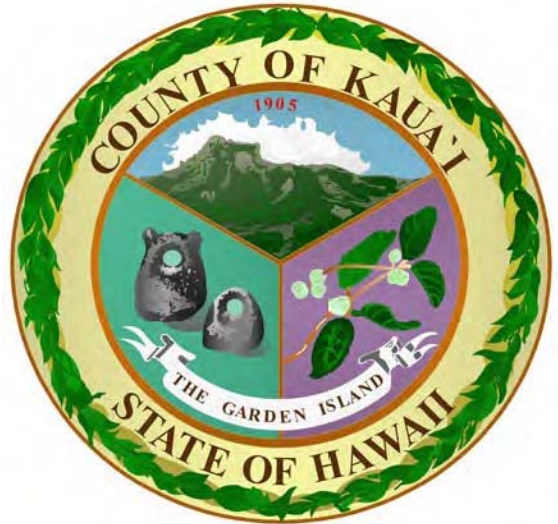


SINGLE AUDIT REPORTS
County of Kaua'i, Hawai'i



For the Fiscal Year Ended
June 30, 2017

December 8, 2017

To the Chair and Members of
the County Council of Kaua'i, Hawai'i
Līhu'e, Kaua'i, Hawai'i

We have completed our financial audit of the basic financial statements and other supplementary information of the County of Kaua'i (the County), as of and for the fiscal year ended June 30, 2017. Our report containing our opinion on those basic financial statements is included in the County's *Comprehensive Annual Financial Report*. We submit herein our reports on the County's internal control over financial reporting on compliance and other matters, the County's compliance for each major federal program, internal control over compliance and on the schedule of expenditures of federal awards.

OBJECTIVES OF THE AUDIT

The primary purpose of our audit was to form an opinion on the fairness of the presentation of the County's basic financial statements as of and for the fiscal year ended June 30, 2017, and to comply with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). More specifically, the objectives of the audit were as follows:

1. To provide a basis for an opinion on the fairness of the presentation of the County's financial statements.
2. To report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
3. To report on internal control related to major federal programs and an opinion on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.

SCOPE OF THE AUDIT

Our audit was performed in accordance with auditing standards generally accepted in the United States of America as prescribed by the American Institute of Certified Public Accountants; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. The scope of our audit included an examination of the transactions and accounting records of the County for the fiscal year ended June 30, 2017.

ORGANIZATION OF THE REPORT

This report is presented in five parts as follows:

- Part I - Our report on internal control over financial reporting and on compliance and other matters.
- Part II - Our report on compliance for each major federal program and on internal control over compliance; and report on the schedule of expenditures of federal awards required by the Uniform Guidance.
- Part III - The schedule of findings and questioned costs.
- Part IV - The corrective action plan.
- Part V - The summary schedule of prior audit findings.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the staff of the County.

Sincerely,

N&K CPAs, INC.



Blake S. Isobe
Principal

COUNTY OF KAUA'I, HAWAI'I

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PART I

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Chair and Members of
the County Council of Kaua'i, Hawai'i
Līhue, Kaua'i, Hawai'i

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kaua'i, Hawai'i (the County) as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 8, 2017. Our report includes a reference to other auditors who audited the financial statements of the Department of Water, which is the County's discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial

statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to the Finding

The County's response to the finding identified in our audit is described in Part V, Corrective Action Plan of this report. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

N&K CPAs, Inc.

Honolulu, Hawai'i
December 8, 2017

PART II

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Chair and Members of
the County and Council of Kaua’i, Hawai’i
Līhue, Kaua’i, Hawai’i

Report on Compliance for Each Major Federal Program

We have audited the County of Kaua’i’s (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the fiscal year ended June 30, 2017. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

The County’s management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 8, 2017, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Department of Water, which is the County's discretely presented component unit. 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

N&K CPAs, Inc.

