvement	

Budgets are adopted on a basis consistent with GAAP except that expenditures include encumbrances as budgetary expenditures in the year the commitments are made and exclude claims and judgments and landfill closure and postclosure liabilities. Annual appropriations, except enterprise funds, lapse at fiscal year-end. Project ordinances are adopted for capital projects funds.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

- On or before March 15, the Mayor submits a proposed operating and capital projects budget for the year commencing the following July 1 to the County Council. The operating and capital project budgets include proposed expenditures and the means to finance them.
- Public hearings are conducted to obtain citizen comments. The Council may amend the Mayor's budget. On or before June 7 of the fiscal year currently ending, the Council legally enacts the budget through the passage of a budget ordinance.
- Amendments to the enacted budget ordinances may be proposed by the Mayor and enacted by the Council (under the same procedures prescribed for the enactment of the annual budget ordinance), provided that no amendment increases the aggregate of authorized expenditures to an amount greater than the estimate of available financial resources for the fiscal year.
- The Mayor is authorized to transfer appropriations between programs within a department without Council approval; however, any transfer that alters the total expenditures of any department must be approved by the Council.

Formal budgetary integration is employed in the annual operating budgets as a management control device during the year for the General Fund and Special Revenue Funds (except for Section 8, Plans and Permits, Federal, and State Grants). Accordingly, budget figures are included in the respective *Statement/Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual*. The Capital Projects Funds budgets were adopted on a project basis and they are included in this presentation.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Formal budgetary integration is also employed for the Public Housing, Sewer, and Golf Funds. Accordingly, budget figures are included as additional information in the respective *Schedules of Revenues, Expenditures, and Changes in Fund Equity - Budget and Actual* for these funds.

Formal budgetary integration is not employed for the Debt Service Fund, Bond Fund, Agency Funds, certain Special Revenue Funds, and Capital Projects Funds, as noted above. Budgetary control for these funds is achieved through bond indentures, contractual or grant provisions, project oversight, and legislation.

Flexible budgeting is employed by the Department. Expenditures may not exceed appropriations at the departmental level. Individual fund budgetary comparisons (by object code and by year of appropriation) are reported in separate budgetary reports, which can be obtained from the County's Director of Finance.

The final budget figures presented include all amendments during the year. Amendments to the budget ordinance for the fiscal year were made in compliance with the procedures described above. Several budget amendments were made during the year.

NOTE 3 - BUDGET TO GAAP RECONCILIATION

Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund and budgeted Special Revenue Funds. Capital Projects Funds also employ encumbrance accounting to reserve for construction contracts. Actual expenditures on a budgetary basis include current year reserves for encumbrances and exclude payments on prior year encumbrances. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Budgeted deficiencies are funded by the estimated unreserved-undesignated fund balances as of June 30, 2020.

The County's budget is prepared differently from GAAP. Therefore, the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund, Housing and Community Development Revolving Fund, and Solid Waste Disposal Fund* are presented on the budgetary basis, using budgetary expenditure categories.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - BUDGET TO GAAP RECONCILIATION (Continued)

The following is a reconciliation of the differences between the budgetary basis and GAAP basis for the excess of revenues and other sources over expenditures and other uses for the aforementioned financial statements:

	<u>General Fund</u>	<u>Housing and Community Development Revolving Fund</u>	<u>Solid Waste Disposal Fund</u>
GAAP excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 6,090,599	\$ (369,677)	\$ 1,151,686
Encumbrances and unexpended allotments, current year	<u>(10,066,755)</u>	<u>(187,194)</u>	<u>(5,657,686)</u>
Non-GAAP budgetary basis excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>(3,976,156)</u>	\$ <u>(566,871)</u>	\$ <u>(4,506,000)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is used by all funds, including the Department. Each of the fund's and component unit's portion of this pool are displayed in the accompanying financial statements.

Deposits

The deposits of the County consist of cash and cash equivalents, money market accounts, and negotiable and non-negotiable certificates of deposit. At year end, the carrying values (book balances) of these deposits with banks and savings institutions approximated \$61,414,000 and the balances carried by the bank were approximately \$63,677,000. The Department's carrying value of these deposits with banks and savings institutions approximated \$15,273,000 and the balances carried by the bank were approximately \$15,781,000. All of these deposits are covered by federal depository insurance or collateralized by securities held by financial institutions in the County's name.

Investments

As of June 30, 2020, the County and the Department held approximately \$82,200,000 and \$30,968,000, respectively, or 50% and 61% of their investments in Federal Government Sponsored Entities and Government Securities.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, State law limits the County from holding investments with maturities in excess of five years.

As of June 30, 2020, the County and the Department had the following investments:

County

	<u>Reported Value</u>	<u>Maturity (in years)</u>	
		<u>Less than 1</u>	<u>1- 5</u>
U.S. government agencies	\$ 67,988,595	\$ 11,566,979	\$ 56,421,616
U.S. treasury obligations	14,210,541	9,231,340	4,979,201
Certificates of deposit	48,569,438	33,752,879	14,816,559
Repurchase agreements	<u>490,000</u>	<u>--</u>	<u>490,000</u>
	131,258,574	\$ <u>54,551,198</u>	\$ <u>76,707,376</u>
Money market mutual funds	<u>34,668,492</u>		
Total	\$ <u>165,927,066</u>		

Department

	<u>Reported Value</u>	<u>Maturity (in years)</u>	
		<u>Less than 1</u>	<u>1- 5</u>
U.S. government agencies	\$ 19,051,575	\$ 2,728,636	\$ 16,322,939
U.S. treasury obligations	11,916,610	4,931,820	6,984,790
Certificates of deposit	17,306,000	2,245,000	15,061,000
Repurchase agreements	<u>200,000</u>	<u>200,000</u>	<u>--</u>
	48,474,185	\$ <u>10,105,456</u>	\$ <u>38,368,729</u>
Money market mutual funds	<u>2,225,429</u>		
Total	\$ <u>50,699,614</u>		

Credit Risk

State law limits investments to the top rating issued by nationally recognized statistical rating organizations (NRSRO's) or investments that have the faith and credit of the United States pledged for the payment of principal and interest. The County and Department have no investment policy that would further limit its investment choices. As of June 30, 2020, the County and Department's investments had an AA or greater rating.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County and Department's investments are held in its name.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

The County places no limit on the amount which may be invested in any one issuer. As of June 30, 2020, the County and the Department held more than 5% of their investments in the following:

	<u>County</u>	
FHLB - Federal Home Loan Bank	\$ 18,574,030	11.2%
FHLMC - Freddie Mac	19,425,870	11.7%
FFCB - Federal Farm Credit Bank	25,543,153	15.4%
U.S. Treasury obligations	14,210,540	8.6%
Multi-Bank Securities, Inc.	23,569,439	14.2%
Central Pacific Bank	33,029,531	19.8%
First Hawaiian Bank	<u>20,000,000</u>	<u>12.1%</u>
Total	\$ <u>154,352,563</u>	<u>93.0%</u>

As of June 30, 2020, more than 5% of the Department's investments are held in the following: U.S. Treasury (24%), First Hawaiian Bank (16%), Federal Farm Credit Bank (14%), Freddie Mac (13%), and Federal Home Loan Bank (8%).

NOTE 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for an asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a level 2 input must be observable for most of the full term of the asset or liability. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical assets or liabilities in markets that are not active,
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Level 3 – Inputs are observable for an asset or liability.

Following is a description of the valuation techniques used by the County to measure fair value:

U.S. treasury obligations and money market mutual funds: Valued using quoted prices in active markets for identical assets.

U.S. government agency obligations, certificates of deposit, and repurchase agreements: Valued using quoted prices for identical or similar assets in markets that are not active.

Primary Government:

	Assets at Fair Value at June 30, 2020			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. treasury obligations	\$ 14,210,541	\$ 14,210,541	\$ --	\$ --
U.S. government agencies	67,988,595	--	67,988,595	--
Repurchase agreements	490,000	--	490,000	--
Certificates of deposit	23,569,438	--	23,569,438	--
Money market mutual funds	<u>34,668,492</u>	<u>34,668,492</u>	<u>--</u>	<u>--</u>
	140,927,066	\$ <u>48,879,033</u>	\$ <u>92,048,033</u>	\$ <u>--</u>
Investments measured at amortized cost				
Certificates of deposit	<u>25,000,000</u>			
	<u>\$ 165,927,066</u>			

Department:

	Assets at Fair Value at June 30, 2020			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. treasury obligations	\$ 11,916,610	\$ 11,916,610	\$ --	\$ --
U.S. government agencies	19,051,575	--	19,051,575	--
Repurchase agreements	200,000	--	200,000	--
Money market mutual funds	<u>2,225,429</u>	<u>2,225,429</u>	<u>--</u>	<u>--</u>
	33,393,614	\$ <u>14,142,039</u>	\$ <u>19,251,575</u>	\$ <u>--</u>
Investments measured at amortized cost				
Certificates of deposit	<u>17,306,000</u>			
	<u>\$ 50,699,614</u>			

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - RECEIVABLES

Receivables as of June 30, 2020, for the County's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds:

	General Fund	Housing and Community Development Revolving Fund	Solid Waste Disposal Fund	Bond Fund	Federal Grants Fund	Subtotal
Receivables, net						
Real property taxes	\$ 4,139,405	\$ --	\$ --	\$ --	\$ --	\$ 4,139,405
Accounts receivable	251,845	--	789,530	--	--	1,041,375
Intergovernmental	--	--	--	--	2,026,129	2,026,129
Loans receivable	--	6,401,783	--	--	12,574,124	18,975,907
Interest	321,856	1,329,926	54,496	184,447	501,620	2,392,345
Total Receivables, net	\$ <u>4,713,106</u>	\$ <u>7,731,709</u>	\$ <u>844,026</u>	\$ <u>184,447</u>	\$ <u>15,101,873</u>	\$ <u>28,575,161</u>

	State Grants Fund	Grants Capital Improvement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
Receivables, net					
Real property taxes	\$ --	\$ --	\$ --	\$ --	\$ 4,139,405
Accounts receivable	1,857,355	--	2,983,563	63,422	5,945,715
Intergovernmental	--	32,792,859	--	6,839,050	41,658,038
Loans receivable	--	--	--	--	18,975,907
Interest	--	--	--	14,220	2,406,565
Total Receivables, net	\$ <u>1,857,355</u>	\$ <u>32,792,859</u>	\$ <u>2,983,563</u>	\$ <u>6,916,692</u>	\$ <u>73,125,630</u>

Enterprise Funds:

	Enterprise Funds
Receivables, net	
Accounts receivable	\$ 2,053,480
Interest	23,155
Loans receivable	1,000,000
Less: allowance for uncollectible charges	(123,496)
Total Receivables, net	\$ <u>2,953,139</u>

The only receivables without an allowance not expected to be collected within one year are approximately \$19.6 million of loans receivable for the governmental activities and business-type activities which are generally due to the County on various dates through 2066.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Primary Government				
	Balance June 30, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 191,691,387	\$ 517,900	\$ --	\$ --	\$ 192,209,287
Construction in progress	42,083,291	36,397,248	(32,054,876)	--	46,425,663
Total Capital Assets, Not Being Depreciated	233,774,678	36,915,148	(32,054,876)	--	238,634,950
Capital Assets, Being Depreciated:					
Buildings and improvements	157,186,071	10,245,796	--	--	167,431,867
Machinery and equipment	100,162,577	9,935,371	(1,636,210)	(83,200)	108,378,538
Infrastructure	690,565,881	20,957,581	--	--	711,523,462
Total Capital Assets, Being Depreciated	947,914,529	41,138,748	(1,636,210)	(83,200)	987,333,867
Less: Accumulated Depreciation:					
Buildings and improvements	(63,458,876)	(5,782,937)	--	--	(69,241,813)
Machinery and equipment	(68,405,724)	(8,398,497)	1,636,210	--	(75,168,011)
Infrastructure	(501,915,829)	(8,584,956)	--	--	(510,500,785)
Total Accumulated Depreciation	(633,780,429)	(22,766,390)	1,636,210	--	(654,910,609)
Governmental Activities - Capital Assets, net	\$ 547,908,778	\$ 55,287,506	\$ (32,054,876)	\$ (83,200)	\$ 571,058,208

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - CAPITAL ASSETS (Continued)

	Primary Government				Balance June 30, 2020
	Balance June 30, 2019	Increases	Decreases	Transfers	
Business-type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 17,127,632	\$ 5,380,913	\$ --	\$ --	\$ 22,508,545
Construction in progress	<u>6,231,747</u>	<u>10,505,588</u>	<u>(6,925,839)</u>	<u>--</u>	<u>9,811,496</u>
Total Capital Assets, Not Being Depreciated	<u>23,359,379</u>	<u>15,886,501</u>	<u>(6,925,839)</u>	<u>--</u>	<u>32,320,041</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	105,394,881	11,746	--	--	105,406,627
Machinery and equipment	16,544,399	583,080	(68,885)	83,200	17,141,794
Infrastructure	<u>13,757,326</u>	<u>1,581,728</u>	<u>--</u>	<u>--</u>	<u>15,339,054</u>
Total Capital Assets, Being Depreciated	<u>135,696,606</u>	<u>2,176,554</u>	<u>(68,885)</u>	<u>83,200</u>	<u>137,887,475</u>
Less: Accumulated Depreciation:					
Buildings and improvements	(49,571,027)	(2,906,851)	--	--	(52,477,878)
Machinery and equipment	(7,037,080)	(1,271,342)	68,885	--	(8,239,537)
Infrastructure	<u>(9,251,540)</u>	<u>(354,513)</u>	<u>--</u>	<u>--</u>	<u>(9,606,053)</u>
Total Accumulated Depreciation	<u>(65,859,647)</u>	<u>(4,532,706)</u>	<u>68,885</u>	<u>--</u>	<u>(70,323,468)</u>
Business-type Activities - Capital Assets, net	\$ <u>93,196,338</u>	\$ <u>13,530,349</u>	\$ <u>(6,925,839)</u>	\$ <u>83,200</u>	\$ <u>99,884,048</u>

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

Governmental Activities:	
General government	\$ 1,283,709
Public safety	4,045,219
Public works	3,151,509
Highways and streets	6,959,654
Public welfare	2,124,323
Culture and recreation	2,808,127
Sanitation	<u>2,393,849</u>
Total Depreciation Expense - Governmental Activities	\$ <u>22,766,390</u>
Business-type Activities:	
Public housing	\$ 783,489
Sewer	3,531,921
Golf	<u>217,296</u>
Total Depreciation Expense - Business-type Activities	\$ <u>4,532,706</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 - CAPITAL ASSETS (Continued)

	Component Unit				
	Balance				Balance
	June 30, 2019	Increases	Decreases	Transfers	June 30, 2020
Discretely Presented					
Component Unit:					
Capital Assets, Not Being					
Depreciated:					
Land	\$ 1,343,144	\$ --	\$ --	\$ --	\$ 1,343,144
Construction in progress	<u>11,179,624</u>	<u>5,243,125</u>	<u>(603,327)</u>	<u>--</u>	<u>15,819,422</u>
Total Capital Assets, Not Being Depreciated	<u>12,522,768</u>	<u>5,243,125</u>	<u>(603,327)</u>	<u>--</u>	<u>17,162,566</u>
Capital Assets, Being					
Depreciated:					
Buildings and improvements	16,660,649	--	--	--	16,660,649
Machinery and equipment	9,176,237	445,483	--	--	9,621,720
Infrastructure	<u>318,484,622</u>	<u>1,074,325</u>	<u>(169,856)</u>	<u>--</u>	<u>319,389,091</u>
Total Capital Assets, Being Depreciated	<u>344,321,508</u>	<u>1,519,808</u>	<u>(169,856)</u>	<u>--</u>	<u>345,671,460</u>
Less: Accumulated					
Depreciation:					
Buildings and improvements	(3,349,365)	(430,439)	--	--	(3,779,804)
Machinery and equipment	(6,166,990)	(779,843)	--	--	(6,946,833)
Infrastructure	<u>(124,984,040)</u>	<u>(5,939,573)</u>	<u>87,700</u>	<u>--</u>	<u>(130,835,913)</u>
Total Accumulated Depreciation	<u>(134,500,395)</u>	<u>(7,149,855)</u>	<u>87,700</u>	<u>--</u>	<u>(141,562,550)</u>
Component Unit -					
Capital Assets, net	<u>\$ 222,343,881</u>	<u>\$ (386,922)</u>	<u>\$ (685,483)</u>	<u>\$ --</u>	<u>\$ 221,271,476</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

The Interfund Due From/To Other Funds consist of the following as of June 30, 2020:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	\$ 217,443
General Fund	Federal Grants Fund	66,248
General Fund	State Grants Fund	55,263
General Fund	Bond Fund	2,515
General Fund	Other Governmental Funds	524,201
Federal Grants Fund	General Fund	64,693
Federal Grants Fund	Grants CIP Fund	14,287,376
State Grants Fund	Federal Grants Fund	75,136
State Grants Fund	Grants CIP Fund	7,901,316
General CIP Fund	General Fund	7,723,737
Other Governmental Funds	General Fund	16,673,239
Other Governmental Funds	Bond Fund	4,075,388
Other Governmental Funds	Grants CIP Fund	3,350,909
Other Governmental Funds	Other Governmental Funds	<u>695,852</u>
Total, All Funds		\$ <u>55,713,316</u>

The primary purpose for interfund receivables/payables are interfund loans and cash not transferred before the end of the fiscal year. All interfund balances are expected to be repaid by June 30, 2021.

Internal balances consist of the following at June 30, 2020:

Receivable Fund	Payable Fund	Amount
General Fund	Sewer Fund	\$ 123,975
General Fund	Golf Fund	\$ 58,479
General Fund	Kalepa Housing Fund	\$ 1,244
General Fund	Paanau Housing Fund	\$ 1,244

Transfers for the fiscal year ended June 30, 2020, consisted of the following:

	Transfers out						Total
	General Fund	Solid Waste Disposal Fund	Bond Fund	Other Governmental Funds	Sewer Enterprise Fund	Public Housing Enterprise Fund	
Transfers in:							
General Fund	\$ --	\$ --	\$ 996,839	184,337	\$ --	\$ 69,716	\$ 1,250,892
Solid Waste Disposal Fund	12,634,954	--	--	--	--	--	12,634,954
General CIP Fund	6,782,956	--	--	--	--	--	6,782,956
Sewer Fund	1,912,094	--	--	--	--	--	1,912,094
Public Housing Fund	2,700,000	--	--	--	--	--	2,700,000
Golf Fund	1,287,934	--	--	--	--	--	1,287,934
Other Governmental Funds	10,396,748	955,084	--	1,100,000	701,857	--	13,153,689
	<u>\$ 35,714,686</u>	<u>\$ 955,084</u>	<u>\$ 996,839</u>	<u>1,284,337</u>	<u>\$ 701,857</u>	<u>\$ 69,716</u>	<u>\$ 39,722,519</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES (Continued)

Significant transfers during the year ended June 30, 2020 consist of the following:

- The General Fund transferred \$35,714,686 to subsidize debt service payments and various Special Revenue, Capital, Golf, Sewer, and Public Housing Enterprise Fund programs.
- The Solid Waste Disposal Fund transferred \$955,084 to the Debt Service Fund to subsidize debt service payments.
- The Bond Fund transferred \$966,839 to bonds subsidy interest to the General Fund.
- The Plans and Permits Fund transferred \$184,337 to the General Fund, as a result of exceeding the allowable fund balance threshold at the end of the fiscal year.
- The Highway Fund transferred \$850,000 to the Highway CIP Fund to subsidize capital projects.
- The G.E. Tax Fund transferred \$250,000 to the G.E. Tax CIP Fund to subsidize capital projects.
- The Sewer Fund transferred \$701,857 to the Debt Service Fund to subsidize debt service payments.
- The Public Housing Enterprise Fund transferred \$69,716 to the General Fund to subsidize capital projects.

NOTE 9 - NET POSITION

At June 30, 2020, the County's net position consisted of the following:

	Governmental Activities	Business-type Activities	Component Unit
Net investment in Capital Assets:			
Net property, plant, and equipment	\$ 571,058,208	\$ 99,884,048	\$ 221,274,476
Less: Long-term debt	(110,648,363)	(16,677,640)	(67,320,939)
Less: Capital lease obligation	(9,453,137)	(359,403)	--
Add: Deferred outflows - deferred refunding costs	923,255	--	-
Less: Deferred inflows - deferred gain on refunding costs	(2,415,558)	--	(15,216)
Add: Unspent debt proceeds	<u>23,213,248</u>	<u>--</u>	<u>9,889,151</u>
Subtotal	<u>472,677,653</u>	<u>82,847,005</u>	<u>163,827,472</u>
Restricted:			
Capital projects	42,447,806	--	2,014,178
Less: Unspent debt proceeds	(23,213,248)	--	(9,889,151)
Less: Accrued interest payable	(2,087,470)	--	--
Other - debt service	1,588,524	--	--
Housing program	--	1,000,000	--
Other - restricted cash and investments	<u>--</u>	<u>370,195</u>	<u>9,925,139</u>
Subtotal	<u>18,735,612</u>	<u>1,370,195</u>	<u>2,050,166</u>
Unrestricted	<u>(267,971,185)</u>	<u>(9,987,468)</u>	<u>32,387,027</u>
Total Net Position	<u>\$ 223,442,080</u>	<u>\$ 74,229,732</u>	<u>\$ 198,264,665</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - CAPITAL LEASES

The County leases machinery and equipment under non-cancelable leases expiring at various dates through December 2025 which meet the criteria for capitalization. These capital leases are financed primarily from General Fund, Solid Waste Fund, Sewer Fund and Golf Fund resources.

The net book value of the leased machinery and equipment at June 30, 2020 amounted to \$14,364,391 net of accumulated depreciation of \$22,730,020. The related present value of the remaining obligations under the capital leases which amounted to \$9,812,540 at June 30, 2020 and are included in the capital assets and long-term liabilities, accordingly.

The future minimum obligations under capital leases at June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,275,252	\$ 211,852	\$ 3,487,104
2022	2,881,819	137,628	3,019,447
2023	2,139,441	69,724	2,209,165
2024	1,244,333	24,583	1,268,916
2025	177,833	4,614	182,447
Thereafter	<u>93,862</u>	<u>2,054</u>	<u>95,916</u>
Totals	\$ <u>9,812,540</u>	\$ <u>450,455</u>	\$ <u>10,262,995</u>

On February 19, 2004, the Department entered into a Water Treatment and Delivery Agreement (Agreement) with an unrelated third party developer. The Agreement requires the developer to build, operate, and maintain a surface water treatment plant (SWTP) with a capacity of 3.0 million gallons per day (MGD). The Department is required to purchase, at a minimum, 2.0 MGD, and to provide the developer a credit towards its facility reserve charge. The initial term of the Agreement was 15 years and was extended in February 2019 for an additional two years as the SWTP had not been dedicated to the Department. The Agreement also provides the Department with the option of accepting the dedication of the SWTP at no cost after the reimbursement date, as defined. The Department commenced water purchases on January 1, 2006. This arrangement has been recorded as a capital lease in the Department's basic financial statements.

The capital lease obligation is amortized at an implicit rate of approximately 6.0%. The utility plant related to the SWTP facility was approximately \$7,181,000 and was full amortized as of June 30, 2020.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Approximate amounts due within one year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 112,620,000	\$ --	\$ 6,245,000	\$ 106,375,000	\$ 6,515,000
Total Bonds Payable	112,620,000	--	6,245,000	106,375,000	6,515,000
Direct borrowings - Loans payable to State	4,487,464	--	214,101	4,273,363	219,956
Claims and judgments	8,010,012	2,364,286	2,699,873	7,674,425	1,991,421
Landfill closure and postclosure	46,001,387	--	14,583,301	31,418,086	516,527
Capital lease obligations	7,159,134	5,494,094	3,200,091	9,453,137	3,156,064
Compensated absences	14,238,474	6,433,038	5,246,911	15,424,601	3,856,150
Governmental Activities, Long-term Liabilities	<u>\$ 192,516,471</u>	<u>\$ 14,291,418</u>	<u>\$ 32,189,277</u>	<u>\$ 174,618,612</u>	<u>\$ 16,255,118</u>
Business-type Activities:					
Direct borrowings - Loans payable to State	\$ 18,150,431	\$ 224,185	\$ 1,696,976	\$ 16,677,640	\$ 1,713,599
Claims and judgments	549,825	101,771	142,560	509,036	159,910
Capital lease obligations	175,867	295,270	111,734	359,403	119,188
Compensated absences	694,987	266,251	191,767	769,471	192,368
Business-type Activities, Long-term Liabilities	<u>\$ 19,571,110</u>	<u>\$ 887,477</u>	<u>\$ 2,143,037</u>	<u>\$ 18,315,550</u>	<u>\$ 2,185,065</u>
Discretely Presented Component Unit:					
Bonds Payable:					
General obligation bonds	\$ 53,710,000	\$ --	\$ 3,075,000	\$ 50,635,000	\$ 3,210,000
Deferred Costs:					
For issuance premiums	381,729	--	58,214	323,515	--
Total Bonds Payable	54,091,729	--	3,133,214	50,958,515	3,210,000
Direct borrowings - Loans payable to State	18,304,458	--	1,942,034	16,362,424	1,950,541
Compensated absences	1,416,712	556,921	449,942	1,523,691	552,118
Capital lease obligations	4,058	--	4,058	-	--
Component Unit, Long-term Liabilities	<u>\$ 73,816,957</u>	<u>\$ 556,921</u>	<u>\$ 5,529,248</u>	<u>\$ 68,844,630</u>	<u>\$ 5,712,659</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

General Obligation Bonds - The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds have been issued by the County for both primary government and component unit activities.

General obligation bonds are direct obligations of the County. The County has pledged its full faith and credit. Additionally, the Department has pledged to maintain and collect revenues sufficient to pay all operating costs and to pay the principal and interest on such bonds as they become due.

