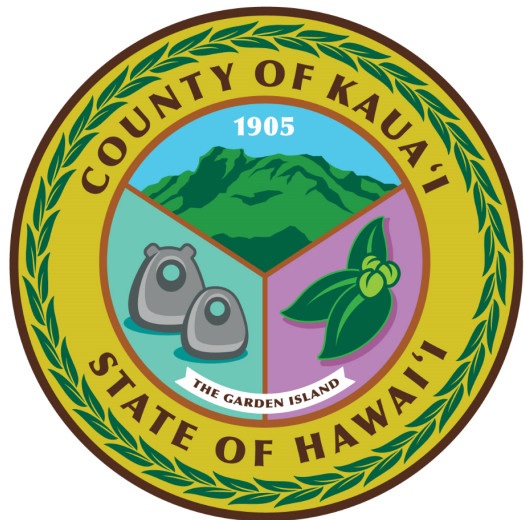


**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
County of Kauaʻi, Hawaiʻi**

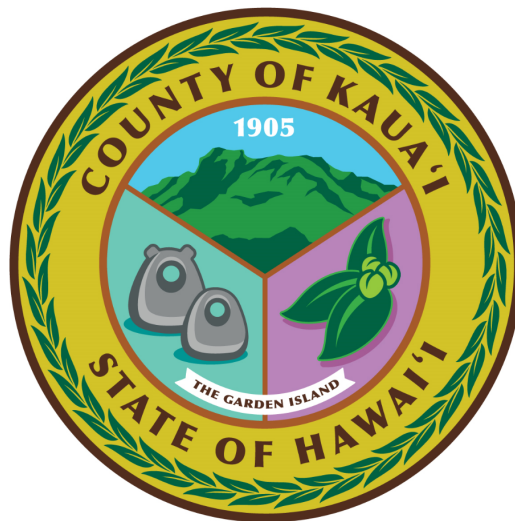


**For the Fiscal Year Ended
June 30, 2022**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

COUNTY OF KAUA'I, 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, 2022**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION

DEPARTMENT OF FINANCE

REIKO MATSUYAMA, DIRECTOR

MICHELLE L. LIZAMA, DEPUTY DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR

January 31, 2023

Honorable Mayor Derek S.K. Kawakami,
Honorable Mel Rapozo, 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 Rapozo, 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, 2022.

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

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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.

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 1089 passed on January 27, 2021, reducing the valuation threshold for the Residential Investor Tax Class from \$2 million to \$1.3 million and is expected to bring in additional revenue in fiscal year 2023.

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 transient accommodations 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.

In July 2021, COVID-19 cases spiked due to the Delta variant and in December 2021 the Omicron variant made its arrival to the State. Infection cases and demand for testing skyrocketed and overwhelmed daily capacity levels; however, it had little to no impact to visitor arrivals and Kaua'i continued to see a steady influx of visitor arrivals. In March 2022, the State and County repealed all remaining emergency orders related to the pandemic, including the end of the State's Safe Travels program and the mask mandate for indoor settings that was in effect since April 2020.

On the global front, Russia's war with Ukraine has caused a ripple effect impacting the world's economy. International sanctions caused further strain on the ongoing supply chain issues and price pressures. No one could escape the soaring energy prices and it became increasingly painful with gas prices at the pump. Furthermore, inflation and the Federal Reserve interest rate hikes made it more difficult to make essentials purchases. With the end of federal direct support, families continue to struggle; further delaying a full recovery after the pandemic.

Kaua'i's economic growth is heavily reliant on the visitor industry. Visitor arrivals in 2022 continued to climb, reaching pre-pandemic levels and is forecasted to continue in an upward trend.

The labor market continues to face a pandemic-induced weakness and hiring has been slow despite the large number of job openings. Although employment gains will resume into the next year, significant shortages of workers in several job sectors remain.

The passing of the American Rescue Plan (ARP) Act on March 11, 2021, provided federal funding for emergency rental assistance to eligible households. Since the passing of this Act, Emergency Rental Assistance 1 distributed approximately \$20 million in rent and utility assistance to 1,660 Kaua'i households. In March 2022 and April 2022 an additional \$2.6 million and \$5 million of Emergency Rental Assistance 2 funding were requested, respectively.

As mentioned earlier, the County established a new County TAT of 3%, in the current fiscal year. 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.

Economic Conditions and Outlook (continued)

A continued focus to diversify Kaua'i's economy has been on agriculture and renewable energy sources as well as fostering a remote workforce 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 recently updated the Comprehensive Economic Development Strategic Plan (CEDS) for 2022 to 2026.

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.

Per Hawai'i Tourism Authority, the number of visitor arrivals from January through November 2022 amounted to approximately 1.2 million visitor arrivals, as compared to approximately 712 thousand visitor arrivals during the same period in 2021. As mentioned previously, Kaua'i's economic growth in the visitor industry is moving in a positive direction, reaching pre-pandemic levels. The year-over-year increase in visitor arrivals in November 2022 as compared to November 2021 signals a promising recovery. Continuation in an upward visitor arrival trend is critical to Kaua'i's recovery.

In 2022, the cruise ship industry rebounded and returned to Kaua'i; however, many ships continue to intentionally operate at lower occupancies. Approximately 36 thousand passengers arrived at Nawiliwili Harbor from January through November 2022.

Film and Technology

Hawai'i continues to remain an attractive destination for film production, due in part to a refundable tax credit of up to 25%. Interest in filming on Kaua'i is starting to increase and a successful restart of production would directly benefit the local economy. Productions on Kaua'i range from film productions, various reality and television shows such as: HGTV's Hawai'i Hunters, Hawai'i Life, commercials, print ads, and documentaries.

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

The 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. The construction industry continued to grow and helped to offset the impact to the local economy with on-going construction projects; however, the high cost of materials, supply chain problems, and shortage of construction labor weigh heavily on the outlook for new construction.

According to the County's Department of Public Works, Building Division statistics, the County issued 1,403 building permits with a total value of \$305.7 million in FY2022, another indication that Kaua'i's construction sector remains strong.

The Kaua'i real estate market saw sales of 624 single-family homes from September 2021 through September 2022, with an average median sale price of \$1.1 million. The median price of a single-family home continued to exceed \$1 million through July 2022, slightly decreasing to just under \$1 million in the months of August 2022 and September 2022 due to rising mortgage interest rates.

There are several major renovation projects that are in progress or recently completed. Silverwest Hotels is developing a 210-room hotel to be affiliated with the Hilton's Curio Collection brand and is slated to open mid-2024. 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, will open in February 2023, adding 252 rooms and suites.

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 to 650 single and multi-family homes when fully completed:

- Koa'e Housing Project - 'Ele'ele Illuna - Lima Ola
- Kealaula 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 two seed corn operations in the County: Corteva Agriscience and Hartung Brothers, Inc. 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.

Agriculture / Energy (continued)

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. Kōloa Rum continues its successful 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 recently welcomed a new large agricultural producer, Aloun Farms. Aloun Farms will eventually lease more than 2,000 acres in Waimea and Kekaha. Currently, headquartered on Oahu, Aloun Farms is one of the largest local food producers in the State and their expansion to Kaua'i marks a critical benefit for Kaua'i's agricultural growth with projected benefits to local food sustainability.

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 sustained catastrophic damage 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 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 manage, reduce, and facilitate the County's fossil energy use through increased efficiency in both facilities and fleets, and (2) to initiate, coordinate, and partner with stakeholders and the community on innovative programs and projects in the clean energy and transportation sector. The County has been making strides to both study and lead projects to improve access to clean transportation.

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 Made Programs. Further, the County recently revamped the real property tax agricultural dedication program which provides a 95% reduction in assessed value for agriculture producers and is one of our most widely used tax relief programs.

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 69.5 percent of the electricity generated on Kaua'i comes from a mix of renewable resources (solar, hydropower, and biomass). KIUC's aggressive renewable strategy helped to buffer the impact on member rates due to soaring oil prices. Recently, KIUC partnered with the AES Corporation on a groundbreaking solar PV + battery energy storage project on the west side of the island and is expected to bring Kaua'i to nearly 90% renewable generation upon completion. On most sunny days, KIUC can provide 100 percent renewable power utilized in daylight hours.

Major Initiatives and Achievements

The County's capital improvement projects that are in-progress, completed, or substantially completed during the year include the Kawaihau Road safety improvements, Waimea wastewater treatment plant R1 system, Wailua SPS #1 renovation, Hanalei baseyard reconstruction, Lydgate/Kapa'a bike and pedestrian path, Līhu'e Town Core Mobility and Revitalization Project, 'Ōpaeka'a Bridge replacement, Maluhia and Kōloa Road improvements, Hanamā'ulu/Kapaia sewer pump upgrade, Līhu'e wastewater treatment plant improvements, Bryan J. Baptiste Sports Complex improvements, Lima Ola preliminary infrastructure, and HRMS payroll software.

The Department of Public Works administers the sewer credit relief program for qualified low-income residential users. A total of 5,184 credits at \$20.00 per month were issued to eligible residential users that amounted to \$104K in savings for households in fiscal year 2022. The General Fund subsidized the sewer credit relief program.

Major Initiatives and Achievements (continued)

The County is working diligently to prepare for climate adaptation and mitigation. The Mayor and County Council signed into law Ordinance 1088, a proactive bill that amends construction design standards to incorporate expected sea level rise impacts. The County is developing a Climate Adaptation Plan to present a framework of actions to ensure people, places, and natural and built systems can adapt and mitigate climate change.

Long-term Financial Planning

No new General Obligations Bonds (GO Bonds) were issued during the current fiscal year. The appropriated balance in the Bond Fund amounted to \$6.3 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) |
| - Niumalu Bridge Replacement | - BMPS Refuse Station upgrades |
| - Kawaihau, Haualla, and Maluhia 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, 2021 to June 30, 2024:

Arbitrated across the board increases (ATB) as follows:

- | | |
|---------------|--|
| July 1, 2021: | Continue step movement plan. |
| July 1, 2022: | 5% ATB increase; continue step movement plan. |
| July 1, 2023: | 5% ATB; continue step movement plan. |
| July 1, 2024: | 5% ATB; continue step movement plan; lump sum bonus (\$1,800 - \$2,000). |

Hawai'i Fire Fighters Association (HFFA) – July 1, 2021 to June 30, 2024

- | | |
|---------------|--------------------------------------|
| July 1, 2021: | Continue step movement plan. |
| July 1, 2022: | 3% ATB; continue step movement plan. |
| July 1, 2023: | 4% ATB; continue step movement plan. |
| July 1, 2024: | 4% ATB; continue step movement plan. |

Employee Union Contracts (continued)

Clerical and Professional:

Bargaining Unit 2 – July 1, 2021 to June 30, 2024

July 1, 2021: 1% lump sum.
July 1, 2022: 3.72% ATB.
July 1, 2023: 5% ATB.
July 1, 2024: 5% ATB.

Clerical and Professional:

Bargaining Unit 3 – July 1, 2021 to June 30, 2024

July 1, 2021: \$1,000 lump sum.
October 1, 2022: 3.72% ATB.
July 1, 2023: 5% ATB.
July 1, 2024: 5% ATB.

Bargaining Unit 4 – July 1, 2021 to June 30, 2024

July 1, 2021: 1% lump sum.
July 1, 2022: 3.72% ATB.
July 1, 2023: 4.96% ATB.

<u>Uniform maintenance allowance:</u>		<u>Meal allowance:</u>	
- Full uniform	\$25	- Breakfast	\$8
- Button shirt, trousers, or jacket	\$15	- Lunch	\$10
- T-shirt and/or shorts	\$10	- Dinner	\$12

July 1, 2024: 5% ATB.

Bargaining Unit 13 – July 1, 2021 to June 30, 2024:

July 1, 2021 2% lump sum for employees on step M; continue step movement plan.
July 1, 2022: 2% ATB; continue step movement plan.
July 1, 2023: 4% ATB; continue step movement plan; Step C is eliminated.
July 1, 2024: 3.59% ATB; continue step movement plan.

Bargaining Unit 15 – July 1, 2021 to June 30, 2024:

July 1, 2021 1% lump sum; continue step movement plan.
July 1, 2022: 3% ATB; continue step movement plan.
July 1, 2023: 4% ATB; continue step movement plan.
July 1, 2024: 4% ATB; continue step movement plan.

Utility and Janitorial:

United Public Workers (UPW) – July 1, 2021 to June 30, 2024:

July 1, 2021: \$1,000 lump sum.
October 1, 2022: 3.72% ATB.
July 1, 2023: 5% ATB.
July 1, 2024: 5% 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., which includes the financial statements of the Department, an enterprise fund included in the government-wide financial statements as a discretely presented component. 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, 2021. 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-nine 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 flourish that extends to the right.

Reiko Matsuyama
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Kauai
Hawaii**

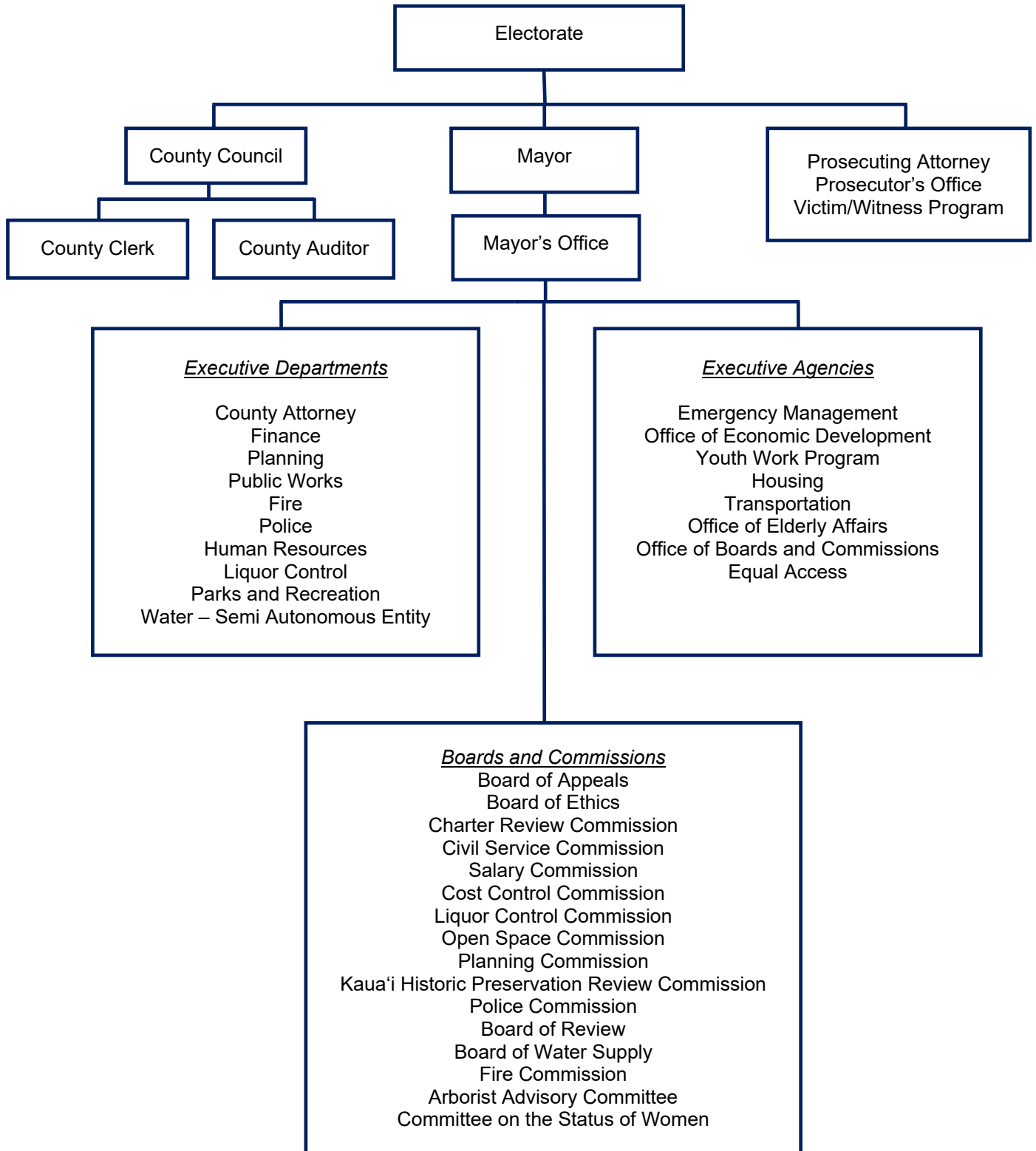
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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

Rebecca V. Like

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Adjustment to Prior Period Financial Statements

As discussed in Note 20 to the financial statements, an error related to the recordation of pension deferred outflows for the fiscal year ending June 30, 2021 was determined by the management of the County. Accordingly, the accompanying financial statements have been restated to correct this error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 30, the schedule of the County's proportionate share of the net pension liability on page 115 and 116, the schedule of employer pension contributions on page 117 and 118, schedule of changes in the net OPEB liability and related ratios on page 119, and the schedule of contributions (OPEB) on page 120 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary 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 accompanying 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and the schedules of revenues, expenditures, and changes in fund balance - budget and actual (Non-GAAP budgetary basis) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023 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 31, 2023

COUNTY OF KAUA'I, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-10 of this report and the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87 (GASB 87), *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

The County adopted GASB 87 in the current fiscal year. As a result of the implementation of this Statement, the County is recognizing lease liabilities and intangible right-to-use lease assets (lessee) and recognizing lease receivables and deferred inflow of resources (lessor). Changes resulting from GASB 87 requirements apply to certain governmental funds, enterprise funds (Sewer and Golf) and related governmental and business-type activities.

Additionally, the County recorded a prior period adjustment to beginning net position in governmental activities of \$3.4 million. The prior period adjustment was due to pension benefit contributions that were not previously included in deferred outflows of resources. The adjustment resulted in an overall increase to net position in governmental activities.

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

Governmental Activities

The assets and deferred outflows of the governmental activities exceeded its liabilities and deferred inflows at the close of the fiscal year by \$224.2 million in its government-wide financial statements; an increase of \$25.8 million from the prior year. Restricted net position increased by \$6.4 million, ending at \$23.4 million. Unrestricted net position is reported as a deficit of (\$274) million, improving by a positive \$22.3 million from the prior year.

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

- Expenses decreased by \$20.3 million and ended at \$290.8 million as compared to \$311.1 million from the prior year.
- Program revenues increased slightly by \$2.5 million and ended at \$142.2 million or 1.8% from the prior year.
- General revenues and transfers increased by \$14 million and ended at \$174.3 million or 8.7% from the prior year.
- Total expenses and transfers exceeded revenues by \$25.8 million, increasing net position.
- Assets, including capital assets, ended at \$887.5 million; an increase of \$8.6 million or 1% from the prior year.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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 \$86.6 million in its government-wide financial statements, an increase of \$7.7 million from the prior year. Restricted net position remained relatively flat, ending at \$1.1 million. Unrestricted net position reported a deficit of (\$4.2) million, improving by a positive \$10.2 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:

- Expenses remained relatively flat, ending at \$18.4 million.
- Program revenues increased by \$3.4 million and ended at \$17.7 million as compared to \$14.3 million in the prior year.
- Revenues and transfers exceeded total expenses by \$7.7 million, increasing net position.
- Assets, including capital assets, ended at \$147.7 million; an increase of \$17.6 million or 13.5% 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 \$186.9 million, an increase of \$23.5 million from the prior year.

The General Fund balance at June 30, 2022 amounted to \$77.5 million, an increase of \$8.6 million from the prior year. The General Fund balance consisted of \$0.5 million in restricted fund balance, \$28.2 million in committed fund balance, \$1.6 million in assigned fund balance, and \$47.2 million in unassigned fund balance. In December 2011, the County established a Reserve Fund Policy maintained within the General Fund. At June 30, 2022, the reserve fund balance amounted to \$49.2 million and is currently reported in committed fund balance (\$16.4 million) and unassigned fund balance (\$32.8 million).

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A serves as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Accordingly, it presents the financial picture of the County from the economic resources measurement focus using the accrual basis of accounting.

COUNTY OF KAUA'I, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Government-wide Financial Statements (continued)

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

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

The government-wide financial statements distinguish functions of the County that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include General Government, Public Safety, Public Works, Highways and Streets, Sanitation, Culture and Recreation, and Public Welfare. The business-type activities of the County include three enterprises: Public Housing Fund, Sewer Fund, and Golf Fund.

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

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.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Governmental Funds (continued) – The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities 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, General Excise Tax 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 17 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 (General Excise Tax Fund, Housing and Community Development Revolving Fund, and Solid Waste Disposal Fund) to demonstrate compliance with its annual appropriated budget as required for GAAP financial statements.

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

Fiduciary Funds – Fiduciary funds are custodial in nature and 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. The notes to the financial statements can be found on pages 51 - 114 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension and postemployment benefits other than pension (OPEB) to its employees. Required supplementary information can be found on page 115 -121 of this report.

Other 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 required supplementary information on pensions and OPEB. Other supplementary information can be found starting on page 122.

**COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the Statement of Net Position as of June 30, 2022 and 2021:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021 (as restated)	2022	2021 (as restated)	2022	2021 (as restated)
Current and other assets	\$ 300.32	\$ 289.23	\$ 23.29	\$ 12.13	\$ 323.61	\$ 301.36
Capital assets	587.18	589.65	124.45	117.99	711.63	707.64
Total Assets	887.50	878.88	147.74	130.12	1,035.24	1,009.00
Deferred Outflows of Resources	72.00	102.52	2.70	3.56	74.70	106.08
Non-current liabilities	527.71	626.56	48.49	44.81	576.20	671.37
Other liabilities	111.01	123.33	6.65	5.56	117.66	128.89
Total Liabilities	638.72	749.89	55.14	50.37	693.86	800.26
Deferred Inflows of Resources	96.54	33.06	8.64	4.35	105.18	37.41
Net position:						
Net investment in capital assets	474.84	477.85	89.78	92.27	564.62	570.12
Restricted	23.45	17.00	1.15	1.15	24.60	18.15
Unrestricted	(274.05)	(296.40)	(4.27)	(14.46)	(278.32)	(310.86)
Total Net Position	\$ 224.24	\$ 198.45	\$ 86.66	\$ 78.96	\$ 310.90	\$ 277.41

As noted earlier, net position may serve over time as a useful indicator of the County's financial condition. 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 County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$310.9 million at the close of the fiscal year.

The largest portion of the County's net position reflects its net investment in capital assets, ending at \$564.6 million or 181.6% of net position. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The County's restricted net position category represents \$24.6 million or 7.9% 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, 2022, the County's governmental and business-type activities have significant unfunded liabilities for pension and OPEB liabilities totaling \$256.4 million and \$92.6 million, respectively. These unfunded liabilities contributed to a deficit of (\$278.3) million or (89.5%) of unrestricted net position.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The following is a summary of the Statement of Activities for the fiscal years ended June 30, 2022 and 2021:

Summary Statement of Activities (Amount in millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u> <u>(as restated)</u>	<u>2022</u>	<u>2021</u> <u>(as restated)</u>	<u>2022</u>	<u>2021</u> <u>(as restated)</u>
Revenues:						
Program revenues:						
Charges for services	\$ 28.57	\$ 25.07	\$ 12.67	\$ 12.70	\$ 41.24	\$ 37.77
Operating grants and contributions	106.68	93.56	--	--	106.68	93.56
Capital grants and contributions	6.98	21.12	5.04	1.60	12.02	22.72
General revenues:						
Property taxes	158.97	156.00	--	--	158.97	156.00
Other taxes	29.61	11.33	--	--	29.61	11.33
Other	(5.72)	1.49	(0.13)	0.26	(5.85)	1.75
Total Revenues	<u>325.09</u>	<u>308.57</u>	<u>17.58</u>	<u>14.56</u>	<u>342.67</u>	<u>323.13</u>
Expenses:						
General government	39.46	62.40	--	--	39.46	62.40
Public safety	73.70	97.46	--	--	73.70	97.46
Public works	27.19	13.09	--	--	27.19	13.09
Highways and streets	33.21	30.10	--	--	33.21	30.10
Sanitation	35.79	25.85	--	--	35.79	25.85
Culture and recreation	22.85	27.45	--	--	22.85	27.45
Public welfare	54.14	49.36	--	--	54.14	49.36
Interest on long-term debt	4.43	5.34	--	--	4.43	5.34
Housing programs	--	--	2.52	2.94	2.52	2.94
Sewer	--	--	13.20	13.43	13.20	13.43
Golf	--	--	2.69	2.92	2.69	2.92
Total Expenses	<u>290.77</u>	<u>311.05</u>	<u>18.41</u>	<u>19.29</u>	<u>309.18</u>	<u>330.34</u>
Increase (Decrease) before transfers	34.32	(2.48)	(0.83)	(4.73)	33.49	(7.21)
Transfers	(8.53)	(8.46)	8.53	8.46	--	--
Change in Net Position	25.79	(10.94)	7.70	3.73	33.49	(7.21)
Net Position, July 1	198.45	209.39	78.96	75.23	277.41	284.62
Net Position - Ending	\$ <u>224.24</u>	\$ <u>198.45</u>	\$ <u>86.66</u>	\$ <u>78.96</u>	\$ <u>310.90</u>	\$ <u>277.41</u>

In the current fiscal year, total government-wide revenues increased from the prior year by approximately \$19.5 million and government-wide expenses decreased by approximately \$21.2 million. Total revenues exceeded expenditures and transfers, ultimately increasing net position by \$25.8 million for governmental activities. Total revenues and transfers exceeded expenditures by \$7.7 million, ultimately increasing net position for business-type activities.

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

Governmental Activities

Operating grants and contributions increased by \$13.1 million from the prior year. Increases in operating grants and contributions were primarily attributable to Emergency Rental Assistance funding.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Governmental Activities (continued)

Capital grants and contributions decreased by \$14.1 million from the prior year. Decreases in capital grants and contributions were primarily attributable to substantial completion of various construction projects such as the Lihue Town Core and bridge and road repairs in the prior year.

The County's real property taxes billed (revenues on full accrual basis) increased by \$3 million or 1.9%. This revenue growth was once again primarily attributable 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 \$159 million as compared to \$156 million in the prior year. The gross assessed values increased by approximately \$0.7 billion (or 2.8%) from \$25.8 billion to \$26.5 billion in the current year, while the net taxable values increased by approximately \$0.6 billion (or 2.9%) from \$22.5 billion to \$23.1 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 increased by \$3.4 million from the prior year. The increase in capital grants and contributions were primarily attributable to construction of various affordable housing development projects.

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

Governmental Activities

As noted previously, the County recorded a prior period adjustment for pension contributions not recorded in the prior year. Overall expenses decreased by approximately \$20.3 million from \$311.1 million to \$290.8 million in current year. Current year decrease in expenses were primarily attributable to CARES Act relief expenses and disaster relief projects to repair major damages to roads and bridges, expended in the prior year, offset by a increase in landfill closure and postclosure care cost liability estimates, and Emergency Rental Assistance expenses in the current fiscal year. 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 \$18.3 million in the current fiscal year. The County's ARC is calculated by the actuary contracted by the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF). The actuary also provided the information needed for financial statement reporting and footnote disclosures. EUTF administers the healthcare benefit plan and develops the annual funding requirements based on the present value of benefits of the actuarial accrued liability using the entry age normal method for calculation.

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

Business-type Activities

Overall expenses remained relatively flat as compared to the prior year, ending at \$18.4 million. Current year expenses were primarily attributable to construction costs for affordable housing development projects.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. The County follows GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which primarily establishes a hierarchy of fund balance classifications based on constraints placed on the use of these resources.

