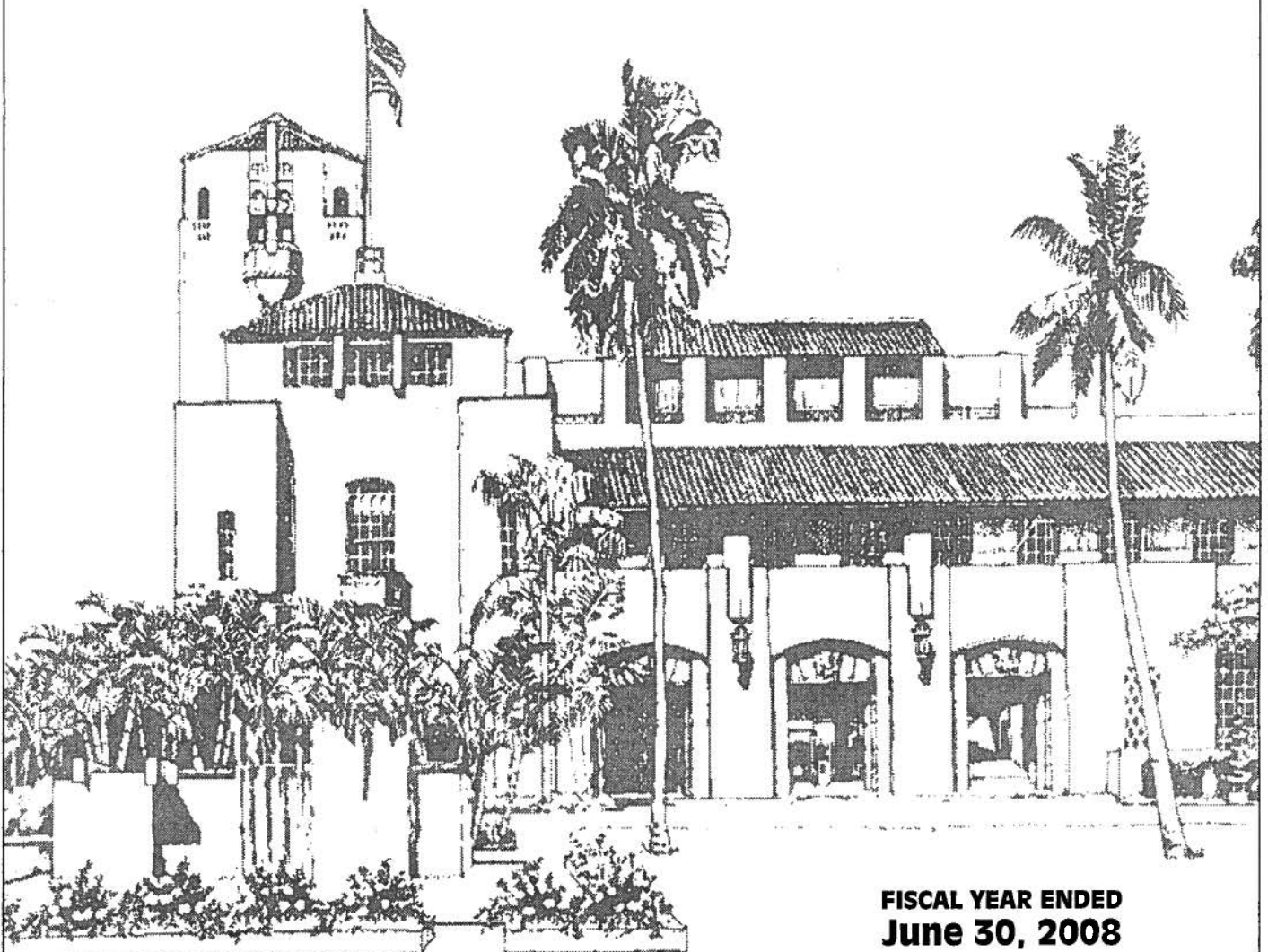
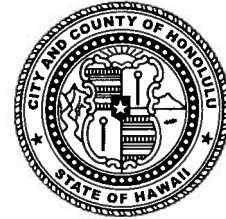


**CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII**

---

# **Comprehensive Annual Financial Report**



**FISCAL YEAR ENDED  
June 30, 2008**

# EXECUTIVE BRANCH

---



**Mufi Hannemann**  
Mayor

**CITY AND COUNTY OF HONOLULU**  
**Honolulu, Hawaii**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2008**

**Prepared by:**  
**DEPARTMENT OF BUDGET AND FISCAL SERVICES**  
**RIX MAURER III**  
**DIRECTOR**

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal.....	1
GFOA Certificate of Achievement.....	10
Organization Chart.....	11
Elected Officials.....	13
 <b>FINANCIAL SECTION:</b>	
<b>Report of Independent Auditors.....</b>	<b>15</b>
<b>Management’s Discussion and Analysis (MD&amp;A).....</b>	<b>17</b>
 <b><u>Basic Financial Statements</u></b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Assets.....	35
Statement of Activities.....	36
 <b>Fund Financial Statements</b>	
<b>Governmental Fund Financial Statements</b>	
Balance Sheet (including Reconciliation of the Balance Sheet to the Statement of Net Assets).....	39
Statement of Revenues, Expenditures and Changes in Fund Balances... Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	40
	41
 <b>Proprietary Fund Financial Statements</b>	
Statement of Net Assets – Business-type Activities – Enterprise Funds... Statement of Revenues, Expenses and Changes in Fund Net Assets – Business-type Activities - Enterprise Funds.....	43
	44
Statement of Cash Flows – Business-type Activities – Enterprise Funds..	45
 <b>Fiduciary Fund Financial Statements</b>	
Statement of Fiduciary Net Assets.....	47
Statement of Changes in Fiduciary Net Assets.....	48

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b><u>Basic Financial Statements (Continued)</u></b>	
Notes to the Financial Statements.....	49
<b><u>Required Supplementary Information Other Than MD&amp;A</u></b>	
<b>Budgetary Comparison Schedules</b>	
General Fund.....	93
Highway Fund.....	95
<b>Post-Retirement Health Care and Life Insurance Benefits</b>	
Schedule of Funding Progress.....	97
Schedule of Employer Contributions.....	98
<b><u>Other Supplementary Information</u></b>	
<b>Nonmajor Governmental Funds - Combining Financial Statements:</b>	
Combining Balance Sheet.....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	106
<b>Agency Funds - Combining Financial Statements:</b>	
Statement of Net Assets.....	114
Statement of Changes in Assets and Liabilities.....	115
<b>Fund Schedules:</b>	
<b>General Fund</b>	
Balance Sheet.....	118
Statement of Revenues, Expenditures and Changes in Fund Balance....	119
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	120
Schedule of Revenues – Budget and Actual.....	123

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

Page

**FINANCIAL SECTION (Continued):**

**Other Supplementary Information (Continued)**

**Fund Schedules (Continued):**

**Highway Fund**

Balance Sheet.....	129
Statement of Revenues, Expenditures and Changes in Fund Balance.....	130
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	131
Schedule of Revenues – Budget and Actual.....	133

**Highway Beautification and Disposal of Abandoned Vehicles  
 Revolving Fund**

Balance Sheet.....	136
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	137
Schedule of Revenues – Budget and Actual.....	138

**Bikeway Fund**

Balance Sheet.....	139
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	140
Schedule of Revenues – Budget and Actual.....	141

**Parks and Playground Fund**

Balance Sheet.....	142
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	143
Schedule of Revenues – Budget and Actual.....	144

**Liquor Commission Fund**

Balance Sheet.....	145
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	146
Schedule of Revenues – Budget and Actual.....	148

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

Page

**FINANCIAL SECTION (Continued):**

**Other Supplementary Information (Continued)**

**Fund Schedules (Continued):**

**Other Post-Employment Benefits Reserve Fund**

Balance Sheet.....	149
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	150
Schedule of Revenues – Budget and Actual.....	151

**Rental Assistance Fund**

Balance Sheet.....	152
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	153
Schedule of Revenues – Budget and Actual.....	154

**Zoo Animal Purchase Fund**

Balance Sheet.....	155
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	156
Schedule of Revenues – Budget and Actual.....	157

**Hanauma Bay Nature Preserve Fund**

Balance Sheet.....	158
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	159
Schedule of Revenues – Budget and Actual.....	161

**Reserve for Fiscal Stability Fund**

Balance Sheet.....	162
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	163
Schedule of Revenues – Budget and Actual.....	164

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b><u>Other Supplementary Information (Continued)</u></b>	
<b>Fund Schedules (Continued):</b>	
<b>Clean Water and Natural Lands Fund</b>	
Balance Sheet.....	165
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	166
Schedule of Revenues – Budget and Actual.....	167
<b>Affordable Housing Fund</b>	
Balance Sheet.....	168
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	169
Schedule of Revenues – Budget and Actual.....	170
<b>Community Development Fund</b>	
Balance Sheet.....	171
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	172
Schedule of Revenues – Budget and Actual.....	173
<b>Golf Fund</b>	
Balance Sheet.....	174
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	175
Schedule of Revenues – Budget and Actual.....	177
<b>Special Events Fund</b>	
Balance Sheet.....	178
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	179
Schedule of Revenues – Budget and Actual.....	181



**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b><u>Other Supplementary Information (Continued)</u></b>	
<b>Fund Schedules (Continued):</b>	
<b>Farmers Home Administration Loan Fund</b>	
Balance Sheet.....	183
<b>Special Projects Fund</b>	
Balance Sheet.....	184
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	185
Schedule of Revenues – Budget and Actual.....	186
<b>Federal Grants Fund</b>	
Balance Sheet.....	187
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	188
Schedule of Revenues – Budget and Actual.....	190
<b>Housing and Community Development Rehabilitation Loan Fund</b>	
Balance Sheet.....	191
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	192
Schedule of Revenues – Budget and Actual.....	193
<b>Pauahi Project Expenditures, Hawaii R-15 Fund</b>	
Balance Sheet.....	194
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	195
Schedule of Revenues – Budget and Actual.....	196

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b><u>Other Supplementary Information (Continued)</u></b>	
<b>Fund Schedules (Continued):</b>	
<b>Housing and Community Development Section 8 Contract Fund</b>	
Balance Sheet.....	197
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	198
Schedule of Revenues – Budget and Actual.....	199
<b>Leasehold Conversion Fund</b>	
Balance Sheet.....	200
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	201
Schedule of Revenues – Budget and Actual.....	202
<b>Revolving Funds</b>	
Combining Balance Sheet.....	203
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	204
<b>General Obligation Bond and Interest Redemption Fund</b>	
Balance Sheet.....	205
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	206
<b>Improvement District Bond and Interest Redemption Fund</b>	
Balance Sheet.....	207
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	208
<b>General Improvement Bond Fund</b>	
Balance Sheet.....	209
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	210

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

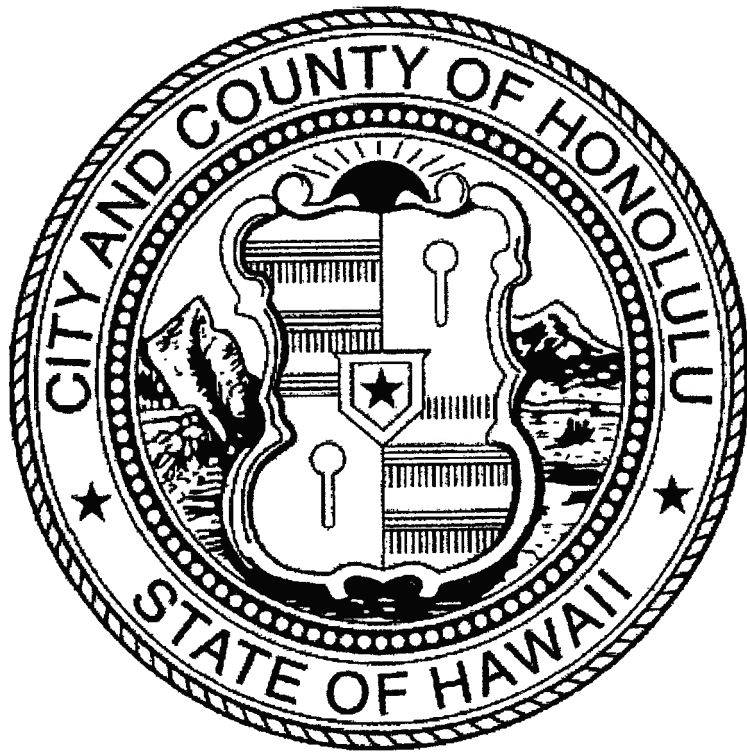
	<u>Page</u>
<b>FINANCIAL SECTION (Continued):</b>	
<b><u>Other Supplementary Information (Continued)</u></b>	
<b>Fund Schedules (Continued):</b>	
<b>Highway Improvement Bond Fund</b>	
Balance Sheet.....	211
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	212
<b>Federal Grants Capital Projects Fund</b>	
Balance Sheet.....	213
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	214
<b>Capital Projects Fund</b>	
Balance Sheet.....	215
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	216
<b>Transit Fund</b>	
Balance Sheet.....	217
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	218

**CITY AND COUNTY OF HONOLULU  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>STATISTICAL SECTION (Unaudited):</b>	
Net Assets by Component (Table 1).....	219
Changes in Net Assets (Table 2).....	220
Fund Balances, Governmental Funds (Table 3).....	221
Changes in Fund Balances, Governmental Funds (Table 4).....	222
Real Property Assessed Values by Classification and Tax Rates (Table 5).....	223
Principal Property Taxpayers (Table 6).....	225
Property Tax Levies and Collections (Table 7).....	226
Ratios of Outstanding Debt by Type (Table 8).....	227
Ratios of General Bonded Debt Outstanding (Table 9).....	228
Legal Debt Margin Information (Table 10).....	229
Pledged Revenue Coverage (Table 11).....	230
Demographic and Economic Statistics (Table 12).....	231
Principal Employers, State of Hawaii (Table 13).....	232
Full-Time Equivalent City Government Employees by Function (Table 14).....	233
Operating Indicators by Function (Table 15).....	234
Capital Asset Statistics by Function (Table 16).....	235

**This page left blank intentionally.**



# **INTRODUCTORY SECTION**

DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov



MUFI HANNEMANN  
MAYOR

RIX MAURER III  
DIRECTOR

MARK K. OTO  
DEPUTY DIRECTOR

February 25, 2009

The Honorable Mufi Hannemann, Mayor  
The Honorable Todd K. Apo, Chair  
and Members of the City Council  
City and County of Honolulu  
530 South King Street  
Honolulu, Hawaii 96813

Dear Mayor Hannemann, Chair Apo and Councilmembers:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the City and County of Honolulu (City) for the fiscal year ended June 30, 2008. The CAFR was prepared by the Department of Budget and Fiscal Services, which is responsible for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the data presented in the CAFR are accurate in all material aspects and presented in a manner designed to fairly depict the financial position and results of operations of the City, as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The CAFR represents the culmination of all budgeting and accounting activities engaged in by City management during the year, covering all funds of the City, its component unit, and its financial statements.