The County and the Department issued general obligation bonds through the Build America Bonds and Recovery Zone Economic Development Bonds programs that provide 35% and 45%, respectively, in federal subsidies on the total interest requirements. The interest is paid to the County and the Department on a semi-annual basis corresponding with the interest payment dates to the bondholders. Subsidy payments of \$654,993 and \$303,445 were received in fiscal year 2020 for Build America Bonds and Recovery Zone Economic Development Bonds, respectively.

Claims and judgments - Claims and lawsuits have been filed against the County in the normal course of its operations and are paid from the General Fund. The liability for probable losses has been accrued in the government-wide statement of net position.

Landfill closure and post-closure - The County recognizes a portion of the closure and post-closure care costs each operating period in the Solid Waste Fund. The liability for these costs is included in the government-wide statement of net position and is based on the landfill capacity used as of the balance sheet date.

Compensated absences - Compensated absences consist of accrued vacation leave and compensated time earned. The liability for the accumulated unpaid portion has been accrued for in the government-wide statement of net position.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

General obligation bonds payable reported on the government-wide *Statement of Net Position* at June 30, 2020, are comprised of the following individual issues:

	<u>Amount</u>
Governmental Activities:	
General obligation bonds, 2011 Series A, original amount \$20,985,000, due in annual installments of \$1,455,000 to \$1,765,000 through August 2025, interest payments semi-annually from 3.25% to 5.00%.	\$ 9,610,000
General obligation bonds, 2010 Series A, original amount \$47,835,000, due in annual installments of \$1,895,000 to \$3,570,000 through August 2033, interest payments semi-annually from 1.955% to 5.763% (before the federal subsidy).	36,410,000
General obligation bonds, 2010 Series A, original amount \$12,165,000, due in annual installments of \$3,140,000 to \$9,025,000 through August 2034, interest payments semi-annually from 5.863% to 5.913% (before the federal subsidy).	12,165,000
General obligation bonds, 2005 Series A, original amount \$42,180,000, due in annual installments of \$400,000 to \$545,000 through August 2021, interest payments semi-annually at 5.00%.	945,000
General obligation bonds, 2012 Series A, original amount \$23,415,000, due in annual installments of \$1,485,000 to \$2,145,000 through August 2029, interest payments semi-annually from 3.00% to 5.00%.	18,060,000
General obligation bonds, 2012 Series B, original amount \$8,215,000, due in annual installments of \$530,000 to \$745,000 through August 2029, interest payments semi-annually from 3.125% to 5.00%.	6,330,000
General obligation bonds, 2017 Series A, original amount \$24,015,000, due in annual installments of \$605,000 to \$1,455,000 through August 2042, interest payments semi-annually from 2.50% to 5.00%.	<u>22,855,000</u>
Total Governmental Activities	\$ <u>106,375,000</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

Annual debt service requirements of the primary government general obligation bonds payable (without regard to the interest subsidies previously identified) as of June 30, 2020, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,515,000	\$ 4,832,000	\$ 11,347,000
2022	6,615,000	4,560,000	11,175,000
2023	6,495,000	4,266,000	10,761,000
2024	6,805,000	3,968,000	10,773,000
2025	7,100,000	3,662,000	10,762,000
2026-2030	32,735,000	13,905,000	46,640,000
2031-2035	29,785,000	6,751,000	36,536,000
2036-2040	6,125,000	1,326,000	7,451,000
2041-2043	<u>4,200,000</u>	<u>268,000</u>	<u>4,468,000</u>
Totals	<u>\$106,375,000</u>	<u>\$ 43,538,000</u>	<u>\$ 149,913,000</u>

	<u>Amount</u>
Component Unit:	
Build America Bonds - County Series 2010A, last installment 2033. Maturing serially from August 1, 2013. Interest rate - 1.96% to 5.76% (before the federal subsidy). Issued March 24, 2010. Original amount - \$60,000,000.	\$ 45,650,000
Public Improvement Bonds - County Series 2011A, last installment 2025. Maturing serially from August 1, 2012. Interest rate - 2.00% to 5.00%. Issued July 7, 2011. Original amount - \$5,125,000.	2,340,000
Public Improvement Bonds - County Series 2005A, last installment 2021. Maturing serially from August 1, 2008. Interest rate - 3.25% to 5.00%. Issued August 1, 2008. Original amount - \$3,165,000.	530,000
Public Improvement Bonds - County Series 2012A, last installment 2029. Maturing serially from August 1, 2016. Interest rate - 3.00% to 5.00%. Issued July 10, 2012. Original amount - \$2,745,000.	<u>2,115,000</u>
	50,635,000
Premium on bond issuance	<u>323,515</u>
Total Component Unit	\$ <u>50,958,515</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

Annual debt service requirements of the Component Unit general obligation bonds payable (without regard to the interest subsidies previously identified) as of June 30, 2020, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,210,000	\$ 2,581,000	\$ 5,791,000
2022	3,260,000	2,440,000	5,700,000
2023	3,175,000	2,293,000	5,468,000
2024	3,325,000	2,141,000	5,466,000
2025	3,490,000	1,975,000	5,465,000
2026-2030	18,505,000	7,084,000	25,589,000
2031-2034	<u>15,670,000</u>	<u>1,721,000</u>	<u>17,391,000</u>
Totals	\$ <u>50,635,000</u>	\$ <u>20,235,000</u>	\$ <u>70,870,000</u>

At June 30, 2020, approximately \$45.9 million of primary government and \$7.2 million of component unit general obligation bonds outstanding are considered defeased.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

Conduit Debt Obligations – Special District Bonds

The following Special District Bonds bearing the County's name were issued to finance the Kukui'ula Development Project. Neither the full faith and credit nor the general taxing powers of the County or the State of Hawaii is pledged to the payment of the bonds. Furthermore, neither the County nor State of Hawaii has any obligation for the payment of the bonds in the case of default.

Issuer	Date of Issuance	Amount of Issue	Balance at June 30, 2020
County of Kauai Community	May 15, 2012	\$ 11,875,000	\$ 11,440,000
Facilities District No. 2008-1	December 17, 2019	\$ 20,320,000	\$ 20,320,000

The County's and Department's outstanding loan obligations contain provisions that, in event of default, an interest penalty will be assessed on the outstanding loan repayment amounts beginning on the first day following the repayment due date and ending on the date the default balances are paid. Loans payable reported on the government-wide *Statement of Net Position* at June 30, 2020, are comprised of the following:

	<u>Amount</u>
Loans Payable: Governmental Activities	
During fiscal year 2017, the County entered into a construction agreement with the State totaling approximately \$4.5 million to fund a gas collection system. Principal, interest and loan fee payments are due in semi-annual installments of \$128,424 (\$256,848 annually). A loan fee is assessed at 0.75% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	\$ 4,114,079
During fiscal year 2019, the County entered into a construction agreement with the State totaling approximately \$260,100 to fund the landfill expansion. Principal, interest and loan fee payments are due in semi-annual installments of \$4,506 (\$9,012 annually). Principal and interest payments begin in fiscal year 2021. A loan fee is assessed at 0.75% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	<u>159,284</u>
Total Governmental Activities	\$ <u>4,273,363</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Loans Payable: Business-type Activities	
During fiscal year 2006, the County entered into a construction agreement with the State to fund a cesspool conversion project. The agreement allows the County to request reimbursement for project related expenditures from the State. Principal and interest payments are due in semi-annual installments of \$50,750 (\$101,500 annually). A loan fee is assessed at 1.00% of the outstanding principal balance. Interest is accrued at 2.13% per annum.	\$ 524,245
During fiscal year 2007, the County entered into a construction agreement with the State totaling approximately \$2.7 million to fund a wastewater effluent system. Principal and interest payments are due in semi-annual installments of \$58,425 (\$116,850 annually). A loan fee is assessed at .25% of the outstanding principal balance. Interest is accrued at .50% per annum.	691,047
During fiscal year 2009, the County entered into a construction agreement with the State totaling approximately \$2.1 million to continue to fund the wastewater effluent system. Principal and interest payments are due in semi-annual installments of \$55,611 (\$111,222 annually). A loan fee is assessed at .25% of the outstanding principal balance. Interest is accrued at .50% per annum.	763,830
During fiscal year 2009, the County entered into a construction agreement with the State totaling approximately \$3.9 million to fund sewer system improvements. Principal and interest payments are due in semi-annual installments of \$108,486 (\$216,972 annually). A loan fee is assessed at .25% of the outstanding principal balance. Interest is accrued at .50% per annum.	<u>1,490,752</u>
Balance forward	\$ <u>3,469,874</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 3,469,874
During fiscal year 2009, the County entered into a construction agreement with the State totaling approximately \$436,000 to fund wastewater pump station improvements. Principal and interest payments are due in semi-annual installments of \$12,051 (\$24,102 annually). A loan fee is assessed at .25% of the outstanding principal balance. Interest is accrued at .50% per annum.	176,991
During fiscal year 2010, the County entered into a construction agreement with the State totaling approximately \$4.9 million to fund the wastewater plant digester repair. Principal and interest payments are due in semi-annual installments of \$137,553 (\$275,106 annually). A loan fee is assessed at 0.25% of the outstanding principal balance. Interest is accrued at 0.50% per annum.	2,281,091
During fiscal year 2011, the County entered into a construction agreement with the State totaling approximately \$9.7 million to fund Phase I of the Waimea Wastewater Treatment Plant Expansion. Principal and interest payments are due in semi-annual installments of \$294,994 (\$589,988 annually). A loan fee is assessed at 0.25% of the outstanding principal balance. Interest is accrued at 0.50% per annum.	5,748,329
During fiscal year 2014, the County entered into a construction agreement with the State totaling approximately \$1.9 million to fund Phase I of the Wailua Wastewater Treatment Plant Improvement. Principal and interest payments are due in semi-annual installments of \$51,518 (\$103,036 annually). A loan fee is assessed at 0.25% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	1,416,684
During fiscal year 2016, the County entered into a new construction agreement with the State totaling approximately \$5.2 million to fund Ele'ele Wastewater Treatment Plant Improvement. Principal and interest payments are due in semi-annual installments of \$125,940 (\$251,880 annually). A loan fee is assessed at 0.50% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	<u>3,584,671</u>
Total Business-type Activities	\$ <u>16,677,640</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

Annual requirements to retire loans payable from direct borrowings as of June 30, 2020, are approximately as follows:

Fiscal Year Ending June 30,	Direct borrowing loans payable to State					
	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 220,000	\$ 42,000	\$ 1,714,000	\$ 134,000	\$ 1,934,000	\$ 176,000
2022	226,000	40,000	1,723,000	119,000	1,949,000	159,000
2023	228,000	38,000	1,732,000	104,000	1,960,000	142,000
2024	230,000	35,000	1,741,000	88,000	1,971,000	123,000
2025	233,000	33,000	1,751,000	73,000	1,984,000	106,000
2026-2030	1,199,000	130,000	6,481,000	176,000	7,680,000	306,000
2031-2035	1,261,000	69,000	1,535,640	28,000	2,796,640	97,000
2036-2040	676,363	11,000	--	--	676,363	11,000
Totals	\$ 4,273,363	\$ 398,000	\$ 16,677,640	\$ 722,000	\$ 20,951,003	\$ 1,120,000

Component Unit:

	<u>Amount</u>
Direct Borrowings - State Revolving Fund Loan -	
Kokolau Tunnel, last installment 2021. Interest rate - 1.37%. Semi-annual loan fee rate - 1.625%. Date issued - July 15, 2001. Original amount - \$1,663,201.	\$ 144,854
Kekaha Well, last installment 2022. Interest rate - 1.01%. Semi-annual loan fee rate 1.625%. Date issued - April 15, 2002. Original amount - \$862,883.	102,664
Hanapepe 27" Steel Pipeline, last installment 2023. Interest rate - 0.99%. Semi-annual loan fee rate - 1.625%. Date issued - July 15, 2003. Original amount - \$691,134.	134,422
Hanapepe River Crossing Pipeline, last installment 2023. Interest rate - 0.99%. Semi-annual loan fee rate - 1.625%. Date issued - July 15, 2003. Original amount - \$1,243,976.	241,132
Wailua Homesteads Well No. 3, last installment 2024. Interest rate - 0.54%. Semi-annual loan fee rate - 1.625%. Date issued - March 15, 2004. Original amount - \$397,737.	<u>87,489</u>
Balance forward	\$ <u>710,561</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 710,561
Lihu'e Steel Tanks 1 and 2, last installment 2025. Interest rate - 0.46%. Semi-annual loan fee rate - 1.625%. Date issued - January 15, 2004. Original amount - \$1,243,017.	340,467
Ornellas 0.2 MG Tank, last installment 2025. Interest rate - 0.58%. Semi-annual loan fee rate - 1.625%. Date issued - January 15, 2005. Original amount - \$809,398.	219,656
16" Waterline replacement along Kuhio Highway, last installment 2026. Interest rate - 0.16%. Semi-annual loan fee rate - 1.625%. Date issued - August 15, 2005. Original amount - \$2,305,093.	735,807
Poipu Road 16" Main Replacement, last installment 2027. Interest rate - 0.16%. Semi-annual loan fee rate - 1.625%. Date issued - January 15, 2007. Original amount - \$5,158,886.	1,873,717
Stable 1.0 MG Tank, last installment 2029. Interest rate - 0.26%. Semi-annual loan fee rate - 1.625%. Date issued - March 15, 2009. Original amount - \$7,274,998.	3,475,552
Kaumualii Highway 12" Main Replacement, last installment 2029. Interest rate - 0.32%. Semi-annual loan fee rate - 1.625%. Date issued - August 15, 2009. Original amount - \$3,989,537.	1,980,388
Waha, Wawae and Niho Roads Main Replacement, last installment 2029. Interest rate - 0.32%. Semi-annual loan fee rate - 1.625%. Date issued - August 15, 2009. Original amount - \$1,936,018.	964,795
Kapilimao 0.5 MG Tank, last installment 2030. Interest rate - 0.42%. Semi-annual loan fee rate - 1.625%. Date issued - January 15, 2010. Original amount - \$3,793,779.	<u>2,020,127</u>
Balance forward	\$ <u>12,321,070</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 12,321,070
Wailua Houselots Main Replacement, last installment 2033. Interest rate - 0.50%. Semi-annual loan fee rate - 0.50%. Date issued - April 15, 2013. Original amount - \$4,463,084.	2,542,089
Lihue Baseyard Improvements, last installment 2034. Interest rate - 0.50%. Semi-annual loan fee rate - 0.50%. Date issued – December 15, 2014. Original amount - \$4,000,000.	<u>1,499,265</u>
Total Component Unit	\$ <u>16,362,424</u>

Annual requirements to retire the component unit loans payable as of June 30, 2020, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Direct Borrowing Loans Payable to State</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,951,000	\$ 486,000	\$ 2,437,000
2022	1,910,000	421,000	2,331,000
2023	1,816,000	359,000	2,175,000
2024	1,768,000	300,000	2,068,000
2025	1,698,000	244,000	1,942,000
2026-2030	6,142,000	521,000	6,663,000
2031-2035	<u>1,077,000</u>	<u>34,000</u>	<u>1,111,000</u>
Totals	\$ <u>16,362,000</u>	\$ <u>2,365,000</u>	\$ <u>18,727,000</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS

Pension Plan

Plan description. The ERS is a cost-sharing, multiple-employer public employee retirement system established as a defined benefit pension plan to administer a pension benefits program for all eligible employees of the State and counties of Hawaii. Benefit terms, eligibility, and contribution requirements are established by Chapter 88 of the Hawaii Revised Statutes and can be amended through legislation.

The ERS provides retirement, disability and death benefits that are covered by the provisions of the noncontributory, contributory and hybrid retirement membership classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% or 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation is an average of the highest salaries during any three 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.

Noncontributory Class

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.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

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 and the dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

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 2.5% of average final compensation for each year of service up to a maximum of 80%. Police and firefighters with five years of credited service are eligible to retire at age 55. Police officers and firefighters with 25 years of credited service are eligible to retire at age 55, provided the last five years is service credited in these occupations.

Disability 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. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service 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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Contributory 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 ten years of credited service are eligible to retire at age 60.

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. Police officers and firefighters with 25 years of credited service are eligible to retire at age 55, provided the last five years is service credited in these occupations.

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 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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Ordinary death benefits are available to employees who were active at time of death with at least five 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 Emergency Medical Technicians may retire with 25 years of credited service at age 55.

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 ten years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, 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 ten 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.

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 2020 were 36.00% for police and firefighters and 22.00% for all other employees. Contributions to the pension plan from the County and the Department were approximately \$23,625,000 and \$1,325,000 respectively, for the fiscal year ended June 30, 2020.

On May 18, 2017, the Governor signed into law Act 17 SLH 2017. Per Act 17, future employer contributions from the State and counties are expected to increase pursuant to a phased-in contribution rate increase over four years beginning July 1, 2017. The rate for police and firefighters increases to 31.00% on July 1, 2018; 36.00% on July 1, 2019; and 41.00% on July 1, 2020 and the rate for all other employees increase to 19.00% on July 1, 2018; 22.00% on July 1, 2019; and 24.00% on July 1, 2020.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

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, police and firefighters are required to contribute 14.2% of their salary. Hybrid plan members hired prior 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, 2020, the County and Department reported a liability of \$302,214,383 and \$21,971,493 respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County and Department's proportion of the net pension liability was based on a projection of the County and Department's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2019, the County's proportion was 2.133% which was a decrease of 0.119% from its proportionate share measured as of June 30, 2018. At June 30, 2019, the Department's proportion was 0.160% which was an increase of approximately 0.040% from its proportionate share measured as June 30, 2018.

There were no significant changes in actuarial assumptions in 2019. There were no other changes between the measurement date, June 30, 2019, and the reporting date, June 30, 2020, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the fiscal year ended June 30, 2020, the County and the Department recognized pension expense of approximately \$47,612,000 and \$4,137,000, respectively. At June 30, 2020, the County and the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,866,933	\$ 322,913
Changes in assumptions	20,780,262	187,223
Net difference between projected and actual earnings on pension plan investments	--	800,226
Changes in proportion and difference between County contributions and proportionate share of contributions	18,832,402	20,819,119
County contributions subsequent to the measurement date	23,625,374	--
	<u>\$ 76,104,971</u>	<u>\$ 22,129,481</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

The County reported \$23,625,374 as deferred outflows of resources related to pension contributions made after the measurement date and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2021. 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>Net Deferred Outflows (Inflows)</u>
2021	\$ 17,836,623
2022	8,420,494
2023	3,425,922
2024	1,042,411
2025	<u>(375,334)</u>
Total	<u>\$ 30,350,116</u>

Department:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 384,419	\$ 43,974
Changes in assumptions	1,495,901	--
Net difference between projected and actual earnings on pension plan investments	--	60,312
Changes in proportion and difference between Department contributions and proportionate share of contributions	3,606,955	353,843
Department contributions subsequent to the measurement date	<u>1,543,850</u>	<u>--</u>
	<u>\$ 7,031,125</u>	<u>\$ 458,129</u>

The Department reported \$1,544,000 as deferred outflows of resources related to pension contributions made after the measurement date and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2021. 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>Net Deferred Outflows (Inflows)</u>
2021	\$ 1,847,697
2022	1,147,655
2023	849,680
2024	924,538
2025	<u>259,576</u>
Total	<u>\$ 5,029,146</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS's Board of Trustees on August 12, 2019, based on the 2018 Experience Study for the five-year period from July 1, 2013 through June 30, 2018:

Inflation	2.50%
Payroll growth	3.50%
Investment rate of return, including inflation	7.00% per year, compounded annually, including inflation

There were no changes to the ad hoc postemployment benefits including cost of living allowance. Post-retirement mortality rates are based on the 2019 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2019 and full generational projections in future years. Pre-retirement mortality rates are based on multiples of RP-2014 mortality table based on the occupation of the member.

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 of Trustees) 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 then combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return (real returns and inflation) by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class used in the actuarial valuation are summarized in the following table:

Strategic Allocation (risk-based classes)	Strategic class weights	Expected long-term geometric average strategic range	Expected long-term real return*	Expected annual standard deviation
Broad growth	63.00 %	7.65%	5.40%	17.35%
Principal protection	7.00 %	3.00%	0.75%	4.00%
Real return	10.00 %	4.55%	2.30%	6.10%
Crisis risk offset	<u>20.00 %</u>	5.15%	2.90%	9.45%
	<u>100.00 %</u>			

*Uses an expected inflation of 2.25%

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Discount Rate - The discount rate used to measure the net pension liability at June 30, 2019 was 7.00%, consistent with the rate used at the prior measurement period. 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.

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 and Department's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County and Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ <u>396,437,989</u>	\$ <u>302,214,383</u>	\$ <u>234,375,132</u>
Department's proportionate share of the net pension liability	\$ <u>28,505,399</u>	\$ <u>21,971,493</u>	\$ <u>17,267,202</u>

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's 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, 2020, the County and the Department had payables to the pension plan of \$3,082,256 and \$0, respectively.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN

Postemployment Benefits Other Than Pensions (OPEB)

Plan Description - The County provides certain healthcare and life insurance benefits to all qualified employees through the Hawaii Employer - Union Health Benefit Trust Fund (EUTF), an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. As an agency of the State, the EUTF contracts with providers of medical, dental, vision, and life insurance plans. The EUTF plan currently provides medical, dental, vision, and life insurance benefits. The EUTF issues an annual financial report that is available to the public. That report is available at <http://eutf.hawaii.gov>.

For employees hired before July 1, 1996, the County pays the entire base monthly contribution for employees retiring with 10 years or more 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 dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less 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 employees retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less 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 employees retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

The following table provides a summary of the number of employees covered by the benefits terms as of July 1, 2019:

County:

Inactive employees or beneficiaries currently receiving benefits	838
Inactive employees entitled but not yet receiving benefit payments	115
Active employees	<u>1,154</u>
	<u>2,107</u>

Department:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled but not yet receiving benefit payments	6
Active employees	<u>89</u>
	<u>150</u>

Contributions - The County's contribution levels are established by Chapter 87A of the HRS and may be amended through legislation. For the fiscal year ended June 30, 2020 contributions to the OPEB plan from the County and the Department were \$17,238,000 and \$1,041,000, respectively. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB – At June 30, 2020 the County and Department reported a net OPEB liability of \$145,212,075 and \$8,525,884, respectively. The net OPEB liability was measured as of July 1, 2019 and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2019, and the reporting date, June 30, 2020, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2020, the County and Department recognized OPEB expense of approximately \$12,918,200 and \$1,215,000, respectively. At June 30, 2020, the County and Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 1,350,023	\$ --
Changes in assumptions	3,434,653	--
Difference in expected and actual experience	3,258,229	564,930
Employer contributions subsequent to the measurement date	<u>17,238,000</u>	<u>--</u>
	<u>\$ 25,280,905</u>	<u>\$ 564,930</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 127,033	\$ —
Changes in assumptions	241,457	—
Difference in expected and actual experience	28,613	97,076
Employer contributions subsequent to the measurement date	1,041,000	—
	<u>\$ 1,438,103</u>	<u>\$ 97,076</u>

The County and Department reported \$17,238,000 and \$1,041,000, respectively, as deferred outflows of resources related to OPEB resulting from County and Department contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	County:	Department:
Fiscal Year Ended June 30:	Net Deferred Outflows (Inflows)	Net Deferred Outflows (Inflows)
	<u> </u>	<u> </u>
2021	\$ 1,266,413	\$ 45,699
2022	1,266,411	45,700
2023	1,722,842	79,646
2024	1,810,829	81,748
2025	979,042	31,440
Thereafter	432,438	15,794
	<u>\$ 7,477,975</u>	<u>\$ 300,027</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Actuarial assumptions - The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees, based on the experience study covering the five-year period ended June 30, 2018 as conducted for the ERS:

Valuation date	July 1, 2019
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.00%
Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Investment rate of return	7.00%
Demographic Assumptions	Based on the experience study covering the five year period ending June 30, 2018
Mortality	System-specific mortality tables utilizing scale BB to project generational mortality improvement
Participation Rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution (BMC). Healthcare participation rates of 25%, 65%, and 90% for retirees that receive 0%, 50%, or 75% of the BMC, respectively. 100% for Life insurance and 98% for Medicare Part B.
Healthcare cost trend rates	
PPO*	Initial rates of 8.00%; declining to a rate of 4.86% after 12 years
HMO*	Initial rate of 8.00%; declining to a rate of 4.86% after 12 years
Part B & base monthly contribution	Initial rate of 5.00%, declining to a rate of 4.70% after 11 years
Dental	Initial rates of 5.00% for first two years, followed by 4.00%
Vision	Initial rates of 0.00% for first three years, followed by 2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drug.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 as of July 1, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Non U.S. equity	17.00%	6.90%
U.S. equity	15.00%	5.35%
Private equity	10.00%	8.80%
Core real estate	10.00%	3.90%
Trend following	9.00%	3.25%
U.S. microcap	7.00%	7.30%
Global options	7.00%	4.75%
Private credit	6.00%	5.60%
Long treasuries	6.00%	2.00%
Alternative risk premia	5.00%	2.75%
TIPS	5.00%	1.20%
Core bonds	3.00%	1.50%
	100.00%	

Single Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% based on the expected rate of return on OPEB plan investments of 7.00% and the municipal bond rate of 3.13% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-year Municipal GO AA Index"). The funding policy of the County is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Changes in the Net OPEB Liability -The following schedule presents the changes in the net OPEB liability for the fiscal year ending June 30, 2020. The ending balances are as of the measurement date, July 1, 2019:

County:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 262,446,334	\$ 113,204,077	\$ 149,242,257
Changes for the fiscal year:			
Service cost	5,857,253	--	5,857,253
Interest on the total OPEB liability	18,269,822	--	18,269,822
Difference between expected and actual experience	3,844,516	--	3,844,516
Changes of assumptions	1,242,842	--	1,242,842
Contributions - employer	--	23,927,882	(23,927,882)
Net investment income	--	5,295,444	(5,295,444)
Benefit payments	(8,755,019)	(8,755,019)	--
Administrative expense	--	(38,185)	38,185
Other	--	4,059,474	(4,059,474)
Net changes	<u>20,459,414</u>	<u>24,489,596</u>	<u>(4,030,182)</u>
Balance at June 30, 2020	\$ <u>282,905,748</u>	\$ <u>137,693,673</u>	\$ <u>145,212,075</u>

Department:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 17,518,549	\$ 9,059,245	\$ 8,459,304
Changes for the fiscal year:			
Service cost	406,353	--	406,353
Interest on the total OPEB liability	1,221,753	--	1,221,753
Difference between expected and actual experience	33,498	--	33,498
Changes of assumptions	83,252	--	83,252
Contributions - employer	--	1,011,000	(1,011,000)
Net investment income	--	399,132	(399,132)
Benefits payments	(536,228)	(536,228)	--
Administrative expense	--	(2,874)	2,874
Other	--	271,018	(271,018)
Net changes	<u>1,208,628</u>	<u>1,142,048</u>	<u>66,580</u>
Balance at June 30, 2020	\$ <u>18,727,177</u>	\$ <u>10,201,293</u>	\$ <u>8,525,884</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount rate. The following presents the net OPEB liability of the County and Department, as well as what the County's and Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County:			
Net OPEB Liability	\$ <u>191,160,473</u>	\$ <u>145,212,075</u>	\$ <u>109,138,917</u>
Department:			
Net OPEB Liability	\$ <u>11,606,056</u>	\$ <u>8,525,884</u>	\$ <u>6,090,140</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County and Department, as well as what the County's and Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
County:			
Net OPEB Liability	\$ <u>107,769,162</u>	\$ <u>145,212,075</u>	\$ <u>193,622,402</u>
Department:			
Net OPEB Liability	\$ <u>5,959,680</u>	\$ <u>8,525,884</u>	\$ <u>11,835,617</u>

Payables to the OPEB Plan - At June 30, 2020, the County and Department had no payables to the EUTF.