As of the end of the current fiscal year, the County's governmental fund balances increased by \$23.5 million, ending at \$186.9 million. The increase in fund balances is primarily attributable to a combination of factors including decreases in expenditures related to CARES Act and disaster relief projects from the prior year, current year increases in Emergency Rental Assistance, finance purchases and loans; offset by revenues from County TAT and improved real property tax collections. 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 (\$49.8 million), pay debt service (\$1.6 million), and/or certain other restricted and/or designated purposes (\$90 million).

The following table summarizes the changes in fund balances of the County's governmental funds as of June 30, 2022 in comparison to fiscal year 2021:

	Changes in Fund Balances (Amount in millions)			Totals	
	General Fund	Major Governmental Funds	Non-major Governmental Funds	2022	2021
Revenues					
Taxes	\$ 178.29	\$ --	\$ 9.40	\$ 187.69	\$ 166.14
Other	0.54	114.51	22.35	137.40	140.88
Total Revenues	178.83	114.51	31.75	325.09	307.02
Expenditures	139.56	122.68	40.47	302.71	315.88
Excess (deficiency) of Revenues over Expenditures	39.27	(8.17)	(8.72)	22.38	(8.86)
Transfers and others	(30.70)	17.41	14.37	1.08	7.80
Net Changes in Fund Balances	\$ 8.57	\$ 9.24	\$ 5.65	\$ 23.46	\$ (1.06)

The Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position can be found on page 35. 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.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

General Fund - The General Fund is the chief operating fund of the County. Total revenues in the General Fund amounted to \$178.8 million, or an increase of \$14.8 million as compared to the prior year. As noted previously, the County reported an unassigned fund balance of \$47.2 million; of which, \$32.8 million represents the County's Reserve Fund. The unassigned fund balance increased by \$22.8 million, as compared to the prior year and may be attributable to the cumulative effect of the following key factors:

- Newly established County TAT revenue of \$16 million. Due to the pandemic's effect on tourism, the State suspended TAT allocations to the County in May 2020. Effective October 1, 2021, the County established its own TAT at the maximum rate of 3%.
- An increase of \$4.2 million or 2.7% 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 decreased by \$4 million or 2.8%, ending at \$139.5 million.

Major Governmental Funds – In the current fiscal year, the General Excise Tax Fund is presented as a major governmental fund versus other governmental fund, as reported in the prior fiscal year. The threshold criteria to be classified and presented as a major governmental fund were met, due to the amounts reported on its Balance Sheet. Major governmental fund revenues increased by \$23.1 million from \$91.4 million to \$114.5 million in the current fiscal year. The increase was primarily attributable to a combination of the following:

- General Excise Tax Fund revenues increased by \$11.1 million over the prior year due to increases in spending activity from visitor arrivals and overall increases in prices of goods and services.
- State Grants Fund overall revenues increased by \$16 million over the prior year due to increases in public safety, public works, and public welfare Act 12 and Act 35 emergency disaster projects received from the State.
- Federal Grants Fund overall revenues decreased by \$14.9 million due to the majority of the CARES Act relief, ARP, and Emergency Rental Assistance funding received in the prior year.
- Grants Capital Improvement Fund revenues decreased by \$13.8 due to substantial completion of major construction projects in the prior year.

Total expenditures increased by \$9.1 million from \$113.5 million to \$122.6 million in the current fiscal year. The increase was primarily attributable a combination of the following:

- General Excise Tax Fund expenditures increased by \$4.1 million over the prior year due to highway and street projects such as road repairs, salaries and related fringe benefit costs. Revenues exceeded expenditures by \$14.6 million, resulting in an overall positive net change in fund balance of \$12.4 million.
- Solid Waste Disposal Fund expenditures remained relatively flat, decreasing by \$0.4 million. Expenditures such as salaries, overtime, related fringe benefits, and operating costs of the Kekaha Landfill remained consistent to the prior year. Expenditures exceeded revenues by \$14.2 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 \$15.2 million. The overall result was a positive net change in fund balance of \$1 million.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Major Governmental Funds (continued)

- Bond Fund expenditures remained relatively flat as compared to the prior year, decreasing by \$0.2 million. Expenditures exceeded revenues, resulting in a negative net change in fund balance of (\$5.8) million.
- Federal Grants Fund expenditures decreased by \$14.9 million due to the majority of the CARES Act relief, ARP, and Emergency Rental Assistance funding expended in the prior year.
- State Grants Fund expenditures increased by \$16 million over the prior year due to increases in public safety (e.g., police, fire, emergency management, etc.), public works, and public welfare expenditures for disaster relief projects, including increases in salaries, overtime, and related fringe benefit costs in the current year.
- Grants Capital Improvement Fund expenditures decreased by \$10.6 million, primarily due substantial completion of major construction projects in the prior year as compared to the current year.

Budgetary Highlights

The General Fund exceeded its estimate of budgeted revenues by \$3.8 million. The General Fund lapsed \$12.5 million of budgeted appropriations at year end. General Fund contribution to other funds amounted to \$33.5 million in the current fiscal year, a decrease of \$2.6 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 statements.

Estimated budgeted General Fund revenues for the fiscal year ended June 30, 2022 was \$175 million as compared to \$164.5 million in the prior year, an increase of \$10.5 million. As noted previously, County TAT is a newly established revenue in the current fiscal year. County TAT was originally budgeted at \$9 million; however, actual tax revenue collected was \$16 million. Interest from investments was budgeted at \$0.1 million; however, ended in a negative (\$5.1) million variance primarily due to unfavorable market performance.

Final amended budgeted expenditures in the General Fund for fiscal year ended June 30, 2022 decreased by \$2.8 million, ending at \$162.1 million. The general government function budget increased by 5.2%, public safety function decreased by (4.2%), public works function increased 1.5%, culture and recreation function decreased by (5.8%), and public welfare function decreased by (5.0%). Overall decreases are primarily due to decreased spending for COVID-19 related costs, related salaries, overtime, and fringe related benefit costs in the public safety and public works functional areas; offset by increases in the general government function to ensure the continuation of County core services without disruption.

**COUNTY OF KAUA'I, HAWAI'I
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Budgetary Highlights (continued)

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

- Council Services had a favorable variance of approximately \$0.8 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended consulting services, travel, special projects, and other miscellaneous items.
- Less than anticipated claims were paid out of the self-insurance account in the current fiscal year, creating a favorable variance of \$1.2 million. The purpose of this account is to prepare for unanticipated and unpredictable future claims.
- Police department had a favorable variance of \$3.3 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended travel, certain medical services under contract, and other miscellaneous items.
- Fire department had a favorable variance of \$1.3 million, of which, were primarily attributable to unexpended salaries, fringe and benefits, unexpended travel, certain medical services under contract, and other miscellaneous items.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The County's capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$711.6 million, an increase of \$5.9 million. Capital assets include land, buildings and improvements, machinery and equipment, infrastructure (e.g., roadways, bridges, and sewer), finance purchases, right-to-use, and construction-in-progress, less accumulated depreciation and amortization. Most capital projects pass through construction-in-progress before being capitalized because of the multi-year completion process.

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

- Completion of improvements and structural renovation to Maluhia and Kōloa Road.
- Completion of Lydgate/Kapa'a bike and pedestrian path Phase C.
- Completion of 'Ōpaeka'a Bridge.
- Completion of J. Baptiste Sports Complex improvements.
- Completion of Hanamā'ulu and Kapaia sewer pump station upgrades and Lihue wastewater treatment plant improvements.
- Improvements to Hanalei baseyard and Kawaihau Road.
- Improvements to the Waimea wastewater treatment plant R1 system and Wailua SPS #1 renovation.
- Preliminary infrastructure of Lima Ola affordable housing project.
- HRMS payroll software replacement.

COUNTY OF KAUAI, HAWAII
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The following is a summary of Capital Assets as of June 30, 2022 in comparison to fiscal year 2021:

Summary of Capital Assets (Amounts in millions)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Non-depreciable assets:						
Land	\$ 192.42	\$ 192.21	\$ 22.51	\$ 22.51	\$ 214.93	\$ 214.72
CIP	28.50	67.59	27.77	25.87	56.27	93.46
Depreciable assets:						
Buildings and improvements	179.36	173.86	112.85	109.77	292.21	283.63
Equipment	122.61	116.08	25.94	19.53	148.55	135.61
Infrastructure	764.06	714.04	15.34	15.34	779.40	729.38
Less: Accumulated depreciation	<u>(700.67)</u>	<u>(676.07)</u>	<u>(79.96)</u>	<u>(75.03)</u>	<u>(780.63)</u>	<u>(751.10)</u>
Total Capital Assets, net	\$ <u>586.28</u>	\$ <u>587.71</u>	\$ <u>124.45</u>	\$ <u>117.99</u>	\$ <u>710.73</u>	\$ <u>705.70</u>

The following is a summary of Right-to-Use Assets as of June 30, 2022 in comparison to fiscal year 2021:

Summary of Right-to-Use Assets (Amounts in thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		<u>(as restated)</u>		<u>(as restated)</u>		<u>(as restated)</u>
Right-to-Use assets:						
Machinery and equipment	\$ 1,955.69	\$ 1,933.25	\$ 6.96	\$ 6.96	\$ 1,962.65	\$ 1,940.21
Less: Accumulated amortization	<u>(1,055.39)</u>	<u>--</u>	<u>(2.95)</u>	<u>--</u>	<u>(1,058.34)</u>	<u>--</u>
Total Capital Assets, net	\$ <u>900.30</u>	\$ <u>1,933.25</u>	\$ <u>4.01</u>	\$ <u>6.96</u>	\$ <u>904.31</u>	\$ <u>1,940.21</u>

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

Long-term Debt – At the end of the fiscal year, the County had total bonds and loans outstanding of \$143 million (\$110 million related to governmental activities and \$33 million related to business-type activities). Of this amount, \$93.9 million is comprised of debt backed by the full faith and credit of the government (general obligations) and \$49.1 million represents State Revolving Fund (SRF) loans used to finance construction of wastewater and landfill projects.

**COUNTY OF KAUA'I, HAWAI'I
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 \$3.5 billion. As of June 30, 2022, the County's current outstanding debt applicable to the legal debt margin totaled \$93.9 million or 2.7% 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, 2022

	Primary Government			Component Unit
	Governmental	Business-type		Department
	Activities	Activities	Total	of Water
Assets:				
Cash and cash equivalents	\$ 50,410,583	\$ 16,775,369	\$ 67,185,952	\$ 5,596,325
Investments	182,647,691	2,819,464	185,467,155	44,436,754
Receivables, net	19,741,910	2,732,470	22,474,380	3,850,913
Internal balances	413,737	(413,737)	--	--
Due from other governments	24,280,406	--	24,280,406	--
Materials and supplies	--	--	--	1,001,937
Prepaid items and other	917,405	89,832	1,007,237	53,677
Restricted Assets:				
Cash and cash equivalents	--	146,384	146,384	3,299,291
Investments	--	--	--	8,302,062
Other	--	--	--	354,045
Noncurrent Assets:				
Leases receivable	--	136,746	136,746	--
Loans receivable	21,911,026	1,000,000	22,911,026	--
Intangible assets or right-to-use assets (net of accumulated amortization)	900,304	4,011	904,315	--
Capital assets, not being depreciated				
Land and construction in progress	220,922,282	50,281,634	271,203,916	10,626,922
Capital assets (net of accumulated depreciation)				
Buildings and improvements, infrastructure, and machinery and equipment	365,359,920	74,169,842	439,529,762	232,967,608
Total Assets	887,505,264	147,742,015	1,035,247,279	310,489,534
Deferred Outflows of Resources:				
Deferred loss on refunding	420,519	--	420,519	--
Deferred outflows of resources on net pension liability	50,139,334	1,751,274	51,890,608	4,046,046
Deferred outflows of resources on net other postemployment benefits liability	21,444,687	948,095	22,392,782	1,311,994
Total Deferred Outflows of Resources	72,004,540	2,699,369	74,703,909	5,358,040
Total Assets and Deferred Outflows of Resources	959,509,804	150,441,384	1,109,951,188	315,847,574
Liabilities:				
Accounts payable and accrued liabilities	31,430,601	1,598,291	33,028,892	3,526,820
Contracts payable	2,288,356	36,955	2,325,311	2,482,403
Due to other governments	--	4,684,315	4,684,315	--
Customer deposits	190,848	146,384	337,232	746,694
Unearned revenue	75,359,143	77,221	75,436,364	--
Interest payable	1,736,758	107,187	1,843,945	--
Noncurrent Liabilities:				
Long-term liabilities due within one year	17,894,938	2,926,032	20,820,970	5,527,547
Long-term liabilities due in more than one year	173,408,236	32,928,798	206,337,034	52,959,302
Net pension liability	247,522,599	8,927,802	256,450,401	13,195,469
Net other postemployment benefits liability	88,890,882	3,708,693	92,599,575	4,866,291
Total Liabilities	638,722,361	55,141,678	693,864,039	83,304,526
Deferred Inflows of Resources:				
Deferred inflows of resources related to leases	--	231,817	231,817	--
Deferred gain on refunding	1,913,177	--	1,913,177	96,549
Deferred inflows of resources on net pension liability	58,436,628	6,738,415	65,175,043	7,210,546
Deferred inflows of resources on net other postemployment benefits liability	36,193,491	1,670,348	37,863,839	2,782,654
Total Deferred Inflows of Resources	96,543,296	8,640,580	105,183,876	10,089,749
Total Liabilities and Deferred Inflows of Resources	735,265,657	63,782,258	799,047,915	93,394,275
Net Position:				
Net investment in capital assets	474,838,061	89,781,076	564,619,137	192,553,137
Restricted for capital activity and other	21,868,113	146,384	22,014,497	2,622,889
Restricted for debt service	1,588,525	--	1,588,525	--
Restricted for housing program	--	1,000,000	1,000,000	--
Unrestricted	(274,050,552)	(4,268,334)	(278,318,886)	27,277,273
Total Net Position	\$ 224,244,147	\$ 86,659,126	\$ 310,903,273	\$ 222,453,299

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, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Unit Department of Water
Primary Government:								
Governmental Activities:								
General government	\$ 39,461,041	\$ 8,836,618	\$ 3,744,451	\$ 40,824	\$ (26,839,148)	\$ --	\$ (26,839,148)	\$ --
Public safety	73,696,742	419,261	7,673,634	57,073	(65,546,774)	--	(65,546,774)	--
Public works	27,191,292	387,669	15,899,411	5,738	(10,898,474)	--	(10,898,474)	--
Highways and streets	33,208,619	8,545,500	36,265,027	6,267,713	17,869,621	--	17,869,621	--
Sanitation	35,789,979	9,536,387	377,063	169,199	(25,707,330)	--	(25,707,330)	--
Culture and recreation	22,850,462	414,107	759,890	430,632	(21,245,833)	--	(21,245,833)	--
Public welfare	54,141,922	434,293	41,957,351	9,742	(11,740,536)	--	(11,740,536)	--
Interest on long-term debt, unallocated	4,432,027	--	--	--	(4,432,027)	--	(4,432,027)	--
Total Governmental Activities	<u>290,772,084</u>	<u>28,573,835</u>	<u>106,676,827</u>	<u>6,980,921</u>	<u>(148,540,501)</u>	<u>--</u>	<u>(148,540,501)</u>	<u>--</u>
Business-type Activities								
Housing programs	2,526,350	2,286,405	--	4,679,177	--	4,439,232	4,439,232	--
Sewer	13,197,472	8,893,140	--	359,457	--	(3,944,875)	(3,944,875)	--
Golf	2,689,354	1,489,753	--	--	--	(1,199,601)	(1,199,601)	--
Total Business-type Activities	<u>18,413,176</u>	<u>12,669,298</u>	<u>--</u>	<u>5,038,634</u>	<u>--</u>	<u>(705,244)</u>	<u>(705,244)</u>	<u>--</u>
Total Primary Government	<u>\$ 309,185,260</u>	<u>\$ 41,243,133</u>	<u>\$ 106,676,827</u>	<u>\$ 12,019,555</u>	<u>\$ (148,540,501)</u>	<u>\$ (705,244)</u>	<u>\$ (149,245,745)</u>	<u>\$ --</u>
Component Unit:								
Department of Water	<u>\$ 29,955,887</u>	<u>\$ 30,879,580</u>	<u>\$ --</u>	<u>\$ 2,727,461</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,651,154</u>
General Revenues:								
Property taxes					158,967,737	--	158,967,737	--
County transient accommodations tax					16,048,576	--	16,048,576	--
Public service company tax					3,217,792	--	3,217,792	--
Franchise tax					4,002,509	--	4,002,509	--
Fuel taxes					5,402,477	--	5,402,477	--
Grants and contributions not restricted to specific programs					941,950	--	941,950	--
Interest and unrestricted investment losses					(5,715,804)	(130,712)	(5,846,516)	(1,771,841)
Transfers					<u>(8,535,055)</u>	<u>8,535,055</u>	<u>--</u>	<u>--</u>
Total General Revenues and Transfers					<u>174,330,182</u>	<u>8,404,343</u>	<u>182,734,525</u>	<u>(1,771,841)</u>
Change in Net Position					25,789,681	7,699,099	33,488,780	1,879,313
Net Position - Beginning of Year July 1, 2021, as previously stated					195,061,623	78,960,027	274,021,650	220,573,986
Prior period adjustment (Note 20)					<u>3,392,843</u>	<u>--</u>	<u>3,392,843</u>	<u>--</u>
Net Position - Beginning of Year July 1, 2021, as restated					<u>198,454,466</u>	<u>78,960,027</u>	<u>277,414,493</u>	<u>220,573,986</u>
Net Position - End of Year June 30, 2022					<u>\$ 224,244,147</u>	<u>\$ 86,659,126</u>	<u>\$ 310,903,273</u>	<u>\$ 222,453,299</u>

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

MAJOR FUNDS

General Fund

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

Special Revenue Funds

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.

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, 2022

	General Fund	General Excise Tax 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	\$ 8,158,007	\$ 2,327,255	\$ 360,903	\$ 12,072,512	\$ --	\$ 5,445,024	\$ --	\$ --	\$ --	\$ 22,046,882	\$ 50,410,583
Investments	134,205,894	--	2,500,000	9,905,090	29,045,249	--	--	--	--	6,991,458	182,647,691
Accounts receivable, net	285,286	--	--	960,489	446,068	--	--	--	6,627,038	106,971	8,425,852
Taxes receivable	8,766,661	--	--	--	--	--	--	--	--	--	8,766,661
Interest receivable	468,099	--	1,446,993	45,133	53,815	518,098	--	--	--	17,259	2,549,397
Due from other funds	1,148,659	27,376,661	--	183,185	--	18,422,478	27,659,004	4,753,055	5,338,456	1,097,789	85,979,287
Due from other governments	--	11,890,016	--	--	--	4,566,946	1,350,344	6,013,838	--	459,262	24,280,406
Loans receivable	--	--	6,166,567	--	--	15,744,459	--	--	--	--	21,911,026
Prepaid items	--	--	--	--	--	--	--	--	--	917,405	917,405
Total Assets	\$ 153,032,606	\$ 41,593,932	\$ 10,474,463	\$ 23,166,409	\$ 29,545,132	\$ 44,697,005	\$ 29,009,348	\$ 10,766,893	\$ 11,965,494	\$ 31,637,026	\$ 385,888,308
Liabilities, Deferred Inflows of Resources and Fund Balances:											
Liabilities:											
Accounts payable	\$ 17,534,307	\$ 2,543,723	\$ 9,137	\$ 1,000,068	\$ 307,067	\$ 2,161,971	\$ 1,468,705	\$ 4,059,006	\$ 1,051,388	\$ 1,295,229	\$ 31,430,601
Contracts payable	81,747	777,714	--	2,341	157,152	51,927	393,586	308,533	60,187	455,169	2,288,356
Due to other funds	53,792,462	10,938	--	4,987,239	17,618,123	1,704,255	52,824	6,312,130	113	1,087,466	85,565,550
Due to customers	--	--	--	--	--	--	--	--	--	190,848	190,848
Unearned revenue	--	--	7,218,686	28,236	--	40,778,852	27,094,233	87,224	--	151,912	75,359,143
Total Liabilities	71,408,516	3,332,375	7,227,823	6,017,884	18,082,342	44,697,005	29,009,348	10,766,893	1,111,688	3,180,624	194,834,498
Deferred Inflows of Resources:											
Unavailable revenues	4,138,728	--	--	--	--	--	--	--	--	--	4,138,728
Total Deferred Inflow of Resources	4,138,728	--	--	--	--	--	--	--	--	--	4,138,728
Fund Balance:											
Nonspendable	--	--	--	--	--	--	--	--	--	917,405	917,405
Restricted	490,000	--	394,874	14,741,951	--	--	--	--	--	1,811,888	17,438,713
Committed	28,214,942	22,081,929	116,119	4,987,125	3,234,057	--	--	--	2,592,497	5,011,238	66,237,907
Assigned	1,563,398	16,179,628	2,735,647	--	8,228,733	--	--	--	8,261,309	20,715,871	57,684,586
Unassigned	47,217,022	--	--	(2,580,551)	--	--	--	--	--	--	44,636,471
Total Fund Balance	77,485,362	38,261,557	3,246,640	17,148,525	11,462,790	--	--	--	10,853,806	28,456,402	186,915,082
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 153,032,606	\$ 41,593,932	\$ 10,474,463	\$ 23,166,409	\$ 29,545,132	\$ 44,697,005	\$ 29,009,348	\$ 10,766,893	\$ 11,965,494	\$ 31,637,026	\$ 385,888,308

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, 2022

Total Fund Balances - Governmental Funds \$ 186,915,082

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	\$	192,419,287	
Construction in progress		28,502,995	
Buildings and improvements		179,355,583	
Equipment		122,613,351	
Infrastructure		764,063,750	
Accumulated depreciation		<u>(700,672,764)</u>	
Total Capital Assets, net			586,282,202

Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Right to use assets at historical cost	\$	1,955,702	
Accumulated amortization		<u>(1,055,398)</u>	
			900,304

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. 4,138,728

Deferred amounts on refunding are reported as deferred outflows/inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements. (1,492,658)

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. (8,297,294)

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. (14,748,804)

Interest payable on outstanding bonds and finance purchases are expensed on the government-wide statement of activities. (1,736,758)

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		(109,984,367)	
Finance purchases		(11,437,756)	
Lease liability		(892,314)	
Compensated absences		(16,783,214)	
Claims and judgments		(7,361,945)	
Landfill closure and post-closure		(44,843,578)	
Net pension liability		(247,522,599)	
Net other postemployment benefits liability		<u>(88,890,882)</u>	
Total Long-term Liabilities			<u>(527,716,655)</u>

Net Position of Governmental Activities \$ 224,244,147

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, 2022

	General Fund	General Excise Tax 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	\$ 178,290,948	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,404,986	\$ 187,695,934
Licenses and permits	2,489,752	--	--	--	--	--	--	--	--	8,846,215	11,335,967
Rents and concessions	102,675	--	--	2,496	--	--	--	--	--	--	105,171
Interest and investment earnings (losses)	(4,967,242)	--	125,885	(342,428)	(260,299)	--	--	--	--	(271,720)	(5,715,804)
Intergovernmental revenues	34,928	32,471,345	59,253	--	--	37,332,240	24,390,834	6,923,848	--	12,423,155	113,635,603
Charges for current services	2,333,059	--	--	9,526,291	--	--	--	--	--	865,913	12,725,263
Bond subsidy	--	--	--	--	907,022	--	--	--	--	--	907,022
Miscellaneous	547,385	--	296	7,600	--	--	--	--	3,363,747	488,406	4,407,434
Total Revenues	178,831,505	32,471,345	185,434	9,193,959	646,723	37,332,240	24,390,834	6,923,848	3,363,747	31,756,955	325,096,590
Expenditures:											
General government	35,655,416	--	--	--	348,859	2,448,360	1,290,777	40,824	380,565	50,545	40,215,346
Public safety	71,106,178	--	--	--	69,367	4,889,414	1,985,028	--	193,611	879,996	79,123,594
Public works	6,166,998	--	--	--	--	915,754	14,796,008	5,739	710,207	218,505	22,813,211
Highways and streets	849,160	12,552,402	--	296,251	28,856	27,155	8,227	364,122	--	11,348,652	25,474,825
Sanitation	--	--	--	15,197,698	358,568	188,114	188,949	3,453,164	66,455	--	19,452,948
Culture and recreation	18,459,273	--	--	--	--	914,563	--	400,000	1,224	5,548	19,780,608
Public welfare	2,619,324	1,729,359	87,150	--	3,553,735	26,623,101	1,836,907	9,742	--	14,628,848	51,088,166
Capital outlay	3,132,639	3,429,818	1,105	3,951,105	1,161,435	1,326,605	4,284,938	5,965,086	2,491,035	1,614,905	27,358,671
Debt Service:											
Principal	1,504,457	181,792	--	3,674,483	--	827	--	--	--	7,687,152	13,048,711
Interest and debt issuance cost	64,077	5,962	--	244,922	--	3	--	--	--	4,040,815	4,355,779
Total Expenditures	139,557,522	17,899,333	88,255	23,364,459	5,520,820	37,333,896	24,390,834	10,238,677	3,843,097	40,474,966	302,711,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,273,983	14,572,012	97,179	(14,170,500)	(4,874,097)	(1,656)	--	(3,314,829)	(479,350)	(8,718,011)	22,384,731
Other Financing Sources (Uses):											
Finance purchases	1,194,663	--	--	2,093,805	--	--	--	--	--	913,067	4,201,535
Issuance of leases	613,970	--	--	1,307,646	--	1,656	--	--	--	32,430	1,955,702
Issuance of loans	--	--	--	3,453,164	--	--	--	--	--	--	3,453,164
Transfers in	1,079,818	--	--	12,785,617	--	--	--	3,484,027	1,985,934	16,842,226	36,177,622
Transfers out	(33,586,296)	(2,140,000)	--	(4,437,365)	(958,438)	--	--	(169,198)	--	(3,421,380)	(44,712,677)
Total Other Financing Sources (Uses)	(30,697,845)	(2,140,000)	--	15,202,867	(958,438)	1,656	--	3,314,829	1,985,934	14,366,343	1,075,346
Net Change in Fund Balances	8,576,138	12,432,012	97,179	1,032,367	(5,832,535)	--	--	--	1,506,584	5,648,332	23,460,077
Fund Balance -											
Beginning of Year July 1, 2021	68,909,224	25,829,545	3,149,461	16,116,158	17,295,325	--	--	--	9,347,222	22,808,070	163,455,005
Fund Balance -											
End of Year June 30, 2022	\$ 77,485,362	\$ 38,261,557	\$ 3,246,640	\$ 17,148,525	\$ 11,462,790	\$ --	\$ --	\$ --	\$ 10,853,806	\$ 28,456,402	\$ 186,915,082

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 23,460,077

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	\$	27,358,671	
Depreciation expense		<u>(26,915,763)</u>	
Net Capital Outlay			442,908

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, CIP closures/transfers, contributed/donated capital assets) is to increase net position. 79,124

Finance purchases and leases 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, finance purchases and leases are recorded as long-term debt and capital assets. (6,157,237)

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. (56,843)

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 FY22 employer paid contributions, recorded as deferred outflows in the current year, FY21 employer paid contributions being expensed, and FY22 pension expense in the Statement of Activities. (1,302,278)

The County's OPEB expense requiring immediate recognition, but not reported as expenditures in the governmental funds. This is the net difference between FY22 employer paid contributions, recorded as deferred outflows in the current year, FY21 employer paid contributions being expensed, and FY22 OPEB expense in the Statement of Activities. 10,168,933

