



County of Hawai'i

State of Hawai'i

Single Audit of Federal Financial Assistance Programs

June 30, 2024



County of Hawai‘i, State of Hawai‘i
Index
Year Ended June 30, 2024

Page(s)

PART 1 – Introduction

PART 2 – Compliance and Internal Control Over Financial Reporting

Report of Independent Auditors 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*

Report of Independent Auditors on Compliance for Each Major Program, Internal Control Over Compliance, and the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Schedule of Expenditures of Federal Awards 8–12

Notes to Schedule of Expenditures of Federal Awards 13

PART 3 – Schedule of Findings and Questioned Costs

Section I – Summary of Auditors’ Results..... 14–15

Section II – Financial Statement Findings 16–18

Section III – Federal Award Findings and Questioned Costs..... 19

Summary Schedule of Prior Audit Findings

PART 1

INTRODUCTION



July 18, 2025

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

We have completed our financial audit of the basic financial statements of the County of Hawai'i, State of Hawai'i (the "County"), as of and for the year ended June 30, 2024. Our report containing our opinion on those basic financial statements is included in the County's *Annual Comprehensive Financial Report*. We have also audited the County's compliance with requirements applicable to its major federal financial programs. We submit herein our reports on compliance and internal control over financial reporting and over federal awards, the schedule of expenditures of federal awards, and the schedule of findings and questioned costs in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance").

The audit objectives and scope of our audit were as follows:

Audit Objectives

1. To provide an opinion on the fair presentation of the County's basic financial statements and the schedule of expenditures of federal awards as of and for the year ended June 30, 2024 in accordance with accounting principles generally accepted in the United States of America.
2. To consider the County's internal control over financial reporting in order to design our auditing procedures for the purpose of expressing our opinions on the financial statements.
3. To perform tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts.
4. To consider the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

Scope of Audit

We performed an audit of the County's basic financial statements and schedule of expenditures of federal awards as of and for the year ended June 30, 2024, 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 provisions of the Uniform Guidance.

999 Bishop Street
Suite 2300
Honolulu, HI 96813

OFFICE 808.531.3400
FAX 808.531.3433
accuityllp.com



Our report on the basic financial statements of the County as of and for the year ended June 30, 2024 is included under a separate cover.

We would like to take this opportunity to express our appreciation to the personnel of the County of Hawai'i, State of Hawai'i for the cooperation and assistance extended to us during our audit. We will be pleased to discuss any questions that you or your associates may have regarding our recommendations.

Very truly yours,

Accuity LLP

KM/LKC

PART 2

COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING



**Report of Independent Auditors 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 Management and the Chair and Members of the County Council
County of Hawai'i, State of 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 ("*Government Auditing Standards*"), 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 of Hawai'i, State of Hawai'i (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 18, 2025.

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") as a basis for designing 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 County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings No. 2024-001 and 2024-002 that we consider to be material weaknesses.

999 Bishop Street
Suite 2300
Honolulu, HI 96813

OFFICE 808.531.3400
FAX 808.531.3433
accuityllp.com



Report on 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 financial statements. 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*.

County's Response to Findings

Government Auditing Standards requires auditors to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying corrective action plan. 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 the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accuity LLP

Honolulu, Hawai'i
July 18, 2025



**Report of Independent Auditors on Compliance for Each Major Program,
Internal Control Over Compliance, and the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Hawai'i, State of Hawai'i's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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 ("*Government Auditing Standards*"); 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* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