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

All plan assets are held in a trust fund to protect them from claims of general creditors. 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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

The County has met the requirements for the Small Business Job Protection Act of 1996 for its Internal Revenue Code Section 457 Plan, and in accordance with the criteria set forth in the GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the County has excluded the plan assets and liabilities from the government-wide financial statements because the County does not have significant administrative involvement in the Plan or perform the investment function for the Plan. All such amounts are not subject to the claims of the County's general creditors.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains certain comprehensive general liability and property insurance, public official and law enforcement liability insurance, and excess auto liability insurance for claims. It is the opinion of management and legal counsel that such claims and lawsuits are either covered by the County's insurance policies, or if they should exceed the County's retained risk, are recorded in the government-wide financial statements. There was no reduction in insurance coverage during the year from coverage in the prior year. During the past four fiscal years, the amount of settlements in cases covered by insurance have not exceeded the insurance coverage. The County is substantially self-insured for its vehicles as well as for all other perils including workers' compensation and general liability below \$500,000. Claims against the County are paid out of the General Fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities, including IBNR, are based on the estimated ultimate cost of settling the claims, and include incremental costs for the hiring of special counsel and expert witnesses. Claims liabilities are estimated on a case-by-case review of all claims and the application of historical experience to outstanding claims.

Estimates of IBNR are based on historical experience. The liability for claims and judgments is reported on the government-wide *Statement of Net Position*. At June 30, 2020, the amount of this liability was approximately \$8.2 million. This is the County's best estimate based on available information. Changes in the reported liability since July 1, 2018, are given below:

<u>Fiscal Year</u>	<u>Liability at Beginning of Year</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claim Payments and Adjustments</u>	<u>Liability at End of Year</u>
2019	\$ 8,511,833	\$ 1,848,275	\$ (1,800,271)	\$ 8,559,837
2020	\$ 8,559,837	\$ 2,466,057	\$ (2,842,433)	\$ 8,183,461

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Puhi Metals Recycling Center

The County of Kaua'i is facing potential contingent liability for contracting the operation and management of the Puhi Metals Recycling Center (PMRC) from October 11, 2001 to October 11, 2011 to a private contractor. The County leased the property comprising the PMRC from land owner Grove Farm, Inc. for the aforementioned ten (10) year period. Under its contract with the contracted operator, the County was to be defended, indemnified and held harmless for any and all damages to persons and or property during the operation, including its obligations under the land license between the County and Grove Farm, Inc. After the expiration of the contract with the contracted operator, the County was informed by the Grove Farm, Inc. that their property was allegedly damaged by the contracted operator. The County has since procured and obtained environmental studies on the property and based upon the recommendation by the County's consultant, the County began to implement an environmental remediation plan. At June 30, 2020, the remaining outstanding liability accrued by the County was approximately \$2 million.

Purchase Commitments

The outstanding portion of contractual commitments for capital projects, supplies, and other expenditures at June 30, 2020, was approximately \$46.3 million. Contractual commitments are generally reflected in the governmental fund financial statements as committed fund balance.

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, which is based on the October 9, 1991 United States Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria," establishes closure requirements for all municipal solid waste landfills that receive waste after October 9, 1991. In accordance with GASB Statement No. 18, the County estimates in advance the total cost of closure and post-closure care during the life of those landfills rather than after their closings. Federal and State laws and regulations require the County to place final covers on certain landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Annual additions to the liability for closure and post-closure care costs are based on landfill capacity used as of each balance sheet date.

The County has three landfill sites - Kekaha Landfill Phases I and II, and Halehaka Landfill. The County has closed the Kekaha Landfill Phase I and Halehaka Landfill. The County estimates the closure costs for the Kekaha Landfill Phase II to be approximately \$20.2 million based on estimates provided by project engineers. At June 30, 2020, approximately 79.26% of the total capacity of the Kekaha Landfill Phase II had been used, and the estimated remaining landfill life is approximately 84 months.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (Continued)

The total estimated closure costs accrued in the government-wide financial statements for the Kekaha Landfill Phase II, and the remaining post-closure costs for the Kekaha Landfill Phases I and II, and Halehaka Landfill was approximately \$31.4 million, which may change due to inflation, technology or applicable laws or regulations. This amount is fully accrued in the government-wide financial statements.

The County has provided for financial resources that will be available to provide for closure, post-closure care and remediation or containment of environmental hazards at the above landfills. The Environmental Protection Agency's financial assurance rules include a local government financial test consisting of a financial component, a public notice component, and a recordkeeping component. Local governments are required to satisfy each of the three components to pass the annual test. Management believes that the County has satisfied each of the components of the local government financial assurance requirements.

NOTE 16 - FUND BALANCE CONSTRAINTS

Stabilization Arrangements - The County Resolution 2011-77 established the Reserve Fund and Reserve Fund Policy which was amended by County Resolution 2017-28. The County intends to maintain the Reserve Fund within the General Fund in the range of 30% of the previous year's actual operating general fund revenues. The Reserve Fund was established for the following purposes: Extreme events / natural disasters (10.0%), revenue volatility (18.5%) and expenditure volatility (1.5%). The Reserve Fund can only be used to provide a short-term solution to maintain necessary services until revenue growth and/or expenditure reductions are instituted to balance the budget and normalize cash flow. In the event that the funds from the Reserve Fund are utilized, the County Council and Administration shall timely propose and approve a financial plan to replenish the Reserve Fund to prescribed policy levels, not to exceed 3 years.

The balance of the Reserve Fund is reported in the fund balance in the General Fund as follows:

	<u>Amount</u>
Committed fund balance	\$ 16,524,629
Unassigned fund balance	<u>33,049,259</u>
Total	\$ <u>49,573,888</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - FUND BALANCE CONSTRAINTS (Continued)

The constraints on fund balance as listed in aggregate in the governmental funds *Balance Sheet* are detailed according to balance classification and fund.

	Major Special Revenue Funds					Major Capital Projects Funds			Other Governmental Funds	Total
	General Fund	Housing and Community Development Revolving Fund	Solid Waste Disposal Fund	Federal Grants Fund	State Grants Fund	Grants Capital Improvement Fund	General Capital Improvement Fund	Bond Fund		
Fund Balances:										
Nonspendable:										
Prepays	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 678,358	\$ 678,358
Total - Nonspendable	--	--	--	--	--	--	--	--	678,358	678,358
Restricted:										
Debt service reserve	--	--	--	--	--	--	--	--	1,810,211	1,810,211
Loans receivable	--	523,100	--	--	--	--	--	--	--	523,100
Landfill closure and post closure costs	490,000	--	12,574,924	--	--	--	--	--	--	13,064,924
Total - Restricted	490,000	523,100	12,574,924	--	--	--	--	--	1,810,211	15,398,235
Committed:										
Non-routine emergency events reserve	16,524,629	--	--	--	--	--	--	--	--	16,524,629
Administrative	1,353,830	--	--	--	--	--	1,488,135	590,434	--	3,432,399
County-wide costs	1,341,285	--	--	--	--	--	--	--	--	1,341,285
Human resources	118,494	--	--	--	--	--	--	--	--	118,494
Planning	242,854	--	--	--	--	--	--	60,579	79,712	383,145
Economic development	379,127	--	--	--	--	--	--	--	--	379,127
Police services	3,044,927	--	--	--	--	--	137,250	374,428	--	3,556,605
Fire control	804,765	--	--	--	--	--	--	22,783	--	827,548
Emergency management	114,937	--	--	--	--	--	--	--	--	114,937
Liquor control	--	--	--	--	--	--	--	--	18,657	18,657
Building repair and maintenance	183,528	--	--	--	--	--	15,630	965,666	34,817	1,199,641
Parks and recreation	2,240,805	--	--	--	--	--	390,742	340,629	754,036	3,726,212
Community services	158,686	187,194	--	--	--	--	--	26,600	25,567	398,047
Waste disposal and collection	--	--	5,657,686	--	--	--	537,605	2,151,228	--	8,346,519
Road maintenance	83,517	--	--	--	--	--	38,198	3,240,854	19,159,166	22,521,735
Total - Committed	26,591,384	187,194	5,657,686	--	--	--	2,607,560	7,773,201	20,071,955	62,888,980
Assigned:										
Balancing future budget shortfalls	7,823,434	--	--	--	--	--	--	--	1,339,163	9,162,597
Self insurance provisions	663,398	--	--	--	--	--	--	--	--	663,398
Capital improvement projects	--	--	--	--	--	--	7,957,071	15,440,047	7,629,140	31,026,258
Other purposes	--	2,362,788	2,279,747	--	--	--	--	--	8,488,983	13,131,518
Total - Assigned	8,486,832	2,362,788	2,279,747	--	--	--	7,957,071	15,440,047	17,457,286	53,983,771
Unassigned:	45,617,103	--	--	--	--	--	--	--	--	45,617,103
Total Fund Balances	\$ 81,185,319	\$ 3,073,082	\$ 20,512,357	\$ --	\$ --	\$ --	\$ 10,564,631	\$ 23,213,248	\$ 40,017,810	\$ 178,566,447

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - FUND BALANCE CONSTRAINTS (Continued)

Encumbrance accounting is employed in the governmental funds. Under this method, purchase orders, contracts, and other commitments outstanding at the fiscal-year end do not constitute expenditures or liabilities. These amounts generally will become liabilities in future periods as the services are rendered or goods purchased.

Encumbrances at June 30, 2020 include:

General Fund	\$ 10,066,755
Housing and Community Development Revolving Fund	187,194
Solid Waste Disposal Fund	5,657,686
Bond Fund	7,773,201
General Capital Improvement Fund	2,607,560
Other Governmental Funds	<u>20,071,955</u>
	<u>\$ 46,364,351</u>

NOTE 17 - COMPONENT UNIT DISCLOSURES

Safe Drinking Water Act - The Department is subject to the requirements of the Safe Drinking Water Act (the Act) which is administered by the State of Hawai'i Department of Health on behalf of the United States Environmental Protection Agency. Management indicated that the Department is in full compliance with the requirements of the Act and is not aware of any matters under the Act that materially affected or are currently affecting the Department's customer service area.

Other - Other commitments, primarily for utility plan construction, approximated \$18,781,000 at June 30, 2020.

NOTE 18 - RELATED PARTY TRANSACTIONS

The Department charges the County for fire protection services (hydrant use) at agreed-to rates that approximate the costs for such services. The County provides certain services to the Department and charges the Department for these services at an amount equal to the charge for fire protection services. The amounts charged approximated \$2,174,000 for the fiscal year ended June 30, 2020. At June 30, 2020, amounts due from the Department for reimbursement of payroll expenses were approximately \$192,000.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95) due to the COVID-19 pandemic. 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 based on the new guidance:

The GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, as postponed by GASB 95. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as postponed by GASB 95. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, as postponed by GASB 95. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 90, *Majority Equity Interest - an Amendment of GASB Statement No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information of certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, as postponed by GASB 95. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied retroactively, except certain provisions that should be applied on a prospective basis. Management has not yet determined the effect this Statement will have on the County's financial statements.

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, as postponed by GASB 95. Earlier application is encouraged. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management has not yet determined the effect this Statement will have on the County's financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management has not yet determined the effect this Statement will have on the County's financial statements.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - RESTATEMENT

The government-wide and fund financial statements reflect a prior period adjustment and restatement of beginning net position as of June 30, 2019. Beginning balances in both Governmental Activities and Business-type Activities (Sewer Fund and Golf Fund) have been restated to record additional OPEB contributions which were expensed and not recorded as deferred outflows on the Statement of Net Position, resulting in an understatement of net position by \$7.3 million at June 30, 2019.

Additionally, the County understated its long-term liabilities for landfill closure and post-closure care costs and overstated net position by \$4.4 million at June 30, 2019.

The following summarizes the effect of the prior period adjustments to beginning net position:

	Government-wide Statement of Activities		Fund Level	
			Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary	
	Governmental Activities	Business- type	Sewer Fund	Golf Fund
Net position at June 30, 2019, as previously stated	\$ 183,440,015	\$ 69,062,074	\$ 27,229,972	\$ (1,693,831)
Prior period adjustment:				
Employer paid employee contributions made subsequent to the measurement date	7,016,043	316,839	223,653	93,186
Landfill closure and post-closure care costs estimated liability	(4,410,623)	--	--	--
Net position at June 30, 2019, as restated	<u>\$ 186,045,435</u>	<u>\$ 69,378,913</u>	<u>\$ 27,229,972</u>	<u>\$ (1,693,831)</u>

NOTE 21 - CORONAVIRUS DISEASE 2019 ("COVID-19")

On March 11, 2020, the World Health Organization declared an outbreak of the coronavirus infection ("COVID-19") to be a global pandemic. The ultimate disruption that may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the County's financial position, changes in financial position, and cash flows. Management is continuing to evaluate the effects that COVID-19 will have on the operations of the County.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

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

	2020	2019	2018	2017	2016	2015	2014
County:							
County's proportion of the Net Pension Liability	2.133 %	2.252 %	2.104 %	2.040 %	2.044 %	1.913 %	2.031 %
County's proportionate share of the Net Pension Liability	\$ 302,214,383	\$ 299,878,624	\$ 272,428,212	\$ 272,758,303	\$ 178,458,402	\$ 153,368,723	\$ 181,419,995
County's Covered Payroll	\$ 80,573,000	\$ 79,133,000	\$ 77,341,000	\$ 73,365,000	\$ 75,544,000	\$ 71,201,000	\$ 66,597,000
Proportionate Share of the Net Pension as a percentage of Covered Payroll	375.08% %	378.96% %	352.24 %	371.78 %	236.23 %	215.40 %	272.41 %
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	54.87 %	55.48 %	54.80 %	51.28 %	62.42 %	63.92 %	57.96 %
Department:							
Department's proportion of the Net Pension Liability	0.160 %	0.120 %	0.120 %	0.130 %	0.130 %	0.120 %	0.120 %
Department's proportionate share of the Net Pension Liability	\$ 21,971,493	\$ 16,156,668	\$ 15,423,518	\$ 16,921,133	\$ 11,310,002	\$ 9,317,991	\$ 10,322,299
Department's Covered Payroll	\$ 5,840,000	\$ 5,633,000	\$ 5,515,000	\$ 5,110,000	\$ 4,836,000	\$ 4,645,000	\$ 4,385,000
Proportionate Share of the Net Pension as a percentage of Covered Payroll	376.22 %	286.82 %	279.66 %	331.14 %	233.87 %	200.60 %	235.40 %
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	54.87 %	55.48 %	54.80 %	51.28 %	62.42 %	63.92 %	57.96 %

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

COUNTY OF KAUAI, HAWAII
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County:					
Statutorily Required Contribution	\$ 23,625,374	\$ 20,075,943	\$ 19,454,923	\$ 15,390,688	\$ 14,600,137
Actual County Contributions Recognized by the Plan	\$ 23,625,374	\$ 20,075,943	\$ 19,454,923	\$ 15,390,688	\$ 14,600,137
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 83,089,000	\$ 80,573,000	\$ 79,133,000	\$ 77,341,000	\$ 73,365,000
Contributions as a percentage of Covered Payroll	28.43 %	24.92 %	24.59 %	19.90 %	19.90 %
Department:					
Statutorily Required Contribution	\$ 1,325,000	\$ 1,109,000	\$ 1,016,000	\$ 938,000	\$ 911,000
Actual Department Contributions Recognized by the Plan	\$ 1,325,000	\$ 1,109,000	\$ 1,016,000	\$ 938,000	\$ 911,000
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Department's Covered Payroll	\$ 5,966,000	\$ 5,840,000	\$ 5,633,000	\$ 5,515,000	\$ 5,110,000
Contributions as a percentage of Covered Payroll	22.21 %	18.99 %	18.04 %	17.01 %	17.83 %

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

COUNTY OF KAUAI, HAWAII
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County:					
Statutorily Required Contribution	\$ 13,643,255	\$ 12,605,548	\$ 11,575,260	\$ 10,675,390	\$ 10,239,127
Actual County Contributions Recognized by the Plan	\$ 13,643,255	\$ 12,605,548	\$ 11,575,260	\$ 10,675,390	\$ 10,239,127
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 75,544,000	\$ 71,201,000	\$ 66,597,000	\$ 67,198,000	\$ 62,386,000
Contributions as a percentage of Covered Payroll	18.06 %	17.70 %	17.38 %	15.89 %	16.41 %
Department:					
Statutorily Required Contribution	\$ 798,000	\$ 745,000	\$ 679,000	\$ 642,000	\$ 601,000
Actual Department Contributions Recognized by the Plan	\$ 798,000	\$ 745,000	\$ 679,000	\$ 642,000	\$ 601,000
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Department's Covered Payroll	\$ 4,836,000	\$ 4,645,000	\$ 4,385,000	\$ 4,285,000	\$ 4,014,000
Contributions as a percentage of Covered Payroll	16.50 %	16.04 %	15.48 %	14.98 %	14.97 %

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

COUNTY OF KAUAI, HAWAII
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS *

	2020		2019		2018	
	County	Department	County	Department	County	Department
Total OPEB liability						
Service cost	\$ 5,857,253	\$ 406,353	\$ 5,745,514	\$ 380,070	\$ 5,623,361	\$ 380,075
Interest on the total OPEB liability	18,269,822	1,221,753	17,085,078	1,144,135	16,134,981	1,073,630
Difference between expected and actual experience of the total OPEB liability	3,844,516	33,498	(815,794)	(135,272)	--	--
Changes in assumptions	1,242,842	83,252	3,438,804	237,370	--	--
Benefit payments	(8,755,019)	(536,228)	(8,414,118)	(525,000)	(8,079,087)	(368,000)
Net change in total OPEB liability	20,459,414	1,208,628	17,039,484	1,101,303	13,679,255	1,085,705
Total OPEB liability - Beginning	262,446,334	17,518,549	245,406,850	16,417,246	231,727,595	15,331,541
Total OPEB liability - Ending	\$ 282,905,748	\$ 18,727,177	\$ 262,446,334	\$ 17,518,549	\$ 245,406,850	\$ 16,417,246
Plan fiduciary net position						
Contributions - employer	\$ 23,927,882	\$ 1,011,000	\$ 15,688,031	\$ 948,000	\$ 15,847,977	\$ 1,287,000
Net investment income	5,295,444	399,132	7,579,849	588,700	8,310,839	654,929
Benefit payments	(8,755,019)	(536,228)	(8,414,118)	(525,000)	(8,079,087)	(368,000)
OPEB plan administrative expense	(38,185)	(2,874)	(22,893)	(1,803)	(18,934)	(1,485)
Other	4,059,474	271,018	--	--	126,295	8,474
Net change in plan fiduciary net position	24,489,596	1,142,048	14,830,869	1,009,897	16,187,090	1,580,918
Plan fiduciary net position - Beginning	113,204,077	9,059,245	98,373,208	8,049,348	82,186,118	6,468,430
Plan fiduciary net position - Ending	\$ 137,693,673	\$ 10,201,293	\$ 113,204,077	\$ 9,059,245	\$ 98,373,208	\$ 8,049,348
Net OPEB liability	\$ 145,212,075	\$ 8,525,884	\$ 149,242,257	\$ 8,459,304	\$ 147,033,642	\$ 8,367,898
Plan fiduciary net position as a percentage of the total OPEB liability	48.67%	54.47%	43.13%	51.71%	40.09%	49.03%
Covered-employee payroll	\$ 80,573,313	\$ 5,787,000	\$ 77,340,000	\$ 5,700,000	\$ 65,885,000	\$ 5,269,000
Net OPEB Liability as a Percentage of Covered-employee Payroll	180.22%	147.33%	192.97%	148.41%	223.17%	158.81%

* This schedule is intended to present information for ten years for each respective fiscal year. Additional years will be built prospectively as information becomes available.

**COUNTY OF KAUAI, HAWAII
SCHEDULE OF CONTRIBUTIONS (OPEB)
LAST TEN FISCAL YEARS ***

County					
Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a %age of Covered-Employee Payroll
June 30, 2020	\$ 17,238,000	\$ 17,238,000	\$ --	\$ 83,089,000	20.75%
June 30, 2019	\$ 16,595,000	\$ 16,595,000	\$ --	\$ 80,573,313	20.60%
June 30, 2018	\$ 16,272,000	\$ 15,688,031	\$ 583,969	\$ 77,340,000	20.28%
June 30, 2017	\$ 15,721,000	\$ 15,721,000	\$ --	\$ 65,885,000	23.86%
June 30, 2016	\$ 15,468,000	\$ 15,468,000	\$ --	\$ 66,400,000	23.30%
June 30, 2015	\$ 14,945,000	\$ 14,945,000	\$ --	\$ 74,148,000	20.16%

Department					
Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a %age of Covered-Employee Payroll
June 30, 2020	\$ 1,041,000	\$ 1,041,000	\$ --	\$ 5,840,000	17.83%
June 30, 2019	\$ 1,011,000	\$ 1,011,000	\$ --	\$ 5,787,000	17.47%
June 30, 2018	\$ 1,002,000	\$ 948,000	\$ 54,000	\$ 5,700,000	16.63%
June 30, 2017	\$ 968,000	\$ 968,000	\$ --	\$ 5,269,000	18.37%
June 30, 2016	\$ 914,000	\$ 883,000	\$ 31,000	\$ 5,068,000	17.42%
June 30, 2015	\$ 884,000	\$ 885,000	\$ (1,000)	\$ 5,052,000	17.52%

* This schedule is intended to present information for ten years for each respective fiscal year. Additional years will be built prospectively as information becomes available.

COUNTY OF KAUAI, HAWAII
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
REQUIRED BY GASB NO. 75
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE A - SIGNIFICANT METHODS AND ASSUMPTIONS

The following summarizes the significant methods and assumptions used to determine the actuarially determined contribution:

Valuation date	The Actuarially determined contribution for fiscal year ended June 30, 2020 was developed in the 2018 valuation.
Actuarial cost method	Entry Age Normal
Discount rate	7.00%
Inflation	2.50%
Amortization method	Level percent. Closed bases are established each valuation for new unfunded liabilities.
Equivalent single amortization period	18.2 as of fiscal year ended June 30, 2020
Investment rate of return	7.00%
Payroll growth	3.50%
Salary increases	3.50% to 7.00% including inflation
Demographic assumptions	Based on the experience study covering the five year period ending June 30, 2015
Mortality	System-specific mortality tables utilizing scale BB to project generational mortality improvement
Participation rates	98% healthcare participation assumption for retirees that receive 100% of the Base Monthly Contribution (BMC). Healthcare participation rates of 25%, 65%, and 90% for retirees that receive 0%, 50%, or 75% of the BMC, respectively. 100% for Life insurance and 98% for Medicare Part B
Healthcare cost trend rates	
PPO	Initial rate of 10.00%; declining to a rate of 4.86% after 13 years
HMO	Initial rate of 10.00%; declining to a rate of 4.86% after 13 years
Part B & base monthly contribution	Initial rates of 4.00% and 5.00%, declining to a rate of 4.70% after 12 years
Dental	5.00% for the first three years; then 4.00% for all future years
Vision	0.00% for the first three years; then 2.50% for all future years
Life insurance	0.00%

* Blended rates for medical and prescription drug.

OTHER SUPPLEMENTARY INFORMATION

**COUNTY OF KAUAI, HAWAII
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Special Revenue Funds

Highway Fund

Accounts for the costs of maintaining the County's highways and streets. Financing is provided primarily by fuel, motor vehicle weight and public utility franchise taxes, licenses, and permits.

General Excise Tax Fund

Accumulates one-half percent (0.5%) of the County's surcharge on State General Excise and Use Tax collected by the State for the purpose of funding operational and capital costs of public transportation systems.

Liquor Fund

Accounts for the costs of operating the County's Liquor Department. Financing is provided by liquor licenses and permits.

