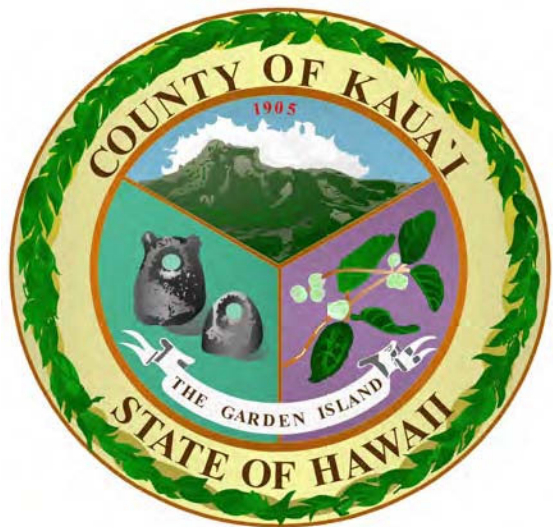


**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
County of Kauaʻi, Hawaiʻi**

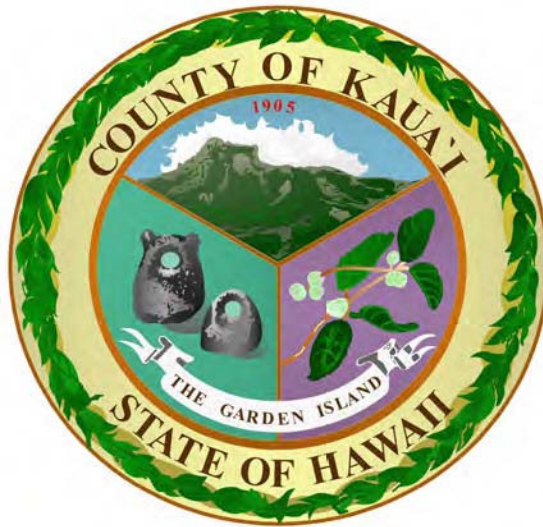


**For the Fiscal Year Ended
June 30, 2021**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

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, 2021**

TABLE OF CONTENTS

	<u>Page</u>
PART I INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	11
Organization Chart	12
Principal Elected Officials	13
 PART II FINANCIAL SECTION	
Independent Auditor's Report	14
Management's Discussion and Analysis (MD&A)	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet - Governmental Funds	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	36
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Housing and Community Development Revolving Fund	41

**COUNTY OF KAUAI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
PART II FINANCIAL SECTION (Continued)	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Solid Waste Disposal Fund	42
Statement of Net Position - Proprietary Funds	44
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	45
Statement of Cash Flows - Proprietary Funds	46
Statement of Fiduciary Net Position - Fiduciary Funds	47
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	48
Notes to the Financial Statements	49
Required Supplementary Information Other Than MD&A	
Schedule of the County’s Proportionate Share of the Net Pension Liability	111
Schedule of Employer Pension Contributions	112
Schedule of Changes in Net OPEB Liability and Related Ratios	114
Schedule of Contributions (OPEB)	115
Notes to Required Supplementary Information Required by GASB Statement No. 75	116
Other Supplementary Information:	
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Non-major Governmental Funds	120
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds	122

**COUNTY OF KAUAI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
PART II FINANCIAL SECTION (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Highway Fund	124
General Excise Tax Fund	125
Liquor Fund	126
Beautification Fund	127
Criminal Assets Forfeiture Fund	128
Public Access Fund	129
Parks and Playground Capital Improvement Fund	130
Sewer Trust Fund	132
Development Capital Improvement Fund	133
Bikeway Capital Improvement Fund	134
Highway Capital Improvement Fund	135
General Capital Improvement Fund	136
Bond Fund	138
Open Space Capital Improvement Fund	142
General Excise Tax Capital Improvement Fund	143
Public Housing Enterprise Fund	144
Sewer Enterprise Fund	145
Golf Enterprise Fund	146
PART III STATISTICAL SECTION (UNAUDITED)	
Table 1 Net Position by Component	147
Table 1A Changes in Net Position	148

**COUNTY OF KAUAI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	<u>Page</u>
PART III STATISTICAL SECTION (UNAUDITED) (Continued)	
Table 1B Government-Wide Net Position	150
Table 2 Fund Balances, Governmental Funds	151
Table 2A Changes in Governmental Fund Balances	152
Table 2B General Governmental Expenditures by Function	153
Table 3 Property Tax Levies and Collections	154
Table 4 Assessed and Estimated Actual Value of Taxable Property	155
Table 5 Real Property Net Valuation by Classification and Tax Rates	156
Table 6 Comparison of Principal Taxpayers	160
Table 7 Ratio of Outstanding Debt by Type	161
Table 7A Ratios of General Bonded Debt Outstanding	162
Table 8 Computation of Legal Debt Margin	163
Table 9 Demographic Statistics	164
Table 10 Jobs by Industry	165
Table 11 Revenue Bond Coverage	166
Table 12 Miscellaneous Statistics	167
Table 13 Principal Non-Government Employers	171
Table 14 Full-Time Equivalent County Government Employees by Function	176
Table 15 Operating Indicators by Function	177
Table 16 Capital Asset Statistics by Function	178

INTRODUCTORY SECTION

DEPARTMENT OF FINANCE

REIKO MATSUYAMA, DIRECTOR

MICHELLE L. LIZAMA, DEPUTY DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR

January 28, 2022

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 Annual Comprehensive Financial Report (ACFR) of the County of Kaua'i (County), State of Hawai'i (State) for the fiscal year ended June 30, 2021.

The ACFR 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 ACFR 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 73,000 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.

There were no major tax initiatives or legislative actions impacting the current fiscal year; however, effective October 1, 2021, Ordinance No. 1099 established a new County transient accommodations tax (County TAT) of 3% for the island of Kaua'i. Additionally, Ordinance No. 1078 provided a Mixed-Use Exemption for properties with residential and commercial uses within the same building.

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 Reporting Entity (continued)

The major revenue sources of the County consist of the following: real property tax, county surcharge on general excise and use tax, public service company tax, fuel tax, franchise tax, motor vehicle weight tax, commercial and residential refuse fees, and landfill disposal fees. 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

Since the start of the novel coronavirus (COVID-19) pandemic in March 2020, Kaua'i continued with success in maintaining its fight against widespread community outbreaks and remained relatively sheltered by the virus. Strict preventative measures and quarantine rules on Kaua'i early on proved effective and successful in halting the spread of the disease. Kaua'i was being deemed a "safe" destination due to low COVID-19 infection rates; however, just as recovery seemed near, the Delta and Omicron variant was on the horizon. In late July 2021, the State started to see a surge in COVID-19 cases tied to the Delta variant, which ultimately led to spikes in community spread. In an effort to reduce further strain on limited healthcare facilities and its workers, Governor David Ige made national news when he pleaded to visitors to delay travel plans following the surge in cases. Although initially there were declines in visitor arrivals, it was not enough to keep visitors away and Kaua'i continued to see steady visitor arrivals.

In December 2021, Kaua'i's record of low cases was soon shattered with the first confirmed case of the Omicron variant reaching the State. Rapid rise in case counts continue to be reported, due to the transmissibility of the variant. Demand for COVID-19 testing skyrocketed and overwhelmed daily capacity levels.

With the continued uncertainty of the pandemic and a heavy reliance on the visitor industry, Kaua'i's economic growth depends on an upward visitor arrival trend. A full pre-pandemic recovery for Kaua'i remains several years down the road; however, visitor arrivals continue to forecast it's moving in a positive direction. The labor market continues to face a pandemic-induced weakness and hiring has been slow despite the large number of job openings. School and childcare closures, enhanced unemployment benefits and ongoing virus concerns delayed residents' return to work. As a result, there are significant shortages of workers in a number of job sectors.

The passing of the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, the Consolidated Appropriations Act, 2021 on December 27, 2020, and the American Rescue Plan (ARP) Act on March 11, 2021, provided direct support and assistance to many businesses, non-profit organizations, and eligible households. This funding provided the lifeline needed and helped many non-profits stay afloat while continuing to assist the communities they serve. The County received \$28.8 million in CARES funding, the first \$10 million installment from the Consolidated Appropriations Act, 2021, Emergency Rental Assistance 1, and the first \$7 million installment of ARP funding.

In addition to the on-going pandemic, Kaua'i's North Shore yet again experienced another severe downpour of heavy rain causing catastrophic damage to the North Shore's main road, Kūhiō Highway in March 2021. A repeat of the historic floods of April 2018, heavy rain caused a massive landslide, severed accessibility, and completely isolated the remote towns of Hanalei, Wainiha, and Hā'ena. Multi-agency relief efforts were in full force and recovery efforts continued while the Hanalei hillside repairs remained on-going. Emergency reconstruction work was completed in October 2021.

Economic Conditions and Outlook (continued)

As mentioned earlier, the County established a new County TAT of 3%, effective October 1, 2021. This tax was established in response to Act 1, First Special Session 2021, which repealed the State's allocation of Transient Accommodations Tax (TAT) distributions to all counties and instead allowed the counties to establish and administer its own transient accommodations tax at a maximum rate of 3.0%.

Second to real property taxes, TAT was heavily relied upon by the County for budgetary purposes. As a result of this legislation, the County established its County TAT of 3.0% for the island of Kaua'i.

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. 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 2020, the Hawai'i Tourism Authority implemented the Destination Management Action Plan (DMAP). 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. As a result, the Kaua'i Tourism Strategic Plan Steering Committee was formed. The committee continues to oversee the DMAP and its 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 focuses 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 visitor arrivals from January through November 2021 amounted to approximately 712 thousand visitor arrivals, as compared to approximately 326 thousand visitor arrivals during the same period in 2020. As mentioned previously, Kaua'i's economic growth in the visitor industry is moving in a positive direction. A full recovery will take years to come; however, the year-over-year increase in visitor arrivals in November 2021 as compared to November 2020 were promising. 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.

Film and Technology (continued)

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 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. The website 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 is moving in a positive direction. Throughout the pandemic, the construction industry continued to grow and helped to offset the impact to the local economy with on-going construction projects. 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 2,164 building permits with a total value of \$391.3 million in FY2021, another indication that Kaua'i's construction sector remains strong.

The Kaua'i real estate market at the end of the 3rd quarter in September 2021 experienced a 40.78% increase in single-family home prices compared to 2020. The median price of a single-family home exceeded \$1 million for the first time. Single-family home sales increased 71.22% from 2020, ending at 577 homes sold. Low interest rates and demand from mainland buyers was the main driving force behind new record prices. The pandemic proved that a home could be a viable alternative working environment and have seen a surge in purchases by mainland buyers.

There were several major renovation projects that are in progress or recently completed. The Ohia, a brand new multi-million boutique hotel and spa with 85 hotel rooms and 65 residences, is underway in Poipu. 1 Hotel Hanalei Bay, formerly known as the St. Regis Princeville Resort, continues its renovation that will transform 252 rooms and suites in the spring of 2022. In October 2021, Target opened its 122,000 square foot store at Kukui Grove Center, formerly occupied by K-Mart. Kōloa Village, a mixed-use community will include 47,000 square feet of commercial space and 36 residential units when complete.

For the last decade, the island continued to experience housing shortages. This was partly due to a combination of supply and demand, prices, and infrastructure challenges. 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 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 250 rental units and 550 single and multi-family homes when fully completed:

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

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. 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. Hartung continues to look beyond Seed Corn by growing Alfalfa. Currently, they have 200 acres of alfalfa in production and offer alfalfa cubes as a sustainable and affordable alternative to livestock feed.

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's now a product available for purchase. In July 2021, Kōloa Rum secured its partnership with Allegiant Stadium in Las Vegas to provide its award-winning flavors to Las Vegas Raider fans; further expanding its brand and reach.

Kaua'i also has high-quality cacao which is one of the many up and coming 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, flooding in March 2019, and another bout of heavy rains in March 2021.

The County continues to work with partners to certify more local farmers to become USDA and Food Safety and Modernization Act (FSMA) certified. 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. The County is making headway in creating facilities on island to help farmers create value-added products from their crops using community partners.

Agriculture / Energy (continued)

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. Kaua'i's 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 continue to move toward certification; further promoting sustainability of local products.

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

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. 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.

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 67 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 100 percent renewable power utilized in daylight hours on most sunny days.

Major Initiatives and Achievements

The County's capital improvement projects that are in-progress, completed, or substantially completed during the year include the Lydgate/Kapa'a bike and pedestrian path, Līhu'e Town Core Mobility and Revitalization Project, 'Ōpaeka'a Bridge replacement, Weke Road restoration, Maluhia and Kōloa Road improvements, Kahiliholo Road and culvert replacement, Wainiha Powerhouse Road, Hanamā'ulu/Kapaia sewer pump upgrade, Līhu'e wastewater treatment plant improvements, Bryan J. Baptiste Sports Complex improvements, Captain Cook Memorial Park 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 5,450 credits at \$20.00 per month were issued to eligible residential users that amounted to \$109K in savings for households in fiscal year 2021. The General Fund subsidized the sewer credit relief program.

The County's business innovation coordinator and a business mentor is tasked with finding ways to 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.

The County launched the Rise to Work program in November 2020 and with the help of CARES Act funding. The Rise to Work program was created by the County to provide temporary job opportunities for displaced workers on Kaua'i and to support local businesses and nonprofit organizations expand their capacity and grow their teams without added payroll costs.

Long-term Financial Planning

On April 8, 2021 and May 4, 2021 the County issued approximately \$19.3 million in GO Bonds (Series 2021B) and approximately \$6 million in GO bonds (Series 2021A), respectively. The proceeds were used for the purpose of refunding the portion outstanding of \$6.6 million Series 2011A, \$13.4 million Series 2012A, and \$4.6 million Series 2012B bonds. The appropriated balance in the Bond Fund amounted to \$7.9 million. The following major projects have been appropriated for:

- | | |
|---|------------------------------------|
| - Phase I Lima Ola affordable housing project | - HRMS Payroll & Personnel |
| - Land Information Management Plan | - Helicopter Hanger (Construction) |
| - Niūmalu Bridge Replacement | - NPDES Compliance |
| - Kīlauea, Kolo Road improvements | - Kapa'a 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

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	\$25	-Breakfast	\$8
- Button shirt, trousers, or jacket	\$15	-Lunch	\$10
- T-shirt and/or shorts	\$10	-Dinner	\$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 requirements of Title 2 U.S. *Code of Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 ACFR for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR, 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 ACFR 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-eight consecutive years.

Acknowledgments

The preparation of the ACFR 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**

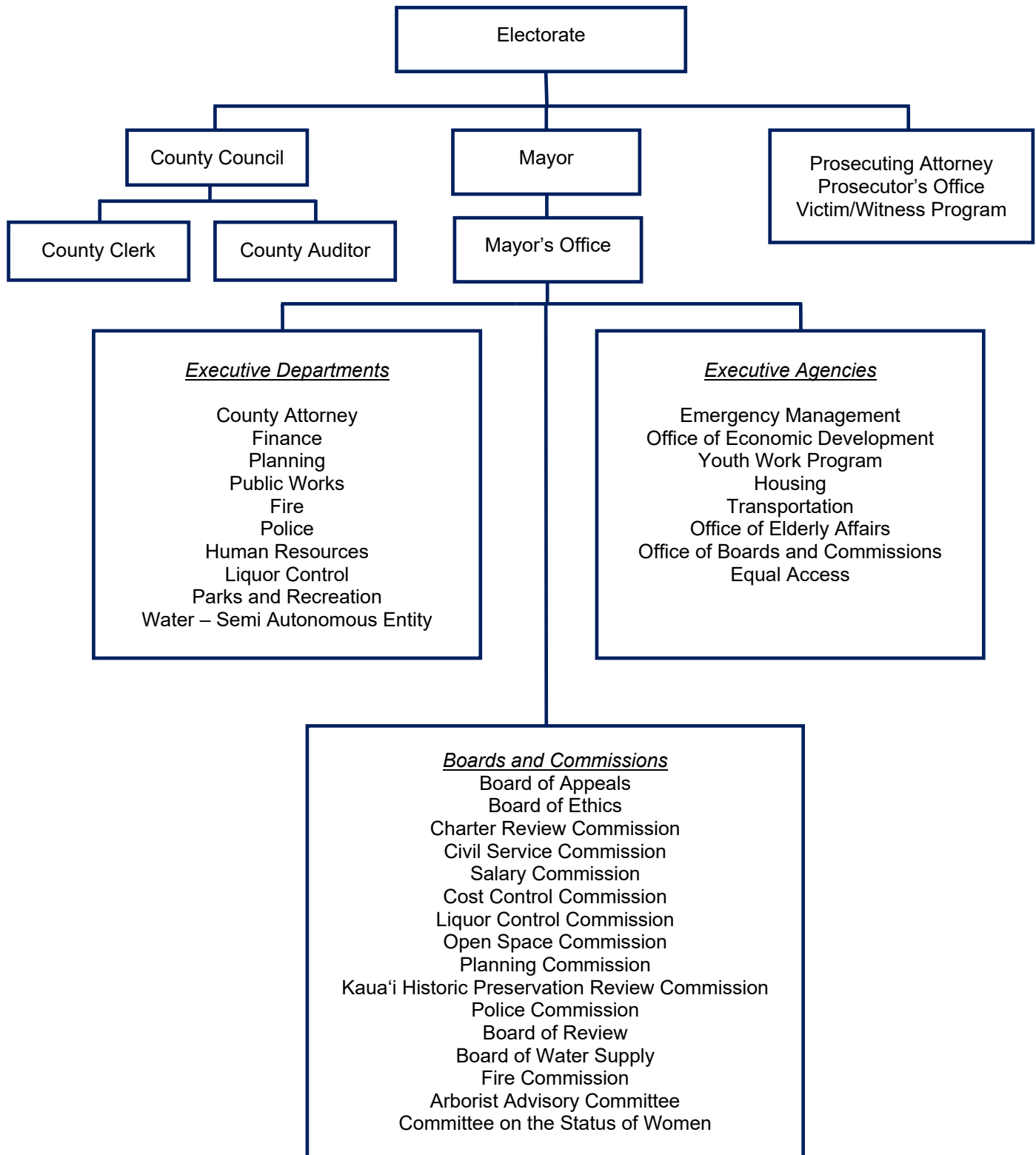
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

County of Kauaʻi Organization Chart



**COUNTY OF KAUAI
PRINCIPAL ELECTED OFFICIALS
2020 - 2022 TERM**

County Council Members

Arryl Kaneshiro	Chair
Mason K. Chock	Vice-Chair
Bernard P. Carvalho, Jr.	Member
Felicia Cowden	Member
Bill DeCosta	Member
Luke A. Evslin	Member
KipuKai Kualii	Member

Mayor

Derek S.K. Kawakami

Prosecuting Attorney

2020-2021
Justin Kollar

2021 - Present
Rebecca V. Like (Acting Prosecutor)

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, the discretely presented component unit, 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, 2021, 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, 2021, 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.

Emphasis of Matter

Adjustment to Prior Period Financial Statements

As discussed in Note 20 to the financial statements, errors related to the recordation of loans, proceeds, and capital assets for the fiscal year ending June 30, 2020 were determined by the management of the County. Accordingly, the accompanying financial statements have been restated to correct these errors. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 29, the schedule of the County's proportionate share of the net pension liability on page 111, the schedule of employer pension contributions on page 112 and 113, schedule of changes in the net OPEB liability and related ratios on page 114, and the schedule of contributions (OPEB) on page 115 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) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022 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 28, 2022

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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, 2021. 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

As a direct response to the economic crisis resulting from the COVID-19 pandemic, U.S. Congress enacted the CARES Act in March 2020, the Consolidated Appropriations Act, 2021 on December 27, 2020, and the American Rescue Plan (ARP) Act on March 11, 2021. The County has been awarded various funds to respond to the pandemic and resulting economic impacts. As of June 30, 2021 the County received the following:

- \$28.8 million from CARES Act funds and incurred approximately \$27 million of eligible expenses as of June 30, 2021.
- \$7 million and first installment from ARP funds in June 2021. The County did not incur any eligible expenses as of June 30, 2021 and is reported as unearned revenue in the Federal Grants Fund.
- \$10 million and first installment from the Consolidated Appropriations Act, 2021, Emergency Rental Assistance 1. The County incurred approximately \$8.9 million of eligible expenses as of June 30, 2021.

The County implemented GASB Statement No. 84 (GASB 84), *Fiduciary Activities* in the current fiscal year. The County reclassified \$5.1 million in assets and liabilities previously reported in Trust and Agency Funds to the General Fund. There was no effect on net position as the result of the reclassification; however, the County is reporting a restatement due to the implementation of this Statement for amounts previously reported as Trust and Agency Funds, now being reported as Custodial Funds.

Additionally, the government-wide and fund financials statements reflect prior period adjustments and restatements for the following:

- A prior period adjustment in business-type activities (Public Housing Enterprise Fund) of \$1.0 million due to not recording construction in-progress as capital assets.
- A prior period adjustment in governmental activities (Solid Waste Disposal Fund and General Capital Improvement Fund) of \$14 million due to State Revolving Fund (SRF) loans of \$14.2 million and proceeds from Kukuiula Communities Facilities District bonds of \$0.2 million not previously recorded.

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 \$195 million in its government-wide financial statements, a decrease of \$14.3 million from the prior year. Restricted net position decreased \$1.9 million, ending at \$17 million. Unrestricted net position is reported as a negative (\$299.8) million, increasing by another negative (\$17.6) million from the prior year.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

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

1. Expenses increased by \$71.4 million and ended at \$314.4 million as compared to \$243 million from the prior year.
2. Program revenues increased by \$47.6 million and ended at \$139.7 million or 51.7% from the prior year.
3. General revenues and transfers decreased by \$13.9 million and ended at \$160.3 million or 8% from the prior year.
4. Total expenses and transfers exceeded revenues by \$14.3 million, decreasing net position.
5. Assets, including capital assets, ended at \$876.9 million; an increase of \$60 million or 7.3% from the prior year.

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 \$78.9 million in its government-wide financial statements, an increase of \$3.7 million from the prior year. Restricted net position remained relatively flat, ending at \$1.1 million. Unrestricted net position is reported as a negative (\$14.4) million, increasing by another negative (\$4.4) 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 remained relatively flat, ending at \$19.3 million.
2. Program revenues decreased by \$5.8 million and ended at \$14.3 million as compared to \$20.1 million in the prior year.
3. Revenues and transfers exceeded total expenses by \$3.7 million, increasing net position.
4. Assets, including capital assets, ended at \$130.1 million; an increase of \$14 million or 12% 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 \$163.4 million, a slight decrease of \$1.1 million from the prior year.

The General Fund balance at June 30, 2021 amounted to \$68.9 million, a decrease of \$12.3 million from the prior year. The General Fund balance consisted of \$0.5 million in restricted fund balance, \$27 million in committed fund balance, \$17 million in assigned fund balance, and \$24.4 million in unassigned fund balance. In December 2011, the County established a Reserve Fund Policy maintained within the General Fund. At June 30, 2021, the reserve fund balance amounted to \$41.6 million and is currently reported in committed fund balance (\$17.2 million) and unassigned fund balance (\$24.4 million).

Additional information can be found in Note 16 in the notes to the basic financial statements.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

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. 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 Enterprise Fund, Sewer Enterprise Fund, and Golf Enterprise 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, Kaua'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 funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

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. 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 19 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 Enterprise Fund, Sewer Enterprise Fund, and Golf Enterprise Fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the Statement of Net Position as of June 30, 2021 and 2020:

Summary Statement of Net Position
(Amount in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2021	2020 (as restated)	2021	2020 (as restated)	2021	2020 (as restated)
Current and other assets	\$ 289.23	\$ 245.86	\$ 12.13	\$ 15.28	\$ 301.36	\$ 261.14
Capital assets	<u>587.72</u>	<u>571.06</u>	<u>117.99</u>	<u>100.88</u>	<u>705.71</u>	<u>671.94</u>
Total Assets	<u>876.95</u>	<u>816.92</u>	<u>130.12</u>	<u>116.16</u>	<u>1,007.07</u>	<u>933.08</u>
Deferred Outflows of Resources	<u>99.13</u>	<u>99.08</u>	<u>3.56</u>	<u>3.23</u>	<u>102.69</u>	<u>102.31</u>
Non-current liabilities	624.63	606.27	44.81	34.09	669.44	640.36
Other liabilities	<u>123.33</u>	<u>80.44</u>	<u>5.56</u>	<u>4.86</u>	<u>128.89</u>	<u>85.30</u>
Total Liabilities	<u>747.96</u>	<u>686.71</u>	<u>50.37</u>	<u>38.95</u>	<u>798.33</u>	<u>725.66</u>
Deferred Inflows of Resources	<u>33.06</u>	<u>19.90</u>	<u>4.35</u>	<u>5.21</u>	<u>37.41</u>	<u>25.11</u>
Net position:						
Net investment in capital assets	477.85	472.68	92.27	83.85	570.12	556.53
Restricted	17.00	18.91	1.15	1.37	18.15	20.28
Unrestricted	<u>(299.79)</u>	<u>(282.20)</u>	<u>(14.46)</u>	<u>(9.99)</u>	<u>(314.25)</u>	<u>(292.19)</u>
Total Net Position	\$ <u>195.06</u>	\$ <u>209.39</u>	\$ <u>78.96</u>	\$ <u>75.23</u>	\$ <u>274.02</u>	\$ <u>284.62</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 \$570.1 million or 208.1% 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 \$18.1 million or 6.6% 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, 2021, the County's governmental and business-type activities have significant unfunded liabilities for pension and OPEB liabilities totaling \$323.1 million and \$133.9 million, respectively. These unfunded liabilities contributed to a negative (\$314.2) million or (114.7%) of unrestricted net position.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

The following is a summary of the Statement of Activities for the fiscal years ended June 30, 2021 and 2020:

In the current fiscal year, total government-wide revenues increased from the prior year by approximately \$31.6 million and government-wide expenses increased by approximately \$71.4 million. Total expenditures and transfers exceeded revenues, ultimately decreasing net position by \$14.3 million for governmental activities. Total revenues and transfers exceeded expenditures by \$3.7 million, ultimately increasing net position for business-type activities.