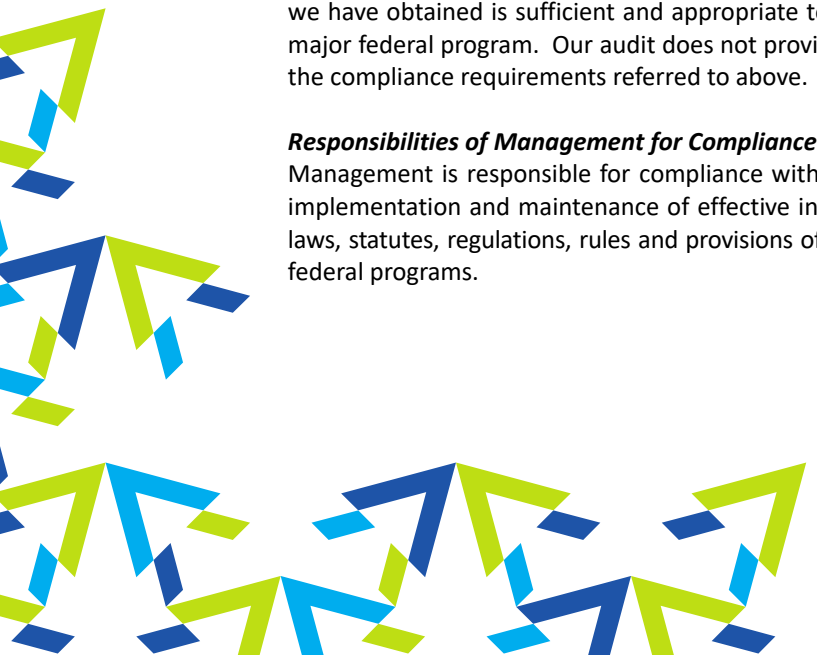
We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

999 Bishop Street
Suite 2300
Honolulu, HI 96813

OFFICE 808.531.3400
FAX 808.531.3433
accuityllp.com





Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.


In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 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 year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 18, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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. As described in Note 2 to the schedule of expenditures of federal awards, the accompanying schedule of expenditures of federal awards was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Accuity LLP

Honolulu, Hawaii
July 18, 2025

County of Hawai‘i, State of Hawai‘i
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Program/Grant	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Food and Nutrition Service				
<i>Passed Through the State Department of Education</i>				
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	1707-8	\$ -	\$ 65,880
<i>Passed Through the State Department of Health</i>				
Supplemental Nutrition Assistance Education Program ("SNAP-Ed") (SNAP Cluster)	10.561	SNAP 23-04 #00272977; SNAP 24-01 #00285657	-	49,984
Forest Service				
Cooperative Forestry Assistance	10.664		-	717,074
Rural Business Cooperative Service				
Rural Development Cooperative Agreement Program	10.890		-	77,390
Total U.S. Department of Agriculture			<u>-</u>	<u>910,328</u>
U.S. Department of Commerce				
Economic Development Administration				
Economic Adjustment Assistance (Economic Development Cluster)	11.307		-	799,842
National Oceanic and Atmospheric Administration				
<i>Passed Through the State Department of Business, Economic Development and Tourism</i>				
Coastal Zone Management Administration Awards				
Hawaii Coastal Zone Management Program	11.419	70127	-	158,895
Hawaii Coastal Zone Management Program	11.419	SPP 6 & 7	-	128,744
Hawaii Coastal Zone Management Program	11.419	72032	-	1,306
Hawaii Coastal Zone Management Program	11.419	CZM Program FY22-23	-	13,916
Hawaii Coastal Zone Management Program	11.419	CZM Program FY23-24	-	322,132
Total Coastal Zone Management Administration Awards			-	624,993
Hawaii Coastal Zone Management Program			-	1,424,835
Total U.S. Department of Commerce			<u>-</u>	<u>1,424,835</u>
U.S. Department of Housing and Urban Development				
Office of Housing				
Section 8 – Housing Assistance Payments Program – Special Allocations				
Kulaimano Elderly Housing (Project-Based Cluster)	14.195		-	396,005
Community Planning and Development				
Community Development Block Grant ("CDBG")/State's Program and Non-Entitlement Grants in Hawaii				
COVID-19 – CARES CDBG/State's Program Non-Entitlement Grants	14.228		671,188	2,955,229
COVID-19 – CARES CDBG/State's Program Non-Entitlement Grants	14.228		-	432,330
Total CDBG – Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii			671,188	3,387,559
CDBG – Entitlement Grants				
CDBG – Entitlement Grants	14.218		-	5,866,154
<i>Passed Through the Hawaii Housing Finance and Development Corporation</i>				
HOME Investment Partnerships Program	14.239	FIN 19-11	1,340,807	1,437,216
HOME Investment Partnerships Program	14.239	FIN 22-07	-	50,000
Total HOME Investment Partnerships Program			1,340,807	1,487,216
<i>Passed Through the Hawaii Housing Finance and Development Corporation</i>				
Housing Trust Fund Program	14.275	FIN 19-12	1,215,000	1,215,000
Housing Trust Fund Program	14.275	FIN 22-05	-	67,962
Total Housing Trust Fund Program			1,215,000	1,282,962
Public and Indian Housing				
Housing Voucher Cluster				
Section 8 – Housing Choice Vouchers	14.871		-	30,775,660
COVID-19 – ARP – Emergency Housing Vouchers	14.871		-	1,573,002
Foster Youth to Independence	14.871		-	32,779
Mainstream Vouchers Program	14.879		-	1,052,130
Total Housing Voucher Cluster			-	33,433,571
Family Self-Sufficiency Program	14.896		-	106,413
Total U.S. Department of Housing and Urban Development			<u>3,226,995</u>	<u>45,959,880</u>