Bond and loan proceeds are reported as other financing sources in governmental funds and contribute to the increase in fund balance. Bond, loan, and finance purchases 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	7,377,804		
Loan proceeds	(3,453,164)		
Lease principal payments	1,063,388		
Finance purchases principal payments	<u>4,607,519</u>		
Net Long-term Debt Repayment			9,595,547

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	125,836		
Amortization of deferred refunding costs	(210,260)		
Amortization of right to use lease assets	(1,055,387)		
Decrease in compensated absences	498,666		
Decrease in claims and judgments	1,319,079		
Increase in landfill closure and post-closure care	(11,126,800)		
Decrease in accrued interest payable	<u>8,316</u>		
Net Increase in Expenditures			<u>(10,440,550)</u>

Change in Net Position - Governmental Activities \$ 25,789,681

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, 2022

	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	\$ 157,272,601	\$ 157,272,601	\$ 159,024,580	\$ --	\$ 159,024,580	\$ 1,751,979
Transient accommodations tax	--	9,000,000	16,048,576	--	16,048,576	7,048,576
Payment in lieu of property taxes	50,000	50,000	--	--	--	(50,000)
Public services company taxes	3,700,000	3,700,000	3,217,792	--	3,217,792	(482,208)
Total Taxes	161,022,601	170,022,601	178,290,948	--	178,290,948	8,268,347
Licenses and Permits:						
Street use	210,300	210,300	166,497	--	166,497	(43,803)
Business licenses and fees	9,240	9,240	1,750	--	1,750	(7,490)
Non-business licenses and fees	1,938,000	1,938,000	2,321,505	--	2,321,505	383,505
Total Licenses and Permits	2,157,540	2,157,540	2,489,752	--	2,489,752	332,212
Rents and Concessions	103,280	103,280	102,675	--	102,675	(605)
Interest and Investment Earnings (Losses)	135,500	135,500	(4,967,242)	--	(4,967,242)	(5,102,742)
Intergovernmental Revenues - Other State Grants	30,000	30,000	34,928	--	34,928	4,928
Charges for Current Services	2,057,750	2,057,750	2,333,059	--	2,333,059	275,309
Miscellaneous	468,519	468,519	547,385	--	547,385	78,866
Total Revenues	\$ 165,975,190	\$ 174,975,190	\$ 178,831,505	\$ --	\$ 178,831,505	\$ 3,856,315

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

COUNTY OF KAUA'I, 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, 2022

	Budgeted Amounts		Budgetary Basis			Variance with
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	Final Budget-
						Positive (Negative)
Expenditures:						
General Government:						
Council Services and County Clerk	\$ 3,575,767	\$ 3,575,767	\$ 2,763,796	\$ 551	\$ 2,764,347	\$ 811,420
Elections	845,993	1,320,993	1,071,535	10,246	1,081,781	239,212
Office of the County Auditor	267,040	267,040	265,518	--	265,518	1,522
Office of the Mayor:						
Administration	2,210,393	2,233,221	2,099,107	83,529	2,182,636	50,585
Youth Work Program	10,000	10,000	--	--	--	10,000
Boards and commissions	880,732	880,732	673,198	34,006	707,204	173,528
Office of the County Attorney	4,082,719	4,082,719	2,977,045	703,565	3,680,610	402,109
Office of the Prosecuting Attorney	5,520,162	5,520,162	5,391,201	35,405	5,426,606	93,556
Department of Finance:						
Administration	929,917	1,000,399	916,180	15,000	931,180	69,219
Accounting	1,116,881	1,116,109	1,070,124	13,049	1,083,173	32,936
Treasury	363,009	527,603	364,709	67,466	432,175	95,428
Motor vehicle	1,008,281	1,019,275	907,488	64,469	971,957	47,318
Drivers license	581,524	578,661	378,896	15,170	394,066	184,595
Real property assessment	2,349,336	2,331,047	2,017,465	51,052	2,068,517	262,530
Real property collections	438,531	451,531	361,953	46,938	408,891	42,640
Purchasing	1,036,801	1,038,801	925,852	63,129	988,981	49,820
Information technology	4,157,821	4,207,112	3,560,247	580,083	4,140,330	66,782
County-wide Costs:						
Insurance:						
Liability insurance	899,692	1,194,192	1,157,819	--	1,157,819	36,373
Fire insurance	970,841	960,851	919,751	--	919,751	41,100
Self insurance (Note D)	1,163,398	1,163,398	--	--	--	1,163,398
Excess workers compensation	371,661	371,661	256,045	--	256,045	115,616
Other County-wide Costs:						
Central services cost	(2,680,000)	(2,680,000)	(2,680,000)	--	(2,680,000)	--
Collective bargaining raises	60,000	60,000	--	--	--	60,000
Special projects	1,663,842	1,461,842	1,046,140	258,567	1,304,707	157,135
Claims	753,348	1,643,848	1,245,580	--	1,245,580	398,268
Training	501	1,274	774	--	774	500
Telephone services	110,000	130,000	122,044	--	122,044	7,956
Computers and accessories	409,934	404,636	309,473	93,620	403,093	1,543
Repair and maintenance, financial system	372,913	484,920	163,046	321,874	484,920	--
Human Resources	3,140,846	3,140,845	2,554,180	143,362	2,697,542	443,303
Planning	3,374,452	3,374,452	2,650,034	403,165	3,053,199	321,253
Office of Economic Development	3,052,256	3,202,256	2,434,713	624,873	3,059,586	142,670
Total General Government	\$ 43,038,591	\$ 45,075,347	\$ 35,923,913	\$ 3,629,119	\$ 39,553,032	\$ 5,522,315

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, 2022

	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	\$ 41,578,881	\$ 41,578,880	\$ 36,389,380	\$ 1,846,667	\$ 38,236,047	\$ 3,342,833
Fire Department	37,057,861	37,225,861	34,839,295	1,130,469	35,969,764	1,256,097
Emergency Management	1,976,828	1,976,829	1,617,138	215,723	1,832,861	143,968
Total Public Safety	80,613,570	80,781,570	72,845,813	3,192,859	76,038,672	4,742,898
Public Works:						
Administrative	1,079,369	968,137	821,548	--	821,548	146,589
Fiscal and clerical	406,852	408,351	398,579	--	398,579	9,772
Plans, survey and construction	2,145,330	2,275,137	2,119,273	45,036	2,164,309	110,828
Auto maintenance and fuel	1,056,725	1,056,725	681,090	280,497	961,587	95,138
Roads maintenance	755,115	755,115	264,373	396,670	661,043	94,072
Building division:						
Inspection	3,248,649	3,228,575	2,895,381	--	2,895,381	333,194
Total Public Works	8,692,040	8,692,040	7,180,244	722,203	7,902,447	789,593
Culture and Recreation:						
Administrative and fiscal	6,041,874	6,041,012	3,478,386	2,419,666	5,898,052	142,960
Planning & development	422,689	712,419	661,407	45,902	707,309	5,110
Facilities maintenance	5,122,773	5,201,321	4,989,692	194,605	5,184,297	17,024
Recreation	2,573,106	2,478,030	1,965,415	420,053	2,385,468	92,562
Maintenance	7,296,482	7,184,785	5,695,609	1,082,183	6,777,792	406,993
Beautification	1,155,056	1,157,888	1,116,845	--	1,116,845	41,043
Auditorium	393,443	379,137	346,457	2,302	348,759	30,378
Stadiums	1,132,074	1,082,906	923,295	100,185	1,023,480	59,426
Total Culture and Recreation	\$ 24,137,497	\$ 24,237,498	\$ 19,177,106	\$ 4,264,896	\$ 23,442,002	\$ 795,496

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, 2022

	Budgeted Amounts		Actual Amounts			Final Budget-Positive (Negative)
	Original (Note A)	Final	(Note B)	Encumbrances	Non-GAAP	
Public Welfare:						
Housing	\$ 1,480,832	\$ 1,480,832	\$ 1,074,948	\$ 2,864	\$ 1,077,812	\$ 403,020
Elderly Affairs	1,415,711	1,415,711	1,262,340	--	1,262,340	153,371
Transportation	389,327	389,327	284,525	13	284,538	104,789
Total Public Welfare	3,285,870	3,285,870	2,621,813	2,877	2,624,690	661,180
Total General Fund Expenditures	159,767,568	162,072,325	137,748,889	11,811,954	149,560,843	12,511,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,207,622	12,902,865	41,082,616	(11,811,954)	29,270,662	16,367,797
Other Financing Sources (Uses):						
Transfers In	1,079,818	1,079,818	1,079,818	--	1,079,818	--
Transfers Out	(33,586,296)	(33,586,296)	(33,586,296)	--	(33,586,296)	--
Total Other Financing Sources (Uses)	(32,506,478)	(32,506,478)	(32,506,478)	--	(32,506,478)	--
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Source (Note C)	\$ (26,298,856)	\$ (19,603,613)	8,576,138	\$ (11,811,954)	\$ (3,235,816)	\$ 16,367,797
Fund Balance - Beginning of Year July 1, 2021			68,909,224			
Fund Balance - End of Year June 30, 2022			\$ 77,485,362			

- 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
GENERAL EXCISE TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	\$ 19,775,000	\$ 19,775,000	\$ 32,471,345	\$ --	\$ 32,471,345	\$ 12,696,345
Total Revenues	<u>19,775,000</u>	<u>19,775,000</u>	<u>32,471,345</u>	<u>--</u>	<u>32,471,345</u>	<u>12,696,345</u>
Expenditures:						
Highway and Streets-Road Maintenance:						
Salaries and wages	129,841	129,841	104,478	--	104,478	25,363
Social security taxes	10,664	10,664	7,805	--	7,805	2,859
Public employees' health fund	5,620	5,620	3,005	--	3,005	2,615
Workers' compensation	2	2	--	--	--	2
Unemployment compensation	1	1	--	--	--	1
Mileage	1	1	--	--	--	1
Employees' retirement system	33,456	33,456	25,075	--	25,075	8,381
Employees' other post employment benefits	27,573	27,573	21,209	--	21,209	6,364
Other services	36,717,033	36,108,861	15,466,984	20,578,338	36,045,322	63,539
Other supplies and travel	13,749	13,749	128	--	128	13,621
Automobiles	1	1	--	--	--	1
Hanapepe baseyard -supplies	25,540	228,264	14,140	4,068	18,208	210,056
Kapa'a baseyard - supplies	59,978	262,702	46,680	1,312	47,992	214,710
Hanalei baseyard - supplies	74,944	277,668	53,850	8,883	62,733	214,935
Sign & road marking - supplies	194,605	194,605	123,701	70,903	194,604	1
Total Expenditures - Highways and Streets	<u>37,293,008</u>	<u>37,293,008</u>	<u>15,867,055</u>	<u>20,663,504</u>	<u>36,530,559</u>	<u>762,449</u>
Public Welfare-Transportation:						
Administration Division	736,075	1,211,179	187,754	998,630	1,186,384	24,795
Operations Division:						
Salaries and wages	106	789,848	789,846	--	789,846	2
Social security taxes	241,716	60,998	60,998	--	60,998	--
Public employees' health fund	359,960	78,423	78,423	--	78,423	--
Workers' compensation	2	282,134	282,132	--	282,132	2
Unemployment compensation	2,000	8,989	8,703	--	8,703	286
Mileage	5,000	134	134	--	134	--
Employees' retirement system	707,293	159,258	159,257	--	159,257	1
Employees' other post employment benefits	585,382	146,571	146,571	--	146,571	--
Utilities	103,200	132,556	70,157	56,789	126,946	5,610
Other services	16,258	16,258	13,524	67	13,591	2,667
Dues and subscriptions	16,100	16,100	10,025	--	10,025	6,075
Building repair and maintenance	631,584	526,383	142,766	350,374	493,140	33,243
Printing	20,000	17,376	7,886	--	7,886	9,490
Other Supplies	16,000	26,000	19,055	--	19,055	6,945
Equipment	54,708	38,708	17,577	12,565	30,142	8,566
Collective bargaining	56,000	38,893	35,893	--	35,893	3,000
Fuels	1	1,577	1,577	--	1,577	--
Total Expenditures - Public Welfare	<u>3,551,385</u>	<u>3,551,385</u>	<u>2,032,278</u>	<u>1,418,425</u>	<u>3,450,703</u>	<u>100,682</u>
Total General Excise Tax Fund Expenditures	<u>40,844,393</u>	<u>40,844,393</u>	<u>17,899,333</u>	<u>22,081,929</u>	<u>39,981,262</u>	<u>863,131</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,069,393)</u>	<u>(21,069,393)</u>	<u>14,572,012</u>	<u>(22,081,929)</u>	<u>(7,509,917)</u>	<u>13,559,476</u>
Other Financing Sources (Uses)						
Transfers out	(2,140,000)	(2,140,000)	(2,140,000)	--	(2,140,000)	--
Total Other Financing Sources (Uses)	<u>(2,140,000)</u>	<u>(2,140,000)</u>	<u>(2,140,000)</u>	<u>--</u>	<u>(2,140,000)</u>	<u>--</u>
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures (Note C)	\$ <u>(23,209,393)</u>	\$ <u>(23,209,393)</u>	12,432,012	\$ <u>(22,081,929)</u>	\$ <u>(9,649,917)</u>	\$ <u>13,559,476</u>
Fund Balance - Beginning of Year July 1, 2021			25,829,545			
Fund Balance - End of Year June 30, 2022			\$ <u>38,261,557</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
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, 2022

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest	\$ 129,500	\$ 129,500	\$ 125,885	\$ --	\$ 125,885	\$ (3,615)
Intergovernmental	74,000	74,000	59,253	--	59,253	(14,747)
Miscellaneous	<u>--</u>	<u>--</u>	<u>296</u>	<u>--</u>	<u>296</u>	<u>296</u>
Total Revenues	<u>203,500</u>	<u>203,500</u>	<u>185,434</u>	<u>--</u>	<u>185,434</u>	<u>(18,066)</u>
Expenditures - Public Welfare:						
Travel expenses	6,081	6,081	--	--	--	6,081
Other expenses	1,008	1,008	--	--	--	1,008
Central services cost	25,000	25,000	25,000	--	25,000	--
Loans	1	1	--	--	--	1
Special projects	<u>937,719</u>	<u>937,719</u>	<u>63,255</u>	<u>116,119</u>	<u>179,374</u>	<u>758,345</u>
Total Expenditures - Public Welfare	<u>969,809</u>	<u>969,809</u>	<u>88,255</u>	<u>116,119</u>	<u>204,374</u>	<u>765,435</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(766,309)</u>	\$ <u>(766,309)</u>	97,179	\$ <u>(116,119)</u>	\$ <u>(18,940)</u>	\$ <u>747,369</u>
Fund Balance - Beginning of Year July 1, 2021			<u>3,149,461</u>			
Fund Balance - End of Year June 30, 2022			\$ <u>3,246,640</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, 2022

	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 and investment earnings (losses)	35,500	35,500	(342,428)	--	(342,428)	(377,928)
Miscellaneous	--	--	7,600	--	7,600	7,600
Charges for current services:						
Tipping fees	5,677,500	5,677,500	5,279,464	--	5,279,464	(398,036)
Disposal fees	3,875,000	3,875,000	4,246,827	--	4,246,827	371,827
Total Revenues	<u>9,588,500</u>	<u>9,588,500</u>	<u>9,193,959</u>	<u>--</u>	<u>9,193,959</u>	<u>(394,541)</u>
Expenditures - Sanitation:						
Salaries, solid waste disposal	1,919,956	1,974,580	1,972,968	--	1,972,968	1,612
Other expenses, solid waste disposal	128,237	108,630	57,796	31,250	89,046	19,584
Special projects, solid waste disposal	5,398,822	5,399,229	2,921,602	894,245	3,815,847	1,583,382
Salaries, solid waste collections	2,560,036	2,599,249	2,598,093	--	2,598,093	1,156
Other expenses, solid waste collections	626,551	520,543	369,649	145,923	515,572	4,971
Salaries, Kauai recycling center	72,426	74,121	73,457	--	73,457	664
Other expenses, Kauai recycling center	53,420	55,180	31,563	20,000	51,563	3,617
Recycling programs	6,350,517	5,690,754	3,738,495	1,951,964	5,690,459	295
Salaries, roads maintenance	123,709	296,299	296,250	--	296,250	49
Salaries, auto maintenance	164,103	193,518	193,510	--	193,510	8
Auto maintenance and repair	426,799	378,194	338,461	39,732	378,193	1
Central services cost	1,311,976	1,242,376	1,239,002	1,000	1,240,002	2,374
Equipment including capital leases	4,955,501	5,040,301	2,398,811	1,903,011	4,301,822	738,479
Fuel	406,000	569,501	565,843	--	565,843	3,658
Social security taxes	346,593	335,593	333,291	--	333,291	2,302
Public employees' health fund	494,886	481,886	481,503	--	481,503	383
Worker's compensation	6	338,459	338,447	--	338,447	12
Unemployment compensation	3	3	--	--	--	3
Employees' retirement system	1,087,351	1,062,551	1,060,583	--	1,060,583	1,968
Employees' other post employment benefits	887,772	953,697	953,684	--	953,684	13
Total Expenditures - Sanitation	<u>27,314,664</u>	<u>27,314,664</u>	<u>19,963,008</u>	<u>4,987,125</u>	<u>24,950,133</u>	<u>2,364,531</u>
Deficiency of Revenues Under Expenditures	(17,726,164)	(17,726,164)	(10,769,049)	(4,987,125)	(15,756,174)	1,969,990
Other Financing Sources (Uses):						
Issuance of loans	--	--	3,453,164	--	3,453,164	3,453,164
Transfers in	12,616,419	12,616,419	12,785,617	--	12,785,617	169,198
Transfers out	(953,338)	(953,338)	(4,437,365)	--	(4,437,365)	(3,484,027)
Total Other Financing Sources (Uses)	<u>11,663,081</u>	<u>11,663,081</u>	<u>11,801,416</u>	<u>--</u>	<u>11,801,416</u>	<u>138,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Note C)	\$ <u>(6,063,083)</u>	\$ <u>(6,063,083)</u>	1,032,367	\$ <u>(4,987,125)</u>	\$ <u>(3,954,758)</u>	\$ <u>2,108,325</u>

Fund Balance - Beginning of Year July 1, 2021 16,116,158

Fund Balance - End of Year June 30, 2022 \$ 17,148,525

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, 2022

	Business-type Activities: Enterprise Funds			
	Public Housing	Sewer	Golf	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 14,871,995	\$ 649,702	\$ 1,253,672	\$ 16,775,369
Restricted cash and cash equivalents	146,384	--	--	146,384
Investments	2,819,464	--	--	2,819,464
Receivables, net:				
Accounts	184,077	2,524,991	--	2,709,068
Lease receivable	--	--	89,832	89,832
Interest	23,122	--	280	23,402
Intangible assets, net of amortization	--	4,011	--	4,011
Total Current Assets	<u>18,045,042</u>	<u>3,178,704</u>	<u>1,343,784</u>	<u>22,567,530</u>
Noncurrent Assets:				
Lease receivable, non-current	--	--	136,746	136,746
Loans receivable	1,000,000	--	--	1,000,000
Capital assets:				
Land	21,281,945	1,226,600	--	22,508,545
Construction in progress	18,910,011	8,863,078	--	27,773,089
Buildings	35,710,229	74,360,797	2,776,243	112,847,269
Equipment	645,766	23,800,572	1,497,429	25,943,767
Infrastructure	--	12,599,329	2,739,725	15,339,054
Less: accumulated depreciation	<u>(17,878,359)</u>	<u>(58,165,101)</u>	<u>(3,916,788)</u>	<u>(79,960,248)</u>
Total Noncurrent Assets	<u>59,669,592</u>	<u>62,685,275</u>	<u>3,233,355</u>	<u>125,588,222</u>
Total Assets	<u>77,714,634</u>	<u>65,863,979</u>	<u>4,577,139</u>	<u>148,155,752</u>
Deferred Outflows of Resources:				
Deferred outflows of resources on net pension liability	--	1,244,608	506,666	1,751,274
Deferred outflows of resources on net other postemployment benefits	--	678,096	269,999	948,095
Total Deferred Outflows of Resources	<u>--</u>	<u>1,922,704</u>	<u>776,665</u>	<u>2,699,369</u>
Total Assets and Deferred Outflows of Resources	<u>77,714,634</u>	<u>67,786,683</u>	<u>5,353,804</u>	<u>150,855,121</u>
Current Liabilities:				
Accounts payable and accrued liabilities	310,892	1,165,363	122,036	1,598,291
Contracts payable	111	36,844	--	36,955
Interest payable	--	105,086	2,101	107,187
Internal balances	223,120	133,288	57,329	413,737
Due to other government	--	4,684,315	--	4,684,315
Security deposits payable	146,384	--	--	146,384
Unearned revenue	15,104	62,117	--	77,221
Compensated absences, current portion	--	143,341	50,987	194,328
Claims and judgements, current portion	--	99,258	22,635	121,893
Lease liability, current portion	--	2,881	--	2,881
Notes payable, current portion	--	2,561,671	45,259	2,606,930
Total Current Liabilities	<u>695,611</u>	<u>8,994,164</u>	<u>300,347</u>	<u>9,990,122</u>
Noncurrent Liabilities:				
Lease Liability	--	1,202	--	1,202
Notes payable	12,779,526	19,192,313	91,559	32,063,398
Compensated absences	--	430,025	152,961	582,986
Claims and judgements	--	228,992	52,220	281,212
Net pension liability	--	6,260,947	2,666,855	8,927,802
Net other postemployment benefits liability	--	2,591,143	1,117,550	3,708,693
Total Noncurrent Liabilities	<u>12,779,526</u>	<u>28,704,622</u>	<u>4,081,145</u>	<u>45,565,293</u>
Total Liabilities	<u>13,475,137</u>	<u>37,698,786</u>	<u>4,381,492</u>	<u>55,555,415</u>
Deferred Inflows of Resources:				
Deferred inflows of resources related to leases	--	--	231,817	231,817
Deferred inflows of resources on net pension liability	--	4,711,747	2,026,668	6,738,415
Deferred inflows of resource on net other postemployment benefits liability	--	1,197,637	472,711	1,670,348
Total Deferred Inflows of Resources	<u>--</u>	<u>5,909,384</u>	<u>2,731,196</u>	<u>8,640,580</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,475,137</u>	<u>43,608,170</u>	<u>7,112,688</u>	<u>64,195,995</u>
Net Position:				
Net investment in capital assets	45,890,066	40,931,219	2,959,791	89,781,076
Restricted assets:				
Nonexpendable - cash	146,384	--	--	146,384
Housing program	1,000,000	--	--	1,000,000
Unrestricted	<u>17,203,047</u>	<u>(16,752,706)</u>	<u>(4,718,675)</u>	<u>(4,268,334)</u>
Total Net Position	<u>\$ 64,239,497</u>	<u>\$ 24,178,513</u>	<u>\$ (1,758,884)</u>	<u>\$ 86,659,126</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, 2022

	Business-type Activities Enterprise Funds			
	Public Housing	Sewer	Golf	Total
Operating Revenues:				
Pa'anau rents	\$ 761,900	\$ --	\$ --	\$ 761,900
Rents and concessions	1,134,502	--	258,270	1,392,772
Charges for current services	--	8,893,140	1,230,637	10,123,777
Other	390,003	--	846	390,849
Total Operating Revenues	<u>2,286,405</u>	<u>8,893,140</u>	<u>1,489,753</u>	<u>12,669,298</u>
Operating Expenses:				
Public housing	1,594,474	--	--	1,594,474
Sewer	--	8,868,294	--	8,868,294
Golf	--	--	2,434,501	2,434,501
Depreciation	931,876	4,152,740	252,994	5,337,610
Total Operating Expenses	<u>2,526,350</u>	<u>13,021,034</u>	<u>2,687,495</u>	<u>18,234,879</u>
Operating Income (Loss)	<u>(239,945)</u>	<u>(4,127,894)</u>	<u>(1,197,742)</u>	<u>(5,565,581)</u>
Nonoperating Revenues (Expenses):				
Interest and investment earnings (losses)	(130,712)	--	--	(130,712)
Interest expense on long-term debt	--	(176,438)	(1,859)	(178,297)
Total Nonoperating Revenues (Expenses)	<u>(130,712)</u>	<u>(176,438)</u>	<u>(1,859)</u>	<u>(309,009)</u>
Income (Loss) Before Transfers and Contributions	(370,657)	(4,304,332)	(1,199,601)	(5,874,590)
Capital contributions	4,679,177	359,457	--	5,038,634
Transfers In	2,600,000	4,913,806	1,722,345	9,236,151
Transfers Out	--	(701,096)	--	(701,096)
Change in Net Position	6,908,520	267,835	522,744	7,699,099
Net Position - Beginning of Year July 1, 2021	<u>57,330,977</u>	<u>23,910,678</u>	<u>(2,281,628)</u>	<u>78,960,027</u>
Net Position - Ending of Year June 30, 2022	<u>\$ 64,239,497</u>	<u>\$ 24,178,513</u>	<u>\$ (1,758,884)</u>	<u>\$ 86,659,126</u>

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

COUNTY OF KAUAI, HAWAII
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-type Activities: Enterprise Funds			
	Public Housing	Sewer	Golf	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ 2,253,662	\$ 8,809,728	\$ 1,494,712	\$ 12,558,102
Payments to employees	(119,644)	(4,587,108)	(1,858,120)	(6,564,872)
Payments to suppliers	(1,628,199)	(4,035,885)	(697,692)	(6,361,776)
Net Cash Provided by (Used in) Operating Activities	505,819	186,735	(1,061,100)	(368,546)
Cash Flows from Non-capital Financing Activities:				
Transfers from other funds	2,600,000	4,913,806	1,722,345	9,236,151
Transfers to other funds	--	(701,096)	--	(701,096)
Changes in amounts due to other funds	(5,846,830)	(564,589)	(133,139)	(6,544,558)
Net Cash Provided by (Used in) Non-capital Financing Activities	(3,246,830)	3,648,121	1,589,206	1,990,497
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(5,929,228)	(5,593,125)	--	(11,522,353)
Proceeds from loans	7,267,638	3,859,869	--	11,127,507
Capital contributions	4,679,177	359,457	--	5,038,634
Due to other government	--	741,637	--	741,637
Principal payments - bonds and loans	--	(1,896,224)	--	(1,896,224)
Principal payments - finance purchases	--	(488,849)	(66,150)	(554,999)
Interest payments - bonds and loans	--	(167,919)	(3,718)	(171,637)
Net Cash Provided by (Used in) Capital and Related Financing Activities	6,017,587	(3,185,154)	(69,868)	2,762,565
Cash Flows from Investing Activities:				
Interest received from investments	(136,436)	--	--	(136,436)
Changes in investments, net	180,825	--	--	180,825
Net Cash Provided by (Used in) Investing Activities	44,389	--	--	44,389
Net Increase (Decrease) in Cash and Cash Equivalents	3,320,965	649,702	458,238	4,428,905
Cash and Cash Equivalents, Beginning of Year July 1, 2021	11,697,414	--	795,434	12,492,848
Cash and Cash Equivalents, End of Year June 30, 2022 (including \$146,384 for Public Housing reported in restricted accounts)	\$ 15,018,379	\$ 649,702	\$ 1,253,672	\$ 16,921,753
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (239,945)	\$ (4,127,894)	\$ (1,197,742)	\$ (5,565,581)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	931,876	4,152,740	252,994	5,337,610
Change in assets, deferred outflows, liabilities and deferred inflows:				
Net intangible assets	--	(4,011)	--	(4,011)
Accounts receivable	(29,753)	(97,097)	--	(126,850)
Lease receivable	--	--	(226,858)	(226,858)
Deferred outflows of resources on net pension liability	--	361,741	123,807	485,548
Deferred outflows of resources on net other postemployment benefits	--	264,534	106,080	370,614
Prepaid items	--	936	--	936
Accounts payable and accrued liabilities	15,351	482,039	(67,150)	430,240
Lease liability	--	4,083	--	4,083
Security deposits payable	(2,990)	--	--	(2,990)
Contracts payable	(173,329)	--	--	(173,329)
Unearned revenue	4,609	13,685	--	18,294
Net pension liability	--	(2,691,296)	(656,411)	(3,347,707)
Net other postemployment pension liability	--	(1,308,218)	(515,500)	(1,823,718)
Deferred inflows of leases	--	--	231,817	231,817
Deferred inflows of resources on net pension liability	--	2,430,514	599,084	3,029,598
Deferred inflows of resources on net other postemployment benefits liability	--	738,701	286,690	1,025,391
Compensated absences	--	(33,722)	2,089	(31,633)
Net Cash Provided by (Used in) Operating Activities	\$ 505,819	\$ 186,735	\$ (1,061,100)	\$ (368,546)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL FINANCING ACTIVITIES				
Equipment acquired through finance purchases	\$ --	\$ 276,153	\$ --	\$ 276,153

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, 2022

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>2,440,246</u>
Total Assets	<u>2,440,246</u>
Liabilities:	
Due to other governments	<u>2,398,246</u>
Total Liabilities	<u>2,398,246</u>
Net Position	
Restricted for:	
Individuals and organizations	<u>42,000</u>
Total Net Position	\$ <u><u>42,000</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, 2022

	<u>Custodial Funds</u>
Additions:	
Taxes and fees collected for other governments	\$ 10,078,493
Miscellaneous	<u>36,000</u>
Total Additions	<u>10,114,493</u>
Deductions:	
Payments of taxes and fees to other governments	10,078,493
Payments in accordance with other agreement	<u>15,000</u>
Total Deductions	<u>10,093,493</u>
Net Increase in Fiduciary Net Position	<u>21,000</u>
Net position:	
Net position – Beginning of Year July 1, 2021	<u>21,000</u>
Net Position – End of Year June 30, 2022	\$ <u><u>42,000</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The County of Kauai (County) is a municipal corporation governed by an elected Mayor and a seven-member County Council. The County operates under a County Charter, which was originally adopted in 1969 and last amended in 2022.