Beautification Fund

Accumulates monies for the beautification of highways and streets and defrays the cost of disposing of abandoned vehicles. Financing is provided by motor vehicle registration fees. This fund was established for financing projects planned by the Mayor's Committee on Beautification.

Criminal Assets Forfeiture Fund

Accounts for monies or forfeited non-cash or tangible property received to be used solely for the Kaua'i Police Department for law enforcement purposes as delineated in the Comprehensive Crime Control Act of 1984 and The Attorney General's Guidelines on Seized and Forfeited property.

Plans and Permits Revolving Fund

Accounts for monies collected from new permits and penalties.

Section 8 Fund

Accounts for a contract with the federal government pursuant to Section 8 of the Housing and Community Development Act of 1974. Funds are to be expended for housing assistance payments for lower-income families and for administrative costs.

Public Access Fund

Accumulates monies for the acquisition of land or property entitlements for land conservation purposes. This fund is appropriated at a minimum of .5% of the certified real property tax revenues for public access, open space, and natural resources preservation.

Park Maintenance and Improvements Fund

Accounts for monies collected and expended for parks.

COUNTY OF KAUAI, HAWAII
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES
(CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Debt Service Fund

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Capital Projects Funds

Parks and Playground Capital Improvement Fund

Accounts for the costs of developing County parks and playgrounds financed by assessments to developers of residential projects.

Sewer Trust Fund

Accounts for the costs of expanding the County's sewer system financed by assessments to developers of subdivisions. Construction of the sewer system improvements is financed by general obligation debt that covers multiple public improvements. Repayment of the debt applicable to the sewer system will be made from General Fund sources. Accordingly, all sewer trust fund capital improvements are accounted for in the Capital Projects Fund and recorded as contributed capital in the Sewer Enterprise Fund upon completion.

Development Capital Improvement Fund

Accounts for capital improvements financed by assessments to developers of residential, hotel, commercial or industrial projects.

Bikeway Capital Improvement Fund

Accumulates monies for the construction and maintenance of bikeways and related activities financed by bicycle license fees.

Special State Capital Improvement Fund

Accounts for the costs of capital projects financed by State of Hawaii grants-in-aid to Counties. There was no activity in this fund during the fiscal year ended June 30, 2020.

Highway Capital Improvement Fund

Accounts for the costs of projects financed by the Highway Fund.

COUNTY OF KAUAI, HAWAII
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES
(CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Open Space Capital Improvement Fund

Accumulates monies for the acquisition of land or property entitlements for public recreation, preservation, protection and conservation of important areas.

G.E. Tax Capital Improvement Fund

Accounts for the capital costs of public transportation system improvements to comply with the Americans with Disabilities Act of 1990 and is financed by the County's surcharge of 0.5% on State general excise and use tax.

Fiduciary Funds

Trust and Agency Fund

Accounts for the collection and payment to other governments of monies collected by the County on behalf of the other governments. Monies consist primarily of the collection of State of Hawaii's motor vehicle weight taxes.

Treasury Trust Fund

Accounts for monies collected for specific purposes by various agencies of the County as escrow agent or custodian.

Real Property Trust Fund

This fund is used for the purpose of making refunds and adjustments relating to real property taxes.

COUNTY OF KAUAI, HAWAII
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds								
	Highway	General Excise Tax	Liquor	Beautification	Criminal Assets Forfeiture	Plans and Permits Revolving	Section 8	Public Access	Park Maintenance and Improvements
Assets:									
Cash and cash equivalents	\$ 824,657	\$ --	\$ 82,716	\$ 948,383	\$ 353,646	\$ 242,345	\$ 122,573	\$ --	\$ 1,113,712
Investments	2,541,090	--	516,134	--	267,208	--	--	--	--
Accounts receivable, net	61,293	--	--	--	--	--	2,129	--	--
Interest receivable	4,506	--	344	--	142	--	--	--	--
Due from other funds	4,075,388	16,673,239	--	--	--	--	695,852	1,817,881	--
Due from other governments	302,157	6,536,893	--	--	--	--	--	--	--
Prepaid items	--	--	--	--	--	--	678,358	--	--
Total Assets	\$ 7,809,091	\$ 23,210,132	\$ 599,194	\$ 948,383	\$ 620,996	\$ 242,345	\$ 1,498,912	\$ 1,817,881	\$ 1,113,712
Liabilities:									
Accounts payable	\$ 914,121	\$ 5,322,688	\$ 27,994	\$ 158	\$ --	\$ 3,617	\$ 48,310	\$ 1,173	\$ 211,885
Contracts payable	174,664	252,153	--	--	--	--	--	--	18,064
Due to other funds	248,788	218,107	25,054	--	--	3,911	27,214	1,127	--
Due to customers	--	--	--	--	--	--	337,425	--	--
Unearned revenue	--	--	105,372	--	--	--	159,462	--	--
Total Liabilities	1,337,573	5,792,948	158,420	158	--	7,528	572,411	2,300	229,949
Fund Balance:									
Nonspendable	--	--	--	--	--	--	678,358	--	--
Restricted	--	--	221,687	--	--	--	--	--	--
Committed	3,579,949	14,647,377	18,657	97,213	--	34,817	25,567	79,712	547,876
Assigned	2,891,569	2,769,807	200,430	851,012	620,996	200,000	222,576	1,735,869	335,887
Total Fund Balance	6,471,518	17,417,184	440,774	948,225	620,996	234,817	926,501	1,815,581	883,763
Total Liabilities and Fund Balance	\$ 7,809,091	\$ 23,210,132	\$ 599,194	\$ 948,383	\$ 620,996	\$ 242,345	\$ 1,498,912	\$ 1,817,881	\$ 1,113,712

COUNTY OF KAUAI, HAWAII
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

		Capital Projects Funds							
	Debt Service Fund	Parks and Playgrounds Capital Improvement	Sewer Trust	Development Capital Improvement	Bikeway Capital Improvement	Highway Capital Improvement	Open Space Capital Improvement	G.E. Tax Capital Improvement	Total Other Governmental Funds
Assets:									
Cash and cash equivalents	\$ 55,496	\$ --	\$ 93,262	\$ 1,445,133	\$ 276,774	\$ 3,270,027	\$ 45,351	\$ 237,000	\$ 9,111,075
Investments	--	3,152,788	--	1,299,684	--	--	--	--	7,776,904
Accounts receivable, net	--	--	--	--	--	--	--	--	63,422
Interest receivable	--	4,836	--	4,392	--	--	--	--	14,220
Due from other funds	1,533,028	--	--	--	--	--	--	--	24,795,388
Due from other governments	--	--	--	--	--	--	--	--	6,839,050
Prepaid items	--	--	--	--	--	--	--	--	678,358
Total Assets	<u>\$ 1,588,524</u>	<u>\$ 3,157,624</u>	<u>\$ 93,262</u>	<u>\$ 2,749,209</u>	<u>\$ 276,774</u>	<u>\$ 3,270,027</u>	<u>\$ 45,351</u>	<u>\$ 237,000</u>	<u>\$ 49,278,417</u>
Liabilities:									
Accounts payable	\$ --	\$ 37,965	\$ --	\$ --	\$ --	\$ 365,771	\$ --	\$ 7,000	\$ 6,940,682
Contracts payable	--	2,232	13,479	2,028	--	34,993	--	--	497,613
Due to other funds	--	695,852	--	--	--	--	--	--	1,220,053
Due to customers	--	--	--	--	--	--	--	--	337,425
Unearned revenue	--	--	--	--	--	--	--	--	264,834
Total Liabilities	<u>--</u>	<u>736,049</u>	<u>13,479</u>	<u>2,028</u>	<u>--</u>	<u>400,764</u>	<u>--</u>	<u>7,000</u>	<u>9,260,607</u>
Fund Balance:									
Nonspendable	--	--	--	--	--	--	--	--	678,358
Restricted	1,588,524	--	--	--	--	--	--	--	1,810,211
Committed	--	108,947	--	--	--	701,840	--	230,000	20,071,955
Assigned	--	2,312,628	79,783	2,747,181	276,774	2,167,423	45,351	--	17,457,286
Total Fund Balance	<u>1,588,524</u>	<u>2,421,575</u>	<u>79,783</u>	<u>2,747,181</u>	<u>276,774</u>	<u>2,869,263</u>	<u>45,351</u>	<u>230,000</u>	<u>40,017,810</u>
Total Liabilities and Fund Balance	<u>\$ 1,588,524</u>	<u>\$ 3,157,624</u>	<u>\$ 93,262</u>	<u>\$ 2,749,209</u>	<u>\$ 276,774</u>	<u>\$ 3,270,027</u>	<u>\$ 45,351</u>	<u>\$ 237,000</u>	<u>\$ 49,278,417</u>

COUNTY OF KAUAI, HAWAII
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue Funds							
	Highway	General Excise Tax	Liquor	Beautification	Criminal Assets Forfeiture	Plans and Permits Revolving	Section 8	Park Maintenance and Improvements
Revenues:								
Taxes	\$ 9,135,354	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	7,288,897	--	677,598	395,547	--	387,130	--	--
Charges for services	833,539	--	--	--	--	--	--	--
Rents and concessions	--	--	--	--	--	--	--	167,189
Interest	111,383	--	28,970	--	22,284	--	4,523	--
Intergovernmental revenues	24,337	23,782,949	--	--	--	--	8,329,958	--
Miscellaneous	7,798	--	13,725	--	202,270	--	359,952	--
Total Revenues	<u>17,401,308</u>	<u>23,782,949</u>	<u>720,293</u>	<u>395,547</u>	<u>224,554</u>	<u>387,130</u>	<u>8,694,433</u>	<u>167,189</u>
Expenditures:								
General government	--	--	--	--	--	--	--	80,332
Public safety	--	--	991,753	--	--	--	--	--
Public works	--	--	--	--	--	167,804	--	--
Highways and streets	12,738,755	8,160,729	--	300,159	--	--	--	--
Public welfare	4,068,212	4,907,012	--	--	--	--	8,555,284	--
Capital outlay	2,170,839	913,368	--	--	--	--	--	535,211
Debt Service:								
Principal	627,099	--	--	--	--	--	--	--
Interest and debt issuance cost	58,264	--	--	--	--	--	--	--
Total Expenditures	<u>19,663,169</u>	<u>13,981,109</u>	<u>991,753</u>	<u>300,159</u>	<u>--</u>	<u>167,804</u>	<u>8,555,284</u>	<u>535,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,261,861)</u>	<u>9,801,840</u>	<u>(271,460)</u>	<u>95,388</u>	<u>224,554</u>	<u>219,326</u>	<u>139,149</u>	<u>(368,022)</u>
Other Financing Sources (Uses):								
Issuance of capital leases	910,143	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	719,375	--
Transfers out	(850,000)	(250,000)	--	--	--	(184,337)	--	--
Total Other Financing Sources (Uses)	<u>60,143</u>	<u>(250,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(184,337)</u>	<u>719,375</u>	<u>--</u>
Net Change in Fund Balances	(2,201,718)	9,551,840	(271,460)	95,388	224,554	34,989	139,149	(368,022)
Fund Balance - Beginning of Year July 1, 2019	<u>8,673,236</u>	<u>7,865,344</u>	<u>712,234</u>	<u>852,837</u>	<u>396,442</u>	<u>199,828</u>	<u>787,352</u>	<u>1,251,785</u>
Fund Balance - End of Year June 30, 2020	<u>\$ 6,471,518</u>	<u>\$ 17,417,184</u>	<u>\$ 440,774</u>	<u>\$ 948,225</u>	<u>\$ 620,996</u>	<u>\$ 234,817</u>	<u>\$ 926,501</u>	<u>\$ 883,763</u>

COUNTY OF KAUAI, HAWAII
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Capital Projects Funds								
	Debt Service Fund	Parks and Playgrounds Capital Improvement	Sewer Trust	Development Capital Improvement	Bikeway Capital Improvement	Highway Capital Improvement	Open Space Capital Improvement	G.E. Tax Capital Improvement	Total Other Governmental Funds
Revenues:									
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,135,354
Licenses and permits	--	--	--	--	1,380	--	--	--	8,750,552
Charges for services	--	--	--	--	--	--	--	--	833,539
Rents and concessions	--	--	--	--	--	--	--	--	167,189
Interest	--	215,329	--	91,455	--	--	--	--	473,944
Intergovernmental revenues	--	--	--	--	--	--	--	--	32,137,244
Miscellaneous	--	7,920	--	48,551	--	--	--	--	640,216
Total Revenues	<u>--</u>	<u>223,249</u>	<u>--</u>	<u>140,006</u>	<u>1,380</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>52,138,038</u>
Expenditures:									
General government	--	--	--	--	--	--	--	--	80,332
Public safety	--	--	--	--	--	--	--	--	991,753
Public works	--	--	--	--	--	--	--	--	167,804
Highways and streets	--	--	--	--	--	50,027	--	--	21,249,670
Public welfare	--	--	--	--	--	--	--	--	17,530,508
Capital outlay	--	1,663	--	14,400	--	630,034	--	20,000	4,285,515
Debt Service:									
Principal	6,245,000	--	--	--	--	--	--	--	6,872,099
Interest and debt issuance cost	5,089,314	--	--	--	--	--	--	--	5,147,578
Total Expenditures	<u>11,334,314</u>	<u>1,663</u>	<u>--</u>	<u>14,400</u>	<u>--</u>	<u>680,061</u>	<u>--</u>	<u>20,000</u>	<u>56,325,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,334,314)</u>	<u>221,586</u>	<u>--</u>	<u>125,606</u>	<u>1,380</u>	<u>(680,061)</u>	<u>--</u>	<u>(20,000)</u>	<u>(4,187,221)</u>
Other Financing Sources (Uses):									
Issuance of capital leases	--	--	--	--	--	--	--	--	910,143
Transfers in	11,334,314	--	--	--	--	850,000	--	250,000	13,153,689
Transfers out	--	--	--	--	--	--	--	--	(1,284,337)
Total Other Financing Sources (Uses)	<u>11,334,314</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>850,000</u>	<u>--</u>	<u>250,000</u>	<u>12,779,495</u>
Net Change in Fund Balances	--	221,586	--	125,606	1,380	169,939	--	230,000	8,592,274
Fund Balance - Beginning of Year July 1, 2019	<u>1,588,524</u>	<u>2,199,989</u>	<u>79,783</u>	<u>2,621,575</u>	<u>275,394</u>	<u>2,699,324</u>	<u>45,351</u>	<u>--</u>	<u>31,425,536</u>
Fund Balance - End of Year June 30, 2020	<u>\$ 1,588,524</u>	<u>\$ 2,421,575</u>	<u>\$ 79,783</u>	<u>\$ 2,747,181</u>	<u>\$ 276,774</u>	<u>\$ 2,869,263</u>	<u>\$ 45,351</u>	<u>\$ 230,000</u>	<u>\$ 40,017,810</u>

COUNTY OF KAUAI, HAWAII
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Trust and Agency Fund				
Assets:				
Cash and cash equivalents	\$ 1,667,169	\$ 10,341,458	\$ 10,382,550	\$ 1,626,077
Total Assets	<u>1,667,169</u>	<u>10,341,458</u>	<u>10,382,550</u>	<u>1,626,077</u>
Liabilities:				
Customer deposits	13,975	13,800	13,975	13,800
Due to other governments	<u>1,653,194</u>	<u>10,327,658</u>	<u>10,368,575</u>	<u>1,612,277</u>
Total Liabilities	\$ <u>1,667,169</u>	\$ <u>10,341,458</u>	\$ <u>10,382,550</u>	\$ <u>1,626,077</u>
Treasury Trust Fund				
Assets:				
Cash and cash equivalents	\$ 2,287,016	\$ 536,124	\$ 1,506,603	\$ 1,316,537
Total Assets	<u>2,287,016</u>	<u>536,124</u>	<u>1,506,603</u>	<u>1,316,537</u>
Liabilities:				
Customer deposits	<u>2,287,016</u>	<u>536,124</u>	\$ 1,506,603	<u>1,316,537</u>
Total Liabilities	\$ <u>2,287,016</u>	\$ <u>536,124</u>	\$ <u>1,506,603</u>	\$ <u>1,316,537</u>
Real Property Trust Fund				
Assets:				
Cash and cash equivalents	\$ 4,556,199	\$ 1,675,052	\$ 3,682,831	\$ 2,548,420
Total Assets	<u>4,556,199</u>	<u>1,675,052</u>	<u>3,682,831</u>	<u>2,548,420</u>
Liabilities:				
Customer deposits	<u>4,556,199</u>	<u>1,675,052</u>	\$ 3,682,831	<u>2,548,420</u>
Total Liabilities	\$ <u>4,556,199</u>	\$ <u>1,675,052</u>	\$ <u>3,682,831</u>	\$ <u>2,548,420</u>
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 8,510,384	\$ 12,552,634	\$ 15,571,984	\$ 5,491,034
Total Assets	<u>8,510,384</u>	<u>12,552,634</u>	<u>15,571,984</u>	<u>5,491,034</u>
Liabilities:				
Customer deposits	6,857,190	2,224,976	5,203,409	3,878,757
Due to other governments	<u>1,653,194</u>	<u>10,327,658</u>	<u>10,368,575</u>	<u>1,612,277</u>
Total Liabilities	\$ <u>8,510,384</u>	\$ <u>12,552,634</u>	\$ <u>15,571,984</u>	\$ <u>5,491,034</u>

COUNTY OF KAUAI, HAWAII
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Taxes:						
Utility franchise tax	\$ 3,992,000	\$ 3,992,000	\$ 3,907,706	\$ --	\$ 3,907,706	\$ (84,294)
Fuel tax	5,700,000	5,700,000	5,227,648	--	5,227,648	(472,352)
Total Taxes	9,692,000	9,692,000	9,135,354	--	9,135,354	(556,646)
Licenses and Permits:						
Motor vehicle weight tax	7,200,000	7,200,000	7,288,897	--	7,288,897	88,897
Interest	5,000	5,000	111,383	--	111,383	106,383
Intergovernmental revenues	25,000	25,000	24,337	--	24,337	(663)
Charges for current services:						
Public welfare / safety	1,000,000	1,000,000	833,539	--	833,539	(166,461)
Miscellaneous	500	500	7,798	--	7,798	7,298
Total Revenues	17,922,500	17,922,500	17,401,308	--	17,401,308	(521,192)
Expenditures:						
Highways and Streets-Road Maintenance:						
Administration	2,116,195	2,231,095	1,378,215	697,689	2,075,904	155,191
Administration - salaries and overtime	390,968	357,368	356,903	--	356,903	465
Hanapēpē baseyard	229,992	249,652	239,928	3,609	243,537	6,115
Hanapēpē baseyard - salaries and overtime	1,408,334	1,419,397	1,419,032	--	1,419,032	365
Kapa'a baseyard	227,435	203,025	200,376	1,045	201,421	1,604
Kapa'a baseyard - salaries and overtime	1,034,156	999,079	997,298	--	997,298	1,781
Hanalei baseyard	159,444	136,394	135,629	--	135,629	765
Hanalei baseyard - salaries and overtime	637,051	646,902	646,626	--	646,626	276
Road signs and marking	401,279	401,279	348,687	20,566	369,253	32,026
Road signs and marking - salaries and overtime	836,449	528,615	497,413	--	497,413	31,202
Auto maintenance and motor pool (AMMP)	1,253,225	1,253,226	697,937	216,736	914,673	338,553
AMMP - salaries and overtime	1,103,886	797,020	796,617	--	796,617	403
Maintenance - street lights	500,000	500,000	496,817	--	496,817	3,183
Equipment	168,354	166,203	41,031	93,554	134,585	31,618
Capital leases	2,097,753	2,097,753	685,363	1,251,129	1,936,492	161,261
Social security taxes	432,234	421,239	354,203	--	354,203	67,036
Public employees' health fund	621,072	658,527	586,084	--	586,084	72,443
Public employees' other post employment benefits	838,477	1,159,327	986,016	--	986,016	173,311
Workers' compensation	12	141,869	138,860	--	138,860	3,009
Unemployment compensation	7	7	--	--	--	7
Employees' retirement system	1,243,025	1,252,532	1,124,509	--	1,124,509	128,023
Collective bargaining raises	45,040	45,040	18,785	--	18,785	26,255
Vacation pay	1	80,541	80,539	--	80,539	2
Central services cost	1,000,000	1,000,000	1,000,000	--	1,000,000	--
Transportation agency	6,149,345	6,149,344	5,082,133	758,953	5,841,086	308,258
Highway administrative overhead	433,795	1,057,095	444,025	536,668	980,693	76,402
Total Expenditures - Highways and Streets - Road Maintenance	23,327,529	23,952,529	18,753,026	3,579,949	22,332,975	1,619,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,405,029)	(6,030,029)	(1,351,718)	(3,579,949)	(4,931,667)	1,098,362
Other Financing Sources (Uses)						
Transfers in	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Transfers out	(850,000)	(850,000)	(850,000)	--	(850,000)	--
Total Other Financing Sources (Uses)	(850,000)	(850,000)	(850,000)	--	(850,000)	--
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures (Note C)	\$ (6,255,029)	\$ (6,880,029)	(2,201,718)	\$ (3,579,949)	\$ (5,781,667)	\$ 1,098,362
Fund Balance - Beginning of Year July 1, 2019			8,673,236			
Fund Balance - End of Year June 30, 2020			\$ 6,471,518			

- Note A:** Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances as applicable.
- Note B:** Actual expenditures and revenues are reported on the modified accrual basis of accounting.
- Note C:** Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
GENERAL EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
General excise tax surcharge	\$ 24,350,000	\$ 22,350,000	\$ 23,782,949	\$ --	\$ 23,782,949	\$ 1,432,949
Total Revenues	24,350,000	22,350,000	23,782,949	--	23,782,949	1,432,949
Expenditures:						
Highway and Streets-Road Maintenance:						
Salaries and wages	155,954	128,154	110,917	--	110,917	17,237
Social security taxes	12,312	12,312	8,227	--	8,227	4,085
Public employees' health fund	18,000	9,150	5,068	--	5,068	4,082
Workers' compensation	2	2	--	--	--	2
Unemployment compensation	1	1	--	--	--	1
Mileage	1	1	--	--	--	1
Employees' retirement system	66,512	44,312	24,363	--	24,363	19,949
Employees' other post employment benefits	32,188	32,188	22,516	--	22,516	9,672
Other services	24,942,676	23,102,845	8,853,060	14,190,934	23,043,994	58,851
Other supplies and travel	15,700	14,380	2,633	2,746	5,379	9,001
Automobiles	1	1	--	--	--	1
Total Expenditures - Highways and Streets	25,243,347	23,343,346	9,026,784	14,193,680	23,220,464	122,882
Public Welfare-Transportation:						
Administration Division	598,244	535,539	134,837	390,772	525,609	9,930
Operations Division:						
Salaries and wages	3,467,355	3,229,553	2,919,639	--	2,919,639	309,914
Social security taxes	265,253	265,253	185,974	--	185,974	79,279
Public employees' health fund	219,447	219,447	216,414	--	216,414	3,033
Workers' compensation	2	192,503	192,502	--	192,502	1
Unemployment compensation	2,000	2,000	172	--	172	1,828
Mileage	500	519	519	--	519	--
Employees' retirement system	717,918	717,918	540,582	--	540,582	177,336
Employees' other post employment benefits	652,653	652,653	551,301	--	551,301	101,352
Utilities	91,500	98,826	97,871	--	97,871	955
Other services	13,303	21,303	20,307	873	21,180	123
Dues and subscriptions	5,000	9,000	7,550	--	7,550	1,450
Building repair and maintenance	107,000	143,158	37,168	62,026	99,194	43,964
Printing	8,875	13,175	13,153	--	13,153	22
Other Supplies	16,000	22,098	22,071	26	22,097	1
Equipment	83,381	27,437	217	--	217	27,220
Collective bargaining	26,000	24,049	14,048	--	14,048	10,001
Fuels	1	1	--	--	--	1
Total Expenditures - Public Welfare	6,274,432	6,174,432	4,954,325	453,697	5,408,022	766,410
Total General Excise Tax Fund Expenditures	31,517,779	29,517,778	13,981,109	14,647,377	28,628,486	889,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,167,779)	(7,167,778)	9,801,840	(14,647,377)	(4,845,537)	2,322,241
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	(250,000)	(250,000)	(250,000)	--	(250,000)	--
Total Other Financing Sources (Uses)	(250,000)	(250,000)	(250,000)	--	(250,000)	--
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures (Note C)	\$ (7,417,779)	\$ (7,417,778)	9,551,840	\$ (14,647,377)	\$ (5,095,537)	\$ 2,322,241
Fund Balance - Beginning of Year July 1, 2019			7,865,344			
Fund Balance - End of Year June 30, 2020			\$ 17,417,184			

Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances as applicable.

Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.

Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
LIQUOR FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Licenses and Permits:						
Business licenses, alcoholic beverage, and liquor licenses	\$ 861,000	\$ 861,000	\$ 677,598	\$ --	\$ 677,598	\$ (183,402)
Interest	13,000	13,000	28,970	--	28,970	15,970
Miscellaneous	8,000	8,000	13,725	--	13,725	5,725
Total Revenues	<u>882,000</u>	<u>882,000</u>	<u>720,293</u>	<u>--</u>	<u>720,293</u>	<u>(161,707)</u>
Expenditures - Public Safety:						
Salaries and wages	528,085	528,276	489,897	--	489,897	38,379
Social security taxes	37,667	37,667	34,476	--	34,476	3,191
Public employees' health fund	52,810	55,513	55,512	--	55,512	1
Workers' compensation	10,001	10,001	--	--	--	10,001
Unemployment compensation	5,000	5,000	--	--	--	5,000
Employees' retirement system	108,324	105,430	99,744	--	99,744	5,686
Employees' other post employment benefits	108,676	108,676	92,145	--	92,145	16,531
Other expenses	156,144	156,144	55,428	18,657	74,085	82,059
Equipment	2	2	--	--	--	2
Travel	106,395	106,395	39,551	--	39,551	66,844
Indirect cost	125,000	125,000	125,000	--	125,000	--
Total Expenditures - Public Safety	<u>1,238,104</u>	<u>1,238,104</u>	<u>991,753</u>	<u>18,657</u>	<u>1,010,410</u>	<u>227,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(356,104)</u>	\$ <u>(356,104)</u>	(271,460)	\$ <u>(18,657)</u>	\$ <u>(290,117)</u>	\$ <u>65,987</u>
Fund Balance - Beginning of Year July 1, 2019			<u>712,234</u>			
Fund Balance - End of Year June 30, 2020			\$ <u>440,774</u>			

Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances as applicable.

Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.

Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
BEAUTIFICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Licenses and permits	\$ 375,000	\$ 375,000	\$ 395,547	\$ --	\$ 395,547	\$ 20,547
Total Revenues	375,000	375,000	395,547	--	395,547	20,547
Expenditures - Highways and Streets:						
Disposal of abandoned vehicles	300,000	300,159	300,159	--	300,159	--
Beautification projects	102,660	102,501	--	97,213	97,213	5,288
Total Expenditures - Highways and Streets	402,660	402,660	300,159	97,213	397,372	5,288
Excess (Deficiency) of Revenues						
Over (Under) Expenditures (Note C)	\$ (27,660)	\$ (27,660)	95,388	\$ (97,213)	\$ (1,825)	\$ 25,835
Fund Balance - Beginning of Year July 1, 2019			852,837			
Fund Balance - End of Year June 30, 2020			\$ 948,225			

- Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances as applicable.
- Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
- Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
CRIMINAL ASSETS FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest	\$ -	\$ -	\$ 22,284	\$ -	\$ 22,284	\$ 22,284
Miscellaneous	30,000	30,000	202,270	-	202,270	172,270
Total Revenues	30,000	30,000	224,554	-	224,554	194,554
Expenditures - Public Safety:						
Police special fund	80,008	80,008	-	-	-	80,008
Total Expenditures - Public Safety	80,008	80,008	-	-	-	80,008
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ (50,008)	\$ (50,008)	224,554	\$ -	\$ 224,554	\$ 274,562
Fund Balance - Beginning of Year July 1, 2019			396,442			
Fund Balance - End of Year June 30, 2020			\$ 620,996			

- Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances as applicable.
- Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
- Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
PUBLIC ACCESS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures - General Government						
Special Projects	<u>814,573</u>	<u>814,573</u>	<u>80,332</u>	<u>79,712</u>	<u>160,044</u>	<u>654,529</u>
Total Expenditures - General Government	<u>814,573</u>	<u>814,573</u>	<u>80,332</u>	<u>79,712</u>	<u>160,044</u>	<u>654,529</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(814,573)</u>	<u>(814,573)</u>	<u>(80,332)</u>	<u>(79,712)</u>	<u>(160,044)</u>	<u>654,529</u>
Other Financing Sources (Uses)						
Transfers In	<u>719,375</u>	<u>719,375</u>	<u>719,375</u>	<u>--</u>	<u>719,375</u>	<u>--</u>
Transfers Out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>719,375</u>	<u>719,375</u>	<u>719,375</u>	<u>--</u>	<u>719,375</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Note C)	\$ <u>(95,198)</u>	\$ <u>(95,198)</u>	639,043	\$ <u>(79,712)</u>	\$ <u>559,331</u>	\$ <u>654,529</u>
Fund Balance - Beginning of Year July 1, 2019			<u>1,176,538</u>			
Fund Balance - End of Year June 30, 2020			\$ <u>1,815,581</u>			

- Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances as applicable.
- Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
- Note C: Deficiency of budgeted revenues and other financing sources over final budgeted expenditures and other financing uses is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
PARKS AND PLAYGROUND CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ 215,329				
Other revenues			7,920				
Total Revenues			223,249				
Expenditures:							
Waimea District:							
Kato Park Comfort Station	R14011	\$ --	\$ 25,107	\$ 25,107	\$ 24,893	\$ 50,000	\$ --
Total Waimea District		--	25,107	25,107	24,893	50,000	--
Kōloa District:							
Park Improvements and Equipment	W93086	442,123	--	442,123	--	451,391	9,268
Park Improvement Grant, Kōloa District	W96087	79,887	--	79,887	--	90,887	11,000
Kalaheo Gym Improvements	R15105	124,689	23,443	148,132	1,301	150,000	567
Kōloa Parking Lot/Playground	R15108	85,710	--	85,710	--	250,000	164,290
Total Kōloa District		732,409	23,443	755,852	1,301	942,278	185,125
Līhu'e District:							
Park Improvements and Equipment	W93100	317,717	--	317,717	4,400	322,117	--
Park Improvement Grant, Līhu'e District	W96102	45,085	--	45,085	--	87,686	42,601
Līhu'e Stadium Baseball Improvements	R13013	572,974	--	572,974	--	572,974	--
Kamalani Playground Resurfacing	R18003	--	68,629	68,629	--	150,000	81,371
KWMCH Improvements	R18004	14,409	7,307	21,716	--	200,046	178,330
Total Līhu'e District		950,185	75,936	1,026,121	4,400	1,332,823	302,302
Kawaihau District:							
Park Improvements & Equipment	W93116	438,407	(19,311)	419,096	2,413	460,411	38,902
Park Improvement Grant, Kawaihau District	W96118	35,653	--	35,653	--	60,755	25,102
Kapaa Stadium Improvements	R10010	150,000	(149,231)	769	--	150,000	149,231
Anahola Clubhouse Parking Lot	R13011	30,000	--	30,000	--	30,000	--
Kapaa Soccer Field	R14009	263,177	--	263,177	--	263,177	--

COUNTY OF KAUAI, HAWAII
PARKS AND PLAYGROUND CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Wailua Playground Equipment	R16003	\$ 30,755	\$ --	\$ 30,755	\$ --	\$ 50,000	\$ 19,245
Skateboard Park	R20025	--	--	--	--	36,823	36,823
Total Kawaihau District		<u>947,992</u>	<u>(168,542)</u>	<u>779,450</u>	<u>2,413</u>	<u>1,051,166</u>	<u>269,303</u>
Hanalei District							
Hanalei Courthouse ADA Improv/Septic System	R09003	811,316	--	811,316	--	817,763	6,447
Park Improvements & Equipment	W93383	502,062	39,719	541,781	25,940	598,235	30,514
Anini Beach Improvements	R16004	--	6,000	6,000	50,000	200,000	144,000
Waioli Park Improvements	R17000	36,420	--	36,420	--	36,420	--
Total Hanalei District		<u>1,349,798</u>	<u>45,719</u>	<u>1,395,517</u>	<u>75,940</u>	<u>1,652,418</u>	<u>180,961</u>
Total Expenditures		\$ <u>3,980,384</u>	1,663	\$ <u>3,982,047</u>	\$ <u>108,947</u>	\$ <u>5,028,685</u>	\$ <u>937,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			221,586				
Fund Balance - Beginning of Year, July 1, 2019			<u>2,199,989</u>				
Fund Balance - End of Year, June 30, 2020			\$ <u>2,421,575</u>				

COUNTY OF KAUAI, HAWAII
SEWER TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ --				
Other revenues			<u>--</u>				
Total Revenues			<u>--</u>				
Expenditures:							
		\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total Expenditures		<u>\$ --</u>	<u>--</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			--				
Fund Balance - Beginning of Year, July 1, 2019			<u>79,783</u>				
Fund Balance - End of Year, June 30, 2020			<u>\$ 79,783</u>				

COUNTY OF KAUAI, HAWAII
DEVELOPMENT CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ 91,455				
Other revenues			48,551				
Total Revenues			<u>140,006</u>				
Expenditures:							
Wailua Area Bus Stop	T 16100	\$ 3,421	\$ --	\$ 3,421	\$ --	\$ 10,000	\$ 6,579
Islandwide Bus Stops/Shelters	T 19000	--	14,400	14,400	--	42,000	27,600
Project Contingency	W08002	--	--	--	--	35,568	35,568
Dev-Koloa/Poipu Inter Imp	W16009	--	--	--	--	43,750	43,750
Koloa/Poipu Inter Imp	Z15105	--	--	--	--	6,500	6,500
Total Expenditures		\$ <u>3,421</u>	<u>14,400</u>	\$ <u>17,821</u>	\$ <u>--</u>	\$ <u>137,818</u>	\$ <u>119,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			125,606				
Fund Balance - Beginning of Year, July 1, 2019			<u>2,621,575</u>				
Fund Balance - End of Year, June 30, 2020			\$ <u>2,747,181</u>				

COUNTY OF KAUAI, HAWAII
BIKEWAY CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Project No.</u>	<u>Prior Year Expenditures</u>	<u>Current Year</u>	<u>Project-To-Date Expenditures</u>	<u>Encumbrances</u>	<u>Project Authorization</u>	<u>Balance</u>
Revenues:							
Licenses and permits			\$ 1,380				
Total Revenues			<u>1,380</u>				
Expenditures:							
Island Wide Bike/Pedestrian Path	W05182	\$ 70,208	\$ --	\$ 70,208	\$ --	\$ 120,785	\$ 50,577
Total Expenditures		<u>\$ 70,208</u>	<u>--</u>	<u>\$ 70,208</u>	<u>\$ --</u>	<u>\$ 120,785</u>	<u>\$ 50,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			1,380				
Fund Balance - Beginning of Year, July 1, 2019			<u>275,394</u>				
Fund Balance - End of Year, June 30, 2020			<u>\$ 276,774</u>				

COUNTY OF KAUAI, HAWAII
HIGHWAY CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ --				
Other revenues			--				
Total Revenues			--				
Expenditures:							
Kapahi Bridge Replacement, Design	W05368	\$ 309,936	\$ --	\$ 309,936	\$ 8,000	\$ 339,153	\$ 21,217
Northern Leg Kōloa Western Bypass Road FHWA	W07007	41,625	--	41,625	--	41,625	--
Resurfacing Various Collector Roads FHWA	W07008	248,592	5,717	254,309	209	284,459	29,941
Puuopae Bridge-Design (County Match)	W10003	437,323	226,398	663,721	72,031	780,000	44,248
Puhi Road Construction Match	W12010	367,091	--	367,091	5,681	391,711	18,939
Hanapēpē Road	W12067	28,751	--	28,751	5,426	50,000	15,823
Hanapēpē Bridge Ped	W12069	63	--	63	--	24,511	24,448
Comprehensive Road Maintenance Plan	W13011	223,932	33,525	257,457	--	260,000	2,543
Hanapepe Moi Road Pedestrian Safety Impv.	W17000	--	--	--	--	375,000	375,000
Pua Nani Road Drain Repair	W18004	1,770,197	9,375	1,779,572	--	1,800,000	20,428
Oloheua Road Improvements	W19002	1,507	289,933	291,440	136,067	760,000	332,493
Maluhia / Koloa Rd	W19021	848,397	113,703	962,100	455,936	1,750,000	331,964
County Bridge Inspections	W20020	--	--	--	--	400,000	400,000
Bridge Maintenance (County Match)	W96388	281,694	1,410	283,104	18,490	783,892	482,298
Speed Hump Program	W98364	74,443	--	74,443	--	142,523	68,080
Total Expenditures		\$ 4,633,551	680,061	\$ 5,313,612	\$ 701,840	\$ 8,182,874	\$ 2,167,422
Excess (Deficiency) of Revenues Over (Under) Expenditures			(680,061)				
Other Financing Sources:							
Transfers In			850,000				
Transfers Out			--				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			169,939				
Fund Balance - Beginning of Year, July 1, 2019			2,699,324				
Fund Balance - End of Year, June 30, 2020			\$ 2,869,263				

COUNTY OF KAUAI, HAWAII
GENERAL CIP FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ --				
Other revenues			2,282,660				
Total Revenues			<u>2,282,660</u>				
Expenditures:							
HRMS, Payroll & Personnel	J20000	\$ --	\$ 97,241	\$ 97,241	\$ 211,820	\$ 2,000,000	\$ 1,690,939
Adolescent Treatment Center	M18001	1,892,979	7,021	1,900,000	--	1,900,000	--
CFD Po'ipū Beach Improvements	R18014	88,784	--	88,784	--	95,000	6,216
Waimea / Kekaha ADA Improvements	R18015	--	184,727	184,727	253,342	750,000	311,931
Historic County Building Security & Grounds Imprv	R20000	--	4,734	4,734	--	300,000	295,266
Islandwide Playground Equipment	R20005	--	408,321	408,321	--	500,000	91,679
Islandwide Playcourt Resurfacing	R20010	--	19,740	19,740	118,960	250,000	111,300
Skateboard Parks (Design & Development)	R20015	--	--	--	--	400,000	400,000
Inclusive Playground Development	R20020	--	--	--	--	400,000	400,000
Kapaa Pool Renovations	R20030	--	--	--	--	1,000,000	1,000,000
Neighborhood Centers Improvements	W07013	94,890	36,048	130,938	18,440	149,378	--
Habitat Conservation Plan	W08012	188,821	705	189,526	--	230,000	40,474
Aliomanu Road Revetment (Planning/Permits)	W08016	240,446	--	240,446	683	241,129	--
Host Community Benefits-Kekaha	W09012	1,974,092	265,652	2,239,744	--	2,443,028	203,284
Adolescent Drug Treatment Center	W10017	466,374	13,631	480,005	--	500,000	19,995
Piikoi Interior II	W12053	8,665	--	8,665	15,630	24,295	--
CFD Complete Streets projects in Kōloa/Po'ipū Area	W13014	72,888	6,060	78,948	37,515	333,528	217,065
Police Training Building KPAL	W16010	54,435	4,315	58,750	11,250	70,000	--
Lihue WWTP Improvements Phase II	W17001	260,408	29,288	289,696	79,900	370,000	404
Helicopter Hangar	W18018	--	--	--	--	120,000	120,000
Kilauea / Kolo Road	W19001	--	--	--	--	50,000	50,000
KPAL / Police Training	W19005	--	--	--	126,000	230,000	104,000
Kapule Counters RPA/ Plan	W19105	--	8,944	8,944	--	150,000	141,056
Wailua WWTP Improvements/Renovation	W20025	--	--	--	386,657	400,000	13,343

COUNTY OF KAUAI, HAWAII
GENERAL CIP FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Wailua Emergency Manhole Upgrades	W20030	\$ --	\$ 44,201	\$ 44,201	\$ 71,048	\$ 200,000	\$ 84,751
Wastewater Billing System Upgrades	W20035	--	--	--	--	200,000	200,000
Park Improvement Waimea District	W96073	30,327	--	30,327	--	30,578	251
IT Infrastructure Improvements	X10006	88,685	--	88,685	286,315	375,000	--
IT System Countywide Evaluation, Design & Implementation	X20001	--	--	--	990,000	1,000,000	10,000
West Kauai Development Plan	Z18004	8,525	13,274	21,799	--	21,800	1
Total Expenditures		\$ 5,470,319	1,143,902	\$ 6,614,221	\$ 2,607,560	\$ 14,733,736	\$ 5,511,955
Excess (Deficiency) of Revenues Over (Under) Expenditures			1,138,758				
Other Financing Sources:							
Transfers In			6,782,956				
Transfers Out			--				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			7,921,714				
Fund Balance - Beginning of Year, July 1, 2019			2,642,917				
Fund Balance - End of Year, June 30, 2020			\$ 10,564,631				

COUNTY OF KAUAI, HAWAII
BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ 413,508				
Bond subsidies			958,438				
Total Revenues			1,371,946				
Expenditures:							
Alternative Energy Projects	D10106	\$ 1,189,677	\$ 11,153	\$ 1,200,830	\$ 8,614	\$ 1,254,861	\$ 45,417
KFD Helicopter Hanger Pad	F14001	98,000	24,950	122,950	22,783	380,000	234,267
KFD Utilization STD	F20000	--	--	--	--	130,834	130,834
Lima Ola Onsite Phase I	H18001	18,671	78,344	97,015	110,000	6,000,000	5,792,985
Waimea Land Acquire	H20000	--	3,800,000	3,800,000	100,000	3,900,000	--
Adolescent Treatment & Healing Center	M18001	846,459	126,941	973,400	26,600	1,000,000	--
Veterans Cemetery Upgrade	R10013	163,782	--	163,782	--	251,274	87,492
Salt Pond Beach Park Facility Improvements	R12002	--	--	--	--	73,000	73,000
Hanapepe Stadium Ticket Booth	R13003	--	25,000	25,000	--	25,000	--
Softball Field Pavilions (Peter Rayno, Isenberg)	R13006	80,400	--	80,400	--	80,400	--
Wailua Golf Course Replace Existing Water Lines	R13009	--	--	--	--	20,000	20,000
Wailua Golf Course Replace Existing Water Lines	R13A09	--	--	--	--	14,455	14,455
Wailua Golf Course Replace Existing Water Lines	R13B09	--	--	--	--	9,072	9,072
Wailua Golf Course Replace Existing Water Lines	R13C09	--	--	--	--	36,473	36,473
Kapaa Pool Restroom Reconstruction	R14002	340,336	200	340,536	--	420,336	79,800
Hanapepe Stadium ADA	R14010	35,022	24,806	59,828	--	59,828	--
Comfort Station Improvements	R15116	209,936	--	209,936	--	209,936	--
Islandwide Pool Restoration	R16000	133,802	16,198	150,000	--	150,000	--
Salt Pond Beach Park Facility Improvements	R16001	--	--	--	--	50,000	50,000
Hanapepe Stadium Improvements	R17001	73,679	--	73,679	7,899	100,000	18,422
Kapaa Stadium Improvements	R18002	76,262	--	76,262	6,603	150,000	67,135
Civic Center Roof Replacement	R18005	64,010	--	64,010	--	64,010	--
Black Pot Improvements	R18007	--	8,880	8,880	91,120	100,000	--
Kalaheo Neighborhood Gym Roof	R18009	150,607	1,334,475	1,485,082	14,918	1,500,000	--
KWMCH Improvements	W02226	323,011	--	323,011	--	323,011	--
Kekaha Gardens Park	W06A44	361,494	--	361,494	--	361,494	--
Historic County Bldg and Lihue Civic Ctr Improv	W06029	451,424	--	451,424	--	451,424	--

COUNTY OF KAUAI, HAWAII
BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Regional Parks Improvements	W06041	\$ 1,095,818	\$ --	\$ 1,095,818	\$ 4,182	\$ 1,100,000	\$ --
Kekaha Gardens Park	W06044	897,269	--	897,269	5,907	903,176	--
ADA Projects Bldg Fac	W08007	779,318	--	779,318	--	779,318	--
Aliomanu Road Revetment (Planning/Permits)	W08016	8,786	--	8,786	101	8,887	--
Kanaele Road Slope Stabilization	W09005	137,675	--	137,675	102,574	290,550	50,301
Hanapepe Bridge Reconstruction	W09007	13,053	--	13,053	--	111,958	98,905
Wailua WWTP Improvement	W10014	--	--	--	130,000	130,000	--
Twin Reserve EQ	W10A46	--	3,749	3,749	6,251	10,000	--
Opaekaa Bridge-Design	W10002	99,989	--	99,989	--	140,000	40,011
Piikoi Building Renovation	W10011	2,426,007	--	2,426,007	2,993	2,429,000	--
Wailua WWTP Improvements/Renovation	W10014	594,483	--	594,483	755,517	1,350,000	--
Island Wide SCADA System Construction	W10015	4,923,893	4,557	4,928,450	21,550	4,950,000	--
Ele'ele WWTP Improvements/Renovation	W10016	868,278	--	868,278	--	893,500	25,222
ADA Access Barrier Removal	W10022	965,688	34,312	1,000,000	--	1,000,000	--
Rice Street Crossing Improvements	W10032	11,438	--	11,438	146,094	157,534	2
New Landfill Site Acquisition	W10037	2,487,760	--	2,487,760	--	2,489,677	1,917
Safe Route Kawaihau	W10045	138,795	59,410	198,205	2,151	263,000	62,644
Twin Reserve EQ	W10046	4,020	73,182	77,202	22,798	100,000	--
CIP Management System	W10051	170,002	--	170,002	--	177,625	7,623
Kōloa Fire Station Improvements	W12012	--	--	--	--	200,000	200,000
Hardy Street Improvement	W12020	1,686,359	--	1,686,359	--	1,717,817	31,458
Piikoi Interior Renovation Phase II	W12053	492,142	30,483	522,625	318,906	841,531	--
Koloa Road Safety Improvements (County Match)	W12065	91,566	--	91,566	6	92,000	428
Hanapepe Road	W12067	--	--	--	--	47,000	47,000
Material Recovery Facility (MRF)	W13001	248,012	--	248,012	--	254,007	5,995
Aliomanu Road	W13004	183,151	73,106	256,257	61,011	317,268	--
Auto Shop Improvements	W13005	34,563	309,812	344,375	155,353	550,000	50,272
Fuel Management System	W13007	144,499	14,686	159,185	5,252	195,000	30,563
NPDES Compliance	W13A10	268,564	237,842	506,406	93,594	600,000	--
NPDES Compliance	W13010	176,608	--	176,608	--	385,000	208,392
Anini Bridge	W14001	617,286	--	617,286	--	618,640	1,354

COUNTY OF KAUAI, HAWAII
BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Salt Pond Wastewater Improvements	W14005	\$ 818,647	\$ 17,444	\$ 836,091	\$ 4,112	\$ 937,793	\$ 97,590
Waa Road Drainage Study	W14006	--	--	--	--	100,000	100,000
Complete Street Safety Improvements/Traffic Mitigation	W14009	126,664	--	126,664	4,202	150,000	19,134
Kapahi Bridge Replacement (County Match)	W14011	122,921	--	122,921	--	124,231	1,310
Waimea R-1 H2O Distribution System Improvements	W14078	178,456	30,994	209,450	--	209,450	--
Eiwa Street (Mall)	W15100	207,762	--	207,762	2,676	281,516	71,078
Niimalu Bridge Replacement	W15104	--	--	--	--	50,000	50,000
RPA Counter Renovation	W15105	27,571	2,489	30,060	1,563	31,623	--
Puhi Road Phase II Match	W16A04	--	741	741	--	20,000	19,259
Puhi Road Phase II Match	W16004	47,436	1,327	48,763	1,237	50,000	--
TIGER Grant Project (County Match)	W17TGR	601,728	1,248,036	1,849,764	150,236	2,000,000	--
Lihue WWTP Improvements Phase II	W17001	99,118	--	99,118	--	99,118	--
Fuel Tanks Hapapepe Baseyard	W17004	--	--	--	--	50,000	50,000
Collector Road Improvements	W18002	--	--	--	--	192,432	192,432
Islandwide Road Safety Program	W18003	67,519	--	67,519	--	100,000	32,481
Collector Road Improvements	W18006	--	--	--	--	5,618	5,618
Lihue WWTP Improvements Phase II	W18007	--	882	882	--	882	--
Wailua NPDES Effluent Modification (Design)	W18011	491,401	--	491,401	8,599	500,000	--
Aliomanu Road Improvements	W18012	--	--	--	19,025	101,431	82,406
Kapaa Police Sub-Station	W18013	37,519	60,230	97,749	144,251	507,000	265,000
Niimalu Bridge Replacement	W18014	--	40,150	40,150	334,141	650,000	275,709
Opaeka'a Bridge Replacement (County Match)	W18015	--	330,609	330,609	329,391	660,000	--
Puhi Road Phase II (County Match)	W18016	14,086	--	14,086	8,221	50,000	27,693
Waimea WWTP R-1 (Design)	W18017	--	361,498	361,498	183,498	600,000	55,004
Helicopter Hangar (Construction)	W18018	--	--	--	--	1,365,000	1,365,000
Kawaihau, Hauaia, Maluhia	W19000	--	423,614	423,614	213,386	637,000	--
Kilauea, Kolo Rd Improvements	W19001	--	--	--	--	200,000	200,000
Olohena Road Improvements	W19002	--	393,598	393,598	6,402	400,000	--
KPAL, Police Training	W19005	--	69,823	69,823	230,177	300,000	--
Wailua SPS1 Rehabilitation	W19006	12,410	10,980	23,390	6,610	30,000	--
Wailua SPS3 Rehabilitation	W19007	--	--	--	40,000	40,000	--

COUNTY OF KAUAI, HAWAII
BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Lihue Collect System	W19008	\$ --	\$ 104,048	\$ 104,048	\$ 93,893	\$ 200,000	\$ 2,059
Maluhia, Koloa Rd	W19021	25,583	26,212	51,795	1,860,000	1,950,000	38,205
Wastewater Facility	W20A05	--	33,062	33,062	184,622	222,984	5,300
Sewer Collection Upgrade	W20A10	--	--	--	--	32,681	32,681
Waimea R-2 Reuse	W20A15	--	48,398	48,398	--	48,398	--
Wastewater Facility	W20B05	--	--	--	193,921	193,921	--
CIP Contingency	W20000	--	38,101	38,101	38,164	225,000	148,735
Emergency Generator	W20001	--	--	--	150,000	150,000	--
HVAC Replacement	W20002	--	--	--	300,751	300,751	--
Wastewater Facility	W20005	--	--	--	233,095	233,095	--
Sewer Collection Upgrade	W20010	--	39,903	39,903	202,217	367,319	125,199
Waimea R-2 Reuse	W20015	--	151,602	151,602	--	151,602	--
Biennial Bridge Inspections (County Match)	W96388	22,315	20,000	42,315	--	50,228	7,913
Payroll/Personnel System	X10001	216,067	6,010	222,077	--	222,077	--
Planning, Zoning/Engineering System	X10002	3,841	--	3,841	--	3,841	--
IT Infrastructure Improvements (Multi-phase)	X10006	773,853	--	773,853	73,484	847,337	--
800 MHZ Radio System Upgrade Phase II	X14001	2,964,975	--	2,964,975	--	2,992,232	27,257
Cashiering System Upgrade	X15100	178,166	--	178,166	--	180,000	1,834
Land Information Management Plan	X18001	--	523,194	523,194	471,971	2,500,000	1,504,835
General Plan Update	Z12003	592,492	10,575	603,067	--	603,067	--
East Kauai Development Plan	Z13003	49,716	--	49,716	--	49,716	--
North, East & South Shore Transit Feasibility Study	Z14002	164,268	--	164,268	--	164,268	--
West Kauai Development Plan	Z18002	2,475	34,428	36,903	2,827	73,620	33,890