(continued)

See accompanying report of independent auditors and notes to schedule of expenditures of federal awards.

County of Hawai‘i, State of Hawai‘i
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Program/Grant	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
Department of the Interior				
Office of Budget				
National Park In Lieu of Taxes	15.226		-	568,498
U.S. Fish and Wildlife Service				
National Wildlife Refuge Fund	15.659		-	95,031
Total Department of the Interior			<u>-</u>	<u>663,529</u>
Department of Justice				
Office of Juvenile Justice and Delinquency Prevention				
<i>Passed Through the State Department of Human Services</i>				
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	DHS-21-OYS-101	176,093	176,093
Office of Justice Programs				
<i>Passed Through the State Department of Attorney General</i>				
National Criminal History Improvement Program (“NCHIP”)	16.554	NCHIP23	-	285,548
Office for Victims of Crime				
<i>Passed Through the State Department of the Attorney General</i>				
Crime Victim Assistance	16.575	20-V2-04	50,000	78,075
Crime Victim Assistance	16.575	20-V2-04(Supp #1)	18,000	225,464
Crime Victim Assistance	16.575	21-V2-04	<u>34,734</u>	<u>485,852</u>
Total Crime Victim Assistance			102,734	789,391
Violence Against Women Office				
<i>Passed Through the State Department of Attorney General</i>				
Violence Against Woman Formula Grants				
STOP Violence Against Women	16.588	22-WF-03	-	53,368
SAFE/SANE Coordination and Training	16.588	22-WF-07	<u>46,450</u>	<u>46,450</u>
Total Violence Against Woman Formula Grants			46,450	99,818
Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance Grant Program				
Physical Readiness Equipment & Mini First Aid Kits (“M-FAK”)	16.738		-	10,908
Physical Readiness Equipment & Mini First Aid Kits (“M-FAK”)	16.738		-	987
<i>Passed Through the State Department of Attorney General</i>				
Edward Byrne Memorial Justice Assistance Grant Program				
Statewide Multi-Jurisdictional Drug Task Force (“SMDTF”)	16.738	21-DJ-01	-	8,648
Total Edward Byrne Memorial Justice Assistance Grant Program			-	20,543
National Institute of Justice				
<i>Passed Through the State Department of Attorney General</i>				
Paul Coverdell Forensic Sciences Improvement Grant Program				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	20-CD-01	-	11,126
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	21-CD-01	-	28,270
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	22-CD-01	-	86,529
Total Paul Coverdell Forensic Sciences Improvement Grant Program			-	125,925
Office of Justice Programs				
<i>Passed Through the State Department of Attorney General</i>				
NICS Act Record Improvement Program				
NICS Act Record Improvement Program	16.813	2020-NS-BX-K004	-	83,661
NICS Act Record Improvement Program	16.813	15PBJS23GK02358NARI	-	8,895
Smart Prosecution Initiative	16.825		-	126,966
National Sexual Assault Kit Initiative	16.833		-	73,503
Total Department of Justice			<u>325,277</u>	<u>1,790,343</u>
Department of Labor				
Employment and Training Administration				
<i>Passed Through the State Department of Labor and Industrial Relations</i>				
Workforce Innovation and Opportunity Act (“WIOA”) Cluster				
WIOA Adult Program	17.258	WIOA-21-A&DWP-H	39,343	39,343
WIOA Adult Program	17.258	WIOA-22-A&DWP-H	<u>354,103</u>	<u>423,832</u>
Total WIOA Adult Program			393,446	463,175