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

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

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

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

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, GASB Statement No. 84, Fiduciary Activities, and GASB Statement No. 87, Leases. 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, 2022

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.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2022

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, 2022

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and landfill post-closure care costs are recognized only when payment is due. General capital asset acquisitions are reported as capital outlay in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Significant revenues that are susceptible to accrual are as follows:

- *Property taxes collected within sixty days after year end*
- *County transient accommodation 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 and general excise tax surcharges.*

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, 2022

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 KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

HRS authorizes the County to invest, with certain restrictions, in obligations of the State of Hawai'i, 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 Hawai'i.

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.

County Transient Accommodation Taxes

Chapter 5A, Article 4 of the Kaua'i County Code (K.C.C.) authorizes the County to establish and administer transient accommodations tax and transient occupancy tax (County TAT) of 3%. County TAT is assessed on the gross rental or gross rental proceeds and fair market value derived from furnishing transient accommodations. Taxpayers are requested to file on a monthly, quarterly, or semi-annual basis. Payments are due on or before the 20th day of the calendar month following the close of the filing period.

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 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).

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Hawai'i 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). 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).

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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	\$ 7,220,175
Historic Residential Dedication	366,877
Low and Moderate Income Housing	616,356
Other	<u>72,242</u>
Total	\$ <u>8,275,650</u>

Receivables

Receivables in all funds represent amounts that have arisen in the ordinary course of business and are shown net of allowances for uncollectible amounts. During the fiscal year, the County had two lessor lease agreements for the use of buildings. The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. The terms of these lease agreements range between 2 and 6 years with a weighted average interest rate of 1.17%. The County recognized \$0.3 (\$331,104) million in lease revenue during the current fiscal year related to leases. As of June 30, 2022, the receivable for lease payments was approximately \$0.2 (\$226,578) million.

The County's loans receivable consists 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 \$205,000 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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

The County has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related leased liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. A lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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
Right-to-use leased machinery and equipment	2 to 5 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

Leases

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. 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

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County routinely engages in lease agreements to meet operational needs or serve the general public and are classified as finance purchases and right-to-use leases. Lease contracts generally relate to land, buildings, vehicles, machinery, and/or equipment.

Lessee

Finance purchase

Leases that substantially transfer all risks and benefits of ownership are accounted for as a finance purchase. Finance purchases are included in capital assets and, where appropriate, are amortized over the shorter of their economic useful lives or lease terms. The related finance purchase assets are reported with capital assets, and lease liabilities are reported as long-term liabilities in the government-wide Statement of Net Position.

Right-to-use

For short term lease contracts, the County recognizes periodic revenue or expense based on the provisions of the lease contracts. For all lease contracts that meet the financial reporting requirements under GASB 87 lease standards where the County is the lessee, the County recognizes a lease liability and an intangible right-to-use lease asset based on the present value of future lease payments over the non-cancellable period of the lease contract. The County uses an estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. If amendments or other certain circumstances occur that are expected to significantly affect the terms of the lease contract, the present value is re-measured and corresponding adjustments are made.

Payments based on future performance are not included in the measurement of the lease liability or lease receivable but recognized as revenue or expense in the period performed. Residual value guarantees and exercise options are included in the measurement if they are reasonably certain to be paid or exercised.

The related right-to-use assets are reported with capital assets, and lease liabilities are reported as long-term liabilities in the statement of net position. The right-to-use lease assets are amortized using straight-line basis over the term of the lease or the useful life, if different from the lease term. The lease liability is reduced by the principal portion of the lease payments made.

Lessor

The County also serves as a lessor providing leases of County-owned assets. The Proprietary fund financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during non-cancellable period of the lease contract, and the deferred inflow of resources is amortized evenly over the life of the lease. The lease receivable is reduced by the principal portion of the fixed lease payments received.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 periods 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. Deferred outflows of resources are reported on the government-wide Statement of Net Position in the applicable columns for governmental activities, business-type activities, or component unit. Deferred outflows of resources for governmental funds, proprietary funds, and component unit are reported in detail in the respective fund statements.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The County has five items that qualifies for reporting in this category. Property taxes, transient accommodations taxes, and fees collected in the fiscal year, for the ensuing fiscal year. 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 leases, deferred gain on refunding, deferred inflows of resources related to pensions and OPEB. Deferred inflows of resources are reported on the government-wide Statement of Net Position in the applicable columns for governmental activities, business-type activities, or component unit. Deferred inflows of resources for governmental funds, proprietary funds, and component unit are reported in detail in the respective fund statements.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$37 million at June 30, 2022.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

- 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.

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, 2022.

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, General Excise Tax 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, 2022

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:

	General Fund	General Excise Tax Fund	Housing and Community Development Revolving Fund	Solid Waste Disposal Fund
GAAP excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 8,576,138	\$ 12,432,012	\$ 97,179	\$ 1,032,367
Encumbrances and unexpended allotments, current year	<u>(11,811,954)</u>	<u>(22,081,929)</u>	<u>(116,119)</u>	<u>(4,987,125)</u>
Non-GAAP budgetary basis excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>(3,235,816)</u>	\$ <u>(9,649,917)</u>	\$ <u>(18,940)</u>	\$ <u>(3,954,758)</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 and Department 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 \$86,239,000 and the balances carried by the bank were approximately \$92,536,000. 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, 2022, the County and the Department held approximately \$139,520,083 and \$40,407,440, respectively, or 75% and 77% of their investments in Federal Government Sponsored Entities and Government Securities.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, 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	\$ 101,838,097	\$ 4,125,753	\$ 97,712,344
U.S. treasury obligations	37,681,986	7,883,403	29,798,583
Certificates of deposit	35,218,763	26,182,098	9,036,665
Repurchase agreements	<u>490,000</u>	<u>--</u>	<u>490,000</u>
	175,228,846	\$ <u>38,191,254</u>	\$ <u>137,037,592</u>
Money market mutual funds	<u>10,238,309</u>		
Total	\$ <u>185,467,155</u>		

Department

	<u>Reported Value</u>	<u>Maturity (in years)</u>	
		<u>Less than 1</u>	<u>1- 5</u>
U.S. government agencies	\$ 39,402,882	\$ 857,947	\$ 38,544,935
U.S. treasury obligations	1,004,558	1,004,558	--
Certificates of deposit	5,970,000	993,000	4,977,000
Municipal bonds	<u>1,217,929</u>	<u>--</u>	<u>1,217,929</u>
	47,595,369	\$ <u>2,855,505</u>	\$ <u>44,739,864</u>
Money market mutual funds	<u>5,143,447</u>		
Total	\$ <u>52,738,816</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, 2022, 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, 2022

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, 2022, the County and the Department held more than 5% of their investments in the following:

	<u>County</u>	
FHLB - Federal Home Loan Bank	\$ 76,366,968	41.2%
Central Pacific Bank	9,950,000	5.4%
FFCB - Federal Farm Credit Bank	13,219,861	7.1%
U.S. Treasury obligations	37,981,987	20.3%
Multi-Bank Securities, Inc.	15,218,763	8.2%
Bank of Hawaii	<u>20,000,000</u>	<u>10.8%</u>
Total	\$ <u>172,737,579</u>	<u>93.0%</u>

As of June 30, 2022, more than 5% of the Department's investments are held in the following: Federal Home Loan Bank (45%), Federal Home Loan Mortgage Company (15%), Federal Farm Credit Bank (12%), and Central Pacific Bank (9%).

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, 2022

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, municipal bonds, 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, 2022			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. treasury obligations	\$ 37,681,986	\$ 37,681,986	\$ --	\$ --
U.S. government agencies	101,838,097	--	101,838,097	--
Repurchase agreements	490,000	--	490,000	--
Certificates of deposit	15,218,763	--	15,218,763	--
Money market mutual funds	<u>10,238,309</u>	<u>10,238,309</u>	<u>--</u>	<u>--</u>
	165,467,155	\$ <u>47,920,295</u>	\$ <u>117,546,860</u>	\$ <u>--</u>
Investments measured at amortized cost				
Certificates of deposit	<u>20,000,000</u>			
	\$ <u>185,467,155</u>			

Department:

	Assets at Fair Value at June 30, 2022			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. treasury obligations	\$ 1,004,558	\$ 1,004,558	\$ --	\$ --
U.S. government agencies	39,402,882	--	39,402,882	--
Municipal bonds	1,217,929	--	1,217,929	--
Money market mutual funds	<u>5,143,447</u>	<u>5,143,447</u>	<u>--</u>	<u>--</u>
	46,768,816	\$ <u>6,148,005</u>	\$ <u>40,620,811</u>	\$ <u>--</u>
Investments measured at amortized cost				
Certificates of deposit	<u>5,970,000</u>			
	\$ <u>52,738,816</u>			

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - RECEIVABLES

Receivables as of June 30, 2022, 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	General Excise Tax Fund	Housing and Community Development Revolving Fund	Solid Waste Disposal Fund	Bond Fund	Subtotal
Receivables, net:						
Taxes receivable	\$ 5,643,553	\$ --	\$ --	\$ --	\$ --	\$ 5,643,553
Transient accommodations tax receivable	3,123,108	--	--	--	--	3,123,108
Accounts receivable, net	285,286	--	--	960,489	446,068	1,691,843
Due from other governments	--	11,890,016	--	--	--	11,890,016
Loans receivable	--	--	6,166,567	--	--	6,166,567
Interest receivable	468,099	--	1,446,993	45,133	53,815	2,014,040
Total Receivables, net:	<u>\$ 9,520,046</u>	<u>\$ 11,890,016</u>	<u>\$ 7,613,560</u>	<u>\$ 1,005,622</u>	<u>\$ 499,883</u>	<u>\$ 30,529,127</u>

	Federal Grants Fund	State Grants Fund	Grants Capital Improvement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
Receivables, net:						
Taxes receivable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,643,553
Transient accommodations tax receivable	--	--	--	--	--	3,123,108
Accounts receivable, net	--	--	--	6,627,038	106,971	8,425,852
Due from other governments	4,566,946	1,350,344	6,013,838	--	459,262	24,280,406
Loans receivable	15,744,459	--	--	--	--	21,911,026
Interest receivable	518,098	--	--	--	17,259	2,549,397
Total Receivables, net:	<u>\$ 20,829,503</u>	<u>\$ 1,350,344</u>	<u>\$ 6,013,838</u>	<u>\$ 6,627,038</u>	<u>\$ 583,492</u>	<u>\$ 65,933,342</u>

Proprietary Funds:

	Proprietary Funds
Receivables, net:	
Accounts receivable	\$ 2,832,564
Lease receivable	226,578
Interest receivable	23,402
Loans receivable	1,000,000
Less: allowance for uncollectible accounts	<u>(123,496)</u>
Total Receivables, net:	<u>\$ 3,959,048</u>

The only receivables without an allowance not expected to be collected within one year are approximately \$22 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, 2022

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Primary Government			
	Balance July 1, 2021 (as restated)	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 192,209,287	\$ 210,000	\$ --	\$ 192,419,287
Construction in progress	<u>67,592,359</u>	<u>18,795,072</u>	<u>(57,884,436)</u>	<u>28,502,995</u>
Total Capital Assets, Not Being Depreciated	<u>259,801,646</u>	<u>19,005,072</u>	<u>(57,884,436)</u>	<u>220,922,282</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	173,868,810	5,486,773	--	179,355,583
Machinery and equipment	116,077,080	8,851,240	(2,314,969)	122,613,351
Infrastructure	<u>714,040,154</u>	<u>50,023,596</u>	<u>--</u>	<u>764,063,750</u>
Total Capital Assets, Being Depreciated	<u>1,003,986,044</u>	<u>64,361,609</u>	<u>(2,314,969)</u>	<u>1,066,032,684</u>
Less: Accumulated Depreciation:				
Buildings and improvements	(75,361,698)	(6,367,637)	--	(81,729,335)
Machinery and equipment	(80,330,450)	(9,503,234)	2,314,969	(87,518,715)
Infrastructure	<u>(520,379,822)</u>	<u>(11,044,892)</u>	<u>--</u>	<u>(531,424,714)</u>
Total Accumulated Depreciation	<u>(676,071,970)</u>	<u>(26,915,763)</u>	<u>2,314,969</u>	<u>(700,672,764)</u>
Lease assets:				
Machinery and equipment	<u>1,933,250</u>	<u>22,452</u>	<u>--</u>	<u>1,955,702</u>
Accumulated amortization:				
Machinery and equipment	<u>--</u>	<u>(1,055,398)</u>	<u>--</u>	<u>(1,055,398)</u>
Governmental Activities - Capital Assets, net	\$ <u>589,648,970</u>	\$ <u>55,417,972</u>	\$ <u>(57,884,436)</u>	\$ <u>587,182,506</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS (Continued)

	Primary Government			Balance June 30, 2022
	Balance July 1, 2021 (as restated)	Increases	Decreases	
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 22,508,545	\$ --	\$ --	\$ 22,508,545
Construction in progress	<u>25,873,457</u>	<u>11,154,560</u>	<u>(9,254,928)</u>	<u>27,773,089</u>
Total Capital Assets, Not Being Depreciated	<u>48,382,002</u>	<u>11,154,560</u>	<u>(9,254,928)</u>	<u>50,281,634</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	109,768,599	3,078,670	--	112,847,269
Machinery and equipment	19,530,717	6,820,204	(407,154)	25,943,767
Infrastructure	<u>15,339,054</u>	<u>--</u>	<u>--</u>	<u>15,339,054</u>
Total Capital Assets, Being Depreciated	<u>144,638,370</u>	<u>9,898,874</u>	<u>(407,154)</u>	<u>154,130,090</u>
Less: Accumulated Depreciation:				
Buildings and improvements	(55,432,046)	(3,180,501)	--	(58,612,547)
Machinery and equipment	(9,630,744)	(1,793,213)	404,207	(11,019,750)
Infrastructure	<u>(9,967,002)</u>	<u>(360,949)</u>	<u>--</u>	<u>(10,327,951)</u>
Total Accumulated Depreciation	<u>(75,029,792)</u>	<u>(5,334,663)</u>	<u>404,207</u>	<u>(79,960,248)</u>
Lease assets:				
Machinery and equipment	<u>6,958</u>	<u>--</u>	<u>--</u>	<u>6,958</u>
Accumulated amortization:				
Machinery and equipment	<u>--</u>	<u>(2,947)</u>	<u>--</u>	<u>(2,947)</u>
Business-type Activities - Capital Assets, net	\$ <u>117,997,538</u>	\$ <u>15,715,824</u>	\$ <u>(9,257,875)</u>	\$ <u>124,455,487</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS (Continued)

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

Governmental Activities:

General government	\$ 1,479,900
Public safety	3,868,655
Public works	3,441,224
Highways and streets	7,702,463
Public welfare	2,735,248
Culture and recreation	3,413,855
Sanitation	<u>4,274,418</u>

Total Depreciation Expense - Governmental Activities \$ 26,915,763

Business-type Activities:

Public housing	\$ 931,876
Sewer	4,149,793
Golf	<u>252,994</u>

Total Depreciation Expense - Business-type Activities \$ 5,334,663

	Component Unit			
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Discretely Presented				
Component Unit:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,343,144	\$ --	\$ --	\$ 1,343,144
Construction in progress	<u>18,963,408</u>	<u>1,275,135</u>	<u>(10,954,765)</u>	<u>9,283,778</u>
Total Capital Assets, Not Being Depreciated	<u>20,306,552</u>	<u>1,275,135</u>	<u>(10,954,765)</u>	<u>10,626,922</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	16,682,769	6,442	--	16,689,211
Machinery and equipment	9,963,301	213,313	(136,985)	10,039,629
Infrastructure	<u>321,470,707</u>	<u>14,194,562</u>	<u>(71,047)</u>	<u>335,594,222</u>
Total Capital Assets, Being Depreciated	<u>348,116,777</u>	<u>14,414,317</u>	<u>(208,032)</u>	<u>362,323,062</u>
Less: Accumulated Depreciation:				
Buildings and improvements	(4,262,817)	(429,349)	--	(4,692,166)
Machinery and equipment	(7,170,830)	(705,992)	128,535	(7,748,287)
Infrastructure	<u>(111,109,024)</u>	<u>(5,871,800)</u>	<u>65,823</u>	<u>(116,915,001)</u>
Total Accumulated Depreciation	<u>(122,542,671)</u>	<u>(7,007,141)</u>	<u>194,358</u>	<u>(129,355,454)</u>
Component Unit - Capital Assets, net	\$ <u>245,880,658</u>	\$ <u>8,682,311</u>	\$ <u>(10,968,439)</u>	\$ <u>243,594,530</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

The Interfund Due From/To Other Funds consist of the following as of June 30, 2022:

Receivable Fund	Payable Fund	Amount
General Fund	General Excise Tax	\$ 10,938
General Fund	Solid Waste Disposal Fund	234,184
General Fund	Bond Fund	6,677
General Fund	Federal Grants Fund	360,178
General Fund	State Grants Fund	47,824
General Fund	General Capital Improvement Fund	113
General Fund	Other Governmental Funds	295,482
General Excise Tax	General Fund	27,376,661
Solid Waste Disposal Fund	Federal Grants Fund	13,987
Solid Waste Disposal Fund	Grants Capital Improvement Fund	169,198
Federal Grants Fund	Bond Fund	12,272,990
Federal Grants Fund	Grants Capital Improvement Fund	6,142,932
Federal Grants Fund	Other Governmental Funds	6,556
State Grants Fund	General Fund	26,415,801
State Grants Fund	Federal Grants Fund	1,243,203
Grants Capital Improvement Fund	Solid Waste Disposal Fund	4,753,055
General Capital Improvement Fund	Bond Fund	5,338,456
Other Governmental Funds	Federal Grants Fund	86,887
Other Governmental Funds	State Grants Fund	5,000
Other Governmental Funds	Other Governmental Funds	<u>785,428</u>
Total, All Funds		\$ <u>85,565,550</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, 2023.

Internal balances consist of the following at June 30, 2022:

Receivable Fund	Payable Fund	Amount
General Fund	Public Housing Enterprise Fund	\$ 2,646
General Fund	Sewer Enterprise Fund	\$ 133,288
General Fund	Golf Enterprise Fund	\$ 57,329
Other Governmental Funds	Public Housing Enterprise Fund	\$ 220,474

Transfers for the fiscal year ended June 30, 2022, consisted of the following:

	Transfers out:							Total
	General Fund	General Excise Tax	Solid Waste Disposal Fund	Bond Fund	Grants Improvement Capital Fund	Other Governmental Funds	Sewer Enterprise Fund	
Transfers in:								
General Fund	\$ --	\$ --	\$ --	\$ 958,438	\$ --	\$ 121,380	\$ --	\$ 1,079,818
Solid Waste Disposal Fund	12,616,419	--	--	--	169,198	--	--	12,785,617
Grants Capital Improvement Fund	--	--	3,484,027	--	--	--	--	3,484,027
General Capital Improvement Fund	1,985,934	--	--	--	--	--	--	1,985,934
Other Governmental Funds	9,747,792	2,140,000	953,338	--	--	3,300,000	701,096	16,842,226
Public Housing Enterprise Fund	2,600,000	--	--	--	--	--	--	2,600,000
Sewer Enterprise Fund	4,913,806	--	--	--	--	--	--	4,913,806
Golf Enterprise Fund	1,722,345	--	--	--	--	--	--	1,722,345
Total	\$ 33,586,296	\$ 2,140,000	\$ 4,437,365	\$ 958,438	\$ 169,198	\$ 3,421,380	\$ 701,096	\$ 45,413,773

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES (Continued)

Significant transfers during the year ended June 30, 2022 consist of the following:

- The General Fund transferred \$33,586,296 to subsidize debt service payments and various Special Revenue, Capital, and Enterprise Fund programs.
- The General Excise Tax Fund transferred \$2,140,000 to the General Excise Tax Capital Improvement Fund to finance capital projects.
- The Solid Waste Disposal Fund transferred \$3,484,027 to the Grants Capital Improvement Fund and \$953,338 to the Debt Service Fund, to finance capital projects and subsidize debt service payments, respectively.
- The Bond Fund transferred \$958,438 of bonds subsidy interest to the General Fund.
- The Grants Capital Improvement Fund transferred \$169,198 to the Solid Waste Disposal Fund, due to a decrease in funding of a capital project.
- The Plans and Permits Revolving Fund transferred \$121,380 to the General Fund, as a result of exceeding the allowable fund balance threshold at the end of the fiscal year.
- The Highway Fund transferred \$1,800,000 to the Highway Capital Improvement Fund to subsidize capital projects.
- The Public Access Fund transferred \$1,500,000 to the Open Space Capital Improvement Fund to subsidize capital projects.
- The Sewer Enterprise Fund transferred \$701,096 to the Debt Service Fund to subsidize debt service payments.

NOTE 9 - NET POSITION

At June 30, 2022, the County and Department's net position consisted of the following:

	Governmental Activities	Business-type Activities	Component Unit
Net investment in Capital Assets:			
Net property, plant, and equipment	\$ 587,182,506	\$ 124,455,487	\$ 243,594,530
Less: Long-term debt	(109,984,367)	(33,061,480)	(56,825,978)
Less: Finance purchase obligation	(11,437,756)	(1,608,848)	--
Less: Lease liability	(892,454)	(4,083)	--
Less: Accounts and contracts payable attributable to capital assets	--	--	(3,443,524)
Add: Deferred outflows - deferred refunding costs	420,519	--	--
Less: Deferred inflows - deferred gain on refunding costs	(1,913,177)	--	(96,549)
Add: Unspent debt proceeds	11,462,790	--	9,324,658
Subtotal	<u>474,838,061</u>	<u>89,781,076</u>	<u>192,553,137</u>
Restricted:			
Capital projects	35,067,661	--	--
Less: Unspent debt proceeds	(11,462,790)	--	(9,324,658)
Less: Accrued interest payable	(1,736,758)	--	--
Less: Restricted liabilities	--	--	(7,851)
Other - debt service	1,588,525	--	--
Housing program	--	1,000,000	--
Accounts receivable and other	--	--	354,045
Other - restricted cash and investments	--	146,384	11,601,353
Subtotal	<u>23,456,638</u>	<u>1,146,384</u>	<u>2,622,889</u>
Unrestricted	<u>(274,050,552)</u>	<u>(4,268,334)</u>	<u>27,277,273</u>
Total Net Position	<u>\$ 224,244,147</u>	<u>\$ 86,659,126</u>	<u>\$ 222,453,299</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – FINANCE PURCHASES AND RIGHT-TO-USE LEASES

The County leases machinery and equipment expiring at various dates through June 2028. These leases are financed primarily from General Fund, Highway Fund, General Excise Tax Fund, Solid Waste Disposal Fund, Sewer Fund and Golf Fund resources.

Finance Purchases:

The future minimum obligations under finance purchases at June 30, 2022, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,358,780	\$ 217,613	\$ 4,576,393
2024	3,495,005	139,964	3,634,969
2025	2,460,384	88,118	2,548,502
2026	1,398,938	53,123	1,452,061
2027	928,862	27,636	956,498
Thereafter	<u>404,635</u>	<u>9,787</u>	<u>414,422</u>
Totals	\$ <u>13,046,604</u>	\$ <u>536,241</u>	\$ <u>13,582,845</u>

The net book value of the leased machinery and equipment at June 30, 2022 amounted to \$20,243,769 net of accumulated amortization of \$30,495,191.

Right-to-Use Leases:

The future minimum obligations under right-to-use leases at June 30, 2022, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 560,336	\$ 2,555	\$ 562,891
2024	137,027	1,584	138,611
2025	101,679	901	102,580
2026	89,518	336	89,854
2027	<u>7,829</u>	<u>8</u>	<u>7,837</u>
Totals	\$ <u>896,389</u>	\$ <u>5,384</u>	\$ <u>901,773</u>

The net book value of the leased machinery and equipment at June 30, 2022 amounted to \$904,315 net of accumulated amortization of \$1,058,345.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	July 1, 2021 (as restated)	Additions	Reductions	Balance June 30, 2022	amounts due within one year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 100,504,200	\$ —	\$ 6,615,000	\$ 93,889,200	\$ 6,330,000
Total Bonds Payable	100,504,200	—	6,615,000	93,889,200	6,330,000
Direct borrowings - Loans payable to State	13,404,808	3,453,162	762,803	16,095,167	853,596
Claims and judgments	8,681,024	1,263,018	2,582,097	7,361,945	1,689,596
Landfill closure and postclosure	33,716,778	11,565,473	438,673	44,843,578	444,792
Right-to-use leases	1,933,250	22,441	1,063,377	892,314	557,455
Finance purchases	11,843,739	4,201,536	4,607,519	11,437,756	3,823,696
Compensated absences	17,281,880	6,697,565	7,196,231	16,783,214	4,195,803
Governmental Activities, Long-term Liabilities	\$ 187,365,679	\$ 27,203,195	\$ 23,265,700	\$ 191,303,174	\$ 17,894,938
Business-type Activities:					
Direct borrowings - Loans payable to State	\$ 23,830,197	\$ 11,127,507	\$ 1,896,224	\$ 33,061,480	\$ 2,071,846
Claims and judgments	476,896	45,769	119,560	403,105	121,893
Right-to-use leases	6,958	—	2,875	4,083	2,881
Finance purchases	1,887,694	276,153	554,999	1,608,848	535,084
Compensated absences	808,947	245,408	277,041	777,314	194,328
Business-type Activities, Long-term Liabilities	\$ 27,010,692	\$ 11,694,837	\$ 2,850,699	\$ 35,854,830	\$ 2,926,032
Discretely Presented Component Unit:					
Bonds Payable:					
General obligation bonds	\$ 47,430,800	\$ —	\$ 3,260,000	\$ 44,170,800	\$ 3,145,000
Deferred Costs:					
For issuance premiums	212,004	—	58,614	153,390	—
Total Bonds Payable	47,642,804	—	3,318,614	44,324,190	3,145,000
Direct borrowings - Loans payable to State	14,411,883	—	1,910,095	12,501,788	1,816,483
Compensated absences	1,656,574	872,243	867,946	1,660,871	566,064
Component Unit, Long-term Liabilities	\$ 63,711,261	\$ 872,243	\$ 6,096,655	\$ 58,486,849	\$ 5,527,547

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$602,447 and \$304,576 were received in fiscal year 2022 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 postclosure 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.

