

COUNTY OF KAUA‘I

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

**Funded Indebtedness Outstanding and Unpaid
As of June 30, 2018**



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Chair and Members of the County Council
County of Kaua'i

We have performed the procedures enumerated below, which were agreed to by the County of Kaua'i (County) and the County Council, solely to assist you with respect to the accounting records of the County as of June 30, 2018. The County's management is responsible for the County's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained the Supplemental Summary of General Long-term Debt as of June 30, 2018, and the related Total Indebtedness of the County of Kaua'i as of June 30, 2018.
2. We compared the amount outstanding for each outstanding bond as of June 30, 2018 as reported in the Total Indebtedness of the County of Kaua'i to the debt service schedules as of June 30, 2018 prepared by the Director of the Department of Finance.

We noted that the amount outstanding for the Special Tax Bonds Series 2012 did not agree to the outstanding balance as of June 30, 2018. The difference was due to a payment made on the bond during the year that was not reflected in the Total Indebtedness of the County of Kaua'i report, therefore the outstanding balance for this bond was overstated by \$75,000.

3. We added the amount outstanding as of June 30, 2018 as reported in the Total Indebtedness of the County of Kaua'i, and compared the resultant total with the amount reflected in the Total Indebtedness of the County of Kaua'i.

No exceptions were noted.

4. We compared the total amount outstanding as reported in the Total Indebtedness of the County of Kaua'i to the Supplemental Summary of General Long-term Debt as of June 30, 2018.

No exceptions were noted.

5. We added the amount outstanding as of June 30, 2018 as reported in the Supplemental Summary of General Long-term Debt as of June 30, 2018 and compared the resultant total with the amount reflected in the Supplemental Summary of General Long-term Debt as of June 30, 2018.

No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County Council of the County of Kaua'i and is not intended to be and should not be used by anyone other than those specified parties.

N&K CPAs, Inc.

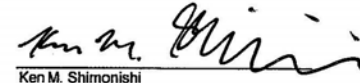
Honolulu, Hawai'i
January 7, 2019


COUNTY OF KAUAI
SUPPLEMENTAL SUMMARY OF GENERAL LONG-TERM DEBT (HRS 47-C-3)

| COUNTY BONDS | Amount of Original issue | Amount of Outstanding July 1, 2017 | Bonds Issued July 1, 2017 to June 30, 2018 | Bonds Matured July 1, 2017 to June 30, 2018 | Bonds Refunded July 1, 2017 to June 30, 2018 | Amount of Outstanding June 30, 2018 |
|--|-----------------------------|--|---|--|---|---|
| PUBLIC IMPROVEMENT REFUNDING (GOLF), 1997 (RF 2005) | 1,565,000 | 190,000 | 0 | 190,000 | 0.0 | \$ - |
| PUBLIC IMPROVEMENT REFUNDING , 2001 SERIES A(RF 2005,2012) | 4,030,000 | 2,360,000 | 0 | 405,000 | 0.0 | \$ 1,955,000 |
| PUBLIC IMPROVEMENT, 2005 SERIES A(NM, RF 2012) | 38,150,000 | 0 | 0 | 0 | 0.0 | \$ - |
| TAXABLE BUILD AMERICA BONDS 2010 SERIES A | 47,835,000 | 41,640,000 | 0 | 1,675,000 | 0.0 | \$ 39,965,000 |
| TAXABLE RZEDB 2010 SERIES A | 12,165,000 | 12,165,000 | 0 | 0 | 0.0 | \$ 12,165,000 |
| PUBLIC IMPROVEMENT REFUNDING , 2011 SERIES A(RF 2001) | 20,985,000 | 13,635,000 | 0 | 1,300,000 | 0.0 | \$ 12,335,000 |
| PUBLIC IMPROVEMENT REFUNDING 2012 SERIES A(RF 2005) | 23,415,000 | 22,165,000 | 0 | 1,305,000 | 0.0 | \$ 20,860,000 |
| PUBLIC IMPROVEMENT REFUNDING 2012 SERIES B AMT (LANDFILL) | 8,215,000 | 7,775,000 | 0 | 460,000 | 0.0 | \$ 7,315,000 |
| PUBLIC IMPROVEMENT 2017 SERIES | 0 | 0 | 24,015,000 | 0 | 0.0 | \$ 24,015,000 |
| WATER SYSTEMS REFUNDING, 2001 SERIES A(RF 2005,2012) | 3,165,000 | 1,435,000 | 0 | 335,000 | 0.0 | \$ 1,100,000 |
| WATER SYSTEMS TAXABLE BAB 2010 SERIES A | 60,000,000 | 52,210,000 | 0 | 2,100,000 | 0.0 | \$ 50,110,000 |
| WATER SYSTEMS REFUNDING, 2011 SERIES A(RF 2001) | 5,125,000 | 3,325,000 | 0 | 320,000 | 0.0 | \$ 3,005,000 |
| WATER SYSTEMS REFUNDING, 2012 SERIES A(RF 2005) | 2,745,000 | 2,600,000 | 0 | 155,000 | 0.0 | \$ 2,445,000 |
| WATER SYSTEMS, 2005 SERIES A (NM, RF 2012) | 3,320,000 | 0 | 0 | 0 | 0.0 | \$ - |
| TOTAL COUNTY BONDS | <u>\$ 230,715,000</u> | <u>\$ 159,500,000</u> | <u>\$ 24,015,000</u> | <u>\$ 8,245,000</u> | <u>\$ -</u> | <u>\$ 175,270,000</u> |