Summary Statement of Activities						
(Amount in millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u> <small>(as restated)</small>	<u>2021</u>	<u>2020</u> <small>(as restated)</small>	<u>2021</u>	<u>2020</u> <small>(as restated)</small>
Revenues:						
Program revenues:						
Charges for services	\$ 25.07	\$ 26.42	\$ 12.70	\$ 11.78	\$ 37.77	\$ 38.20
Operating grants and contributions	93.56	50.60	--	--	93.56	50.60
Capital grants and contributions	21.12	15.08	1.60	8.31	22.72	23.39
General revenues:						
Property taxes	156.00	148.59	--	--	156.00	148.59
Other taxes	11.33	12.89	--	--	11.33	12.89
Other	1.49	17.91	0.26	(0.06)	1.75	17.85
Total Revenues	<u>308.57</u>	<u>271.49</u>	<u>14.56</u>	<u>20.03</u>	<u>323.13</u>	<u>291.52</u>
Expenses:						
General government	62.91	41.20	--	--	62.91	41.20
Public safety	99.45	85.76	--	--	99.45	85.76
Public works	13.20	12.27	--	--	13.20	12.27
Highways and streets	30.27	31.19	--	--	30.27	31.19
Sanitation	26.00	8.16	--	--	26.00	8.16
Culture and recreation	27.69	23.14	--	--	27.69	23.14
Public welfare	49.58	36.14	--	--	49.58	36.14
Interest on long-term debt	5.34	5.15	--	--	5.34	5.15
Housing programs	--	--	2.94	2.38	2.94	2.38
Sewer	--	--	13.43	13.85	13.43	13.85
Golf	--	--	2.92	3.08	2.92	3.08
Total Expenses	<u>314.44</u>	<u>243.01</u>	<u>19.29</u>	<u>19.31</u>	<u>333.73</u>	<u>262.32</u>
Increase (Decrease) before transfers	(5.87)	28.48	(4.73)	0.72	(10.60)	29.20
Transfers	(8.46)	(5.13)	8.46	5.13	--	--
Change in Net Position	(14.33)	23.35	3.73	5.85	(10.60)	29.20
Net Position, July 1	<u>209.39</u>	<u>186.04</u>	<u>75.23</u>	<u>69.38</u>	<u>284.62</u>	<u>255.42</u>
Net Position - Ending	<u>\$ 195.06</u>	<u>\$ 209.39</u>	<u>\$ 78.96</u>	<u>\$ 75.23</u>	<u>\$ 274.02</u>	<u>\$ 284.62</u>

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

Governmental Activities

Operating grants and contributions increased by \$42.9 million from the prior year. Increases in operating grants and contributions were primarily attributable to a combination of CARES Act relief and Emergency Rental Assistance funding.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

As noted previously, the County recorded prior period adjustments to the Solid Waste Fund and General Capital Improvement Fund. Capital grants and contributions increased by \$6 million from the prior year. Increases in capital grants and contributions were primarily attributed to on-going construction of the Lydgate/Kapaa bike and pedestrian path, Maluhia and Kōloa Road improvements, Bryan J. Baptiste Sports Complex improvements, Captain Cook Memorial Park improvements, various Act 12 and Act 35 emergency disaster projects stemming from the April 2018 floods for roads and bridge repair/restoration work, various wastewater treatment plant upgrades and improvements, and on-going affordable housing projects.

The County's real property taxes billed (revenues on full accrual basis) increased by \$6.9 million or 4.7%. This revenue growth was once again primarily attributed to increasing values and new construction being added to the assessment list, predominantly in the residential housing market. In the current fiscal year, the total amount billed was \$154.8 million as compared to \$147.9 million in the prior year. The gross assessed values increased by approximately \$1.3 billion (or 5.5%) from \$24.4 billion to \$25.7 billion in the current year, while the net taxable values increased by approximately \$1.3 billion (or 5.9%) from \$21.2 billion to \$22.5 billion in the current year. There were 395 appeals as compared to 159 appeals in the prior tax year. More than half of the appeals were from the Hotel and Resort Tax Class. The total assessed value being contested was approximately \$322.7 million, compared to \$188.8 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 \$0.3 million and were awarded to 248 recipients.

Business-type Activities

Capital grants and contributions decreased by \$6.7 million from the prior year. As noted previously, the County recorded a prior period adjustment for construction in-progress that was not previously capitalized, or a contribution recorded in the prior year. Additionally, the decrease in capital grants and contributions were primarily attributed to land acquisition and construction of affordable housing development projects that occurred in the prior year as compared to the current year.

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

Governmental Activities

Overall expenses increased significantly by approximately \$71.4 million from \$243 million to \$314.4 million in current year. Current year expenses of \$314.4 million were primarily attributed to CARES Act relief and Emergency Rental Assistance expenses, 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 increase 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. The County paid 100% of its annual required contribution (ARC), amounting to \$17.8 million in the current fiscal year. The County's ARC is calculated by the actuary contracted by the Hawaii 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.

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

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

Business-type Activities

Overall expenses remained relatively flat as compared to the prior year, ending at \$19.3 million. Current year expenses of \$19.3 million were primarily attributed 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 decreased slightly by \$1.1 million, ending at \$163.4 million. The decrease in fund balances is primarily attributed to a combination of factors including increases in expenditures related to CARES Act and Emergency Rental Assistance and disaster relief projects, increases in capital leases and loans, decrease in revenues from State transient accommodation tax (TAT); offset by improved real property tax collections. As noted previously, the State repealed the allocation of TAT to the County as a result of the pandemic's effect on tourism. Fund balances are reserved to indicate that it is not available for new spending because it is in non-spendable form (\$0.9 million), has already been committed to liquidate contracts and purchase orders (\$50.4 million), pay debt service (\$1.6 million), and/or certain other restricted and/or designated purposes (\$88 million).

The following table summarizes the changes in fund balances of the County's governmental funds as of June 30, 2021 in comparison to fiscal year 2020:

Changes in Fund Balances					
(Amount in millions)					
				<u>Totals</u>	
	General	Major	Non-major		
	Fund	Governmental	Governmental		
		Funds	Funds	2021	2020
					(as restated)
Revenues					
Taxes	\$ 158.08	\$ --	\$ 8.06	\$ 166.14	\$ 160.81
Other	5.95	91.45	43.48	140.88	109.86
Total Revenues	164.03	91.45	51.54	307.02	270.67
Expenditures	143.60	113.55	58.73	315.88	271.77
Excess (deficiency) of					
Revenues over					
Expenditures	20.43	(22.10)	(7.19)	(8.86)	(1.10)
Transfers and others	(32.71)	24.70	15.81	7.80	0.35
Net Changes in Fund					
Balances	\$ (12.28)	\$ 2.60	\$ 8.62	\$ (1.06)	\$ (0.75)

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

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 \$164 million, or a decrease of \$7.9 million as compared to the prior year. As noted previously, the County reported an unassigned fund balance of \$24.4 million; of which, represents the County's Reserve Fund. The unassigned fund balance decreased by \$21.2 million, as compared to the prior year and may be attributable to the cumulative effect of the following key factors:

- A decrease in TAT State distributions of \$12.4 million. The State repealed the allocation of TAT to the County as a result of the pandemic's effect on tourism. Unassigned fund balance was used to offset this revenue shortfall.
- An increase of \$6.7 million or 4.7% in property tax revenue, primarily due to results from growth in billable assessed value and increasing enforcement of the County's tax classifications.
- Total expenditures increased by \$10.9 million or 8.2%, ending at \$143.6 million.

Major Governmental Funds – Major governmental fund revenues increased by \$44.8 million from \$46.6 million to \$91.4 million in the current fiscal year. The increase was primarily attributable to a combination of the following:

- Federal Grants Fund overall revenues increased by \$42.7 million over the prior year due various Act 12 and Act 35 emergency disaster projects stemming from the April 2018 floods for roads and bridge repair/restoration work, CARES Act relief, ARP, and Emergency Rental Assistance funding.
- Grants Capital Improvement Fund revenues increased by \$5.8 million, primarily due to on-going construction of the Lydgate/Kapaa bike and pedestrian path, Maluhia and Kōloa Road improvements, Bryan J. Baptiste Sports Complex improvements, Captain Cook Memorial Park improvements, various wastewater treatment plant upgrades and improvements, and on-going affordable housing projects.

Total expenditures increased by \$30.7 million from \$82.8 million to \$113.5 million in the current fiscal year. The increase was primarily attributable to the following:

- Housing and Community Development Revolving Fund expenditures decreased by \$0.4 million, primarily attributed to affordable housing development costs in the prior year as compared to the current year. Revenues exceeded expenditures resulting in a slight positive net change in fund balance, increasing net position.
- Solid Waste Disposal Fund expenditures remained relatively flat, increasing by \$0.7 million, expenditures such as salaries, overtime, related fringe and benefits expenditures and operating costs of the Kekaha Landfill remained consistent to the prior year. Expenditures exceeded revenues by \$15.2 million; however the deficiency was offset by increases due to the issuance of new capital leases, additional loans, and transfers from the General Fund of approximately \$25 million. The overall result was a positive net change in fund balance of \$9.8 million.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

- Bond Fund expenditures decreased by \$4.7 million, primarily attributed 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 in the prior year as compared to the current year. Expenditures exceeded revenues, resulting in a negative net change in fund balance of (\$5.9) million.
- Federal Grants Fund expenditures increased by \$42.7 million, primarily attributed to various Act 12 and Act 35 emergency disaster projects stemming from the April 2018 floods for roads and bridge repair/restoration work, CARES Act relief, and Emergency Rental Assistance projects.
- Grants Capital Improvement Fund expenditures decreased by \$8.3 million, primarily due capital type expenditures for the construction of Līhu'e Town Core project, Kekaha Landfill expansion of cells 2A and 2B in the prior year as compared to the current year.

All Other Governmental Funds – This category is comprised of the County's non-major governmental funds. Other governmental fund total revenues remained relatively flat to the prior year, decreasing slightly by \$0.6 million, from \$52.1 million to \$51.5 million in the current fiscal year. Significant variances included the following:

- General Excise Tax Fund revenues decreased by \$2.4 million, which may be attributable to supply chain shortages and increasing prices, deterring non-essential spending.
- Section 8 Fund revenues increased by \$3.2 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 \$1.3 million, due to less fuel tax revenues received from the State. Due to the pandemic, there were shortages in rental cars available and a decrease in cars traveling on the roadways for a period of time. Additionally, distance learning for school, work-from-home and/or teleworking options, further decreased the need to commute.
- Liquor Fund revenues increased by \$0.7 million, as businesses and hotels assumed operations after being closed for a period of time at the start of the pandemic.

Other governmental fund total expenditures increased slightly by \$2.4 million from \$56.3 million to \$58.7 million in the current fiscal year. Significant variances included the following:

- General Excise Tax Fund reported expenditures of \$13.8 million, primarily due to highway and street projects such road repairs, salaries and fringe related benefits. Revenues exceeded expenditures by \$7.6 million, resulting in an overall positive net change in fund balance of \$8.4 million.
- Section 8 Fund reported expenditures of \$11.6 million, primarily due to housing rental assistance payments for low-income families, elderly and disabled individuals. Revenues exceeded expenditures by \$0.3 million, resulting in an overall positive net change in fund balance of \$0.3 million.
- Public Access Fund expenditures remained flat compared to the prior year; however, approximately \$0.8 million was transferred from the General Fund resulting in an overall positive net change in fund balance of \$0.7 million.
- Park Maintenance and Improvement Fund expenditures of \$0.8 million, primarily due to on-going parks and playground improvement projects. Expenditures exceeded revenues by \$0.8 million, resulting in a negative overall net change in fund balance of (\$0.8) million.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

- Highway Capital Improvement Fund expenditures of \$0.8 million; primarily due to repairs of roadways and bridges. Expenditures exceeded revenues by \$0.8 million, resulting in a negative net change in fund balance of (\$0.8) million.

BUDGETARY HIGHLIGHTS

The General Fund fell short of its estimate of budgeted revenues by \$0.4 million. The General Fund lapsed \$12.7 million of budgeted appropriations at year end. General Fund contribution to other funds amounted to \$36.3 million in the current fiscal year, an increase of \$0.6 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 statement.

Estimated budgeted General Fund revenues for the fiscal year ended June 30, 2021 was \$164.5 million as compared to \$167.5 million in the prior year, a decrease of \$3 million. As noted previously, the State repealed all TAT distributions to the County. TAT was originally budgeted at \$14.9 million; however, unassigned fund balance was used to offset this shortfall. Positive revenue of \$0.8 million was due to an increase in building permits and inspection fees.

Final amended budgeted expenditures in the General Fund for fiscal year ended June 30, 2021 increased by \$14.3 million, ending at \$164.9 million. The general government function budget increased by 6.7%, public safety function increased 10.5%, public works function increased 5.4%, culture and recreation function increased 14.6%, and public welfare function remained relatively flat. Overall increases are primarily due to increased spending for COVID-19 related costs, continuation of County core services without disruption, related salaries, fringe and benefit costs 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 \$0.9 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.
- Accounting Division had a favorable variance of approximately \$0.6 million, of which, were primarily attributable to conservatively estimating county-wide OPEB related costs versus amounts actually paid in the current fiscal year.
- 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.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

- Less than anticipated claims were paid out of the County-wide claims account in the current fiscal year, creating a favorable variance of \$0.6 million.
- Police department had a favorable variance of \$4.2 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended travel, certain medical services under contract, 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, 2021 amounted to \$705.7 million, an increase of \$33.8 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:

- Improvements and structural renovation of Weke Road, Kahiliholo Road and culvert, and Wainiha Powerhouse Road that were heavily damaged by the April 2018 floods.
- Completion of Kalaheo gym roof repairs.
- Improvements to Captain Cook Memorial Park and Bryan J. Baptiste Sports Complex.
- Hanamā'ulu and Kapaia sewer pump station upgrades and improvements to the Līhu'e wastewater treatment plant.
- Completion of Kealaula at Pua Loke Street transitional housing project.
- Preliminary infrastructure of Lima Ola affordable housing project.

The following is a summary of the capital assets as of June 30, 2021 in comparison to fiscal year 2020:

Government Activities Summary of Capital Assets (Amounts in millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> <u>(as restated)</u>	<u>2021</u>	<u>2020</u> <u>(as restated)</u>
Non-depreciable assets:						
Land	\$ 192.21	\$ 192.21	\$ 22.51	\$ 22.51	\$ 214.72	\$ 214.72
CIP	67.59	46.43	25.87	10.81	93.46	57.24
Depreciable assets:						
Buildings and improvements	173.86	167.43	109.77	105.40	283.63	272.83
Equipment	116.08	108.38	19.53	17.14	135.61	125.52
Infrastructure	714.04	711.52	15.34	15.34	729.38	726.86
Less: Accumulated depreciation	<u>(676.07)</u>	<u>(654.91)</u>	<u>(75.03)</u>	<u>(70.32)</u>	<u>(725.10)</u>	<u>(725.23)</u>
Total Capital Assets, net	\$ <u>587.71</u>	\$ <u>571.06</u>	\$ <u>117.99</u>	\$ <u>100.88</u>	\$ <u>705.70</u>	\$ <u>671.94</u>

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

COUNTY OF KAUA'I, HAWAI'I
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021

Long-term Debt – On April 8, 2021 and May 4, 2021 the County issued approximately \$19.3 million in GO Bonds (Series 2021B) and approximately \$6 million in GO bonds (Series 2021A), respectively. The proceeds were used for the purpose of refunding the portion outstanding of \$6.6 million Series 2011A, \$13.4 million Series 2012A, and \$4.6 million Series 2012B bonds.

At the end of the fiscal year, the County had total bonds and loans outstanding of \$137.7 million (\$113.9 million related to governmental activities and \$23.8 million related to business-type activities). Of this amount, \$100.5 million is comprised of debt backed by the full faith and credit of the government (general obligations) and \$37.2 million represents State Revolving Fund (SRF) loans used to finance construction of wastewater and landfill projects.

Additionally, 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 \$3.4 billion. As of June 30, 2021, the County's current outstanding debt applicable to the legal debt margin totaled \$100.5 million or 2.9% 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 basic 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, Līhu'e, Kaua'i, Hawai'i 96766.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF KAUAI, HAWAII
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental	Business-type		Department
	Activities	Activities	Total	of Water
Assets:				
Cash and cash equivalents	\$ 118,125,991	\$ 12,343,474	\$ 130,469,465	\$ 6,138,072
Investments	91,849,357	3,000,289	94,849,646	42,395,912
Receivables, net	13,036,010	2,599,616	15,635,626	3,788,365
Internal balances	6,958,295	(6,958,295)	--	--
Due from other governments	35,721,048	--	35,721,048	--
Materials and supplies	--	--	--	1,006,099
Prepaid items and other	943,469	936	944,405	46,169
Restricted Assets:				
Cash and cash equivalents	--	149,374	149,374	4,515,095
Investments	--	--	--	8,620,927
Other	--	--	--	221,833
Noncurrent Assets:				
Loans receivable	22,600,290	1,000,000	23,600,290	--
Capital Assets:				
Land	192,209,287	22,508,545	214,717,832	1,343,144
Construction in progress	67,592,359	25,873,457	93,465,816	18,963,408
Buildings and improvements	98,507,112	54,336,553	152,843,665	12,419,952
Machinery and equipment	35,746,630	9,899,973	45,646,603	2,792,470
Infrastructure	193,660,332	5,372,052	199,032,384	210,361,683
Total Capital Assets, net	587,715,720	117,990,580	705,706,300	245,880,657
Total Assets	876,950,180	130,125,974	1,007,076,154	312,613,129
Deferred Outflows of Resources:				
Deferred loss on refunding	630,779	--	630,779	--
Deferred outflows of resources on net pension liability	69,532,323	2,236,822	71,769,145	5,770,335
Deferred outflows of resources on net other postemployment benefits liability	28,970,812	1,318,709	30,289,521	1,835,784
Total Deferred Outflows of Resources	99,133,914	3,555,531	102,689,445	7,606,119
Total Assets and Deferred Outflows of Resources	976,084,094	133,681,505	1,109,765,599	320,219,248
Liabilities:				
Accounts payable and accrued liabilities	32,645,269	1,094,260	33,739,529	2,649,924
Contracts payable	1,876,977	210,284	2,087,261	648,333
Due to other governments	--	3,942,678	3,942,678	--
Customer deposits	231,801	149,374	381,175	684,835
Unearned revenue	86,829,837	58,927	86,888,764	--
Interest payable	1,744,934	100,527	1,845,461	--
Noncurrent Liabilities:				
Due within one year	18,683,875	2,722,023	21,405,898	5,765,595
Due in more than one year	166,748,554	24,281,711	191,030,265	57,945,666
Net pension liability	310,876,624	12,275,509	323,152,133	20,785,838
Net other postemployment benefits liability	128,323,051	5,532,411	133,855,462	7,726,732
Total Liabilities	747,960,922	50,367,704	798,328,626	96,206,923
Deferred Inflows of Resources:				
Deferred gain on refunding	2,039,014	--	2,039,014	88,655
Deferred inflows of resources on net pension liability	16,566,155	3,708,817	20,274,972	2,163,284
Deferred inflows of resources on net other postemployment benefits liability	14,456,380	644,957	15,101,337	1,186,400
Total Deferred Inflows of Resources	33,061,549	4,353,774	37,415,323	3,438,339
Total Liabilities and Deferred Inflows of Resources	781,022,471	54,721,478	835,743,949	99,645,262
Net Position:				
Net investment in capital assets	477,850,063	92,272,689	570,122,752	193,552,477
Restricted for capital activity and other	15,416,020	149,374	15,565,394	3,574,478
Restricted for debt service	1,588,524	--	1,588,524	--
Restricted for housing program	--	1,000,000	1,000,000	--
Unrestricted	(299,792,984)	(14,462,036)	(314,255,020)	23,447,031
Total Net Position	\$ 195,061,623	\$ 78,960,027	\$ 274,021,650	\$ 220,573,986

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, 2021**

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	\$ 62,906,396	\$ 5,946,337	\$ 19,368,223	\$ 100,959	\$ (37,490,877)	\$ --	\$ (37,490,877)	\$ --
Public safety	99,455,926	1,420,365	12,868,322	365,193	(84,802,046)	--	(84,802,046)	--
Public works	13,195,765	358,168	2,839,124	46,966	(9,951,507)	--	(9,951,507)	--
Highways and streets	30,266,730	7,961,300	21,594,524	18,540,937	17,830,031	--	17,830,031	--
Sanitation	26,005,144	8,537,498	354,923	--	(17,112,723)	--	(17,112,723)	--
Culture and recreation	27,686,678	412,146	1,982,137	1,881,475	(23,410,920)	--	(23,410,920)	--
Public welfare	49,584,682	429,601	34,556,610	186,692	(14,411,779)	--	(14,411,779)	--
Interest on long-term debt, unallocated	5,344,812	--	--	--	(5,344,812)	--	(5,344,812)	--
Total Governmental Activities	314,446,133	25,065,415	93,563,863	21,122,222	(174,694,633)	--	(174,694,633)	--
Business-type Activities								
Housing programs	2,941,152	3,608,685	--	1,016,689	--	1,684,222	1,684,222	--
Sewer	13,434,268	8,149,174	--	558,944	--	(4,726,150)	(4,726,150)	--
Golf	2,924,300	940,182	--	24,492	--	(1,959,626)	(1,959,626)	--
Total Business-type Activities	19,299,720	12,698,041	--	1,600,125	--	(5,001,554)	(5,001,554)	--
Total Primary Government	\$ 333,745,853	\$ 37,763,456	\$ 93,563,863	\$ 22,722,347	\$ (174,694,633)	\$ (5,001,554)	\$ (179,696,187)	\$ --
Component Unit:								
Department of Water	\$ 35,030,895	\$ 27,725,531	\$ --	\$ 4,000,213	--	--	--	(3,305,151)
General Revenues:								
Property taxes					156,007,206	--	156,007,206	--
Public service company tax					3,277,052	--	3,277,052	--
Franchise tax					3,653,750	--	3,653,750	--
Fuel taxes					4,404,461	--	4,404,461	--
Grants and contributions not restricted to specific programs					661,375	--	661,375	--
Unrestricted investment earnings					827,365	260,036	1,087,401	--
Transfers					(8,468,426)	8,468,426	--	--
Total General Revenues and Transfers					160,362,783	8,728,462	169,091,245	--
Change in Net Position					(14,331,850)	3,726,908	(10,604,942)	(3,305,151)
Net Position - Beginning of Year July 1, 2020, as previously stated					223,442,080	74,229,732	297,671,812	198,261,665
Prior period adjustment (Note 20)					(14,048,607)	1,003,387	(13,045,220)	25,617,472
Net Position - Beginning of Year July 1, 2020, as restated					209,393,473	75,233,119	284,626,592	223,879,137
Net Position - End of Year June 30, 2021					\$ 195,061,623	\$ 78,960,027	\$ 274,021,650	\$ 220,573,986

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, 2021

	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	\$ 37,122,919	\$ 295,147	\$ 13,591,199	\$ --	\$ 14,663,279	\$ 8,573,227	\$ --	\$ 5,845,260	\$ 38,034,960	\$ 118,125,991
Investments	41,968,565	2,500,000	8,624,746	29,355,705	1,751,257	--	--	--	7,649,084	91,849,357
Accounts receivable, net	283,696	--	969,283	--	--	--	--	3,694,704	122,901	5,070,584
Taxes receivable	5,826,997	--	--	--	--	--	--	--	--	5,826,997
Interest receivable	126,550	1,381,736	45,950	83,658	485,935	--	--	--	14,600	2,138,429
Due from other funds	3,802,836	--	256	--	84,751	37,452,830	4,754,497	--	6,240,536	52,335,706
Due from other governments	--	--	--	--	3,422,799	2,071,140	20,850,922	--	9,376,187	35,721,048
Loans receivable	--	6,248,104	--	--	16,352,186	--	--	--	--	22,600,290
Prepaid items	--	--	--	--	--	--	--	--	943,469	943,469
Total Assets	\$ 89,131,563	\$ 10,424,987	\$ 23,231,434	\$ 29,439,363	\$ 36,760,207	\$ 48,097,197	\$ 25,605,419	\$ 9,539,964	\$ 62,381,737	\$ 334,611,871
Liabilities, Deferred Inflows of Resources and Fund Balances:										
Liabilities:										
Accounts payable	\$ 15,747,314	\$ 37,844	\$ 1,119,853	\$ 1,046,120	\$ 5,038,712	\$ 599,222	\$ 3,586,076	\$ 182,522	\$ 5,287,606	\$ 32,645,269
Contracts payable	138,150	--	108,076	151,779	97,070	82,788	237,020	10,096	1,051,998	1,876,977
Due to other funds	141,304	25,000	5,870,544	10,946,139	91,304	142,855	21,366,639	124	6,793,502	45,377,411
Due to customers	--	--	--	--	--	--	--	--	231,801	231,801
Unearned revenue	--	7,212,682	16,803	--	31,533,121	47,272,332	415,684	--	379,215	86,829,837
Total Liabilities	16,026,768	7,275,526	7,115,276	12,144,038	36,760,207	48,097,197	25,605,419	192,742	13,744,122	166,961,295
Deferred Inflows of Resources:										
Unavailable revenues	4,195,571	--	--	--	--	--	--	--	--	4,195,571
Total Deferred Inflow of Resources	4,195,571	--	--	--	--	--	--	--	--	4,195,571
Fund Balance:										
Nonspendable	--	--	--	--	--	--	--	--	943,469	943,469
Restricted	490,000	940,528	13,161,846	--	--	--	--	--	1,808,587	16,400,961
Committed	26,960,141	142,718	4,863,084	7,137,432	--	--	--	3,066,442	25,396,422	67,566,239
Assigned	17,049,197	2,066,215	--	10,157,893	--	--	--	6,280,780	20,489,137	56,043,222
Unassigned	24,409,886	--	(1,908,772)	--	--	--	--	--	--	22,501,114
Total Fund Balance	68,909,224	3,149,461	16,116,158	17,295,325	--	--	--	9,347,222	48,637,615	163,455,005
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 89,131,563	\$ 10,424,987	\$ 23,231,434	\$ 29,439,363	\$ 36,760,207	\$ 48,097,197	\$ 25,605,419	\$ 9,539,964	\$ 62,381,737	\$ 334,611,871

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, 2021

Total Fund Balances - Governmental Funds \$ 163,455,005

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		67,592,359
Buildings and improvements		173,868,810
Equipment		116,077,080
Infrastructure		714,040,154
Accumulated depreciation		<u>(676,071,970)</u>

Total Capital Assets, net 587,715,720

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. 4,195,571

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. (1,408,235)

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. 52,966,168

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. 14,514,432

Interest payable on outstanding bonds and capital leases are expensed on the government-wide statement of activities. (1,744,934)