Lease Liability

The County, as lessee has both finance purchases and right-to-use leases. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. The County recognizes a lease liability, and the associated capital asset and right-to-use lease asset, respectively, on the government-wide Statement of Net Position.

The County did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, the County has no agreements that include sale-leaseback and lease-leaseback transactions.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

General obligation bonds payable reported on the government-wide *Statement of Net Position* at June 30, 2022, are comprised of the following individual issues:

	<u>Amount</u>
Governmental Activities:	
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).	\$ 32,535,000
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, 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%.	1,625,000
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%.	575,000
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%.	21,620,000
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>74,560,000</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 74,560,000
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>93,889,200</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, 2022, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	6,076,200	2,843,500	8,919,700
2028-2032	28,067,400	10,709,000	38,776,400
2033-2037	23,635,000	3,851,500	27,486,500
2038-2042	6,555,000	893,800	7,448,800
2043	<u>1,455,000</u>	<u>36,400</u>	<u>1,491,400</u>
Totals	\$ <u>93,889,200</u>	\$ <u>32,129,200</u>	\$ <u>126,018,400</u>

	<u>Amount</u>
Component Unit:	
Build America Bonds - County Series 2010A original amount of \$60,000,000, due in annual installments of \$2,990,000 to \$4,470,000 through August 2033, interest payments semi-annually from 4.76% to 5.76%.	\$ 40,790,000
Balance forward	\$ <u>40,790,000</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 40,790,000
General Obligation Bonds - County Series 2021A, original amount \$1,510,000, due in annual installments of \$350,000 to \$406,000 through August 2025, interest payments semi-annually from 3% to 5%.	1,510,000
General Obligation Bonds - County Series 2021B, original amount \$1,680,000, due in annual installments of \$233,600 to \$250,000 through August 2029, interest payments semi-annually from 3% to 5%.	1,680,800
Public Improvement Bonds - County Series 2012A, original amount \$2,745,000, due in August 2022.	<u>190,000</u>
	44,170,800
Premium on bond issuance	<u>153,390</u>
Total Component Unit	\$ <u>44,324,190</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, 2022, are approximately as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,145,000	\$ 2,241,000	\$ 5,386,000
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	3,429,000	1,596,000	5,025,000
2028 - 2032	19,648,000	4,973,000	24,621,000
2033 - 2034	<u>7,459,800</u>	<u>387,000</u>	<u>7,846,800</u>
Total	\$ <u>44,170,800</u>	\$ <u>15,030,000</u>	\$ <u>59,200,800</u>

At June 30, 2022, approximately \$61 million of primary government and \$8.5 million of component unit general obligation bonds outstanding are considered defeased.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022
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
	April 28, 2022	\$ 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, 2022, 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.	\$ 3,679,417
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>12,415,750</u>
Total Governmental Activities	\$ <u>16,095,167</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>340,652</u>
Balance forward	\$ <u>340,652</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Loans Payable: Business-type Activities	
Balance carried forward	\$ 340,652
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.	463,398
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.	548,215
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.	1,070,133
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.	130,381
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>1,751,690</u>
Balance forward	\$ <u>4,304,469</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 4,304,469
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.	4,621,613
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.	1,217,324
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 Improvements. 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.	3,097,906
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.	3,196,308
During fiscal year 2022, the County entered into a new construction agreement with the State totaling approximately \$4.2 million to fund Lihue Wastewater Treatment Plant Process Improvements. Principal and interest payments are due in semi-annual installments of \$113,970 (\$227,940 annually). A loan fee is assessed at 1% of the outstanding principal balance. Interest is accrued at 0.25% per annum.	<u>3,844,334</u>
Balance forward	\$ <u>20,281,954</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 20,281,954

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.

12,779,526

Total Business-type Activities \$ 33,061,480

Annual requirements to retire loans payable from direct borrowings as of June 30, 2022, 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
2023	\$ 853,600	\$ 158,800	\$ 2,071,800	\$ 190,600	\$ 2,925,400	\$ 349,400
2024	862,200	150,300	2,085,500	171,100	2,947,700	321,400
2025	870,800	141,600	2,099,300	151,300	2,970,100	292,900
2026	879,500	132,900	2,063,700	131,400	2,943,200	264,300
2027	888,300	124,100	1,906,800	114,000	2,795,100	238,100
2028-2032	4,577,000	485,000	5,778,300	373,100	10,355,300	858,100
2033-2037	4,811,100	251,100	15,585,980	207,858	20,397,080	458,958
2038-2041	2,352,667	39,500	1,470,100	38,000	3,822,767	77,500
Totals	\$ 16,095,167	\$ 1,483,300	\$ 33,061,480	\$ 1,377,358	\$ 49,156,647	\$ 2,860,658

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

Component Unit:

	<u>Amount</u>
Direct Borrowings - State Revolving Fund Loan -	
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.	58,196
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.	104,351
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.	43,958
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.	205,362
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.	132,518
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.	491,295
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.	1,340,459
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.	2,710,055
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.	<u>1,568,418</u>
Balance forward	\$ <u>6,654,612</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - LONG-TERM LIABILITIES (Continued)

	<u>Amount</u>
Balance carried forward	\$ 6,654,612
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.	764,114
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.	1,622,868
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.	2,161,620
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>1,298,574</u>
Total Component Unit	\$ <u>12,501,788</u>

Annual requirements to retire the component unit loans payable as of June 30, 2022, 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>
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	1,471,000	142,000	1,613,000
2028-2032	3,693,000	213,000	3,906,000
2033-2035	<u>466,788</u>	<u>8,000</u>	<u>474,788</u>
Totals	\$ <u>12,501,788</u>	\$ <u>1,457,000</u>	\$ <u>13,958,788</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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>.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

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

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, 2022

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, 2022

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. Sewer workers, water safety officers, and emergency medical technicians may retire with 25 years of credited service at age 55.

Disability and Death Benefits - Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least 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 \$27,255,000 and \$1,792,000 respectively, for the fiscal year ended June 30, 2022.

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 KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, the County and Department reported a liability of \$256,450,000 and \$13,195,000 respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2022, the County's proportion was 2.10% which was a decrease of 0.01% from its proportionate share measured as of June 30, 2021. At June 30, 2022, the Department's proportion was 0.11% which was a decrease of approximately 0.03% from its proportionate share measured as June 30, 2021. The County's pension liability is liquidated by the County's General Fund.

There were no significant changes in actuarial assumptions in 2021. There were no other changes between the measurement date, June 30, 2021, and the reporting date, June 30, 2022, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the fiscal year ended June 30, 2022, the County and the Department recognized pension expense of approximately \$28,725,000 and \$728,000, respectively. At June 30, 2022, 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	\$ 9,822,704	\$ 1,445,568
Changes in assumptions	409,196	95,778
Net difference between projected and actual earnings on pension plan investments	--	50,093,282
Changes in proportion and difference between County contributions and proportionate share of contributions	14,403,047	13,540,415
County contributions subsequent to the measurement date	<u>27,255,661</u>	<u>--</u>
	<u>\$ 51,890,608</u>	<u>\$ 65,175,043</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

The County reported \$27,255,661 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, 2022. 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>
2023	\$ (6,930,638)
2024	(9,297,483)
2025	(10,691,632)
2026	(13,907,989)
2027	<u>287,648</u>
Total	<u><u>\$ (40,540,094)</u></u>

Department:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 368,840	\$ --
Changes in assumptions	36,383	--
Net difference between projected and actual earnings on pension plan investments	--	2,240,957
Changes in proportion and difference between Department contributions and proportionate share of contributions	1,848,589	4,969,589
Department contributions subsequent to the measurement date	<u>1,792,233</u>	<u>--</u>
	<u><u>\$ 4,046,045</u></u>	<u><u>\$ 7,210,546</u></u>

The Department reported \$1,792,233 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, 2022. 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>
2023	\$ (932,609)
2024	(863,597)
2025	(1,491,846)
2026	(1,552,514)
2027	<u>(116,167)</u>
Total	<u><u>\$ (4,956,733)</u></u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2021 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, 2021 were based on the following:

Active members - Multiples of the RP 2010 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 %	8.00%	5.90%
Diversifying strategies	37.00 %	5.10%	3.70%
	<u>100.00 %</u>		

*Uses an expected inflation of 2.10%

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - EMPLOYEE BENEFIT PLANS (Continued)

Discount Rate - The discount rate used to measure the net pension liability at June 30, 2021 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>358,617,515</u>	\$ <u>256,450,401</u>	\$ <u>172,219,511</u>
Department's proportionate share of the net pension liability	\$ <u>17,998,073</u>	\$ <u>13,195,469</u>	\$ <u>9,235,998</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, 2022, the County and the Department had payables to the pension plan of \$4,297,095 and \$272,499, respectively.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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, 2021:

County:

Inactive employees or beneficiaries currently receiving benefits	879
Inactive employees entitled but not yet receiving benefit payments	116
Active employees	<u>1,166</u>
	<u>2,161</u>

Department:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled but not yet receiving benefit payments	10
Active employees	<u>93</u>
	<u>156</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, 2022 contributions to the OPEB plan from the County and the Department were \$18,309,000 and \$1,143,000, 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, 2022 the County and Department reported a net OPEB liability of \$92,599,600 and \$4,866,300, respectively. The net OPEB liability was measured as of July 1, 2021 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, 2021, and the reporting date, June 30, 2022, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2022, the County and Department recognized OPEB expense of approximately \$7,712,400 and \$403,000, respectively. At June 30, 2022, 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	\$ --	\$ 18,144,717
Changes in assumptions	1,998,127	1,115,041
Difference in expected and actual experience	2,085,655	18,604,081
Employer contributions subsequent to the measurement date	<u>18,309,000</u>	<u>--</u>
	<u>\$ 22,392,782</u>	<u>\$ 37,863,839</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on OPEB plan investments	\$ --	\$ 1,333,454
Changes in assumptions	150,151	78,168
Difference in expected and actual experience	18,843	1,371,032
Employer contributions subsequent to the measurement date	1,143,000	--
	<u>\$ 1,311,994</u>	<u>\$ 2,782,654</u>

The County and Department reported \$18,309,000 and \$1,143,000, 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)
	<u> </u>	<u> </u>
2023	\$ (6,746,000)	\$ (514,338)
2024	(6,658,013)	(512,236)
2025	(7,489,800)	(562,542)
2026	(9,485,520)	(684,808)
2027	(2,691,126)	(262,646)
Thereafter	(709,598)	(77,090)
	<u>\$ (33,780,057)</u>	<u>\$ (2,613,660)</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Actuarial assumptions - The total OPEB liability in the July 1, 2021 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, 2021
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 7.25%; declining to a rate of 4.70% after 12 years
HMO*	Initial rate of 7.25%; declining to a rate of 4.70% after 12 years
Part B & Base Monthly Contribution	Initial rate of 5.00%, declining to a rate of 4.70% after 9 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drug.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	16.00%	6.09%
Private equity	12.50%	10.19%
Non-U.S. equity	11.50%	7.12%
Real assets	10.00%	6.16%
Trend following	10.00%	2.01%
Private credit	8.00%	5.83%
U.S. microcap	6.00%	7.62%
Long treasuries	6.00%	1.06%
Global options	5.00%	4.33%
TIPS	5.00%	-0.07%
Alternative risk premia	5.00%	1.46%
Reinsurance	5.00%	4.44%
	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, 2022

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, 2022. The ending balances are as of the measurement date, July 1, 2021:

County:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ <u>282,322,143</u>	\$ <u>148,466,681</u>	\$ <u>133,855,462</u>
Changes for the fiscal year:			
Service cost	5,976,462	--	5,976,462
Interest on the total OPEB liability	19,651,492	--	19,651,492
Difference between expected and actual experience	(8,744,300)	--	(8,744,300)
Changes of assumptions	--	--	--
Contributions - employer	--	17,842,000	(17,842,000)
Net investment income	--	40,280,548	(40,280,548)
Benefit payments	(9,149,546)	(9,149,546)	--
Administrative expense	--	(20,762)	20,762
Other	--	37,755	(37,755)
Net changes	<u>7,734,108</u>	<u>48,989,995</u>	<u>(41,255,887)</u>
Balance at June 30, 2022	\$ <u>290,056,251</u>	\$ <u>197,456,676</u>	\$ <u>92,599,575</u>

Department:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ <u>18,651,967</u>	\$ <u>10,925,235</u>	\$ <u>7,726,732</u>
Changes for the fiscal year:			
Service cost	432,883	--	432,883
Interest on the total OPEB liability	1,302,575	--	1,302,575
Difference between expected and actual experience	(544,543)	--	(544,543)
Changes of assumptions	--	--	--
Contributions - employer	--	1,077,000	(1,077,000)
Net investment income	--	2,973,978	(2,973,978)
Benefits payments	(520,381)	(520,381)	--
Administrative expense	--	(1,541)	1,541
Other	--	1,919	(1,919)
Net changes	<u>670,534</u>	<u>3,530,975</u>	<u>(2,860,441)</u>
Balance at June 30, 2022	\$ <u>19,322,501</u>	\$ <u>14,456,210</u>	\$ <u>4,866,291</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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>139,014,368</u>	\$ <u>92,599,575</u>	\$ <u>56,175,913</u>
Department:			
Net OPEB Liability	\$ <u>8,015,359</u>	\$ <u>4,866,291</u>	\$ <u>2,374,052</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>54,481,008</u>	\$ <u>92,599,575</u>	\$ <u>141,911,764</u>
Department:			
Net OPEB Liability	\$ <u>2,237,121</u>	\$ <u>4,866,291</u>	\$ <u>8,249,324</u>

Payables to the OPEB Plan - At June 30, 2022, 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, 2022

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 \$550,000. 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, 2022, the amount of this liability was approximately \$7.8 million. This is the County's best estimate based on available information. Changes in the reported liability, 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>
2021	\$ 8,183,461	\$ 3,051,902	\$ (2,077,443)	\$ 9,157,920
2022	\$ 9,157,920	\$ 1,308,787	\$ (2,701,657)	\$ 7,765,050

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Puhi Metals Recycling Center

The County of Kaua'i is facing potential contingent liability for contracting the operation and management of the Puhi Metals Recycling Center (PMRC) from October 11, 2001 to October 11, 2011 to a private contractor. The County leased the property comprising the PMRC from land owner Grove Farm, Inc. for the aforementioned ten (10) year period. Under its contract with the contracted operator, the County was to be defended, indemnified and held harmless for any and all damages to persons and or property during the operation, including its obligations under the land license between the County and Grove Farm, Inc. After the expiration of the contract with the contracted operator, the County was informed by the Grove Farm, Inc. that their property was allegedly damaged by the contracted operator. The County has since procured and obtained environmental studies on the property and based upon the recommendation by the County's consultant, the County began to implement an environmental remediation plan. At June 30, 2022, 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, 2022, was approximately \$49.8 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 \$17.9 million based on estimates provided by project engineers. At June 30, 2022, approximately 77.60% of the total capacity of the Kekaha Landfill Phase II had been used, and the estimated remaining landfill life is approximately 87 months.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$44.8 million, which may change due to inflation, technology or applicable laws or regulations. This amount is fully accrued in the government-wide financial statements.

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

NOTE 16 - FUND BALANCE CONSTRAINTS

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

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

	<u>Amount</u>
Committed fund balance	\$ 16,402,988
Unassigned fund balance	<u>32,805,978</u>
Total	\$ <u>49,208,966</u>

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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	General Excise Tax 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	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	917,405	917,405
Total - Nonspendable	--	--	--	--	--	--	--	--	--	917,405	917,405
Restricted:											
Liquor control	--	--	--	--	--	--	--	--	--	223,363	223,363
Debt service reserve	--	--	--	--	--	--	--	--	--	1,588,525	1,588,525
Loans receivable	--	--	394,874	--	--	--	--	--	--	--	394,874
Landfill closure and post closure costs	490,000	--	--	14,741,951	--	--	--	--	--	--	15,231,951
Total - Restricted	490,000	--	394,874	14,741,951	--	--	--	--	--	1,811,888	17,438,713
Committed:											
Non-routine emergency events reserve	16,402,988	--	--	--	--	--	--	--	--	--	16,402,988
Administrative	1,640,296	--	--	--	--	--	--	1,252	--	--	1,641,548
County-wide costs	817,423	--	--	--	--	--	--	--	--	--	817,423
Human resources	143,362	--	--	--	--	--	--	315,177	100,944	--	559,483
Planning	403,165	--	--	--	--	--	--	--	--	34,996	438,161
Economic development	624,873	--	--	--	--	--	--	--	--	--	624,873
Police services	1,846,667	--	--	--	--	--	--	19,735	60,637	--	1,927,039
Fire control	1,130,469	--	--	--	--	--	--	97,863	70,345	--	1,298,677
Emergency management	215,723	--	--	--	--	--	--	--	--	--	215,723
Liquor control	--	--	--	--	--	--	--	--	--	11,288	11,288
Building repair and maintenance	325,533	--	--	--	--	--	--	15,630	48,935	10,563	400,661
Parks and recreation	4,264,896	--	--	--	--	--	--	1,409,689	193,358	533,770	6,401,713
Community services	2,877	--	116,119	--	--	--	--	--	44,408	7,229	170,633
Waste disposal and collection	--	--	--	4,987,125	--	--	--	444,527	2,122,392	--	7,554,044
Road maintenance	396,670	22,081,929	--	--	--	--	--	288,624	593,038	4,413,392	27,773,653
Total - Committed	28,214,942	22,081,929	116,119	4,987,125	--	--	--	2,592,497	3,234,057	5,011,238	66,237,907
Assigned:											
Balancing future budget shortfalls	--	--	--	--	--	--	--	--	--	2,162,780	2,162,780
Self insurance provisions	1,563,398	--	--	--	--	--	--	--	--	--	1,563,398
Capital improvement projects	--	--	--	--	--	--	--	8,261,309	8,228,733	12,041,841	28,531,883
Other purposes	--	16,179,628	2,735,647	--	--	--	--	--	--	6,511,250	25,426,525
Total - Assigned	1,563,398	16,179,628	2,735,647	--	--	--	--	8,261,309	8,228,733	20,715,871	57,684,586
Unassigned:	47,217,022	--	--	(2,580,551)	--	--	--	--	--	--	44,636,471
Total Fund Balances	\$ 77,485,362	\$ 38,261,557	\$ 3,246,640	\$ 17,148,525	\$ --	\$ --	\$ --	\$ 10,853,806	\$ 11,462,790	\$ 28,456,402	\$ 186,915,082

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022 include:

General Fund	\$ 11,811,954
General Excise Tax Fund	22,081,929
Housing and Community Development Revolving Fund	116,119
Solid Waste Disposal Fund	4,987,125
Bond Fund	3,234,057
General Capital Improvement Fund	2,592,497
Other Governmental Funds	<u>5,011,238</u>
	\$ <u>49,834,919</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 Hawaii 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 \$42,262,000 at June 30, 2022.

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 \$2,215,302 for the fiscal year ended June 30, 2022.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS

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. The implementation of this Statement resulted in the County recording right to use lease assets and leases payable of \$1,940,208 as of July 1, 2021. The implementation of this Statement had no impact to net position as of June 30, 2021.

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 adopted the applicable requirements of the new standard as presented in the County's financial statements.

The GASB issued Statement No. 90, *Majority Equity Interest - an Amendment of GASB Statement No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information of certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. 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 adopted the applicable requirements and has determined there is no impact to the County's financial statements.

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.

COUNTY OF KAUAI, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

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 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 adopted the applicable requirements and has determined there is no impact to the County's financial statements.

COUNTY OF KAUA'I, HAWAII
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report (ACFR)*. The objective of this statement is to establish the term annual comprehensive financial report and its acronym. The new term and acronym replace instances of the comprehensive annual financial report and its generally accepted accounting principles for state and local governments. The provisions of the Statement are effective for fiscal years ending after December 15, 2021. Management has early adopted the provisions of this Statement.

The GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Management has not yet determined the effect that this Statement will have on the County's financial statements.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. 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, 2022

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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, 2022

NOTE 20 - RESTATEMENT

The government-wide Statement of Activities reflect a prior period adjustment and restatement of beginning net position as of June 30, 2021. Beginning balances Governmental Activities have been restated to include deferred outflows of resources for Pension contributions made subsequent to the measurement date. Pension contributions were expensed and not recorded as deferred outflows on the Statement of Net Position, resulting in an understatement of net position by \$3.4 million at June 30, 2021.

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

	Government-wide Statement of Activities
	<u>Governmental Activities</u>
Net position at June 30, 2021, as previously stated	\$ 195,061,623
Prior period adjustment:	
Employer paid employee contributions made subsequent to the measurement date	<u>3,392,843</u>
Net position at June 30, 2021, as restated	<u>\$ 198,454,466</u>
	<u>Governmental Activities</u>
Change in net position at June 30, 2021, as previously stated	\$ (14,331,850)
Prior period adjustment:	
Employer paid employee contributions made subsequent to the measurement date	<u>3,392,843</u>
Change in net position at June 30, 2021, as restated	<u>\$ (10,939,007)</u>

NOTE 21 – SUBSEQUENT EVENTS

In September 2022, Grove Farm Corporation won its lawsuit against the County and regained control of the adolescent treatment center. Total capitalized cost for construction and improvements amounted to approximately \$8.3 million and will be adjusted to capital assets and reflected in fiscal year 2023 financial statements.

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*

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County:				
County's proportion of the Net Pension Liability	2.100 %	2.111 %	2.133 %	2.252 %
County's proportionate share of the Net Pension Liability	\$ 256,450,401	\$ 323,152,133	\$ 302,214,383	\$ 299,878,624
County's Covered Payroll	\$ 86,958,000	\$ 83,089,000	\$ 80,573,000	\$ 79,133,000
Proportionate Share of the Net Pension as a percentage of Covered Payroll	294.91 %	388.92 %	375.08 %	378.96 %
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.08 %	53.18 %	54.87 %	55.48 %
Department:				
Department's proportion of the Net Pension Liability	0.110 %	0.140 %	0.160 %	0.120 %
Department's proportionate share of the Net Pension Liability	\$ 13,195,469	\$ 20,785,838	\$ 21,971,493	\$ 16,156,668
Department's Covered Payroll	\$ 6,382,000	\$ 5,966,000	\$ 5,840,000	\$ 5,633,000
Proportionate Share of the Net Pension as a percentage of Covered Payroll	206.76 %	348.40 %	376.22 %	286.82 %
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	64.25 %	53.18 %	54.87 %	55.48 %

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County:					
County's proportion of the Net Pension Liability	2.104 %	2.040 %	2.044 %	1.913 %	2.031 %
County's proportionate share of the Net Pension Liability	\$ 272,428,212	\$ 272,758,303	\$ 178,458,402	\$ 153,368,723	\$ 181,419,995
County's Covered Payroll	\$ 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	352.24 %	371.78 %	236.23 %	215.40 %	272.41 %
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	54.80 %	51.28 %	62.42 %	63.92 %	57.96 %
Department:					
Department's proportion of the Net Pension Liability	0.120 %	0.130 %	0.130 %	0.120 %	0.120 %
Department's proportionate share of the Net Pension Liability	\$ 15,423,518	\$ 16,921,133	\$ 11,310,002	\$ 9,317,991	\$ 10,322,299
Department's Covered Payroll	\$ 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	279.66 %	331.14 %	233.87 %	200.60 %	235.40 %
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County:					
Statutorily Required Contribution	\$ 27,255,661	\$ 25,636,021	\$ 23,625,374	\$ 20,075,943	\$ 19,454,923
Actual County Contributions Recognized by the Plan	\$ 27,255,661	\$ 25,636,021	\$ 23,625,374	\$ 20,075,943	\$ 19,454,923
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 84,781,000	\$ 86,958,000	\$ 83,089,000	\$ 80,573,000	\$ 79,133,000
Contributions as a percentage of Covered Payroll	32.15 %	29.48 %	28.43 %	24.92 %	24.59 %
Department:					
Statutorily Required Contribution	\$ 1,792,233	\$ 1,532,000	\$ 1,325,000	\$ 1,109,000	\$ 1,016,000
Actual Department Contributions Recognized by the Plan	\$ 1,520,000	\$ 1,532,000	\$ 1,325,000	\$ 1,109,000	\$ 1,016,000
Contribution Deficiency (Excess)	\$ 272,233	\$ --	\$ --	\$ --	\$ --
Department's Covered Payroll	\$ 6,332,000	\$ 6,382,000	\$ 5,966,000	\$ 5,840,000	\$ 5,633,000
Contributions as a percentage of Covered Payroll	24.01 %	24.01 %	22.21 %	18.99 %	18.04 %

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County:					
Statutorily Required Contribution	\$ 15,390,688	\$ 14,600,137	\$ 13,643,255	\$ 12,605,548	\$ 11,575,260
Actual County Contributions Recognized by the Plan	\$ 15,390,688	\$ 14,600,137	\$ 13,643,255	\$ 12,605,548	\$ 11,575,260
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
County's Covered Payroll	\$ 77,341,000	\$ 73,365,000	\$ 75,544,000	\$ 71,201,000	\$ 66,597,000
Contributions as a percentage of Covered Payroll	19.90 %	19.90 %	18.06 %	17.70 %	17.38 %
Department:					
Statutorily Required Contribution	\$ 938,000	\$ 911,000	\$ 798,000	\$ 745,000	\$ 679,000
Actual Department Contributions Recognized by the Plan	\$ 938,000	\$ 911,000	\$ 798,000	\$ 745,000	\$ 679,000
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Department's Covered Payroll	\$ 5,515,000	\$ 5,110,000	\$ 4,836,000	\$ 4,645,000	\$ 4,385,000
Contributions as a percentage of Covered Payroll	17.01 %	17.83 %	16.50 %	16.04 %	15.48 %

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

	2022		2021		2020		2019		2018	
	County	Department	County	Department	County	Department	County	Department	County	Department
Total OPEB liability										
Service cost	5,976,462	432,883	\$ 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	19,651,492	1,302,575	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	(8,744,300)	(544,543)	(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	(9,149,546)	(520,381)	(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	7,734,108	670,534	(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	282,322,143	18,651,967	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	290,056,251	\$ 19,322,501	\$ 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	17,842,000	\$ 1,077,000	\$ 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	40,280,548	2,973,978	2,674,371	199,294	5,295,444	399,132	7,579,849	588,700	8,310,839	654,929
Benefit payments	(9,149,546)	(520,381)	(9,177,012)	(516,535)	(8,755,019)	(536,228)	(8,414,118)	(525,000)	(8,079,087)	(368,000)
OPEB plan administrative expense	(20,762)	(1,541)	(21,303)	(1,598)	(38,185)	(2,874)	(22,893)	(1,803)	(18,934)	(1,485)
Other	37,755	1,919	58,952	1,781	4,059,474	271,018	--	--	126,295	8,474
Net change in plan fiduciary net position	48,989,995	3,530,975	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	148,466,681	10,925,235	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	197,456,676	\$ 14,456,210	\$ 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	92,599,575	\$ 4,866,291	\$ 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	68.08%	74.82%	52.59%	58.57%	48.67%	54.47%	43.13%	51.71%	40.09%	49.03%
Covered-employee payroll	86,958,000	6,382,000	\$ 83,089,000	\$ 5,966,000	\$ 80,573,000	\$ 5,840,000	\$ 77,340,000	\$ 5,787,000	\$ 65,885,000	\$ 5,700,000
Net OPEB Liability as a Percentage of Covered-employee Payroll	106.49%	76.25%	161.09%	129.51%	180.22%	145.99%	192.97%	146.18%	223.17%	146.81%

* 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 KAUA'I, HAWAII
SCHEDULE OF CONTRIBUTIONS (OPEB)
LAST TEN FISCAL YEARS *

Fiscal Year Ended	Actuarially Determined Contribution	the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	of Covered- Employee Payroll
June 30, 2022	\$ 18,309,000	\$ 18,309,000	\$ --	\$ 84,781,000	21.60%
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, 2022	\$ 1,143,000	\$ 1,143,000	--	\$ 6,332,000	18.05%
June 30, 2021	\$ 1,077,000	\$ 1,077,000	--	\$ 6,382,000	16.88%
June 30, 2020	\$ 1,041,000	\$ 1,041,000	--	\$ 5,966,000	17.45%
June 30, 2019	\$ 1,011,000	\$ 1,011,000	--	\$ 5,840,000	17.31%
June 30, 2018	\$ 1,002,000	\$ 948,000	\$ 54,000	\$ 5,787,000	16.38%
June 30, 2017	\$ 968,000	\$ 968,000	--	\$ 5,700,000	16.98%
June 30, 2016	\$ 914,000	\$ 883,000	\$ 31,000	\$ 5,269,000	16.76%
June 30, 2015	\$ 884,000	\$ 885,000	\$ (1,000)	\$ 5,068,000	17.46%

* 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, 2022

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, 2022 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	16.1 as of fiscal year ended June 30, 2022
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, 2018 as conducted for the Hawaii Employee's 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 rate of 8%; declining to a rate of 4.86% after 12 years
HMO	Initial rate of 8.00%; declining to a rate of 4.86% after 12 years
Part B	Initial rates of 5.00% and 5.00%, declining to a rate of 4.70% after 11 years
Dental	5.00% for the first two years; then 4.00% for all future years
Vision	0.00% for the first two 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, 2022

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.