| EXCLUDED COUNTY BONDS | | | | | | |
|---|---------------|---------------|---|---|---|---------------|
| CFD No. 2008-1 (Kukui'ula Development Project) Special Tax Bonds Series 2012 | \$ 11,875,000 | \$ 11,725,000 | 0 | 0 | 0 | \$ 11,725,000 |

Above Summary of General Long-Term Debt was prepared from the records of the Department of Finance in accordance with Section 47-C-3, Hawaii Revised Statutes.


Ken M. Shimonishi
Director of Finance

Concurred By:

Mauna Kea Trask
County Attorney


Mel Rapozo
Chair County Council

TOTAL INDEBTEDNESS OF THE COUNTY OF KAUAI
June 30, 2018

August 1, 2011 \$5,125,000
 (General Obligation, Water Systems
 2011 Series A, RF 2001)

| | | |
|----------------|------|------------------|
| 3.000% Aug. 1, | 2018 | 325,000 |
| 5.000% Aug. 1, | 2019 | 340,000 |
| 4.000% Aug. 1, | 2020 | 355,000 |
| 3.250% Aug. 1, | 2021 | 370,000 |
| 4.000% Aug. 1, | 2022 | 380,000 |
| 3.250% Aug. 1, | 2023 | 395,000 |
| 5.000% Aug. 1, | 2024 | 410,000 |
| 3.625% Aug. 1, | 2025 | 430,000 |
| | | <u>3,005,000</u> |

August 1, 2011 \$20,985,000
 (General Obligation, Public Improvement
 2011 Series A, RF 2001)

| | | |
|----------------|------|-------------------|
| 3.000% Aug. 1, | 2018 | 1,335,000 |
| 5.000% Aug. 1, | 2019 | 1,390,000 |
| 4.000% Aug. 1, | 2020 | 1,455,000 |
| 3.250% Aug. 1, | 2021 | 1,510,000 |
| 4.000% Aug. 1, | 2022 | 1,565,000 |
| 3.250% Aug. 1, | 2023 | 1,625,000 |
| 5.000% Aug. 1, | 2024 | 1,690,000 |
| 3.625% Aug. 1, | 2025 | 1,765,000 |
| | | <u>12,335,000</u> |