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		(113,909,008)
Capital leases		(11,843,739)
Compensated absences		(17,281,880)
Claims and judgments		(8,681,024)
Landfill closure and post-closure		(33,716,778)
Net pension liability		(310,876,624)
Net other postemployment benefits liability		<u>(128,323,051)</u>

Total Long-term Liabilities (624,632,104)

Net Position of Governmental Activities \$ 195,061,623

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, 2021

	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	\$ 158,082,888	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,058,211	\$ 166,141,099
Licenses and permits	2,930,990	--	--	--	--	--	--	--	9,386,134	12,317,124
Rents and concessions	93,143	--	2,496	--	--	--	--	--	--	95,639
Interest	502,039	144,513	3,781	145,460	--	--	--	--	31,572	827,365
Intergovernmental revenues	30,229	47,737	--	--	52,234,265	8,411,905	20,757,029	--	32,869,956	114,351,121
Charges for current services	1,949,743	--	8,535,002	--	--	--	--	--	683,492	11,168,237
Bond subsidy	--	--	--	631,146	--	--	--	--	--	631,146
Miscellaneous	440,853	443	--	--	--	--	--	531,608	511,511	1,484,415
Total Revenues	<u>164,029,885</u>	<u>192,693</u>	<u>8,541,279</u>	<u>776,606</u>	<u>52,234,265</u>	<u>8,411,905</u>	<u>20,757,029</u>	<u>531,608</u>	<u>51,540,876</u>	<u>307,016,146</u>
Expenditures:										
General government	34,524,497	--	--	641,543	18,139,514	1,119,833	100,959	1,339,261	49,739	55,915,346
Public safety	74,947,147	--	--	52,152	8,020,837	3,579,750	--	--	932,996	87,532,882
Public works	6,370,185	--	--	300,879	522,802	52,752	29,503	6,724	248,061	7,530,906
Highways and streets	1,075,214	--	204,972	37,517	--	--	182,373	--	20,408,733	21,908,809
Sanitation	--	--	16,824,151	764,111	55,044	299,879	--	184,845	--	18,128,030
Culture and recreation	19,596,173	--	--	36,192	1,649,649	--	--	299,293	18,747	21,600,054
Public welfare	3,019,289	92,813	--	95,281	19,551,241	1,953,221	186,692	--	19,957,139	44,855,676
Capital outlay	2,676,616	23,501	4,203,480	3,787,895	4,295,178	1,406,470	20,327,742	624,623	4,673,178	42,018,683
Debt Service:										
Principal	1,305,798	--	2,394,417	--	--	--	--	--	7,564,312	11,264,527
Interest and debt issuance cost	82,862	--	162,320	--	--	--	--	--	4,882,034	5,127,216
Total Expenditures	<u>143,597,781</u>	<u>116,314</u>	<u>23,789,340</u>	<u>5,715,570</u>	<u>52,234,265</u>	<u>8,411,905</u>	<u>20,827,269</u>	<u>2,454,746</u>	<u>58,734,939</u>	<u>315,882,129</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,432,104</u>	<u>76,379</u>	<u>(15,248,061)</u>	<u>(4,938,964)</u>	<u>--</u>	<u>--</u>	<u>(70,240)</u>	<u>(1,923,138)</u>	<u>(7,194,063)</u>	<u>(8,865,983)</u>
Other Financing Sources (Uses):										
Issuance of capital leases	1,096,176	--	4,019,154	--	--	--	--	--	1,580,056	6,695,386
Issuance of loans	--	--	9,576,188	--	--	--	--	--	--	9,576,188
Transfers in	2,470,858	--	12,509,932	--	--	--	70,240	1,926,195	14,425,711	31,402,936
Transfers out	<u>(36,275,233)</u>	<u>--</u>	<u>(1,025,271)</u>	<u>(978,959)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,400,000)</u>	<u>(191,899)</u>	<u>(39,871,362)</u>
Total Other Financing Sources (Uses)	<u>(32,708,199)</u>	<u>--</u>	<u>25,080,003</u>	<u>(978,959)</u>	<u>--</u>	<u>--</u>	<u>70,240</u>	<u>526,195</u>	<u>15,813,868</u>	<u>7,803,148</u>
Net Change in Fund Balances	(12,276,095)	76,379	9,831,942	(5,917,923)	--	--	--	(1,396,943)	8,619,805	(1,062,835)
Fund Balance - Beginning of Year July 1, 2020, as previously reported	81,185,319	3,073,082	20,512,357	23,213,248	--	--	--	10,564,631	40,017,810	178,566,447
Prior period adjustment	--	--	(14,228,141)	--	--	--	--	179,534	--	(14,048,607)
Fund Balance - Beginning of Year July 1, 2020, as restated	<u>81,185,319</u>	<u>3,073,082</u>	<u>6,284,216</u>	<u>23,213,248</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,744,165</u>	<u>40,017,810</u>	<u>164,517,840</u>
Fund Balance - End of Year June 30, 2021	\$ <u>68,909,224</u>	\$ <u>3,149,461</u>	\$ <u>16,116,158</u>	\$ <u>17,295,325</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>9,347,222</u>	\$ <u>48,637,615</u>	\$ <u>163,455,005</u>

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (1,062,835)

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	\$	42,018,683	
Depreciation expense		<u>(24,999,891)</u>	
Net Capital Outlay			17,018,792

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. (361,278)

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. (6,695,386)

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. 1,201,370

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 FY21 employer paid contributions, recorded as deferred outflows in the current year, FY20 employer paid contributions being expensed, and FY21 pension expense in the Statement of Activities. (22,466,315)

The County's OPEB expense requiring immediate recognition, but not reported as expenditures in the governmental funds. This is the net difference between FY21 employer paid contributions, recorded as deferred outflows in the current year, FY20 employer paid contributions being expensed, and FY21 OPEB expense in the Statement of Activities. 1,725,629

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	6,959,743		
Loan proceeds		(9,576,188)	
Capital lease principal payments		<u>4,304,784</u>	
Net Long-term Debt Repayment			1,688,339

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	363,124		
Amortization of deferred refunding costs		(923,256)	
Increase in compensated absences		(1,857,279)	
Increase in claims and judgments		(1,006,599)	
Increase in landfill closure and post-closure care		(2,298,692)	
Decrease in accrued interest payable		<u>342,536</u>	
Net Increase in Expenditures			<u>(5,380,166)</u>

Change in Net Position - Governmental Activities \$ (14,331,850)

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, 2021

	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	\$ 155,780,336	\$ 155,780,336	\$ 154,805,836	\$ --	\$ 154,805,836	\$ (974,500)
Payment in lieu of property taxes	50,000	50,000	--	--	--	(50,000)
Public services company taxes	3,500,000	3,500,000	3,277,052	--	3,277,052	(222,948)
Total Taxes	159,330,336	159,330,336	158,082,888	--	158,082,888	(1,247,448)
Licenses and Permits:						
Street use	227,600	227,600	150,906	--	150,906	(76,694)
Business licenses and fees	9,240	9,240	13,115	--	13,115	3,875
Non-business licenses and fees	1,963,000	1,963,000	2,766,969	--	2,766,969	803,969
Total Licenses and Permits	2,199,840	2,199,840	2,930,990	--	2,930,990	731,150
Rents and Concessions	115,500	115,500	93,143	--	93,143	(22,357)
Interest	115,500	115,500	502,039	--	502,039	386,539
Intergovernmental Revenues:						
State grants-in-aid share of transient accommodation tax	14,935,000	--	--	--	--	--
Other state grants-in-aid	25,000	25,000	30,229	--	30,229	5,229
Total Intergovernmental Revenues	14,960,000	25,000	30,229	--	30,229	5,229
Charges for Current Services	2,107,250	2,107,250	1,949,743	--	1,949,743	(157,507)
Miscellaneous	573,178	573,178	440,853	--	440,853	(132,325)
Total Revenues	\$ 179,401,604	\$ 164,466,604	\$ 164,029,885	\$ --	\$ 164,029,885	\$ (436,719)

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, 2021

	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	\$ 3,820,317	\$ 3,820,317	\$ 2,883,261	\$ 4,199	\$ 2,887,460	\$ 932,857
Elections	905,906	905,906	698,723	4,370	703,093	202,813
Office of the County Auditor	262,040	262,040	260,340	--	260,340	1,700
Office of the Mayor:						
Administration	2,235,413	2,245,413	2,071,597	41,448	2,113,045	132,368
Youth Work Program	10,000	--	--	--	--	--
Boards and commissions	865,187	865,187	652,691	1,359	654,050	211,137
Office of the County Attorney	3,790,351	3,790,351	2,646,345	657,843	3,304,188	486,163
Office of the Prosecuting Attorney	5,277,774	5,277,774	5,053,234	212,219	5,265,453	12,321
Department of Finance:						
Administration	788,210	885,720	844,750	24,144	868,894	16,826
Accounting	1,340,898	1,169,593	581,817	12,456	594,273	575,320
Treasury	340,246	378,456	374,293	--	374,293	4,163
Motor vehicle	1,075,581	1,111,374	982,254	86,667	1,068,921	42,453
Drivers license	573,091	520,291	490,187	6,288	496,475	23,816
Real property assessment	2,583,269	2,593,012	2,458,266	82,126	2,540,392	52,620
Real property collections	417,519	437,019	375,331	34,478	409,809	27,210
Purchasing	971,791	1,001,037	956,219	43,340	999,559	1,478
Information technology	3,525,010	3,462,143	3,330,324	122,921	3,453,245	8,898
County-wide Costs:						
Insurance:						
Liability insurance	834,692	804,692	784,888	--	784,888	19,804
Fire insurance	808,841	796,341	792,286	--	792,286	4,055
Self insurance (Note D)	663,398	663,398	--	--	--	663,398
Excess workers compensation	358,661	332,161	299,167	--	299,167	32,994
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	2,475,480	2,465,405	1,915,989	260,841	2,176,830	288,575
Claims	1,113,347	1,113,347	330,364	153,347	483,711	629,636
Training	501	698	197	--	197	501
Telephone services	136,800	136,800	115,628	--	115,628	21,172
Computers and accessories	465,797	640,643	455,250	184,934	640,184	459
Repair and maintenance, financial system	226,162	217,164	210,337	6,413	216,750	414
Human Resources	3,061,450	3,061,450	2,652,851	133,430	2,786,281	275,169
Planning	3,530,769	3,530,769	2,983,198	281,432	3,264,630	266,139
Office of Economic Development	2,995,250	2,995,250	2,370,403	504,439	2,874,842	120,408
Total General Government	\$ 42,833,751	\$ 42,863,751	\$ 34,890,190	\$ 2,858,694	\$ 37,748,884	\$ 5,114,867

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, 2021

	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	\$ 43,662,052	\$ 44,862,051	\$ 39,278,991	\$ 1,348,015	\$ 40,627,006	\$ 4,235,045
Fire Department	36,778,389	36,778,389	35,297,420	1,235,574	36,532,994	245,395
Emergency Management	1,908,535	2,678,535	2,233,780	166,289	2,400,069	278,466
Total Public Safety	82,348,976	84,318,975	76,810,191	2,749,878	79,560,069	4,758,906
Public Works:						
Administrative	765,714	792,070	598,649	--	598,649	193,421
Fiscal and clerical	408,915	408,865	398,423	--	398,423	10,442
Plans, survey and construction	2,086,953	2,073,555	1,966,340	42,213	2,008,553	65,002
Auto maintenance and fuel	1,105,491	991,426	537,806	148,081	685,887	305,539
Roads maintenance	720,053	834,118	680,467	118,579	799,046	35,072
Building division:						
Inspection	3,476,592	3,463,684	3,415,816	--	3,415,816	47,868
Total Public Works	8,563,718	8,563,718	7,597,501	308,873	7,906,374	657,344
Culture and Recreation:						
Administrative and fiscal	7,054,196	7,298,342	4,933,434	2,293,991	7,227,425	70,917
Planning & development	443,083	485,762	450,776	9,666	460,442	25,320
Facilities maintenance	5,290,339	5,156,951	4,820,845	106,310	4,927,155	229,796
Recreation	2,806,057	2,698,136	2,032,186	243,265	2,275,451	422,685
Maintenance	6,900,223	7,416,426	5,689,891	1,044,618	6,734,509	681,917
Beautification	1,177,699	1,158,211	1,058,585	--	1,058,585	99,626
Auditorium	424,128	440,028	346,818	--	346,818	93,210
Stadiums	1,106,996	1,083,864	851,899	66,012	917,911	165,953
Total Culture and Recreation	\$ 25,202,721	\$ 25,737,720	\$ 20,184,434	\$ 3,763,862	\$ 23,948,296	\$ 1,789,424

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, 2021

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Public Welfare:						
Housing	\$ 1,598,230	\$ 1,598,231	\$ 1,301,457	\$ 89,412	\$ 1,390,869	\$ 207,362
Elderly Affairs	1,476,181	1,476,181	1,390,382	66	1,390,448	85,733
Transportation	385,340	385,340	327,450	254	327,704	57,636
Total Public Welfare	3,459,751	3,459,752	3,019,289	89,732	3,109,021	350,731
Total General Fund Expenditures	162,408,917	164,943,916	142,501,605	9,771,039	152,272,644	12,671,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,992,687	(477,312)	21,528,280	(9,771,039)	11,757,241	12,234,553
Other Financing Sources (Uses):						
Transfers In	978,959	2,470,858	2,470,858	--	2,470,858	--
Transfers Out	(36,525,233)	(36,275,233)	(36,275,233)	--	(36,275,233)	--
Total Other Financing Sources (Uses)	(35,546,274)	(33,804,375)	(33,804,375)	--	(33,804,375)	--
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Source (Note C)	\$ (18,553,587)	\$ (34,281,687)	(12,276,095)	\$ (9,771,039)	\$ (22,047,134)	\$ 12,234,553
Fund Balance - Beginning of Year July 1, 2020			81,185,319			
Fund Balance - End of Year June 30, 2021			\$ 68,909,224			

- 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, 2021

	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	\$ 144,513	\$ --	\$ 144,513	\$ (5,887)
Intergovernmental	90,000	90,000	47,737	--	47,737	(42,263)
Miscellaneous	813	813	443	--	443	(370)
Total Revenues	<u>241,213</u>	<u>241,213</u>	<u>192,693</u>	<u>--</u>	<u>192,693</u>	<u>(48,520)</u>
Expenditures - Public Welfare:						
Travel expenses	6,081	6,081	--	--	--	6,081
Other expenses	1,008	1,008	39	--	39	969
Central services cost	25,000	25,000	25,000	--	25,000	--
Loans	300,000	300,000	--	--	--	300,000
Special projects	832,195	832,195	91,275	142,718	233,993	598,202
Total Expenditures - Public Welfare	<u>1,164,284</u>	<u>1,164,284</u>	<u>116,314</u>	<u>142,718</u>	<u>259,032</u>	<u>905,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(923,071)</u>	\$ <u>(923,071)</u>	76,379	\$ <u>(142,718)</u>	\$ <u>(66,339)</u>	\$ <u>856,732</u>
Fund Balance - Beginning of Year July 1, 2020			<u>3,073,082</u>			
Fund Balance - End of Year June 30, 2021			\$ <u><u>3,149,461</u></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, 2021

	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	\$ 500	\$ 500	\$ 2,496	\$ -	\$ 2,496	\$ 1,996
Interest	35,500	35,500	3,781	-	3,781	(31,719)
Miscellaneous	-	-	-	-	-	-
Charges for current services:						
Tipping fees	5,677,500	5,677,500	4,469,424	-	4,469,424	(1,208,076)
Disposal fees	3,840,000	3,840,000	4,065,578	-	4,065,578	225,578
Total Revenues	<u>9,553,500</u>	<u>9,553,500</u>	<u>8,541,279</u>	<u>-</u>	<u>8,541,279</u>	<u>(1,012,221)</u>
Expenditures - Sanitation:						
Salaries, solid waste disposal	1,968,105	1,958,307	1,848,678	-	1,848,678	109,629
Other expenses, solid waste disposal	83,823	81,974	51,360	14,304	65,664	16,310
Special projects, solid waste disposal	5,419,293	4,757,828	2,668,922	1,085,415	3,754,337	1,003,491
Salaries, solid waste collections	2,515,387	2,491,271	2,491,121	-	2,491,121	150
Other expenses, solid waste collections	641,385	635,786	394,760	109,337	504,097	131,689
Salaries, Kauai recycling center	73,176	86,736	86,229	-	86,229	507
Other expenses, Kauai recycling center	100,701	100,726	68,737	18,978	87,715	13,011
Recycling programs	6,215,012	5,897,751	3,961,008	1,517,516	5,478,524	419,227
Salaries, roads maintenance	123,709	204,984	204,972	-	204,972	12
Salaries, auto maintenance	164,103	164,093	155,578	-	155,578	8,515
Auto maintenance and repair	410,160	288,894	228,827	26,799	255,626	33,268
Central services cost	1,105,151	1,850,051	1,775,936	1,000	1,776,936	73,115
Equipment including capital leases	5,526,165	5,281,215	2,348,506	2,089,734	4,438,240	842,975
Fuel	406,000	447,500	345,199	-	345,199	102,301
Social security taxes	350,470	351,010	310,834	-	310,834	40,176
Public employees' health fund	464,152	491,062	475,207	-	475,207	15,855
Worker's compensation	6	305,575	305,567	-	305,567	8
Unemployment compensation	3	3	(487)	-	(487)	490
Employees' retirement system	1,099,512	1,236,512	1,167,320	-	1,167,320	69,192
Employees' other post employment benefits	873,774	908,809	881,912	-	881,912	26,897
Total Expenditures - Sanitation	<u>27,540,087</u>	<u>27,540,087</u>	<u>19,770,186</u>	<u>4,863,083</u>	<u>24,633,269</u>	<u>2,906,818</u>
Deficiency of Revenues Under Expenditures	(17,986,587)	(17,986,587)	(11,228,907)	(4,863,083)	(16,091,990)	1,894,597
Other Financing Sources (Uses):						
Issuance of loans	-	-	9,576,188	-	9,576,188	9,576,188
Transfers in	12,509,932	12,509,932	12,509,932	-	12,509,932	-
Transfers out	(955,031)	(955,031)	(1,025,271)	-	(1,025,271)	(70,240)
Total Other Financing Sources (Uses)	<u>11,554,901</u>	<u>11,554,901</u>	<u>21,060,849</u>	<u>-</u>	<u>21,060,849</u>	<u>9,505,948</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Note C)	\$ <u>(6,431,686)</u>	\$ <u>(6,431,686)</u>	9,831,942	\$ <u>(4,863,083)</u>	\$ <u>4,968,859</u>	\$ <u>11,400,545</u>
Fund Balance - Beginning of Year July 1, 2020, as previously reported			20,512,357			
Prior period adjustment			(14,228,141)			
Fund Balance - Beginning of Year July 1, 2020, as restated			<u>6,284,216</u>			
Fund Balance - End of Year June 30, 2021			\$ <u>16,116,158</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 Enterprise 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 Enterprise Fund

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

Golf Enterprise 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, 2021

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 11,548,040	\$ --	\$ 795,434	\$ 12,343,474
Restricted cash and cash equivalents	149,374	--	--	149,374
Investments	3,000,289	--	--	3,000,289
Receivables, net:				
Accounts	154,324	2,427,894	--	2,582,218
Interest	17,398	--	--	17,398
Due from other proprietary funds	173,228	--	--	173,228
Prepaid expenses	--	936	--	936
Total Current Assets	<u>15,042,653</u>	<u>2,428,830</u>	<u>795,434</u>	<u>18,266,917</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	13,628,999	12,244,458	--	25,873,457
Buildings	35,700,487	71,291,869	2,776,243	109,768,599
Equipment	7,292	17,811,875	1,711,550	19,530,717
Infrastructure	--	12,599,329	2,739,725	15,339,054
Less: accumulated depreciation	<u>(16,946,483)</u>	<u>(54,205,394)</u>	<u>(3,877,915)</u>	<u>(75,029,792)</u>
Total Noncurrent Assets	<u>54,672,240</u>	<u>60,968,737</u>	<u>3,349,603</u>	<u>118,990,580</u>
Total Assets	<u>69,714,893</u>	<u>63,397,567</u>	<u>4,145,037</u>	<u>137,257,497</u>
Deferred Outflows of Resources:				
Deferred outflows of resources on net pension liability	--	1,606,349	630,473	2,236,822
Deferred outflows of resources on net other postemployment benefits	--	942,630	376,079	1,318,709
Total Deferred Outflows of Resources	<u>--</u>	<u>2,548,979</u>	<u>1,006,552</u>	<u>3,555,531</u>
Total Assets and Deferred Outflows of Resources	<u>69,714,893</u>	<u>65,946,546</u>	<u>5,151,589</u>	<u>140,813,028</u>
Current Liabilities:				
Accounts payable and accrued liabilities	295,541	619,137	179,582	1,094,260
Contracts payable	173,440	36,844	--	210,284
Interest payable	--	96,567	3,960	100,527
Internal balances	6,243,178	524,649	190,468	6,958,295
Due to other proprietary funds	--	173,228	--	173,228
Due to other government	--	3,942,678	--	3,942,678
Security deposits payable	149,374	--	--	149,374
Unearned revenue	10,495	48,432	--	58,927
Compensated absences, current portion	--	151,772	50,465	202,237
Claims and judgements, current portion	--	115,975	24,960	140,935
Notes payable, current portion	--	2,312,701	66,150	2,378,851
Total Current Liabilities	<u>6,872,028</u>	<u>8,021,983</u>	<u>515,585</u>	<u>15,409,596</u>
Noncurrent Liabilities:				
Notes payable	5,511,888	17,690,334	136,818	23,339,040
Compensated absences	--	455,316	151,394	606,710
Claims and judgements	--	276,462	59,499	335,961
Net pension liability	--	8,952,243	3,323,266	12,275,509
Net other postemployment benefits liability	--	3,899,361	1,633,050	5,532,411
Total Noncurrent Liabilities	<u>5,511,888</u>	<u>31,273,716</u>	<u>5,304,027</u>	<u>42,089,631</u>
Total Liabilities	<u>12,383,916</u>	<u>39,295,699</u>	<u>5,819,612</u>	<u>57,499,227</u>
Deferred Inflows of Resources:				
Deferred inflows of resources on net pension liability	--	2,281,233	1,427,584	3,708,817
Deferred inflows of resource on net other postemployment benefits liability	--	458,936	186,021	644,957
Total Deferred Inflows of Resources	<u>--</u>	<u>2,740,169</u>	<u>1,613,605</u>	<u>4,353,774</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,383,916</u>	<u>42,035,868</u>	<u>7,433,217</u>	<u>61,853,001</u>
Net Position:				
Net investment in capital assets	48,160,352	40,965,702	3,146,635	92,272,689
Restricted assets:				
Nonexpendable - cash	149,374	--	--	149,374
Housing program	1,000,000	--	--	1,000,000
Unrestricted	<u>8,021,251</u>	<u>(17,055,024)</u>	<u>(5,428,263)</u>	<u>(14,462,036)</u>
Total Net Position	<u>\$ 57,330,977</u>	<u>\$ 23,910,678</u>	<u>\$ (2,281,628)</u>	<u>\$ 78,960,027</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, 2021

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Total
Operating Revenues:				
Pa'anau rents	\$ 645,179	\$ --	\$ --	\$ 645,179
Rents and concessions	1,220,384	--	234,291	1,454,675
Charges for current services	--	8,149,174	704,574	8,853,748
Low-income housing sales	628,393	--	--	628,393
Other	1,114,729	--	1,317	1,116,046
Total Operating Revenues	3,608,685	8,149,174	940,182	12,698,041
Operating Expenses:				
Public housing	1,466,806	--	--	1,466,806
Sewer	--	9,597,899	--	9,597,899
Golf	--	--	2,677,076	2,677,076
Depreciation	831,955	3,669,288	243,731	4,744,974
Cost of low-income housing sales	642,391	--	--	642,391
Total Operating Expenses	2,941,152	13,267,187	2,920,807	19,129,146
Operating Income (Loss)	667,533	(5,118,013)	(1,980,625)	(6,431,105)
Nonoperating Revenues (Expenses):				
Interest and investment earnings (losses)	260,036	--	--	260,036
Interest expense on long-term debt	--	(167,081)	(3,493)	(170,574)
Total Nonoperating Revenues (Expenses)	260,036	(167,081)	(3,493)	89,462
Income (Loss) Before Transfers and Contributions	927,569	(5,285,094)	(1,984,118)	(6,341,643)
Capital contributions	1,016,689	558,944	24,492	1,600,125
Transfers In	2,600,000	4,515,288	2,055,224	9,170,512
Transfers Out	--	(702,086)	--	(702,086)
Change in Net Position	4,544,258	(912,948)	95,598	3,726,908
Net Position - Beginning of Year July 1, 2020, as previously stated	51,783,332	24,823,626	(2,377,226)	74,229,732
Prior period adjustment (Note 20)	1,003,387	--	--	1,003,387
Net Position - Beginning of Year July 1, 2020, as restated	52,786,719	24,823,626	(2,377,226)	75,233,119
Net Position - Ending of Year June 30, 2021	\$ 57,330,977	\$ 23,910,678	\$ (2,281,628)	\$ 78,960,027

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, 2021

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ 2,970,756	\$ 7,504,350	\$ 942,461	\$ 11,417,567
Payments to employees	(84,118)	(3,855,050)	(1,617,139)	(5,556,307)
Payments to suppliers	(1,264,375)	(5,527,624)	(856,423)	(7,648,422)
Net Cash Provided by (Used in) Operating Activities	<u>1,622,263</u>	<u>(1,878,324)</u>	<u>(1,531,101)</u>	<u>(1,787,162)</u>
Cash Flows from Non-capital Financing Activities:				
Transfers from other funds	2,600,000	4,515,288	2,055,224	9,170,512
Transfers to other funds	--	(702,086)	--	(702,086)
Changes in amounts due to other funds	<u>6,116,422</u>	<u>524,942</u>	<u>131,989</u>	<u>6,773,353</u>
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>8,716,422</u>	<u>4,338,144</u>	<u>2,187,213</u>	<u>15,241,779</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(14,648,777)	(5,078,310)	(70,288)	(19,797,375)
Proceeds (loss) from sale of property	(13,998)	--	--	(13,998)
Proceeds from loans	5,511,888	3,354,268	--	8,866,156
Capital contributions	1,016,689	558,944	24,492	1,600,125
Due to other government	--	982,853	--	982,853
Principal payments - bonds and loans	--	(1,713,599)	--	(1,713,599)
Principal payments - capital leases	--	(430,240)	(92,213)	(522,453)
Interest payments - bonds and loans	--	(133,736)	(1,525)	(135,261)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(8,134,198)</u>	<u>(2,459,820)</u>	<u>(139,534)</u>	<u>(10,733,552)</u>
Cash Flows from Investing Activities:				
Interest received from investments	265,793	--	--	265,793
Changes in investments, net	<u>(194,415)</u>	<u>--</u>	<u>--</u>	<u>(194,415)</u>
Net Cash Provided by (Used in) Investing Activities	<u>71,378</u>	<u>--</u>	<u>--</u>	<u>71,378</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,275,865	--	516,578	2,792,443
Cash and Cash Equivalents, Beginning of Year July 1, 2020	<u>9,421,549</u>	<u>--</u>	<u>278,856</u>	<u>9,700,405</u>
Cash and Cash Equivalents, End of Year June 30, 2021 (including \$149,374 for Public Housing reported in restricted accounts)	<u>\$ 11,697,414</u>	<u>\$ --</u>	<u>\$ 795,434</u>	<u>\$ 12,492,848</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 667,533	\$ (5,118,013)	\$ (1,980,625)	\$ (6,431,105)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	831,955	3,669,288	243,731	4,744,974
Loss on disposal of capital assets	13,998	--	--	13,998
Change in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	(11,665)	(642,848)	2,279	(652,234)
Deferred outflows of resources on net pension liability	--	(83,639)	(9,299)	(92,938)
Deferred outflows of resources on net other postemployment benefits	--	(171,232)	(64,862)	(236,094)
Prepaid items	--	--	--	--
Accounts payable and accrued liabilities	52,078	(447,937)	(25,345)	(421,204)
Security deposits payable	2,129	--	--	2,129
Contracts payable	65,685	2,986	--	68,671
Unearned revenue	550	(1,976)	--	(1,426)
Net pension liability	--	2,149,034	369,883	2,518,917
Net other postemployment pension liability	--	(348,016)	(139,709)	(487,725)
Deferred inflows of resources on net pension liability	--	(1,345,662)	(127,565)	(1,473,227)
Deferred inflows of resources on net other postemployment benefits liability	--	441,550	179,076	620,626
Compensated absences	--	18,141	21,335	39,476
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,622,263</u>	<u>\$ (1,878,324)</u>	<u>\$ (1,531,101)</u>	<u>\$ (1,787,162)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES				
Equipment acquired through capital leases	<u>\$ --</u>	<u>\$ 1,822,707</u>	<u>\$ 228,039</u>	<u>\$ 2,050,746</u>

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

FIDUCIARY FUNDS FINANCIAL STATEMENTS

COUNTY OF KAUAI, HAWAII
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>897,242</u>
Total Assets	<u>897,242</u>
Liabilities:	
Due to other governments	<u>876,242</u>
Total Liabilities	<u>876,242</u>
Net Position	
Restricted for:	
Individuals and organizations	<u>21,000</u>
Total Net Position	\$ <u><u>21,000</u></u>

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

COUNTY OF KAUAI, HAWAII
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
Additions:	
Taxes and fees collected for other governments	\$ 3,283,387
Miscellaneous	<u>24,000</u>
Total Additions	<u>3,307,387</u>
Deductions:	
Payments of taxes and fees to other governments	4,909,464
Payments in accordance with other agreement	<u>12,000</u>
Total Deductions	<u>4,921,464</u>
Net Decrease in Fiduciary Net Position	<u>(1,614,077)</u>
Net position:	
Net position – Beginning of Year July 1, 2020, as previously reported	--
Adjustment for change in accounting principle	<u>1,635,077</u>
Net position – Beginning of Year July 1, 2020, as restated	<u>1,635,077</u>
Net Position – End of Year June 30, 2021	\$ <u>21,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The County of Kaua'i (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 Hawai'i (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, 2021

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, GASB Statement No. 77, Tax Abatement Disclosures, and GASB Statement No. 84, Fiduciary Activities. 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 KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

Golf Enterprise 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 custodial in nature and are accounted for using the economic resources measurement focus and the accrual basis of accounting. Custodial funds account for taxes collected and deposits held by the County, pending distribution to other governments, individuals, and organizations.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021

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, 2021

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.