## **REPORTING ENTITY**

The CAFR presents the financial status of the City (the primary government) and its discretely presented component unit, the Board of Water Supply (BWS). The financial information for the BWS is reported in a separate column in the government-wide financial statements to emphasize its legal separation from the primary government and to differentiate its financial position and results of operations from those of the primary government.

The City provides the full range of municipal services required by the Constitution of the State of Hawaii, the Hawaii Revised Statutes, the Revised Charter of the City and County of Honolulu, and the Revised Ordinances of Honolulu. The services include police and fire protection; emergency medical care services; culture and recreation; planning, zoning, and permitting; sewage and solid waste collection and disposal; public transportation; human services; traffic safety and control; and construction and maintenance of public streets, bridges, walkways, and drainage and flood control systems for Oahu.

## **ECONOMIC CONDITION AND OUTLOOK**

Due to the conservative credit policies of banks in Hawaii, the local economy generally was spared from the sub-prime mortgage loan crisis. However, Honolulu's economy has not been able to withstand the cumulative impacts of such factors as the downturn in the national and global financial markets; job losses from company closings, including a major local airline company; and record high oil prices in 2008. It is hoped that federal stimulus measures, construction spending at all levels of government, and new tourism markets will help stimulate the economy.

- Tourism, Oahu's main industry, is suffering as a result of national and global economic conditions, along with the transfer of two cruise ships out of the Hawaii market in 2008. The following are comparisons of December 2008 statistics with the same month in the prior year: hotel occupancy slipped 5.1% to 68.2%; visitor expenditures dropped 14.8% to \$508.2 million; international and domestic arrivals declined 14.5% and 18.6%, respectively; and international length of stay decreased 10.8%, although domestic length of stay increased 8.9%.
- The construction industry continues to be a vital sector of the local economy. Although the number of building permits issued increased 7.0% to 15,522, the value of construction commitments and authorizations decreased 12.6% to \$1.8 billion for calendar year 2008. Contracting receipts remained unchanged at \$5.9 billion for fiscal years 2007 and 2008, but increased 12.7% to a total of \$1.6 billion for the quarter ended September 30, 2008, compared to the same period last year. On the other hand, construction jobs declined 8.2% in December 2008 compared to the same month the previous year.
- The housing market is beginning to follow in the footsteps of other U.S. mainland cities with slow sales and declining prices. Residential home resales on Oahu for January 2009 amounted to \$145.6 million, a decrease of 57.9% in comparison to the same month last year. More specifically, the number of resales during January 2009 dropped 46.5% to 122 for single family homes, and 50.9% to 159 condominiums. Additionally, median resale prices declined 10.1% to \$539,500 for single family homes and 5.8% to \$305,000 for condominiums in January 2009 compared to January 2008. In December 2008, fixed interest rates for 30-year home mortgages fell below 5.0%.



- Retailing receipts on Oahu rose 4.0% to \$22.2 billion for fiscal year 2008 compared to the last fiscal year, and was static at \$5.6 billion for the quarter ended September 30, 2008, in comparison to the same period the year earlier.
- The military continues to be recognized as an important segment of the island's economy with expenditures in Hawaii exceeding \$5.0 billion annually.
- Civilian jobs totaled 438,400 in December 2008, a slight decrease from 439,900 for December 2007.
- For December 2008, Honolulu had the lowest unemployment rate among Hawaii's counties, with a non-seasonally adjusted unemployment rate of 4.2%. In addition, Oahu's jobless rate was lower than the seasonally adjusted jobless rates of 5.5% and 7.2% for the State and U.S., respectively.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) rose 5.3% for the first six months of 2008 in comparison to the same period last year, representing slower growth compared to annual increases of 5.9% and 7.3% for 2007 and 2006, respectively.
- Proprietors' incomes decreased 1.1% for the first six months of 2008 compared to the same period in 2007. From 2006 to 2007, proprietor's income dropped 5.5%, but had increased 6.7% from 2005 to 2006.
- The consumer price index for Honolulu increased 4.9%, compared to the U.S. average of 4.2% for the first half of 2008. The higher prices in Honolulu were due primarily to rising costs for housing, transportation, food, beverages, and other goods and services.

**Sources:**

City and County of Honolulu, Department of Planning and Permitting, <http://www.honoluluapp.org/calendar>.

First Hawaiian Bank, [http://www.fhb.com/hm\\_econ.htm](http://www.fhb.com/hm_econ.htm).

Honolulu Board of Realtors, <http://www.hicentral.com>.

State of Hawaii, Department of Business, Economic Development & Tourism, <http://www.hawaii.gov/dbedt>.

State of Hawaii, Department of Labor and Industrial Relations, <http://www.hawaii.gov/labor>.

State of Hawaii, Department of Taxation, [http://www.hawaii.gov/tax/a5\\_3txcolrptarchive.htm](http://www.hawaii.gov/tax/a5_3txcolrptarchive.htm).

The Honolulu Advertiser, <http://www.honoluluadvertiser.com>.

## **MAJOR INITIATIVES**

The executive operating budget for fiscal year 2008 amounted to \$1.6 billion net of interfund transfers, representing an increase of 10.2% compared to the prior year. The budget increase was due primarily to such factors as higher payroll costs and pay raises awarded through collective bargaining (\$50.4 million), first-time transfers to the other post employment benefits fund (\$40.0 million), and increased debt service costs (\$36.4 million).

Since January 1, 2007, and expiring December 31, 2022, the City has been receiving an half-percent excise tax surcharge to fund the operating and capital costs of a new public transportation rail system.

The City's capital improvement budget of \$789.5 million for fiscal year 2008 represented an increase of 16.0% compared to the previous year. A significant portion (44.4%) of that total was dedicated to sewer system improvements.

### **General Government**

Compared to the prior fiscal year, the capital improvement budget of \$57.9 million for the general government function increased 19.8% for fiscal year 2008. The following were the major general government projects: Procurement of Major Equipment (\$19.8 million), Telecommunications Facilities Upgrade (\$5.5 million), National Pollutant Discharge Elimination System Modification for Corporation Yards (\$5.4 million), City Hall – Legislative Branch Improvements (\$5.1 million), and Walter Murray Gibson Building Renovation (\$5.1 million).

### **Public Safety**

Public safety appropriations in the capital improvement budget increased 31.1% to \$56.8 million for fiscal year 2008. The major public safety projects included the following: Honolulu Police Department Equipment Acquisition (\$5.7 million), Waipo Point Access Road Improvements (\$5.1 million), Traffic Signal Maintenance Facility (\$3.9 million), Kaneohe Stream Bank Restoration Near Keole Place (\$3.9 million), Computerized Traffic Control System (\$3.5 million), Honolulu Fire Department Equipment Acquisition (\$3.4 million), Flood Control Improvements at Various Locations (\$3.3 million), and Emergency Medical Services - Young Street Facility (\$3.3 million).

### **Highways and Streets**

A sum of \$70.0 million was designated in the capital improvement budget for highways and streets in fiscal year 2008, a decrease of 28.4%. Major highways and streets projects included Rehabilitation of Streets (\$49.8 million), North-South Road (Kapolei Parkway/Park Row Roadway) (\$2.3 million), Kamokila Boulevard Extension (\$1.9 million), Curb Ramps at Various Locations (\$1.6 million), Pearl City Area (Momilani) Street Lighting Improvements (\$1.6 million), Bridge Rehabilitation at Various Locations (\$1.4 million), and Drainage Improvements at Various Locations (\$1.3 million).

## **Sanitation**

The fiscal year 2008 capital improvement budget for solid waste and sewage collection and disposal projects increased 12.8% over the prior year to \$402.3 million. The following were the major sanitation projects: Sand Island Wastewater Treatment Plant Expansion, Primary Treatment (\$66.0 million); Solid Waste To Energy Facility – Pollution Control Improvements (\$40.0 million); Kalihi/Nuuanu Area Sewer Rehabilitation (\$31.0 million); Kailua Wastewater Treatment Plant Improvements (\$25.0 million); Beachwalk Wastewater Pump Station Force Main (\$22.5 million); Waimalu Sewer Rehabilitation/Reconstruction (\$21.1 million); Kalanianaʻole Highway Sewer System Improvements (\$18.6 million); Kahanu Street, School Street, and Umi Street Relief Sewers (\$16.4 million); Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$16.4 million); and Central Oahu Wastewater Facilities and Effluent Reuse (\$16.4 million).

## **Human Services**

The capital improvement budget of \$14.6 million for fiscal year 2008 for the human services function decreased by 7.7% compared to the last fiscal year, and included appropriations for the Community Development Block Grant Program (\$8.7 million), and Home Investment Partnership Program (\$4.6 million).

## **Culture-Recreation**

For fiscal year 2008, \$29.4 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a reduction of 30.1 % compared to the previous fiscal year. The major culture-recreation projects included the Ewa Mahiko District Park (\$3.0 million), McCully District Park (\$2.4 million), Renovate Recreational Facilities (\$2.2 million), Mitigative Improvements at Parks (\$2.0 million), Enterprise Facilities Improvements (\$1.9 million), Waipio Peninsula Recreation Complex, (\$1.8 million), and Lanakila District Park (\$1.2 million).

## **Transportation**

The capital improvement budget appropriations for mass transit increased 106.3% to \$158.4 million for fiscal year 2008, primarily for the Honolulu High Capacity Transit Project (\$85.0 million). Other noteworthy public transit projects included the Bus and Handi-Van Acquisition Program (\$25.3 million), Halawa Bus Maintenance Facility Land Acquisition (\$20.0 million), Middle Street Intermodal Center (\$17.5 million), and Alapai Transportation Management Center (\$4.0 million).

## **FOR THE FUTURE**

The executive operating budget for fiscal year 2009 amounts to \$1.8 billion net of interfund transfers, representing an increase of 10.3% compared to the prior year. Highlights of the budget increases include the new provision for other post-employment benefits (\$91.9 million), continued transfers from various funds to the other post-employment benefits reserve fund (\$11.9 million), pay raises from settled union contracts for City employees (\$26.8 million), growing retirement system contribution requirements (\$24.0 million), and higher debt service costs (\$18.4 million).

The City's capital improvement budget of \$954.8 million for fiscal year 2009 represents an increase of 20.9% compared to the previous year. Funding is focused in large part on mass transit (35.3%) and sanitation (33.5%).

### **General Government**

The general government function of the capital improvement budget increased 10.8% to \$64.2 million for fiscal year 2009 compared to the prior fiscal year. The following are the major general government projects: Procurement of Major Equipment (\$20.1 million), Energy Conservation Improvements and Solar Energy Initiatives (\$10.0 million), National Pollutant Discharge Elimination System Modification for Corporation Yards (\$7.4 million), Kulana Nani Apartment Renovation (\$7.3 million), and Public Building Facilities Improvements (\$4.9 million).

### **Public Safety**

Similar to the budget for the prior fiscal year, \$57.3 million was appropriated in fiscal year 2009 for public safety. The major public safety projects include Ewa Beach Fire Station Relocation (\$7.3 million), Honolulu Police Department Equipment Acquisition (\$5.5 million), Rock Slide Potential Inspections and Mitigative Improvements (\$5.2 million), Traffic Signal Maintenance Facility (\$5.1 million), Honolulu Fire Department Equipment Acquisition (\$4.4 million), Flood Control Improvements at Various Locations (\$3.7 million), Computerized Traffic Control System (\$3.5 million), and Traffic Signals at Various Locations (\$3.4 million).

### **Highways and Streets**

The \$121.4 million capital improvement budget for highways and streets represents an increase of 73.4% for fiscal year 2009 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$77.0 million), Makakilo Drive Extension (\$5.1 million), Hawaii Kai Street Lighting Improvement (\$4.0 million), Bridge Rehabilitation at Various Locations (\$3.8 million), Reconstruction of Concrete Roadways (\$3.4 million), Rehabilitation of Kawailoa Road Bridge (\$2.8 million), Street Improvements (\$2.7 million), and Drainage Improvements at Various Locations (\$2.6 million).

### **Sanitation**

For solid waste and sewage collection and disposal projects, a sum of \$319.6 million was budgeted for fiscal year 2009, representing a decrease of 20.6% compared to the prior fiscal year. The following are the major sanitation projects: Solid Waste to Energy Facility, including purchase of the H-POWER facility, expansion of the existing facility, and pollution control improvements (\$94.0 million); Beachwalk Wastewater Pump Station Force Main (\$36.0 million); Central Oahu Wastewater Facilities and Effluent Reuse (\$26.6 million); Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$13.1 million); and Ala Moana and Kapiolani Trunk Sewer Replacement/Rehabilitation (\$11.1 million).

## **Human Services**

The capital improvement budget for the human services function amounts to \$15.6 million for fiscal year 2009, representing a slight increase compared to the last fiscal year, and includes appropriations for the Community Development Block Grant Program (\$8.0 million), and Home Investment Partnership Program (\$4.2 million).

## **Culture-Recreation**

For fiscal year 2009, \$40.0 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 35.9% over the prior fiscal year. The major culture-recreation projects include the Ewa Mahiko District Park (\$8.5 million), Honolulu Zoo – Asian Tropical Forest Elephant Facility (\$6.9 million), Recreation District Improvements (\$4.6 million), Preservation and Conservation Lands (\$4.0 million), and Reconstruct Wastewater Systems for Parks (\$2.0 million).

## **Transportation**

Increasing 112.6% compared to the previous fiscal year, the mass transit appropriations of \$336.8 million for fiscal year 2009 include \$265.1 million for the Honolulu High Capacity Transit Project. Other noteworthy public transit projects include the Bus and Handi-Van Acquisition Program (\$31.1 million), Halawa Bus Maintenance Facility Land Acquisition (\$15.2 million), Alapai Transportation Management Center (\$6.7 million), Wahiawa Transit Center (\$5.2 million), and Alapai Transit Center (\$5.0 million).

## **FINANCIAL INFORMATION**

The basic financial statements include two government-wide financial statements, the Statement of Net Assets and the Statement of Activities. These government-wide financial statements are corporate in style, and present a big-picture view of the City's financial condition and position with the reporting of depreciation and long-term debt.

The financial information of the City (known as the primary government) are summarized and reported by governmental activities and business-type activities. The business-type activities are consolidated into a single column of the government-wide financial statements and include the proprietary funds, specifically, housing, sewer, solid waste, and the public transportation system. The financial analysis of the primary government is provided in the MD&A section of this report.

The City's component unit, the Board of Water Supply (BWS), is reported separately from the primary government on the City's government-wide financial statements.