(continued)

See accompanying report of independent auditors and notes to schedule of expenditures of federal awards.

County of Hawai‘i, State of Hawai‘i
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Program/Grant	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
WIOA Youth Activities	17.259	WIOA-21-YP-H	30,043	30,043
WIOA Youth Activities	17.259	WIOA-22-YP-H	240,918	287,561
Total WIOA Youth Activities			270,961	317,604
WIOA Dislocated Worker Formula Grants	17.278	WIOA-21-A&DWP-H	30,831	30,831
WIOA Dislocated Worker Formula Grants	17.278	WIOA-22-A&DWP-H	167,214	200,675
Total WIOA Dislocated Worker Formula Grants			198,045	231,506
Total WIOA Cluster			862,452	1,012,285
WIOA Quality Jobs, Equity, Strategy and Training Dislocated Worker Grant	17.277	DW392112260A15	-	47,663
Total Department of Labor			862,452	1,059,948
Department of Transportation				
Federal Highway Administration				
<i>Passed Through the State Department of Transportation</i>				
Highway Planning and Construction				
Kaiwilihilahi Stream Bridge & Honolii Stream Bridge	20.205	20025	-	34,875
Waianuenue Ave Rehabilitation, Kaiulani Street to Rainbow Drive	20.205	21024	-	486,496
Kilauea Avenue and Keawe Street Rehabilitation, Ponahawai to Waianuenue	20.205	22045	-	7,767,617
Mamalaha Highway Resurfacing, Kamalani Street to Kalamauka Road	20.205	23062	-	193,946
Waikoloa Road Rehabilitation, Mamalahoa Hwy to Queen Kaahumanu Hwy	20.205	22055	-	9,698,031
Kilauea Avenue, Wailoa Bridge to Puainako Street	20.205	20005	-	18,064
Lanikaula Street Rehabilitation From Kilauea Avenue to Manono Street	20.205	23048	-	246,949
Expansion of Hawaii Island Bikeshare Project	20.205	21051	70,065	70,065
Hilo Bayfront Trails Phase 2A	20.205	22047	-	586,120
Safe Routes to School Program Coordinator	20.205	23023	-	24,661
State Planning & Research Part I	20.205	SPR0010A(50)	-	163,530
HI County Trek the Trails	20.205	TAP-0100(092)	-	94,400
Total Highway Planning and Construction			70,065	19,384,754
Federal Transit Administration				
<i>Passed Through the State Department of Transportation</i>				
Formula Grants for Rural Areas				
Formula Grants for Rural Areas	20.509	1623-2022-7	-	78,249
ARP Formula Grants for Rural Areas	20.509	H1-2021-006	-	800,270
Total Formula Grants for Rural Areas			-	878,519
Federal Transit Cluster				
<i>Passed Through the State Department of Transportation</i>				
Busses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526	1623-2017-2; 1623-2018-2; 1623-2019-5; 1623-2021-11	-	2,233,975
National Highway Traffic Safety Administration				
Highway Safety Cluster				
<i>Passed Through the State Department of Transportation</i>				
State and Community Highway Safety Program				
Seatbelt Enforcement	20.600	OP23-H-03	-	23,744
Seatbelt Enforcement	20.600	OP-24-H-01	-	86,227
STEP	20.600	PT23-H-02	-	171,816
STEP	20.600	PT24-H-01	-	370,704
Total State and Community Highway Safety Program			-	652,491
National Priority Safety Programs				
<i>Passed Through the State Department of Transportation</i>				
National Priority Safety Programs	20.616	AL23-H-02	-	28,504
National Priority Safety Programs	20.616	AL24-H-01	-	57,433
National Priority Safety Programs	20.616	AL23-S-07	-	9,003
Data Grant	20.616	TR23-H-03	-	47,616
Total National Priority Safety Programs			-	142,556
Total Highway Safety Cluster			-	795,047