The County's fiduciary fund is comprised of a custodial fund. The custodial fund is used to account for miscellaneous assets held by the County. Collection of State motor vehicle fees and taxes are the major miscellaneous assets accounted for in the custodial fund.

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 Hawai'i Revised Statutes (HRS).

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 weather tightness 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, 2021

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	\$ 8,717,410
Historic Residential Dedication	390,595
Low and Moderate Income Housing	479,070
Other	<u>97,684</u>
Total	\$ <u>9,684,759</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$255,000 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, 2021

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, 2021

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 assets 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 assets 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, 2021

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 \$38.2 million at June 30, 2021.

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, 2021

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, 2021

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, 2021

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 unencumbered unassigned fund balances as of June 30, 2021.

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, 2021

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	\$ (12,276,095)	\$ 76,379	\$ 9,831,942
Encumbrances and unexpended allotments, current year	<u>(9,771,039)</u>	<u>(142,718)</u>	<u>(4,863,083)</u>
Non-GAAP budgetary basis excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>(22,047,134)</u>	\$ <u>(66,339)</u>	\$ <u>4,968,859</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 \$156,566,000 and the balances carried by the bank were approximately \$163,076,000. The Department's carrying value of these deposits with banks and savings institutions approximated \$10,653,000 and the balances carried by the bank were approximately \$10,751,000. 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, 2021, the County and the Department held approximately \$50,044,000 and \$33,077,879, respectively, or 53% and 64% of their investments in Federal Government Sponsored Entities and Government Securities.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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	\$ 35,366,303	\$ 7,421,784	\$ 27,944,519
U.S. treasury obligations	14,678,153	5,826,379	8,851,774
Certificates of deposit	36,856,054	22,500,977	14,355,077
Repurchase agreements	<u>490,000</u>	<u>--</u>	<u>490,000</u>
	87,390,510	\$ <u>35,749,140</u>	\$ <u>51,641,370</u>
Money market mutual funds	<u>7,459,136</u>		
Total	\$ <u>94,849,646</u>		

Department

	<u>Reported Value</u>	<u>Maturity (in years)</u>	
		<u>Less than 1</u>	<u>1- 5</u>
U.S. government agencies	\$ 25,287,522	\$ 212,318	\$ 25,075,204
U.S. treasury obligations	7,790,357	1,847,430	5,942,927
Certificates of deposit	<u>13,411,308</u>	<u>1,243,000</u>	<u>12,168,308</u>
	46,489,187	\$ <u>3,302,748</u>	\$ <u>43,186,439</u>
Money market mutual funds	<u>4,527,652</u>		
Total	\$ <u>51,016,839</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, 2021, with exception to the County and Department's investment in certain fixed income and money market funds which were not rated, 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, 2021

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, 2021, the County and the Department held more than 5% of their investments in the following:

	<u>County</u>	
FHLB - Federal Home Loan Bank	\$ 18,304,978	19.3%
FHLMC - Freddie Mac	5,219,053	5.5%
FFCB - Federal Farm Credit Bank	10,127,699	10.7%
U.S. Treasury obligations	14,678,153	15.5%
Multi-Bank Securities, Inc.	16,856,054	17.8%
Bank of Hawaii	<u>20,000,000</u>	<u>21.1%</u>
Total	\$ <u>85,185,937</u>	<u>89.9%</u>

As of June 30, 2021, more than 5% of the Department's investments are held in the following: Federal Home Loan Bank (22%), Freddie Mac (18%), U.S. Treasury (15%), First Hawaiian Bank (11%), Federal Farm Credit Bank (10%), and Central Pacific 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, 2021

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, 2021			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. treasury obligations	\$ 14,678,153	\$ 14,678,153	\$ --	\$ --
U.S. government agencies	35,366,303	--	35,366,303	--
Repurchase agreements	490,000	--	490,000	--
Certificates of deposit	16,856,054	--	16,856,054	--
Money market mutual funds	<u>7,459,136</u>	<u>7,459,136</u>	<u>--</u>	<u>--</u>
	74,849,646	\$ <u>22,137,289</u>	\$ <u>52,712,357</u>	\$ <u>--</u>
Investments measured at amortized cost				
Certificates of deposit	<u>20,000,000</u>			
	\$ <u>94,849,646</u>			

Department:

	Assets at Fair Value at June 30, 2021			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. treasury obligations	\$ 7,790,357	\$ 7,790,357	\$ --	\$ --
U.S. government agencies	25,287,522	--	25,287,522	--
Money market mutual funds	<u>4,527,652</u>	<u>4,527,652</u>	<u>--</u>	<u>--</u>
	37,605,531	\$ <u>12,318,009</u>	\$ <u>25,287,522</u>	\$ <u>--</u>
Investments measured at amortized cost				
Certificates of deposit	<u>13,411,308</u>			
	\$ <u>51,016,839</u>			

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - RECEIVABLES

Receivables as of June 30, 2021, 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						
Taxes receivable	\$ 5,826,997	\$ --	\$ --	\$ --	\$ --	\$ 5,826,997
Accounts receivable, net	283,696	--	969,283	--	--	1,252,979
Due from other governments	--	--	--	--	3,422,799	3,422,799
Loans receivable	--	6,248,104	--	--	16,352,186	22,600,290
Interest receivable	126,550	1,381,736	45,950	83,658	485,935	2,123,829
Total Receivables, net	<u>\$ 6,237,243</u>	<u>\$ 7,629,840</u>	<u>\$ 1,015,233</u>	<u>\$ 83,658</u>	<u>\$ 20,260,920</u>	<u>\$ 35,226,894</u>

	State Grants Fund	Grants Capital Improvement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
Receivables, net					
Taxes receivable	\$ --	\$ --	\$ --	\$ --	\$ 5,826,997
Accounts receivable, net	--	--	3,694,704	122,901	5,070,584
Due from other governments	2,071,140	20,850,922	--	9,376,187	35,721,048
Loans receivable	--	--	--	--	22,600,290
Interest receivable	--	--	--	14,600	2,138,429
Total Receivables, net	<u>\$ 2,071,140</u>	<u>\$ 20,850,922</u>	<u>\$ 3,694,704</u>	<u>\$ 9,513,688</u>	<u>\$ 71,357,348</u>

Proprietary Funds:

	Proprietary Funds
Receivables, net	
Accounts receivable	\$ 2,705,714
Interest	17,398
Loans receivable	1,000,000
Less: allowance for uncollectible charges	(123,496)
Total Receivables, net	<u>\$ 3,599,616</u>

The only receivables without an allowance not expected to be collected within one year are approximately \$23.1 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, 2021

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Primary Government			Balance June 30, 2021
	Balance July 1, 2020	Increases	Decreases	
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 192,209,287	\$ --	\$ --	\$ 192,209,287
Construction in progress	<u>46,425,663</u>	<u>30,916,866</u>	<u>(9,750,170)</u>	<u>67,592,359</u>
Total Capital Assets, Not Being Depreciated	<u>238,634,950</u>	<u>30,916,866</u>	<u>(9,750,170)</u>	<u>259,801,646</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	167,431,867	6,496,832	(59,889)	173,868,810
Machinery and equipment	108,378,538	11,477,183	(3,778,641)	116,077,080
Infrastructure	<u>711,523,462</u>	<u>2,516,692</u>	<u>--</u>	<u>714,040,154</u>
Total Capital Assets, Being Depreciated	<u>987,333,867</u>	<u>20,490,707</u>	<u>(3,838,530)</u>	<u>1,003,986,044</u>
Less: Accumulated Depreciation:				
Buildings and improvements	(69,241,813)	(6,179,774)	59,889	(75,361,698)
Machinery and equipment	(75,168,011)	(8,941,080)	3,778,641	(80,330,450)
Infrastructure	<u>(510,500,785)</u>	<u>(9,879,037)</u>	<u>--</u>	<u>(520,379,822)</u>
Total Accumulated Depreciation	<u>(654,910,609)</u>	<u>(24,999,891)</u>	<u>3,838,530</u>	<u>(676,071,970)</u>
Governmental Activities - Capital Assets, net	\$ <u>571,058,208</u>	\$ <u>26,407,682</u>	\$ <u>(9,750,170)</u>	\$ <u>587,715,720</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - CAPITAL ASSETS (Continued)

	Primary Government		
	Balance July 1, 2020	Increases	Decreases
			Balance June 30, 2021
Business-type Activities:			
Capital Assets, Not Being Depreciated:			
Land	\$ 22,508,545	\$ --	\$ 22,508,545
Construction in progress	9,811,496	19,420,546	25,873,457
Total Capital Assets, Not Being Depreciated	32,320,041	19,420,546	48,382,002
Capital Assets, Being Depreciated:			
Buildings and improvements	105,406,627	4,361,972	109,768,599
Machinery and equipment	17,141,794	2,427,573	19,530,717
Infrastructure	15,339,054	--	15,339,054
Total Capital Assets, Being Depreciated	137,887,475	6,789,545	144,638,370
Less: Accumulated Depreciation:			
Buildings and improvements	(52,477,878)	(2,954,168)	(55,432,046)
Machinery and equipment	(8,239,537)	(1,429,857)	(9,630,744)
Infrastructure	(9,606,053)	(360,949)	(9,967,002)
Total Accumulated Depreciation	(70,323,468)	(4,744,974)	(75,029,792)
Business-type Activities - Capital Assets, net	\$ 99,884,048	\$ 21,465,117	\$ 117,990,580

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

Governmental Activities:

General government	\$ 504,752
Public safety	3,870,230
Public works	3,961,934
Highways and streets	6,734,669
Public welfare	4,046,401
Culture and recreation	3,346,870
Sanitation	2,535,035

Total Depreciation Expense - Governmental Activities \$ 24,999,891

Business-type Activities:

Public housing	\$ 831,955
Sewer	3,669,288
Golf	243,731

Total Depreciation Expense - Business-type Activities \$ 4,744,974

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - CAPITAL ASSETS (Continued)

	Component Unit			
	Balance July 1, 2020 (as restated)	Increases	Decreases	Balance June 30, 2021
Discretely Presented				
Component Unit:				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 1,343,144	\$ --	\$ --	\$ 1,343,144
Construction in progress	<u>15,819,422</u>	<u>3,252,636</u>	<u>(108,650)</u>	<u>18,963,408</u>
Total Capital Assets, Not Being Depreciated	<u>17,162,566</u>	<u>3,252,636</u>	<u>(108,650)</u>	<u>20,306,552</u>
Capital Assets, Being				
Depreciated:				
Buildings and improvements	16,660,649	22,120	--	16,682,769
Machinery and equipment	9,621,720	791,339	(449,758)	9,963,301
Infrastructure	<u>319,389,091</u>	<u>2,176,281</u>	<u>(94,665)</u>	<u>321,470,707</u>
Total Capital Assets, Being Depreciated	<u>345,671,460</u>	<u>2,989,740</u>	<u>(544,423)</u>	<u>348,116,777</u>
Less: Accumulated				
Depreciation:				
Buildings and improvements	(3,831,825)	(430,992)	--	(4,262,817)
Machinery and equipment	(6,803,450)	(816,130)	448,749	(7,170,831)
Infrastructure	<u>(105,309,804)</u>	<u>(5,879,380)</u>	<u>80,160</u>	<u>(111,109,024)</u>
Total Accumulated Depreciation	<u>(115,945,079)</u>	<u>(7,126,502)</u>	<u>528,909</u>	<u>(122,542,672)</u>
Component Unit - Capital Assets, net	\$ <u>246,888,947</u>	\$ <u>(884,126)</u>	\$ <u>(124,164)</u>	\$ <u>245,880,657</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

The Interfund Due From/To Other Funds consist of the following as of June 30, 2021:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Disposal Fund	\$ 1,148,351
General Fund	Housing and Community Development Fund	25,000
General Fund	Federal Grants Fund	91,305
General Fund	State Grants Fund	58,104
General Fund	Bond Fund	2,715
General Fund	General Capital Improvement Fund	124
General Fund	Other Governmental Funds	1,650,734
Federal Grants Fund	State Grants Fund	84,751
Grants Capital Improvement Fund	General Fund	32,304
Grants Capital Improvement Fund	Solid Waste Disposal Fund	4,722,192
State Grants Fund	Bond Fund	10,943,424
State Grants Fund	Grants Capital Improvement Fund	21,366,639
State Grants Fund	Other Governmental Funds	<u>5,142,767</u>
Total, All Funds		\$ <u>45,268,410</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, 2022.

Internal balances consist of the following at June 30, 2021:

Receivable Fund	Payable Fund	Amount
General Fund	Public Housing Enterprise Fund	\$ 2,642
General Fund	Sewer Enterprise Fund	\$ 524,393
General Fund	Golf Enterprise Fund	\$ 190,468
Solid Waste Disposal Fund	Sewer Enterprise Fund	\$ 256
Other Governmental Funds	Public Housing Enterprise Fund	\$ 6,240,536

Transfers for the fiscal year ended June 30, 2021, consisted of the following:

	Transfers out						
		Solid Waste	Bond	General	Other	Sewer	
	General Fund	Disposal Fund	Fund	Capital Improvement	Governmental	Enterprise	
				Fund	Funds	Fund	Total
Transfers in:							
General Fund	\$ --	\$ --	\$ 978,959	\$ 1,400,000	91,899	\$ --	\$ 2,470,858
Solid Waste Disposal Fund	12,509,932	--	--	--	--	--	12,509,932
General Capital Improvement Fund	1,926,195	--	--	--	--	--	1,926,195
Grants Capital Improvement Fund	--	70,240	--	--	--	--	70,240
Sewer Enterprise Fund	4,515,288	--	--	--	--	--	4,515,288
Public Housing Enterprise Fund	2,600,000	--	--	--	--	--	2,600,000
Golf Enterprise Fund	2,055,224	--	--	--	--	--	2,055,224
Other Governmental Funds	12,668,594	955,031	--	--	100,000	702,086	14,425,711
	\$ 36,275,233	\$ 1,025,271	\$ 978,959	\$ 1,400,000	191,899	\$ 702,086	\$ 40,573,448

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES (Continued)

Significant transfers during the year ended June 30, 2021 consist of the following:

- The General Fund transferred \$36,275,233 to subsidize debt service payments and various Special Revenue, Capital, and Enterprise Fund programs.
- The Solid Waste Disposal Fund transferred \$955,031 to the Debt Service Fund to subsidize debt service payments.
- The Bond Fund transferred \$978,959 of bonds subsidy interest to the General Fund.
- The General Capital Improvement Fund transferred \$1,400,000 back to the General Fund after defunding a capital project no longer needed.
- The General Excise Tax Fund transferred \$100,000 to the General Excise Tax Capital Improvement Fund to subsidize capital projects.
- The Sewer Enterprise Fund transferred \$702,086 to the Debt Service Fund to subsidize debt service payments.

NOTE 9 - NET POSITION

At June 30, 2021, 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	\$ 587,715,720	\$ 117,990,580	\$ 245,880,657
Less: Long-term debt	(113,909,008)	(23,830,197)	(62,054,687)
Less: Capital lease obligation	(11,843,739)	(1,887,694)	--
Add: Deferred outflows - deferred refunding costs	630,779	--	-
Less: Deferred inflows - deferred gain on refunding costs	(2,039,014)	--	(88,655)
Add: Unspent debt proceeds	17,295,325	--	9,815,162
Subtotal	<u>477,850,063</u>	<u>92,272,689</u>	<u>193,552,477</u>
Restricted:			
Capital projects	34,456,279	--	3,534,842
Less: Unspent debt proceeds	(17,295,325)	--	(9,815,162)
Less: Accrued interest payable	(1,744,934)	--	--
Other - debt service	1,588,524	--	--
Housing program	--	1,000,000	--
Other - restricted cash and investments	--	149,374	9,854,798
Subtotal	<u>17,004,544</u>	<u>1,149,374</u>	<u>3,574,478</u>
Unrestricted	<u>(299,792,984)</u>	<u>(14,462,036)</u>	<u>23,447,031</u>
Total Net Position	<u>\$ 195,061,623</u>	<u>\$ 78,960,027</u>	<u>\$ 220,573,986</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 - CAPITAL LEASES

The County leases machinery and equipment under non-cancelable leases expiring at various dates through May 2027 which meet the criteria for capitalization. These capital leases are financed primarily from General Fund, Highway Fund, General Excise Tax Fund, Solid Waste Disposal Fund, Sewer Fund and Golf Fund resources.

The net book value of the leased machinery and equipment at June 30, 2021 amounted to \$19,796,472 net of accumulated depreciation of \$26,464,802. The related present value of the remaining obligations under the capital leases which amounted to \$13,731,433 at June 30, 2021 and are included in the capital assets and long-term liabilities, accordingly.

The future minimum obligations under capital leases at June 30, 2021, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,382,477	\$ 222,984	\$ 4,605,461
2023	3,655,321	138,869	3,794,190
2024	2,777,718	75,956	2,853,674
2025	1,728,949	38,671	1,767,620
2026	653,025	18,573	671,598
Thereafter	<u>533,943</u>	<u>8,325</u>	<u>542,268</u>
Totals	\$ <u>13,731,433</u>	\$ <u>503,378</u>	\$ <u>14,234,811</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, 2021.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Approximate amounts due within one year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 106,375,000	\$ 25,369,200	\$ 31,240,000	\$ 100,504,200	\$ 6,615,000
Total Bonds Payable	106,375,000	25,369,200	31,240,000	100,504,200	6,615,000
Direct borrowings - Loans payable to State	4,273,363	9,576,188	444,743	13,404,808	675,241
Claims and judgments	7,674,425	2,951,101	1,944,502	8,681,024	2,704,783
Landfill closure and postclosure	31,418,086	2,810,386	511,694	33,716,778	484,063
Capital lease obligations	9,453,137	6,695,386	4,304,784	11,843,739	3,884,318
Compensated absences	15,424,601	6,857,083	4,999,804	17,281,880	4,320,470
Governmental Activities, Long-term Liabilities	\$ 174,618,612	\$ 54,259,344	\$ 43,445,527	\$ 185,432,429	\$ 18,683,875
Business-type Activities:					
Direct borrowings - Loans payable to State	\$ 16,677,640	\$ 8,866,156	\$ 1,713,599	\$ 23,830,197	\$ 1,880,692
Claims and judgments	509,036	100,801	132,941	476,896	140,935
Capital lease obligations	359,401	2,050,746	522,453	1,887,694	498,159
Compensated absences	769,471	339,201	299,725	808,947	202,237
Business-type Activities, Long-term Liabilities	\$ 18,315,548	\$ 11,356,904	\$ 2,668,718	\$ 27,003,734	\$ 2,722,023
Discretely Presented Component Unit:					
Bonds Payable:					
General obligation bonds	\$ 50,635,000	\$ 3,190,800	\$ 6,395,000	\$ 47,430,800	\$ 3,260,000
Deferred Costs:					
For issuance premiums	323,515	192,473	303,984	212,004	--
Total Bonds Payable	50,958,515	3,383,273	6,698,984	47,642,804	3,260,000
Direct borrowings - Loans payable to State	16,362,424	--	1,950,541	14,411,883	1,910,095
Compensated absences	1,523,691	584,095	451,212	1,656,574	595,500
Component Unit, Long-term Liabilities	\$ 68,844,630	\$ 3,967,368	\$ 9,100,737	\$ 63,711,261	\$ 5,765,595

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$321,699 and \$309,447 were received in fiscal year 2021 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 Disposal 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, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

General obligation bonds payable reported on the government-wide *Statement of Net Position* at June 30, 2021, are comprised of the following individual issues:

	<u>Amount</u>
Governmental Activities:	
General obligation bonds, 2011 Series A, original amount \$20,985,000, due a final annual installment of \$1,510,000 in August 2021, interest payments semi-annually of 3.25%.	\$ 1,510,000
General obligation bonds, 2010 Series A, original amount \$47,835,000, due in annual installments of \$1,980,000 to \$3,570,000 through August 2033, interest payments semi-annually from 1.955% to 5.763% (before the federal subsidy).	34,515,000
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 a final annual installment of \$400,000 in August 2021, interest payments semi-annually at 5.00%.	400,000
General obligation bonds, 2012 Series A, original amount \$23,415,000, due in annual installments of \$1,545,000 to \$1,625,000 through August 2022, interest payments semi-annually of 5.00%.	3,170,000
General obligation bonds, 2012 Series B, original amount \$8,215,000, due in annual installments of \$550,000 to \$745,000 through August 2029, interest payments semi-annually from 4.00% to 5.00%.	1,125,000
General obligation bonds, 2017 Series A, original amount \$24,015,000, due in annual installments of \$630,000 to \$1,455,000 through August 2042, interest payments semi-annually from 2.50% to 5.00%.	22,250,000
General obligation bonds, 2021 Series A, original amount \$6,040,000, due in annual installments of \$1,400,000 to \$1,624,000 through August 2025, interest payments semi-annually of 5.00%.	<u>6,040,000</u>
Balance forward	\$ <u>81,175,000</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 81,175,000
General obligation bonds, 2021 Series B, original amount \$19,329,200, due in annual installments of \$2,686,400 to \$2,875,000 through August 2029, interest payments semi-annually of 0.32% to 1.875%.	<u>19,329,200</u>
Total Governmental Activities	\$ <u>100,504,200</u>

Annual debt service requirements of the primary government general obligation bonds payable (without regard to the interest subsidies previously identified) as of June 30, 2021, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,615,000	\$ 4,001,000	\$ 10,616,000
2023	6,330,000	3,822,000	10,152,000
2024	7,028,400	3,558,000	10,586,400
2025	7,244,600	3,332,000	10,576,600
2026	7,497,600	3,083,000	10,580,600
2027-2031	29,793,600	11,888,000	41,681,600
2032-2036	26,810,000	5,201,000	32,011,000
2037-2041	6,335,000	1,114,000	7,449,000
2042-2043	<u>2,850,000</u>	<u>131,000</u>	<u>2,981,000</u>
Totals	\$ <u>100,504,200</u>	\$ <u>36,130,000</u>	\$ <u>136,634,200</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.	\$ 43,275,000
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.	<u>370,000</u>
Balance forward	\$ <u>43,645,000</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 43,645,000
General Obligation Bonds - County Series 2021A, last installment 2029. Maturing serially from August 1, 2022. Interest rate - 5.00%. Issued May 4, 2021. Original amount - \$1,510,000.	1,510,000
General Obligation Bonds - County Series 2021B, last installment 2025. Maturing serially from August 1, 2023. Interest rate - 0.32% to 1.88%. Issued April 8, 2021. Original amount - \$1,680,800.	1,680,800
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.	225,000
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>370,000</u>
	47,430,800
Premium on bond issuance	<u>212,004</u>
Total Component Unit	\$ <u>47,642,804</u>