Another element of the basic financial statements is the fund financial statements. These statements are designed to address the major individual funds by category (governmental, proprietary, and fiduciary).

### **Internal Controls**

Establishing and maintaining the internal control system is the responsibility of City managers. Creating the internal control system requires estimates and judgments to assess the expected benefits and related costs of control procedures. The objective of an internal control system is to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Management must also develop adequate internal controls to ensure compliance with applicable laws and regulations related to federal and State financial assistance programs.

The internal control system is subject to periodic evaluation by both internal and external auditors. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Controls**

The City maintains budgetary controls to ensure that legal provisions of the annual budget are in compliance and expenditures do not exceed budgeted amounts. Controls are exercised by integrating the budgetary accounts in fund ledgers for all budgeted funds. An encumbrance system is also used to account for purchase orders and other contractual commitments. Encumbered balances of appropriations at year-end are reported as reservations of fund balance and are not reappropriated in the following year's budget.

### **Cash Management**

The primary objectives of the City's cash management and investment program are the safety and preservation of principal, liquidity, and yield. The City takes full advantage of temporarily idle cash and the scheduling of vendor payments. To ensure the most competitive rates on investments, the cash resources of the individual funds are combined to form a pool of cash and investments. The investment pool's portfolio is composed of obligations of the U.S. government and its agencies, and repurchase agreements fully collateralized by obligations of the U.S. government or its agencies.

The average ratio of invested funds to available cash during the year was 96.1%. The City earned interest income during the year at an average rate of return of 4.6%.

### **Risk Management**

Risk management activities focus on risk financing programs, claims management, loss prevention, and other areas to minimize the adverse financial impact of losses.

The City relies on a combination of commercial insurance and self-insurance to finance risk. Primary commercial insurance is purchased to cover aircraft and professional liabilities, and loss or damage to real and personal property the City owns or controls.

Also, automobile liability insurance is purchased to cover privately owned police vehicles in compliance with a labor contract. The City qualifies as a self-insurer with respect to its automobile and workers' compensation liabilities in accordance with applicable State statutes. With all other risks, the City has elected to self-insure a significant portion of each and every loss. For catastrophic losses, commercial excess liability insurance is in place.

## **OTHER INFORMATION**

### **Independent Audit**

Section 3-114 of the City Charter requires an annual financial audit by independent certified public accountants. The accounting firm of N&K CPAs, Inc. was selected by the Office of the City Auditor to perform the audit. The auditor's report is included in the financial section of this report. In addition, N&K CPAs, Inc. was selected by the Board of Directors of the Board of Water Supply for the audit of its financial statements.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2007. The City has received the award in 21 of the last 22 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past nine years.

### **Acknowledgments**

I am deeply grateful for the efforts of the Accounting and Fiscal Services Division personnel who contributed to the preparation of the CAFR. My heartfelt appreciation is extended also to the Mayor, City Council, and department heads for their leadership and support in maintaining the City's sound financial position.

Respectfully submitted,



Rix Maurer III  
Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City and County of Honolulu  
Hawaii

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

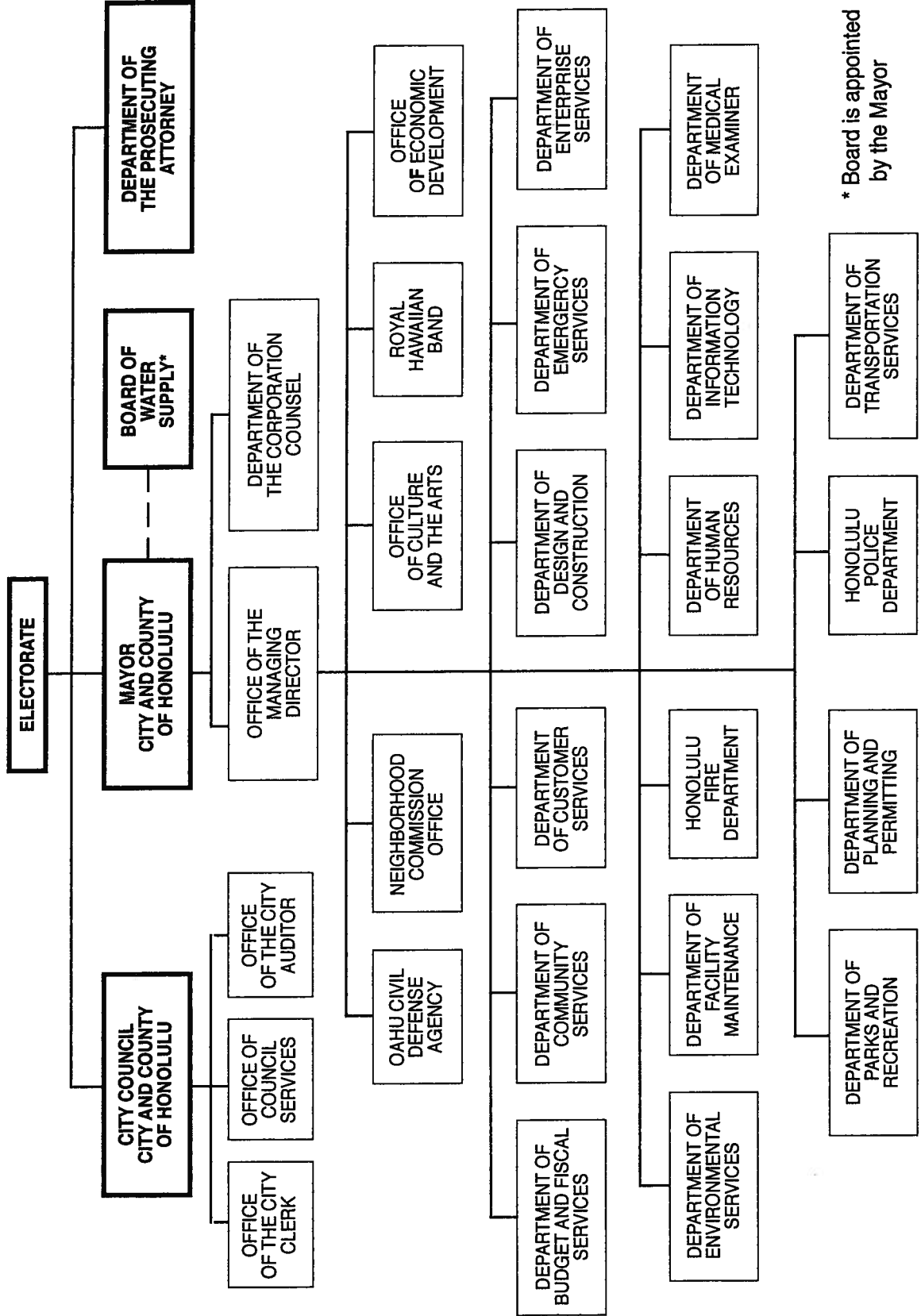
*Jeffrey R. Emery*

Executive Director

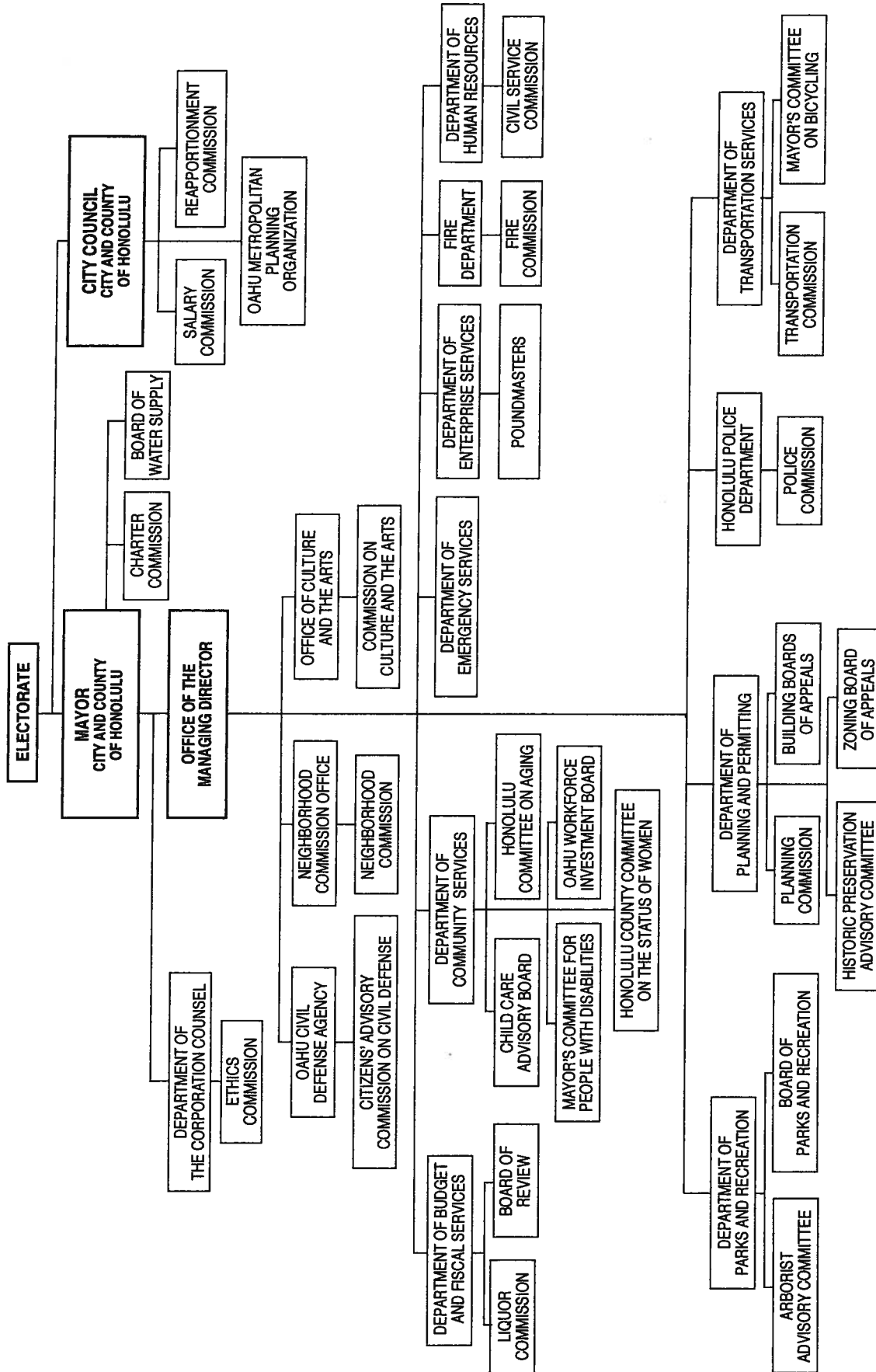


# CITY AND COUNTY OF HONOLULU ORGANIZATION CHART

FISCAL YEAR 2007 - 08



# CITY AND COUNTY OF HONOLULU **CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES** FISCAL YEAR 2007 - 08



# CITY AND COUNTY OF HONOLULU

## ELECTED OFFICIALS

### EXECUTIVE BRANCH

(2005 - 2008)

Mayor.....Mufi Hannemann

Prosecuting Attorney.....Peter Carlisle

In the general election on November 4, 2008, Mufi Hannemann was re-elected Mayor for a four-year term expiring in December 2012.

Peter Carlisle was re-elected to another four-year term as Prosecuting Attorney in the primary election on September 20, 2008.

### LEGISLATIVE BRANCH

<u>Council District</u>	<u>Councilmember</u>
I	Todd K. Apo
II	Donovan M. Dela Cruz
III	Barbara Marshall
IV	Charles K. Djou
V	Ann H. Kobayashi
VI	Rodney Tam
VII	Romy M. Cachola
VIII	Gary H. Okino
IX	Nestor Garcia

In the 2008 elections, Duke Bainum was elected to represent District V, and incumbents were re-elected in Districts I, III, VII and IX for four-year terms expiring in December 2012. Councilmembers of even-numbered districts were elected in the 2006 primary elections to four-year terms expiring in December 2010.

# LEGISLATIVE BRANCH

## CITY COUNCIL



**Todd K. Apo**  
Councilmember, District I



**Donovan M. Dela Cruz**  
Chair, District II



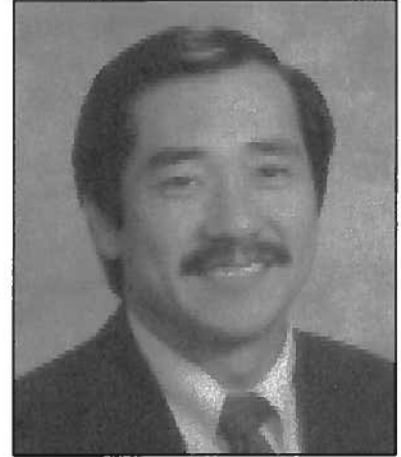
**Barbara Marshall**  
Councilmember, District III



**Charles K. Djou**  
Councilmember, District IV



**Ann H. Kobayashi**  
Councilmember, District V



**Rodney Tam**  
Councilmember, District VI



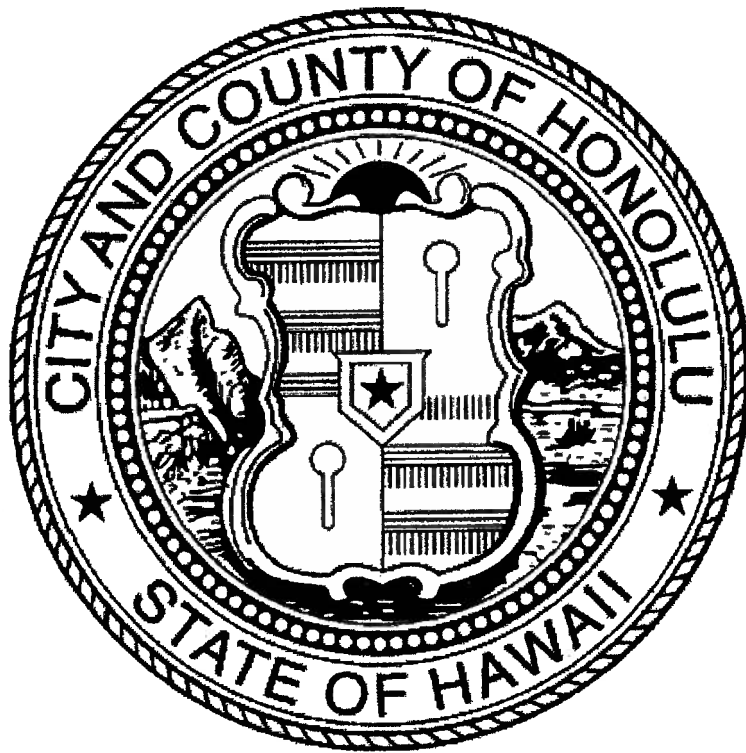
**Romy M. Cachola**  
Councilmember, District VII