COUNTY OF KAUAI, HAWAII
BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
West Kauai Development Plan	Z18003	\$ --	\$ 1,488	\$ 1,488	\$ --	\$ 1,488	\$ --
West Kauai Development Plan	Z18004	303,356	138,892	442,248	57,752	500,000	--
Total Expenditures		<u>\$ 32,331,939</u>	<u>10,460,414</u>	<u>\$ 42,792,353</u>	<u>\$ 7,773,201</u>	<u>\$ 62,924,615</u>	<u>\$ 12,359,061</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(9,088,468)				
Other Financing Sources (Uses):							
Transfers out			(996,839)				
Total Other Financing Sources (Uses)			(996,839)				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			(10,085,307)				
Fund Balance - Beginning of Year, July 1, 2019			33,298,555				
Fund Balance - End of Year, June 30, 2020			<u>\$ 23,213,248</u>				

COUNTY OF KAUAI, HAWAII
OPEN SPACE CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Project No.</u>	<u>Prior Year Expenditures</u>	<u>Current Year</u>	<u>Project-To-Date Expenditures</u>	<u>Encumbrances</u>	<u>Project Authorization</u>	<u>Balance</u>
Revenues:							
Interest			\$ --				
Other revenues			--				
Total Revenues			<u>--</u>				
Expenditures:							
Kekaha Coastal Property	X18010	\$ 553,649	--	\$ 553,649	\$ --	\$ 599,000	\$ 45,351
Total Expenditures		<u>\$ 553,649</u>	--	<u>\$ 553,649</u>	<u>\$ --</u>	<u>\$ 599,000</u>	<u>\$ 45,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			--				
Fund Balance - Beginning of Year, July 1, 2019			<u>45,351</u>				
Fund Balance - End of Year, June 30, 2020			<u>\$ 45,351</u>				

COUNTY OF KAUAI, HAWAII
G.E. TAX CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Project No.</u>	<u>Prior Year Expenditures</u>	<u>Current Year</u>	<u>Project-To-Date Expenditures</u>	<u>Encumbrances</u>	<u>Project Authorization</u>	<u>Balance</u>
Revenues:							
Interest			\$ --				
Other revenues			<u>--</u>				
Total Revenues			<u>--</u>				
Expenditures:							
Bus Transit Facility Utilization Study	T20000	\$ --	\$ 20,000	\$ 20,000	\$ 105,000	\$ 125,000	\$ --
Expansion of Bus Facility	W20040	<u>--</u>	<u>--</u>	<u>--</u>	<u>125,000</u>	<u>125,000</u>	<u>--</u>
Total Expenditures		\$ <u>--</u>	20,000	\$ <u>20,000</u>	\$ <u>230,000</u>	\$ <u>250,000</u>	\$ <u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(20,000)				
Other Financing Sources:							
Transfers in			250,000				
Transfers out			<u>--</u>				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			230,000				
Fund Balance - Beginning of Year, July 1, 2019			<u>--</u>				
Fund Balance - End of Year, June 30, 2020			\$ <u>230,000</u>				

COUNTY OF KAUAI, HAWAII
PUBLIC HOUSING ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Rents and Concessions:						
Pa'anau housing project	\$ 708,633	\$ 708,633	\$ 769,959	\$ --	\$ 769,959	\$ 61,326
Kalepa housing project	1,152,500	1,152,500	1,184,762	--	1,184,762	32,262
Other revenues	427,200	609,932	88,955	--	88,955	(520,977)
Total Revenues	<u>2,288,333</u>	<u>2,471,065</u>	<u>2,043,676</u>	<u>--</u>	<u>2,043,676</u>	<u>(427,389)</u>
Other Financing Sources (Uses):						
Operating transfers from General Fund	2,700,000	2,700,000	2,700,000	--	2,700,000	--
Total Other Financing Sources (Uses)	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,700,000</u>	<u>--</u>	<u>2,700,000</u>	<u>--</u>
Total Revenues and Other Financing Sources (Uses)	<u>4,988,333</u>	<u>5,171,065</u>	<u>4,743,676</u>	<u>--</u>	<u>4,743,676</u>	<u>(427,389)</u>
Expenditures - Public Welfare:						
Revolving buy back account	5,912,735	6,142,735	1,062,029	2,508,000	3,570,029	2,572,706
Kalepa housing operating cost	1,576,455	1,576,455	750,735	152,212	902,947	673,508
Pa'anau housing operating cost	877,456	877,456	391,168	131,041	522,209	355,247
Total Expenditures	<u>8,366,646</u>	<u>8,596,646</u>	<u>2,203,932</u>	<u>2,791,253</u>	<u>4,995,185</u>	<u>3,601,461</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Note C)	\$ <u>(3,378,313)</u>	\$ <u>(3,425,581)</u>	2,539,744	\$ <u>(2,791,253)</u>	\$ <u>(251,509)</u>	\$ <u>3,174,072</u>
Fund Balance - Beginning of Year July 1, 2019			<u>12,787,159</u>			
Fund Balance - End of Year June 30, 2020			\$ <u>15,326,903</u>			

Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances.

Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.

Note C: Excess of expenditures over revenues is balanced with available fund balance.

Note D: Public Enterprise Housing Fund is comprised of three (3) funds: Housing Revolving Fund, Kalepa Housing Fund, and Paanau Housing Fund.

COUNTY OF KAUAI, HAWAII
SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest	\$ 34,000	\$ 34,000	\$ 28,002	\$ --	\$ 28,002	\$ (5,998)
Charges for Services:						
Sewer Charges:						
Residential	3,350,000	3,350,000	3,492,124	--	3,492,124	142,124
Commercial	5,900,000	5,900,000	4,778,343	--	4,778,343	(1,121,657)
Connection charge	--	--	200	--	200	200
Sludge disposal	250,000	250,000	357,563	--	357,563	107,563
Capacity assessment	40,000	40,000	27,300	--	27,300	(12,700)
Other revenues/miscellaneous	110,000	110,000	--	--	--	(110,000)
Total Revenues	<u>9,684,000</u>	<u>9,684,000</u>	<u>8,683,532</u>	<u>--</u>	<u>8,683,532</u>	<u>(1,000,468)</u>
Other Financing Sources (Uses):						
Transfers out	(701,857)	(701,857)	(701,857)	--	(701,857)	--
Operating transfers from Sewer Trust Fund	<u>1,912,094</u>	<u>1,912,094</u>	<u>1,912,094</u>	<u>--</u>	<u>1,912,094</u>	<u>--</u>
Total Other Financing Sources (Uses)	1,210,237	1,210,237	1,210,237	--	1,210,237	--
 Total Revenues and Other Financing Sources (Uses)	<u>10,894,237</u>	<u>10,894,237</u>	<u>9,893,769</u>	<u>--</u>	<u>9,893,769</u>	<u>(1,000,468)</u>
Expenditures - Sanitation:						
Sanitation and Waste Removal:						
Salaries, including overtime	2,630,512	2,534,073	2,517,107	--	2,517,107	16,966
Vacation credit payout	1	3,031	3,031	--	3,031	--
Operational and administrative	2,208,046	2,339,541	2,283,948	35,968	2,319,916	19,625
Central services cost	500,000	500,000	500,000	--	500,000	--
Capital costs	609,649	591,649	68,807	472,891	541,698	49,951
SRF loan payments	1,729,540	1,737,524	1,737,524	--	1,737,524	--
FICA taxes	200,243	188,243	187,389	--	187,389	854
Public employees' health fund	214,929	223,037	223,037	--	223,037	--
Workers' compensation	2	64,303	64,297	--	64,297	6
Unemployment compensation	1	1	--	--	--	1
Pension contributions	575,862	650,608	633,732	--	633,732	16,876
Other employee benefits	9,423	9,423	557	--	557	8,866
Public employees' other post-employment benefit	533,262	524,262	523,870	--	523,870	392
Repair and maintenance reserve	<u>3,539,407</u>	<u>3,385,181</u>	<u>2,198,748</u>	<u>1,174,498</u>	<u>3,373,246</u>	<u>11,935</u>
Total Expenditures - Sanitation	<u>12,750,877</u>	<u>12,750,876</u>	<u>10,942,047</u>	<u>1,683,357</u>	<u>12,625,404</u>	<u>125,472</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures (Note C)	\$ <u>(1,856,640)</u>	\$ <u>(1,856,639)</u>	(1,048,278)	\$ <u>(1,683,357)</u>	\$ <u>(2,731,635)</u>	\$ <u>(874,996)</u>
Fund Balance - Beginning of Year July 1, 2019			<u>1,906,683</u>			
Fund Balance - End of Year June 30, 2020			\$ <u>858,405</u>			

Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances.

Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.

Note C: Excess of expenditures over revenues is balanced with available fund balance.

COUNTY OF KAUAI, HAWAII
GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Rents and Concessions:						
Food and beverage	\$ 8,000	\$ 8,000	\$ 6,400	\$ --	\$ 6,400	\$ (1,600)
Pro shop	26,400	26,400	26,400	--	26,400	--
Range balls	--	--	--	--	--	--
Golf carts	150,000	150,000	164,810	--	164,810	14,810
Other	500	500	385	--	385	(115)
Charges for Services:						
Green fees and locker fees	1,027,000	1,027,000	822,882	--	822,882	(204,118)
Total Revenues	1,211,900	1,211,900	1,020,877	--	1,020,877	(191,023)
Other Financing Sources:						
Operating transfers from General Fund	1,287,934	1,287,934	1,287,934	--	1,287,934	--
Total Revenues and Other Financing Sources	2,499,834	2,499,834	2,308,811	--	2,308,811	(191,023)
Expenditures - Culture and Recreation:						
Salaries, including overtime	1,044,939	1,055,052	1,047,253	--	1,047,253	7,799
Operational and administrative	636,288	597,401	469,368	75,702	545,070	52,331
Central services cost	130,000	130,000	130,000	--	130,000	--
Capital costs	145,399	145,399	47,432	119,650	167,082	(21,683)
Debt service payments	--	--	--	--	--	--
FICA taxes	79,938	79,938	72,596	--	72,596	7,342
Public employees' health fund	163,036	163,036	156,948	--	156,948	6,088
Workers' compensation	2	21,002	12,770	--	12,770	8,232
Unemployment compensation	1,967	1,967	--	--	--	1,967
Public employees' other post-employment benefit	214,469	214,469	212,341	--	212,341	2,128
Pension contributions	227,642	235,416	235,255	--	235,255	161
Total Expenditures - Culture and Recreation	2,643,680	2,643,680	2,383,963	195,352	2,579,315	64,365
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Note C)	\$ (143,846)	\$ (143,846)	(75,152)	\$ (195,352)	\$ (270,504)	\$ (126,658)
Fund Balance - Beginning of Year July 1, 2019			227,573			
Fund Balance - End of Year June 30, 2020			\$ 152,421			

Note A: Original budgeted expenditure amounts include reappropriated and committed prior-period encumbrances.
Note B: Actual expenditures and revenues are reported on the modified accrual basis of accounting.
Note C: Excess of expenditures over revenues is balanced with available fund balance.

**STATISTICAL SECTION
(UNAUDITED)**

COUNTY OF KAUAI, HAWAII
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

This part of the County of Kauai's comprehensive annual financial report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed.	147
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	154
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	161
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	164
Operating Information These schedules contain service, and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	166

**COUNTY OF KAUAI, HAWAII
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 5**

TABLE 1

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net investment in capital assets	\$ 453,192,782	\$ 457,053,621	\$ 458,554,083	\$ 454,561,936	\$ 447,353,524	\$ 438,181,870	\$ 439,215,376	\$ 442,105,705	\$ 455,387,859	\$ 472,677,653
Restricted	18,346,037	7,823,254	11,287,770	12,063,167	10,177,669	14,439,009	8,533,459	14,864,441	9,955,466	18,735,612
Unrestricted (2), (4)	<u>65,401,348</u>	<u>51,887,401</u>	<u>23,645,923</u>	<u>9,720,128</u>	<u>(136,593,717)</u>	<u>(132,390,722)</u>	<u>(252,967,511)</u> (3)	<u>(284,520,607)</u>	<u>(279,297,890)</u> (5)	<u>(267,971,185)</u>
Total Governmental Activities Net Position	<u>536,940,167</u>	<u>516,764,276</u>	<u>493,487,776</u>	<u>476,345,231</u>	<u>320,937,476</u>	<u>320,230,157</u>	<u>194,781,324</u> (3)	<u>172,449,539</u>	<u>186,045,435</u> (5)	<u>223,442,080</u>
Business-type Activities:										
Net investment in capital assets	57,522,867	60,798,097	61,719,207	67,976,978	77,610,041	74,780,858	74,662,355	73,528,939	74,870,040	82,847,005
Restricted	347,335	354,625	353,600	351,925	356,210	362,635	356,730	362,670	1,368,740	1,370,195
Unrestricted (2), (4)	<u>8,124,987</u>	<u>9,611,655</u>	<u>8,749,372</u>	<u>8,768,640</u>	<u>1,457,020</u>	<u>6,926,493</u> (1)	<u>(708,815)</u> (3)	<u>(4,138,176)</u>	<u>(6,859,867)</u> (5)	<u>(9,987,468)</u>
Total Business-type Activities Net Position	<u>65,995,189</u>	<u>70,764,377</u>	<u>70,822,179</u>	<u>77,097,543</u>	<u>79,423,271</u>	<u>82,069,986</u> (1)	<u>74,310,270</u> (3)	<u>69,753,433</u>	<u>69,378,913</u> (5)	<u>74,229,732</u>
Primary Government:										
Net investment in capital assets	510,715,649	517,851,718	520,273,290	522,538,914	524,963,565	512,962,728	513,877,731	515,634,644	530,257,899	555,524,658
Restricted	18,693,372	8,177,879	11,641,370	12,415,092	10,533,879	14,801,644	8,890,189	15,227,111	11,324,206	20,105,807
Unrestricted (2), (4)	<u>73,526,335</u>	<u>61,499,056</u>	<u>32,395,295</u>	<u>18,488,768</u>	<u>(135,136,697)</u>	<u>(125,464,229)</u> (1)	<u>(253,676,326)</u> (3)	<u>(288,658,783)</u>	<u>(286,157,757)</u> (5)	<u>(277,958,653)</u>
Total Primary Government Activities Net Position	<u>\$ 602,935,356</u>	<u>\$ 587,528,653</u>	<u>\$ 564,309,955</u>	<u>\$ 553,442,774</u>	<u>\$ 400,360,747</u>	<u>\$ 402,300,143</u> (1)	<u>\$ 269,091,594</u> (3)	<u>\$ 242,202,972</u>	<u>\$ 255,424,348</u> (5)	<u>\$ 297,671,812</u>

Note (1): Net position for 2016 was restated.

Note (2): 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*.

Note (3): Net position for 2017 was restated.

Note (4): Balances prior to FY 2017 have not been adjusted for the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) in the current fiscal year*. The Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*.

Note (5): Net position for 2019 was restated.

Source: Department of Finance

**COUNTY OF KAUAI, HAWAII
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 3**

TABLE 1A

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses (2), (3):										
Governmental Activities:										
General government	\$ 28,619,780	\$ 32,774,735	\$ 36,906,688	\$ 27,367,278	\$ 34,845,724	\$ 31,124,910	\$ 35,907,652	\$ 36,748,751	\$ 39,752,275	\$ 41,191,065
Public safety	50,618,291	50,624,242	52,156,486	55,850,781	59,779,065	63,996,769	77,626,223	78,984,670	87,814,650	85,764,334
Public works	18,258,953	12,334,893	12,601,341	12,601,556	13,187,394	13,031,167	7,759,049	10,477,006	11,530,773	12,273,793
Highways and streets	18,949,545	17,913,595	19,996,535	22,563,566	20,169,211	21,389,331	19,449,532	24,405,041	25,189,019	31,193,348
Sanitation	5,342,980	22,204,359	25,685,902	24,539,377	18,081,944	22,784,661	9,433,463	29,455,273	24,223,172	8,157,902
Culture and recreation	9,924,470	10,428,386	10,791,475	13,070,021	12,560,842	12,635,604	19,895,665	21,223,972	22,827,870	23,142,666
Public welfare	17,918,206	20,393,081	22,624,202	22,774,863	20,347,498	22,066,721	25,216,739	27,640,479	28,476,112	36,135,020
Unallocated interest	6,183,785	5,029,937	6,516,418	5,388,788	5,254,055	5,100,848	4,921,648	5,266,323	5,368,320	5,154,183
Total Governmental Activities Expenses	155,816,010	171,703,228	186,689,047	184,156,230	184,225,733	192,130,011	200,209,971	234,201,515	245,182,191	243,012,311
Business-type Activities:										
Housing	2,371,254	2,178,940	2,352,640	1,889,266	2,170,580	2,486,232	2,842,953	2,534,963	2,190,691	2,379,496
Sewer	7,929,242	8,250,110	13,447,969	8,758,026	9,305,181	9,555,472 (1)	11,358,672	12,603,995	13,303,075	13,845,522
Golf	2,078,846	2,221,620	2,262,578	2,345,610	2,516,583	2,326,087	2,896,789	3,067,420	3,122,652	3,085,392
Total Business-type Activities Expenses	12,379,342	12,650,670	18,063,187	12,992,902	13,992,344	14,367,791 (1)	17,098,414	18,206,378	18,616,418	19,310,410
Total Primary Government Expenses	168,195,352	184,353,898	204,752,234	197,149,132	198,218,077	206,497,802 (1)	217,308,385	252,407,893	263,798,609	262,322,721
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	1,902,063	2,145,731	3,768,037	3,032,176	6,925,672	6,456,304	6,047,464	6,356,815	5,424,926	7,044,542
Public safety	955,145	752,086	1,036,661	1,088,528	976,639	1,059,842	603,963	883,768	928,787	893,593
Public works	1,535,271	1,356,060	1,410,220	1,903,747	413,159	432,238	370,243	245,982	403,990	437,061
Highways and streets	4,535,351	4,562,679	4,613,966	4,742,390	5,680,943	6,914,101	7,006,020	7,280,113	8,394,168	8,130,234
Sanitation	3,424,598	6,088,478	6,563,506	6,500,940	8,037,799	8,838,362	8,923,679	9,412,169	9,547,468	8,801,077
Culture and recreation	1,977,972	691,632	672,755	558,611	886,203	691,189	692,092	667,076	644,013	570,656
Public welfare	1,039,600	1,341,366	1,427,164	1,240,109	264,652	282,196	674,476	372,246	395,253	360,100
Operating grants and contributions	27,062,804	22,721,365	19,892,834	23,894,202	21,787,905	17,719,967	20,154,402	23,989,238	46,276,953	50,605,882
Capital grants and contributions	2,246,061	9,325,678	13,937,055	3,730,118	5,696,219	6,273,146	10,609,093	5,488,448	14,711,229	29,310,987
Total Governmental Activities Program Revenues	44,678,865	48,985,075	53,322,198	46,690,821	50,669,191	48,667,345	55,081,432	54,695,855	86,726,787	106,154,132
Business-type Activities:										
Charges for services:										
Housing	2,374,889	1,791,502	1,749,444	1,665,781	2,285,109	2,444,866	2,089,316	1,925,022	1,877,337	2,099,455
Sewer	6,661,118	7,030,940	8,854,282	8,401,285	9,586,721	9,545,888	9,532,589	9,561,674	9,465,263	8,656,233
Golf	1,283,586	1,203,219	1,171,155	1,131,791	1,142,667	1,210,762	1,193,254	1,171,011	1,254,562	1,020,877
Capital grants and contributions	476,403	6,496,784	5,711,909	5,698,224	7,954,930	1,559,608	1,246,127	1,050,457	2,011,556	7,311,987
Total Business-type Activities Program Revenues	10,795,996	16,522,445	17,486,790	16,897,081	20,969,427	14,761,124	14,061,286	13,708,164	14,608,718	19,088,552
Total Primary Government Program Revenues	\$ 55,474,861	\$ 65,507,520	\$ 70,808,988	\$ 63,587,902	\$ 71,638,618	\$ 63,428,469	\$ 69,142,718	\$ 68,404,019	\$ 101,335,505	\$ 125,242,684

Note (1): Total government expenses for 2016 was restated.

Note (2): 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*.

Note (3): Balances prior to FY 2017 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*. The Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*.

COUNTY OF KAUAI, HAWAII
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 3

TABLE 1A

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Revenue (Expense) (2), (3):										
Governmental activities	\$ (111,137,145)	\$ (122,718,153)	\$ (133,366,849)	\$ (137,465,409)	\$ (133,556,542)	\$ (143,462,666)	\$ (145,128,539)	\$ (179,505,660)	\$ (158,455,404)	\$ (136,858,179)
Business-type activities	(1,583,346)	3,871,775	(576,397)	3,904,179	6,977,083	393,333 (1)	(3,037,128)	(4,498,214)	(4,007,700)	(221,858)
Total Primary Government Net Revenue (Expense):	(112,720,491)	(118,846,378)	(133,943,246)	(133,561,230)	(126,579,459)	(143,069,333) (1)	(148,165,667)	(184,003,874)	(162,463,104)	(137,080,037)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
General Revenues:										
Property taxes	87,579,128	80,871,076	82,008,842	93,133,721	106,772,994	114,230,704	119,362,633	127,476,566	138,127,982	148,586,519
Public service company tax	3,020,565	4,226,609	4,247,316	4,437,498	4,243,704	3,993,523	3,173,170	3,497,888	3,442,407	3,754,911
Franchise tax	3,901,854	4,594,943	4,746,998	4,652,839	4,518,532	3,612,148	3,610,262	3,722,949	4,101,541	3,907,706
Fuel tax	4,163,471	3,948,687	3,929,570	4,518,532	5,168,937	5,459,139	5,636,105	5,718,221	5,729,166	5,227,648
Unrestricted grants and contributions	16,425,594	15,407,463	14,661,865	14,571,286	16,007,524	15,983,809	16,481,037	15,958,575	15,953,540	13,438,043
Investments earnings	2,326,500	1,168,610	1,115,555	1,347,124	933,116	1,664,777	355,446	712,245	5,220,651	4,468,452
Transfers	(11,407,235)	(4,062,142)	(619,797)	(2,338,126)	(471,508)	(2,188,753)	(794,150)	87,431	(3,129,407)	(5,128,455)
Total Governmental Activities General Revenues and Transfers	106,009,877	106,155,246	110,090,349	120,322,874	137,173,299	142,755,347	147,824,503	157,173,875	169,445,880	174,254,824
Business-type Activities:										
General Revenues:										
Unrestricted grants and contributions	2,000,000	—	14,402	—	—	—	—	—	—	—
Investment earnings	31,378	55,468	—	33,818	19,709	64,629	31,965	28,808	186,934	(55,778)
Transfers	11,407,235	4,062,142	619,797	2,338,126	471,508	2,188,753	794,150	(87,431)	3,129,407	5,128,455
Total Business-type Activities General Revenues and Transfers	13,438,613	4,117,610	634,199	2,371,944	491,217	2,253,382	826,115	(58,623)	3,316,341	5,072,677
Total Primary Government Program Revenues	119,448,490	110,272,856	110,724,548	122,694,818	137,664,516	145,008,729	148,650,618	157,115,252	172,762,221	179,327,501
Changes in Net Position (2), (3):										
Governmental activities	(5,127,268)	(16,562,907)	(23,276,500)	(17,142,535)	3,616,757	(707,319)	2,695,964	(22,331,785)	10,990,476	37,396,645
Business-type activities	11,855,267	7,989,385	57,802	6,276,123	7,468,300	2,646,715 (1)	(2,211,013)	(4,556,837)	(691,359)	4,850,819
Total Primary Government Changes in Net Position	\$ 6,727,999	\$ (8,573,522)	\$ (23,218,698)	\$ (10,866,412)	\$ 11,085,057	\$ 1,939,396 (1)	\$ 484,951	\$ (26,888,622)	\$ 10,299,117	\$ 42,247,464

Note (1): Net Revenue (Expense) for 2016 was restated.

Note (2): 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*.

Note (3): Balances prior to FY 2017 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*. The Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*.