Annual debt service requirements of the Component Unit general obligation bonds payable (without regard to the interest subsidies previously identified) as of June 30, 2021, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,260,000	\$ 2,386,000	\$ 5,646,000
2023	3,145,000	2,261,000	5,406,000
2024	3,332,000	2,109,000	5,441,000
2025	3,490,000	1,949,000	5,439,000
2026	3,667,000	1,775,000	5,442,000
2027-2031	18,856,000	6,019,000	24,875,000
2032-2035	<u>11,680,800</u>	<u>937,000</u>	<u>12,617,800</u>
Totals	\$ <u>47,430,800</u>	\$ <u>17,436,000</u>	\$ <u>64,866,800</u>

At June 30, 2021, approximately \$41.4 million of primary government and \$6.3 million of component unit general obligation bonds outstanding are considered defeased.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021
County of Kauai Community	May 15, 2012	\$ 11,875,000	\$ 11,305,000
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, 2021, 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.	\$ 3,897,832
During fiscal year 2019, the County entered into a construction agreement with the State totaling approximately \$13.3 million to fund the landfill expansion. Principal, interest and loan fee payments are due in semi-annual installments of \$275,378 (\$550,756 annually). A loan fee is assessed at 0.75% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	<u>9,506,976</u>
Total Governmental Activities	\$ <u>13,404,808</u>

Loans Payable: Business-type Activities

Direct Borrowings - State Revolving Fund Loans

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.	\$ <u>433,410</u>
Balance forward	\$ <u>433,410</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Loans Payable: Business-type Activities	
Balance carried forward	\$ 433,410
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.	577,503
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.	656,292
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.	1,280,961
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.	153,743
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.	<u>2,017,039</u>
Balance forward	\$ <u>5,118,948</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 5,118,948
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.	5,186,380
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.	1,317,129
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.	3,341,584
During fiscal year 2021, the County entered into a new construction agreement with the State totaling approximately \$3.9 million to fund Hanamaulu and Kapaia Sewage Pump Station Renovations. Principal, interest and loan fee payments are due in semi-annual installments of \$99,441 (\$198,882 annually). A loan fee is assessed at 1.0% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	3,354,268
Direct Borrowing – Dwelling Unit Revolving Fund Loan (DURF) -	
During fiscal year 2018, the County entered into a DURF loan with the Hawaii Housing Finance and Development Corporation totaling approximately \$13 million to develop Phase 1 of the Lima Ola Workforce Housing Project, maturing on December 24, 2033. The entire principal balance and any unpaid interest is due at maturity, paid with an in-kind payment of improved real property and/or the value of credits or reservations for infrastructure capacity. A loan fee is assessed at 0.25% of the outstanding principal balance. Interest is assessed at the actual interest rate paid by the State on the loan funds.	<u>5,511,888</u>
Total Business-type Activities	\$ <u>23,830,197</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

Annual requirements to retire loans payable from direct borrowings as of June 30, 2021, 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
2022	\$ 675,000	\$ 132,000	\$ 1,881,000	\$ 160,000	\$ 2,556,000	\$ 292,000
2023	682,000	126,000	1,891,000	143,000	2,573,000	269,000
2024	689,000	119,000	1,903,000	126,000	2,592,000	245,000
2025	696,000	112,000	1,914,000	108,000	2,610,000	220,000
2026	703,000	105,000	1,876,000	91,000	2,579,000	196,000
2027-2031	3,621,000	417,000	5,980,000	265,000	9,601,000	682,000
2032-2036	3,806,000	232,000	7,611,000	97,000	11,417,000	329,000
2037-2040	2,532,808	52,000	774,197	22,000	3,307,005	74,000
Totals	\$ 13,404,808	\$ 1,295,000	\$ 23,830,197	\$ 1,012,000	\$ 37,235,005	\$ 2,307,000

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.	\$ 48,655
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.	51,600
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.	96,497
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.	173,080
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>65,782</u>
Balance forward	\$ <u>435,614</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 435,614
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.	273,070
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.	176,212
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.	613,649
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.	1,607,302
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.	3,093,291
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.	1,774,733
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.	864,616
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>1,821,915</u>
Balance forward	\$ <u>10,660,402</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 10,660,402
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.	2,352,317
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>1,399,164</u>
Total Component Unit	\$ <u>14,411,883</u>

Annual requirements to retire the component unit loans payable as of June 30, 2021, 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>
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	1,589,000	191,000	1,780,000
2027-2031	5,164,000	355,000	5,519,000
2032-2035	<u>467,000</u>	<u>8,000</u>	<u>475,000</u>
Totals	\$ <u>14,412,000</u>	\$ <u>1,878,000</u>	\$ <u>16,290,000</u>

NOTE 12 - EMPLOYEE BENEFIT PLANS

Pension Plan

Pension Plan Description - Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at ERS' website: <https://www.ers.ehawaii.gov>.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Benefits Provided - The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members 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 members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their 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.). Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling (1.5% of the original retirement allowance the first year, 3.0% the second year, 4.5% the third year, etc.).

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

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. 10 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, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Ordinary death benefits are available to employees who were active at time of death with at least 10 years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry 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 Class 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 using the benefit multiplier of 2.5% for qualified service, up to a maximum of 80% of average final compensation. Police officers 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 any age, 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 one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. 10 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 dependent 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 one 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, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Contributory Class 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 60.

Police officers and firefighters' retirement benefits are determined using the benefit multiplier of 2.25% for qualified service, up to a maximum of 80% of average final compensation. Police officers 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. 10 years of credited service is required for ordinary disability.

For police officers and firefighters, ordinary disability benefits are 1.75% of average final compensation for each year of service and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

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

Hybrid Class 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 five 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. 10 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 dependent 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, 2021

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 Class 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.

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

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. Contributions to the pension plan from the County and the Department were approximately \$25,636,000 and \$1,532,000 respectively, for the fiscal year ended June 30, 2021.

Per Act 17 (SLH 2017), employer contributions from the State and counties have increased over four years beginning July 1, 2017. The rate for police officers and firefighters increased to 31.00% on July 1, 2018; 36.00% on July 1, 2019; and 41.00% on July 1, 2020. The rate for all other employees' increased to 19.00% on July 1, 2018; 22.00% on July 1, 2019; and 24.00% on July 1, 2020.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012, are required to contribute 7.8% of their salary and police officers and firefighters are required to contribute 12.2% of their salary. Contributory members hired after June 30, 2012, are required to contribute 9.8% of their salary, except for police officers and firefighters who are required to contribute 14.2% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the County and Department reported a liability of \$323,152,133 and \$20,785,838 respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2021, the County's proportion was 2.111% which was a decrease of 0.022% from its proportionate share measured as of June 30, 2020. At June 30, 2021, the Department's proportion was 0.140% which was a decrease of approximately 0.020% from its proportionate share measured as June 30, 2020. The County's pension liability is liquidated by the County's General Fund.

There were no significant changes in actuarial assumptions in 2020. There were no other changes between the measurement date, June 30, 2020, and the reporting date, June 30, 2021, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the fiscal year ended June 30, 2021, the County and the Department recognized pension expense of approximately \$49,105,000 and \$3,341,000, respectively. At June 30, 2021, 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	\$ 10,913,394	\$ --
Changes in assumptions	8,844,031	136,528
Net difference between projected and actual earnings on pension plan investments	12,421,441	--
Changes in proportion and difference between County contributions and proportionate share of contributions	13,954,258	20,138,444
County contributions subsequent to the measurement date	25,636,021	--
	<u>\$ 71,769,145</u>	<u>\$ 20,274,972</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

The County reported \$25,636,021 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>
2022	\$ 11,655,305
2023	6,783,712
2024	4,411,814
2025	3,061,955
2026	<u>(54,634)</u>
Total	<u>\$ 25,858,152</u>

Department:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 232,574	\$ --
Changes in assumptions	585,033	--
Net difference between projected and actual earnings on pension plan investments	726,745	--
Changes in proportion and difference between Department contributions and proportionate share of contributions	2,665,313	2,163,284
Department contributions subsequent to the measurement date	<u>1,560,670</u>	<u>--</u>
	<u>\$ 5,770,335</u>	<u>\$ 2,163,284</u>

The Department reported \$1,561,000 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>
2022	\$ 853,806
2023	597,431
2024	670,056
2025	19,106
2026	<u>(94,018)</u>
Total	<u>\$ 2,046,381</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was based on the results of an experience study as of June 30, 2018, with most of the assumptions based on the period from July 1, 2013 through June 30, 2018 as follows:

Inflation rate	2.50%
Investment rate of return, including inflation	7.00%
Payroll growth	3.50%
Salary increases, including inflation	
Police and fire employees	5.00% to 7.00%
General employees	3.50% to 6.50%
Teachers	3.75% to 5.75%

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Mortality rates used in the actuarial valuation as of June 30, 2020 were based on the following:

Active members - Multiples of the RP 2014 mortality table for active employees based on the occupation of the member.

Healthy retirees - The 2019 Public Retirees of Hawaii mortality table, generational projection using the BB projection table from the year 2019 and with multipliers based on plan and group experience.

Disabled retirees - Base table for healthy retirees' occupation, set forward five years, generational projection using the BB projection table from year 2019. Minimum mortality rate of 3.5% for males and 2.5% for females.

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 rate	Expected long-term real return*
Broad growth	63.00 %	7.90%	14.70%
Diversifying strategies	37.00 %	3.70%	6.70%
	<u>100.00 %</u>		

*Uses an expected inflation of 2.20%

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Discount Rate - The discount rate used to measure the net pension liability at June 30, 2020 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>418,997,281</u>	\$ <u>323,152,133</u>	\$ <u>244,136,867</u>
Department's proportionate share of the net pension liability	\$ <u>26,694,000</u>	\$ <u>20,786,000</u>	\$ <u>15,915,000</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 <https://www.ers.ehawaii.gov>.

Payables to the Pension Plan

As of June 30, 2021, the County and the Department had payables to the pension plan of \$4,946,555 and \$0, respectively.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 <https://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, 2021

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, 2020:

County:

Inactive employees or beneficiaries currently receiving benefits	843
Inactive employees entitled but not yet receiving benefit payments	121
Active employees	<u>1,181</u>
	<u>2,145</u>

Department:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled but not yet receiving benefit payments	8
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, 2021 contributions to the OPEB plan from the County and the Department were \$17,842,000 and \$1,077,000, 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, 2021 the County and Department reported a net OPEB liability of \$133,855,462 and \$7,726,732, respectively. The net OPEB liability was measured as of July 1, 2020 and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's OPEB liability is liquidated by the County's General Fund.

There were no changes between the measurement date, July 1, 2020, and the reporting date, June 30, 2021, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2021, the County and Department recognized OPEB expense of approximately \$16,013,179 and \$1,356,000, respectively. At June 30, 2021, 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	\$ 7,059,189	\$ --
Changes in assumptions	2,716,390	1,362,394
Difference in expected and actual experience	2,671,942	13,738,943
Employer contributions subsequent to the measurement date	<u>17,842,000</u>	<u>--</u>
	<u>\$ 30,289,521</u>	<u>\$ 15,101,337</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 539,252	\$ --
Changes in assumptions	195,804	93,746
Difference in expected and actual experience	23,728	1,092,654
Employer contributions subsequent to the measurement date	1,077,000	--
	<u>\$ 1,835,784</u>	<u>\$ 1,186,400</u>

The County and Department reported \$17,842,000 and \$1,077,000, 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, 2022. 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)
2022	\$ 53,560	\$ (31,872)
2023	509,991	2,074
2024	597,978	4,176
2025	(233,809)	(46,130)
2026	(2,229,528)	(168,398)
Thereafter	(1,352,008)	(187,466)
	<u>\$ (2,653,816)</u>	<u>\$ (427,616)</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Actuarial assumptions - The total OPEB liability in the July 1, 2020 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, 2020
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.00%
Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Demographic Assumptions	Based on the experience study covering the five year period ending June 30, 2018 as conducted for the Hawaii Employee Retirement System (ERS)
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 7.50%; declining to a rate of 4.70% after 13 years
HMO*	Initial rate of 7.50%; declining to a rate of 4.70% after 13 years
Part B & Base Monthly Contribution	Initial rate of 5.00%, declining to a rate of 4.70% after 10 years
Dental	Initial rates of 5.00% for first year, followed by 4.00% for all future years
Vision	Initial rates of 0.00% for first year, followed by 2.50% for all future years
Life insurance	0.00%

* Blended rates for medical and prescription drug.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Non U.S. equity	16.00%	7.72%
U.S. equity	14.00%	6.23%
Private equity	10.00%	9.66%
Core real estate	10.00%	5.98%
Trend following	8.00%	2.12%
U.S. microcap	6.00%	7.85%
Global options	6.00%	4.65%
Private credit	6.00%	5.50%
Long treasuries	6.00%	0.86%
Alternative risk premia	5.00%	1.56%
TIPS	5.00%	0.11%
Reinsurance	5.00%	4.34%
Core bonds	3.00%	0.08%
	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%. Beginning with the fiscal year 2019 contribution, the funding policy of the County is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. In July 2020, the Governor's office issued the Tenth Proclamation related to the COVID-19 emergency, allowing employers of the EUTF to suspend Act 268 contributions for the fiscal year ended June 30, 2021 and instead limit their contributions to the amounts of OPEB benefits due. The temporary Act 268 suspension would not derail the plan's long-term funding progress. Even if Act 268 is suspended, through fiscal year ending June 30, 2025, as is being discussed, the OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current 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, 2021

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, 2021. The ending balances are as of the measurement date, July 1, 2020:

County:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 282,905,748	\$ 137,693,673	\$ 145,212,075
Changes for the fiscal year:			
Service cost	6,217,396	--	6,217,396
Interest on the total OPEB liability	19,699,816	--	19,699,816
Difference between expected and actual experience	(15,714,058)	--	(15,714,058)
Changes of assumptions	(1,609,747)	--	(1,609,747)
Contributions - employer	--	17,238,000	(17,238,000)
Net investment income	--	2,674,371	(2,674,371)
Benefit payments	(9,177,012)	(9,177,012)	--
Administrative expense	--	(21,303)	21,303
Other	--	58,952	(58,952)
Net changes	<u>(583,605)</u>	<u>10,773,008</u>	<u>(11,356,613)</u>
Balance at June 30, 2021	\$ <u>282,322,143</u>	\$ <u>148,466,681</u>	\$ <u>133,855,462</u>

Department:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 18,727,177	\$ 10,201,293	\$ 8,525,884
Changes for the fiscal year:			
Service cost	426,197	--	426,197
Interest on the total OPEB liability	1,307,741	--	1,307,741
Difference between expected and actual experience	(1,183,289)	--	(1,183,289)
Changes of assumptions	(109,324)	--	(109,324)
Contributions - employer	--	1,041,000	(1,041,000)
Net investment income	--	199,294	(199,294)
Benefits payments	(516,535)	(516,535)	--
Administrative expense	--	(1,598)	1,598
Other	--	1,781	(1,781)
Net changes	<u>(75,210)</u>	<u>723,942</u>	<u>(799,152)</u>
Balance at June 30, 2021	\$ <u>18,651,967</u>	\$ <u>10,925,235</u>	\$ <u>7,726,732</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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>179,214,903</u>	\$ <u>133,855,462</u>	\$ <u>98,306,518</u>
Department:			
Net OPEB Liability	\$ <u>10,758,000</u>	\$ <u>7,727,000</u>	\$ <u>5,329,000</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>96,944,340</u>	\$ <u>133,855,462</u>	\$ <u>181,658,273</u>
Department:			
Net OPEB Liability	\$ <u>5,208,000</u>	\$ <u>7,727,000</u>	\$ <u>10,975,000</u>

Payables to the OPEB Plan - At June 30, 2021, 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, 2021

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, 2021, the amount of this liability was approximately \$9.2 million. This is the County's best estimate based on available information. Changes in the reported liability since July 1, 2019, 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>
2020	\$ 8,559,837	\$ 2,466,057	\$ (2,842,433)	\$ 8,183,461
2021	\$ 8,183,461	\$ 3,051,902	\$ (2,077,443)	\$ 9,157,920

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Puhi Metals Recycling Center

The County of Kauai 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, 2021, 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, 2021, was approximately \$50.4 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 \$19.9 million based on estimates provided by project engineers. At June 30, 2021, approximately 83.56% of the total capacity of the Kekaha Landfill Phase II had been used, and the estimated remaining landfill life is approximately 68 months.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$33.7 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	\$ 17,189,102
Unassigned fund balance	<u>24,409,886</u>
Total	\$ <u>41,598,988</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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				
	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	Other Governmental Funds	Total
Fund Balances:										
Nonspendable:										
Prepays	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 943,469	\$ 943,469
Total - Nonspendable	--	--	--	--	--	--	--	--	943,469	943,469
Restricted:										
Liquor control	--	--	--	--	--	--	--	--	220,063	220,063
Debt service reserve	--	--	--	--	--	--	--	--	1,588,524	1,588,524
Loans receivable	--	940,528	--	--	--	--	--	--	--	940,528
Landfill closure and post closure costs	490,000	--	13,161,846	--	--	--	--	--	--	13,651,846
Total - Restricted	490,000	940,528	13,161,846	--	--	--	--	--	1,808,587	16,400,961
Committed:										
Non-routine emergency events reserve	17,189,102	--	--	--	--	--	--	--	--	17,189,102
Administrative	1,333,858	--	--	--	--	--	39,994	71,563	--	1,445,415
County-wide costs	605,535	--	--	--	--	--	--	--	--	605,535
Human resources	133,430	--	--	--	--	--	1,711,722	418,598	--	2,263,750
Planning	281,432	--	--	--	--	--	--	17,406	72,461	371,299
Economic development	504,439	--	--	--	--	--	--	--	--	504,439
Police services	1,348,015	--	--	--	--	--	19,735	228,586	--	1,596,336
Fire control	1,235,574	--	--	--	--	--	--	139,712	--	1,375,286
Emergency management	166,289	--	--	--	--	--	--	--	--	166,289
Liquor control	--	--	--	--	--	--	--	--	2,306	2,306
Building repair and maintenance	190,294	--	--	--	--	--	15,630	305,648	2,122	513,694
Parks and recreation	3,763,862	--	--	--	--	--	653,679	158,011	356,786	4,932,338
Community services	89,732	142,718	--	--	--	--	--	3,192,814	165,985	3,591,249
Waste disposal and collection	--	--	4,863,084	--	--	--	604,760	1,526,242	--	6,994,086
Road maintenance	118,579	--	--	--	--	--	20,922	1,078,852	24,796,762	26,015,115
Total - Committed	26,960,141	142,718	4,863,084	--	--	--	3,066,442	7,137,432	25,396,422	67,566,239
Assigned:										
Balancing future budget shortfalls	15,885,799	--	--	--	--	--	--	--	1,865,471	17,751,270
Self insurance provisions	1,163,398	--	--	--	--	--	--	--	--	1,163,398
Capital improvement projects	--	--	--	--	--	--	6,280,780	10,157,893	7,016,328	23,455,001
Other purposes	--	2,066,215	--	--	--	--	--	--	11,607,338	13,673,553
Total - Assigned	17,049,197	2,066,215	--	--	--	--	6,280,780	10,157,893	20,489,137	56,043,222
Unassigned:	24,409,886	--	(1,908,772)	--	--	--	--	--	--	22,501,114
Total Fund Balances	\$ 68,909,224	\$ 3,149,461	\$ 16,116,158	\$ --	\$ --	\$ --	\$ 9,347,222	\$ 17,295,325	\$ 48,637,615	\$ 163,455,005

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021 include:

General Fund	\$ 9,771,039
Housing and Community Development Revolving Fund	142,718
Solid Waste Disposal Fund	4,863,084
Bond Fund	7,137,432
General Capital Improvement Fund	3,066,442
Other Governmental Funds	<u>25,396,422</u>
	\$ <u>50,377,137</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 \$16,193,000 at June 30, 2021.

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 \$2,202,000 for the fiscal year ended June 30, 2021. At June 30, 2021, amounts due from the Department for reimbursement of payroll expenses were approximately \$254,000.

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS

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, 2020, as postponed by GASB 95. Management has adopted the applicable requirements of the new standard as presented in 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, 2020, 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 KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the County's fiscal year ending June 30, 2022. Management has not yet determined the effect this Statement will have on the County's financial statements.

NOTE 20 - RESTATEMENT

The governmental fund financial statements reflect a prior period adjustment and restatement to beginning net position as of July 1, 2020. Beginning balances in the Solid Waste Disposal Fund and General Capital Improvement Fund have been restated to include State Revolving Fund Loans not received as of June 30, 2020, and bond proceeds from the Kukuiula Communities Facilities District Bonds not previously recorded as revenue, respectively.

Additionally, the County understated its construction in-progress assets in the Public Housing Revolving Fund for the Lima Ola affordable housing project.

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 Funds
			Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	General Capital Improvement Fund	
	Governmental Activities	Business-type Activities	Solid Waste Disposal Fund	General Capital Improvement Fund	Public Housing Revolving Fund
Net position at July 1, 2020, as previously stated	\$ 223,442,080	\$ 74,229,732	\$ 20,512,357	\$ 10,564,631	\$ 51,783,332
Prior period adjustment:					
State Revolving Fund Loans not received as of June 30, 2020	(14,228,141)	--	(14,228,141)	--	--
Proceeds from Kukuiula Communities Facilities District Bonds not previously recorded as revenues	179,534	--	--	179,534	--
Construction in progress assets for the Lima Ola affordable housing project not previously recorded	--	1,003,387	--	--	1,003,387
Net position at July 1, 2020, as restated	\$ 209,393,473	\$ 75,233,119	\$ 6,284,216	\$ 10,744,165	\$ 52,786,719

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 20 – RESTATEMENT (Continued)

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement are effective for the periods beginning after December 15, 2020, as postponed by GASB 95. The County implemented the provisions of this Statement as presented in the financial statements. The implementation resulted in former agency funds being reclassified to governmental funds and custodial funds. The County reclassified \$5.1 million in assets and liabilities previously reported in Trust and Agency Funds to the General Fund. There was no effect on net position as a result of this reclassification; however, the County is reporting a restatement due to the implementation of this Statement for amounts previously reported as Trust and Agency Funds, now being reported as Custodial Funds.

	<u>Custodial Funds</u>
Net position at July 1, 2020, as previously reported	\$ --
Change in accounting principle	1,352,462
Net position at July 1, 2020, as restated	\$ <u>1,352,462</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*

	2021	2020	2019	2018	2017	2016	2015	2014
County:								
County's proportion of the Net Pension Liability	2.111 %	2.133 %	2.252 %	2.104 %	2.040 %	2.044 %	1.913 %	2.031 %
County's proportionate share of the Net Pension Liability	\$ 323,152,133	\$ 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	\$ 83,089,000	\$ 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	388.92 %	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	53.18 %	54.87 %	55.48 %	54.80 %	51.28 %	62.42 %	63.92 %	57.96 %
Department:								
Department's proportion of the Net Pension Liability	0.140 %	0.160 %	0.120 %	0.120 %	0.130 %	0.130 %	0.120 %	0.120 %
Department's proportionate share of the Net Pension Liability	\$ 20,785,838	\$ 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	\$ 5,966,000	\$ 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	348.40 %	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	53.18 %	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County:					
Statutorily Required Contribution	\$ 25,636,021	\$ 23,625,374	\$ 20,075,943	\$ 19,454,923	\$ 15,390,688
Actual County Contributions Recognized by the Plan	\$ 25,636,021	\$ 23,625,374	\$ 20,075,943	\$ 19,454,923	\$ 15,390,688
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 86,958,000	\$ 83,089,000	\$ 80,573,000	\$ 79,133,000	\$ 77,341,000
Contributions as a percentage of Covered Payroll	29.48 %	28.43 %	24.92 %	24.59 %	19.90 %
Department:					
Statutorily Required Contribution	\$ 1,532,000	\$ 1,325,000	\$ 1,109,000	\$ 1,016,000	\$ 938,000
Actual Department Contributions Recognized by the Plan	\$ 1,532,000	\$ 1,325,000	\$ 1,109,000	\$ 1,016,000	\$ 938,000
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Department's Covered Payroll	\$ 6,382,000	\$ 5,966,000	\$ 5,840,000	\$ 5,633,000	\$ 5,515,000
Contributions as a percentage of Covered Payroll	24.01 %	22.21 %	18.99 %	18.04 %	17.01 %

*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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
County:					
Statutorily Required Contribution	\$ 14,600,137	\$ 13,643,255	\$ 12,605,548	\$ 11,575,260	\$ 10,675,390
Actual County Contributions Recognized by the Plan	\$ 14,600,137	\$ 13,643,255	\$ 12,605,548	\$ 11,575,260	\$ 10,675,390
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 73,365,000	\$ 75,544,000	\$ 71,201,000	\$ 66,597,000	\$ 67,198,000
Contributions as a percentage of Covered Payroll	19.90 %	18.06 %	17.70 %	17.38 %	15.89 %
Department:					
Statutorily Required Contribution	\$ 911,000	\$ 798,000	\$ 745,000	\$ 679,000	\$ 642,000
Actual Department Contributions Recognized by the Plan	\$ 911,000	\$ 798,000	\$ 745,000	\$ 679,000	\$ 642,000
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Department's Covered Payroll	\$ 5,110,000	\$ 4,836,000	\$ 4,645,000	\$ 4,385,000	\$ 4,285,000
Contributions as a percentage of Covered Payroll	17.83 %	16.50 %	16.04 %	15.48 %	14.98 %

*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 *

	2021		2020		2019		2018	
	County	Department	County	Department	County	Department	County	Department
Total OPEB liability								
Service cost	\$ 6,217,396	\$ 426,197	\$ 5,857,253	\$ 406,353	\$ 5,745,514	\$ 380,070	\$ 5,623,361	\$ 380,075
Interest on the total OPEB liability	19,699,816	1,307,741	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	(15,714,058)	(1,183,289)	3,844,516	33,498	(815,794)	(135,272)	--	--
Changes in assumptions	(1,609,747)	(109,324)	1,242,842	83,252	3,438,804	237,370	--	--
Benefit payments	(9,177,012)	(516,535)	(8,755,019)	(536,228)	(8,414,118)	(525,000)	(8,079,087)	(368,000)
Net change in total OPEB liability	(583,605)	(75,210)	20,459,414	1,208,628	17,039,484	1,101,303	13,679,255	1,085,705
Total OPEB liability - Beginning	282,905,748	18,727,177	262,446,334	17,518,549	245,406,850	16,417,246	231,727,595	15,331,541
Total OPEB liability - Ending	\$ 282,322,143	\$ 18,651,967	\$ 282,905,748	\$ 18,727,177	\$ 262,446,334	\$ 17,518,549	\$ 245,406,850	\$ 16,417,246
Plan fiduciary net position								
Contributions - employer	\$ 17,238,000	\$ 1,041,000	\$ 23,927,882	\$ 1,011,000	\$ 15,688,031	\$ 948,000	\$ 15,847,977	\$ 1,287,000
Net investment income	2,674,371	199,294	5,295,444	399,132	7,579,849	588,700	8,310,839	654,929
Benefit payments	(9,177,012)	(516,535)	(8,755,019)	(536,228)	(8,414,118)	(525,000)	(8,079,087)	(368,000)
OPEB plan administrative expense	(21,303)	(1,598)	(38,185)	(2,874)	(22,893)	(1,803)	(18,934)	(1,485)
Other	58,952	1,781	4,059,474	271,018	--	--	126,295	8,474
Net change in plan fiduciary net position	10,773,008	723,942	24,489,596	1,142,048	14,830,869	1,009,897	16,187,090	1,580,918
Plan fiduciary net position - Beginning	137,693,673	10,201,293	113,204,077	9,059,245	98,373,208	8,049,348	82,186,118	6,468,430
Plan fiduciary net position - Ending	\$ 148,466,681	\$ 10,925,235	\$ 137,693,673	\$ 10,201,293	\$ 113,204,077	\$ 9,059,245	\$ 98,373,208	\$ 8,049,348
Net OPEB liability	\$ 133,855,462	\$ 7,726,732	\$ 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	52.59%	58.57%	48.67%	54.47%	43.13%	51.71%	40.09%	49.03%
Covered-employee payroll	\$ 83,089,000	\$ 5,840,000	\$ 80,573,000	\$ 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	161.09%	132.31%	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, 2021	\$ 17,842,000	\$ 17,842,000	\$ --	\$ 86,958,000	20.52%
June 30, 2020	\$ 17,238,000	\$ 17,238,000	\$ --	\$ 83,089,000	20.75%
June 30, 2019	\$ 16,595,000	\$ 23,927,882	\$ (7,332,882)	\$ 80,573,000	29.70%
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	\$ 1,077,000	\$ 1,077,000	\$ --	\$ 5,966,000	18.05%
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, 2021

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, 2021 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	18.1 as of fiscal year ended June 30, 2021
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, 2021

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, 2021

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 Hawai'i, State Dwelling Unit Revolving Fund (DURF) loan for the Lima Ola Workforce Housing Project.