**Gary H. Okino**  
Councilmember, District VIII



**Nestor Garcia**  
Councilmember, District IX



## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

To the Chair and Members of the City Council  
City and County of Honolulu  
Honolulu, Hawaii

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and County of Honolulu, State of Hawaii (City), as of and for the fiscal year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for the City, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 17 through 33 and the Required Supplementary Information on pages 93 through 98 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements, and schedules listed in the table of contents under other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents under other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*N&K CPAs, Inc.*

Honolulu, Hawaii  
February 25, 2009

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

The following Management's Discussion and Analysis (MD&A) is designed to provide an overview of the financial performance for the fiscal year ended June 30, 2008 for the City and County of Honolulu (City). The information presented in this MD&A should be considered in conjunction with the letter of transmittal in the Introductory Section of the Comprehensive Annual Financial Report (CAFR) and the financial statements that follow this subsection.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2008**

- Taxes and other revenues for governmental activities totaled \$1.49 billion while expenses before transfers amounted to \$1.09 billion, resulting in excess revenues of \$398.8 million for the fiscal year ended June 30, 2008. In comparison, revenues exceeded expenses by \$265.1 million for fiscal year 2007. The excess revenues for both fiscal years can be attributed primarily to increased real property tax collections, and the general excise tax surcharge effective January 1, 2007. The governmental activities are summarized on page 22, discussed on pages 23 to 25, and reported on pages 36 and 37.
- Revenues for the City's business-type activities increased to \$451.3 million for fiscal year 2008 from \$397.8 million for fiscal year 2007 while expenses before transfers increased to \$577.5 million for the current fiscal year compared to \$508.6 million for fiscal year 2007. The business-type activities are summarized on page 22, discussed on pages 26 to 27, and reported on pages 36 and 37.
- The combined ending governmental fund balances as of June 30, 2008 increased by \$263.5 million (as summarized on page 28) to \$608.8 million (as reported on page 39).
- Total fund balance in the General Fund as of June 30, 2008 increased by \$10.3 million (as summarized on page 28) to \$166.1 million (as reported on pages 39 and 119). On the other hand, unreserved fund balance in the General Fund declined by \$20.7 million for fiscal year 2008 to \$107.3 million as reported on page 39.
- Net capital assets for the governmental activities rose to \$2.0 billion at the close of fiscal year 2008 from \$1.9 billion at June 30, 2007. For the business-type activities, net capital assets remained at \$2.0 billion at the end of the current and prior fiscal years. Capital assets are discussed on pages 30 and 31, and reported on pages 67 to 69 in the Notes to Financial Statements.
- The City's debt applicable to the legal debt margin of \$25.1 billion was \$1.8 billion for the fiscal year ended June 30, 2008. Further information on the City's long-term debt may be found on pages 31 and 32, on pages 71 to 75 in the Notes to Financial Statements, and on pages 227 to 230 in the Statistical Section.



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Assets and Statement of Activities and are intended to provide a broad overview of the City's finances, in a manner similar to the private sector. Accordingly, it provides both long-term (noncurrent) and short-term (current) information about the City's financial status.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets serve as an indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents how the City's net assets changed during the fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some items that will result in cash flows in the future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that recover all or a significant portion of its costs through user fees or charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, human services, culture and recreation, and utilities (transportation). The business-type activities of the City include four enterprises: housing, sewer, solid waste and public transportation. The governmental activities and the business-type activities comprise the City's primary government.

Separate reporting of the City's component unit, the semi-autonomous operations of the Board of Water Supply (BWS), is included in the government-wide financial statements. Although the focus of the government-wide statements is clearly on the primary government, the presentation informs the user of the relative relationship with the component unit. Complete financial statements of BWS, which include its MD&A, may be obtained from BWS at 630 South Beretania Street, Honolulu, Hawaii 96843.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**Fund Financial Statements**

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term (current) inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term (current) financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information reported for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate the comparison between governmental funds and governmental activities.

The City maintains 33 governmental funds, each individually categorized as major or nonmajor. A fund is considered major if its revenues, expenditures, assets, or liabilities is at least 10% of corresponding totals for all governmental funds and at least 5% of the aggregate amount for all governmental and enterprise funds for the same item. The General Fund is always classified as a major fund. Other major funds consist of the Highway Fund, the General Obligation Bond and Interest Redemption Fund, and the Transit Fund. The General Improvement Bond Fund has not been meeting the qualifying criteria for a major fund; as such, the City has chosen not to present it separately with the other major funds in fiscal year 2008. Information for the 29 nonmajor funds are combined into a single, aggregated presentation in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining financial statements under Other Supplementary Information of this report.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**Proprietary Funds.** Enterprise services for which the City charges fees to customers are reported as proprietary funds. Like the government-wide financial statements, the proprietary fund statements report long-term (noncurrent) and short-term (current) financial information. The Statement of Cash Flows for the proprietary funds presents changes in cash and cash equivalents, resulting from operating, financing and investing activities; cash receipts and cash disbursements are reported without consideration of the earnings event, when an obligation arises, and excludes depreciation of capital assets. The City's proprietary funds, comprised of the Housing Development Special Fund, Sewer Fund, Solid Waste Special Fund, and the Public Transportation System, are reported on pages 43 to 46. In addition, the proprietary funds are classified as business-type activities in the government-wide financial statements on pages 35 to 37.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The financial statements of the fiduciary funds are reported on pages 47 and 48 of this report while the agency funds are reported on pages 114 and 115.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, the Financial Section of the CAFR presents certain required supplementary information. The combining financial statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. The individual fund statements and schedules can be found following the combining financial statements.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (GOVERNMENT-WIDE)**

**Statement of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. Excluding its component unit, the City's assets exceeded liabilities by \$1.41 billion in contrast to \$1.14 billion at the end of last fiscal year.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

The largest portion of the primary government's net assets (60.1% and 72.6% at the end of fiscal years 2008 and 2007, respectively) is reflected as invested in capital assets (i.e., land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately \$475.2 million and \$250.1 million of the net assets for the primary government were unrestricted at June 30, 2008 and 2007, respectively. For the City's governmental activities, the unrestricted net assets of \$399.2 million at the end of fiscal year 2008 may be used to meet the City's ongoing obligations to citizens and creditors. With regard to the City's business-type activities, the unrestricted net assets improved to \$76.0 million at June 30, 2008 primarily due to increased subsidies of 40.7% for the Solid Waste Special Fund and a 25% raise in rates for sewer service charges. A small percentage (6.1%) of the City's net assets at June 30, 2008 represents resources that are subject to external restrictions on how they may be used.

The following is a summary of the Statement of Net Assets as of June 30, 2008 and 2007:

**Summary Statement of Net Assets  
(Amounts in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 776.5	\$ 482.1	\$ 627.7	\$ 455.7	\$ 1,404.2	\$ 937.8
Restricted assets	-	-	6.9	6.5	6.9	6.5
Capital assets, net of accumulated depreciation	1,960.9	1,878.1	2,043.3	1,974.7	4,004.2	3,852.8
<b>Total assets</b>	<b>2,737.4</b>	<b>2,360.2</b>	<b>2,677.9</b>	<b>2,436.9</b>	<b>5,415.3</b>	<b>4,797.1</b>
Noncurrent liabilities	2,075.5	1,938.3	1,715.1	1,544.8	3,790.6	3,483.1
Other liabilities	96.5	73.7	120.1	104.8	216.6	178.5
<b>Total liabilities</b>	<b>2,172.0</b>	<b>2,012.0</b>	<b>1,835.2</b>	<b>1,649.6</b>	<b>4,007.2</b>	<b>3,661.6</b>
<b>Net assets:</b>						
Invested in capital assets, net of debt	165.2	113.8	681.7	711.1	846.9	824.9
Restricted	1.0	1.1	85.0	59.4	86.0	60.5
Unrestricted	399.2	233.3	76.0	16.8	475.2	250.1
<b>Total net assets</b>	<b>\$ 565.4</b>	<b>\$ 348.2</b>	<b>\$ 842.7</b>	<b>\$ 787.3</b>	<b>\$ 1,408.1</b>	<b>\$ 1,135.5</b>

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

The following is a summary of the Statement of Activities for fiscal years 2008 and 2007:

**Summary Statement of Activities  
(Amounts in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 191.7	\$ 196.2	\$ 386.9	\$ 325.5	\$ 578.6	\$ 521.7
Operating grants and contributions	106.9	104.4	21.7	17.9	128.6	122.3
Capital grants and contributions	48.7	50.1	18.5	32.7	67.2	82.8
General revenues:						
Property taxes	776.0	685.9	-	-	776.0	685.9
Other taxes	122.7	128.2	-	-	122.7	128.2
Other	239.9	114.9	24.2	21.7	264.1	136.6
<b>Total revenues</b>	<b>1,485.9</b>	<b>1,279.7</b>	<b>451.3</b>	<b>397.8</b>	<b>1,937.2</b>	<b>1,677.5</b>
<b>Expenses</b>						
General government	371.4	314.7	-	-	371.4	314.7
Public safety	354.4	337.1	-	-	354.4	337.1
Highways and streets	16.1	39.1	-	-	16.1	39.1
Sanitation	5.7	6.7	-	-	5.7	6.7
Human services	83.0	73.7	-	-	83.0	73.7
Culture and recreation	96.3	95.7	-	-	96.3	95.7
Utilities or other enterprises	75.5	68.4	-	-	75.5	68.4
Interest	84.7	79.2	-	-	84.7	79.2
Housing	-	-	13.8	12.9	13.8	12.9
Sewer	-	-	194.1	157.7	194.1	157.7
Solid waste	-	-	170.8	153.7	170.8	153.7
Public transportation	-	-	198.8	184.3	198.8	184.3
<b>Total expenses</b>	<b>1,087.1</b>	<b>1,014.6</b>	<b>577.5</b>	<b>508.6</b>	<b>1,664.6</b>	<b>1,523.2</b>
Increase (decrease) before transfers	398.8	265.1	(126.2)	(110.8)	272.6	154.3
Transfers	(181.6)	(167.4)	181.6	167.4	-	-
Change in net assets	217.2	97.7	55.4	56.6	272.6	154.3
Net assets - beginning	348.2	250.5	787.3	730.7	1,135.5	981.2
<b>Net assets - ending</b>	<b>\$ 565.4</b>	<b>\$ 348.2</b>	<b>\$ 842.7</b>	<b>\$ 787.3</b>	<b>\$ 1,408.1</b>	<b>\$ 1,135.5</b>

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

Total revenues for the primary government rose to \$1.94 billion for the fiscal year 2008 from \$1.68 billion for fiscal year 2007. The revenue gains for fiscal year 2008 resulted principally from increased real property tax collections, the new general excise tax surcharge, and higher sewer service charge rates.

Expenses for the primary government totaled \$1.66 billion for fiscal year 2008 of which \$1.09 billion applied to governmental activities and \$577.5 million related to business-type activities. For the prior fiscal year, expenses for the primary government totaled \$1.52 billion; \$1.01 billion pertained to governmental activities and \$508.6 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$70.8 million for the governmental activities and \$78.3 million for business-type activities for fiscal year 2008.

General government expenses for fiscal year 2008 increased by \$56.7 million compared to fiscal year 2007 due to collective bargaining costs for City employees, and the new financial reporting requirement for other post-employment benefits.

Public safety expenses for fiscal year 2008 increased by \$17.3 million, due to pay raises and overtime for police officers and firefighters.

Highways and streets expenses for fiscal year 2008 decreased by \$23.0M primarily due to the capitalization of various roadway projects such as street widening and rehabilitation.

**Statement of Activities**

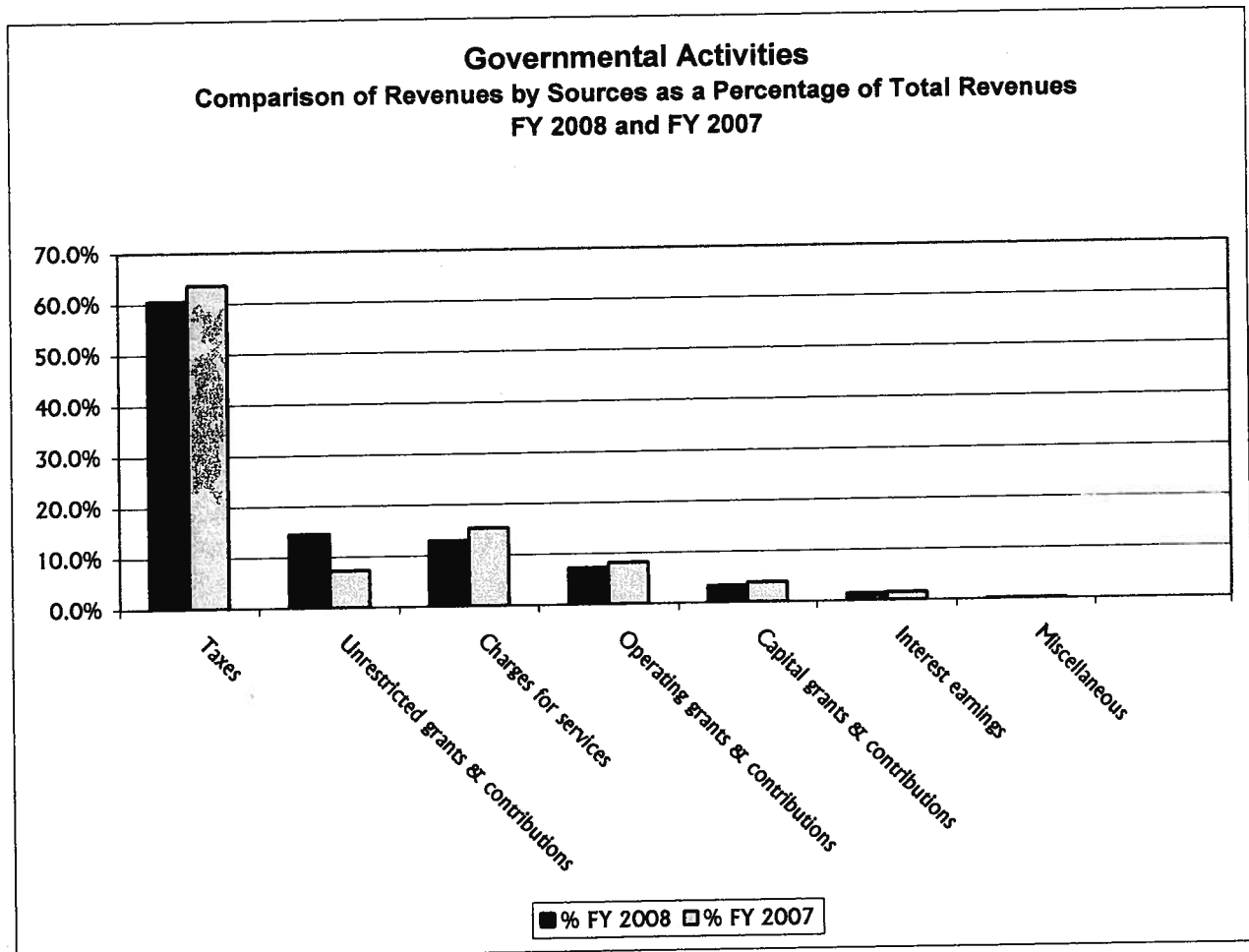
As noted earlier, the Statement of Activities presents how the City's net assets changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some items that will result in cash flows in the future fiscal periods (e.g., uncollected taxes).