(continued)

See accompanying report of independent auditors and notes to schedule of expenditures of federal awards.

County of Hawai‘i, State of Hawai‘i
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Program/Grant	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
Alcohol Open Container Requirements				
<i>Passed Through the State Department of Transportation</i>				
Road Block Program	20.607	AL24-H-01	-	165,489
Alcohol Open Container Requirements	20.607	AL24-H-02	-	10,153
Total Alcohol Open Container Requirements			-	175,642
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
<i>Passed Through the State Department of Transportation</i>				
Road Block Program	20.608	AL23-H-02	-	86,774
Total Department of Transportation			70,065	23,554,711
Department of Treasury				
COVID-19 – Emergency Rental Assistance Program				
<i>Passed through the State of Hawaii Department of Budget & Finance</i>				
COVID-19 – Emergency Rental Assistance Program	21.023	ERA0173	9,432	9,432
Total Emergency Rental Assistance Program			2,879,797	3,098,238
<i>Passed through the State of Hawaii Department of Budget & Finance</i>				
COVID-19 – Homeowner Assistance Fund	21.026	HAF0002	5,516,137	5,523,382
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		320,000	2,400,578
Total Department of the Treasury			8,715,934	11,022,198
National Endowment for the Arts				
Promotion of the Arts Grants to Organizations & Individuals				
Our Town	45.024		-	36,740
Total National Endowment for the Arts			-	36,740
Environmental Protection Agency				
<i>Passed through the State of Hawaii Department of Land and Natural Resources</i>				
Climate Pollution Reduction Grants	66.046	98767001	-	40,481
Water Quality Management Planning	66.454	CWB604B2023-1	-	3,241
Total Environmental Protection Agency			-	43,722
Department of Health and Human Services				
Administration for Community Living				
<i>Passed Through the State Executive Office on Aging</i>				
Special Programs for the Aging				
Title III, Part D – Disease Prevention and Health Promotion Services	93.043	ASO LOG 21-192	-	17,881
Aging Cluster				
Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	ASO LOG-21-192	-	168,363
Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	ASO LOG-20-198	-	204,120
COVID-19 – Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	ASO LOG-20-198	-	16,461
Total Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers			-	388,944
Special Programs for the Aging – Title III, Part C – Nutrition Services				
Home Delivered Meals	93.045	ASO LOG 21-192	-	248,417
Special Programs for the Aging – Title III, Part C – Nutrition Services			-	-
Congregate Meals	93.045	ASO LOG 20-198	-	134,407
Total Special Programs for the Aging – Title III, Part C – Nutrition Services			-	382,824
Nutrition Services Incentive Program	93.053	NSIP22	-	58,190
Nutrition Services Incentive Program	93.053	NSIP23	-	16,294
Nutrition Services Incentive Program	93.053	NSIP24	-	57,697
Total Nutrition Services Incentive Program			-	132,181
Total Aging Cluster			-	903,949

(continued)

See accompanying report of independent auditors and notes to schedule of expenditures of federal awards.