Honolulu, Hawai'i
December 8, 2017

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
EXECUTIVE OFFICE OF THE PRESIDENT PROGRAMS								
Office of National Drug Control Policy								
High Intensity Drug Trafficking Areas Program:								
High Intensity Drug Traffic, Fiscal Year 2015		P16003		\$ 130,524	\$ 27,393	\$ 130,524	\$ --	\$ --
High Intensity Drug Traffic, Fiscal Year 2017		P17003		117,383	54,005	97,351	20,032	--
Total High Intensity Drug Trafficking Areas Program	95.001			<u>247,907</u>	<u>81,398</u>	<u>227,875</u>	<u>20,032</u>	<u>--</u>
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT PROGRAMS				<u>247,907</u>	<u>81,398</u>	<u>227,875</u>	<u>20,032</u>	<u>--</u>
DEPARTMENT OF AGRICULTURE PROGRAMS								
Pass-Through State of Hawai'i - Child Nutrition Programs--								
Summer Food Service Program for Children:								
Summer Fun Meals FY 2014		R13036	370S13240E72304429	197,502	39,472	166,050	31,452	--
Total Summer Food Service Program for Children	10.559			<u>197,502</u>	<u>39,472</u>	<u>166,050</u>	<u>31,452</u>	<u>--</u>
Pass-Through State Department of Land and Natural Resources--								
Cooperative Forestry Assistance:								
Volunteer Fire Assistance		F12001	11-DG-11052012-031	96,457	6,819	96,458	(1)	--
Volunteer Fire Assistance		F16005	15-DG-11052012-122	10,000	6,759	10,000	--	--
Total Cooperative Forestry Assistance	10.664			<u>106,457</u>	<u>13,578</u>	<u>106,458</u>	<u>(1)</u>	<u>--</u>
TOTAL DEPARTMENT OF AGRICULTURE PROGRAMS				<u>303,959</u>	<u>53,050</u>	<u>272,508</u>	<u>31,451</u>	<u>--</u>
DEPARTMENT OF COMMERCE PROGRAMS								
Passed Through Office of State Planning--								
Coastal Zone Management Program Administration Awards--								
Coastal Zone Management:								
Fiscal Year 2015-2016		Z16001	B-2015-OP-01 SUP#1	281,717	213	281,717	--	--
Fiscal Year 2016-2017		Z17001	B17-01CZM	317,308	294,705	294,705	22,603	--
Total Coastal Zone Management Administration Awards	11.419			<u>599,025</u>	<u>294,918</u>	<u>576,422</u>	<u>22,603</u>	<u>--</u>
TOTAL DEPARTMENT OF COMMERCE PROGRAMS				<u>599,025</u>	<u>294,918</u>	<u>576,422</u>	<u>22,603</u>	<u>--</u>
DEPARTMENT OF EDUCATION PROGRAMS								
Passed Through State of Hawai'i Department of Human Services--								
Rehabilitation Services - Vocational Rehabilitation Grants to States:								
Summer Youth Employment		D16062	DHS-16-VR-3121	62,091	28,932	62,091	--	--
Summer Youth Employment		D17062	DHS-17-VR-4142	161,120	35,133	35,133	125,987	--
Total Rehabilitation Services - Vocational Rehabilitations Grants to States	84.126			<u>223,211</u>	<u>64,065</u>	<u>97,224</u>	<u>125,987</u>	<u>--</u>
TOTAL DEPARTMENT OF EDUCATION PROGRAMS				<u>\$ 223,211</u>	<u>\$ 64,065</u>	<u>\$ 97,224</u>	<u>\$ 125,987</u>	<u>\$ --</u>

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
ENVIRONMENTAL PROTECTION AGENCY PROGRAMS								
Direct Award--								
Congressionally Mandated Projects:								
Water Infrastructure Waimea		W13016(410)		\$ 255,993	\$ 34,020	\$ 226,063	\$ 29,930	\$ --
Total Congressionally Mandated Projects	66.202			<u>255,993</u>	<u>34,020</u>	<u>226,063</u>	<u>29,930</u>	<u>--</u>
Passed Through State of Hawai'i Department of Health--								
Capitalization Grants for Clean Water State Revolving Funds:								
Ele'ele WWTP - Sewer Revolving Funds		W13015 (410)	C150050 11	5,250,000	287,350	5,183,421	66,579	--
Total Capitalization Grants for Clean Water State Revolving Funds	66.458			<u>5,250,000</u>	<u>287,350</u>	<u>5,183,421</u>	<u>66,579</u>	<u>--</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY PROGRAMS				<u>5,505,993</u>	<u>321,370</u>	<u>5,409,484</u>	<u>96,509</u>	<u>--</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS								
Passed Through State Executive Office on Aging--								
Aging Cluster								
Special Programs for the Aging - Title III, Part C, Nutrition Services:								
C1 KEQ 2013		E13004	KA2013N03	176,990	46,811	176,990	--	46,811
C1 AEA FY 2014		E14003	KA2014N03	42,390	18,633	35,246	7,144	--
C1 KEQ 2014		E14004	KA2014N03	35,765	35,765	35,765	--	35,765
C2 KEQ 2014		E14005	KA2014N03	124,328	36,205	124,328	--	36,205
C1 AEA FY 2016		E16003	KA2016N03	54,447	3,726	7,178	47,269	--
C1 KEQ 2016		E16004	KA2016N03	26,941	19,997	19,997	6,944	19,997
C2 KEQ 2016		E16005	KA2016N03	128,024	25,592	33,815	94,209	25,592
C1 CONG FY 2017		E1704F	KA2017N03	226,341	14,290	14,290	212,051	14,290
Total Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			<u>815,226</u>	<u>201,019</u>	<u>447,609</u>	<u>367,617</u>	<u>178,660</u>
Special Programs for the Aging - Title III, Part B:								
Grants for Supportive Services and Senior Centers:								
AEA AREA FY 2014		E14001	KA2014N03	94,980	23	94,980	--	--
AEA AREA FY 2014		E14002	KA2014N03	185,518	28,707	185,518	--	28,707
AEA AREA FY 2016		E16001	KA2016N03	120,275	90,700	120,275	--	--
AEA AREA FY 2016		E16002	KA2016N03	160,196	49,879	49,879	110,317	49,879
B AEA AREA SVS 2017		E1701F	KA2017N03	243,373	32,116	32,116	211,257	--
B AEA AREA INHOME		E1710F	KA2017N03	9,178	832	832	8,346	--
Total Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			<u>813,520</u>	<u>202,257</u>	<u>483,600</u>	<u>329,920</u>	<u>78,586</u>
Administration on Aging - Nutrition Services Incentive Program:								
Food Distribution:								
NSIP 2016		E1608F	KA2016N03	45,949	45,949	45,949	--	45,949
Total Nutrition Services Incentive Program	93.053			<u>45,949</u>	<u>45,949</u>	<u>45,949</u>	<u>--</u>	<u>45,949</u>
Total Aging Cluster				<u>\$ 1,674,695</u>	<u>\$ 449,225</u>	<u>\$ 977,158</u>	<u>\$ 697,537</u>	<u>\$ 303,195</u>