August 1, 2008 \$4,030,000
 (General Obligation Refunding Bonds
 2001 Series A, 2005A, 2012A & B)

| | | |
|----------------|------|------------------|
| 5.000% Aug. 1, | 2018 | 495,000 |
| 5.000% Aug. 1, | 2019 | 515,000 |
| 4.250% Aug. 1, | 2020 | 545,000 |
| 5.000% Aug. 1, | 2021 | 400,000 |
| | | <u>1,955,000</u> |

August 1, 2008 \$3,165,000
(Water Systems Refunding Bonds
2001 Series A, 2005A, 2012A)

| | | |
|----------------|------|------------------|
| 5.000% Aug. 1, | 2018 | 280,000 |
| 5.000% Aug. 1, | 2019 | 290,000 |
| 4.25% Aug. 1, | 2020 | 305,000 |
| 5.00% Aug. 1, | 2021 | 225,000 |
| | | <u>1,100,000</u> |

August 1, 2008 \$1,565,000
(General Obligation, Public Improvement
Refunding 1997 Series B (Golf), 2005A)

0

August 1, 2008 \$38,150,000
(General Obligation, Public Improvement
2005 Series A, RF 2012)

0

August 1, 2008 \$3,320,000
 (General Obligation, Water Systems
 2005 Series A, RF 2012)

August 1, 2013 \$47,835,000
 (Taxable GO Build America Bonds, 2010 Series A)

| | | |
|----------------|------|-------------------|
| 4.036% Aug. 1, | 2018 | 1,740,000 |
| 4.236% Aug. 1, | 2019 | 1,815,000 |
| 4.386% Aug. 1, | 2020 | 1,895,000 |
| 4.556% Aug. 1, | 2021 | 1,980,000 |
| 4.756% Aug. 1, | 2022 | 2,075,000 |
| 4.906% Aug. 1, | 2023 | 2,180,000 |
| 5.056% Aug. 1, | 2024 | 2,290,000 |
| 5.283% Aug. 1, | 2025 | 2,410,000 |
| 5.393% Aug. 1, | 2026 | 2,545,000 |
| 5.513% Aug. 1, | 2027 | 2,685,000 |
| 5.613% Aug. 1, | 2028 | 2,840,000 |
| 5.653% Aug. 1, | 2029 | 3,005,000 |
| 5.683% Aug. 1, | 2030 | 3,180,000 |
| 5.723% Aug. 1, | 2031 | 3,370,000 |
| 5.743% Aug. 1, | 2032 | 3,570,000 |
| 5.763% Aug. 1, | 2033 | 2,385,000 |
| | | <u>39,965,000</u> |

August 1, 2013 \$12,165,000
 (Taxable GO Recovery Zone Eco Dev Bonds, 2010 Series A)

| | | |
|----------------|------|-------------------|
| 5.863% Aug. 1, | 2033 | 3,140,000 |
| 5.913% Aug. 1, | 2034 | 9,025,000 |
| | | <u>12,165,000</u> |

| Excluded County Bonds | | | | |
|---|------------|--------------|-------------------|--|
| May 15, 2014 | CFD 2008-1 | \$11,875,000 | | |
| CFD 2008-1(Kukui'ula Development Project) Special Tax Bonds Series 2012 | | | | |
| 4.000% | 1-May | 2018 | 75,000 | |
| 4.250% | 1-May | 2019 | 95,000 | |
| 4.500% | 1-May | 2020 | 115,000 | |
| 4.750% | 1-May | 2021 | 135,000 | |
| 5.000% | 1-May | 2022 | 155,000 | |
| 5.000% | 1-May | 2023 | 180,000 | |
| 5.000% | 1-May | 2024 | 205,000 | |
| 5.250% | 1-May | 2025 | 230,000 | |
| 5.250% | 1-May | 2026 | 260,000 | |
| 5.250% | 1-May | 2027 | 290,000 | |
| 5.250% | 1-May | 2028 | 325,000 | |
| 5.625% | 1-May | 2029 | 360,000 | |
| 5.625% | 1-May | 2030 | 395,000 | |
| 5.625% | 1-May | 2031 | 440,000 | |
| 5.625% | 1-May | 2032 | 480,000 | |
| 5.625% | 1-May | 2033 | 530,000 | |
| 5.750% | 1-May | 2034 | 580,000 | |
| 5.750% | 1-May | 2035 | 630,000 | |
| 5.750% | 1-May | 2036 | 690,000 | |
| 5.750% | 1-May | 2037 | 750,000 | |
| 5.750% | 1-May | 2038 | 815,000 | |
| 5.750% | 1-May | 2039 | 885,000 | |
| 5.750% | 1-May | 2040 | 955,000 | |
| 5.750% | 1-May | 2041 | 1,035,000 | |
| 5.750% | 1-May | 2042 | 1,115,000 | |
| | | | <u>11,725,000</u> | |