County of Hawai‘i, State of Hawai‘i
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Program/Grant	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
<i>Passed Through the State Executive Office on Aging</i>				
Special Programs for the Aging				
National Family Caregiver Support, Title III, Part E	93.052	ASO LOG 21-192	-	140,181
National Family Caregiver Support, Title III, Part E	93.052	ASO LOG 20-198	-	83,324
Total National Family Caregiver Support, Title III, Part E			-	223,505
Substance Abuse and Mental Health Services Administration				
<i>Passed Through the State Department of Health</i>				
Substance Abuse and Mental Health Services				
Projects of Regional and National Significance	93.243	ASO LOG NO. 23-077	-	3,989
Substance Abuse and Mental Health Services Administration				
<i>Passed Through the State Department of Health</i>				
Block Grants for Substance Use Prevention, Treatment and Recovery Services	93.959	ASO LOG NO. 23-077	-	13,607
Total Department of Health and Human Services			-	1,162,931
Corporation for National and Community Service				
Retired and Senior Volunteer Program	94.002		-	65,924
Total Corporation for National and Community Service			-	65,924
Executive Office of the President				
High Intensity Drug Trafficking Areas Program				
Hawai‘i Impact	95.001		-	614,005
Total Executive Office of the President			-	614,005
Department of Homeland Security				
<i>Passed through the State Department of Defense</i>				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)				
Kilauea Volcanic Eruption and Earthquakes	97.036	FEMA-4366-DR-HI	-	1,222,936
Hurricane Lane	97.036	FEMA-4395-DR-HI	-	1,117,254
Hawaii Wildfires	97.036	FEMA-4724-DR-HI	-	527,759
COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	PA-09HL-4510	-	1,832,959
Total Disaster Grants – Public Assistance (Presidentially Declared Disasters)			-	4,700,908
<i>Passed through the Hawaii Emergency Management Agency</i>				
Hazard Mitigation Grant	97.039	FEMA-4366-15-07R	-	127,885
Hazard Mitigation Grant	97.039	HMGP #4366-03-05	-	25,944
Hazard Mitigation Grant	97.039	DR-4366-HI	-	176,555
Total Hazard Mitigation Grant			-	330,384
Emergency Management Performance Grants	97.042	EMF-2022-EP-00006-04	-	48,687
Emergency Management Performance Grants	97.042	EMF-2023-EP-00002-04	-	128,073
Total Emergency Management Performance Grants			-	176,760
Federal Emergency Management Agency				
Assistance to Firefighters Grant	97.044		-	334,745
<i>Passed through the State Department of Defense</i>				
Homeland Security Grant Program (“HSGP”)				
Homeland Security Grant Program (“HSGP”)	97.067	EMW-2020-SS-00022	-	209,135
Homeland Security Grant Program (“HSGP”)	97.067	EMW-2021-SS-00030	-	14,510
Homeland Security Grant Program (“HSGP”)	97.067	EMW-2022-SS-00026	-	151,059
Total Homeland Security Grant Program (“HSGP”)			-	374,704
Staffing for Adequate Fire and Emergency Response (“SAFER”)	97.083		-	1,408,679
Total Department of Homeland Security			-	7,326,180
Total Expenditures of Federal Awards			\$13,200,723	\$95,635,274

(concluded)

See accompanying report of independent auditors and notes to schedule of expenditures of federal awards.

County of Hawai‘i, State of Hawai‘i
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the County of Hawai‘i, State of Hawai‘i (the “County”) under programs of the federal government for the year ended June 30, 2024. The information in the 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* (the “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 position, or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

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

See accompanying report of independent auditors.

PART 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

County of Hawai'i, State of Hawai'i
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified	
Internal control over financial reporting		
• Material weaknesses identified?	<u> X </u> yes	<u> </u> no
• Significant deficiencies identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs		
• Material weaknesses identified?	<u> </u> yes	<u> X </u> no
• Significant deficiencies identified?	<u> </u> yes	<u> X </u> none reported
Type of auditors' report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<u> </u> yes	<u> X </u> no
Dollar threshold used to distinguish between type A and type B program	\$2,869,058	
Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no

County of Hawai‘i, State of Hawai‘i
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Identification of Major Programs