**Governmental Activities**

The net assets for the City's governmental activities improved, exhibiting increases of \$217.2 million and \$97.7 million for fiscal year 2008 and 2007, respectively. The increase in net assets is due to higher collections from such key revenue sources as real property taxes and the general excise tax surcharge, outpacing the rise in operating expenses.

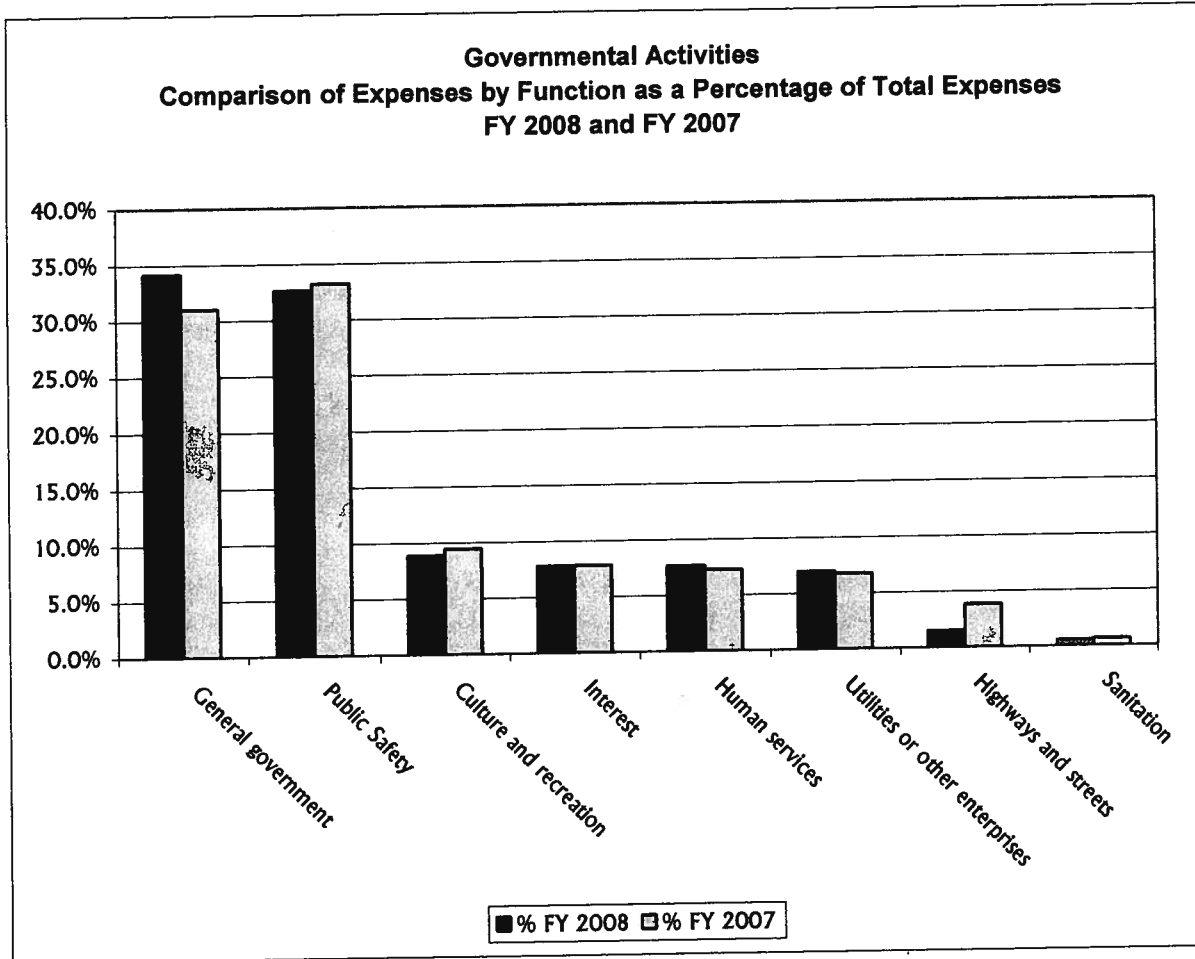
**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**Revenues.** The following exhibit, Comparison of Revenues by Sources as a Percentage of Total Revenues, indicates revenues from governmental activities were relatively stable for the last two fiscal years. Taxes represented 60.5% (\$898.7 million) of the revenues from governmental activities for fiscal year 2008 and 63.6% (\$814.1 million) in contrast to the year before. Specifically, real property tax collections increased to \$776.0 million for fiscal year 2008 from \$685.9 million for fiscal year 2007, primarily a result of higher real property tax valuations. Unrestricted grants and contributions, primarily from the general excise tax surcharge effective from the middle of fiscal year 2007, represented 14.5% of the revenues from governmental activities for fiscal year 2008 compared to 7.3% for fiscal year 2007. Deposits for the general excise tax surcharge rose by \$120.7 million, representing a 249.2% increase in comparison to fiscal year 2007, due in large part to a slow start for the first 5 months of its inception last fiscal year and a full year of receipts in fiscal year 2008.



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**Expenses.** As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, the City spent 34.2% (\$371.4 million) on general government in the current fiscal year, compared to 31.0% (\$314.7 million) for fiscal year 2007. The increase in general government expenses for fiscal year 2008 can be attributed largely to the first-time reporting of other post-employment benefits. The City spent 32.6% (\$354.4 million) on public safety for fiscal year 2008, in comparison to 33.2% (\$337.1 million) for fiscal 2007.



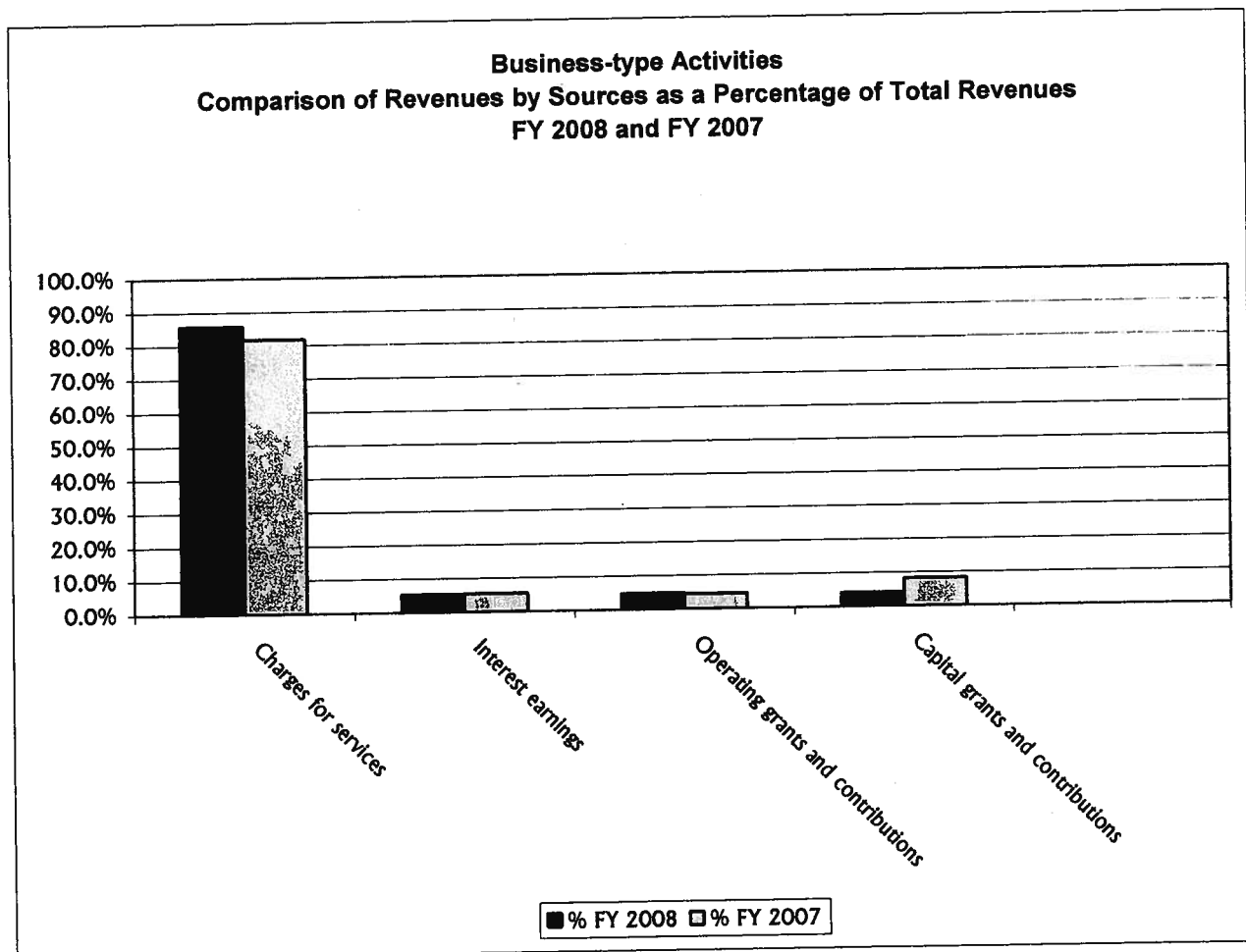


**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**Business-type Activities**

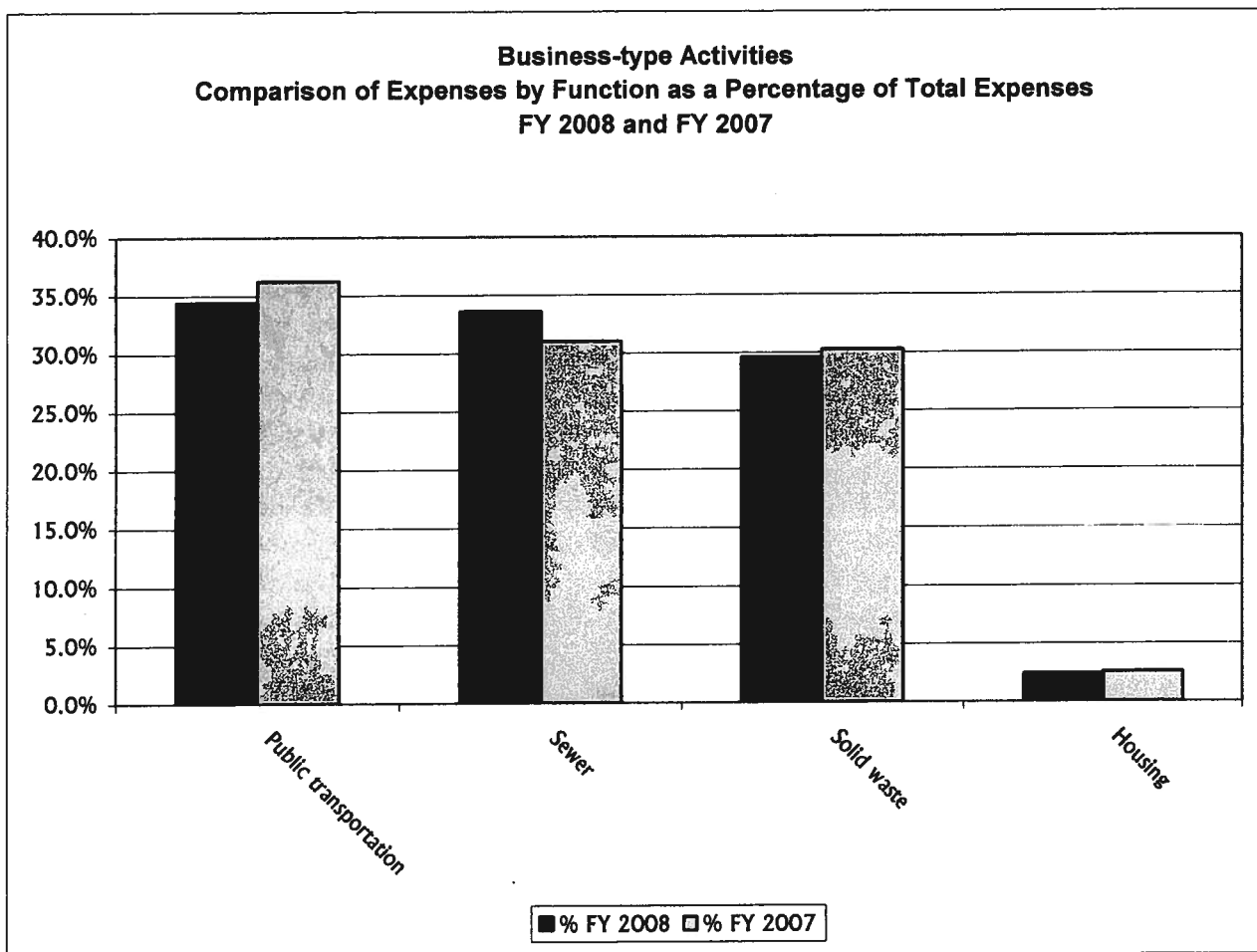
The net assets for the City's business-type activities increased by \$55.4 million and \$56.6 million for fiscal years 2008 and 2007, respectively. The continued increase in net assets can be attributed mainly to increased sewer service charges and subsidies from the General Fund to the Solid Waste Special Fund. On the other hand, expenses increased in fiscal year 2008 due to the first-time recording of other post-employment benefits, pay raises, and lesser capital contributions for public transportation.

**Revenues.** The Comparison of Revenues by Sources as a Percentage of Total Revenues for business-type activities in the exhibit below indicates that charges for services provided 85.7% of the revenues for fiscal year 2008 in contrast to 81.8% for the previous fiscal year. Charges for services totaled \$386.9 million for fiscal year 2008 and can be disaggregated as follows: housing (\$9.7 million), sewer (\$225.1 million), solid waste (\$108.3 million), and public transportation (\$43.8 million). For fiscal year 2007, charges for services totaled \$325.5 million: housing (\$8.3 million), sewer (\$165.9 million), solid waste (\$107.7 million), and public transportation (\$43.6 million). Operating grants and contributions increased \$3.8 million while capital grants and contributions decreased \$14.2 million for fiscal year 2008 compared to fiscal year 2007.