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 Kauai 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, 2022

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, 2022

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, 2022

	Special Revenue Funds							
	Highway	Liquor	Beautification	Criminal Assets Forfeiture	Plans and Permits Revolving	Section 8	Public Access	Park Maintenance and Improvements
Assets:								
Cash and cash equivalents	\$ 6,522,295	\$ 115,639	\$ 1,281,076	\$ 372,617	\$ 213,066	\$ 1,080,474	\$ 1,783,362	\$ 63,925
Investments	2,122,195	471,307	--	248,694	--	--	--	--
Accounts receivable, net	106,213	--	--	--	--	758	--	--
Interest receivable	5,172	689	--	143	--	--	--	--
Due from other funds	91,887	--	--	--	--	--	--	--
Due from other governments	459,262	--	--	--	--	--	--	--
Prepaid items	--	--	--	--	--	917,405	--	--
Total Assets	\$ 9,307,024	\$ 587,635	\$ 1,281,076	\$ 621,454	\$ 213,066	\$ 1,998,637	\$ 1,783,362	\$ 63,925
Liabilities:								
Accounts payable	\$ 935,037	\$ 30,092	\$ 78,212	\$ --	\$ 2,444	\$ 39,959	\$ 2,800	\$ --
Contracts payable	3,203	--	--	--	--	--	--	2,822
Due to other funds	245,254	29,728	--	--	59	26,997	--	--
Due to customers	--	--	--	--	--	190,848	--	--
Unearned revenue	--	93,732	--	--	--	58,180	--	--
Total Liabilities	1,183,494	153,552	78,212	--	2,503	315,984	2,800	2,822
Fund Balance:								
Nonspendable	--	--	--	--	--	917,405	--	--
Restricted	--	223,363	--	--	--	--	--	--
Committed	4,046,321	11,288	161,401	--	10,563	7,229	34,996	30,216
Assigned	4,077,209	199,432	1,041,463	621,454	200,000	758,019	1,745,566	30,887
Total Fund Balance	8,123,530	434,083	1,202,864	621,454	210,563	1,682,653	1,780,562	61,103
Total Liabilities and Fund Balance	\$ 9,307,024	\$ 587,635	\$ 1,281,076	\$ 621,454	\$ 213,066	\$ 1,998,637	\$ 1,783,362	\$ 63,925

COUNTY OF KAUAI, HAWAII
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

		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	\$ 1,588,525	\$ --	\$ 93,262	\$ 1,586,564	\$ 282,339	\$ 174,455	\$ 3,816,114	\$ 1,545,351	\$ 1,527,818	\$ 22,046,882
Investments	--	2,911,551	--	1,237,711	--	--	--	--	--	6,991,458
Accounts receivable, net	--	--	--	--	--	--	--	--	--	106,971
Interest receivable	--	5,295	--	5,960	--	--	--	--	--	17,259
Due from other funds	--	--	--	--	--	220,474	--	--	785,428	1,097,789
Due from other governments	--	--	--	--	--	--	--	--	--	459,262
Prepaid items	--	--	--	--	--	--	--	--	--	917,405
Total Assets	\$ 1,588,525	\$ 2,916,846	\$ 93,262	\$ 2,830,235	\$ 282,339	\$ 394,929	\$ 3,816,114	\$ 1,545,351	\$ 2,313,246	\$ 31,637,026
Liabilities:										
Accounts payable	\$ --	\$ 35,838	\$ --	\$ --	\$ --	\$ --	\$ 170,847	\$ --	\$ --	\$ 1,295,229
Contracts payable	--	3,717	13,479	2,027	--	394,929	34,992	--	--	455,169
Due to other funds	--	785,428	--	--	--	--	--	--	--	1,087,466
Due to customers	--	--	--	--	--	--	--	--	--	190,848
Unearned revenue	--	--	--	--	--	--	--	--	--	151,912
Total Liabilities	--	824,983	13,479	2,027	--	394,929	205,839	--	--	3,180,624
Fund Balance:										
Nonspendable	--	--	--	--	--	--	--	--	--	917,405
Restricted	1,588,525	--	--	--	--	--	--	--	--	1,811,888
Committed	--	342,153	--	--	--	--	305,071	--	62,000	5,011,238
Assigned	--	1,749,710	79,783	2,828,208	282,339	--	3,305,204	1,545,351	2,251,246	20,715,871
Total Fund Balance	1,588,525	2,091,863	79,783	2,828,208	282,339	--	3,610,275	1,545,351	2,313,246	28,456,402
Total Liabilities and Fund Balance	\$ 1,588,525	\$ 2,916,846	\$ 93,262	\$ 2,830,235	\$ 282,339	\$ 394,929	\$ 3,816,114	\$ 1,545,351	\$ 2,313,246	\$ 31,637,026

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, 2022

	Special Revenue Funds							Park
	Highway	Liquor	Beautification	Criminal Assets Forfeiture	Plans and Permits Revolving	Section 8	Public Access	Maintenance and Improvements
Revenues:								
Taxes	\$ 9,404,986	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	7,679,587	413,945	405,107	--	342,659	--	--	--
Charges for current services	865,913	--	--	--	--	--	--	--
Interest and investment earnings (losses)	(112,911)	(30,550)	--	(4,960)	--	1,414	--	--
Intergovernmental revenues	23,340	--	--	--	--	12,399,815	--	--
Miscellaneous	--	3,300	--	2,016	--	433,997	--	--
Total Revenues	<u>17,860,915</u>	<u>386,695</u>	<u>405,107</u>	<u>(2,944)</u>	<u>342,659</u>	<u>12,835,226</u>	<u>--</u>	<u>--</u>
Expenditures:								
General government	--	--	--	--	--	--	50,545	--
Public safety	--	879,996	--	--	--	--	--	--
Public works	--	--	--	--	212,838	--	--	--
Highways and streets	11,124,952	--	222,000	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--
Public welfare	2,405,506	--	--	--	--	12,223,342	--	--
Capital outlay	1,075,727	9,414	--	--	--	110,715	--	--
Debt Service:								
Principal	1,066,600	1,962	--	--	--	3,590	--	--
Interest and debt issuance cost	39,895	47	--	--	--	11	--	--
Total Expenditures	<u>15,712,680</u>	<u>891,419</u>	<u>222,000</u>	<u>--</u>	<u>212,838</u>	<u>12,337,658</u>	<u>50,545</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,148,235</u>	<u>(504,724)</u>	<u>183,107</u>	<u>(2,944)</u>	<u>129,821</u>	<u>497,568</u>	<u>(50,545)</u>	<u>--</u>
Other Financing Sources (Uses):								
Finance purchases	913,067	--	--	--	--	--	--	--
Issuance of leases	15,829	9,414	--	--	--	7,187	--	--
Transfers in	--	--	--	--	--	--	786,363	--
Transfers out	(1,800,000)	--	--	--	(121,380)	--	(1,500,000)	--
Total Other Financing Sources (Uses)	<u>(871,104)</u>	<u>9,414</u>	<u>--</u>	<u>--</u>	<u>(121,380)</u>	<u>7,187</u>	<u>(713,637)</u>	<u>--</u>
Net Change in Fund Balances	1,277,131	(495,310)	183,107	(2,944)	8,441	504,755	(764,182)	--
Fund Balance - Beginning of Year July 1, 2021	<u>6,846,399</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>
Fund Balance - End of Year June 30, 2022	<u>\$ 8,123,530</u>	<u>\$ 434,083</u>	<u>\$ 1,202,864</u>	<u>\$ 621,454</u>	<u>\$ 210,563</u>	<u>\$ 1,682,653</u>	<u>\$ 1,780,562</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, 2022

	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	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9,404,986
Licenses and permits	--	--	--	--	4,370	--	--	--	--	8,845,668
Charges for current services	--	--	--	--	--	--	--	--	--	865,913
Interest and investment earnings (losses)	--	(107,902)	--	(16,811)	--	--	--	--	--	(271,720)
Intergovernmental revenues	--	--	--	--	--	--	--	--	--	12,423,155
Miscellaneous	--	9,000	--	40,640	--	--	--	--	--	488,953
Total Revenues	--	(98,902)	--	23,829	4,370	--	--	--	--	31,756,955
Expenditures:										
General government	--	--	--	--	--	--	--	--	--	50,545
Public safety	--	--	--	--	--	--	--	--	--	879,996
Public works	--	--	--	--	--	--	--	--	5,667	218,505
Highways and streets	--	--	--	--	--	--	1,700	--	--	11,348,652
Culture and recreation	--	5,548	--	--	--	--	--	--	--	5,548
Public welfare	--	--	--	--	--	--	--	--	--	14,628,848
Capital outlay	--	205,641	--	--	--	--	213,408	--	--	1,614,905
Debt Service:										
Principal	6,615,000	--	--	--	--	--	--	--	--	7,687,152
Interest and debt issuance cost	4,000,862	--	--	--	--	--	--	--	--	4,040,815
Total Expenditures	10,615,862	211,189	--	--	--	--	215,108	--	5,667	40,474,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,615,862)	(310,091)	--	23,829	4,370	--	(215,108)	--	(5,667)	(8,718,011)
Other Financing Sources (Uses):										
Finance purchases	--	--	--	--	--	--	--	--	--	913,067
Issuance of leases	--	--	--	--	--	--	--	--	--	32,430
Transfers in	10,615,863	--	--	--	--	--	1,800,000	1,500,000	2,140,000	16,842,226
Transfers out	--	--	--	--	--	--	--	--	--	(3,421,380)
Total Other Financing Sources (Uses)	10,615,863	--	--	--	--	--	1,800,000	1,500,000	2,140,000	14,366,343
Net Change in Fund Balances	1	(310,091)	--	23,829	4,370	--	1,584,892	1,500,000	2,134,333	5,648,332
Fund Balance - Beginning of Year July 1, 2021	1,588,524	2,401,954	79,783	2,804,379	277,969	--	2,025,383	45,351	178,913	22,808,070
Fund Balance - End of Year June 30, 2022	\$ 1,588,525	\$ 2,091,863	\$ 79,783	\$ 2,828,208	\$ 282,339	\$ --	\$ 3,610,275	\$ 1,545,351	\$ 2,313,246	\$ 28,456,402

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, 2022

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Taxes:						
Utility franchise tax	\$ 3,767,000	\$ 3,767,000	\$ 4,002,509	\$ --	\$ 4,002,509	\$ 235,509
Fuel tax	5,360,000	5,360,000	5,402,477	--	5,402,477	42,477
Total Taxes	9,127,000	9,127,000	9,404,986	--	9,404,986	277,986
Licenses and Permits:						
Motor vehicle weight tax	7,290,000	7,290,000	7,679,587	--	7,679,587	389,587
Interest and investment earnings (losses)	45,500	45,500	(112,911)	--	(112,911)	(158,411)
Intergovernmental revenues	25,000	25,000	23,340	--	23,340	(1,660)
Charges for current services:						
Public welfare / safety	850,000	850,000	865,913	--	865,913	15,913
Miscellaneous	500	500	--	--	--	(500)
Total Revenues	17,338,000	17,338,000	17,860,915	--	17,860,915	522,915
Expenditures:						
Highways and Streets-Road Maintenance:						
Administration	615,989	580,989	34,073	543,172	577,245	3,744
Administration - salaries and overtime	162,149	122,411	105,913	--	105,913	16,498
Hanapēpē baseyard	225,682	206,682	166,438	27,048	193,486	13,196
Hanapēpē baseyard - salaries and overtime	1,400,570	1,357,890	1,354,676	--	1,354,676	3,214
Kapa'a baseyard	217,621	217,621	124,444	38,421	162,865	54,756
Kapa'a baseyard - salaries and overtime	1,032,458	1,021,977	1,012,833	--	1,012,833	9,144
Hanalei baseyard	154,402	92,403	50,097	12,850	62,947	29,456
Hanalei baseyard - salaries and overtime	605,275	613,524	607,907	--	607,907	5,617
Road signs and marking	355,002	355,002	141,198	41,023	182,221	172,781
Road signs and marking - salaries and overtime	849,823	853,723	727,555	--	727,555	126,168
Auto maintenance and motor pool (AMMP)	1,514,050	1,290,457	860,803	59,475	920,278	370,179
AMMP - salaries and overtime	992,991	956,420	768,034	--	768,034	188,386
Maintenance - street lights	500,000	515,000	514,108	--	514,108	892
Equipment	104,155	94,155	19,517	5,835	25,352	68,803
Capital leases	2,621,146	2,621,146	1,100,697	1,419,923	2,520,620	100,526
Social security taxes	401,724	385,724	337,339	--	337,339	48,385
Public employees' health fund	634,231	622,831	587,855	--	587,855	34,976
Public employees' other post employment benefits	730,036	1,023,829	961,994	--	961,994	61,835
Workers' compensation	12	107,902	107,588	--	107,588	314
Unemployment compensation	7	7	--	--	--	7
Employees' retirement system	1,301,443	1,276,743	1,147,278	--	1,147,278	129,465
Collective bargaining raises	47,389	47,389	19,553	--	19,553	27,836
Vacation pay	1	117,331	117,328	--	117,328	3
Central services cost	1,000,000	1,000,000	1,000,000	--	1,000,000	--
Transportation agency	4,218,006	4,218,006	2,536,256	1,531,589	4,067,845	150,161
Highway administrative overhead	803,264	788,264	380,300	366,985	747,285	40,979
Total Expenditures - Highways and Streets - Road Maintenance	20,487,426	20,487,426	14,783,784	4,046,321	18,830,105	1,657,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,149,426)	(3,149,426)	3,077,131	(4,046,321)	(969,190)	2,180,236
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	(1,800,000)	(1,800,000)	(1,800,000)	--	(1,800,000)	--
Total Other Financing Sources (Uses)	(1,800,000)	(1,800,000)	(1,800,000)	--	(1,800,000)	--
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures (Note C)	\$ (4,949,426)	\$ (4,949,426)	1,277,131	\$ (4,046,321)	\$ (2,769,190)	\$ 2,180,236
Fund Balance - Beginning of Year July 1, 2021			6,846,399			
Fund Balance - End of Year June 30, 2022			\$ 8,123,530			

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, 2022

	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	\$ 779,470	\$ 779,470	\$ 413,945	\$ --	\$ 413,945	\$ (365,525)
Interest and investment earnings (losses)	13,000	13,000	(30,550)	--	(30,550)	(43,550)
Miscellaneous	8,000	8,000	3,300	--	3,300	(4,700)
Total Revenues	<u>800,470</u>	<u>800,470</u>	<u>386,695</u>	<u>--</u>	<u>386,695</u>	<u>(413,775)</u>
Expenditures - Public Safety:						
Salaries and wages	463,995	513,995	425,303	--	425,303	88,692
Social security taxes	35,495	38,595	32,399	--	32,399	6,196
Public employees' health fund	61,264	61,264	60,795	--	60,795	469
Workers' compensation	2	2	--	--	--	2
Unemployment compensation	2,500	2,500	--	--	--	2,500
Employees' retirement system	111,358	111,358	95,033	--	95,033	16,325
Employees' other post employment benefits	91,778	91,778	80,872	--	80,872	10,906
Other expenses	95,089	92,848	47,632	11,288	58,920	33,928
Equipment	2	5,002	4,675	--	4,675	327
Travel	38,630	35,872	10,296	--	10,296	25,576
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>1,025,113</u>	<u>1,078,214</u>	<u>882,005</u>	<u>11,288</u>	<u>893,293</u>	<u>184,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(224,643)</u>	\$ <u>(277,744)</u>	(495,310)	\$ <u>(11,288)</u>	\$ <u>(506,598)</u>	\$ <u>(228,854)</u>
Fund Balance - Beginning of Year July 1, 2021			<u>929,393</u>			
Fund Balance - End of Year June 30, 2022			\$ <u>434,083</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, 2022

	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	\$ 405,107	\$ --	\$ 405,107	\$ 30,107
Total Revenues	375,000	375,000	405,107	--	405,107	30,107
Expenditures - Highways and Streets:						
Disposal of abandoned vehicles	300,000	300,000	222,000	78,000	300,000	--
Beautification projects	186,062	186,062	--	83,401	83,401	102,661
Total Expenditures - Highways and Streets	486,062	486,062	222,000	161,401	383,401	102,661
Excess (Deficiency) of Revenues						
Over (Under) Expenditures (Note C)	\$ (111,062)	\$ (111,062)	183,107	\$ (161,401)	\$ 21,706	\$ 132,768
Fund Balance - Beginning of Year July 1, 2021			1,019,757			
Fund Balance - End of Year June 30, 2022			\$ 1,202,864			

- 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, 2022

	Budgeted Amounts		Budgetary Basis			Variance with Final Budget- Positive (Negative)
	Original (Note A)	Final	Actual Amounts (Note B)	Encumbrances	Non-GAAP	
Revenues:						
Interest and investment earnings (losses)	\$ 15,000	\$ 15,000	\$ (4,960)	\$ --	\$ (4,960)	\$ (19,960)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>2,016</u>	<u>--</u>	<u>2,016</u>	<u>(27,984)</u>
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>(2,944)</u>	<u>--</u>	<u>(2,944)</u>	<u>(47,944)</u>
Expenditures - Public Safety:						
Police special fund	<u>100,008</u>	<u>100,008</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,008</u>
Total Expenditures - Public Safety	<u>100,008</u>	<u>100,008</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Note C)	\$ <u>(55,008)</u>	\$ <u>(55,008)</u>	(2,944)	\$ <u>--</u>	\$ <u>(2,944)</u>	\$ <u>52,064</u>
Fund Balance - Beginning of Year July 1, 2021			<u>624,398</u>			
Fund Balance - End of Year June 30, 2022			\$ <u>621,454</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, 2022

	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	--	--	--	--	--	--
Expenditures - General Government						
Special Projects	858,824	858,824	50,545	34,996	85,541	773,283
Total Expenditures - General Government	858,824	858,824	50,545	34,996	85,541	773,283
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(858,824)	(858,824)	(50,545)	(34,996)	(85,541)	773,283
Other Financing Sources (Uses)						
Transfers In	786,363	786,363	786,363	--	786,363	--
Transfers Out	--	(1,500,000)	(1,500,000)	--	(1,500,000)	--
Total Other Financing Sources (Uses)	786,363	(713,637)	(713,637)	--	(713,637)	--
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Note C)	\$ (72,461)	\$ (1,572,461)	(764,182)	\$ (34,996)	\$ (799,178)	\$ 773,283
Fund Balance - Beginning of Year July 1, 2021			2,544,744			
Fund Balance - End of Year June 30, 2022			\$ 1,780,562			

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest and investment earnings (losses)			\$ (107,902)				
Other revenues			9,000				
Total Revenues			(98,902)				
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	149,434	--	149,434	--	150,000	566
Kōloa Parking Lot/Playground	R15108	85,710	23,159	108,869	141,129	250,000	2
Total Kōloa District		757,154	23,159	780,313	141,129	942,278	20,836
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	--	68,629	--
KWMCH Improvements	R18004	60,358	5,548	65,906	--	200,046	134,140
Līhu'e Inclusive Playground Development	R22015	--	81,371	81,371	--	81,371	--
Total Līhu'e District		491,789	86,919	578,708	4,400	759,849	176,741
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	26,165	26,934	--	150,000	123,066

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, 2022

	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	--	36,494	36,494	329	36,823	--
Total Kawaihau District		<u>486,273</u>	<u>62,659</u>	<u>548,932</u>	<u>2,742</u>	<u>757,989</u>	<u>206,315</u>
Hanalei District:							
Anini Beach Improvements	R16004	6,000	31,720	37,720	161,381	200,000	899
Park Improvements & Equipment	W93383	558,230	6,732	564,962	7,608	604,682	32,112
Total Hanalei District		<u>564,230</u>	<u>38,452</u>	<u>602,682</u>	<u>168,989</u>	<u>804,682</u>	<u>33,011</u>
Total Expenditures		<u>\$ 2,324,553</u>	<u>211,189</u>	<u>\$ 2,535,742</u>	<u>\$ 342,153</u>	<u>\$ 3,314,798</u>	<u>\$ 436,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(310,091)				
Fund Balance - Beginning of Year, July 1, 2021			<u>2,401,954</u>				
Fund Balance - End of Year, June 30, 2022			<u>\$ 2,091,863</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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest			\$ --				
Other revenues			--				
Total Revenues			--				
Expenditures:							
		\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total Expenditures		\$ --	--	\$ --	\$ --	\$ --	\$ --
Excess (Deficiency) of Revenues Over (Under) Expenditures			--				
Fund Balance - Beginning of Year, July 1, 2021			79,783				
Fund Balance - End of Year, June 30, 2022			\$ 79,783				

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest and investment earnings (losses)			\$ (16,811)				
Other revenues			40,640				
Total Revenues			<u>23,829</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
Poipu Rd Stp	W16007	--	--	--	--	72,000	72,000
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>212,318</u>	\$ <u>194,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			23,829				
Fund Balance - Beginning of Year, July 1, 2021			<u>2,804,379</u>				
Fund Balance - End of Year, June 30, 2022			\$ <u>2,828,208</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, 2022

	<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			\$ 4,370				
Total Revenues			<u>4,370</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			4,370				
Fund Balance - Beginning of Year, July 1, 2021			<u>277,969</u>				
Fund Balance - End of Year, June 30, 2022			<u>\$ 282,339</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, 2022

	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	282,342	--	282,342	--	284,459	2,117
Puuopae Bridge-Design (County Match)	W10003	695,485	2,699	698,184	56,918	780,000	24,898
Puhi Road Construction Match	W12010	367,091	--	367,091	--	391,711	24,620
Hanapēpē Road	W12067	28,751	4,607	33,358	834	50,000	15,808
Hanapēpē 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	401,858	19,535	421,393	31,883	2,560,000	2,106,724
Maluhia / Koloa Rd	W19021	1,511,914	26,934	1,538,848	175,413	1,771,207	56,946
County Bridge Inspections	W20020	105,875	161,333	267,208	31,509	400,000	101,283
Bridge Maintenance (County Match)	W96388	301,080	--	301,080	514	783,892	482,298
Speed Hump Program	W98364	74,443	--	74,443	--	142,523	68,080
Total Expenditures		\$ 6,115,867	215,108	\$ 6,330,975	\$ 305,071	\$ 9,941,249	\$ 3,305,203
Excess (Deficiency) of Revenues Over (Under) Expenditures			(215,108)				
Other Financing Sources:							
Transfers In			1,800,000				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			1,584,892				
Fund Balance - Beginning of Year, July 1, 2021			2,025,383				
Fund Balance - End of Year, June 30, 2022			\$ 3,610,275				

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Other revenues			3,363,747				
Total Revenues			<u>3,363,747</u>				
Expenditures:							
Waste to Energy Project	D21005	\$ --	\$ 53,800	\$ 53,800	\$ 188,950	\$ 300,000	\$ 57,250
KFD Clean Emmissions	F22000	--	193,611	193,611	--	230,000	36,389
HRMS, Payroll & Personnel	J20000	143,746	1,591,365	1,735,111	315,177	2,110,000	59,712
KWMCH Improvement	R18004	--	--	--		75,000	75,000
Waimea / Kekaha ADA Improvements	R18015	321,652	32,154	353,806	84,322	750,000	311,872
Historic County Building Security & Grounds Imprv	R20000	6,232	--	6,232	--	6,233	1
Islandwide Playground Equipment	R20005	414,651	85,007	499,658	--	500,000	342
Islandwide Playcourt Resurfacing	R20010	130,642	253,200	383,842	255,090	1,030,000	391,068
Skateboard Parks (Design & Development)	R20015	250,000	--	250,000	6,838	400,000	143,162
Inclusive Playground Development	R20020	--	318,629	318,629	--	318,629	--
Kapaa Pool Renovation	R20030	--	--	--	852,273	1,000,000	147,727
Hanapepe Stadium (County Match)	R22000	--	70,580	70,580	--	500,000	429,420
Kilauea Gymnasium (County Match)	R22005	--	193,123	193,123	211,166	420,000	15,711
Waimea Tennis Court Lights	R22010	--	--	--	--	175,000	175,000
Neighborhood Centers Improvements	W07013	149,378	--	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	2,542,500	176,726	2,719,226	--	2,878,605	159,379
Adolescent Drug Treatment Center	W10017	480,005	--	480,005	--	480,005	--
Kōloa Fire Station Improvements	W12012	--	73,696	73,696	11,999	100,000	14,305
Piikoi Interior II	W12053	8,665	--	8,665	15,630	24,295	--
CFD Complete Streets projects in Kōloa/Po'ipū Area	W13014	96,875	20,750	117,625	206,414	333,528	9,489
Police Training Building KPAL	W16010	58,750	--	58,750	6,935	65,685	--
Līhu'e WWTP Improvements Phase II	W17001	352,664	12,772	365,436	4,160	369,596	--