Assistance

Listing

Number	Name of Federal Program or Cluster
21.023	COVID-19 – Emergency Rental Assistance Program
21.026	COVID-19 – Homeowner Assistance Fund
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
	CDBG – Community Development Block Grant/State’s Program and Non-Entitlement Grants in Hawaii
14.228	Community Development Block Grant/State’s Program and Non-Entitlement Grants in Hawaii
14.228	COVID-19 – CARES CDBG/State’s Program Non-Entitlement Grants
	Housing Voucher Cluster
14.871	Section 8 – Housing Choice Vouchers
14.871	COVID-19 – ARP – Emergency Housing Vouchers
14.871	Foster Youth to Independence
14.879	Mainstream Vouchers Program

FINANCIAL STATEMENT FINDINGS

County of Hawai‘i, State of Hawai‘i
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II – Financial Statement Findings

Finding No. 2024-001: Financial Statement Reporting (Material Weakness)

Condition

The County of Hawai‘i reports on a cash basis throughout the fiscal year and only prepares accrual basis financial statements for its annual report as of and for the fiscal year ended June 30. Accordingly, in preparing accrual basis financial statements, there should be written procedures to clearly define the reporting and closing procedures, the timing of such procedures, and the review and approval process involved. Included in the reporting and closing procedures should be the timely preparation of account reconciliations, and recording adjustments to properly present accrual basis financial statements. There should be clear procedures and supporting schedules to reconcile information that is reporting in the County of Hawai‘i’s annual comprehensive financial report (“ACFR”). This process ensures the accuracy, validity and timeliness of financial information provided.

A similar finding was reported as a material weakness in the prior year as Finding No. 2023-001.

Criteria

Management is responsible for establishing and maintaining internal control over financial reporting to permit the preparation of the County of Hawai‘i’s financial statements in conformity with accounting principles generally accepted in the United States of America. These accounting principles require financial statements to be prepared using the economic resources measurement focus and accrual basis of accounting. Effective internal control supports timely and accurate financial reporting.

Cause

We noted that the accuracy and delay of the preparation of the ACFR, including accrual basis financial statements, report support schedules, account reconciliations, and the trial balance were affected by the following:

- Scheduled requested items were not provided timely;
- Numerous schedules were inaccurate or did not reconcile to the financial statements;
- Responses to follow-up questions were not provided timely;
- Several proposed audit adjustments were made, including the following significant entries: decreasing governmental activities claims and judgment liability and related expenses by approximately \$34 million; reclassifying approximately \$19 million of equipment from construction work in progress; reclassifying approximately \$54 million of bonds payable from current to noncurrent; increasing general fund revenues by approximately \$3 million; increasing general fund accrued liabilities and related expenditures for pending temporary hazard pay settlements by approximately \$70 million; and transferring approximately \$53 million of restricted cash from the general fund to the capital projects fund; and
- Insufficient or appropriate resources devoted to timely closing process.

Effect

The preceding issues resulted in significant delays in receiving the trial balance and accrual basis financial statements that captured all valid journal entries and accruals, resulting in a delayed audit process and the issuance of the audited financial statements.

County of Hawai'i, State of Hawai'i
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Recommendation

We recommend that management re-evaluate its annual closing and financial reporting process to clearly define financial reporting and closing procedures, the timing of such reporting, and the review and approval process involved. These written procedures should also document the process to ensure the trial balance and financial statement preparation process, including preparing the ACFR, captures all valid journal entries and accruals, and that the year-end trial balance is complete and accurate. An evaluation should be made by management to determine if additional resources are needed to perform these procedures in a timely manner.

County of Hawai‘i, State of Hawai‘i
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Finding No. 2024-002: Timely Financial Statement Reporting – Department of Water Supply
(Material Weakness)

Condition

In preparing the Department of Water Supply’s accrual basis financial statements, there should be written procedures to clearly define the reporting and closing procedures, the timing of such procedures, and the review and approval process involved. Reporting and closing procedures should include preparing timely account reconciliations and recording adjustments to properly present accrual basis financial statements. This process ensures the accuracy, validity and timeliness of financial information provided.

Criteria

Management is responsible for establishing and maintaining internal control over financial reporting to permit the preparation of the Department of Water Supply’s financial statements in conformity with accounting principles generally accepted in the United States of America. These accounting principles require financial statements to be prepared using the economic resources measurement focus and accrual basis of accounting. Effective internal control supports timely and accurate financial reporting.