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS (Continued)								
Passed Through State Executive Office on Aging--								
National Family Caregiver Support, Title III, Part E:								
Cooperative Agreements to States and Territories:								
3E 2013 CARE ELDER		E13007	KA2013N03	\$ 107,942	\$ 2	\$ 107,942	\$ --	\$ 2
3E 2014 CARE ELDER		E14007	KA2014N03	52,847	444	52,847	--	444
3E 2016 CARE ELDER		E16007	KA2016N03	55,739	28,799	47,477	8,262	28,799
E ELDER CARE FY 2017		E1707F	KA2017N03	95,015	28,879	28,879	66,136	28,879
E GRGC FY 2017		E1708F	KA2017N03	5,559	4,000	4,000	1,559	4,000
Total National Family Caregiver Support, Title III, Part E	93.052			<u>317,102</u>	<u>62,124</u>	<u>241,145</u>	<u>75,957</u>	<u>62,124</u>
Special Programs for the Aging - Title III, Part D:								
Disease Prevention and Health Promotion Services:								
HP3D 2016 Elderly		E16006	KA2016N03	7,191	5,651	7,191	--	5,651
D HP3D FY 2017		E1706F	KA2017N03	12,981	1,324	1,324	11,657	1,324
Total Title III, Part D, Disease Prevention and Health Promotion Services	93.043			<u>20,172</u>	<u>6,975</u>	<u>8,515</u>	<u>11,657</u>	<u>6,975</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance:								
Passed through State of Hawai'i Department of Health--								
PFS Prevention Grant Year One		M16001	ASO 16-161	110,000	32,283	32,283	77,717	--
PFS Prevention Grant Year Two		M16002	ASO 16-161	110,000	62,264	62,264	47,736	--
Total SAMHSA Projects Regional and National Significance	93.243			<u>220,000</u>	<u>94,547</u>	<u>94,547</u>	<u>125,453</u>	<u>--</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS				<u>2,231,969</u>	<u>612,871</u>	<u>1,321,365</u>	<u>910,604</u>	<u>372,294</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS								
Passed Through State Department of Business, Economic Development and Tourism--								
Home Investment Partnerships Program:								
Fiscal year 2002		HIPA02	M02SG150101	972,400	--	972,400	--	--
Fiscal year 2005		HIPA05	M05SG150101	1,006,555	60,889	1,006,555	--	--
Fiscal year 2006		HIPA06	M06SG150101	996,172	6,064	969,694	26,478	--
Fiscal year 2007		HIPA07	M07SG150101	995,755	312,321	937,976	57,779	--
Fiscal year 2008		H08005	M08SG150101	989,345	68,690	946,269	43,076	--
Fiscal year 2009		H10005	M09SG150101	1,020,292	274,694	917,602	102,690	--
Fiscal year 2010		H11005	M10SG150100	999,574	32,964	995,150	4,424	--
Fiscal year 2016		H12005	M11SG150100	975,364	191,225	861,026	114,338	--
Fiscal year 2013		H14005	M13SG150100	2,850,000	150,579	2,702,194	147,806	--
Fiscal year 2016		H17005	B-16-DH-15-001	3,238,708	25,294	25,294	3,213,414	--
HOME - Program Income		HIPAXX		8,776,864	736,893	7,911,928	864,936	--
Total Home Investment Partnerships Program	14.239			<u>\$ 22,821,029</u>	<u>\$ 1,859,613</u>	<u>\$ 18,246,088</u>	<u>\$ 4,574,941</u>	<u>\$ --</u>