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, 2021

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.

General Excise 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.

COUNTY OF KAUAI, HAWAII
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

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	\$ 6,241,898	\$ 20,192,023	\$ 697,284	\$ 1,020,447	\$ 363,161	\$ 214,409	\$ 773,161	\$ 2,546,064	\$ 72,495
Investments	2,513,840	--	508,971	--	261,094	--	--	--	--
Accounts receivable, net	110,794	--	--	--	--	--	12,107	--	--
Interest receivable	4,639	--	146	--	143	--	--	--	--
Due from other funds	--	--	--	--	--	--	--	--	--
Due from other governments	449,605	8,926,582	--	--	--	--	--	--	--
Prepaid items	--	--	--	--	--	--	943,469	--	--
Total Assets	\$ 9,320,776	\$ 29,118,605	\$ 1,206,401	\$ 1,020,447	\$ 624,398	\$ 214,409	\$ 1,728,737	\$ 2,546,064	\$ 72,495
Liabilities:									
Accounts payable	\$ 1,116,549	\$ 2,588,286	\$ 25,646	\$ --	\$ --	\$ 7,896	\$ 15,090	\$ 648	\$ --
Contracts payable	106,829	482,196	--	690	--	--	--	--	11,392
Due to other funds	1,250,999	218,578	150,070	--	--	4,391	26,025	672	--
Due to customers	--	--	--	--	--	--	231,801	--	--
Unearned revenue	--	--	101,292	--	--	--	277,923	--	--
Total Liabilities	2,474,377	3,289,060	277,008	690	--	12,287	550,839	1,320	11,392
Fund Balance:									
Nonspendable	--	--	--	--	--	--	943,469	--	--
Restricted	--	--	220,063	--	--	--	--	--	--
Committed	3,388,960	20,853,566	2,306	83,402	--	2,122	165,985	72,461	30,216
Assigned	3,457,439	4,975,979	707,024	936,355	624,398	200,000	68,444	2,472,283	30,887
Total Fund Balance	6,846,399	25,829,545	929,393	1,019,757	624,398	202,122	1,177,898	2,544,744	61,103
Total Liabilities and Fund Balance	\$ 9,320,776	\$ 29,118,605	\$ 1,206,401	\$ 1,020,447	\$ 624,398	\$ 214,409	\$ 1,728,737	\$ 2,546,064	\$ 72,495

COUNTY OF KAUAI, HAWAII
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

		Capital Projects Funds								
	Debt Service	Parks and Playgrounds Capital Improvement	Sewer Trust	Development Capital Improvement	Bikeway Capital Improvement	Special State Capital Improvement	Highway Capital Improvement	Open Space Capital Improvement	General Excise Tax Capital Improvement	Total Other Governmental Funds
Assets:										
Cash and cash equivalents	\$ 1,588,524	\$ --	\$ 93,262	\$ 1,525,994	\$ 277,969	\$ --	\$ 2,192,005	\$ 45,351	\$ 190,913	\$ 38,034,960
Investments	--	3,089,143	--	1,276,036	--	--	--	--	--	7,649,084
Accounts receivable, net	--	--	--	--	--	--	--	--	--	122,901
Interest receivable	--	5,295	--	4,377	--	--	--	--	--	14,600
Due from other funds	--	--	--	--	--	6,240,536	--	--	--	6,240,536
Due from other governments	--	--	--	--	--	--	--	--	--	9,376,187
Prepaid items	--	--	--	--	--	--	--	--	--	943,469
Total Assets	\$ 1,588,524	\$ 3,094,438	\$ 93,262	\$ 2,806,407	\$ 277,969	\$ 6,240,536	\$ 2,192,005	\$ 45,351	\$ 190,913	\$ 62,381,737
Liabilities:										
Accounts payable	\$ --	\$ 2,489	\$ --	\$ --	\$ --	\$ 1,387,373	\$ 131,629	\$ --	\$ 12,000	\$ 5,287,606
Contracts payable	--	2,232	13,479	2,028	--	398,159	34,993	--	--	1,051,998
Due to other funds	--	687,763	--	--	--	4,455,004	--	--	--	6,793,502
Due to customers	--	--	--	--	--	--	--	--	--	231,801
Unearned revenue	--	--	--	--	--	--	--	--	--	379,215
Total Liabilities	--	692,484	13,479	2,028	--	6,240,536	166,622	--	12,000	13,744,122
Fund Balance:										
Nonspendable	--	--	--	--	--	--	--	--	--	943,469
Restricted	1,588,524	--	--	--	--	--	--	--	--	1,808,587
Committed	--	243,168	--	--	--	--	486,569	--	67,667	25,396,422
Assigned	--	2,158,786	79,783	2,804,379	277,969	--	1,538,814	45,351	111,246	20,489,137
Total Fund Balance	1,588,524	2,401,954	79,783	2,804,379	277,969	--	2,025,383	45,351	178,913	48,637,615
Total Liabilities and Fund Balance	\$ 1,588,524	\$ 3,094,438	\$ 93,262	\$ 2,806,407	\$ 277,969	\$ 6,240,536	\$ 2,192,005	\$ 45,351	\$ 190,913	\$ 62,381,737

COUNTY OF KAUAI, HAWAII
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	Highway	General Excise Tax	Liquor	Beautification	Criminal Assets Forfeiture	Plans and Permits Revolving	Section 8	Public Access	Park Maintenance and Improvements
Revenues:									
Taxes	\$ 8,058,211	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	7,277,109	--	1,415,515	385,343	--	306,972	--	--	--
Charges for services	683,492	--	--	--	--	--	--	--	--
Interest	8,841	--	3,325	--	1,327	--	913	--	--
Intergovernmental revenues	23,456	21,388,867	--	--	--	--	11,457,633	--	--
Miscellaneous	699	--	2,775	--	2,075	--	429,158	--	--
Total Revenues	<u>16,051,808</u>	<u>21,388,867</u>	<u>1,421,615</u>	<u>385,343</u>	<u>3,402</u>	<u>306,972</u>	<u>11,887,704</u>	<u>--</u>	<u>--</u>
Expenditures:									
General government	--	--	--	--	--	--	--	49,739	--
Public safety	--	--	932,996	--	--	--	--	--	--
Public works	--	--	--	--	--	247,768	--	--	--
Highways and streets	13,146,174	6,796,863	--	313,811	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Public welfare	3,155,233	5,165,599	--	--	--	--	11,636,307	--	--
Capital outlay	1,319,988	1,650,095	--	--	--	--	--	--	822,660
Debt Service:									
Principal	861,558	187,754	--	--	--	--	--	--	--
Interest and debt issuance cost	50,225	--	--	--	--	--	--	--	--
Total Expenditures	<u>18,533,178</u>	<u>13,800,311</u>	<u>932,996</u>	<u>313,811</u>	<u>--</u>	<u>247,768</u>	<u>11,636,307</u>	<u>49,739</u>	<u>822,660</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,481,370)</u>	<u>7,588,556</u>	<u>488,619</u>	<u>71,532</u>	<u>3,402</u>	<u>59,204</u>	<u>251,397</u>	<u>(49,739)</u>	<u>(822,660)</u>
Other Financing Sources (Uses):									
Issuance of capital leases	656,251	923,805	--	--	--	--	--	--	--
Transfers in	2,200,000	--	--	--	--	--	--	778,902	--
Transfers out	--	(100,000)	--	--	--	(91,899)	--	--	--
Total Other Financing Sources (Uses)	<u>2,856,251</u>	<u>823,805</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(91,899)</u>	<u>--</u>	<u>778,902</u>	<u>--</u>
Net Change in Fund Balances	374,881	8,412,361	488,619	71,532	3,402	(32,695)	251,397	729,163	(822,660)
Fund Balance - Beginning of Year July 1, 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>1,815,581</u>	<u>883,763</u>
Fund Balance - End of Year June 30, 2021	<u>\$ 6,846,399</u>	<u>\$ 25,829,545</u>	<u>\$ 929,393</u>	<u>\$ 1,019,757</u>	<u>\$ 624,398</u>	<u>\$ 202,122</u>	<u>\$ 1,177,898</u>	<u>\$ 2,544,744</u>	<u>\$ 61,103</u>

COUNTY OF KAUAI, HAWAII
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Capital Projects Funds									
	Debt Service	Parks and Playgrounds Capital Improvement	Sewer Trust	Development Capital Improvement	Bikeway Capital Improvement	Special State Capital Improvement	Highway Capital Improvement	Open Space Capital Improvement	General Excise Tax Capital Improvement	Total Other Governmental Funds
Revenues:										
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,058,211
Licenses and permits	--	--	--	--	1,195	--	--	--	--	9,386,134
Charges for services	--	--	--	--	--	--	--	--	--	683,492
Interest	--	9,969	--	7,197	--	--	--	--	--	31,572
Intergovernmental revenues	--	--	--	--	--	--	--	--	--	32,869,956
Miscellaneous	--	26,803	--	50,001	--	--	--	--	--	511,511
Total Revenues	--	36,772	--	57,198	1,195	--	--	--	--	51,540,876
Expenditures:										
General government	--	--	--	--	--	--	--	--	--	49,739
Public safety	--	--	--	--	--	--	--	--	--	932,996
Public works	--	--	--	--	--	--	--	--	293	248,061
Highways and streets	--	--	--	--	--	--	151,885	--	--	20,408,733
Culture and recreation	--	18,747	--	--	--	--	--	--	--	18,747
Public welfare	--	--	--	--	--	--	--	--	--	19,957,139
Capital outlay	--	37,646	--	--	--	--	691,995	--	150,794	4,673,178
Debt Service:										
Principal	6,515,000	--	--	--	--	--	--	--	--	7,564,312
Interest and debt issuance cost	4,831,809	--	--	--	--	--	--	--	--	4,882,034
Total Expenditures	11,346,809	56,393	--	--	--	--	843,880	--	151,087	58,734,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,346,809)	(19,621)	--	57,198	1,195	--	(843,880)	--	(151,087)	(7,194,063)
Other Financing Sources (Uses):										
Issuance of capital leases	--	--	--	--	--	--	--	--	--	1,580,056
Transfers in	11,346,809	--	--	--	--	--	--	--	100,000	14,425,711
Transfers out	--	--	--	--	--	--	--	--	--	(191,899)
Total Other Financing Sources (Uses)	11,346,809	--	--	--	--	--	--	--	100,000	15,813,868
Net Change in Fund Balances	--	(19,621)	--	57,198	1,195	--	(843,880)	--	(51,087)	8,619,805
Fund Balance - Beginning of Year July 1, 2020	1,588,524	2,421,575	79,783	2,747,181	276,774	--	2,869,263	45,351	230,000	40,017,810
Fund Balance - End of Year June 30, 2021	\$ 1,588,524	\$ 2,401,954	\$ 79,783	\$ 2,804,379	\$ 277,969	\$ --	\$ 2,025,383	\$ 45,351	\$ 178,913	\$ 48,637,615

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, 2021

	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	\$ 4,017,000	\$ 4,017,000	\$ 3,653,750	\$ --	\$ 3,653,750	\$ (363,250)
Fuel tax	5,360,000	5,360,000	4,404,461	--	4,404,461	(955,539)
Total Taxes	9,377,000	9,377,000	8,058,211	--	8,058,211	(1,318,789)
Licenses and Permits:						
Motor vehicle weight tax	7,400,000	7,400,000	7,277,109	--	7,277,109	(122,891)
Interest	45,500	45,500	8,841	--	8,841	(36,659)
Intergovernmental revenues	25,000	25,000	23,456	--	23,456	(1,544)
Charges for current services:						
Public welfare / safety	1,000,000	1,000,000	683,492	--	683,492	(316,508)
Miscellaneous	500	500	699	--	699	199
Total Revenues	17,848,000	17,848,000	16,051,808	--	16,051,808	(1,796,192)
Expenditures:						
Highways and Streets-Road Maintenance:						
Administration	2,964,189	2,940,189	2,344,627	549,489	2,894,116	46,073
Administration - salaries and overtime	412,697	303,787	297,337	--	297,337	6,450
Hanapēpē baseyard	29,292	32,922	27,294	--	27,294	5,628
Hanapēpē baseyard - salaries and overtime	1,422,650	1,336,148	1,331,517	--	1,331,517	4,631
Kapa'a baseyard	18,648	20,748	18,953	19	18,972	1,776
Kapa'a baseyard - salaries and overtime	1,075,646	979,774	978,019	--	978,019	1,755
Hanalei baseyard	4,403	4,403	3,479	--	3,479	924
Hanalei baseyard - salaries and overtime	663,997	667,022	666,966	--	666,966	56
Road signs and marking	25,568	25,567	21,160	--	21,160	4,407
Road signs and marking - salaries and overtime	871,049	705,350	616,340	--	616,340	89,010
Auto maintenance and motor pool (AMMP)	1,506,608	1,523,109	752,727	171,177	923,904	599,205
AMMP - salaries and overtime	1,030,029	768,368	701,318	--	701,318	67,050
Maintenance - street lights	500,000	500,000	496,422	--	496,422	3,578
Equipment	200,908	199,908	73,502	--	73,502	126,406
Capital leases	2,498,264	2,498,264	911,783	1,394,504	2,306,287	191,977
Social security taxes	431,978	417,928	347,312	--	347,312	70,616
Public employees' health fund	674,959	655,244	595,338	--	595,338	59,906
Public employees' other post employment benefits	785,480	1,103,883	937,842	--	937,842	166,041
Workers' compensation	12	56,931	56,919	--	56,919	12
Unemployment compensation	7	7	(463)	--	(463)	470
Employees' retirement system	1,355,226	1,527,226	1,354,037	--	1,354,037	173,189
Collective bargaining raises	45,040	45,040	16,996	2,349	19,345	25,695
Vacation pay	1	210,533	210,532	--	210,532	1
Central services cost	1,000,000	1,000,000	1,000,000	--	1,000,000	--
Transportation agency	6,291,680	6,291,681	3,623,130	879,510	4,502,640	1,789,041
Highway administrative overhead	948,020	942,319	493,840	391,912	885,752	56,567
Total Expenditures - Highways and Streets - Road Maintenance	24,756,351	24,756,351	17,876,927	3,388,960	21,265,887	3,490,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,908,351)	(6,908,351)	(1,825,119)	(3,388,960)	(5,214,079)	1,694,272
Other Financing Sources (Uses)						
Transfers in	2,200,000	2,200,000	2,200,000	--	2,200,000	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	2,200,000	2,200,000	2,200,000	--	2,200,000	--
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures (Note C)	\$ (4,708,351)	\$ (4,708,351)	374,881	\$ (3,388,960)	\$ (3,014,079)	\$ 1,694,272
Fund Balance - Beginning of Year July 1, 2020			6,471,518			
Fund Balance - End of Year June 30, 2021			\$ 6,846,399			

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, 2021

	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	\$ 19,500,000	\$ 19,500,000	\$ 21,388,867	\$ --	\$ 21,388,867	\$ 1,888,867
Total Revenues	19,500,000	19,500,000	21,388,867	--	21,388,867	1,888,867
Expenditures:						
Highway and Streets-Road Maintenance:						
Salaries and wages	189,535	144,535	107,448	--	107,448	37,087
Social security taxes	11,851	11,851	8,027	--	8,027	3,824
Public employees' health fund	18,000	18,000	3,394	--	3,394	14,606
Workers' compensation	2	2	--	--	--	2
Unemployment compensation	1	1	--	--	--	1
Mileage	1	1	--	--	--	1
Employees' retirement system	31,571	31,571	24,363	--	24,363	7,208
Employees' other post employment benefits	35,186	35,186	20,607	--	20,607	14,579
Other services	26,415,934	26,481,897	6,788,260	19,632,033	26,420,293	61,604
Other supplies and travel	15,626	2,746	--	2,746	2,746	--
Automobiles	1	1	--	--	--	1
Hanapepe baseyard -supplies	200,000	200,000	173,746	25,539	199,285	715
Kapa'a baseyard - supplies	200,000	175,000	95,865	59,977	155,842	19,158
Hanalei baseyard - supplies	150,000	162,000	71,934	74,943	146,877	15,123
Sign & road marking - supplies	350,000	354,917	157,313	194,604	351,917	3,000
Total Expenditures - Highways and Streets	27,617,708	27,617,708	7,450,957	19,989,842	27,440,799	176,909
Public Welfare-Transportation:						
Administration Division	712,765	660,762	245,489	414,082	659,571	1,191
Operations Division:						
Salaries and wages	3,443,547	2,912,105	2,891,939	--	2,891,939	20,166
Social security taxes	264,518	264,518	202,212	--	202,212	62,306
Public employees' health fund	495,068	495,068	294,747	--	294,747	200,321
Workers' compensation	2	245,046	245,045	--	245,045	1
Unemployment compensation	2,000	45,746	34,630	--	34,630	11,116
Mileage	5,000	5,000	329	--	329	4,671
Employees' retirement system	778,994	778,994	649,712	--	649,712	129,282
Employees' other post employment benefits	614,620	614,620	549,066	--	549,066	65,554
Utilities	96,500	96,500	89,838	--	89,838	6,662
Other services	17,073	69,388	63,325	58	63,383	6,005
Dues and subscriptions	5,000	8,025	8,025	--	8,025	--
Building repair and maintenance	298,653	536,305	80,682	449,584	530,266	6,039
Printing	20,000	20,000	4,990	--	4,990	15,010
Other Supplies	16,026	26,026	24,444	--	24,444	1,582
Equipment	17,881	17,881	8,204	--	8,204	9,677
Collective bargaining	56,000	47,663	32,872	--	32,872	14,791
Fuels	1	1	--	--	--	1
Total Expenditures - Public Welfare	6,843,648	6,843,648	5,425,549	863,724	6,289,273	554,375
Total General Excise Tax Fund Expenditures	34,461,356	34,461,356	12,876,506	20,853,566	33,730,072	731,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,961,356)	(14,961,356)	8,512,361	(20,853,566)	(12,341,205)	2,620,151
Other Financing Sources (Uses)						
Transfers out	(100,000)	(100,000)	(100,000)	--	(100,000)	--
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	--	(100,000)	--
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures (Note C)	\$ (15,061,356)	\$ (15,061,356)	8,412,361	\$ (20,853,566)	\$ (12,441,205)	\$ 2,620,151
Fund Balance - Beginning of Year July 1, 2020			17,417,184			
Fund Balance - End of Year June 30, 2021			\$ 25,829,545			

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, 2021

	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	\$ 1,145,349	\$ 1,145,349	\$ 1,415,515	\$ --	\$ 1,415,515	\$ 270,166
Interest	13,000	13,000	3,325	--	3,325	(9,675)
Miscellaneous	8,000	8,000	2,775	--	2,775	(5,225)
Total Revenues	<u>1,166,349</u>	<u>1,166,349</u>	<u>1,421,615</u>	<u>--</u>	<u>1,421,615</u>	<u>255,266</u>
Expenditures - Public Safety:						
Salaries and wages	578,443	578,443	478,630	--	478,630	99,813
Social security taxes	41,520	41,520	32,299	--	32,299	9,221
Public employees' health fund	70,077	70,077	53,639	--	53,639	16,438
Workers' compensation	10,001	10,001	--	--	--	10,001
Unemployment compensation	5,000	5,000	--	--	--	5,000
Employees' retirement system	121,952	121,952	94,415	--	94,415	27,537
Employees' other post employment benefits	109,224	109,224	83,320	--	83,320	25,904
Other expenses	151,738	151,738	65,693	2,306	67,999	83,739
Equipment	2	2	--	--	--	2
Travel	120,142	120,142	--	--	--	120,142
Indirect cost	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>--</u>	<u>125,000</u>	<u>--</u>
Total Expenditures - Public Safety	<u>1,333,099</u>	<u>1,333,099</u>	<u>932,996</u>	<u>2,306</u>	<u>935,302</u>	<u>397,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(166,750)</u>	\$ <u>(166,750)</u>	488,619	\$ <u>(2,306)</u>	\$ <u>486,313</u>	\$ <u>653,063</u>
Fund Balance - Beginning of Year July 1, 2020			<u>440,774</u>			
Fund Balance - End of Year June 30, 2021			\$ <u>929,393</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, 2021

	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	\$ 385,343	\$ --	\$ 385,343	\$ 10,343
Total Revenues	375,000	375,000	385,343	--	385,343	10,343
Expenditures - Highways and Streets:						
Disposal of abandoned vehicles	300,000	300,000	300,000	--	300,000	--
Beautification projects	199,873	199,873	13,811	83,402	97,213	102,660
Total Expenditures - Highways and Streets	499,873	499,873	313,811	83,402	397,213	102,660
Excess (Deficiency) of Revenues						
Over (Under) Expenditures (Note C)	\$ (124,873)	\$ (124,873)	71,532	\$ (83,402)	\$ (11,870)	\$ 113,003
Fund Balance - Beginning of Year July 1, 2020			948,225			
Fund Balance - End of Year June 30, 2021			\$ 1,019,757			

- 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, 2021

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest	\$ 15,000	\$ 15,000	\$ 1,327	\$ --	\$ 1,327	\$ (13,673)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>2,075</u>	<u>--</u>	<u>2,075</u>	<u>(27,925)</u>
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>3,402</u>	<u>--</u>	<u>3,402</u>	<u>(41,598)</u>
Expenditures - Public Safety:						
Police special fund	<u>80,008</u>	<u>80,008</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>80,008</u>
Total Expenditures - Public Safety	<u>80,008</u>	<u>80,008</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>80,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(35,008)</u>	\$ <u>(35,008)</u>	3,402	\$ <u>--</u>	\$ <u>3,402</u>	\$ <u>38,410</u>
Fund Balance - Beginning of Year July 1, 2020			<u>620,996</u>			
Fund Balance - End of Year June 30, 2021			\$ <u>624,398</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
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, 2021

	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>858,614</u>	<u>858,614</u>	<u>49,739</u>	<u>72,461</u>	<u>122,200</u>	<u>736,414</u>
Total Expenditures - General Government	<u>858,614</u>	<u>858,614</u>	<u>49,739</u>	<u>72,461</u>	<u>122,200</u>	<u>736,414</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(858,614)</u>	<u>(858,614)</u>	<u>(49,739)</u>	<u>(72,461)</u>	<u>(122,200)</u>	<u>736,414</u>
Other Financing Sources (Uses)						
Transfers In	<u>778,902</u>	<u>778,902</u>	<u>778,902</u>	<u>--</u>	<u>778,902</u>	<u>--</u>
Transfers Out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>778,902</u>	<u>778,902</u>	<u>778,902</u>	<u>--</u>	<u>778,902</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Note C)	\$ <u>(79,712)</u>	\$ <u>(79,712)</u>	729,163	\$ <u>(72,461)</u>	\$ <u>656,702</u>	\$ <u>736,414</u>
Fund Balance - Beginning of Year July 1, 2020			<u>1,815,581</u>			
Fund Balance - End of Year June 30, 2021			\$ <u>2,544,744</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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ 9,969				
Other revenues			26,803				
Total Revenues			36,772				
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	148,132	1,302	149,434	--	150,000	566
Kōloa Parking Lot/Playground	R15108	85,710	--	85,710	--	250,000	164,290
Total Kōloa District		755,852	1,302	757,154	--	942,278	185,124
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
Kamalani Playground Resurfacing	R18003	68,629	--	68,629	--	150,000	81,371
KWMCH Improvements	R18004	21,716	38,642	60,358	4,021	200,046	135,667
Total Līhu'e District		453,147	38,642	491,789	8,421	759,849	259,639
Kawaihau District:							
Park Improvements & Equipment	W93116	419,096	--	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	769	--	769	--	150,000	149,231