August 1, 2013 Water Systems \$60,000,000
(Taxable GO Build America Bonds, 2010 Series A)

| | | |
|----------------|------|-------------------|
| 4.036% Aug. 1, | 2018 | 2,185,000 |
| 4.236% Aug. 1, | 2019 | 2,275,000 |
| 4.386% Aug. 1, | 2020 | 2,375,000 |
| 4.566% Aug. 1, | 2021 | 2,485,000 |
| 4.756% Aug. 1, | 2022 | 2,605,000 |
| 4.906% Aug. 1, | 2023 | 2,730,000 |
| 5.056% Aug. 1, | 2024 | 2,870,000 |
| 5.293% Aug. 1, | 2025 | 3,025,000 |
| 5.393% Aug. 1, | 2026 | 3,190,000 |
| 5.513% Aug. 1, | 2027 | 3,370,000 |
| 5.613% Aug. 1, | 2028 | 3,560,000 |
| 5.663% Aug. 1, | 2029 | 3,770,000 |
| 5.693% Aug. 1, | 2030 | 3,980,000 |
| 5.723% Aug. 1, | 2031 | 4,220,000 |
| 5.743% Aug. 1, | 2032 | 4,470,000 |
| 5.763% Aug. 1, | 2033 | 2,990,000 |
| | | <u>50,110,000</u> |

August 1, 2016 Water Systems \$2,745,000
(Water Systems Refunding Bonds
2012 Series A, RF 2005)

| | | |
|----------------|------|------------------|
| 5.000% Aug. 1, | 2018 | 160,000 |
| 4.000% Aug. 1, | 2019 | 170,000 |
| 3.000% Aug. 1, | 2020 | 175,000 |
| 5.000% Aug. 1, | 2021 | 180,000 |
| 5.000% Aug. 1, | 2022 | 190,000 |
| 5.000% Aug. 1, | 2023 | 200,000 |
| 4.000% Aug. 1, | 2024 | 210,000 |
| 3.000% Aug. 1, | 2025 | 215,000 |
| 3.000% Aug. 1, | 2026 | 225,000 |
| 3.125% Aug. 1, | 2027 | 230,000 |
| 4.500% Aug. 1, | 2028 | 240,000 |
| 5.000% Aug. 1, | 2029 | 250,000 |
| | | <u>2,445,000</u> |

August 1, 2016 \$23,415,000
(General Obligation, Public Improvement
2012 Series A, RF 2005)

| | | |
|----------------|------|-----------|
| 5.000% Aug. 1, | 2018 | 1,370,000 |
| 4.000% Aug. 1, | 2019 | 1,430,000 |
| 3.000% Aug. 1, | 2020 | 1,485,000 |
| 5.000% Aug. 1, | 2021 | 1,545,000 |
| 5.000% Aug. 1, | 2022 | 1,625,000 |
| 5.000% Aug. 1, | 2023 | 1,710,000 |
| 4.000% Aug. 1, | 2024 | 1,785,000 |

| | | |
|----------------|------|-------------------|
| 3.000% Aug. 1, | 2025 | 1,855,000 |
| 3.000% Aug. 1, | 2026 | 1,905,000 |
| 3.125% Aug. 1, | 2027 | 1,965,000 |
| 4.500% Aug. 1, | 2028 | 2,040,000 |
| 5.000% Aug. 1, | 2029 | <u>2,145,000</u> |
| | | <u>20,860,000</u> |