Source: Department of Finance

**COUNTY OF KAUAI, HAWAII
GOVERNMENT - WIDE NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 5**

TABLE 1B

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assets and deferred outflows of resources (2), (4):										
Governmental activities	\$ 753,176,265	\$ 737,054,972	\$ 723,427,510	\$ 712,445,231	\$ 729,292,205	\$ 733,284,039	\$ 814,871,079	\$ 859,412,201	\$ 876,772,507	\$ 930,051,243
Business-type activities	<u>86,138,149</u>	<u>91,897,068</u>	<u>94,207,076</u>	<u>99,972,859</u>	<u>110,605,113</u>	<u>114,789,409</u>	<u>115,906,505</u>	<u>109,817,108</u>	<u>110,216,012</u>	<u>118,385,959</u>
Total Assets - Primary Government	<u>839,314,414</u>	<u>828,952,040</u>	<u>817,634,586</u>	<u>812,418,090</u>	<u>839,897,318</u>	<u>848,073,448</u>	<u>930,777,584</u>	<u>969,229,309</u>	<u>986,988,519</u>	<u>1,048,437,202</u>
Liabilities and deferred inflows of resources (2), (4):										
Governmental activities	216,236,098	220,290,696	228,520,422	236,100,000	408,354,729	413,053,882	491,944,958	686,962,662	693,332,492	706,609,163
Business-type activities	<u>20,142,960</u>	<u>21,132,691</u>	<u>23,384,897</u>	<u>22,875,316</u>	<u>31,181,842</u>	<u>32,719,423</u>	<u>36,047,532</u>	<u>40,063,675</u>	<u>41,153,938</u>	<u>44,156,227</u>
Total Liabilities - Primary Government	<u>236,379,058</u>	<u>241,423,387</u>	<u>251,905,319</u>	<u>258,975,316</u>	<u>439,536,571</u>	<u>445,773,305</u>	<u>527,992,490</u>	<u>727,026,337</u>	<u>734,486,430</u>	<u>750,765,390</u>
Net Position:										
Net investment in capital assets										
Governmental activities	453,192,782	457,053,621	458,554,083	454,561,936	447,353,524	438,181,870	439,215,376	442,105,705	455,387,859	472,677,653
Business-type activities	<u>57,522,867</u>	<u>60,798,097</u>	<u>61,719,207</u>	<u>67,976,978</u>	<u>77,610,041</u>	<u>74,780,858</u>	<u>74,662,355</u>	<u>73,528,939</u>	<u>74,870,040</u>	<u>82,847,005</u>
Restricted by enabling legislation:										
Governmental activities	--	--	--	--	--	--	8,533,459	14,864,441	9,955,466	18,735,612
Business-type activities	<u>347,335</u>	<u>354,625</u>	<u>353,600</u>	<u>351,925</u>	<u>356,210</u>	<u>362,635</u>	<u>356,730</u>	<u>362,670</u>	<u>1,368,740</u>	<u>1,370,195</u>
Restricted, other:										
Governmental activities	18,346,037	7,823,254	11,287,770	12,063,167	10,177,669	14,439,009	--	--	--	--
Business-type activities	--	--	--	--	--	--	--	--	--	--
Unrestricted net position (2), (4):										
Governmental activities	65,401,348	51,887,401	23,645,923	9,720,128	(136,593,717)	(132,390,722)	(252,967,511) (3)	(284,520,607)	(279,297,890) (5)	(267,971,185)
Business-type activities	<u>8,124,987</u>	<u>9,611,655</u>	<u>8,749,372</u>	<u>8,768,640</u>	<u>1,457,020</u>	<u>6,926,493</u> (1)	<u>(708,815)</u> (3)	<u>(4,138,176)</u>	<u>(6,859,867)</u> (5)	<u>(9,987,468)</u>
Total Net Position - Primary Government	<u>\$ 602,935,356</u>	<u>\$ 587,528,653</u>	<u>\$ 564,309,955</u>	<u>\$ 553,442,774</u>	<u>\$ 400,360,747</u>	<u>\$ 402,300,143</u> (1)	<u>\$ 269,091,594</u> (3)	<u>\$ 242,202,972</u>	<u>\$ 255,424,348</u> (5)	<u>\$ 297,671,812</u>

Note (1): Total Liabilities and Net Position for 2016 was restated.

Note (2): 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*.

Note (3): Net Position for 2017 was restated.

Note (4): Balances prior to FY 2017 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*. The Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*.

Note (5): Net Position for 2019 was restated.

Source: Department of Finance

COUNTY OF KAUAI, HAWAII
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1 - 2
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000
Committed	5,411,603	8,602,156	7,649,170	8,531,741	9,959,330	9,473,469	20,537,307	20,949,918	23,069,304	26,591,384
Assigned	47,749,807 (1)	20,234,694	12,700,967	4,104,319	927,398	1,513,398	3,329,023	1,583,885	7,190,271	8,486,832
Unassigned	--	15,368,459	12,782,584	18,928,505	27,950,825	36,540,570	32,456,369	36,263,191	44,345,145	45,617,103
Total General Fund	<u>53,651,410</u>	<u>44,695,309</u>	<u>33,622,721</u>	<u>32,054,565</u>	<u>39,327,553</u>	<u>48,017,437</u>	<u>56,812,699</u>	<u>59,286,994</u>	<u>75,094,720</u>	<u>81,185,319</u>
All Other Governmental Funds:										
Nonspendable	3,363,311 (2)	2,769,119	2,284,346	1,926,775	1,555,424	2,498,625	2,204,479	528,280	601,440	678,358
Restricted	11,417,538 (2)	8,135,743	10,759,583	8,530,195	9,590,391	5,730,865	11,443,165	13,940,646	14,411,818	14,908,235
Committed	18,793,384	19,664,847	14,997,103	22,075,355	22,775,602	14,898,454	14,223,775	19,807,870	24,164,548	36,297,596
Assigned	100,757,185	81,570,384	73,781,703	52,451,430	45,053,079	47,543,497	41,001,434	55,229,499	50,992,632	45,496,939
Unassigned	--	--	--	--	--	--	--	--	--	--
Total All Other Governmental Funds	<u>134,331,418</u>	<u>112,140,093</u>	<u>101,822,735</u>	<u>84,983,755</u>	<u>78,974,496</u>	<u>70,671,441</u>	<u>68,872,853</u>	<u>89,506,295</u>	<u>90,170,438</u>	<u>97,381,128</u>
Total Fund Balances (Note 1)	<u>\$ 187,982,828</u>	<u>\$ 156,835,402</u>	<u>\$ 135,445,456</u>	<u>\$ 117,038,320</u>	<u>\$ 118,302,049</u>	<u>\$ 118,688,878</u>	<u>\$ 125,685,552</u>	<u>\$ 148,793,289</u>	<u>\$ 165,265,158</u>	<u>\$ 178,566,447</u>

Note (1): The June 30, 2011 CAFR General Fund balance was restated.

Note (2): The June 30, 2011 CAFR reported incorrect amounts between these two categories.

Source: Department of Finance

COUNTY OF KAUAI, HAWAII
CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1-3
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

TABLE 2A

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 94,343 (1)	\$ 93,470	\$ 95,035	\$ 107,410	\$ 120,492	\$ 126,945	\$ 133,065	\$ 140,107	\$ 151,019	\$ 160,809
Licenses and permits	6,847	6,778	7,132	7,878	9,953	10,952	10,582	11,108	11,221	10,915
Rents and concessions	916	639	649	488	488	500	486	422	386	290
Interest	2,708	1,379	297	1,347	933	1,665	355	712	5,220	4,468
Intergovernmental revenue	43,780	44,779	46,802	41,126	42,308	38,715	45,231	44,173	75,776	92,249
Charges for current services	5,583	8,591	9,220	9,877	11,567	11,788	12,029	12,622	12,741	11,675
Bond subsidy	971 (2)	1,138	1,138	1,045	1,042	1,029	1,015	997	979	958
Miscellaneous	1,642	720	3,310	824	1,177	1,433	1,220	1,066	1,391	3,358
Total Revenues	156,790	157,494	163,583	169,995	187,960	193,027	203,983	211,207	258,733	284,722
Expenditures:										
General government	28,285	29,850	32,943	29,342	33,921	30,858	32,313	31,915	36,260	35,913
Public safety	47,547	48,153	49,049	52,225	55,961	60,219	64,135	68,920	69,974	73,478
Public works	16,395	10,454	9,699	10,146	10,275	10,173	4,812	6,629	7,932	8,175
Highways and streets	13,146	11,965	15,037	16,537	14,144	15,352	12,095	16,569	16,755	22,972
Sanitation	11,385	17,928	13,087	13,554	16,282	16,086	15,566	17,790	20,207	19,335
Culture and recreation	9,252	9,852	9,500	11,548	10,512	10,465	16,642	17,437	18,078	18,478
Public welfare	20,192	19,758	22,018	21,980	18,924	19,476	22,790	24,541	25,735	32,491
Capital outlay	18,109	27,733	25,916	22,567	15,890	18,012	22,484	21,524	34,712	45,962
Debt Service:										
Principal	5,824	4,808	4,584	6,642	6,830	6,401	7,185	7,626	8,910	9,659
Interest	5,888	5,575	4,970	5,425	5,300	5,130	4,962	5,011	5,532	5,324
Total Expenditures	176,023	186,076	186,803	189,966	188,039	192,172	202,984	217,962	244,095	271,787
Excess of Revenues										
Over (Under) Expenditures	\$ (19,233)	\$ (28,582)	\$ (23,220)	\$ (19,971)	\$ (79)	\$ 855	\$ 999	\$ (6,755)	\$ 14,638	\$ 12,935
Other Financing Sources (Uses):										
Transfers in	\$ 28,081	\$ 18,570	\$ 28,406	\$ 21,788	\$ 20,251	\$ 26,184	\$ 30,770	\$ 39,737	\$ 24,610	\$ 33,822
Transfers out	(32,327)	(22,631)	(29,026)	(24,122)	(20,722)	(28,372)	(31,564)	(39,650)	(27,739)	(38,950)
Refunding bonds issued	--	--	--	--	--	--	--	--	--	--
Bonds issued	-- (2)	--	--	--	--	--	--	26,001	--	--
Premium on bonds issued	--	--	--	--	--	--	--	--	--	--
Payments to refunded bond escrow agency	--	--	--	--	--	--	--	--	--	--
Capital leases	3,699	732	2,451	3,898	1,814	1,720	2,516	3,223	4,594	5,494
Capital loans proceeds	--	--	--	--	--	--	3,775	551	369	--
Insurance proceeds	413	--	--	--	--	--	500	--	--	--
Claims proceeds	--	764	--	--	--	--	--	--	--	--
Sale of capital assets	--	--	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	(134)	(2,565)	1,831	1,564	1,343	(468)	5,997	29,862	1,834	366
Net Change in Fund Balances	\$ (19,367)	\$ (31,147)	\$ (21,389)	\$ (18,407)	\$ 1,264	\$ 387	\$ 6,996	\$ 23,107	\$ 16,472	\$ 13,301
Debt Service as a Percentage of										
Noncapital Expenditures	7.42%	6.56% (3)	5.94%	7.21%	7.05%	6.62%	6.73%	6.43%	6.90%	6.63%

Note (1): Revenues for 2011 were restated.

Note (2): A new line item labeled revenues from bond subsidy has been added. Revenues previously reported in the June 30, 2011 CAFR were reclassified from other financing sources, bonds issued to revenues from bond subsidy.

Note (3): Correction to the percentage reported on the CAFR for the year ended June 30, 2012.

COUNTY OF KAUAI, HAWAII
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 2B

Fiscal Year	General Government	Public Safety	Public Works	Highways and Streets	Sanitation	Culture and Recreation	Public Welfare	Capital Outlay	Debt Service	Total
2011	\$ 28,284,779	\$ 47,547,543	\$ 16,394,758	\$ 13,145,902	\$ 11,384,978	\$ 9,252,478	\$ 20,191,922	\$ 18,108,631	\$ 11,712,358	\$ 176,023,349
2012	29,850,216	48,152,876	10,453,780	11,964,857	17,928,104	9,851,517	19,758,515	27,732,637	10,383,400	186,075,902
2013	32,942,851	49,049,481	9,699,584	15,036,593	13,087,281	9,500,518	22,017,600	25,915,954	9,554,012	186,803,874
2014	29,342,392	52,225,235	10,146,402	16,536,725	13,553,839	11,547,644	21,980,197	22,567,374	12,067,137	189,966,945
2015	33,920,947	55,961,380	10,274,971	14,144,217	16,281,938	10,511,496	18,923,802	15,890,238	12,130,333	188,039,322
2016	30,858,262	60,219,227	10,172,962	15,351,967	16,086,176	10,464,345	19,476,213	18,012,046	11,531,008	192,172,206
2017	32,313,282	64,135,017	4,811,325	12,095,104	15,566,715	16,641,960	22,789,901	22,484,510	12,146,737	202,984,551
2018	31,914,909	68,919,964	6,629,002	16,568,690	17,790,341	17,436,755	24,541,374	21,524,363	12,636,578	217,961,976
2019	36,259,437	69,974,055	7,931,870	16,755,336	20,207,250	18,078,046	25,735,298	34,711,974	14,442,058	244,095,324
2020	35,912,985	73,477,679	8,174,885	22,972,041	19,334,589	18,478,077	32,490,504	45,962,289	14,983,965	271,787,014

Note (1): Includes general, special revenue, capital projects and debt service funds.

Source: Department of Finance

**COUNTY OF KAUAI, HAWAII
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1**

TABLE 3

Fiscal Year	Total Tax Levy	Tax Levy Adjustments in Subsequent Years	Total Tax Levy After Adjustments	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Tax Collections (1)	Percent of Levy		Tax Collections (1)	Percent of Levy
2011	\$ 83,621,720	\$ (457,531)	\$ 83,164,189	\$ 81,866,843	97.9 %	\$ 1,256,800	\$ 83,123,642	99.951 %
2012	80,337,961	(653,286)	79,684,675	78,588,197	97.8	1,060,040	79,648,237	99.954
2013	80,013,943	93,765	80,107,708	78,429,058	98.0	1,607,730	80,036,788	99.911
2014	91,842,667	427,627	92,270,294	90,317,284	98.3	1,840,457	92,157,741	99.878
2015	107,139,250	(6,281)	107,132,969	105,651,792	98.6	1,323,952	106,975,744	99.853
2016	114,123,756	(93,308)	114,030,447	112,470,903	98.6	1,355,940	113,826,843	99.821
2017	119,896,735	232,867	120,129,602	118,625,976	98.9	1,259,231	119,885,207	99.797
2018	126,320,307	165,482	126,485,790	124,910,655	98.9	1,187,877	126,098,532	99.694
2019	136,411,503	66,117	136,477,620	134,812,392	98.8	810,838	135,623,230	99.374
2020	145,463,974	--	145,463,974	143,585,981	98.7	--	143,585,981	98.709

Note (1): Current and delinquent tax collections do not include penalties and interest.

Source: Department of Finance

COUNTY OF KAUA'I, HAWAII
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (VALUED IN THOUSANDS - UNAUDITED) NOTES 1-2

TABLE 4

Fiscal Year	Gross Assessed Value (1)			Exemptions	Net Taxable Value	Total Direct Tax Rate	Ratio (%) of Net Taxable to Estimated Actual Value
	Land	Buildings	Total				
2011	\$ 10,559,729	\$ 7,880,358	\$ 18,440,087	\$ 1,681,649	\$ 16,758,438	\$ 5.37	90.9
2012	9,864,222	7,783,351	17,647,573	1,800,878	15,846,695	5.42	89.8
2013	9,452,552	7,846,372	17,298,924	1,987,430	15,311,494	5.44	88.5
2014	n/a	n/a	17,868,948	2,068,710	15,800,238	6.04	87.9
2015	n/a	n/a	19,040,292	2,927,020	16,113,272	6.70	84.0
2016	n/a	n/a	20,420,263	3,026,948	17,393,315	6.54	84.5
2017	n/a	n/a	21,293,260	3,045,295	18,247,965	6.57	85.1
2018	n/a	n/a	22,198,177	3,092,685	19,105,492	6.59	85.6
2019	n/a	n/a	23,150,723	3,147,021	20,003,702	6.81	86.4
2020	n/a	n/a	24,449,483	3,184,588	21,264,895	6.84	87.0

Note (1): Personal property is not taxed in the County of Kaua'i.
Taxable properties are assessed at 100% of estimated fair market value.
Values presented exclude government exemptions.

The total direct tax rate represents the weighted average of all the individual direct rates applied by the County of Kaua'i.

Note (2): As of fiscal year 2014 the Real Property Tax Division no longer maintains a breakdown between taxable land and taxable building valuations.
(n/a): Indicates that information is not available.

Source: Department of Finance, Real Property Tax Division

COUNTY OF KAUAI, HAWAII
REAL PROPERTY NET VALUATION BY CLASSIFICATION AND TAX RATES
LAST TEN FISCAL YEARS (VALUED IN THOUSANDS - UNAUDITED) NOTES 1 - 2

TABLE 5

Fiscal Year	Class of Property	Value of Net Taxable Land (1)	Land Tax Rates Per \$1,000	Value of Net Taxable Building (1)	Building Tax Rates Per \$1,000	Net Valuation for Tax Rate
2011	Single Family Residential	\$ 3,399,041	\$3.95	\$ 1,517,505	\$4.25	\$ 4,916,546
	Homestead	2,594,045	4.00	1,504,084	3.44	4,098,129
	Agriculture	1,497,499	6.90	646,375	4.25	2,143,874
	Conservation	240,567	6.90	38,785	4.25	279,352
	Hotel/resort	784,254	6.90	1,322,080	7.90	2,106,334
	Apartment	762,925	6.90	1,026,807	7.90	1,789,732
	Commercial	600,359	6.90	467,576	7.90	1,067,935
	Industrial	206,957	6.90	149,579	7.90	356,536
	Total	<u>\$ 10,085,647</u>		<u>\$ 6,672,791</u>		<u>\$ 16,758,438</u>
2012	Single Family Residential	\$ 3,012,544	\$3.95	\$ 1,551,602	\$4.25	\$ 4,564,146
	Homestead	2,263,350	4.00	1,443,463	3.44	3,706,813
	Agriculture	1,512,526	6.90	650,188	4.25	2,162,714
	Conservation	236,149	6.90	33,964	4.25	270,113
	Hotel/resort	773,560	6.90	1,275,984	7.90	2,049,544
	Apartment	770,859	6.90	995,317	7.90	1,766,176
	Commercial	563,209	6.90	424,745	7.90	987,954
	Industrial	184,851	6.90	154,384	7.90	339,235
	Total	<u>\$ 9,317,048</u>		<u>\$ 6,529,647</u>		<u>\$ 15,846,695</u>
2013	Single Family Residential	\$ 2,921,737	\$4.85	\$ 1,595,484	\$4.25	\$ 4,517,221
	Homestead	2,093,573	3.05	1,378,141	3.05	3,471,714
	Agriculture	1,426,037	6.90	717,931	4.25	2,143,968
	Conservation	216,421	6.90	46,109	4.25	262,530
	Hotel/resort	708,705	7.14	1,207,471	8.20	1,916,176
	Apartment	735,925	6.90	948,496	7.90	1,684,421
	Commercial	541,194	6.90	430,905	7.90	972,099
	Industrial	184,873	6.90	158,492	7.90	343,365
	Total	<u>\$ 8,828,465</u>		<u>\$ 6,483,029</u>		<u>\$ 15,311,494</u>

COUNTY OF KAUAI, HAWAII **TABLE 5**
REAL PROPERTY NET VALUATION BY CLASSIFICATION AND TAX RATES (Continued)
LAST TEN FISCAL YEARS (VALUED IN THOUSANDS - UNAUDITED) NOTES 1 - 2

Fiscal Year	Class of Property	Net Valuation for Tax Rate	Tax Rates Per \$1,000
2014	Residential	\$ 5,247,983	\$5.75
	Vacation Rental	2,410,922	8.00
	Commercial	970,226	8.00
	Industrial	348,850	8.00
	Agriculture	694,360	6.75
	Conservation	93,307	6.75
	Hotel/Resort	2,019,583	9.00
	Homestead	4,015,007	3.05
	Total	<u>\$ 15,800,238</u>	
2015	Residential	\$ 5,593,126	\$6.05
	Vacation Rental	2,631,776	8.85
	Commercial	986,307	8.10
	Industrial	344,376	8.10
	Agriculture	766,282	6.75
	Conservation	76,791	6.75
	Hotel/Resort	2,222,843	10.85
	Homestead	3,491,771	3.05
	Total	<u>\$ 16,113,272</u>	

COUNTY OF KAUAI, HAWAII **TABLE 5**
REAL PROPERTY NET VALUATION BY CLASSIFICATION AND TAX RATES (Continued)
LAST TEN FISCAL YEARS (VALUED IN THOUSANDS - UNAUDITED) NOTES 1 - 2

Fiscal Year	Class of Property	Net Valuation for Tax Rate	Tax Rates Per \$1,000
2016	Residential	\$ 4,307,877	\$6.05
	Vacation Rental	2,754,556	8.85
	Commercial	988,391	8.10
	Industrial	349,909	8.10
	Agriculture	848,806	6.75
	Conservation	88,214	6.75
	Hotel/Resort	2,118,758	10.85
	Homestead	4,176,046	3.05
	Residential Investor	907,267	7.05
	Commercialized Home Use	853,491	5.05
	Total	<u>\$ 17,393,315</u>	
2017	Residential	4,453,922	\$6.05
	Vacation Rental	2,808,807	8.85
	Commercial	1,212,005	8.10
	Industrial	359,921	8.10
	Agriculture	879,941	6.75
	Conservation	91,586	6.75
	Hotel/Resort	2,235,772	10.85
	Homestead	4,244,917	3.05
	Residential Investor	1,045,051	7.05
	Commercialized Home Use	916,043	5.05
	Total	<u>\$ 18,247,965</u>	

COUNTY OF KAUAI, HAWAII **TABLE 5**
REAL PROPERTY NET VALUATION BY CLASSIFICATION AND TAX RATES (Continued)
LAST TEN FISCAL YEARS (VALUED IN THOUSANDS - UNAUDITED) NOTES 1 - 2

Fiscal Year	Class of Property	Net Valuation		Tax Rates
			for Tax Rate	Per \$1,000
2018	Residential	\$	4,691,366	\$6.05
	Vacation Rental		2,977,607	8.85
	Commercial		1,222,247	8.10
	Industrial		375,295	8.10
	Agriculture		873,711	6.75
	Conservation		91,571	6.75
	Hotel/Resort		2,342,462	10.85
	Homestead		4,349,444	3.05
	Residential Investor		1,132,498	7.05
	Commercialized Home Use		1,049,291	5.05
	Total	\$	19,105,492	
2019	Residential	\$	4,874,612	\$6.05
	Vacation Rental		3,049,664	9.85
	Commercial		1,255,140	8.10
	Industrial		386,635	8.10
	Agriculture		857,499	6.75
	Conservation		96,924	6.75
	Hotel/Resort		2,462,961	10.85
	Homestead		4,558,352	3.05
	Residential Investor		1,384,519	8.05
	Commercialized Home Use		1,077,396	5.05
	Total	\$	20,003,702	
2020	Residential	\$	5,019,571	\$6.05
	Vacation Rental		3,455,979	9.85
	Commercial		1,241,513	8.10
	Industrial		388,862	8.10
	Agriculture		857,968	6.75
	Conservation		89,774	6.75
	Hotel/Resort		2,532,284	10.85
	Homestead		4,818,821	3.05
	Residential Investor		1,680,282	8.05
	Commercialized Home Use		1,179,841	5.05
	Total	\$	21,264,895	

Note (1): Amounts presented net of real property tax exemption and 50% appeals.

Note (2): As of fiscal year 2014 the Real Property Tax Division changed the classes of property and no longer maintains a breakdown between taxable land and taxable building valuations.

Source: Department of Finance, Real Property Tax Division

COUNTY OF KAUAI, HAWAII
COMPARISON OF PRINCIPAL TAXPAYERS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2011 (UNAUDITED)

TABLE 6

Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Amount of Taxes	Percent of County's Total Taxable Assessed Valuation
1	Marriott Kauai Ownership / Waiohai Beach Clubs	Resort Development	\$ 530,463,500	\$ 5,755,579	2.5%
2	Tower Kauai Lagoons / Kalanipu'u / TK Resort	Resort Development	308,163,300	3,060,862	1.4%
3	Kawailoa Development - Grand Hyatt Poipu	Resort Development	267,438,900	2,855,267	1.3%
4	SVO Pacific Inc / Poipu Development Land + Westin	Resort Development	223,178,000	2,421,481	1.0%
5	Poipu Beach Villas LLC / Koloa Landing	Resort Development	223,548,900	2,175,469	1.1%
6	Po'ipu Resort Partners / The Pointe	Resort Development	178,883,500	2,052,214	0.8%
7	Kukui'ula Development Co / Kukuiula Village LLC	Real Estate / Commercial	244,570,500	1,806,046	1.2%
8	Princeville Hotel LLP	Resort Development	137,016,000	1,485,797	0.6%
9	PRW Princeville Development Company LLC	Land / Resort Development	136,835,100	1,480,161	0.6%
10	Bali Hai Villas Ltd Partnership + Development Inc	Resort Development	103,230,500	1,120,053	0.5%
			<u>\$ 2,353,328,200</u>	<u>\$ 24,212,929</u>	<u>11.0%</u>

FISCAL YEAR 2011

Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Amount of Taxes	Percent of County's Total Taxable Assessed Valuation
1	Marriott Kauai Ownership	Resort Development	\$ 685,098,000	\$ 4,850,264	4.1%
2	Kawailoa Development	Resort Development	202,199,200	2,893,622	1.2%
3	Princeville Hotel/Development LLC	Resort / Real Estate Holdings	167,388,300	2,729,749	1.0%
4	SVO Pacific Inc. / Kauai Blues	Resort Development	302,603,700	2,291,257	1.8%
5	Grove Farm Inc. / Visionary LLC	Real Estate Holdings	153,163,000	2,077,407	0.9%
6	Kukui'ula Development / A&B / McBryde	Real Estate Holdings	251,057,500	1,594,230	1.5%
7	Knudsen, Eric Trust / CGB / Moir	Real Estate Holdings	123,738,000	978,441	0.7%
8	Pahio Resorts / Bali Hai / Kauai Beach / Shearwater	Resort Development	115,413,000	873,264	0.7%
9	Kukui Grove Center Investment	Commercial Development	94,059,200	718,730	0.6%
10	Robinson Family / Gay & Robinson	Real Estate Holdings	87,455,400	661,347	0.5%
			<u>\$ 2,182,175,300</u>	<u>\$ 19,668,311</u>	<u>13.0%</u>

Source: Department of Finance, Real Property Tax Division

COUNTY OF KAUAI, HAWAII
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1-3
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 7

Fiscal Year	Governmental Activities (1)			Business-type Activities (1)				Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation	Capital Leases	Loans Payable	General Obligation	Revenue Bonds	Capital Leases	Sewer Loans			
	Bonds	Leases	Payable	Bonds	Bonds	Leases	Loans			
2011	\$ 121,877,681	\$ 4,783,617	\$ --	\$ 1,151,245 (3)	\$ 205,000	\$ --	\$ 17,283,261	\$ 145,300,804	5.87 %	\$ 2,146
2012	119,026,446	3,697,053		1,007,967 (3)	--	33,221	18,238,387	142,003,074	5.40	2,075
2013	116,792,135	4,178,948		859,689	--	292,317	20,194,396	142,317,485	5.21	2,047
2014	112,995,000	5,644,489		705,000	--	470,676	19,166,416	138,981,581	4.91	1,972
2015	108,745,000	4,878,543		540,000	--	550,168	18,871,239	133,584,950	4.42	1,862
2016	104,685,000	4,257,981		370,000	--	365,549	22,704,977	132,383,507	4.21	1,838
2017	99,740,000	4,535,346	3,774,589	190,000	--	273,180	21,503,043	130,016,158	3.86	1,802
2018	118,610,000	5,277,700	4,325,676	--	--	210,614	19,831,135	148,255,125	4.15	2,055
2019	112,620,000	7,159,134	4,487,464	--	--	175,867	18,150,431	142,592,896	n/a	n/a
2020	106,375,000	9,453,137	4,273,363	--	--	359,403	16,677,640	137,138,543	n/a	n/a

Note (1): Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Note (2): See the Schedule of Demographic Statistics for personal income and population data.