Cause

We noted that the accuracy and delay of the preparation of the accrual basis financial statements and the trial balance were affected by the following:

- Scheduled requested items were not provided timely;
- Numerous audit and client adjustments were proposed after receipt of the initial trial balance;
- Responses to follow-up questions were not provided timely;
- Numerous versions and revisions to the financial statements, including the statement of cash flows; and
- Insufficient or appropriate resources devoted to timely closing process.

Effect

The preceding issues resulted in significant delays in receiving the trial balance and accrual basis financial statements that captured all valid journal entries and accruals, resulting in a delayed audit process and issuance of the audited financial statements.

Recommendation

We recommend that management re-evaluate its annual closing process to clearly define financial reporting and closing procedures, the timing of such reporting and the review and approval process involved. These written procedures should also document the process to ensure the trial balance and financial statement preparation process captures all valid journal entries and accruals, and that the year-end trial balance is complete and accurate.

Management should also consider performing adjustments, prior to fiscal year-end closing, either on a quarterly or semi-annual basis, or at the end of the third quarter of the fiscal year. An evaluation should be made by management to determine if additional resources are needed to perform these procedures in a timely manner.

**FEDERAL AWARD FINDINGS AND
QUESTIONED COSTS**

County of Hawai'i, State of Hawai'i
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section III – Federal Award Findings and Questioned Costs

None noted.

C. Kimo Alameda, Ph.D.
Mayor

William V. Brilhante Jr.
Managing Director



Diane Nakagawa
Director

Malia A. Kekai
Deputy Director

County of Hawai'i

Finance Department

25 Aupuni Street, Suite 2103 • Hilo, Hawai'i 96720
(808) 961-8234 • Fax (808) 961-8569

July 18, 2025

Kim Miyoshi
Accuity
999 Bishop Street, Suite 2300
Honolulu, HI 96813

The County acknowledges the importance of financial reporting and strives to ensure compliance with GAAP. During the year end close process, the County experienced significant and material turnover in its key accounting personnel, including a change in its Controller position. This occurred while the year-end audit was ongoing and severely delayed the close process. Job responsibilities to complete the audit were reassigned mid-stream with new personnel being tasked to work through unfamiliar reconciliations and external consulting also being brought on to assist with the reporting process. The largest adjustments were related to these reclassification procedures that were impacted by the changes previously noted.

The County has since identified a permanent replacement to the Controller position and is in the process of implementing a new financial accounting system. Alongside the system deployment, the County will be revamping its standard operating procedures around the financial close process, including how entries are recorded to the system that produces governmental financial statements, and ensuring compliance with GAAP. These changes include the use of technology to enable proper recording of transactions in the accrual method, system generated reporting to assist with reconciliations and monitoring and will improve the timeliness of producing complete and accurate financial statements. The Department of Finance will be responsible for ensuring implementation of the new system and will schedule training to address these matters.

Sincerely,

Diane Nakagawa
Finance Director

**SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS**

County of Hawai'i, State of Hawai'i
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

<u>Finding No.</u>	<u>Description</u>	<u>Classification</u>	<u>Status</u>		<u>Current Year Finding No.</u>
			<u>Resolved</u>	<u>Unresolved</u>	
2023-001	Untimely Financial Statement Reporting for County of Hawai'i ACFR	Material Weakness		X	2024-001
2023-002	Department of Water Supply – Accounting for Water Deposits	Material Weakness	X		

County of Hawai'i, State of Hawai'i
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Corrective Actions Taken for Unresolved Finding

Finding No. 2023-001: Untimely Financial Statement Reporting for County of Hawaii ACFR

Corrective actions were taken in fiscal year 2024 to mitigate a number of the previously reported deficiencies; however, additional deficiencies were noted. Corrective action is still ongoing. As a current year finding (Finding No. 2024-001) is reported, Finding No. 2023-001 will not be carried forward.