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Helicopter Hangar	W18018	\$ --	\$ --	\$ --	\$ 85,864	\$ 120,000	\$ 34,136
Kilauea / Kolo Road	W19001	--	38,094	38,094	--	50,000	11,906
KPAL / Police Training	W19005	113,200	--	113,200	12,800	126,000	--
Kapule Counters RPA / Plan	W19105	38,041	--	38,041	--	50,000	11,959
Wailua WWTP Improvements/Renovation	W20025	106,308	43,212	149,520	237,137	386,657	--
Wailua Emergency Manhole Upgrades	W20030	58,767	7,992	66,759	81,527	200,000	51,714
Wastewater Billing System Upgrades	W20035	1,003	1,003	2,006	2,010	200,000	195,984
Eleele Collection System Environmental Requirement	W21005	--	1,477	1,477	3,801	5,278	--
Hoonani Road/Sidewalk	W21011	--	--	--	--	350,000	350,000
Lawai Road/Sidewalk	W21012	--	--	--	--	300,000	300,000
Paanau Phase I Energy	W21013	--	636,000	636,000	--	636,000	--
Poipu Beach Ped/Bicycle	W21014	--	--	--	--	1,693,707	1,693,707
Lihue Sewer Pump Station Improvements	W22010	--	--	--	8,469	8,469	--
Park Improvement Waimea District	W96073	30,327	1,164	31,491	--	36,794	5,303
IT Infrastructure Improvements	X10006	335,006	38,742	373,748	1,252	375,000	--
Total Expenditures		\$ 6,068,384	3,843,097	\$ 9,911,481	\$ 2,592,497	\$ 17,224,988	\$ 4,721,010
Excess (Deficiency) of Revenues Over (Under) Expenditures			(479,350)				
Other Financing Sources:							
Transfers In			1,985,934				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			1,506,584				
Fund Balance - Beginning of Year, July 1, 2021			9,347,222				
Fund Balance - End of Year, June 30, 2022			\$ 10,853,806				

COUNTY OF KAUA'I, 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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Revenues:							
Interest and investment earnings (losses)			\$ (260,299)				
Bond subsidies			907,022				
Total Revenues			646,723				
Expenditures:							
Alternative Energy Projects	D10106	\$ 1,208,709	\$ 661	\$ 1,209,370	\$ 76	\$ 1,209,446	\$ --
KFD Helicopter Hanger Pad	F14001	135,526	--	135,526	10,207	145,733	--
KFD Utilization STD	F20000	52,152	69,367	121,519	--	121,519	--
Lima Ola Onsite Phase I	H18001	192,297	3,892,136	4,084,433	44,408	6,000,000	1,871,159
Waimea Land Acquire	H20000	3,873,540	26,460	3,900,000	--	3,900,000	--
HRMS, Payroll & Personnel	J2000A	--	24,829	24,829	3,355	127,411	99,227
HRMS, Payroll & Personnel	J2000B	--	--	--	97,589	97,589	--
HRMS, Payroll & Personnel	J20000	448,245	263,991	712,236	--	1,000,000	287,764
Adolescent Treatment & Healing Center	M18001	973,400	--	973,400	--	973,400	--
Veterans Cemetery Upgrade	R10013	163,782	--	163,782	--	251,274	87,492
Salt Pond Beach Park Facility Improvements	R12002	--	24,963	24,963	48,037	73,000	--
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	67,023	420,336	12,777
Salt Pond Beach Park Facility Improvements	R16001	--	7,000	7,000	42,955	50,000	45
Hanapēpē Stadium Improvements	R17001	85,379	--	85,379	7,899	100,000	6,722
Kapaa Stadium Improvements	R18002	76,262	63,530	139,792	10,208	150,000	--
Black Pot Improvements	R18007	89,535	3,318	92,853	7,147	100,000	--
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
Hanapēpē Bridge Reconstruction	W09007	14,285	409	14,694	90,263	111,958	7,001
Wailua WWTP Improvement	W10A14	--	--	--	130,000	130,000	--
Twin Reserve EQ	W10A46	7,736	--	7,736	2,264	10,000	--
Opaekaa Bridge-Design	W10002	99,989	--	99,989	--	140,000	40,011

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Piikoi Building Renovation	W10011	\$ 2,428,940	\$ --	\$ 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	4,931,408	--	4,931,408	18,592	4,950,000	--
Rice Street Crossing Improvements	W10032	23,478	134,054	157,532	--	157,534	2
New Landfill Site Acquisition	W10037	2,487,760	--	2,487,760	--	2,487,760	--
Safe Route Kawaihau	W10045	200,629	3,056	203,685	45	263,000	59,270
Twin Reserve EQ	W10046	93,361	--	93,361	6,639	100,000	--
CIP Management System	W10051	170,002	--	170,002	--	170,002	--
Kōloa Fire Station Improvements	W12012	74,378	--	74,378	60,138	200,786	66,270
Piikoi Interior Renovation Phase II	W12053	542,286	121,872	664,158	48,799	841,531	128,574
Kōloa Road Safety Improvements (County Match)	W12065	91,566	--	91,566	--	91,572	6
Hanapēpē Road	W12067	--	--	--	--	47,000	47,000
Material Recovery Facility (MRF)	W13001	248,012	--	248,012	--	248,012	--
Aliomanu Road	W13004	313,171	--	313,171	4,096	317,268	1
Auto Shop Improvements	W13005	542,504	--	542,504	--	550,000	7,496
Fuel Management System	W13007	177,677	--	177,677	--	195,000	17,323
NPDES Compliance	W13A10	555,722	42,912	598,634	1,366	600,000	--
NPDES Compliance	W13010	176,608	--	176,608	--	176,608	--
Anini Bridge	W14001	617,286	--	617,286	--	618,640	1,354
Salt Pond Wastewater Improvements	W14005	836,091	--	836,091	4,113	840,204	--
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	--
Niualu Bridge Replacement	W15104	--	--	--	--	50,000	50,000
RPA Counter Renovation	W15105	30,060	--	30,060	--	31,623	1,563
Puhi Road Phase II Match	W16A04	3,426	1,109	4,535	7,416	20,000	8,049
Puhi Road Phase II Match	W16004	48,763	507	49,270	730	50,000	--
TIGER Grant Project (County Match)	W17T GR	1,849,764	147,622	1,997,386	2,613	2,000,000	1
Lihue WWTP Improvements Phase II	W17001	99,118	29,228	128,346	4,196	132,542	--
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

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
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	498,661	--	498,661	1,339	500,000	--
Aliomanu Road Improvements	W18012	19,025	56,226	75,251	15,674	101,431	10,506
Kapaa Police Sub-Station	W18013	174,798	45,247	220,045	21,955	507,000	265,000
Niumalu Bridge Replacement	W18014	250,530	17,399	267,929	131,713	650,000	250,358
Opaeka'a Bridge Replacement (County Match)	W18015	594,501	4,809	599,310	60,690	660,000	--
Puhi Road Phase II (County Match)	W18016	17,489	1,810	19,299	3,008	50,000	27,693
Waimea WWT P R-1 (Design)	W18017	487,024	47,156	534,180	10,815	544,997	2
Helicopter Hangar (Construction)	W18018	--	--	--	--	583,770	583,770
Kawaihau, Haualla, Maluhia	W19000	448,239	(340,592)	107,647	132,371	637,000	396,982
Kilauea, Kolo Rd Improvements	W19001	--	112,139	112,139	--	200,000	87,861
Oloheua Road Improvements	W19002	393,598	--	393,598	6,402	400,000	--
KPAL, Police Training	W19005	138,616	122,702	261,318	38,682	300,000	--
Wailua SPS3 Rehabilitation	W19007	--	--	--	40,000	40,000	--
Maluhia, Kōloa Rd	W19021	1,847,995	90,732	1,938,727	11,273	1,950,000	--
Maluhia, Kōloa Rd	W20A00	--	--	--	9,568	75,628	66,060
Wastewater Facility	W20A05	160,744	17,000	177,744	39,940	217,684	--
Wastewater Facility	W20B05	83,000	62,000	145,000	48,921	193,921	--
CIP Contingency	W20000	93,273	--	93,273	--	102,841	9,568
HVAC Replacement	W20002	300,751	--	300,751	--	300,751	--
Wastewater Facility	W20005	--	126,787	126,787	106,308	233,095	--
Sewer Collection Upgrade	W20010	233,886	8,234	242,120	--	242,120	--
Waimea R-1 Environmental Requirement	W21000	73,883	11,000	84,883	29,019	113,902	--
Eleele Collection System Environmental Requirement	W21005	--	--	--	25,222	25,222	--
Lihue SPS Improvements	W22A10	--	--	--	12,013	12,013	--
Wailua Manhole Upgrade	W22A15	--	--	--	7,623	7,623	--
BMPS Refuse Transf	W22000	--	--	--	--	500,000	500,000
Landfill Vertical	W22005	--	--	--	335,200	335,200	--
Lihue SPS Improvments	W22010	--	14,250	14,250	8,551	44,306	21,505

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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-To-Date Expenditures	Encumbrances	Project Authorization	Balance
Wailua Manhole Upgrade	W22015	\$ --	\$ --	\$ --	\$ 542,377	\$ 542,377	\$ --
Biennial Bridge Inspections (County Match)	W96388	42,315	1,557	43,872	--	50,228	6,356
800 MHZ Radio System Upgrade Phase II	X14001	2,964,975	--	2,964,975	--	2,964,975	--
Cashiering System Upgrade	X15100	178,166	--	178,166	--	178,166	--
Land Information Management Plan	X18001	1,141,181	248,000	1,389,181	--	1,500,000	110,819
West Kauai Development Plan	Z18002	41,750	15,000	56,750	--	73,620	16,870
West Kauai Development Plan	Z18004	497,626	2,340	499,966	--	500,000	34
Total Expenditures		<u>\$ 38,125,877</u>	<u>5,520,820</u>	<u>\$ 43,646,697</u>	<u>\$ 3,234,057</u>	<u>\$ 53,138,719</u>	<u>\$ 6,257,965</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			(4,874,097)				
Other Financing Sources (Uses):							
Transfers out			(958,438)				
Total Other Financing Sources (Uses)			(958,438)				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			(5,832,535)				
Fund Balance - Beginning of Year, July 1, 2021			17,295,325				
Fund Balance - End of Year, June 30, 2022			<u>\$ 11,462,790</u>				

**COUNTY OF KAUAI, HAWAII
OPEN SPACE CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	--	\$ 553,649	\$ --	\$ 599,000	\$ 45,351
Kaununu Coastal Access	X22010	\$ --	<u>--</u>	\$ --	\$ --	\$ 1,500,000	\$ 1,500,000
Total Expenditures		\$ <u>553,649</u>	<u>--</u>	\$ <u>553,649</u>	\$ <u>-</u>	\$ <u>2,099,000</u>	\$ <u>1,545,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			--				
Other Financing Sources:							
Transfers In			<u>1,500,000</u>				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			<u>1,500,000</u>				
Fund Balance - Beginning of Year, July 1, 2021			<u>45,351</u>				
Fund Balance - End of Year, June 30, 2022			\$ <u>1,545,351</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, 2022

	Project No.	Prior Year Expenditures	Current Year	Project-T o-Date Expenditures	Encumbrance	Project Authorization	Balance
Revenues:							
Interest			\$ --				
Other revenues			--				
Total Revenues			--				
Expenditures:							
Bus Transit Facility Utilization Study	T20000	\$ 63,000	\$ --	\$ 63,000	\$ 62,000	\$ 125,000	\$ --
Kapahi Bridge Replacement	W05368	--	--	--	--	170,000	170,000
Hanapepe Bridge Reconstruction	W09007	--	--	--	--	175,000	175,000
Hanapepe Road Resurfacing	W12067	--	--	--	--	850,000	850,000
Expansion of Bus Facility	W20040	108,087	5,667	113,754	--	225,000	111,246
Lihue Culvert Repairs	W22025	--	--	--	--	245,000	245,000
Minor Bridge Upgrades & Repairs	W22030	--	--	--	--	700,000	700,000
Total Expenditures		\$ 171,087	5,667	\$ 176,754	\$ 62,000	\$ 2,490,000	\$ 2,251,246
Excess (Deficiency) of Revenues Over (Under) Expenditures							
			(5,667)				
Other Financing Sources:							
Transfers in			2,140,000				
Total Other Financing Sources (Uses)			2,140,000				
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses							
			2,134,333				
Fund Balance - Beginning of Year, July 1, 2021			178,913				
Fund Balance - End of Year, June 30, 2022			\$ 2,313,246				

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, 2022

	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	\$ 749,000	\$ 749,000	\$ 771,469	\$ --	\$ 771,469	\$ 22,469
Kalepa housing project	1,155,148	1,155,148	1,136,491	--	1,136,491	(18,657)
Other revenues	282,000	282,000	247,732	--	247,732	(34,268)
Total Revenues	<u>2,186,148</u>	<u>2,186,148</u>	<u>2,155,692</u>	<u>--</u>	<u>2,155,692</u>	<u>(30,456)</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>4,786,148</u>	<u>4,786,148</u>	<u>4,755,692</u>	<u>--</u>	<u>4,755,692</u>	<u>(30,456)</u>
Expenditures - Public Welfare:						
Revolving buy back account	3,721,520	3,721,520	615,797	191,085	806,882	2,914,638
Kalepa housing operating cost	1,204,886	1,204,886	550,586	258,171	808,757	396,129
Pa'anau housing operating cost	1,487,182	1,487,182	430,565	185,553	616,118	871,064
Total Expenditures	<u>6,413,588</u>	<u>6,413,588</u>	<u>1,596,948</u>	<u>634,809</u>	<u>2,231,757</u>	<u>4,181,831</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Note C)	\$ <u>(1,627,440)</u>	\$ <u>(1,627,440)</u>	3,158,744	\$ <u>(634,809)</u>	\$ <u>2,523,935</u>	\$ <u>4,151,375</u>
Fund Balance - Beginning of Year July 1, 2021			<u>18,449,153</u>			
Fund Balance - End of Year June 30, 2022			\$ <u>21,607,897</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, 2022

	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	\$ 39,711	\$ --	\$ 39,711	\$ 5,711
Charges for Services:						
Sewer Charges:						
Residential	3,350,000	3,350,000	3,545,051	--	3,545,051	195,051
Commercial	4,850,000	4,850,000	4,942,385	--	4,942,385	92,385
Connection charge	--	--	(856)	--	(856)	(856)
Sludge disposal	250,000	250,000	363,594	--	363,594	113,594
Capacity assessment	30,000	30,000	63,180	--	63,180	33,180
Other revenues/miscellaneous	--	--	3,255	--	3,255	3,255
Total Revenues	<u>8,514,000</u>	<u>8,514,000</u>	<u>8,956,320</u>	<u>--</u>	<u>8,956,320</u>	<u>442,320</u>
Other Financing Sources (Uses):						
Transfers out	(701,096)	(701,096)	(701,096)	--	(701,096)	--
Operating transfers from General Fund	<u>4,913,806</u>	<u>4,913,806</u>	<u>4,913,806</u>	<u>--</u>	<u>4,913,806</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>4,212,710</u>	<u>4,212,710</u>	<u>4,212,710</u>	<u>--</u>	<u>4,212,710</u>	<u>--</u>
Total Revenues and Other Financing Sources (Uses)	<u>12,726,710</u>	<u>12,726,710</u>	<u>13,169,030</u>	<u>--</u>	<u>13,169,030</u>	<u>442,320</u>
Expenditures - Sanitation:						
Sanitation and Waste Removal:						
Salaries, including overtime	2,829,510	2,763,782	2,589,506	--	2,589,506	174,276
Vacation credit payout	1	59,253	59,249	--	59,249	4
Operational and administrative	3,409,882	3,546,782	3,158,257	320,366	3,478,623	68,159
Central services cost	500,000	500,000	500,000	--	500,000	--
Capital costs	1,137,109	1,133,608	510,349	570,670	1,081,019	52,589
SRF loan payments	2,037,720	1,990,220	1,958,540	--	1,958,540	31,680
FICA taxes	214,173	214,173	195,605	--	195,605	18,568
Public employees' health fund	266,147	276,547	276,522	--	276,522	25
Workers' compensation	17,000	46,076	35,032	--	35,032	11,044
Unemployment compensation	1	1	--	--	--	1
Pension contributions	671,909	671,909	655,895	--	655,895	16,014
Other employee benefits	9,423	9,423	5,411	--	5,411	4,012
Public employees' other post-employment benefit	553,765	553,765	548,926	--	548,926	4,839
Repair and maintenance reserve	<u>3,455,408</u>	<u>3,336,509</u>	<u>1,925,198</u>	<u>1,336,631</u>	<u>3,261,829</u>	<u>74,680</u>
Total Expenditures - Sanitation	<u>15,102,048</u>	<u>15,102,048</u>	<u>12,418,490</u>	<u>2,227,667</u>	<u>14,646,157</u>	<u>455,891</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures (Note C)	\$ <u>(2,375,338)</u>	\$ <u>(2,375,338)</u>	750,540	\$ <u>(2,227,667)</u>	\$ <u>(1,477,127)</u>	\$ <u>898,211</u>
Fund Balance - Beginning of Year July 1, 2021			<u>1,419,674</u>			
Fund Balance - End of Year June 30, 2022			\$ <u>2,170,214</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, 2022

	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	\$ 3,200	\$ --	\$ 3,200	\$ (4,800)
Pro shop	26,400	26,400	27,300	--	27,300	900
Range balls	--	--	--	--	--	--
Golf carts	150,000	150,000	233,575	--	233,575	83,575
Other	500	500	--	--	-	(500)
Charges for Services:						
Green fees and locker fees	821,600	821,600	1,230,637	--	1,230,637	409,037
Total Revenues	1,006,500	1,006,500	1,494,712	--	1,494,712	488,212
Other Financing Sources:						
Operating transfers from General Fund	1,722,345	1,722,345	1,722,345	--	1,722,345	--
Total Revenues and Other Financing Sources	2,728,845	2,728,845	3,217,057	--	3,217,057	488,212
Expenditures - Culture and Recreation:						
Salaries, including overtime	1,126,320	1,116,420	1,086,342	--	1,086,342	30,078
Operational and administrative	761,846	741,114	565,903	89,901	655,804	85,310
Central services cost	130,000	130,000	130,000	--	130,000	--
Capital costs	202,427	223,159	68,271	127,824	196,095	27,064
Debt service payments	--	--	--	--	--	--
FICA taxes	82,931	82,931	76,486	--	76,486	6,445
Public employees' health fund	176,131	173,131	160,951	--	160,951	12,180
Workers' compensation	2	5,402	5,262	--	5,262	140
Unemployment compensation	1,967	1,967	--	--	--	1,967
Public employees' other post-employment benefit	212,411	219,911	219,015	--	219,015	896
Pension contributions	257,728	257,728	255,903	--	255,903	1,825
Total Expenditures - Culture and Recreation	2,951,763	2,951,763	2,568,133	217,725	2,785,858	165,905
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Note C)	\$ (222,918)	\$ (222,918)	648,924	\$ (217,725)	\$ 431,199	\$ 654,117
Fund Balance - Beginning of Year July 1, 2021			531,502			
Fund Balance - End of Year June 30, 2022			\$ 1,180,426			

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, 2022

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.

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Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	158
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.	165
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.	168
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.	170

COUNTY OF KAUAI, HAWAII
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 7

TABLE 1

	<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>	<u>2022</u>
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 474,838,061
Restricted	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)	17,004,544 (7)	23,456,638
Unrestricted (2), (4)	<u>23,645,923</u>	<u>9,720,128</u>	<u>(136,593,717)</u>	<u>(132,390,722)</u>	<u>(252,967,511) (3)</u>	<u>(284,520,607)</u>	<u>(279,297,890) (5)</u>	<u>(282,199,326) (6)</u>	<u>(296,400,141) (7)</u>	<u>(274,050,552)</u>
Total Governmental Activities Net Position	<u>493,487,776</u>	<u>476,345,231</u>	<u>320,937,476</u>	<u>320,230,157</u>	<u>194,781,324 (3)</u>	<u>172,449,539</u>	<u>186,045,435 (5)</u>	<u>209,393,473 (6)</u>	<u>198,454,466 (7)</u>	<u>224,244,147</u>
Business-type Activities:										
Net investment in capital assets	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	89,781,076
Restricted	353,600	351,925	356,210	362,635	356,730	362,670	1,368,740	1,370,195	1,149,374	1,146,384
Unrestricted (2), (4)	<u>8,749,372</u>	<u>8,768,640</u>	<u>1,457,020</u>	<u>6,926,493 (1)</u>	<u>(708,815) (3)</u>	<u>(4,138,176)</u>	<u>(6,859,867) (5)</u>	<u>(9,987,468)</u>	<u>(14,462,036)</u>	<u>(4,268,334)</u>
Total Business-type Activities Net Position	<u>70,822,179</u>	<u>77,097,543</u>	<u>79,423,271</u>	<u>82,069,986 (1)</u>	<u>74,310,270 (3)</u>	<u>69,753,433</u>	<u>69,378,913 (5)</u>	<u>75,233,119 (6)</u>	<u>78,960,027</u>	<u>86,659,126</u>
Primary Government:										
Net investment in capital assets	520,273,290	522,538,914	524,963,565	512,962,728	513,877,731	515,634,644	530,257,899	556,528,045	570,122,752	564,619,137
Restricted	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)	18,153,918 (7)	24,603,022
Unrestricted (2), (4)	<u>32,395,295</u>	<u>18,488,768</u>	<u>(135,136,697)</u>	<u>(125,464,229) (1)</u>	<u>(253,676,326) (3)</u>	<u>(288,658,783)</u>	<u>(286,157,757) (5)</u>	<u>(292,186,794) (6)</u>	<u>(310,862,177) (7)</u>	<u>(278,318,886)</u>
Total Primary Government Activities Net Position	<u>\$ 564,309,955</u>	<u>\$ 553,442,774</u>	<u>\$ 400,360,747</u>	<u>\$ 402,300,143 (1)</u>	<u>\$ 269,091,594 (3)</u>	<u>\$ 242,202,972</u>	<u>\$ 255,424,348 (5)</u>	<u>\$ 284,626,592 (6)</u>	<u>\$ 277,414,493 (7)</u>	<u>\$ 310,903,273</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.

Note (7): Net position for 2021 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 - 5

TABLE 1A

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses (2), (3):										
Governmental Activities:										
General government	\$ 36,906,688	\$ 27,367,278	\$ 34,845,724	\$ 31,124,910	\$ 35,907,652	\$ 36,748,751	\$ 39,752,275	\$ 41,191,065	\$ 62,394,687 (5)	\$ 39,461,041
Public safety	52,156,486	55,850,781	59,779,065	63,996,769	77,626,223	78,984,670	87,814,650	85,764,334	97,470,653 (5)	73,696,742
Public works	12,011,341	12,601,556	13,187,394	13,031,167	7,759,049	10,477,006	11,530,773	12,273,793	13,081,015 (5)	27,191,292
Highways and streets	19,996,535	22,563,566	20,169,211	21,389,331	19,449,532	24,405,041	25,189,019	31,193,348	30,095,579 (5)	33,208,619
Sanitation	25,685,902	24,539,377	18,081,944	22,784,661	9,433,463	29,455,273	24,223,172	8,157,902	25,857,356 (5)	35,789,979
Culture and recreation	10,791,475	13,070,021	12,560,842	12,635,604	19,895,665	21,223,972	22,827,870	23,142,666	27,442,570 (5)	22,850,462
Public welfare	22,624,202	22,774,863	20,347,498	22,066,721	25,216,739	27,640,479	28,476,112	36,135,020	49,366,618 (5)	54,141,922
Unallocated interest	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 (5)	4,432,027
Total Governmental Activities Expenses	186,689,047	184,156,230	184,225,733	192,130,011	200,209,971	234,201,515	245,182,191	243,012,311	311,053,290 (5)	290,772,084
Business-type Activities:										
Housing	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	2,526,350
Sewer	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	13,197,472
Golf	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	2,689,354
Total Business-type Activities Expenses	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	18,413,176
Total Primary Government Expenses	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	330,353,010 (5)	309,185,260
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	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	8,836,618
Public safety	1,036,661	1,088,528	976,639	1,059,842	603,963	883,768	928,787	893,593	1,420,365	419,261
Public works	1,410,220	1,903,747	413,159	432,238	370,243	245,982	403,990	437,061	358,168	387,669
Highways and streets	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	8,545,500
Sanitation	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	9,536,387
Culture and recreation	672,755	558,611	886,203	691,189	692,092	667,076	644,013	570,656	412,146	414,107
Public welfare	1,427,164	1,240,109	264,652	282,196	674,476	372,246	395,253	360,100	429,601	434,293
Operating grants and contributions	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	106,676,827
Capital grants and contributions	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	6,980,921
Total Governmental Activities Program Revenues	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	142,231,583
Business-type Activities:										
Charges for services:										
Housing	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	2,286,405
Sewer	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	8,893,140
Golf	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	1,489,753
Capital grants and contributions	5,711,909	5,698,224	7,954,930	1,559,608	1,246,127	1,050,457	2,011,556	8,315,374 (4)	1,600,125	5,038,634
Total Business-type Activities Program Revenues	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	17,707,932
Total Primary Government Program Revenues	\$ 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	\$ 159,939,515

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.

Note (5): Total government expenses for 2021 was restated.

COUNTY OF KAUAI, HAWAII
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING) NOTES 1 - 5

TABLE 1A

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Revenue (Expense) (2), (3):										
Governmental activities	\$ (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)	\$ (171,301,790) (5)	\$ (148,540,501)
Business-type activities	(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)	(705,244)
Total Primary Government Net Revenue (Expense):	(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)	(176,303,344) (5)	(149,245,745)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
General Revenues:										
Property taxes	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	158,967,737
County transient accommodations tax	--	--	--	--	--	--	--	--	--	16,048,576
Public service company tax	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	3,217,792
Franchise tax	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	4,002,509
Fuel tax	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	5,402,477
Unrestricted grants and contributions	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	941,950
Investments earnings	1,115,555	1,347,124	933,116	1,664,777	355,446	712,245	5,220,651	4,468,452	827,365	(5,715,804)
Transfers	(619,797)	(2,338,126)	(471,508)	(2,188,753)	(794,150)	87,431	(3,129,407)	(5,128,455)	(8,468,426)	(8,535,055)
Total Governmental Activities General Revenues and Transfers	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	174,330,182
Business-type Activities:										
General Revenues:										
Unrestricted grants and contributions	14,402	--	--	--	--	--	--	--	--	--
Investment earnings	--	33,818	19,709	64,629	31,965	28,808	186,934	(55,778)	260,036	(130,712)
Transfers	619,797	2,338,126	471,508	2,188,753	794,150	(87,431)	3,129,407	5,128,455	8,468,426	8,535,055
Total Business-type Activities General Revenues and Transfers	634,199	2,371,944	491,217	2,253,382	826,115	(58,623)	3,316,341	5,072,677	8,728,462	8,404,343
Total Primary Government Program Revenues	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	182,734,525
Changes in Net Position (2), (3):										
Governmental activities	(23,276,500)	(17,142,535)	3,616,757	(707,319)	2,695,964	(22,331,785)	10,990,476	23,348,038 (4)	(10,939,007) (5)	25,789,681
Business-type activities	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	7,699,099
Total Primary Government Changes in Net Position	\$ (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)	\$ (7,212,099) (5)	\$ 33,488,780

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.

Note (5): Net Revenue (Expense) for 2021 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 - 7**

TABLE 1B

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assets and deferred outflows of resources (2), (4):										
Governmental activities	\$ 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)	\$ 979,476,937 (7)	\$ 959,509,804
Business-type activities	<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>	<u>150,441,384</u>
Total Assets - Primary Government	<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>1,113,158,442</u> (7)	<u>1,109,951,188</u>
Liabilities and deferred inflows of resources (2), (4):										
Governmental activities	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	735,265,657
Business-type activities	<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>	<u>63,782,258</u>
Total Liabilities - Primary Government	<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>	<u>799,047,915</u>
Net Position:										
Net investment in capital assets										
Governmental activities	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	474,838,061
Business-type activities	<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>	<u>89,781,076</u>
Restricted by enabling legislation:										
Governmental activities	--	--	--	--	8,533,459	14,864,441	9,955,466	18,915,146 (6)	17,004,544 (7)	23,456,638
Business-type activities	<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>	<u>1,146,384</u>
Restricted, other:										
Governmental activities	11,287,770	12,063,167	10,177,669	14,439,009	--	--	--	--	--	--
Business-type activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Unrestricted net position (2), (4):										
Governmental activities	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)	(296,400,141) (7)	(274,050,552)
Business-type activities	<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>	<u>(4,268,334)</u>
Total Net Position - Primary Government	<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>\$ 277,414,493</u> (7)	<u>\$ 310,903,273</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.