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**Expenses.** As displayed in the exhibit below, expenses by business-type activities changed slightly in contrast to the prior year. Public transportation used the most resources (34.4%), followed by sewer (33.6%) and solid waste (29.6%) for fiscal year 2008. The net transfers in for the business-type activities from the governmental activities amounted to \$181.6 million for fiscal year 2008, and \$167.4 million for fiscal year 2007. Specifically, net transfers in for public transportation (bus and handi-van) operations amounted to \$105.9 million for fiscal year 2008, and \$106.1 million for fiscal year 2007; net transfers in for solid waste operations amounted to \$87.7 million for fiscal year 2008, and \$63.2 million for fiscal year 2007; and net transfers out for sewer operations amounted to \$11.9 million for fiscal year 2008, and \$1.9 million for fiscal year 2007.



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS**

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

**Governmental Funds**

The focus of the City's governmental funds is to provide information on short-term (current) inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

The following table summarizes the changes in fund balances for the City's governmental funds as of the end of the 2008 fiscal year, amounting to a surplus of \$263.5 million in comparison to a surplus of \$84.8 million for the prior fiscal year.

**Changes in Fund Balances**

(Amounts in Millions)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	All Other Funds	Totals	
						2008	2007
Revenues:							
Taxes	\$ 805.2	\$ 86.8	\$ -	\$ -	\$ -	\$ 892.0	\$ 815.3
Other	367.1	82.6	-	3.7	182.2	635.6	521.1
Total Revenues	1,172.3	169.4	-	3.7	182.2	1,527.6	1,336.4
Expenditures	629.7	80.2	360.1	26.0	311.9	1,407.9	1,180.3
Subtotal	542.6	89.2	(360.1)	(22.3)	(129.7)	119.7	156.1
Transfers and Other	(532.3)	(93.4)	360.1	169.1	240.3	143.8	(71.3)
Changes in Fund Balances	\$ 10.3	\$ (4.2)	\$ -	\$ 146.8	\$ 110.6	\$ 263.5	\$ 84.8

The above changes in fund balances for the governmental funds differ from the changes in net assets for governmental activities summarized on page 22. The differences relate to certain financial resources and expenditures such as debt financing and capital outlays that are included in the changes in governmental fund balances but are not reported in the changes in net assets as detailed on page 41.

**CITY AND COUNTY OF HONOLULU**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2008**

**General Fund.** The General Fund is the chief operating fund of the City. The unreserved fund balance of the General Fund decreased \$20.7 million to \$107.3 million for the fiscal year ended June 30, 2008 due to a variety of factors such as the first-time transfer to the Other Post-Employment Benefits Reserve Fund, and higher payroll costs from filling vacant positions and pay raises awarded through arbitration. On the other hand, total fund balance rose \$10.3 million to \$166.1 million in comparison to the prior fiscal year end, partially due to an increase in reserved for encumbrances.

Real property taxes, the primary General Fund revenue source, increased \$80.0 million, a rise of 11.6% compared to the prior year. The increase resulted primarily from higher assessed real property valuations.

Receipts from the State of Hawaii for the general excise tax surcharge amounted to \$169.1 million for fiscal year 2008 compared to \$48.4 million for fiscal year 2007. The increase can be attributed to a slow start for the first five months after the effective date of January 1, 2007, and a full year of collections for fiscal year 2008. All receipts for the general excise tax surcharge have been transferred to the Transit Fund.

**Highway Fund.** The Highway Fund includes special revenue proceeds that have been earmarked by law for highway and related activities. Major revenue sources include the City fuel tax, motor vehicle weight tax, and public utility franchise tax. The unreserved fund balance decreased 30.4% to \$19.2 million as of June 30, 2008 from \$27.6 million at the close of the prior fiscal year. Similarly, total fund balance declined 13.2% to \$27.6 million during the same period. The decreases resulted from slightly lower fuel tax collections and higher payroll costs.

**General Obligation Bond and Interest Redemption Fund.** The General Obligation Bond and Interest Redemption Fund accounts for principal and interest payments on general obligation serial bonds that have been issued by the City. The balance for matured bonds and interest payable at June 30, 2008 amounted to \$321,000, a slight decrease compared to the end of the prior fiscal year.

**Transit Fund.** The transit fund receives and expends monies for the operating or capital costs of a locally preferred alternative for a mass transit project. Encumbered contracts underway, one component of fund balance, increased to \$89.0 million at the end of fiscal year 2008, up from \$11.5 at the close of fiscal year 2007. The surplus for unreserved capital projects, the other component of fund balance, increased to \$105.9 million at the end of fiscal year 2008 compared to \$36.6 million at the end of the previous fiscal year. The increase in unreserved fund balance can be attributed to the slow start in collections (and the related transfers) of the general excise tax surcharge effective January 1, 2007, and a full year of surcharge collections (and the related transfers) for fiscal year 2008, compared to a half year for fiscal year 2007.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

**All Other Funds.** All other funds (excluding the proprietary funds and the fiduciary funds) are considered the City's nonmajor governmental funds. The fund balances for the nonmajor funds increased by \$68.1 million from \$152.1 million at June 30, 2007 to \$220.2 million at June 30, 2008. The increase can be attributed to a variety of factors such as the issuance of \$109.0 million of general obligation bonds and \$75.0 million in tax exempt commercial paper in the General and Highway Improvement Bond Funds, and transfers to the Other Post-Employment Benefits Reserve Fund. On the other hand, capital outlays from the General and Highway Improvement Bond Funds reduced the fund balances for the nonmajor funds. Specifically, \$37.1 million and \$20.8 million were expended from the general government and culture-recreation functions of the General Improvement Bond Fund, and \$39.4 million was expended for the highways and streets function of the Highway Improvement Bond Fund, mainly for the rehabilitation of streets.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual revenues exceeded budgetary estimates by 0.8% (\$9.0 million) for fiscal year 2008 and by 4.7% (\$43.5 million) for fiscal year 2007. The increases in both years were due to more real property tax collections, public service company tax, building permit fees, and investment interest.

There was no change between the original appropriation budget and the final amended budget for the General Fund.

Due to implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 6.4% (\$47.0 million) for fiscal year 2008 and by 7.3% (\$48.3 million) for the previous fiscal year. The net changes in fund balance reflected favorable variances of \$63.6 million for fiscal year 2008 and \$92.1 million for last year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, totaled \$4.0 billion for the primary government of which \$2.0 billion pertained to governmental activities as of June 30, 2008. This investment in capital assets includes land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure.

The increase in capital assets is attributed to costs incurred for various ongoing capital improvement projects during fiscal year 2008 such as Rehabilitation of Streets (\$26.1 million), General Engineering Consultant Services for Transit (\$15.0 million), Kapolei Consolidated Corporation Yard (\$7.0 million), Honolulu High-Capacity Transit Corridor (\$4.2 million), and Frank F. Fasi Municipal Building Fire Sprinkler System Improvements (\$3.9 million).

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

Completed projects during fiscal year 2008 include Salt Lake Boulevard Widening (\$21.5 million), Rehabilitation of Streets (\$6.2 million), and Foster Botanical Gardens Orchid Observatory (\$2 million).

Additional information on the City's capital assets can be found in the Notes to Financial Statements on pages 67 to 69.

The following is a summary of the capital assets for the primary government as of June 30, 2008 in comparison to the previous year:

**Summary of Capital Assets**

(Amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
	<b>Non-depreciable assets:</b>					
Land	\$ 457.1	\$ 456.4	\$ 120.8	\$ 120.8	\$ 577.9	\$ 577.2
Construction work in progress	402.9	315.3	224.5	161.1	627.4	476.4
<b>Other capital assets:</b>						
Buildings and improvements	1,049.5	1,032.5	936.1	925.0	1,985.6	1,957.5
Equipment and machinery	257.8	248.5	513.9	497.2	771.7	745.7
Infrastructure	876.8	843.7	1,020.6	969.6	1,897.4	1,813.3
Less: accumulated depreciation	<u>(1,083.2)</u>	<u>(1,018.3)</u>	<u>(772.6)</u>	<u>(699.0)</u>	<u>(1,855.8)</u>	<u>(1,717.3)</u>
<b>Net</b>	<u>\$ 1,960.9</u>	<u>\$ 1,878.1</u>	<u>\$ 2,043.3</u>	<u>\$ 1,974.7</u>	<u>\$ 4,004.2</u>	<u>\$ 3,852.8</u>

**Long-Term Debt**

At June 30, 2008, the City's long-term debt consisted of \$3.6 billion total bonded debt and \$140.7 million of notes payable. The total bonded debt is comprised of \$2.1 billion in general obligation bonds, and \$1.5 billion in revenue bonds secured by water and wastewater system revenue sources.

The following is a summary of the debt activities during the fiscal year:

- On August 14, 2007, \$171.9 million of wastewater system revenue bonds, \$162.6 million for Series 2007A and \$9.3 million for Series 2007B were issued to fund additions and improvements to the wastewater system of the City, a common reserve account and currently refund \$5.0 million of Series 1993B and \$3.1 million of Series 1997C general obligation bonds.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

- On November 29, 2007, \$268.6 million of General Obligation Series 2007A bonds were issued to currently refund \$147.3 million short-term general obligation tax-exempt commercial paper and fund certain capital improvements of the City.
- On May 14, 2008, \$112.4 million of wastewater system revenue bonds, Series 2008A were issued to fund the common reserve account and currently refund \$53.4 million of Series 2003 A-2 and \$53.4 million of Series 2003 B-2 variable rate wastewater system revenue bonds.
- On May 28, 2008, \$75.0 million of general obligation tax-exempt commercial paper notes were issued for various capital improvement projects.

Concurrent with the issuance of the aforementioned bonds, the City purchased a financial guarantee insurance policy from MBIA Insurance Corporation for bonds issued on August 14, 2007 and a municipal bond insurance policy for bonds from Financial Security Assurance Inc for bonds issued on November 29, 2007 and May 14, 2008. The policies unconditionally guarantee the payment of principal and interest on the bonds in the event of nonpayment by the City. As a result, Fitch Ratings, Moody's Investors Service and Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., assigned ratings of AAA, Aaa and AAA, respectively.

The Hawaii Revised Statutes limit the amount of general obligation debt the City may issue to 15.0% of its net assessed valuation. The statutory debt limit for fiscal year 2008 was \$25.1 billion. The City's outstanding debt applicable to the legal debt margin totaled \$1.8 billion for fiscal year 2008, well below the statutory debt limitation.

Additional information on the City's debt are reported on pages 71 to 75 in the Notes to Financial Statements and on pages 227 to 230 in the Statistical Section of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Indicators such as international and domestic visitor arrivals, personal and proprietors' income, bankruptcy filings, and foreclosure listings suggest that the local economy is experiencing a slowdown. However, interest rates for home mortgages and automobiles are low, and fuel costs have dropped from all-time highs. In addition, residential home prices are more stable, and the unemployment rate and job counts are more favorable in comparison to other U.S. mainland cities.

The assessed valuation of real property (including new added property inventory) on Oahu decreased slightly to \$166.3 billion for fiscal year 2009 from \$167.0 billion for fiscal year 2008.

Sewer fees were raised 25.0% for fiscal year 2008, and 18.0% effective July 1, 2008.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2008**

To fund the Honolulu High-Capacity Transit Project, the City continues to receive a 0.5% surcharge on general excise and use tax on gross proceeds or gross income taxable under Chapter 237 of the Hawaii Revised Statutes, less the State's 10.0% administrative service fee.

Given the uncertainties in the global economy, the City is making every effort to contain costs while maintaining the expected level of public services. The operating budget net of inter-fund transfers increased from \$1.64 billion for fiscal year 2008 to \$1.81 billion for fiscal year 2009. The first-time reporting of other post-employment benefits, higher debt service costs, increased retirement system funding, and employee pay raises with the associated fringe benefit costs were key factors considered in the formulation of the operating budget.

**FINANCIAL CONTACT**

The CAFR is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Budget and Fiscal Services, City and County of Honolulu, 530 South King Street, Honolulu, Hawaii 96813.



**This page left blank intentionally.**

# **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY AND COUNTY OF HONOLULU**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**  
(Amounts in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents .....	\$ 81,510	\$ 47,038	\$ 128,548	\$ 4,103
Investments .....	548,148	441,183	989,331	116,521
Receivables (net) .....	196,112	53,687	249,799	21,677
Internal balances .....	(49,529)	49,529	--	--
Due from fiduciary funds .....	208	--	208	--
Inventories .....	23	19,893	19,916	4,725
Deferred charges and other .....	--	16,417	16,417	3,233
Restricted assets:				
Cash and cash equivalents .....	--	6,880	6,880	21,681
Investments .....	--	--	--	36,831
Other .....	--	23	23	--
Capital assets (net of accumulated depreciation):				
Land .....	457,147	120,750	577,897	32,373
Buildings and improvements .....	615,735	733,043	1,348,778	100,744
Equipment and machinery .....	78,048	107,647	185,695	88,908
Infrastructure .....	407,130	857,323	1,264,453	738,361
Construction work in progress .....	402,874	224,492	627,366	200,954
Total assets .....	<u>2,737,406</u>	<u>2,677,905</u>	<u>5,415,311</u>	<u>1,370,111</u>
<b>LIABILITIES</b>				
Accounts payable .....	55,335	49,201	104,536	15,330
Matured bonds and interest payable ...	330	--	330	--
Accrued interest payable .....	40,864	33,936	74,800	7,656
Due to fiduciary funds .....	9	33	42	--
Other liabilities .....	--	36,985	36,985	588
Noncurrent liabilities:				
Due within one year .....	183,872	58,652	242,524	9,657
Due in more than one year .....	1,891,583	1,656,420	3,548,003	354,239
Total liabilities .....	<u>2,171,993</u>	<u>1,835,227</u>	<u>4,007,220</u>	<u>387,470</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt .....	165,257	681,690	846,947	859,820
Restricted for:				
Capital activity .....	--	--	--	7,925
Debt service .....	976	84,981	85,957	--
Unrestricted .....	399,180	76,007	475,187	114,896
Total net assets .....	<u>\$ 565,413</u>	<u>\$ 842,678</u>	<u>\$ 1,408,091</u>	<u>\$ 982,641</u>

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

**CITY AND COUNTY OF HONOLULU**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
(Amounts in thousands)

(Page 1 of 2)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government.....	\$ 371,354	\$ 128,620	\$ 5,675	\$ 1,901
Public safety.....	354,427	37,772	10,667	2,566
Highways and streets.....	16,095	599	--	14,541
Sanitation.....	5,758	48	--	63
Human services.....	82,966	719	65,386	17,609
Culture and recreation.....	96,299	23,879	851	50
Utilities or other enterprises.....	75,506	--	24,351	12,006
Interest.....	84,670	--	--	--
<b>Total governmental activities....</b>	<b>1,087,075</b>	<b>191,637</b>	<b>106,930</b>	<b>48,736</b>
<b>Business-type activities:</b>				
Housing.....	13,841	9,694	--	--
Sewer.....	194,061	225,104	--	78
Solid Waste.....	170,781	108,323	--	--
Public Transportation.....	198,823	43,767	21,674	18,436
<b>Total business-type activities....</b>	<b>577,506</b>	<b>386,888</b>	<b>21,674</b>	<b>18,514</b>
<b>Total primary government.....</b>	<b>\$ 1,664,581</b>	<b>\$ 578,525</b>	<b>\$ 128,604</b>	<b>\$ 67,250</b>
<b>Component unit:</b>				
Board of Water Supply.....	\$ 160,414	\$ 132,077	\$ --	\$ 22,332

General revenues:

Property taxes.....
Public service company tax.....
Fuel tax .....
Public utility franchise tax.....
Investment earnings.....
Unrestricted grants and contributions.....
Other.....
Transfers.....
<b>Total general revenues and transfers.....</b>
Change in net assets.....
Net assets - beginning.....
Net assets - ending.....