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS (Continued)								
Direct Programs:								
Lower Income Housing Assistance Program--								
Section 8 - Housing Choice Vouchers (252 Fund)				\$ 6,880,599	\$ 6,798,844	\$ 6,798,844	\$ 81,755	\$ --
Total Section 8 Housing Choice Vouchers	14.871			6,880,599	6,798,844	6,798,844	81,755	--
Family Self Sufficiency Program (FSS)--								
Family Self Sufficiency Program FY 2016		H16FSS(252)		133,000	74,584	133,000	--	--
Family Self Sufficiency Program FY 2017		H17FSS(252)		133,000	76,106	76,106	56,894	--
Total Family Self Sufficiency Program (FSS)	14.896			266,000	150,690	209,106	56,894	--
Community Development Block Grants--								
State's Program and Non-entitlement Grants in Hawai'i:								
CDBG - Disaster Program Income		CDBGDX		5,978,407	688,866	5,236,543	741,864	--
CDBG - Program Income		CDBGXX		3,710,816	199,397	2,194,745	1,516,071	--
Fiscal year 2013		H13004		708,555	3,552	704,635	3,920	--
Fiscal year 2014		H15004		720,550	23,724	718,550	2,000	--
Fiscal year 2015		H16004		705,416	148,826	537,308	168,108	42,387
Fiscal year 2016		H17004		696,697	384,750	384,750	311,947	323,561
Program Income - NSP		HNSPXX		2,589,532	8,372	2,362,607	226,925	--
Total CDBG / State's Program and Non-Entitlement Grants in Hawai'i	14.228			15,109,973	1,457,487	12,139,138	2,970,835	365,948
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS				45,077,601	10,266,634	37,393,176	7,684,425	365,948
DEPARTMENT OF JUSTICE PROGRAMS								
Passed Through Office of State Attorney General:								
Crime Victim Assistance:								
VOCA FY 2012		A15021	12-VA-03	199,504	14	199,504	--	--
VOCA FY 2013		A16021	13-VA-03	210,836	(8,040)	210,836	--	--
VOCA FY 2013 - Supplemental		A16022	15-VA-3	470,796	93,552	162,912	307,884	--
VOCA FY 2014		A17021	14-VA-3	210,716	209,587	209,587	1,129	--
Total Crime Victim Assistance	16.575			1,091,852	295,113	782,839	309,013	--
Violence Against Women Formula Grants:								
Stop Violence Against Women - 2016		A16005	14-WF-01	48,595	22,462	48,595	--	--
Stop Violence Against Women - 2017		A17005	2015-WF-AX-0024	48,462	32,718	32,719	15,743	--
SANE Stand-by Pay - 2015		P14023	12-WF-13-2015	48,045	22,008	48,045	--	--
Stop Violence Against Women - 2013		P15024	13-WF-05	47,695	10,201	27,817	19,878	--
Stop Violence Against Women - 2014		P17023	14-WF-05	48,595	15,788	15,788	32,807	--
Total Stop Violence Against Women Grants	16.588			\$ 241,392	\$ 103,177	\$ 172,964	\$ 68,428	\$ --

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF JUSTICE PROGRAMS (Continued)								
Edward Byrne Memorial Justice Assistance Grant Program:								
JAG Local Solicitation		A13025	2013-DJ-BX-0880	\$ 41,778	\$ 25,624	\$ 41,778	\$ --	\$ --
JAG Local Solicitation		A14025	2014-DJ-BX-1099	43,381	1,169	39,416	3,965	--
Cold Case FY 15		A14027	12-DJ-11	96,500	4,966	96,500	--	--
JAG Local Solicitation FY 2015		A15025	2015-DJ-BX-0557	34,952	(10,253)	16,797	18,155	--
JAG Local Solicitation FY 2016		A16025	2016-DJ-BX-0356	34,116	23,191	23,191	10,925	--
Sex Assault Prosecution		A17006	2014-DJ-BX-0910	163,000	122,019	122,019	40,981	--
JAG Drug Nuisance		A17026	2015-DJ-BX-0342	130,100	20,841	20,841	109,259	--
SMEFT FY 2016		P15004	2011-DJ-BX-2205	40,703	38,524	40,703	--	--
HNTF FY 2016		P15005	2011-DJ-BX-2205	31,122	9,335	31,122	--	--
SMEFT FY 2017		P17004	2015-DJ-BX-0342	40,757	28	28	40,729	--
Hawai'i Narcotics Task Force		P17005	2015-DJ-BX-0342	31,433	18,839	18,839	12,594	--
Total Edward Byrne Memorial Justice Assistance Grant Program	16.738			<u>687,842</u>	<u>254,283</u>	<u>451,234</u>	<u>236,608</u>	<u>--</u>
Direct Award - Public Safety and Community Policing Grants:								
COPS Hiring		P16050		<u>750,000</u>	<u>193,462</u>	<u>193,462</u>	<u>556,538</u>	<u>--</u>
Total Public Safety Partnership and Community Policing Grants	16.710			<u>750,000</u>	<u>193,462</u>	<u>193,462</u>	<u>556,538</u>	<u>--</u>
Passed Through State Department of Human Services Office of Youth Services:								
Juvenile Accountability Block Grants:								
JABG FY 17 Hale Opio Kaua'i Inc.		A17028	DHS-16-OYS-624	<u>25,000</u>	<u>10,884</u>	<u>10,884</u>	<u>14,116</u>	<u>--</u>
Total Juvenile Accountability Block Grants	16.523			<u>25,000</u>	<u>10,884</u>	<u>10,884</u>	<u>14,116</u>	<u>--</u>
TOTAL DEPARTMENT OF JUSTICE PROGRAMS								
				<u>2,796,086</u>	<u>856,919</u>	<u>1,611,383</u>	<u>1,184,703</u>	<u>--</u>
DEPARTMENT OF LABOR PROGRAMS								
Passed Through State Department of Labor and Industrial Relations:								
WIAO Cluster								
Workforce Investment Act (WIA):								
Adult Program FY 2016 - WIA-15-AP-K		D16050	WIA-15-AP-K	100,365	56,670	96,805	3,560	56,670
Adult Program FY 2017		D16650	WIOA-16-AP-K	<u>110,554</u>	<u>4,701</u>	<u>4,701</u>	<u>105,853</u>	<u>4,701</u>
Total WIA/WIOA Adult Program	17.258			<u>210,919</u>	<u>61,371</u>	<u>101,506</u>	<u>109,413</u>	<u>61,371</u>
Dislocated Workers, FY 2016 - WIA-15-DWP-K								
Dislocated Workers, FY 2016 - WIA-15-DWP-K		D16051	WIA-15-DWP-K	88,333	59,796	85,004	3,329	59,796
Dislocated Workers, FY 2017 - WIA-16-DWP-K		D16651	WIOA-16-DWP-K	<u>90,864</u>	<u>3,571</u>	<u>3,571</u>	<u>87,293</u>	<u>3,571</u>
Total WIA/WIOA Dislocated Workers Formula Grants	17.278			<u>179,197</u>	<u>63,367</u>	<u>88,575</u>	<u>90,622</u>	<u>63,367</u>
Youth Programs 2016 - WIA-15-YP-K								
Youth Programs 2016 - WIA-15-YP-K		D16060	WIA-15-YP-K	75,140	17,123	69,051	6,089	17,123
Youth Programs 2016 - WIA-15-YP-K		D16061	WIA-15-YP-K	25,046	6,268	22,916	2,130	6,268
Youth Programs 2017		D16652	WIOA-16-YP-K	<u>78,164</u>	<u>270</u>	<u>270</u>	<u>77,894</u>	<u>270</u>
Youth Programs 2017		D16653	WIOA-16-YP-K	<u>26,055</u>	<u>27</u>	<u>27</u>	<u>26,028</u>	<u>27</u>
Total WIA/WIOA Youth Activities	17.259			<u>\$ 204,405</u>	<u>\$ 23,688</u>	<u>\$ 92,264</u>	<u>\$ 112,141</u>	<u>\$ 23,688</u>