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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-T o-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>486,273</u>	<u>--</u>	<u>486,273</u>	<u>2,413</u>	<u>757,989</u>	<u>269,303</u>
Hanalei District:							
Hanalei Courthouse ADA Improv/Septic System	R09003	811,316	--	811,316	--	811,316	--
Anini Beach Improvements	R16004	6,000	--	6,000	193,101	200,000	899
Park Improvements & Equipment	W93383	541,781	16,449	558,230	14,340	604,682	32,112
Total Hanalei District		<u>1,359,097</u>	<u>16,449</u>	<u>1,375,546</u>	<u>207,441</u>	<u>1,615,998</u>	<u>33,011</u>
Total Expenditures		<u>\$ 3,079,476</u>	<u>56,393</u>	<u>\$ 3,135,869</u>	<u>\$ 243,168</u>	<u>\$ 4,126,114</u>	<u>\$ 747,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(19,621)				
Fund Balance - Beginning of Year, July 1, 2020			<u>2,421,575</u>				
Fund Balance - End of Year, June 30, 2021			<u>\$ 2,401,954</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, 2021

	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, 2020			<u>79,783</u>				
Fund Balance - End of Year, June 30, 2021			<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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ 7,197				
Other revenues			50,001				
Total Revenues			<u>57,198</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	--	--	--	--	46,250	46,250
Koloa/Poipu Inter Imp	Z15105	--	--	--	--	6,500	6,500
Total Expenditures		<u>\$ 17,821</u>	<u>--</u>	<u>\$ 17,821</u>	<u>\$ --</u>	<u>\$ 140,318</u>	<u>\$ 122,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			57,198				
Fund Balance - Beginning of Year, July 1, 2020			<u>2,747,181</u>				
Fund Balance - End of Year, June 30, 2021			<u>\$ 2,804,379</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, 2021

	<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			\$ 1,195				
Total Revenues			<u>1,195</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			1,195				
Fund Balance - Beginning of Year, July 1, 2020			<u>276,774</u>				
Fund Balance - End of Year, June 30, 2021			<u>\$ 277,969</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, 2021

	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	\$ 317,946	\$ 10
Resurfacing Various Collector Roads FHWA	W07008	254,309	28,033	282,342	--	284,459	2,117
Puuopae Bridge-Design (County Match)	W10003	663,721	31,764	695,485	59,616	780,000	24,899
Puhi Road Construction Match	W12010	367,091	--	367,091	--	391,711	24,620
Hanapepe Road	W12067	28,751	--	28,751	5,426	50,000	15,823
Hanapepe Bridge Ped	W12069	63	--	63	--	24,511	24,448
Comprehensive Road Maintenance Plan	W13011	257,457	--	257,457	--	260,000	2,543
Hanapepe Moi Road Pedestrian Safety Impv.	W17000	--	--	--	--	375,000	375,000
Pua Nani Road Drain Repair	W18004	1,779,572	--	1,779,572	--	1,800,000	20,428
Oloheua Road Improvements	W19002	291,440	110,418	401,858	49,733	760,000	308,409
Maluhia / Koloa Rd	W19021	962,100	549,814	1,511,914	170,438	1,771,207	88,855
County Bridge Inspections	W20020	--	105,875	105,875	192,842	400,000	101,283
Bridge Maintenance (County Match)	W96388	283,104	17,976	301,080	514	783,892	482,298
Speed Hump Program	W98364	74,443	--	74,443	--	142,523	68,080
Total Expenditures		\$ 5,271,987	843,880	\$ 6,115,867	\$ 486,569	\$ 8,141,249	\$ 1,538,813
Excess (Deficiency) of Revenues Over (Under) Expenditures			(843,880)				
Fund Balance - Beginning of Year, July 1, 2020			2,869,263				
Fund Balance - End of Year, June 30, 2021			\$ 2,025,383				

COUNTY OF KAUAI, HAWAII
GENERAL 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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ --				
Other revenues			531,608				
Total Revenues			<u>531,608</u>				
Expenditures:							
Waste to Energy Project	D21005	\$ --	\$ --	\$ --	\$ 242,750	\$ 300,000	\$ 57,250
HRMS, Payroll & Personnel	J20000	97,241	46,505	143,746	1,711,722	2,110,000	254,532
CFD Po'ipū Beach Improvements	R18014	88,784	--	88,784	--	88,784	--
Waimea / Kekaha ADA Improvements	R18015	184,727	136,925	321,652	116,416	750,000	311,932
Historic County Building Security & Grounds Imprv	R20000	4,734	1,498	6,232	--	300,000	293,768
Islandwide Playground Equipment	R20005	408,321	6,330	414,651	85,007	500,000	342
Islandwide Playcourt Resurfacing	R20010	19,740	110,902	130,642	33,579	250,000	85,779
Skateboard Parks (Design & Development)	R20015	--	250,000	250,000	--	400,000	150,000
Inclusive Playground Development	R20020	--	--	--	400,000	400,000	--
Kapaa Pool Renovations	R20030	--	--	--	18,677	1,000,000	981,323
Neighborhood Centers Improvements	W07013	130,938	18,440	149,378	--	149,378	--
Habitat Conservation Plan	W08012	189,526	--	189,526	--	230,000	40,474
Aliomanu Road Revetment (Planning/Permits)	W08016	240,446	--	240,446	683	241,129	--
Host Community Benefits-Kekaha	W09012	2,239,744	302,756	2,542,500	--	2,669,223	126,723
Adolescent Drug Treatment Center	W10017	480,005	--	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	78,948	17,927	96,875	20,239	333,528	216,414
Police Training Building KPAL	W16010	58,750	--	58,750	6,935	70,000	4,315
Lihue WWTP Improvements Phase II	W17001	289,696	62,968	352,664	16,932	369,596	--
Helicopter Hangar	W18018	--	--	--	--	120,000	120,000
Kilauea / Kolo Road	W19001	--	--	--	--	50,000	50,000
KPAL / Police Training	W19005	--	113,200	113,200	12,800	230,000	104,000
Kapule Counters RPA/ Plan	W19105	8,944	29,097	38,041	--	50,000	11,959
Wailua WWTP Improvements/Renovation	W20025	--	106,308	106,308	280,349	386,657	--

COUNTY OF KAUAI, HAWAII
GENERAL 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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Wailua Emergency Manhole Upgrades	W20030	\$ 44,201	\$ 14,566	\$ 58,767	\$ 56,482	\$ 200,000	\$ 84,751
Wastewater Billing System Upgrades	W20035	--	1,003	1,003	2,969	200,000	196,028
Eleele Collection System Environmental Req	W21005	--	--	--	5,278	13,747	8,469
Hoonani Road/Sidewalk	W210011	--	--	--	--	350,000	350,000
Lawai Road/Sidewalk	W21012	--	--	--	--	300,000	300,000
Paanau Phase I Energy	W21013	--	--	--	--	636,000	636,000
Poipu Beach Ped/Bicycle	W21014	--	--	--	--	1,693,707	1,693,707
Park Improvement Waimea District	W96073	30,327	--	30,327	--	36,794	6,467
IT Infrastructure Improvements	X10006	88,685	246,321	335,006	39,994	375,000	--
IT System Countywide Evaluation, Design & Implementation	X20001	--	990,000	990,000	--	990,000	--
Total Expenditures		\$ 4,692,422	2,454,746	\$ 7,147,168	\$ 3,066,442	\$ 16,317,838	\$ 6,104,228
Excess (Deficiency) of Revenues Over (Under) Expenditures			(1,923,138)				
Other Financing Sources:							
Transfers In			1,926,195				
Transfers Out			(1,400,000)				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			(1,396,943)				
Fund Balance - Beginning of Year, July 1, 2020, as previously reported			10,564,631				
Restatement due to prior period adjustment (Note 20)			179,534				
Fund Balance - Beginning of Year, July 1, 2020, as restated			10,744,165				
Fund Balance - End of Year, June 30, 2021			\$ 9,347,222				

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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ 145,460				
Bond subsidies			631,146				
Total Revenues			776,606				
Expenditures:							
Alternative Energy Projects	D10106	\$ 1,200,830	\$ 7,879	\$ 1,208,709	\$ 735	\$ 1,254,861	\$ 45,417
KFD Helicopter Hanger Pad	F14001	122,950	12,576	135,526	10,207	380,000	234,267
KFD Utilization STD	F20000	--	52,152	52,152	69,367	130,834	9,315
Lima Ola Onsite Phase I	H18001	97,015	95,282	192,297	3,166,354	6,000,000	2,641,349
Waimea Land Acquire	H20000	3,800,000	73,540	3,873,540	26,460	3,900,000	--
HRMS, Payroll & Personnel	J2000A	--	--	--	127,411	127,411	--
HRMS, Payroll & Personnel	J2000B	--	--	--	97,589	97,589	--
HRMS, Payroll & Personnel	J20000	--	448,245	448,245	193,598	1,000,000	358,157
Adolescent Treatment & Healing Center	M18001	973,400	--	973,400	--	1,000,000	26,600
Veterans Cemetery Upgrade	R10013	163,782	--	163,782	--	251,274	87,492
Salt Pond Beach Park Facility Improvements	R12002	--	--	--	73,000	73,000	--
Wailua Golf Course Replace Existing Water Lines	R13009	--	20,000	20,000	--	20,000	--
Wailua Golf Course Replace Existing Water Lines	R13A09	--	4,492	4,492	--	14,455	9,963
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	340,536	--	340,536	--	420,336	79,800
Salt Pond Beach Park Facility Improvements	R16001	--	--	--	49,955	50,000	45
Hanapepe Stadium Improvements	R17001	73,679	11,700	85,379	7,899	100,000	6,722
Kapaa Stadium Improvements	R18002	76,262	--	76,262	6,603	150,000	67,135
Black Pot Improvements	R18007	8,880	80,655	89,535	10,465	100,000	--
Kalaheo Neighborhood Gym Roof	R18009	1,485,082	14,918	1,500,000	--	1,500,000	--
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	--
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	1,232	14,285	90,263	111,958	7,410
Wailua WWTP Improvement	W10A14	--	--	--	130,000	130,000	--

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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Twin Reserve EQ	W10A46	\$ 3,749	\$ 3,987	\$ 7,736	\$ 2,264	\$ 10,000	\$ --
Opaekaa Bridge-Design	W10002	99,989	--	99,989	--	140,000	40,011
Piikoi Building Renovation	W10011	2,426,007	2,933	2,428,940	60	2,429,000	--
Wailua WWTP Improvements/Renovation	W10014	594,483	--	594,483	755,517	1,350,000	--
Island Wide SCADA System Construction	W10015	4,928,450	2,958	4,931,408	18,592	4,950,000	--
Ele'ele WWTP Improvements/Renovation	W10016	868,278	--	868,278	--	868,278	--
Rice Street Crossing Improvements	W10032	11,438	12,040	23,478	134,054	157,534	2
New Landfill Site Acquisition	W10037	2,487,760	--	2,487,760	--	2,489,677	1,917
Safe Route Kawaihau	W10045	198,205	2,424	200,629	910	263,000	61,461
Twin Reserve EQ	W10046	77,202	16,159	93,361	6,639	100,000	--
CIP Management System	W10051	170,002	--	170,002	--	177,625	7,623
Kōloa Fire Station Improvements	W12012	--	74,378	74,378	60,138	200,000	65,484
Piikoi Interior Renovation Phase II	W12053	522,625	19,661	542,286	295,950	841,531	3,295
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	256,257	56,914	313,171	4,096	317,268	1
Auto Shop Improvements	W13005	344,375	198,129	542,504	--	550,000	7,496
Fuel Management System	W13007	159,185	18,492	177,677	--	195,000	17,323
NPDES Compliance	W13A10	506,406	49,316	555,722	44,278	600,000	--
NPDES Compliance	W13010	176,608	--	176,608	--	385,000	208,392
Anini Bridge	W14001	617,286	--	617,286	--	618,640	1,354
Salt Pond Wastewater Improvements	W14005	836,091	--	836,091	4,113	840,204	--
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
Eiwa Street (Mall)	W15100	207,762	--	207,762	2,676	210,438	--
Niumalu Bridge Replacement	W15104	--	--	--	--	50,000	50,000
RPA Counter Renovation	W15105	30,060	--	30,060	1,563	31,623	--
Puhi Road Phase II Match	W16A04	741	2,685	3,426	--	20,000	16,574
Puhi Road Phase II Match	W16004	48,763	--	48,763	1,237	50,000	--
TIGER Grant Project (County Match)	W17TGR	1,849,764	--	1,849,764	150,236	2,000,000	--

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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Fuel Tanks Hapapepe Baseyard	W17004	\$ --	\$ --	\$ --	\$ --	\$ 50,000	\$ 50,000
KPD Kapaa Station	W18A13	--	--	--	--	103,845	103,845
KPD Kapaa Station	W18B13	--	--	--	--	596,155	596,155
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
Wailua NPDES Effluent Modification (Design)	W18011	491,401	7,260	498,661	1,339	500,000	--
Aliomanu Road Improvements	W18012	--	19,025	19,025	71,900	101,431	10,506
Kapaa Police Sub-Station	W18013	97,749	77,049	174,798	67,202	507,000	265,000
Niimalu Bridge Replacement	W18014	40,150	210,380	250,530	149,112	650,000	250,358
Opaeka'a Bridge Replacement (County Match)	W18015	330,609	263,892	594,501	65,499	660,000	--
Puhi Road Phase II (County Match)	W18016	14,086	3,403	17,489	4,818	50,000	27,693
Waimea WWTP R-1 (Design)	W18017	361,498	125,526	487,024	57,972	600,000	55,004
Helicopter Hangar (Construction)	W18018	--	--	--	--	1,365,000	1,365,000
Kawaihau, Haualla, Maluhia	W19000	423,614	24,625	448,239	188,761	637,000	--
Kilauea, Kolo Rd Improvements	W19001	--	--	--	--	200,000	200,000
Oloheua Road Improvements	W19002	393,598	--	393,598	6,402	400,000	--
KPAL, Police Training	W19005	69,823	68,793	138,616	161,384	300,000	--
Wailua SPS1 Rehabilitation	W19006	23,390	6,610	30,000	--	30,000	--
Wailua SPS3 Rehabilitation	W19007	--	--	--	40,000	40,000	--
Lihue Collect System	W19008	104,048	93,893	197,941	--	197,941	--
Maluhia, Koloa Rd	W19021	51,795	1,796,200	1,847,995	102,005	1,950,000	--
Wastewater Facility	W20A05	33,062	127,682	160,744	56,940	222,984	5,300
Sewer Collection Upgrade	W20A10	--	--	--	--	32,681	32,681
Wastewater Facility	W20B05	--	83,000	83,000	110,921	193,921	--
CIP Contingency	W20000	38,101	55,172	93,273	--	97,589	4,316
Emergency Generator	W20001	--	150,000	150,000	--	150,000	--
HVAC Replacement	W20002	--	300,751	300,751	--	300,751	--
Wastewater Facility	W20005	--	--	--	233,095	233,095	--
Sewer Collection Upgrade	W20010	39,903	193,983	233,886	8,234	242,120	--
Waimea R-2 Reuse	W20015	151,602	--	151,602	--	151,602	--

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, 2021

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Eleele Collection System Environmental Requirement	W21A05	\$ --	\$ --	\$ --	\$ --	\$ 2,059	\$ 2,059
Waimea R-1 Environmental Requirement	W21000	--	73,883	73,883	40,019	125,199	11,297
Eleele Collection System Environmental Requirement	W21005	--	--	--	25,222	25,222	--
Biennial Bridge Inspections (County Match)	W96388	42,315	--	42,315	--	50,228	7,913
IT Infrastructure Improvements (Multi-phase)	X10006	773,853	73,484	847,337	--	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	617,987	1,141,181	70,000	1,500,000	288,819
West Kauai Development Plan	Z18002	36,903	4,847	41,750	15,066	73,620	16,804
West Kauai Development Plan	Z18004	442,248	55,378	497,626	2,340	500,000	34
Total Expenditures		\$ <u>36,076,347</u>	<u>5,715,570</u>	\$ <u>41,791,917</u>	\$ <u>7,137,432</u>	\$ <u>56,804,763</u>	\$ <u>7,875,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(4,938,964)				
Other Financing Sources (Uses):							
Transfers out			(978,959)				
Total Other Financing Sources (Uses)			(978,959)				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			(5,917,923)				
Fund Balance - Beginning of Year, July 1, 2020			<u>23,213,248</u>				
Fund Balance - End of Year, June 30, 2021			\$ <u><u>17,295,325</u></u>				

COUNTY OF KAUA'I, 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, 2021

	<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:							
Kekaha Coastal Property	X18010	\$ 553,649	<u>--</u>	\$ 553,649	\$ --	\$ 599,000	\$ 45,351
Total Expenditures		<u>\$ 553,649</u>	<u>--</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, 2020			<u>45,351</u>				
Fund Balance - End of Year, June 30, 2021			<u>\$ 45,351</u>				

**COUNTY OF KAUAI, HAWAII
GENERAL EXCISE 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, 2021**

	<u>Project No.</u>	<u>Prior Year Expenditures</u>	<u>Current Year</u>	<u>Project-To-Date Expenditures</u>	<u>Encumbrance</u>	<u>Project Authorization</u>	<u>Balance</u>
Revenues:							
Interest			\$ --				
Other revenues			<u>--</u>				
Total Revenues			<u>--</u>				
Expenditures:							
Bus Transit Facility Utilization Study	T 20000	\$ 20,000	\$ 43,000	\$ 63,000	\$ 62,000	\$ 125,000	\$ --
Expansion of Bus Facility	W20040	<u>--</u>	<u>108,087</u>	<u>108,087</u>	<u>5,667</u>	<u>225,000</u>	<u>111,246</u>
Total Expenditures		\$ <u>20,000</u>	<u>151,087</u>	\$ <u>171,087</u>	\$ <u>67,667</u>	\$ <u>350,000</u>	\$ <u>111,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(151,087)				
Other Financing Sources:							
Transfers in			<u>100,000</u>				
Total Other Financing Sources (Uses)			<u>100,000</u>				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			(51,087)				
Fund Balance - Beginning of Year, July 1, 2020			<u>230,000</u>				
Fund Balance - End of Year, June 30, 2021			\$ <u>178,913</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, 2021

	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	\$ 732,800	\$ 732,800	\$ 647,177	\$ --	\$ 647,177	\$ (85,623)
Kalepa housing project	1,152,500	1,152,500	1,149,330	--	1,149,330	(3,170)
Other revenues	282,000	282,000	2,072,214	--	2,072,214	1,790,214
Total Revenues	<u>2,167,300</u>	<u>2,167,300</u>	<u>3,868,721</u>	<u>--</u>	<u>3,868,721</u>	<u>1,701,421</u>
Other Financing Sources (Uses):						
Operating transfers from General Fund	2,600,000	2,600,000	2,600,000	--	2,600,000	--
Total Other Financing Sources (Uses)	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>--</u>	<u>2,600,000</u>	<u>--</u>
Total Revenues and Other Financing Sources (Uses)	<u>4,767,300</u>	<u>4,767,300</u>	<u>6,468,721</u>	<u>--</u>	<u>6,468,721</u>	<u>1,701,421</u>
Expenditures - Public Welfare:						
Revolving buy back account	5,811,201	5,811,201	2,194,403	638,319	2,832,722	2,978,479
Kalepa housing operating cost	1,605,410	1,605,410	736,368	6,743	743,111	862,299
Pa'anau housing operating cost	1,199,985	1,199,985	415,700	122,939	538,639	661,346
Total Expenditures	<u>8,616,596</u>	<u>8,616,596</u>	<u>3,346,471</u>	<u>768,001</u>	<u>4,114,472</u>	<u>4,502,124</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Note C)	\$ <u>(3,849,296)</u>	\$ <u>(3,849,296)</u>	3,122,250	\$ <u>(768,001)</u>	\$ <u>2,354,249</u>	\$ <u>6,203,545</u>
Fund Balance - Beginning of Year July 1, 2020			<u>15,326,903</u>			
Fund Balance - End of Year June 30, 2021			\$ <u><u>18,449,153</u></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, 2021

	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	\$ 29,146	\$ --	\$ 29,146	\$ (4,854)
Charges for Services:						
Sewer Charges:						
Residential	3,350,000	3,350,000	3,501,515	--	3,501,515	151,515
Commercial	4,850,000	4,850,000	4,268,457	--	4,268,457	(581,543)
Connection charge	--	--	4,216	--	4,216	4,216
Sludge disposal	250,000	250,000	345,840	--	345,840	95,840
Capacity assessment	30,000	30,000	36,270	--	36,270	6,270
Other revenues/miscellaneous	--	--	--	--	--	--
Total Revenues	<u>8,514,000</u>	<u>8,514,000</u>	<u>8,185,444</u>	<u>--</u>	<u>8,185,444</u>	<u>(328,556)</u>
Other Financing Sources (Uses):						
Transfers out	(702,086)	(702,086)	(702,086)	--	(702,086)	--
Operating transfers from General Fund	<u>4,515,288</u>	<u>4,515,288</u>	<u>4,515,288</u>	<u>--</u>	<u>4,515,288</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>3,813,202</u>	<u>3,813,202</u>	<u>3,813,202</u>	<u>--</u>	<u>3,813,202</u>	<u>--</u>
 Total Revenues and Other Financing Sources (Uses)	<u>12,327,202</u>	<u>12,327,202</u>	<u>11,998,646</u>	<u>--</u>	<u>11,998,646</u>	<u>(328,556)</u>
Expenditures - Sanitation:						
Sanitation and Waste Removal:						
Salaries, including overtime	2,770,076	2,703,211	2,693,396	--	2,693,396	9,815
Vacation credit payout	1	92,453	92,452	--	92,452	1
Operational and administrative	2,232,999	2,195,460	2,062,631	38,003	2,100,634	94,826
Central services cost	500,000	500,000	500,000	--	500,000	--
Capital costs	1,060,073	1,061,073	453,261	555,927	1,009,188	51,885
SRF loan payments	1,985,532	1,740,832	1,740,818	--	1,740,818	14
FICA taxes	210,921	205,021	204,977	--	204,977	44
Public employees' health fund	243,541	252,591	252,588	--	252,588	3
Workers' compensation	17,000	84,880	84,877	--	84,877	3
Unemployment compensation	1	1	--	--	--	1
Pension contributions	661,710	624,160	623,768	--	623,768	392
Other employee benefits	9,423	9,423	2,049	--	2,049	7,374
Public employees' other post-employment benefit	522,084	564,346	564,344	--	564,344	2
Repair and maintenance reserve	<u>3,797,198</u>	<u>3,977,104</u>	<u>2,162,216</u>	<u>1,781,408</u>	<u>3,943,624</u>	<u>33,480</u>
Total Expenditures - Sanitation	<u>14,010,559</u>	<u>14,010,555</u>	<u>11,437,377</u>	<u>2,375,338</u>	<u>13,812,715</u>	<u>197,840</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures (Note C)	<u>\$ (1,683,357)</u>	<u>\$ (1,683,353)</u>	561,269	<u>\$ (2,375,338)</u>	<u>\$ (1,814,069)</u>	<u>\$ (130,716)</u>
Fund Balance - Beginning of Year July 1, 2020			<u>858,405</u>			
Fund Balance - End of Year June 30, 2021			<u>\$ 1,419,674</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, 2021

	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	\$ 2,400	\$ --	\$ 2,400	\$ (5,600)
Pro shop	26,400	26,400	18,186	--	18,186	(8,214)
Range balls	--	--	--	--	--	--
Golf carts	150,000	150,000	213,705	--	213,705	63,705
Other	500	500	1,317	--	1,317	817
Charges for Services:						
Green fees and locker fees	571,600	571,600	704,574	--	704,574	132,974
Total Revenues	756,500	756,500	940,182	--	940,182	183,682
Other Financing Sources:						
Operating transfers from General Fund	2,055,224	2,055,224	2,055,224	--	2,055,224	--
Total Revenues and Other Financing Sources	2,811,724	2,811,724	2,995,406	--	2,995,406	183,682
Expenditures - Culture and Recreation:						
Salaries, including overtime	1,127,136	1,135,936	1,095,112	--	1,095,112	40,824
Operational and administrative	727,552	682,652	500,794	104,996	605,790	76,862
Central services cost	130,000	130,000	130,000	--	130,000	--
Capital costs	256,384	263,984	139,533	117,922	257,455	6,529
Debt service payments	--	--	--	--	--	--
FICA taxes	88,631	88,631	76,629	--	76,629	12,002
Public employees' health fund	176,131	176,131	158,776	--	158,776	17,355
Workers' compensation	2	28,502	26,858	--	26,858	1,644
Unemployment compensation	1,967	1,967	--	--	--	1,967
Public employees' other post-employment benefit	223,662	223,662	222,748	--	222,748	914
Pension contributions	275,611	275,611	265,875	--	265,875	9,736
Total Expenditures - Culture and Recreation	3,007,076	3,007,076	2,616,325	222,918	2,839,243	167,833
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Note C)	\$ (195,352)	\$ (195,352)	379,081	\$ (222,918)	\$ 156,163	\$ 351,515
Fund Balance - Beginning of Year July 1, 2020			152,421			
Fund Balance - End of Year June 30, 2021			\$ 531,502			

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 KAUA'I, HAWAII
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This part of the County of Kaua'i's annual comprehensive 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 - 6**

TABLE 1

	<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>	<u>2021</u>
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 477,850,063
Restricted	7,823,254	11,287,770	12,063,167	10,177,669	14,439,009	8,533,459	14,864,441	9,955,466	18,915,146 (6)	6,003,266
Unrestricted (2), (4)	<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>(282,199,326)</u> (6)	<u>(288,791,706)</u>
Total Governmental Activities Net Position	<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>209,393,473</u> (6)	<u>195,061,623</u>
Business-type Activities:										
Net investment in capital assets	60,798,097	61,719,207	67,976,978	77,610,041	74,780,858	74,662,355	73,528,939	74,870,040	83,850,392 (6)	92,272,689
Restricted	354,625	353,600	351,925	356,210	362,635	356,730	362,670	1,368,740	1,370,195	1,149,374
Unrestricted (2), (4)	<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>	<u>(14,462,036)</u>
Total Business-type Activities Net Position	<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>75,233,119</u> (6)	<u>78,960,027</u>
Primary Government:										
Net investment in capital assets	517,851,718	520,273,290	522,538,914	524,963,565	512,962,728	513,877,731	515,634,644	530,257,899	556,528,045 (6)	570,122,752
Restricted	8,177,879	11,641,370	12,415,092	10,533,879	14,801,644	8,890,189	15,227,111	11,324,206	20,285,341 (6)	7,152,640
Unrestricted (2), (4)	<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>(292,186,794)</u> (6)	<u>(303,253,742)</u>
Total Primary Government Activities Net Position	<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>\$ 284,626,592</u> (6)	<u>\$ 274,021,650</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.

