



DEREK S.K. KAWAKAMI, MAYOR
MICHAEL A. DAHLIG, MANAGING DIRECTOR

News Release

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County of Kaua'i confirmed with Aa2 ratings

LĪHU'E – The credit rating agency Moody's Investors Service assigned an Aa2 issuer rating to the County of Kaua'i, and confirmed the County's Aa2 general obligation unlimited tax (GOULT) rating this week.

The Moody's credit rating cited the County's healthy finances and broad latitude in determining its largest general fund revenue source as factors that led to the affirmation of the rating.

"These credit ratings by Moody's are a testament to the work of our Finance Department," said Mayor Derek S.K. Kawakami. "We thank our team for their good management practices and ability to adjust when needed, and the partnership of our County Council. This was especially evident during the height of the pandemic."

The county's economy shrank considerably in fiscal 2020, driven by the near-complete shutdown of the tourism industry. However, according to Moody's, 2021 GDP growth has rebounded at a pace stronger than the state and nation.

The County's finances will remain strong in the medium term, supported by conservative management and the ability to adjust revenues, Moody's said.

"An Aa2 rating is assigned to municipal securities of high quality with very low credit risk," said Finance Director Reiko Matsuyama. "The county demonstrated a strong fund balance and healthy

liquidity levels but carries above-average leverage due to obligations associated with our employee retirement plans.”

This week's confirmation and assignment of the Aa2 ratings by Moody's conclude a review of possible downgrades of municipalities nationwide, which was initiated last month with the release of the US Cities and Counties Methodology.

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