Note (3): Correction to the amount reported on the CAFR for the year ended June 30, 2012.

(n/a): Indicates information currently not available.

COUNTY OF KAUAI, HAWAII
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1-4
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 7A

Fiscal Year	Governmental Activities General Obligation Bonds (1)	Business-type Activities General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2011	\$ 121,877,681	\$ 1,151,245 (4)	\$ 4,105,154	\$ 118,923,772	0.71 %	\$ 1,757
2012	119,026,446	1,007,967	483,340	119,551,073	0.75	1,747
2013	116,792,135	859,689	2,744,837	114,906,987	0.75	1,653
2014	112,995,000	705,000	161,837	113,538,163	0.71	1,611
2015	108,745,000	540,000	161,837	109,123,163	0.67	1,521
2016	104,685,000	370,000	161,837	104,893,163	0.60	1,456
2017	99,740,000	190,000	306,837	99,623,163	0.55	1,380
2018	118,610,000	--	1,588,524	117,021,476	0.61	1,622
2019	112,620,000	--	1,588,524	111,031,476	0.55	n/a
2020	106,375,000	--	1,588,524	104,786,476	0.49	n/a

Note (1): Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Note (2): See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Note (3): See the Schedule of Demographic Statistics for personal income and population data.

Note (4): Correction to statistics reported prior to the CAFR for the year ended June 30, 2012.

(n/a): Indicates information currently not available.

**COUNTY OF KAUAI, HAWAII
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1 - 2**

TABLE 8

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit (1)	\$ 2,513,765,700	\$ 2,377,004,250	\$ 2,296,724,100	\$ 2,370,035,700	\$ 2,416,990,800	\$ 2,608,997,250	\$ 2,737,194,750	\$ 2,865,823,800	\$ 3,000,555,000	\$ 3,189,734,250
Debt applicable to limit	<u>117,772,527</u>	<u>118,543,106</u>	<u>114,047,298</u>	<u>112,833,163</u>	<u>108,745,000</u>	<u>104,685,000</u>	<u>99,740,000</u>	<u>118,610,000</u>	<u>112,620,000</u>	<u>106,375,000</u>
Legal debt margin (2)	<u>\$ 2,395,993,173</u>	<u>\$ 2,258,461,144</u>	<u>\$ 2,182,676,802</u>	<u>\$ 2,257,202,537</u>	<u>\$ 2,308,245,800</u>	<u>\$ 2,504,312,250</u>	<u>\$ 2,637,454,750</u>	<u>\$ 2,747,213,800</u>	<u>\$ 2,887,935,000</u>	<u>\$ 3,083,359,250</u>
Debt applicable to the limit as a percentage of debt limit	4.69%	4.98%	4.96%	4.76%	4.49%	4.01%	3.64%	4.13%	3.75%	3.33%

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

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

Source: Department of Finance

Legal Debt Margin Calculation for Fiscal Year 2020

Net assessed value	<u>\$ 21,264,895,000</u>
Debt limit (15% of net assessed value)	3,189,734,250
Debt applicable to limit	<u>106,375,000</u>
Legal debt margin	<u>\$ 3,083,359,250</u>

COUNTY OF KAUAI, HAWAII
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1-5

TABLE 9

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (3) (millions of dollars)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2011	67,701	36,520	2,472	9,496	8.8
2012	68,434	38,392	2,627	9,530	7.4
2013	69,512	39,251	2,728	8,839	5.7
2014	70,475	40,163	2,830	6,924	4.8
2015	71,735	42,070	3,017	9,381	3.8
2016	72,029	43,585	3,139	9,402	4.0
2017	72,159	46,596	3,362	9,417	2.1
2018	72,133	49,416	3,564	9,293	2.5
2019	n/a	n/a	n/a	9,289	2.7
2020	n/a	n/a	n/a	9,056	2.6

Note (1): U.S. Department of Commerce, Bureau of Economic Analysis, County Summary CA1-3.

Note (2): U.S. Department of Commerce, Bureau of Economic Analysis, County Summary CA1-3.

Note (3): U.S. Department of Commerce, Bureau of Economic Analysis, County Summary CA1-3.

Note (4): State of Hawai'i Department of Education.

Note (5): U.S. Department of Labor Bureau of Labor Statistics.

Population includes Armed Forces and their dependents.

(n/a): Indicates information currently not available.

**COUNTY OF KAUAI, HAWAII
JOBS BY INDUSTRY
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 10

Fiscal Year	Construction	Transportation Communication Utilities	Wholesale & Retail Trade	Services	Lodging	Medical	Finance Insurance Real Estate	Agriculture	Government
2011	1,300	1,400	4,300	10,600	4,200	2,300	1,200	600	4,400
2012	1,300	1,400	4,200	10,800	4,100	2,300	1,300	n/a	4,600
2013	1,300	1,500	4,400	11,200	4,200	2,500	1,400	n/a	4,500
2014	1,200	1,500	4,400	11,600	4,200	2,500	1,400	n/a	4,600
2015	1,500	1,500	4,400	11,700	4,200	2,500	1,400	n/a	4,600
2016	1,700	1,500	4,500	12,000	4,200	2,700	1,200	n/a	4,600
2017	1,800	1,500	4,500	12,500	4,400	2,700	1,100	n/a	4,600
2018	1,900	1,600	4,500	12,600	4,500	2,700	1,200	n/a	4,700
2019	2,100	1,700	4,500	17,800	4,700	2,900	1,200	n/a	5,100
2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(n/a): Indicates information currently not available.

Source: State of Hawaii Data Book.

**COUNTY OF KAUAI, HAWAII
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1-3
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

TABLE 11

Fiscal Year	Gross Receipts (2)	Operating Expenses (3)	Net Receipts Available for Debt Service	Debt Service Requirement (1)			Coverage
				Principal	Interest	Total	
2011	\$ 2,374,888	\$ 1,562,449	\$ 812,439	\$ 190,000	\$ 28,637	\$ 218,637	\$ 593,802
2012	1,791,502	1,384,305	407,197	205,000	14,862	219,862	187,335
2013	1,749,444	1,350,025	399,419	--	--	--	399,419
2014	1,665,781	1,105,777	560,004	--	--	--	560,004
2015	2,285,109	1,387,091	898,018	--	--	--	898,018
2016	2,444,866	1,702,743	742,123	--	--	--	742,123
2017	2,089,316	2,059,464	29,852	--	--	--	29,852
2018	1,925,022	1,751,474	173,548	--	--	--	173,548
2019	1,877,337	1,407,202	470,135	--	--	--	470,135
2020	2,099,455	1,596,007	503,448	--	--	--	503,448

Note (1): Includes principal and interest of revenue bonds only. It does not include the general obligation or public improvement bonds.

Note (2): Receipts include contribution from HOME Investment Partnership Program Grant fund and residual bond proceeds used for the redemption of outstanding bond principal.

Note (3): Operating expenses do not include depreciation expense.

Source: Department of Finance

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS
FISCAL YEAR ENDED JUNE 30, 2020 (UNAUDITED)

TABLE 12

Date of incorporation	January 4, 1905
Date first charter adopted	January 2, 1969
Form of government	Mayor/Council
Number of employees (excluding fire and police):	926
Permanent	653
Temporary	22
Exempt	216
Contract	35
Area in square miles	620
County facilities and services:	
Miles of streets	310.72
Number of streetlights	3,000
Number of County facilities:	
Neighborhood centers	10
Community centers	4
Camping parks	7
Recreational parks	68
Gymnasiums	3
Swimming pools	2
Golf courses	1
Tennis courts	24
Baseball and softball fields	17
Basketball courts	23
Volleyball courts	2
Soccer fields	18
Auditoriums	1
Stadiums	3
Fire protection:	
Number of stations	8
Number of fire personnel and officers	213
Number of calls answered	6,379
Number of inspections conducted	2,238
Police protection:	
Number of stations	5
Number of police personnel	197
Number of patrol units	86
Number of police officers	142
Number of law violations:	
Physical arrest	4,311
Traffic violations	16,918
Parking violations	1,589

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020 (UNAUDITED)

TABLE 12

Sewage system:

Number of treatment plants	4
Number of service connections:	
Residential	5,075
Commercial	572
Daily average treatment in gallons	1,850,000
Maximum daily capacity of treatment plant in gallons	5,500,000

Water system:

Miles of water mains	443.41
Number of service connections	22,356
Number of fire hydrants	2,983
Annual water consumption in gallons	3.767 billion
Maximum daily capacity of plant in gallons	28.75 million

Facilities and services not included in the reporting entity:

Education School Year 20-21:

Number of elementary schools	9
Number of students enrolled	4,199
Number of elementary school instructors	367
Number of middle schools	3
Number of students enrolled	1,986
Number of middle school instructors	162
Number of secondary schools	3
Number of students enrolled	2882
Number of secondary school instructors	217
Number of community colleges	1

Hospitals:

Number of hospitals	3
Number of licensed patient beds	111

Elections - 2020 general election:

Number of registered voters	45,135
Number of votes cast	22,414
Percentage of registered voters voting	49.7%

COUNTY OF KAUA'I, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020 (UNAUDITED)

TABLE 12

Building Permits:

<u>Fiscal Year</u>	<u>Number of Permits Issued</u>	<u>Value of Permits</u>
2011	1,174	148,556,347
2012	1,386	187,620,246
2013	1,758	311,699,460
2014	2,087	253,496,415
2015	2,176	394,773,361
2016	4,406	217,945,537
2017	1,358	217,384,045
2018	1,149	278,920,948
2019	1,407	246,222,661
2020	1,430	310,488,174

Source: Building Division, County of Kaua'i

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020 (UNAUDITED)

TABLE 12

Tourism Sector:

<u>Fiscal Year</u>	<u>Total Visitors (000)</u>	<u>Avg. Length of Stay (days)</u>	<u>Total room stock (000)</u>	<u>Avg. Daily Census (000)</u>
2011	1,011.5	7.5	9.8	20.8
2012	1,084.6	7.5	8.2	22.3
2013	1,114.3	7.6	8.6	23.3
2014	1,117.7	7.7	8.4	23.5
2015	1,173.7	7.2	8.5	24.5
2016	1,187.2	7.6	8.4	24.8
2017	1,279.9	7.5	8.8	26.3
2018	1,389.3	7.5	9.0	28.5
2019	1,370.0	7.4	9.0	27.7
2020	327.1	8.7	n/a	8.5

(n/a): Indicates information currently not available.

- Sources:
1. State of Hawai'i Department of Business, Economic Development and Tourism, Hawai'i Tourism Authority, Visitor Research Annual Reports, Fiscal Years 2011 - 2019
 2. State of Hawai'i Department of Business, Economic Development and Tourism, Hawai'i Tourism Authority, Visitor Research Preliminary Data, Fiscal Year 2020, Jan-Nov-73.7% change in Visitor Arrivals in comparison to Fiscal Year 2019, Jan-Nov

**COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1**

TABLE 13

Principal Non-Government Employers as of 2019

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	927	2.42%
2	WILCOX HEALTH	HOSPITAL	749	1.96%
3	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	371	0.97%
4	KAUAI VETERANS MEMORIAL HOSPITAL	HOSPITAL	289	0.75%
5	SHIOI CONSTRUCTION INC.	HOTEL	167	0.44%
6	KOA KEA HOTEL & RESORT	HOTEL	160	0.42%
7	KAUAI ISLAND UTILITY COOPERATIVE	UTILITY	140	0.37%
8	SAMUEL MAHELONA MEMORIAL HOSPITAL	HOSPITAL	138	0.36%
9	SECURITAS SECURITY SERVICES USA INC.	SECURITY	131	0.34%
10	KEOKI'S PARADISE	RESTAURANT	125	0.33%

Source: Pacific Business News, October 9, 2020 Publication
State of Hawaii Data Book 2019

Principal Non-Government Employers as of 2018

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	927	3.43%
2	WILCOX MEDICAL CENTER	HOSPITAL	917	3.40%
3	PRINCEVILLE RESORT KAUAI	HOTEL	500	1.85%
4	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	382	1.41%
5	KAUAI VETERANS MEMORIAL HOSPITAL	HOSPITAL	289	1.07%
6	AQUA-ASTON HOSPITALITY	HOTEL	287	1.06%
7	KAUAI BEACH RESORT	HOTEL	240	0.89%
8	SHERATON KAUAI RESORT	HOTEL	236	0.87%
9	KOA KEA HOTEL & RESORT	HOTEL	170	0.63%
10	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	165	0.61%

Source: Pacific Business News, July 19, 2019 Publication
State of Hawaii Data Book 2018

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

Principal Non-Government Employers as of 2017

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	914	3.45%
2	WILCOX HEALTH	HOSPITAL	826	3.12%
3	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	502	1.89%
4	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	500	1.89%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	335	1.26%
6	AQUA-ASTON HOSPITALITY	HOTEL	294	1.11%
7	WEST KAUAI MEDICAL CENTER	HOSPITAL	283	1.07%
8	SHERATON KAUAI RESORT	HOTEL	255	0.96%
9	THE WESTIN PRINCEVILLE OCEAN RESORT VILLAS	HOTEL	207	0.78%
10	SHIOI CONSTRUCTION INC.	CONSTRUCTION	174	0.66%

Source: Pacific Business News, July 27, 2018 Publication
State of Hawai'i Data Book 2017

Principal Non-Government Employers as of 2016

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	946	3.68%
2	WILCOX HEALTH	HOSPITAL	787	3.06%
3	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	508	1.98%
4	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	504	1.96%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	335	1.30%
6	SHERATON KAUAI RESORT	HOTEL	288	1.12%
7	SAFEWAY INC.	RETAIL GROCER	281	1.09%
8	THE WESTIN PRINCEVILLE OCEAN RESORT VILLAS	HOTEL	170	0.66%
9	PIONEER HI-BREED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	165	0.64%
10	SHIOI CONSTRUCTION INC.	CONSTRUCTION	158	0.61%

Source: Pacific Business News, July 28, 2017 Publication
State of Hawai'i Data Book 2016

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

Principal Non-Government Employers as of 2015

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	907	3.58%
2	WILCOX HEALTH	HOSPITAL	771	3.04%
3	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	550	2.17%
4	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	499	1.97%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	344	1.35%
6	SHERATON KAUAI RESORT	HOTEL	296	1.16%
7	SYGENTA CORP	AGRICULTURE	260	1.02%
8	PIONEER HI-BREED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	210	0.83%
9	AQUA-ASTON HOSPITALITY	HOTEL	208	0.82%
10	THE WESTIN PRINCEVILLE OCEAN RESORT VILLAS	HOTEL	205	0.81%

Source: Pacific Business News, August 19, 2016 Publication
State of Hawaii Data Book 2015

Principal Non-Government Employers as of 2014

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	881	3.55%
2	WILCOX HEALTH	HOSPITAL	832	3.35%
3	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	550	2.21%
4	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	499	2.01%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	344	1.38%
6	SHERATON KAUAI RESORT	HOTEL	296	1.19%
7	SYGENTA CORP	AGRICULTURE	260	1.04%
8	AQUA KAUAI BEACH RESORT	HOTEL	200	0.80%
9	SHIOI CONSTRUCTION	CONSTRUCTION	179	0.72%
10	PIONEER HI-BREED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	168	0.67%

Source: Pacific Business News, August 22, 2014 Publication
State of Hawaii Data Book 2013

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

Principal Non-Government Employers as of 2013

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	602-ROOM HOTEL	941	3.85%
2	WILCOX MEMORIAL HOSPITAL	HOSPITAL	605	2.47%
3	MANU KAI	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	550	2.25%
4	THE ST. REGIS PRINCEVILLE RESORT	251-ROOM HOTEL	491	2.01%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	325	1.33%
6	SHERATON KAUAI RESORT	394-ROOM HOTEL	308	1.26%
7	KAUAI BEACH RESORT	350-ROOM CONDO HOTEL	250	1.02%
8	KAUAI MEDICAL CLINIC	HEALTH CLINIC	234	0.95%
9	SHIOI CONSTRUCTION INC.	CONSTRUCTION COMPANY	179	0.73%
10	PIONEER HI-BREED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	168	0.68%

Source: Pacific Business News, August 22, 2014 Publication
State of Hawaii Data Book 2013

Principal Non-Government Employers as of 2012

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	602-ROOM HOTEL	946	4.03%
2	WILCOX MEMORIAL HOSPITAL	72 BED HOSPITAL	719	3.06%
3	MANU KAI	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	569	2.42%
4	THE ST. REGIS PRINCEVILLE RESORT	251-ROOM HOTEL	489	2.08%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	325	1.38%
6	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	320	1.36%
7	ASTON ALOHA BEACH HOTEL	216-ROOM HOTEL	290	1.23%
8	SHERATON KAUAI RESORT	394-ROOM HOTEL	285	1.21%
9	BAYADA HOME HEALTH CARE	HOME CARE AND HABILITATION SERVICES	242	1.03%
10	KAUAI BEACH RESORT	350-ROOM CONDO HOTEL	242	1.03%

Source: Pacific Business News, August 26, 2011 Publication
State of Hawaii Data Book 2011

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

Principal Non-Government Employers as of 2011

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	602-ROOM HOTEL	830	3.44%
2	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	607	2.52%
3	THE ST. REGIS PRINCEVILLE RESORT	251-ROOM HOTEL	504	2.09%
4	WILCOX MEMORIAL HOSPITAL	71 BED HOSPITAL	488	2.02%
5	KAUAI MARRIOTT RESORT	356-ROOM HOTEL	436	1.81%
6	WAL-MART	DISCOUNT RETAILER	365	1.51%
7	'OHANA PACIFIC MANAGEMENT CO.	SKILLED NURSING, INTERMEDIATE CARE & DAY CARE	350	1.45%
8	SHERATON KAUAI RESORT	394-ROOM HOTEL	250	1.04%
9	KAUAI BEACH RESORT	350-ROOM HOTEL	217	0.90%
10	KAUAI MEDICAL CLINIC	MULTI-SPECIALTY CLINIC WITH FOUR LOCATIONS	213	0.88%

Source: Pacific Business News, August 26, 2011 Publication
State of Hawaii Data Book 2011

Principal Non-Government Employers as of 2010

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	602-ROOM HOTEL	900	3.79%
2	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	598	2.52%
3	WILCOX MEMORIAL HOSPITAL	71 BED HOSPITAL	488	2.05%
4	THE ST. REGIS PRINCEVILLE RESORT	252-ROOM HOTEL	426	1.79%
5	WAL-MART	DISCOUNT RETAILER	345	1.45%
6	'OHANA PACIFIC MANAGEMENT CO.	SKILLED NURSING, INTERMEDIATE CARE & DAY CARE	300	1.26%
7	SHERATON KAUAI RESORT	394-ROOM HOTEL	284	1.20%
8	ALEXANDER & BALDWIN INC.	AGRICULTURE, REAL ESTATE, OCEAN TRANSPORTATION	271	1.14%
9	KAUAI BEACH RESORT	350-ROOM HOTEL	230	0.97%
10	KAUAI MEDICAL CLINIC	MULTI-SPECIALTY CLINIC WITH FOUR LOCATIONS	213	0.90%

Source: Pacific Business News, August 27, 2010 Publication
State of Hawaii Data Book 2010

Note (1): Statistical Information not available for 2020

COUNTY OF KAUAI, HAWAII
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 14

	Full-time Equivalent Employees as of June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
Governmental Activities:										
General government	305	318	318	337	327	333	322	328	332	335
Public Safety:										
Police	188	195	195	202	210	200	202	200	194	208
Fire	201	197	197	194	196	201	202	201	204	202
Emergency Management	5	5	5	5	4	4	6	6	6	7
Public works	96	105.5	107.5	109.5	94.5	92	44	51	57	52
Highways and streets	80	79	76	76	77	77	77	77	76	76
Sanitation	75	73.5	74.5	74.5	75.5	75	73	73	72	71
Culture and recreation	103.5	109.5	109.5	214.5	109.5	111	154	160	154	159
Public welfare	102	110	110	113	114	113	146	99	101	124
Total Governmental Activities Employees	1,155.5	1,192.5	1,192.5	1,325.5	1,207.5	1,206.0	1,226.0	1,195.0	1,196.0	1,234.0
Business-type Activities:										
Housing	28	29	29	27	25	28	37	23	22	28
Sewer	36	36	36	38	39	37	37	37	37	37
Golf	21.5	21.5	21.5	21.5	20.5	21	21	21	21	21
Total Business-type Employees	85.5	86.5	86.5	86.5	84.5	86.0	95.0	81.0	80.0	86.0
Total Primary Government Employees	1,241	1,279	1,279	1,412	1,292	1,292	1,321	1,276	1,276	1,320

Sources: County of Kauai Department of Personnel Services
County of Kauai Department of Public Works
County of Kauai Department of Finance

**COUNTY OF KAUAI, HAWAII
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 15

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function:										
Police:										
Physical arrests	4,368	3,579	3,482	4,260	3,998	4,012	5,124	5,197	3,773	4,311
Parking violations	2,031	2,992	2,945	2,279	2,594	2,659	4,215	3,558	2,235	1,589
Traffic violations	20,345	17,672	15,140	19,106	20,805	14,203	16,918	16,569	14,922	16,918
Fire:										
Number of calls answered	4,970	5,363	5,529	5,689	5,924	5,914	6,194	6,338	6,462	6,379
Inspections	2,437	2,175	2,582	2,791	3,049	2,707	2,696	2,621	2,271	2,238
Highways and Streets:										
Street resurfacing (miles)	10.20	--	9.13	8.42	--	4.99	3.98	6.59	14.48	32.61
Sanitation:										
Refuse collected (tons/day)	63.0	63.0	63.0	63.0	57.7	75.0	100.0	100.0	100.0	110.0
Culture and Recreation:										
Athletic field permits issued	7,193	7,374	4,670	6,153	25,307	24,176	8,969	6,172	6,684	5,817
Community center admissions	10,109	23,395	94,407	108,000	113,320	118,480	153,380	298,099	304,731	225,331
Water:										
Number of service connections	21,148	21,271	20,976	21,590	21,669	21,740	21,821	21,857	22,196	22,356
Annual water consumption in gallons	4,263,000	4,085,000	4,504,000	3,997,000	4,002,000	4,048,000	4,034,000	4,015,000	3,921,000	3,767,000
Wastewater:										
Average daily sewage treatment in gallons	2,550,000	2,450,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,360,000	1,850,000

Indicators are not available for the general government function.

Source: County of Kauai

COUNTY OF KAUA'I, HAWAII
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 16

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
Public Safety:										
Police:										
Stations	5	5	5	5	5	5	5	5	5	5
Patrol units	90	82	101	100	93	89	83	86	75	86
Fire stations	8	8	8	8	8	8	8	8	8	8
Sanitation:										
Collection trucks	7	7	7	7	8	8	8	8	8	8
Highways and Streets:										
Streets (miles)	308	308	308	309.5	309.5	309.6	309.6	310.1	310.2	310.7
Streetlights	2,902	2,902	2,982	2,921	2,936	2,941	3,042	3,044	3,048	3,000
Traffic signals - Flashers	3	3	3	3	3	5 (1)	7 (1)	8	6	6
Culture and Recreation:										
Parks acreage	487.04	487.04	487.04	487.04	487.04	487.04	487.04	487.04	488.02	488.02
Parks - Camping	7	7	7	7	7	7	7	7	7	7
Parks - Recreational	67	67	67	67	67	67	67	67	68	68
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis court locations	10	10	10	10	10	10	10	10	10	10
Tennis courts	24	24	24	24	24	24	24	24	24	24
Community centers	4	4	4	4	4	4	4	4	4	4
Neighborhood centers	10	10	10	10	10	10	10	10	10	10
Water:										
Water mains (miles)	443	443	443	443	443	443	443	443	443.41	443.41
Fire hydrants	2,632	2,654	2,707	2,778	2,778	2,918	2,918	2,936	2,983	2,983
Maximum daily capacity (thousands of gallons)	27,436,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	26,200,000	28,750,000	28,750,000	28,750,000
Sewer:										
Sanitary sewers (miles)	50	50	50	50	50	50	50	50	50	50
Maximum daily treatment capacity (thousands of gallons)	4,600,000	4,600,000	5,000,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000

Note (1): FY2016 and FY2017 information has been revised by the Dept. of Public Works.

Indicators are not available for the general government function.

Source: County of Kaua'i