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

CITY AND COUNTY OF HONOLULU  
**STATEMENT OF ACTIVITIES**  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands )

(Page 2 of 2)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (235,158)	\$ --	\$ (235,158)	\$ --
(303,422)	--	(303,422)	--
(955)	--	(955)	--
(5,647)	--	(5,647)	--
748	--	748	--
(71,519)	--	(71,519)	--
(39,149)	--	(39,149)	--
(84,670)	--	(84,670)	--
<u>(739,772)</u>	<u>--</u>	<u>(739,772)</u>	<u>--</u>
--	(4,147)	(4,147)	--
--	31,121	31,121	--
--	(62,458)	(62,458)	--
--	(114,946)	(114,946)	--
<u>--</u>	<u>(150,430)</u>	<u>(150,430)</u>	<u>--</u>
<u>(739,772)</u>	<u>(150,430)</u>	<u>(890,202)</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(6,005)</u>
775,971	--	775,971	--
35,823	--	35,823	--
50,633	--	50,633	--
36,239	--	36,239	--
21,269	24,210	45,479	10,123
216,274	--	216,274	--
2,362	--	2,362	--
<u>(181,588)</u>	<u>181,588</u>	<u>--</u>	<u>--</u>
<u>956,983</u>	<u>205,798</u>	<u>1,162,781</u>	<u>10,123</u>
217,211	55,368	272,579	4,118
348,202	787,310	1,135,512	978,523
<u>\$ 565,413</u>	<u>\$ 842,678</u>	<u>\$ 1,408,091</u>	<u>\$ 982,641</u>

**This page left blank intentionally.**

## **FUND FINANCIAL STATEMENTS**



# Governmental Fund Financial Statements

## MAJOR FUNDS

### **General Fund**

This fund accounts for all financial resources except those required to be accounted for in another fund.

### **Special Revenue Fund**

#### **Highway Fund**

This fund accounts for disposition of proceeds from special revenues earmarked by law for highway and related activities. Major revenue sources include the City fuel tax, vehicle weight tax and public utility franchise tax.

### **Debt Service Fund**

#### **General Obligation Bond and Interest Redemption Fund**

This fund accounts for payments of principal and interest on general obligation serial bonds issued by the City.

### **Capital Projects Fund**

#### **Transit Fund**

This fund receives and expends monies for the operating or capital costs of a locally preferred alternative for a mass transit project.

## NONMAJOR FUNDS

### **Special Revenue Funds**

#### **Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund**

This fund accounts for receipts from motor vehicle registration certificates. These monies are expended primarily for the beautification of highways under the jurisdiction of the City and the disposition of abandoned vehicles.

### **Bikeway Fund**

This fund accounts for bicycle and moped permanent registration fees, transfer fees, penalties, fines, and charges for duplicate tags and certificates of registration. These monies are earmarked for operating, acquisition and other costs related to bikeways.

### **Parks and Playgrounds Fund**

All monies received in lieu of providing land in perpetuity or dedicating land, together with facilities for park and playground purposes are recorded in this fund. These monies must be expended for the purchase of land for parks and playgrounds, park and playground equipment, and/or the improvement of existing parks and playgrounds.

### **Liquor Commission Fund**

This fund accounts for all monies collected by as well as received on behalf of the Liquor Commission and used for operational and administrative costs of the Liquor Commission.

# Governmental Fund Financial Statements (Continued)

## NONMAJOR FUNDS (CONTINUED)

### Special Revenue Funds (Continued)

#### **Other Post-Employment Benefits Reserve Fund**

This fund accumulates, invests, appropriates, and manages funds to meet the costs of providing health care, life insurance and other post-employment benefits, other than pension obligations, to retirees and their dependents.

#### **Rental Assistance Fund**

This fund accounts for all net receipts from the Hale Pauahi parking structure which are expended for monthly rental assistance payments to landlords on behalf of eligible applicants.

#### **Zoo Animal Purchase Fund**

This fund accounts for the proceeds from the sale of surplus animals from the Honolulu Zoo and all donations made specifically for the purchase of animals. Funds in this account shall be expended for the acquisition of zoo animals to include shipping, insurance, travel and other related costs.

#### **Hanauma Bay Nature Preserve Fund**

This fund accounts for receipts from the entrance and vehicle admission fees to the Hanauma Bay Nature Preserve and is earmarked primarily for the operation, maintenance and improvement of the Nature Preserve.

#### **Reserve for Fiscal Stability Fund**

This fund accounts for monies determined to be in excess of expenditures, monies appropriated to the fund by City Council, and monies realized from the conveyance of City property and designated for deposit into the fund by City Council resolution. The reserves are designated for economic and revenue downturns and emergency situations.

#### **Clean Water and Natural Lands Fund**

This fund receives and expends monies for the purchase of or to otherwise acquire real estate or any interest therein for land conservation in the City.

#### **Affordable Housing Fund**

This fund receives and expends monies to provide and maintain affordable housing for persons earning less than fifty percent of the median household income in the City.

#### **Community Development Fund**

Monies are provided by the federal government under the Housing and Community Development Act of 1974, as amended; the National Affordable Housing Act of 1990, as amended; monies generated as program income; and monies carried over from prior years. Funds are expended to carry out the objectives of the Acts.

#### **Golf Fund**

Receipts for this fund are derived from the operation of the City's golf facilities. All funds are expended for the management, operation and maintenance of the municipal golf courses.

# Governmental Fund Financial Statements (Continued)

## NONMAJOR FUNDS (CONTINUED)

### Special Revenue Funds (Continued)

#### **Special Events Fund**

This fund accounts for all revenues derived from the operation of the City's auditorium facilities, Waikiki Shell, and Honolulu Zoo. All funds are expended for the operation of the Department of Enterprise Services.

#### **Farmers Home Administration Loan Fund**

This fund accounts for all proceeds from the issuance and sale of bonds to the Farmers Home Administration for the purpose of financing portions of the cost of such projects as approved by the Farmers Home Administration.

#### **Special Projects Fund**

This fund accounts for all monies received under special contracts executed between the City and the State of Hawaii. Monies received from various other sources for operating and capital improvement expenditures for which no financing has been provided in other funds, such as contributions from property owners exclusive of improvement district assessment collections, are also accounted for in this fund.

#### **Federal Grants Fund**

This fund accounts for all monies received from the federal government as grants for specific projects as well as supporting monies from other sources, where such monies are not accountable in any other fund. All monies placed in the fund are maintained in separate accounts identified with, and expended for, the intended purposes.

#### **Housing and Community Development Rehabilitation Loan Fund**

This fund makes loan monies available primarily to low and moderate income applicants unable to secure or qualify for funds under the Rehabilitation Loan Program sponsored by the federal government.

#### **Pauahi Project Expenditures, Hawaii R-15 Fund**

This fund was created to facilitate financing of the Pauahi Project redevelopment plan providing for the acquisition, clearance, construction of site improvements, and sale or lease of home, apartment and commercial sites to private parties for development in accordance with said plan.

#### **Housing and Community Development Section 8 Contract Fund**

This fund accounts for all monies received from the federal government under the Housing and Community Development Act of 1974 for the purposes set forth under Title II of the Act.

#### **Leasehold Conversion Fund**

This fund accounts for all monies to assist lessees to purchase, at fair and reasonable prices, lands upon which residential condominium, cooperative housing or residential planned development are situated.

# Governmental Fund Financial Statements (Continued)

## NONMAJOR FUNDS (CONTINUED)

### Special Revenue Funds (Continued)

#### **Improvement District Revolving Fund**

Monies in this revolving fund are available to cover deficiencies, advance interest due, reimburse the General Fund in the event the payment of assessments are late or insufficient, and pay all expenses in connection with the sale of delinquent lots as bid for and purchased for the City by the Director of Budget and Fiscal Services.

#### **Housing and Community Development Revolving Fund**

This fund serves as a working capital fund to facilitate the expenditure of joint costs.

#### **Municipal Stores Revolving Fund**

This fund is used to finance the Municipal Stores through bulk purchases and resale of regularly used standard printed forms and various publications dealing with City matters.

### Debt Service Fund

#### **Improvement District Bond and Interest Redemption Fund**

This fund accounts for the redemption of maturing City improvement district assessment bonds and collections of special assessments.

### Capital Projects Funds

#### **General Improvement Bond Fund**

This fund accounts for proceeds of general obligation bonds issued to pay all or part of those appropriations in the Capital Budget Ordinance for public improvements specified to be expended from this fund.

#### **Highway Improvement Bond Fund**

Proceeds of general obligation bonds issued to pay all or a part of those appropriations in the Capital Budget Ordinance for highway and related public improvements are accounted for in this fund.

#### **Federal Grants Capital Projects Fund**

All monies received from the federal government in the form of grants, entitlements or payments in lieu of taxes, to fund capital projects, and Federal Revenue Sharing funds appropriated for capital projects are deposited or transferred into this fund and expended for the purposes for which such monies are received or appropriated.

#### **Capital Projects Fund**

This fund accounts for monies received from sources other than the federal government in the form of grants, entitlements, shared revenues or payments in lieu of taxes, and City monies appropriated for capital projects transferred into this fund. These monies are expended for the purposes received or appropriated. Transactions relating to acquisition of capital improvements financed by special assessments are also accounted for in this fund.

**CITY AND COUNTY OF HONOLULU  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2008  
(Amounts in thousands)**

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments:						
With Treasury .....	\$ 196,653	\$ 27,645	\$ 272	\$ 155,190	\$ 249,898	\$ 629,658
Receivables .....	69,732	23,941	--	1,219	101,220	196,112
Due from other funds .....	26,793	--	49	44,373	3,620	74,835
Inventories .....	--	--	--	--	23	23
<b>Total Assets .....</b>	<b>\$ 293,178</b>	<b>\$ 51,586</b>	<b>\$ 321</b>	<b>\$ 200,782</b>	<b>\$ 354,761</b>	<b>\$ 900,628</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable .....	\$ 9,964	\$ 1,266	\$ --	\$ 5,856	\$ 32,496	\$ 49,582
Accrued payroll .....	5,025	458	--	5	265	5,753
Due to other funds .....	93,379	4,179	--	--	26,607	124,165
Matured bonds and interest payable.....	--	--	321	--	9	330
Deferred revenue .....	18,735	18,088	--	--	75,216	112,039
<b>Total Liabilities .....</b>	<b>127,103</b>	<b>23,991</b>	<b>321</b>	<b>5,861</b>	<b>134,593</b>	<b>291,869</b>
Fund Balances:						
Reserved for:						
Encumbrances .....	58,794	8,421	--	89,042	622,935	779,192
Debt service .....	--	--	--	--	976	976
Unreserved, reported in:						
General fund .....	107,281	--	--	--	--	107,281
Special revenue funds .....	--	19,174	--	--	70,518	89,692
Capital projects funds .....	--	--	--	105,879	(474,261)	(368,382)
<b>Total Fund Balances .....</b>	<b>166,075</b>	<b>27,595</b>	<b>--</b>	<b>194,921</b>	<b>220,168</b>	<b>608,759</b>
<b>Total Liabilities and     Fund Balances .....</b>	<b>\$ 293,178</b>	<b>\$ 51,586</b>	<b>\$ 321</b>	<b>\$ 200,782</b>	<b>\$ 354,761</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,960,934
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	112,039
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,116,319)</u>
Net assets of governmental activities	<u>\$ 565,413</u>

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

CITY AND COUNTY OF HONOLULU  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes.....	\$ 805,174	\$ 86,808	\$ --	\$ --	\$ --	\$ 891,982
Special assessments.....	--	--	--	--	28	28
Licenses and permits.....	36,127	75,456	--	--	4,074	115,657
Intergovernmental.....	214,530	--	--	--	144,022	358,552
Charges for services.....	5,163	4,775	--	--	13,828	23,766
Fines and forfeits.....	877	48	--	--	258	1,183
<b>Miscellaneous:</b>						
Reimbursements and recoveries.....	88,181	543	--	--	7	88,731
Interest.....	18,054	--	--	3,724	2,860	24,638
Other.....	4,189	1,797	--	--	17,079	23,065
<b>Total Revenues.....</b>	<b>1,172,295</b>	<b>169,427</b>	<b>--</b>	<b>3,724</b>	<b>182,156</b>	<b>1,527,602</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government.....	125,323	17,505	--	266	10,665	153,759
Public safety.....	288,860	25,993	--	--	14,255	329,108
Highways and streets.....	2,554	19,695	--	--	1,817	24,066
Sanitation.....	5,536	1	--	--	--	5,537
Human services.....	2,772	--	--	--	62,372	65,144
Culture-recreation.....	60,512	--	--	--	21,816	82,328
Utilities or other enterprises.....	--	2,611	--	638	24,569	27,818
<b>Miscellaneous:</b>						
Retirement and health benefits.....	121,398	13,260	--	37	5,766	140,461
Other.....	19,761	1,100	--	--	365	21,226
<b>Capital Outlay:</b>						
General government.....	2,078	25	--	27	37,654	39,784
Public safety.....	--	--	--	--	21,035	21,035
Highways and streets.....	--	--	--	--	48,871	48,871
Sanitation.....	--	--	--	--	235	235
Human services.....	--	--	--	--	18,214	18,214
Culture-recreation.....	--	--	--	--	21,576	21,576
Utilities or other enterprises.....	--	--	--	24,986	22,709	47,695
<b>Debt service:</b>						
Principal.....	693	--	259,987	--	--	260,680
Interest.....	221	--	100,141	--	--	100,362
<b>Total Expenditures.....</b>	<b>629,708</b>	<b>80,190</b>	<b>360,128</b>	<b>25,954</b>	<b>311,919</b>	<b>1,407,899</b>
Revenues over (under) Expenditures.....	542,587	89,237	(360,128)	(22,230)	(129,763)	119,703
<b>Other Financing Sources (Uses):</b>						
Issuance of general obligation bonds .....	--	--	--	--	109,000	109,000
Issuance of tax exempt commercial paper ....	--	--	--	--	75,000	75,000
Issuance of refunding bonds .....	--	--	132,826	--	--	132,826
Bond premium .....	--	--	7,334	--	--	7,334
Bond discount .....	--	--	(30)	--	--	(30)
Capital leases .....	865	--	--	--	--	865
Sales of capital assets.....	176	184	--	--	2	362
Transfers In.....	91,018	--	219,998	169,114	79,169	559,299
Transfers out.....	(624,373)	(93,608)	--	(9)	(22,897)	(740,887)
<b>Total Other Financing Sources (Uses).....</b>	<b>(532,314)</b>	<b>(93,424)</b>	<b>360,128</b>	<b>169,105</b>	<b>240,274</b>	<b>143,769</b>
Net change in fund balances.....	10,273	(4,187)	--	146,875	110,511	263,472
Fund Balances - July 1.....	155,802	31,782	--	48,046	109,657	345,287
<b>Fund Balances - June 30.....</b>	<b>\$ 166,075</b>	<b>\$ 27,595</b>	<b>\$ --</b>	<b>\$ 194,921</b>	<b>\$ 220,168</b>	<b>\$ 608,759</b>

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

CITY AND COUNTY OF HONOLULU  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
(Amounts in thousands )

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds	\$ 263,472
Governmental funds report capital outlays as expenditures. The Statement of Activities reports depreciation expense on capital assets. This is the difference between the two amounts for this year.	82,831
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	12,892
Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements.	(93,897)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(48,087)
Change in net assets of governmental activities	<u>\$ 217,211</u>

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

**This page left blank intentionally.**



## **Proprietary Fund Financial Statements**

### **Housing Development Special Fund**

This fund accounts for monies designated for the development of housing for sale or for rental by the City. Transactions in this fund are incorporated in the special statements for the housing program.