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF LABOR PROGRAMS (Continued)								
Administrative, PY 2015 - WIA-15-LAC-K		D16049	WIA-15-LAC-K	\$ 32,096	\$ 28,179	\$ 28,345	\$ 3,751	\$ --
Administrative, PY 2017		D16649	WIOA-16-LAC-K	33,957	20,914	20,914	13,043	--
Total WIA Administrative	17.000			<u>66,053</u>	<u>49,093</u>	<u>49,259</u>	<u>16,794</u>	<u>--</u>
Total WIOA Cluster				<u>660,574</u>	<u>197,519</u>	<u>331,604</u>	<u>328,970</u>	<u>148,426</u>
TOTAL DEPARTMENT OF LABOR PROGRAMS				<u>660,574</u>	<u>197,519</u>	<u>331,604</u>	<u>328,970</u>	<u>148,426</u>
DEPARTMENT OF TRANSPORTATION PROGRAMS								
Passed Through State Department of Transportation:								
Federal Transit Cluster								
Federal Transit - Capital Investment Grants:								
FTA Section 5309, FFY 2005		FTA039	HI-06-0039	1,457,666	15,441	1,457,666	--	--
FTA Section 5309, FY 2009-2010		T11010	HI-04-0004	1,772,133	22,638	1,756,930	15,203	--
FTA Section 5309, FY 2012		T14010	HI-04-0013	1,240,000	1	1,240,000	--	--
Total Federal Transit - Capital Investment Grants	20.500			<u>4,469,799</u>	<u>38,080</u>	<u>4,454,596</u>	<u>15,203</u>	<u>--</u>
Bus and Bus Facilities Formula Program:								
FTA Section 5339 FFY13		T14020	HI-34-0001	831,666	10,863	331,744	499,922	--
Total Bus and Bus Facilities Formula Program	20.526			<u>831,666</u>	<u>10,863</u>	<u>331,744</u>	<u>499,922</u>	<u>--</u>
Total Federal Transit Cluster				<u>5,301,465</u>	<u>48,943</u>	<u>4,786,340</u>	<u>515,125</u>	<u>--</u>
Formula Grants for Rural Areas--								
Formula Grants for Rural Areas:								
FTA Section 5311 FFY 13		T14001	HI-18-X031	2,000,000	--	1,560,000	440,000	--
FTA Section 5311 FFY 14		T15001	HI-18-X032-00	1,040,000	415,534	1,040,000	--	--
FTA Section 5311 FFY 16		T16001	HI-2016-004-00	984,817	682,298	682,298	302,519	--
Total Formula Grants for Rural Areas	20.509			<u>4,024,817</u>	<u>1,097,832</u>	<u>3,282,298</u>	<u>742,519</u>	<u>--</u>
Metropolitan Transportation Planning & State and Non-Metropolitan Planning and Research:								
FTA Section 5304 FFY110		T15101	HI-80-0019-00	200,000	161,092	161,092	38,908	--
Total Metropolitan Transportation Planning & State and Non-Metropolitan Planning and Research	20.505			<u>\$ 200,000</u>	<u>\$ 161,092</u>	<u>\$ 161,092</u>	<u>\$ 38,908</u>	<u>\$ --</u>