Note (7): Net Position for 2021 was restated.

Source: Department of Finance

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

TABLE 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	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	28,214,942
Assigned	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	1,563,398
Unassigned	<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>	<u>47,217,022</u>
Total General Fund	<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>	<u>77,485,362</u>
All Other Governmental Funds:										
Nonspendable	2,284,346	1,926,775	1,555,424	2,498,625	2,204,479	528,280	601,440	678,358	943,469	917,405
Restricted	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	16,948,713
Committed	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	38,022,965
Assigned	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	56,121,188
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(14,228,141)</u>	<u>(1,908,772)</u>	<u>(2,580,551)</u>
Total All Other Governmental Funds	<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>	<u>109,429,720</u>
Total Fund Balances	<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>	<u>\$ 186,915,082</u>

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

Source: Department of Finance

COUNTY OF KAUA'I, HAWAII
CHANGES IN GOVERNMENTAL FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED) NOTE 1
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

TABLE 2A

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 95,035	\$ 107,410	\$ 120,492	\$ 126,945	\$ 133,065	\$ 140,107	\$ 151,019	\$ 160,809	\$ 166,141	\$ 187,696
Licenses and permits	7,132	7,878	9,953	10,952	10,582	11,108	11,221	10,915	12,317	11,336
Rents and concessions	649	488	488	500	486	422	386	290	96	105
Interest and investment earnings (losses)	297	1,347	933	1,665	355	712	5,220	4,469 (1)	827	(5,715)
Intergovernmental revenue	46,802	41,126	42,308	38,715	45,231	44,173	75,776	78,021 (1)	114,351	113,635
Charges for current services	9,220	9,877	11,567	11,788	12,029	12,622	12,741	11,675	11,168	12,725
Bond subsidy	1,138	1,045	1,042	1,029	1,015	997	979	958	631	907
Miscellaneous	3,310	824	1,177	1,433	1,220	1,066	1,391	3,537 (1)	1,485	4,407
Total Revenues	163,583	169,995	187,960	193,027	203,983	211,207	258,733	270,674 (1)	307,016	325,096
Expenditures:										
General government	32,943	29,342	33,921	30,858	32,313	31,915	36,260	35,913	55,915	40,215
Public safety	49,049	52,225	55,961	60,219	64,135	68,920	69,974	73,478	87,533	79,124
Public works	9,699	10,146	10,275	10,173	4,812	6,629	7,932	8,175	7,531	22,813
Highways and streets	15,037	16,537	14,144	15,352	12,095	16,569	16,755	22,972	21,909	25,475
Sanitation	13,087	13,554	16,282	16,086	15,566	17,790	20,207	19,335	18,128	19,453
Culture and recreation	9,500	11,548	10,512	10,465	16,642	17,437	18,078	18,478	21,600	19,781
Public welfare	22,018	21,980	18,924	19,476	22,790	24,541	25,735	32,491	44,856	51,088
Capital outlay	25,916	22,567	15,890	18,012	22,484	21,524	34,712	45,962	42,019	27,359
Debt Service:										
Principal	4,584	6,642	6,830	6,401	7,185	7,626	8,910	9,659	11,264	13,048
Interest	4,970	5,425	5,300	5,130	4,962	5,011	5,532	5,324	5,127	4,355
Total Expenditures	186,803	189,966	188,039	192,172	202,984	217,962	244,095	271,787	315,882	302,711
Excess of Revenues										
Over (Under) Expenditures	\$ (23,220)	\$ (19,971)	\$ (79)	\$ 855	\$ 999	\$ (6,755)	\$ 14,638	\$ (1,113) (1)	\$ (8,866)	\$ 22,385
Other Financing Sources (Uses):										
Transfers in	\$ 28,406	\$ 21,788	\$ 20,251	\$ 26,184	\$ 30,770	\$ 39,737	\$ 24,610	\$ 48,051 (1)	\$ 31,403	\$ 36,177
Transfers out	(29,026)	(24,122)	(20,722)	(28,372)	(31,564)	(39,650)	(27,739)	(53,179) (1)	(39,871)	(44,712)
Refunding bonds issued	--	--	--	--	--	--	--	--	--	--
Bonds issued	--	--	--	--	--	26,001	--	--	--	--
Premium on bonds issued	--	--	--	--	--	--	--	--	--	--
Payments to refunded bond escrow agency	--	--	--	--	--	--	--	--	--	--
Finance purchases	--	--	--	--	--	--	--	--	--	4,201
Issuance of leases	2,451	3,898	1,814	1,720	2,516	3,223	4,594	5,494	6,695	1,956
Issuance of loans	--	--	--	--	3,775	551	369	--	9,576	3,453
Insurance proceeds	--	--	--	--	500	--	--	--	--	--
Claims proceeds	--	--	--	--	--	--	--	--	--	--
Sale of capital assets	--	--	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	1,831	1,564	1,343	(468)	5,997	29,862	1,834	366	7,803	1,075
Net Change in Fund Balances	\$ (21,389)	\$ (18,407)	\$ 1,264	\$ 387	\$ 6,996	\$ 23,107	\$ 16,472	\$ (747) (1)	\$ (1,063)	\$ 23,460
Debt Service as a Percentage of Noncapital Expenditures	5.94%	7.21%	7.05%	6.62%	6.73%	6.43%	6.90%	6.63% (1)	5.99%	6.32%

Note (1): 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
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
2022	40,215,346	79,123,594	22,813,211	25,474,825	19,452,948	19,780,608	51,088,166	27,358,671	17,404,490	302,711,859

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
2013	\$ 80,013,943	\$ 164,648	\$ 80,178,591	\$ 78,429,058	98.0 %	\$ 1,685,306	\$ 80,114,364	99.920 %
2014	91,842,667	537,801	92,380,468	90,317,284	98.3	1,968,453	92,285,737	99.897
2015	107,139,250	100,704	107,239,954	105,651,792	98.6	1,468,697	107,120,489	99.889
2016	114,123,756	70,229	114,193,985	112,470,903	98.6	1,572,145	114,043,048	99.868
2017	119,896,735	393,573	120,290,308	118,625,976	98.9	1,492,533	120,118,509	99.857
2018	126,320,307	257,976	126,578,283	124,910,655	98.9	1,451,393	126,362,048	99.829
2019	136,411,503	148,384	136,559,887	134,812,392	98.8	1,350,862	136,163,254	99.710
2020	145,463,974	(70,143)	145,393,831	143,585,981	98.7	1,149,682	144,735,663	99.547
2021	156,655,306	167,825	156,823,131	153,637,936	98.1	2,155,916	155,793,852	99.344
2022	158,756,720	--	158,756,720	156,245,223	98.4	--	156,245,223	98.418

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				
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
2022	n/a	n/a	26,523,060	3,348,735	23,174,325	6.85	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
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	<u>\$ 18,247,965</u>	
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	<u>\$ 19,105,492</u>	
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	<u>\$ 20,003,702</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
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>	
2022	Residential	5,385,091	\$6.05
	Vacation Rental	3,796,415	9.85
	Commercial	1,301,240	8.10
	Industrial	413,920	8.10
	Agriculture	1,065,803	6.75
	Conservation	109,560	6.75
	Hotel/Resort	2,484,204	10.85
	Homestead	5,552,848	3.05
	Residential Investor	1,801,571	9.40
	Commercialized Home Use	1,263,673	5.05
	Total	<u>\$ 23,174,325</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, 2022 AND JUNE 30, 2013 (UNAUDITED)

TABLE 6

FISCAL YEAR 2022

Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Amount of Taxes	Percent of County's Total Taxable Assessed Valuation
1	Kawailoa Development (Grand Hyatt Resort & Spa)	Resort Development	\$ 221,004,700	\$ 2,397,901	1.0
2	Marriott Ownership Resorts (Waiohai Beach Club)	Resort Development	187,825,100	2,037,945	0.8
3	SVO Pacific Inc. (Princeville Ocean Resort VI)	Resort Development	187,295,800	2,032,159	0.8
4	Poipu Resort Partners LP (Pointe at Poipu)	Resort Development	177,220,100	1,922,839	0.8
5	Poipu Beach Villas LLC (Koloa Landing at Poipu)	Resort Development	190,545,400	1,841,218	0.8
6	Marriott Kauai Ownership (Marriott Kauai Beach Club)	Resort Development	162,960,800	1,768,126	0.7
7	Kukui'ula Development Co LLC	Real Estate Development	223,372,400	1,411,313	1.0
8	Bali Hai Villas LTD Partnership (Bali Hai Villas)	Resort Development	126,903,800	1,372,560	0.5
9	SOF-XI Kauai PV Hotel LP	Resort Development	117,291,100	1,271,609	0.5
10	Tower Kauai Lagoons 9B LLC (TK Resort)	Resort Development	113,921,600	1,208,285	0.5
			<u>\$ 1,708,340,800</u>	<u>\$ 17,263,955</u>	<u>7.4 %</u>

FISCAL YEAR 2013

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	\$ 356,427,700	\$ 3,207,849	2.3 %
2	SVO Pacific Inc. / Kauai Blues	Resort Development	338,578,700	3,047,208	2.2
3	Kauai Lagoons / Mori Golf	Resort Development	231,080,900	1,960,720	1.5
4	Kawailoa Development	Resort Development	209,964,100	1,869,813	1.4
5	Kukui'ula Development / A&B / McBryde	Real Estate Holdings	243,984,700	1,672,857	1.6
6	Knudsen, Eric Trust (Non-Kiahuna)	Real Estate Holdings	113,803,500	978,441	0.7
7	Grove Farm Co. Inc. / Haili Moe Inc. / Visionary LLC	Real Estate Holdings	129,210,200	969,704	0.8
8	Princeville Hotel	Resort	93,976,100	845,377	0.6
9	Poipu Beach Villas LLC	Real Estate Holdings	101,368,500	837,226	0.7
10	Bali Hai Villas Ltd Partnership	Resort Development	73,113,600	658,022	0.5
			<u>\$ 1,891,508,000</u>	<u>\$ 16,047,217</u>	<u>12.3 %</u>

Source: Department of Finance, Real Property Tax Division

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

TABLE 7

Fiscal Year	Governmental Activities (1)				Business-type Activities (1)				Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Finance Purchases	Leases (3)	Loans Payable	General Obligation Bonds	Finance Purchases	Leases (3)	Sewer Loans			
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	3.53	1,908
2021	100,504,200	--	11,843,739	13,404,808	--	--	1,887,694	23,830,197	151,470,638	n/a	n/a
2022	93,889,200	11,437,756	892,314	16,095,167	--	1,608,848	4,083	33,061,480	156,988,848	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): Leases for fiscal years 2013 through 2021 represent capital leases which effective fiscal year 2022 no longer apply pursuant to GASB 87, Leases. Leases for fiscal year 2022 represents right-to-use leases.

(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)
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	1,458
2021	100,504,200	--	1,588,524	98,915,676	0.43	n/a
2022	93,889,200	--	1,588,525	92,300,675	0.39	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 KAUA‘I, HAWAI‘I
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (UNAUDITED) NOTES 1 - 2

TABLE 8

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit (1)	\$ 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	\$ 3,476,148,750
Debt applicable to limit	<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>	<u>93,889,200</u>
Legal debt margin (2)	<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>	<u>\$ 3,382,259,550</u>
Debt applicable to the limit as a percentage of debt limit	4.96%	4.76%	4.49%	4.01%	3.64%	4.13%	3.75%	3.33%	2.98%	2.70%

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 2022

Net assessed value	<u>\$ 23,174,325,000</u>
Debt limit (15% of net assessed value)	3,476,148,750
Debt applicable to limit	<u>93,889,200</u>
Legal debt margin	<u>\$ 3,382,259,550</u>

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

TABLE 9

<u>Fiscal</u> <u>Year</u>	<u>Population (1)</u>	<u>Per Capita</u> <u>Personal</u> <u>Income (2)</u>	<u>Personal</u> <u>Income (3)</u> <u>(millions of dollars)</u>	<u>School</u> <u>Enrollment (4)</u>	<u>Unemployment</u> <u>Rate (5)</u>	
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	71,851	54,089	3,886	9,056	16.2	
2021	n/a	n/a	n/a	8,991	7.8	
2022	n/a	n/a	n/a	8,807	6.3	

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 2021 has been updated to reflect 2021 Annual Average Unemployment Rate. Fiscal Year 2022 data is for October 2021 to November 2022.

Population includes Armed Forces and their dependents.

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

COUNTY OF KAUAI, HAWAII
JOBS BY INDUSTRY
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 10

<u>Fiscal Year</u>	<u>Construction</u>	<u>Transportation Communication Utilities</u>	<u>Wholesale & Retail Trade</u>	<u>Services</u>	<u>Lodging</u>	<u>Medical</u>	<u>Finance Insurance Real Estate</u>	<u>Agriculture</u>	<u>Government</u>
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	2,100	1,400	4,100	13,500	2,800	3,100	1,000	n/a	5,000
2022	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	
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
2022	2,286,405	1,594,474	691,931	--	--	--	691,931

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, 2022 (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	644
Temporary	19
Exempt	200
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	4
Recreational parks	68
Gymnasiums	3
Swimming pools	2
Golf courses	1
Tennis courts	24
Baseball and softball fields	17
Basketball courts	23
Volleyball courts	2
Soccer fields	18
Auditoriums	1
Stadiums	3
Fire protection:	
Number of stations	8
Number of fire personnel and officers	213
Number of calls answered	6,680
Number of inspections conducted	6,451
Police protection:	
Number of stations	5
Number of police personnel	198
Number of patrol units	86
Number of police officers	141
Number of law violations:	
Physical arrest	3,411
Traffic violations	19,220
Parking violations	1,730

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2022 (UNAUDITED)

TABLE 12

Sewage system:

Number of treatment plants	4
Number of service connections:	
Residential	5,152
Commercial	572
Daily average treatment in gallons	2,100,000
Maximum daily capacity of treatment plant in gallons	5,500,000

Water system:

Miles of water mains	443.41
Number of service connections	22,646
Number of fire hydrants	3,034
Annual water consumption in gallons	4.054 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	4,067
Number of elementary school instructors	308
Number of middle schools	3
Number of students enrolled	1,860
Number of middle school instructors	136
Number of secondary schools	3
Number of students enrolled	2880
Number of secondary school instructors	200
Number of community colleges	1

Hospitals:

Number of hospitals	3
Number of licensed patient beds	111

Elections - 2020 general election:

Number of registered voters	48,494
Number of votes cast	17,716
Percentage of registered voters voting	36.5%

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2022 (UNAUDITED)

TABLE 12

Building Permits:

<u>Fiscal Year</u>	<u>Number of Permits Issued</u>	<u>Value of Permits</u>
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
2022	1,403	305,743,942

Source: Building Division, County of Kauai

COUNTY OF KAUAI, HAWAII
MISCELLANEOUS STATISTICS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2022 (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>
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	9.1	18.3
2022	1,223.6	7.8	n/a	28.5

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

Sources: 1. State of Hawai'i Department of Business, Economic Development and Tourism, Hawai'i Tourism Authority, Visitor Research Annual Reports, Fiscal Years 2012 – 2021.
2. State of Hawai'i Department of Business, Economic Development and Tourism, Hawai'i Tourism Authority, Visitor Research Preliminary Data, Fiscal Year 2022, 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 2021

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	Wilcox Health	HOSPITAL	846	3.03%
2	Grand Hyatt Kauai Resort & Spa	HOTEL	810	2.90%
3	Ohana Pacific Management Co. (Kauai)	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	371	1.33%
4	Kauai Veterans Memorial Hospital	HOSPITAL	275	0.99%
5	Kauai Beach Resort	HOTEL	160	0.57%
6	Samuel Mahelona Memorial Hospital	HOSPITAL	148	0.53%
7	Kauai Island Utility Cooperative	UTILITY	140	0.50%
8	Kauai Nursery & Landscaping Inc.	NURSERY AND LANDSCAPE	97	0.35%
9	Gather FCU	CREDIT UNION	88	0.32%
10	The Parrish Collection	VACATION RENTAL	85	0.30%

Source: Pacific Business News, September 2-8, 2022 Publication
State of Hawaii Data Book 2021

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

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

TABLE 13

Principal Non-Government Employers as of 2019

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	927	2.42%
2	WILCOX HEALTH	HOSPITAL	749	1.96%
3	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	371	0.97%
4	KAUAI VETERANS MEMORIAL HOSPITAL	HOSPITAL	289	0.75%
5	SHIOI CONSTRUCTION INC.	HOTEL	167	0.44%
6	KOA KEA HOTEL & RESORT	HOTEL	160	0.42%
7	KAUAI ISLAND UTILITY COOPERATIVE	UTILITY	140	0.37%
8	SAMUEL MAHELONA MEMORIAL HOSPITAL	HOSPITAL	138	0.36%
9	SECURITAS SECURITY SERVICES USA INC	SECURITY	131	0.34%
10	KEOKI'S PARADISE	RESTAURANT	125	0.33%

Source: Pacific Business News, October 9, 2020 Publication
State of Hawaii Data Book 2019

Principal Non-Government Employers as of 2018

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	927	3.43%
2	WILCOX MEDICAL CENTER	HOSPITAL	917	3.40%
3	PRINCEVILLE RESORT KAUAI	HOTEL	500	1.85%
4	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	382	1.41%
5	KAUAI VETERANS MEMORIAL HOSPITAL	HOSPITAL	289	1.07%
6	AQUA-ASTON HOSPITALITY	HOTEL	287	1.06%
7	KAUAI BEACH RESORT	HOTEL	240	0.89%
8	SHERATON KAUAI RESORT	HOTEL	236	0.87%
9	KOA KEA HOTEL & RESORT	HOTEL	170	0.63%
10	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	165	0.61%

Source: Pacific Business News, July 19, 2019 Publication
State of Hawaii Data Book 2018

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

TABLE 13

Principal Non-Government Employers as of 2017

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	914	3.45%
2	WILCOX HEALTH	HOSPITAL	826	3.12%
3	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	502	1.89%
4	MANU KAI	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	500	1.89%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	335	1.26%
6	AQUA-ASTON HOSPITALITY	HOTEL	294	1.11%
7	WEST KAUAI MEDICAL CENTER	HOSPITAL	283	1.07%
8	SHERATON KAUAI RESORT	HOTEL	255	0.96%
9	THE WESTIN PRINCEVILLE OCEAN RESORT VILLAS	HOTEL	207	0.78%
10	SHIOI CONSTRUCTION INC.	CONSTRUCTION	174	0.66%

Source: Pacific Business News, July 27, 2018 Publication
State of Hawaii Data Book 2017

Principal Non-Government Employers as of 2016

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	946	3.68%
2	WILCOX HEALTH	HOSPITAL	787	3.06%
3	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	508	1.98%
4	MANU KAI	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	504	1.96%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	335	1.30%
6	SHERATON KAUAI RESORT	HOTEL	288	1.12%
7	SAFEWAY INC.	RETAIL GROCER	281	1.09%
8	THE WESTIN PRINCEVILLE OCEAN RESORT VILLAS	HOTEL	170	0.66%
9	PIONEER HI-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

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

TABLE 13

Principal Non-Government Employers as of 2015

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	907	3.58%
2	WILCOX HEALTH	HOSPITAL	771	3.04%
3	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	550	2.17%
4	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	499	1.97%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	344	1.35%
6	SHERATON KAUAI RESORT	HOTEL	296	1.16%
7	SYNGENTA CORP	AGRICULTURE	260	1.02%
8	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	210	0.83%
9	AQUA-ASTON HOSPITALITY	HOTEL	208	0.82%
10	THE WESTIN PRINCEVILLE OCEAN RESORT VILLAS	HOTEL	205	0.81%

Source: Pacific Business News, August 19, 2016 Publication
State of Hawaii Data Book 2015

Principal Non-Government Employers as of 2014

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	HOTEL	881	3.55%
2	WILCOX HEALTH	HOSPITAL	832	3.35%
3	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	550	2.21%
4	THE ST. REGIS PRINCEVILLE RESORT	HOTEL	499	2.01%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	344	1.38%
6	SHERATON KAUAI RESORT	HOTEL	296	1.19%
7	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

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

TABLE 13

Principal Non-Government Employers as of 2013

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	602-ROOM HOTEL	941	3.85%
2	WILCOX MEMORIAL HOSPITAL	HOSPITAL	605	2.47%
3	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	550	2.25%
4	THE ST. REGIS PRINCEVILLE RESORT	251-ROOM HOTEL	491	2.01%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	325	1.33%
6	SHERATON KAUAI RESORT	394-ROOM HOTEL	308	1.26%
7	KAUAI BEACH RESORT	350-ROOM CONDO HOTEL	250	1.02%
8	KAUAI MEDICAL CLINIC	HEALTH CLINIC	234	0.95%
9	SHIOI CONSTRUCTION INC.	CONSTRUCTION COMPANY	179	0.73%
10	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	168	0.68%

Source: Pacific Business News, August 22, 2014 Publication
State of Hawaii Data Book 2013

Principal Non-Government Employers as of 2012

RANK	BUSINESS NAME	TYPE OF BUSINESS	TOTAL EMPLOYEES	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
1	GRAND HYATT KAUAI RESORT & SPA	602-ROOM HOTEL	946	4.03%
2	WILCOX MEMORIAL HOSPITAL	72 BED HOSPITAL	719	3.06%
3	MANU KAI'	CONTRACTOR, OPERATES PACIFIC MISSILE RANGE	569	2.42%
4	THE ST. REGIS PRINCEVILLE RESORT	251-ROOM HOTEL	489	2.08%
5	'OHANA PACIFIC MANAGEMENT CO.	INPATIENT REHAB, SKILLED NURSING, LONG-TERM CARE	325	1.38%
6	PIONEER HI-BRED INTERNATIONAL INC.	SEED BIOTECHNOLOGY COMPANY	320	1.36%
7	ASTON ALOHA BEACH HOTEL	216-ROOM HOTEL	290	1.23%
8	SHERATON KAUAI RESORT	394-ROOM HOTEL	285	1.21%
9	BAYADA HOME HEALTH CARE	HOME CARE AND HABILITATION SERVICES	242	1.03%
10	KAUAI BEACH RESORT	350-ROOM CONDO HOTEL	242	1.03%

Source: Pacific Business News, August 30, 2013 Publication
State of Hawaii Data Book 2012

Note (1): Statistical Information not available for 2022

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										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Governmental Activities:										
General government	318	337	327	333	322	328	332	335	339	340
Public safety:										
Police	195	202	210	200	202	200	194	208	208	199
Fire	197	194	196	201	202	201	204	202	194	201
Emergency Management	5	5	4	4	6	6	6	7	8	9
Public works	107.5	109.5	94.5	92	44	51	57	52	44	43
Highway and streets	76	76	77	77	77	77	76	76	76	74
Sanitation	74.5	74.5	75.5	75	73	73	72	71	72	72
Culture and recreation	109.5	214.5	109.5	111	154	160	154	159	148	163
Public welfare	110	113	114	113	146	99	101	124	104	108
Total Governmental Activities Employees	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	1,209.0
Business-type Activities:										
Housing	29	27	25	28	37	23	22	28	28	26
Sewer	36	38	39	37	37	37	37	37	38	38
Golf	21.5	21.5	20.5	21	21	21	21	21	22	22
Total Business-type Employees	86.5	86.5	84.5	86.0	95.0	81.0	80.0	86.0	88.0	86.0
Total Primary Government Employees	1,279	1,412	1,292	1,292	1,321	1,276	1,276	1,320	1,281	1,295

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) NOTE 1**

TABLE 15

	<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>	<u>2022</u>
Function:										
Police:										
Physical arrests	3,482	4,260	3,998	4,012	5,124	5,197	3,773	4,311	3,505	3,411
Parking violations	2,945	2,279	2,594	2,659	4,215	3,558	2,235	1,589	839	1,730
Traffic violations	15,140	19,106	20,805	14,203	16,918	16,569	14,922	16,918	12,789	19,220
Fire:										
Number of calls answered	5,529	5,689	5,924	5,914	6,194	6,338	6,462	6,379	5,706	6,680
Inspections	2,582	2,791	3,049	2,707	2,696	2,621	2,271	2,238	2,657	6,451
Highways and Streets:										
Street resurfacing (miles)	9.13	8.42	--	4.99	3.98	6.59	14.48	32.61	32.11	29.83
Sanitation:										
Waste Disposed at Landfill (tons/year)	74,293 (1)	76,061 (1)	81,500 (1)	83,740 (1)	86,889 (1)	91,425 (1)	91,804 (1)	87,716 (1)	88,444 (1)	90,241
Waste Diverted from Landfill (est. tons/year)	49,529 (1)	57,379 (1)	64,036 (1)	64,300 (1)	65,474 (1)	68,970 (1)	69,256 (1)	66,172 (1)	66,721 (1)	68,077
Culture and Recreation:										
Athletic field permits issued	4,670	6,153	25,307	24,176	8,969	6,172	6,684	5,817	3,084	4,385
Community and neighborhood center admissions	94,407	108,000	113,320	118,480	153,380	298,099	304,731	225,331	95,380	54,766
Water:										
Number of service connections	20,976	21,590	21,669	21,740	21,821	21,857	22,196	22,356	22,401	22,646
Annual water consumption in gallons	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	4,054,000
Wastewater:										
Average daily sewage treatment in gallons	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	2,100,000

Note (1): Sanitation information for all nine years prior to FY2022 has been revised by the Dept. of Public Works. 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) NOTES 1-2

TABLE 16

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Public Safety:										
Police:										
Stations	5	5	5	5	5	5	5	5	5	5
Patrol units	101	100	93	89	83	86	75	86	95	86
Fire stations	8	8	8	8	8	8	8	8	8	8
Sanitation:										
Collection trucks	7	7	8	8	8	8	8	8	14 (2)	16
Highways and Streets:										
Streets (miles)	308	309.5	309.5	309.6	309.6	310.1	310.2	310.7	310.7	310.7
Streetlights	2,982	2,921	2,936	2,941	3,042	3,044	3,048	3,000	3,000	3,000
Traffic signals - Flashers	3	3	3	5 (1)	7 (1)	8	6	6	6	6
Culture and Recreation:										
Parks acreage	487.04	487.04	487.04	487.04	487.04	487.04	488.02	488.02	488.02	488.02
Parks - Camping	7	7	7	7	7	7	7	7	7	4
Parks - Recreational	67	67	67	67	67	67	68	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	443.41	443.41	443.41	443.41
Fire hydrants	2,707	2,778	2,778	2,918	2,918	2,936	2,983	2,983	3,017	3,034
Maximum daily capacity (thousands of gallons)	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	28,750,000
Sewer:										
Sanitary sewers (miles)	50	50	50	50	50	50	50	50	50	50
Maximum daily treatment capacity (thousands of gallons)	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	5,500,000

Note (1): Highway and Streets information for FY2016 and FY2017 has been revised by the Dept. of Public Works.

Note (2): Sanitation information for FY2021 has been revised by the Dept. of Public Works.

Indicators are not available for the general government function.

Source: County of Kaua'i