August 1, 2016 \$8,215,000
(Taxable GO (AMT) LANDFILL
2012 Series B, RF 2005)

| | | |
|----------------|------|------------------|
| 5.000% Aug. 1, | 2018 | 480,000 |
| 4.000% Aug. 1, | 2019 | 505,000 |
| 3.000% Aug. 1, | 2020 | 530,000 |
| 5.000% Aug. 1, | 2021 | 550,000 |
| 5.000% Aug. 1, | 2022 | 575,000 |
| 5.000% Aug. 1, | 2023 | 600,000 |
| 4.000% Aug. 1, | 2024 | 620,000 |
| 3.000% Aug. 1, | 2025 | 640,000 |
| 3.000% Aug. 1, | 2026 | 665,000 |
| 3.125% Aug. 1, | 2027 | 690,000 |
| 4.500% Aug. 1, | 2028 | 715,000 |
| 5.000% Aug. 1, | 2029 | <u>745,000</u> |
| | | <u>7,315,000</u> |

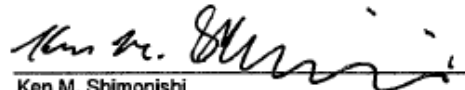
August 1, 2018 \$24,015,000
(General Obligation, Public Improvement
2017)

| | | |
|----------------|------|-----------|
| 4.000% Aug. 1, | 2018 | 570,000 |
| 2.000% Aug. 1, | 2019 | 590,000 |
| 3.000% Aug. 1, | 2020 | 605,000 |
| 5.000% Aug. 1, | 2021 | 630,000 |
| 4.000% Aug. 1, | 2022 | 655,000 |
| 5.000% Aug. 1, | 2023 | 690,000 |
| 3.000% Aug. 1, | 2024 | 715,000 |
| 5.000% Aug. 1, | 2025 | 745,000 |
| 5.000% Aug. 1, | 2026 | 785,000 |
| 5.000% Aug. 1, | 2027 | 825,000 |
| 5.000% Aug. 1, | 2028 | 865,000 |
| 2.500% Aug. 1, | 2029 | 900,000 |
| 5.000% Aug. 1, | 2030 | 935,000 |
| 5.000% Aug. 1, | 2031 | 980,000 |
| 4.000% Aug. 1, | 2032 | 1,025,000 |
| 4.000% Aug. 1, | 2033 | 1,070,000 |
| 3.000% Aug. 1, | 2034 | 1,105,000 |
| 3.000% Aug. 1, | 2035 | 1,140,000 |
| 3.000% Aug. 1, | 2036 | 1,175,000 |
| 5.000% Aug. 1, | 2037 | 1,225,000 |
| 3.000% Aug. 1, | 2038 | 1,275,000 |
| 3.000% Aug. 1, | 2039 | 1,310,000 |
| 3.125% Aug. 1, | 2040 | 1,350,000 |

| | | |
|----------------|------|-------------------|
| 3.125% Aug. 1, | 2041 | 1,395,000 |
| 5.000% Aug. 1, | 2042 | <u>1,455,000</u> |
| | | <u>24,015,000</u> |

Total General Obligation Indebtedness
Outstanding as of June 30, 2018 175,270,000

The above Summary of General Long-Term Debt was prepared from the records of the Department of Finance in accordance with Section 47-C-3, Hawaii Revised Statutes.


Ken M. Shimonishi
Director of Finance

Concurred By:


Mauna Kea Trask
County Attorney


Mel Rapozo
Chair County Council