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The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF TRANSPORTATION PROGRAMS (Continued)								
Highways Planning and Construction:								
Bridge Replacement - Off System:								
Hanapēpē Bridge Repair BR-0545(1)		W09017(410)	BR-0545(1)	\$ 1,363,525	\$ 1,225	\$ 63,608	\$ 1,299,917	\$ --
Puopae Bridge Repair BR-0700(59)		W09019(410)	BR-0700(59)	480,000	33,821	390,232	89,768	--
Kapahi Bridge Replacement BR-0700(53)		KAPAH(410)	BR-0700(53)	1,868,693	974,119	1,576,176	292,517	--
Opaekaa Bridge Design BR-0700(60)		W10002(410)	BR-0700(60)	520,000	9,625	352,257	167,743	--
Bridge Inspection BR-NBTS(065)		W16011(410)	BR-NBTS(065)	100,000	96,461	97,464	2,536	--
Statewide Transportation Improvement Program:								
Ahukini/Lydgate		AHULYD(410)	STP-0700(51)	921,500	109,046	630,570	290,930	--
Kuna Bay - Anahola Bike & Pedestrian Path - CMAQ-0700(56)		KUNABA(410)	CMAQ-0700(56)	390,000	224	77,331	312,669	--
Lydgate-Kapa'a Bikepath CMAW-0700(49)		LYDKAP(410)	CMAW-0700(49)	7,759,692	37,571	7,541,389	218,303	--
Lydgate/Kapa'a Bikepath STP-0700(61)		LYDPHB(410)	STP-0700(61)	4,485,041	318,554	4,344,989	140,052	--
Lydgate/Kapa'a Bikepath Phase C STP-0700(64)		LYDPHC(410)	STP-0700(64)	712,000	154,864	299,189	412,811	--
Nawiliwili Ahukini Bike Path CMAQ-0700(57)		NAWAHU(410)	CMAQ-0700(57)	1,094,001	9,183	492,612	601,389	--
Safe Improvements Kōhi'ō to Rice St. STP-5720(1)		STP572(410)	STP-5720(1)	8,249,920	260,605	7,549,084	700,836	--
Resurface Various Collector Roads STP-0700(68)		W07008(410)	STP-0700(68)	3,000,896	98,510	1,652,565	1,348,331	--
Safe Routes Kawaihau, Hau'ala, Mailehuna Rd. STP-0700(071)		W10045(410)	STP-0700(071)	308,000	6,388	11,971	296,029	--
Kōloa Safety Improvements HHRP-0530(001)		W12065(410)	HHRP-0530(001)	930,230	176,459	889,435	40,795	--
Hanapēpē Road Improvements STP-0545(2)		W12067(410)	STP-0545(2)	200,000	6,326	113,430	86,570	--
Lihue Mauka Rd. Feasibility Study		W13006(410)	SPR-0010(34)	350,701	1	350,701	--	--
Puhi Road Ultra Thin Layer STP-5010(1)		W10042(410)	STP-5010(1)	3,914,142	3,022,561	3,427,126	487,016	--
Puhi Road Rehabilitation Phase II STP-5010(002)		W15002(410)	STP-5010(002)	200,000	65,211	119,733	80,267	--
Safe Routes To School - Kōloa Phase 2		W15109(410)	SRS-1500(86)	105,780	28,661	28,661	77,119	--
Safe Routes To School - King Kaumualii - Phase 2		W15110(410)	SRS-1500(86)	126,090	26,124	26,124	99,966	--
Safe Routes To School SRS-1500(086)		W15111(410)	SRS-1500(86)	15,000	7,535	12,722	2,278	--
Poipu Road STP-520(4)		W16007(410)	STP-520(4)	408,000	7,511	10,057	397,943	--
Kawaihau Elevated Boardwalk STP-0700(69)		W17EBW(410)	STP-0700(69)	2,418,216	1,942,392	1,942,392	475,824	--
Total Highways Planning and Construction	20.205			\$ 39,921,427	\$ 7,392,977	\$ 31,999,818	\$ 7,921,609	\$ --