Note (6): Net position for 2020 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 - 4

TABLE 1A

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses (2), (3):										
Governmental Activities:										
General government	\$ 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	\$ 62,906,396
Public safety	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	99,455,926
Public works	12,334,893	12,011,341	12,601,556	13,187,394	13,031,167	7,759,049	10,477,006	11,530,773	12,273,793	13,195,765
Highways and streets	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	30,266,730
Sanitation	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	26,005,144
Culture and recreation	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	27,686,678
Public welfare	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	49,584,682
Unallocated interest	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	5,344,812
Total Governmental Activities Expenses	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	314,446,133
Business-type Activities:										
Housing	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	2,941,152
Sewer	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	13,434,268
Golf	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	2,924,300
Total Business-type Activities Expenses	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	19,299,720
Total Primary Government Expenses	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	333,745,853
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	2,145,731	3,768,037	3,032,176	6,925,672	6,456,304	6,047,464	6,356,815	5,424,926	7,224,076 (4)	5,946,337
Public safety	752,086	1,036,661	1,088,528	976,639	1,059,842	603,963	883,768	928,787	893,593	1,420,365
Public works	1,356,060	1,410,220	1,903,747	413,159	432,238	370,243	245,982	403,990	437,061	358,168
Highways and streets	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	7,961,300
Sanitation	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	8,537,498
Culture and recreation	691,632	672,755	558,611	886,203	691,189	692,092	667,076	644,013	570,656	412,146
Public welfare	1,341,366	1,427,164	1,240,109	264,652	282,196	674,476	372,246	395,253	360,100	429,601
Operating grants and contributions	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	93,563,863
Capital grants and contributions	9,325,678	13,937,055	3,730,118	5,696,219	6,273,146	10,609,093	5,488,448	14,711,229	15,082,846 (4)	21,122,222
Total Governmental Activities Program Revenues	48,985,075	53,322,198	46,690,821	50,669,191	48,667,345	55,081,432	54,695,855	86,726,787	92,105,525 (4)	139,751,500
Business-type Activities:										
Charges for services:										
Housing	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	3,608,685
Sewer	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	8,149,174
Golf	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	940,182
Capital grants and contributions	6,496,784	5,711,909	5,698,224	7,954,930	1,559,608	1,246,127	1,050,457	2,011,566	8,315,374 (4)	1,600,125
Total Business-type Activities Program Revenues	16,522,445	17,486,790	16,897,081	20,969,427	14,761,124	14,061,286	13,708,164	14,608,718	20,091,939 (4)	14,298,166
Total Primary Government Program Revenues	\$ 65,507,520	\$ 70,808,988	\$ 63,587,902	\$ 71,638,618	\$ 63,428,469	\$ 69,142,718	\$ 68,404,019	\$ 101,335,505	\$ 112,197,464	\$ 154,049,666

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*.

Note (4): Total government expenses for 2020 was restated.

COUNTY OF KAUAI, HAWAII
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 4

TABLE 1A

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Revenue (Expense) (2), (3):										
Governmental activities	\$ (122,718,153)	\$ (133,366,849)	\$ (137,465,409)	\$ (133,556,542)	\$ (143,462,666)	\$ (145,128,539)	\$ (179,505,660)	\$ (158,455,404)	\$ (150,906,786) (4)	\$ (174,694,633)
Business-type activities	3,871,775	(576,397)	3,904,179	6,977,083	393,333 (1)	(3,037,128)	(4,498,214)	(4,007,700)	781,529 (4)	(5,001,554)
Total Primary Government Net Revenue (Expense):	(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)	(150,125,257) (4)	(179,696,187)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
General Revenues:										
Property taxes	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	156,007,206
Public service company tax	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	3,277,052
Franchise tax	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	3,653,750
Fuel tax	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	4,404,461
Unrestricted grants and contributions	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	661,375
Investments earnings	1,168,610	1,115,555	1,347,124	933,116	1,664,777	355,446	712,245	5,220,651	4,468,452	827,365
Transfers	(4,062,142)	(619,797)	(2,338,126)	(471,508)	(2,188,753)	(794,150)	87,431	(3,129,407)	(5,128,455)	(8,468,426)
Total Governmental Activities General Revenues and Transfers	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	160,362,783
Business-type Activities:										
General Revenues:										
Unrestricted grants and contributions	--	14,402	--	--	--	--	--	--	--	--
Investment earnings	55,468	--	33,818	19,709	64,629	31,965	28,808	186,934	(55,778)	260,036
Transfers	4,062,142	619,797	2,338,126	471,508	2,188,753	794,150	(87,431)	3,129,407	5,128,455	8,468,426
Total Business-type Activities General Revenues and Transfers	4,117,610	634,199	2,371,944	491,217	2,253,382	826,115	(58,623)	3,316,341	5,072,677	8,728,462
Total Primary Government Program Revenues	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	169,091,245
Changes in Net Position (2), (3):										
Governmental activities	(16,562,907)	(23,276,500)	(17,142,535)	3,616,757	(707,319)	2,695,964	(22,331,785)	10,990,476	23,348,038 (4)	(14,331,850)
Business-type activities	7,989,385	57,802	6,276,123	7,468,300	2,646,715 (1)	(2,211,013)	(4,556,837)	(691,359)	5,854,206 (4)	3,726,908
Total Primary Government Changes in Net Position	\$ (8,573,522)	\$ (23,218,698)	\$ (10,866,412)	\$ 11,085,057	\$ 1,939,396 (1)	\$ 484,951	\$ (26,888,622)	\$ 10,299,117	\$ 29,202,244 (4)	\$ (10,604,942)

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*.

Note (4): Net Revenue (Expense) for 2020 was restated.

Source: Department of Finance

**COUNTY OF KAUAI, HAWAII
GOVERNMENT - WIDE NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 6**

TABLE 1B

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assets and deferred outflows of resources (2), (4):										
Governmental activities	\$ 737,054,972	\$ 723,427,510	\$ 712,445,231	\$ 729,292,205	\$ 733,284,039	\$ 814,871,079	\$ 859,412,201	\$ 876,772,507	\$ 916,002,636 (6)	\$ 976,084,094
Business-type activities	<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>119,389,346</u> (6)	<u>133,681,505</u>
Total Assets - Primary Government	<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>1,035,391,982</u> (6)	<u>1,109,765,599</u>
Liabilities and deferred inflows of resources (2), (4):										
Governmental activities	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	781,022,471
Business-type activities	<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>	<u>54,721,478</u>
Total Liabilities - Primary Government	<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>	<u>835,743,949</u>
Net Position:										
Net investment in capital assets										
Governmental activities	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	477,850,063
Business-type activities	<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>83,850,392</u> (6)	<u>92,272,689</u>
Restricted by enabling legislation:										
Governmental activities	--	--	--	--	--	8,533,459	14,864,441	9,955,466	18,915,146 (6)	6,003,266
Business-type activities	<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>	<u>1,149,374</u>
Restricted, other:										
Governmental activities	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	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)	(282,199,326) (6)	(288,791,706)
Business-type activities	<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>	<u>(14,462,036)</u>
Total Net Position - Primary Government	<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>\$ 284,626,592</u> (6)	<u>\$ 274,021,650</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.

Note (6): Net Position for 2020 was restated.

Source: Department of Finance

COUNTY OF KAUA‘I, HAWAII
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	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	26,960,141
Assigned	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	17,049,197
Unassigned	<u>15,368,459</u>	<u>12,782,584</u>	<u>18,928,505</u>	<u>27,950,825</u>	<u>36,540,570</u>	<u>32,456,369</u>	<u>36,263,191</u>	<u>44,345,145</u>	<u>45,617,103</u>	<u>24,409,886</u>
Total General Fund	<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>	<u>68,909,224</u>
All Other Governmental Funds:										
Nonspendable	2,769,119	2,284,346	1,926,775	1,555,424	2,498,625	2,204,479	528,280	601,440	678,358	943,469
Restricted	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	15,910,961
Committed	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	40,606,098
Assigned	81,570,384	73,781,703	52,451,430	45,053,079	47,543,497	41,001,434	55,229,499	50,992,632	45,676,473	38,994,025
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(14,228,141)</u>	<u>(1,908,772)</u>
Total All Other Governmental Funds	<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>83,332,521</u> (1)	<u>94,545,781</u>
Total Fund Balances	<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>\$ 164,517,840</u> (1)	<u>\$ 163,455,005</u>

Note (1): The June 30, 2020 ACFR All Other Governmental Funds balances for 2020 was restated.

Source: Department of Finance

COUNTY OF KAUAI, HAWAII
CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1-2
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

TABLE 2A

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 93,470	\$ 95,035	\$ 107,410	\$ 120,492	\$ 126,945	\$ 133,065	\$ 140,107	\$ 151,019	\$ 160,809	\$ 166,141
Licenses and permits	6,778	7,132	7,878	9,953	10,952	10,582	11,108	11,221	10,915	12,317
Rents and concessions	639	649	488	488	500	486	422	386	290	96
Interest	1,379	297	1,347	933	1,665	355	712	5,220	4,469 (2)	827
Intergovernmental revenue	44,779	46,802	41,126	42,308	38,715	45,231	44,173	75,776	78,021 (2)	114,351
Charges for current services	8,591	9,220	9,877	11,567	11,788	12,029	12,622	12,741	11,675	11,168
Bond subsidy	1,138	1,138	1,045	1,042	1,029	1,015	997	979	958	631
Miscellaneous	720	3,310	824	1,177	1,433	1,220	1,066	1,391	3,537 (2)	1,485
Total Revenues	157,494	163,583	169,995	187,960	193,027	203,983	211,207	258,733	270,674 (2)	307,016
Expenditures:										
General government	29,850	32,943	29,342	33,921	30,858	32,313	31,915	36,260	35,913	55,915
Public safety	48,153	49,049	52,225	55,961	60,219	64,135	68,920	69,974	73,478	87,533
Public works	10,454	9,699	10,146	10,275	10,173	4,812	6,629	7,932	8,175	7,531
Highways and streets	11,965	15,037	16,537	14,144	15,352	12,095	16,569	16,755	22,972	21,909
Sanitation	17,928	13,087	13,554	16,282	16,086	15,566	17,790	20,207	19,335	18,128
Culture and recreation	9,852	9,500	11,548	10,512	10,465	16,642	17,437	18,078	18,478	21,600
Public welfare	19,758	22,018	21,980	18,924	19,476	22,790	24,541	25,735	32,491	44,856
Capital outlay	27,733	25,916	22,567	15,890	18,012	22,484	21,524	34,712	45,962	42,019
Debt Service:										
Principal	4,808	4,584	6,642	6,830	6,401	7,185	7,626	8,910	9,659	11,264
Interest	5,575	4,970	5,425	5,300	5,130	4,962	5,011	5,532	5,324	5,127
Total Expenditures	186,076	186,803	189,966	188,039	192,172	202,984	217,962	244,095	271,787	315,882
Excess of Revenues										
Over (Under) Expenditures	\$ (28,582)	\$ (23,220)	\$ (19,971)	\$ (79)	\$ 855	\$ 999	\$ (6,755)	\$ 14,638	\$ (1,113) (2)	\$ (8,866)
Other Financing Sources (Uses):										
Transfers in	\$ 18,570	\$ 28,406	\$ 21,788	\$ 20,251	\$ 26,184	\$ 30,770	\$ 39,737	\$ 24,610	\$ 48,051 (2)	\$ 31,403
Transfers out	(22,631)	(29,026)	(24,122)	(20,722)	(28,372)	(31,564)	(39,650)	(27,739)	(53,179) (2)	(39,871)
Refunding bonds issued	--	--	--	--	--	--	--	--	--	--
Bonds issued	--	--	--	--	--	--	26,001	--	--	--
Premium on bonds issued	--	--	--	--	--	--	--	--	--	--
Payments to refunded bond escrow agency	--	--	--	--	--	--	--	--	--	--
Capital leases	732	2,451	3,898	1,814	1,720	2,516	3,223	4,594	5,494	6,695
Capital loans proceeds	--	--	--	--	--	3,775	551	369	--	9,576
Insurance proceeds	--	--	--	--	--	500	--	--	--	--
Claims proceeds	764	--	--	--	--	--	--	--	--	--
Sale of capital assets	--	--	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	(2,565)	1,831	1,564	1,343	(468)	5,997	29,862	1,834	366	7,803
Net Change in Fund Balances	\$ (31,147)	\$ (21,389)	\$ (18,407)	\$ 1,264	\$ 387	\$ 6,996	\$ 23,107	\$ 16,472	\$ (747) (2)	\$ (1,063)
Debt Service as a Percentage of Noncapital Expenditures	6.56% (1)	5.94%	7.21%	7.05%	6.62%	6.73%	6.43%	6.90%	6.63% (2)	5.99%

Note (1): Correction to the percentage reported on the ACFR for the year ended June 30, 2012.

Note (2): Revenues, Other Financing Sources (Uses), Net Change in Fund Balance and percentage for 2020 was restated.

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
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
2021	55,915,346	87,532,882	7,530,906	21,908,809	18,128,030	21,600,054	44,855,676	42,018,683	16,391,743	315,882,129

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
2012	\$ 80,337,961	\$ (657,401)	\$ 79,680,560	\$ 78,588,197	97.8 %	\$ 1,056,001	\$ 79,644,198	99.954 %
2013	80,013,943	90,298	80,104,241	78,429,058	98.0	1,608,578	80,037,636	99.917
2014	91,842,667	424,250	92,266,917	90,317,284	98.3	1,843,286	92,160,570	99.885
2015	107,139,250	(6,829)	107,132,421	105,651,792	98.6	1,337,354	106,989,146	99.866
2016	114,123,756	(93,308)	114,030,447	112,470,903	98.6	1,370,343	113,841,246	99.834
2017	119,896,735	234,150	120,130,885	118,625,976	98.9	1,290,435	119,916,411	99.821
2018	126,320,307	166,670	126,486,977	124,910,655	98.9	1,277,675	126,188,330	99.764
2019	136,411,503	64,792	136,476,295	134,812,392	98.8	1,084,228	135,896,620	99.575
2020	145,463,974	(190,445)	145,273,529	143,585,981	98.7	706,737	144,292,718	99.325
2021	156,655,306	--	156,655,306	153,637,936	98.1	--	153,637,936	98.074

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				
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
2021	n/a	n/a	25,798,988	3,277,237	22,521,751	6.96	87.3

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 KAUA'I, 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
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>	
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>	

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
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	\$ 18,247,965	
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	

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
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	<u>\$ 21,264,895</u>	
2021	Residential	\$ 5,142,259	\$6.05
	Vacation Rental	3,836,273	9.85
	Commercial	1,247,584	8.10
	Industrial	405,945	8.10
	Agriculture	910,770	6.75
	Conservation	111,336	6.75
	Hotel/Resort	2,705,442	10.85
	Homestead	5,223,396	3.05
	Residential Investor	1,730,476	9.40
	Commercialized Home Use	1,208,270	5.05
	Total	<u>\$ 22,521,751</u>	

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, 2021 AND JUNE 30, 2012 (UNAUDITED)**

TABLE 6

FISCAL YEAR 2021

Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Amount of Taxes	Percent of County's Total Taxable Assessed Valuation
1	Marriott Kauai Ownership / Waiohi + Beach Clubs	Resort Development	\$ 482,923,700	\$ 5,239,769	2.1%
2	Tower Kauai Lagoons / Kalanipu'u / TK Resort	Resort Development	345,790,200	3,725,449	1.5%
3	SOF-XI Kauai Princeville Hotel LP/SOF-XI Kauai Princeville Golf LP	Resort Development	153,132,700	3,105,677	0.7%
4	Kawailoa Development - Grand Hyatt Poipu	Resort Development	282,952,200	3,023,525	1.3%
5	SVO Pacific Inc. / Poipu Development Land + Westin	Resort Development	236,310,000	2,563,963	1.0%
6	Poipu Beach Villas LLC / Koloa Landing	Resort Development	212,822,100	2,059,663	0.9%
7	Poipu Resort Partners / The Pointe	Resort Development	188,008,100	2,039,889	0.8%
8	Kukui'ula Development CO/ Kukui'ula Residential Development LLC	Real Estate / Commercial	214,133,000	1,604,426	1.0%
9	PRW Princeville Development Company LLC (The Resort Group)	Land/Resort Development	127,274,200	1,516,907	0.6%
10	Grove Farm Properties Inc. / Grove Farm Company Inc.	Real Estate Development	155,094,600	1,446,140	0.7%
			<u>\$ 2,398,440,800</u>	<u>\$ 26,325,408</u>	<u>10.6%</u>

FISCAL YEAR 2012

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	\$ 471,118,700	\$ 3,594,089	3.0%
2	Kukui'ula Development / A&B / McBryde	Real Estate Holdings	347,821,200	1,924,010	2.2%
3	SVO Pacific Inc. / Kauai Blues	Resort Development	302,047,500	2,287,415	1.9%
4	Kawailoa Development	Resort Development	184,092,800	1,404,427	1.2%
5	Kauai Lagoons LLC / Mori Golf	Resort Development	199,792,600	1,370,345	1.3%
6	Princeville Hotel / Development LLC	Resort / Real Estate Holdings	186,381,100	1,278,016	1.2%
7	Grove Farm Inc. / Visionary LLC	Real Estate Holdings	146,108,000	949,008	0.9%
8	Poipu Beach Villas LLC	Real Estate Holdings	104,097,000	774,168	0.7%
9	Pahio Resorts / Bali Hai / Kauai Beach / Shearwater	Resort Development	178,828,400	771,635	1.1%
10	Kukui Grove Center Investment	Commercial Development	82,308,800	618,750	0.5%
			<u>\$ 2,202,596,100</u>	<u>\$ 14,971,863</u>	<u>14.0%</u>

Source: Department of Finance, Real Property Tax Division

COUNTY OF KAUA'I, 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	Loans	General	Revenue	Capital	Sewer			
	Bonds	Leases	Payable	Bonds	Bonds	Leases	Loans			
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	3.82	1,977
2020	106,375,000	9,453,137	4,273,363	--	--	359,403	16,677,640	137,138,543	n/a	n/a
2021	100,504,200	11,843,739	13,404,808	--	--	1,887,694	23,830,197	151,470,638	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 1-3
(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)
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	1,535
2020	106,375,000	--	1,588,524	104,786,476	0.49	n/a
2021	100,504,200	--	1,588,524	98,915,676	0.43	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.

(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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit (1)	\$ 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	\$ 3,378,262,650
Debt applicable to limit	<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>	<u>100,504,200</u>
Legal debt margin (2)	<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>	<u>\$ 3,277,758,450</u>
Debt applicable to the limit as a percentage of debt limit	4.98%	4.96%	4.76%	4.49%	4.01%	3.64%	4.13%	3.75%	3.33%	2.98%

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 2021

Net assessed value	<u>\$ 22,521,751,000</u>
Debt limit (15% of net assessed value)	3,378,262,650
Debt applicable to limit	<u>100,504,200</u>
Legal debt margin	<u>\$ 3,277,758,450</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>	
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	72,293	51,545	3,726	9,289	2.7	
2020	n/a	n/a	n/a	9,056	16.2	
2021	n/a	n/a	n/a	8,991	19.3	

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 Hawaii Department of Education.

Note (5): U.S. Department of Labor Bureau of Labor Statistics. Fiscal Year 2020 has been updated to reflect 2020 Annual Average Unemployment Rate. Fiscal Year 2021 data is for October 2020 to November 2021.

Population includes Armed Forces and their dependents.

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

COUNTY OF KAUA'I, 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
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	1,900	1,700	3,900	12,300	2,400	3,000	900	n/a	5,000
2021	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 Hawai'i 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	
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
2021	3,608,685	2,109,197	1,499,488	--	--	--	1,499,488

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, 2021 (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):	
Permanent	637
Temporary	21
Exempt	189
Contract	32
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	5,706
Number of inspections conducted	2,657
Police protection:	
Number of stations	5
Number of police personnel	200
Number of patrol units	95
Number of police officers	145
Number of law violations:	
Physical arrest	3,505
Traffic violations	12,789
Parking violations	839

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

TABLE 12

Sewage system:

Number of treatment plants	4
Number of service connections:	
Residential	5,132
Commercial	574
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	22,401
Number of fire hydrants	3,017
Annual water consumption in gallons	3.518 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	4,191
Number of elementary school instructors	344
Number of middle schools	3
Number of students enrolled	1,911
Number of middle school instructors	138
Number of secondary schools	3
Number of students enrolled	2889
Number of secondary school instructors	210
Number of community colleges	1

Hospitals:

Number of hospitals	3
Number of licensed patient beds	111

Elections - 2020 general election:

Number of registered voters	47,253
Number of votes cast	34,081
Percentage of registered voters voting	72.1%

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2021 (UNAUDITED)

TABLE 12

Building Permits:

<u>Fiscal Year</u>	<u>Number of Permits Issued</u>	<u>Value of Permits</u>
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
2021	2,164	391,309,902

Source: Building Division, County of Kauai

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2021 (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>
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	330.9	8.9	9.2	8.5
2021	711.9	8.6	n/a	18.3

(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 2012 – 2020.
 2. State of Hawai'i Department of Business, Economic Development and Tourism, Hawai'i Tourism Authority, Visitor Research Preliminary Data, Fiscal Year 2021, 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 2020

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	WILCOX HEALTH	HOSPITAL	897	4.29%
2	GRAND HYATT KAUAI RESORT & SPA	HOTEL	864	4.13%
3	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	371	1.78%
4	KAUAI VETERANS MEMORIAL HOSPITAL	HOSPITAL	247	1.18%
5	THE CLUB AT KUKUIULA	REAL ESTATE DEVELOPMENT	175	0.84%
6	KAUAI BEACH RESORT	HOTEL	160	0.77%
7	SAMUEL MAHELONA MEMORIAL HOSPITAL	HOSPITAL	145	0.69%
8	KAUAI ISLAND UTILITY COOPERATIVE	UTILITY	140	0.67%
9	SECURITAS SECURITY SERVICES USA INC.	SECURITY	132	0.63%
10	KAUAI NURSERY & LANDSCAPING INC.	NURSERY AND LANDSCAPE	100	0.48%

Source: Pacific Business News, September 23, 2021 Publication
State of Hawaii Data Book 2020

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

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

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 Hawai'i Data Book 2018

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

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

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-BRED 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 Hawaii Data Book 2016

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

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

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	SYNGENTA CORP	AGRICULTURE	260	1.04%
8	AQUA KAUAI BEACH RESORT	HOTEL	200	0.80%
9	SHIOI CONSTRUCTION	CONSTRUCTION	179	0.72%
10	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	168	0.67%

Source: Pacific Business News, August 14, 2015 Publication
State of Hawaii Data Book 2014

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

COUNTY OF KAUAI, HAWAII
PRINCIPAL NON-GOVERNMENT EMPLOYERS (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1

TABLE 13

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 30, 2013 Publication
State of Hawaii Data Book 2012

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

Note (1): Statistical Information not available for 2021

COUNTY OF KAUA'I, HAWAII
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 14

	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Governmental Activities:										
General government	318	318	337	327	333	322	328	332	335	339
Public Safety:										
Police	195	195	202	210	200	202	200	194	208	208
Fire	197	197	194	196	201	202	201	204	202	194
Emergency Management	5	5	5	4	4	6	6	6	7	8
Public works	105.5	107.5	109.5	94.5	92	44	51	57	52	44
Highways and streets	79	76	76	77	77	77	77	76	76	76
Sanitation	73.5	74.5	74.5	75.5	75	73	73	72	71	72
Culture and recreation	109.5	109.5	214.5	109.5	111	154	160	154	159	148
Public welfare	110	110	113	114	113	146	99	101	124	104
Total Governmental Activities Employees	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	1,193.0
Business-type Activities:										
Housing	29	29	27	25	28	37	23	22	28	28
Sewer	36	36	38	39	37	37	37	37	37	38
Golf	21.5	21.5	21.5	20.5	21	21	21	21	21	22
Total Business-type Employees	86.5	86.5	86.5	84.5	86.0	95.0	81.0	80.0	86.0	88.0
Total Primary Government Employees	1,279	1,279	1,412	1,292	1,292	1,321	1,276	1,276	1,320	1,281

Sources: County of Kaua'i Department of Personnel Services
County of Kaua'i Department of Public Works
County of Kaua'i Department of Finance

**COUNTY OF KAUAI, HAWAII
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 15

	<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>	<u>2021</u>
Function:										
Police:										
Physical arrests	3,579	3,482	4,260	3,998	4,012	5,124	5,197	3,773	4,311	3,505
Parking violations	2,992	2,945	2,279	2,594	2,659	4,215	3,558	2,235	1,589	839
Traffic violations	17,672	15,140	19,106	20,805	14,203	16,918	16,569	14,922	16,918	12,789
Fire:										
Number of calls answered	5,363	5,529	5,689	5,924	5,914	6,194	6,338	6,462	6,379	5,706
Inspections	2,175	2,582	2,791	3,049	2,707	2,696	2,621	2,271	2,238	2,657
Highways and Streets:										
Street resurfacing (miles)	--	9.13	8.42	--	4.99	3.98	6.59	14.48	32.61	32.11
Sanitation:										
Refuse collected (tons/day)	63.0	63.0	63.0	57.7	75.0	100.0	100.0	100.0	110.0	123.0
Culture and Recreation:										
Athletic field permits issued	7,374	4,670	6,153	25,307	24,176	8,969	6,172	6,684	5,817	3,084
Community center admissions	23,395	94,407	108,000	113,320	118,480	153,380	298,099	304,731	225,331	95,380
Water:										
Number of service connections	21,271	20,976	21,590	21,669	21,740	21,821	21,857	22,196	22,356	22,401
Annual water consumption in gallons	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	3,518,000
Wastewater:										
Average daily sewage treatment in gallons	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	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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Public Safety:										
Police:										
Stations	5	5	5	5	5	5	5	5	5	5
Patrol units	82	101	100	93	89	83	86	75	86	95
Fire stations	8	8	8	8	8	8	8	8	8	8
Sanitation:										
Collection trucks	7	7	7	8	8	8	8	8	8	8
Highways and Streets:										
Streets (miles)	308	308	309.5	309.5	309.6	309.6	310.1	310.2	310.7	310.7
Streetlights	2,902	2,982	2,921	2,936	2,941	3,042	3,044	3,048	3,000	3,000
Traffic signals - Flashers	3	3	3	3	5 (1)	7 (1)	8	6	6	6
Culture and Recreation:										
Parks acreage	487.04	487.04	487.04	487.04	487.04	487.04	487.04	488.02	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	68	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	443.41	443.41	443.41
Fire hydrants	2,654	2,707	2,778	2,778	2,918	2,918	2,936	2,983	2,983	3,017
Maximum daily capacity (thousands of gallons)	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	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	5,000,000	5,500,000	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