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF TRANSPORTATION PROGRAMS (Continued)								
State and Community Highway Safety:								
OPA Highway Safety FY 2016		A16030	AL16-02(04-S-01)	\$ 131,368	\$ 14,249	\$ 131,367	\$ 1	\$ --
OPA DOT Highway Safety 2017		A17030	AL17-02(04-S-01)	162,529	108,057	108,057	54,472	--
KPD Traffic Enforcement - FY 15		P15013	PT15-01(04-K-01)	36,585	1,650	36,585	--	--
KPD Distracted Driver - FY 2016		P16007	16-DD (04-K-011)	11,610	2,458	11,609	1	--
KPD Youth Deterrence FY 2016		P16008	01-K-04	16,472	8,241	16,471	1	--
KPD Traffic Records - FY 2016		P16009	01-K-04	6,287	613	6,287	--	--
KPD Impaired Driver - FY 2016		P16010	01-K-04	46,785	17,821	46,785	--	--
KPD Speed Enforcement - FY 2016		P16012	SC16-06(01-K-04)	71,791	57,100	71,791	--	--
KPD Traffic Enforcement - FY 2016		P16013	PT16-01(04-K-01)	24,526	10,932	24,526	--	--
KPD Occupant Protection - FY 2016		P16014	OP16-05(01-K-04)	44,143	10,800	44,143	--	--
KPD Distracted Driver - FY 2017		P17007	DD17-10(04-K-01)	33,167	10,548	10,548	22,619	--
KPD Youth Deterrence FY 2017		P17008	AL17-02(06-K-01)	23,943	7,678	7,678	16,265	--
KPD Traffic Records - FY 2017		P17009	TR17-03(07-K-01)	65,480	845	845	64,635	--
KPD Roadblock Grant - FY 2017		P17010	AL17-02(01-K-04)	109,071	41,158	41,158	67,913	--
KPD Speed Enforcement - FY 2017		P17012	SC17-06(01-K-04)	88,509	30,683	30,683	57,826	--
KPD Traffic Enforcement - FY 2017		P17013	PT17-01(04-K-01)	97,467	12,634	12,634	84,833	--
KPD Highway Safety - FY 2017		P17014	OP17-03(01-K-04)	115,784	30,887	30,887	84,897	--
Total State and Community Highway Safety	20.600			<u>1,085,517</u>	<u>366,354</u>	<u>632,054</u>	<u>453,463</u>	<u>--</u>
Direct Program--								
National Infrastructure Investments:								
TIGER Discretionary Grants:								
Lihue Town Core Mobility and Revitalization Project		W17TGR		<u>953,217</u>	<u>625,599</u>	<u>625,599</u>	<u>327,618</u>	<u>--</u>
Total National Infrastructure Investments	20.933			<u>953,217</u>	<u>625,599</u>	<u>625,599</u>	<u>327,618</u>	<u>--</u>
TOTAL DEPARTMENT OF TRANSPORTATION PROGRAMS				<u>51,486,443</u>	<u>9,692,797</u>	<u>41,487,201</u>	<u>9,999,242</u>	<u>--</u>
CORPORATION FOR NATIONAL SERVICE PROGRAMS								
Direct Program--								
Retired and Senior Volunteer Program:								
Title II, Part A, Older Americans Volunteer Program:								
RSVP - CY 16 - 15SRPHI003		E1616F		64,390	54,881	62,242	2,148	--
RSVP - CY 17 - 15SRPHI003		E1716F		66,847	17,622	17,622	49,225	--
Total Retired and Senior Volunteer Program	94.002			<u>131,237</u>	<u>72,503</u>	<u>79,864</u>	<u>51,373</u>	<u>--</u>
TOTAL CORPORATION FOR NATIONAL SERVICE PROGRAMS				<u>\$ 131,237</u>	<u>\$ 72,503</u>	<u>\$ 79,864</u>	<u>\$ 51,373</u>	<u>\$ --</u>

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Title	Federal CFDA Number	Federal Grant Project Number	Pass-Through Entity Identifying Number	Federal Program Award Amount	Current Year Federal Expenditure Amount	Total Cumulative Federal Expenditures	Federal Grant Balance	Amount Provided to Subrecipient
DEPARTMENT OF HOMELAND SECURITY PROGRAMS								
Passed Through State Department of Health and State Civil Defense Agency -- Federal Emergency Management Agency (FEMA) - Hazard Mitigation Grant: Ho'omaluu Project FEMA (Project Blue Sky)								
Total Hazard Mitigation Grant (HGMP)	97.039	HOMALU	#0961-0007	\$ --	\$ (65,714)	\$ --	\$ --	\$ --
				<u>--</u>	<u>(65,714)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Emergency Management Performance Grants:								
EMPG FY 2013		C13500	EMW-2013-EP-00010	83,595	2	83,595	--	--
EMPG FY 2014		C14500	EMW-2014-EP-00010	117,535	24	117,534	1	--
EMPG FY 2016		C16500	EMW-2016-EP-00008	130,000	71,153	71,153	58,847	--
Total Emergency Management Performance Grants	97.042			<u>331,130</u>	<u>71,179</u>	<u>272,282</u>	<u>58,848</u>	<u>--</u>
Homeland Security Grant Program:								
Homeland Security Grant 2012		C12100	EMW-2012-SS-00009	334,711	250	334,711	--	--
Homeland Security Grant 2013		C13100	EMW-2013-SS-00003	474,881	15	474,881	--	--
Homeland Security Grant 2014		C14100	EMW-2014-SS-00003	564,221	461,632	564,221	--	--
Homeland Security Grant 2015		C15100	EMW-2015-SS-00003-S01	685,000	414,647	414,647	270,353	--
Total Homeland Security Grant Program	97.067			<u>2,058,813</u>	<u>876,544</u>	<u>1,788,460</u>	<u>270,353</u>	<u>--</u>
Assistance to Firefighters Grants:								
Fire Prevention Grant FY 2012		F12016	EMW-2010-FP-01364	104,000	52	104,000	--	--
Radio Upgrade FY 2014		F14004	EMW-2012-FO-06888	396,183	27,257	396,183	--	--
AFG Grant FY 2016		F16004	EMW-2014-FV-02441	719,091	704,445	704,445	14,646	--
Total Assistance to Firefighters Grant Program	97.044			<u>1,219,274</u>	<u>731,754</u>	<u>1,204,628</u>	<u>14,646</u>	<u>--</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY PROGRAMS				<u>3,609,217</u>	<u>1,613,763</u>	<u>3,265,370</u>	<u>343,847</u>	<u>--</u>
TOTAL ALL FEDERAL PROGRAMS				\$ <u>112,873,222</u>	\$ <u>24,127,807</u>	\$ <u>92,073,476</u>	\$ <u>20,799,746</u>	\$ <u>886,668</u>

The accompanying notes are an integral part of this schedule.

County of Kaua'i, Hawai'i
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2017

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activities of the County under programs of the federal government for the fiscal year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE C - INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D - LOANS OUTSTANDING

The County had the following newly issued loan balances outstanding as of June 30, 2017. These loan program amounts are also included in the federal expenditures presented in the schedule of expenditures of federal awards.

<u>Federal Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Community Development Block Grants	14.228	\$ 488,000
Home Investment Partnerships Program	14.239	<u>500,000</u>
		<u>\$ 988,000</u>

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

County of Kaua'i, Hawai'i
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___	yes	✓	no
Significant deficiency(ies) identified?	✓	yes	___	none reported

Noncompliance material to financial statements noted?

	___	yes	✓	no
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Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	___	yes	✓	no
Significant deficiency(ies) identified?	___	yes	✓	none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	___	yes	✓	no
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Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers
97.067	Homeland Security
20.933	National Infrastructure Investments

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? ✓ yes ___ no

County of Kaua'i, Hawai'i
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

Ref.
No. **Internal Control Findings**

2017-001 Prior Period Adjustment - Significant Deficiency

Criteria: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States (GAAP).

Condition: During our audit, we noted that the County recorded a prior period adjustment due to a \$758,550 payment for a previously accrued liability that was included in Sewer Enterprise Fund expenses as of June 30, 2016. The adjustment resulted in an increase in beginning net position of \$758,550 for business-type activities reported in the Comprehensive Annual Financial Report (CAFR) of the County as July 1, 2016. The effect for the fiscal year ended June 30, 2016 was an increase to the change in net position of \$758,550 for business-type activities.

Cause: A liability related to the Sewer Enterprise Fund was not properly reconciled at year end.

Effect: A misstatement of the County's CAFR in the prior year that was not prevented or detected by the County's internal control system.

Identification as a Repeat Finding, if applicable:

Not applicable.

Recommendation

Management should identify significant nonroutine accounting transactions and ensure that a process is established in which management-level fiscal personnel are actively involved in both the determination of the proper accounting treatment and timely review of the transactions being posted.

Views of Responsible Officials and Planned Corrective Action

The County agrees with the finding and the recommendation. See Part IV Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported

PART IV
CORRECTIVE ACTION PLAN

Bernard P. Carvalho, Jr.
Mayor



Ken M. Shimonishi
Director of Finance

Wallace G. Rezentes, Jr.
Managing Director

Sally A. Motta
Deputy Director of Finance

DEPARTMENT OF FINANCE
County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 280, Lihu'e, Hawai'i 96766
TEL (808) 241-4200 FAX (808) 241-6529

December 8, 2017

Blake S. Isobe
N & K CPA's, Inc.
American Savings Bank Tower
1001 Bishop Street, Suite 1700
Honolulu, HI 96813-3696

Dear Mr. Isobe:

Attached are the County of Kaua'i's responses and corrective action plans related to your fiscal year 2017 audit report *Uniform Guidance Single Audit Report* Current Finding and Recommendation. We appreciate the opportunity to comment on the audit report.

Sincerely,

Ken M. Shimonishi
Director of Finance

Attachment

An Equal Opportunity Employer

County of Kaua'i, Hawai'i
CORRECTIVE ACTION PLAN
Fiscal Year Ended June 30, 2017

**Ref.
No.**

Internal Control Findings

2017-001 Prior Period Adjustment - Significant Deficiency

Auditor's

Recommendation: Management should identify significant non-routine accounting transactions and ensure that a process is established in which management-level fiscal personnel are actively involved in both the determination of the proper accounting treatment and timely review of the transactions being posted.

**Corrective
Action:**

The Accounting Division is in agreement with the auditor's finding and recommendation.

In fiscal year 2014, the County recorded a \$758,550 liability to refund Kaua'i Lagoons for Wastewater Treatment Capacity Assessment (WTCA) fees collected. This liability stemmed from a previous agreement in 2009 between the County and Kaua'i Lagoons. Per the agreement, costs incurred by Kaua'i Lagoons to upgrade the Līhu'e Wastewater Treatment Plant would be offset against the WTCA fees previously collected by the County. The refund was subsequently issued in fiscal year 2016.

The liability recorded for Kaua'i Lagoons was a one-time, non-routine transaction. The balances held within the liability account are normally system-generated amounts for payments made after the fiscal year end (period 13) for goods and services incurred thru June 30th, and payroll related expenses at the end of the fiscal year. Unfortunately, this was an oversight which, ultimately resulted in a prior period adjustment.

Going-forward, additional procedures to include reviewing the liability accounts will be implemented. Transactional details will be reviewed and reconciled to ensure amounts clear via system-generated or manual adjusting journal entries.

End Date: Continuous monitoring

**Responding
Person(s):**

Renee M. Yadao, Accounting Systems Administrator
Department of Finance, Accounting Division,
Phone # 808-241-4211.

PART V
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

County of Kaua'i, Hawai'i
STATUS REPORT
Fiscal Year Ended June 30, 2017

No prior audit findings which apply under the current criteria of the Uniform Guidance were noted.