### **Sewer Fund**

This fund accounts for all monies received pursuant to the provisions of the Federal Water Pollution Control Act amendments of 1972 and the Hawaii Revised Statutes and expended for the purposes authorized.

### **Solid Waste Special Fund**

This fund accounts for all revenues derived from the operation of the City's Refuse Division, solid waste disposal programs, glass recycling program, and other recycling programs. All monies placed in this fund are maintained in separate accounts identified with and expended for the intended purposes.

### **Public Transportation System**

The Bus Transportation Fund was created for the management, operation, and maintenance of the bus transportation system, including the City bus system (TheBus) and the special transit service (The Handi-Van).

**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**  
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents .....	\$ 2,658	\$ 35,984	\$ 6,664	\$ 1,732	\$ 47,038
Investments .....	--	369,081	62,587	9,515	441,183
<b>Receivables:</b>					
Accounts (net of allowance for uncollectibles of \$6,386) .....	828	31,818	15,213	1,593	49,452
Interest .....	6	2,878	970	--	3,854
Intergovernmental .....	--	--	381	--	381
Due from other funds .....	--	2,875	49,189	--	52,064
Inventories of parts, materials and supplies, at cost...	--	8,016	--	7,658	15,674
Inventories of real estate held for sale .....	4,219	--	--	--	4,219
<b>Restricted assets:</b>					
Cash and cash equivalents .....	4,367	--	--	2,513	6,880
Other .....	23	--	--	--	23
Prepaid expenses and other assets .....	88	1,825	502	3,478	5,893
<b>Total Current Assets .....</b>	<b>12,189</b>	<b>452,477</b>	<b>135,506</b>	<b>26,489</b>	<b>626,661</b>
<b>Noncurrent Assets:</b>					
<b>Capital Assets:</b>					
Land .....	14,390	6,065	24,063	76,232	120,750
Buildings and improvements .....	108,504	721,679	54,392	51,533	936,108
Transmission and distribution system .....	--	1,020,625	--	--	1,020,625
Equipment and machinery .....	279	32,167	264,889	28,756	326,091
Buses and other transit vehicles .....	--	--	--	187,785	187,785
Construction work in progress .....	6,478	196,811	4,427	16,776	224,492
Accumulated depreciation .....	(54,309)	(278,193)	(256,660)	(183,434)	(772,596)
Deferred charges and other .....	1,975	8,008	541	--	10,524
<b>Total Noncurrent Assets .....</b>	<b>77,317</b>	<b>1,707,162</b>	<b>91,652</b>	<b>177,648</b>	<b>2,053,779</b>
<b>Total Assets .....</b>	<b>89,506</b>	<b>2,159,639</b>	<b>227,158</b>	<b>204,137</b>	<b>2,680,440</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable .....	330	28,087	17,573	3,211	49,201
Interest payable-current .....	2,058	27,490	4,388	--	33,936
Notes payable-current .....	--	9,451	--	--	9,451
Bonds payable-current .....	5,776	15,585	26,148	--	47,509
Tax-exempt commercial paper .....	--	--	837	--	837
Due to other funds .....	308	55	2,205	--	2,568
Reserve for insurance claims payable .....	--	--	--	15,080	15,080
Accrued payroll .....	--	361	771	--	1,132
Other current liabilities .....	771	249	578	1,845	3,443
<b>Total Current Liabilities .....</b>	<b>9,243</b>	<b>81,278</b>	<b>52,500</b>	<b>20,136</b>	<b>163,157</b>
<b>Noncurrent Liabilities:</b>					
Notes payable .....	--	105,396	--	--	105,396
General obligation bonds payable, net .....	82,438	13,398	115,663	--	211,499
Revenue bonds payable, net .....	--	1,222,684	--	--	1,222,684
Operating fee obligation, net of note receivable .....	--	--	79,171	--	79,171
Estimated liability for landfill closure and postclosure care costs .....	--	--	21,442	--	21,442
Other liabilities .....	9,098	9,144	6,733	9,438	34,413
<b>Total Noncurrent Liabilities .....</b>	<b>91,536</b>	<b>1,350,622</b>	<b>223,009</b>	<b>9,438</b>	<b>1,674,605</b>
<b>Total Liabilities .....</b>	<b>100,779</b>	<b>1,431,900</b>	<b>275,509</b>	<b>29,574</b>	<b>1,837,762</b>
<b>NET ASSETS</b>					
Invested In capital assets, net of related debt .....	(12,872)	558,436	(41,522)	177,648	681,690
Restricted for debt service .....	--	84,981	--	--	84,981
Unrestricted .....	1,599	84,322	(6,829)	(3,085)	76,007
<b>Total Net Assets (Deficit) .....</b>	<b>\$ (11,273)</b>	<b>\$ 727,739</b>	<b>\$ (48,351)</b>	<b>\$ 174,563</b>	<b>\$ 842,678</b>

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

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
<b>Operating Revenues:</b>					
Rental income .....	\$ 8,573	\$ --	\$ 3,223	\$ --	\$ 11,796
Sewer service charges .....	--	219,907	--	--	219,907
Disposal and collection fees .....	--	--	52,671	--	52,671
Electrical energy fee .....	--	--	48,795	--	48,795
Passenger fares for transit services .....	--	--	--	43,237	43,237
Other revenue .....	--	5,197	3,596	530	9,323
<b>Total Operating Revenues .....</b>	<b>8,573</b>	<b>225,104</b>	<b>108,285</b>	<b>43,767</b>	<b>385,729</b>
<b>Operating Expenses:</b>					
Administrative and general .....	1,052	40,790	30,854	1,324	74,020
Maintenance .....	893	487	472	19	1,871
Depreciation .....	3,690	39,362	18,206	17,008	78,266
Contractual services .....	1,876	13,719	78,286	132,271	226,152
Supplemental operating fee .....	--	--	3,223	--	3,223
Fringe benefits .....	125	17,696	14,228	--	32,049
Materials and supplies .....	91	10,702	5,848	10,634	27,275
Fuel and lubricants .....	--	2,633	2,263	18,111	23,007
Insurance .....	193	--	1,150	11,482	12,825
State taxes - fuel .....	--	--	127	2,858	2,985
Utilities .....	1,533	17,088	366	2,927	21,914
Other .....	--	--	--	394	394
<b>Total Operating Expenses .....</b>	<b>9,453</b>	<b>142,477</b>	<b>155,023</b>	<b>197,028</b>	<b>503,981</b>
<b>Operating Income (Loss) .....</b>	<b>(880)</b>	<b>82,627</b>	<b>(46,738)</b>	<b>(153,261)</b>	<b>(118,252)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Interest revenue .....	252	17,884	6,039	35	24,210
Interest expense .....	(4,289)	(50,469)	(15,712)	--	(70,470)
Gain (Loss) from disposal of property ..	--	(172)	--	(1,795)	(1,967)
Amortization expense .....	(99)	(466)	(46)	--	(611)
Other .....	1,121	(477)	38	21,674	22,356
<b>Total Nonoperating Revenues (Expenses) .....</b>	<b>(3,015)</b>	<b>(33,700)</b>	<b>(9,681)</b>	<b>19,914</b>	<b>(26,482)</b>
<b>Income (Loss) before Transfers and Capital Contributions .....</b>	<b>(3,895)</b>	<b>48,927</b>	<b>(56,419)</b>	<b>(133,347)</b>	<b>(144,734)</b>
Transfers In .....	--	--	102,576	105,872	208,448
Transfers Out .....	--	(11,944)	(14,916)	--	(26,860)
Capital Contributions .....	--	78	--	18,436	18,514
<b>Change in Net Assets .....</b>	<b>(3,895)</b>	<b>37,061</b>	<b>31,241</b>	<b>(9,039)</b>	<b>55,368</b>
<b>Net Assets - July 1 .....</b>	<b>(7,378)</b>	<b>690,678</b>	<b>(79,592)</b>	<b>183,602</b>	<b>787,310</b>
<b>Net Assets - June 30 .....</b>	<b>\$ (11,273)</b>	<b>\$ 727,739</b>	<b>\$ (48,351)</b>	<b>\$ 174,563</b>	<b>\$ 842,678</b>

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

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
<b>Cash flows from operating activities:</b>					
Receipts from customers.....	\$ 8,883	\$ 221,423	\$ 102,678	\$ 43,756	\$ 376,740
Payments to suppliers.....	(5,249)	(45,017)	(89,810)	(175,716)	(315,792)
Payments to employees.....	(576)	(47,407)	(29,455)	(1,215)	(78,653)
Other receipts (payments).....	831	2	(1,919)	--	(1,086)
Net cash provided by (used in) operating activities .....	<u>3,889</u>	<u>129,001</u>	<u>(18,506)</u>	<u>(133,175)</u>	<u>(18,791)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in .....	--	--	43,886	105,872	149,758
Transfers out .....	--	(11,944)	(5,801)	--	(17,745)
Grants and contributions .....	--	--	--	21,674	21,674
Net cash provided by (used in) noncapital financing activities .....	<u>--</u>	<u>(11,944)</u>	<u>38,085</u>	<u>127,546</u>	<u>153,687</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets .....	--	(115,243)	(7,961)	(557)	(123,761)
Proceeds from issuing notes .....	--	10,990	--	--	10,990
Principal paid on operating fee obligation .....	--	--	(25,068)	--	(25,068)
Interest paid on operating fee obligation .....	--	--	(5,545)	--	(5,545)
Proceeds from issuing bonds .....	--	169,339	35,835	--	205,174
Principal paid on notes .....	--	(8,888)	(17,000)	--	(25,888)
Principal paid on bonds .....	(5,692)	(6,151)	(24,841)	--	(36,684)
Interest paid on notes .....	--	(2,573)	(583)	--	(3,156)
Interest paid on bonds .....	(4,265)	(51,055)	(6,637)	--	(61,957)
Net cash used in capital and related financing activities .....	<u>(9,957)</u>	<u>(3,581)</u>	<u>(51,800)</u>	<u>(557)</u>	<u>(65,895)</u>
<b>Cash flows from investing activities:</b>					
Purchase of investments .....	(67,000)	(705,259)	(136,978)	(20,825)	(930,062)
Proceeds from maturities of investments .....	67,000	576,662	127,217	22,829	793,708
Principal received on notes receivable .....	--	--	17,406	--	17,406
Interest received on notes receivable .....	--	--	3,932	--	3,932
Interest on investments .....	34	15,744	1,973	35	17,786
Net cash provided by (used in) investing activities .....	<u>34</u>	<u>(112,853)</u>	<u>13,550</u>	<u>2,039</u>	<u>(97,230)</u>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(6,034)</b>	<b>623</b>	<b>(18,671)</b>	<b>(4,147)</b>	<b>(28,229)</b>
Cash and cash equivalents - July 1 .....	<u>13,059</u>	<u>35,361</u>	<u>25,335</u>	<u>8,392</u>	<u>82,147</u>
Cash and cash equivalents - June 30 .....	<u>\$ 7,025</u>	<u>\$ 35,984</u>	<u>\$ 6,664</u>	<u>\$ 4,245</u>	<u>\$ 53,918</u>

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

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (loss) .....	\$ (880)	\$ 82,627	\$ (46,738)	\$ (153,261)	\$ (118,252)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation .....	3,690	39,362	18,206	17,008	78,266
Other revenues .....	831	--	38	62	931
Increase in accounts receivable .....	(176)	(4,041)	(1,818)	(1,865)	(7,900)
Increase in intergovernmental receivable .....	--	--	(66)	--	(66)
(Increase) decrease in due from other funds .....	--	1,052	(1,245)	--	(193)
Increase in parts, materials and supplies .....	--	(1,666)	--	(595)	(2,261)
(Increase) decrease in prepaid expenses and other assets .....	(11)	1,150	(6)	--	1,133
Increase in trade accounts payables .....	134	6,793	6,816	793	14,536
Increase in reserve for insurance claims payable .....	--	--	--	778	778
Increase (decrease) in deferred credits .....	(7)	--	--	95	88
Increase in other liabilities .....	--	3,695	4,579	3,810	12,084
Increase in due to other funds .....	308	29	1,728	--	2,065
Net cash provided by (used in) operating activities .....	<u>\$ 3,889</u>	<u>\$ 129,001</u>	<u>\$ (18,506)</u>	<u>\$ (133,175)</u>	<u>\$ (18,791)</u>

Supplemental disclosure of noncash capital and related financing activities (amounts in thousands):

Housing

Amortization of deferred refinancing charges amounted to \$99 for the year ended June 30, 2008. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$220) for the year ended June 30, 2008.

Sewer

The Sewer Fund received \$78 in contributions of capital assets from government agencies and developers which are recorded as contributed capital at their cost or estimated cost for the year ended June 30, 2008. Amortization of bond discount and bond premium amounted to \$2,101 and (\$1,991) respectively, while amortization for bond issuance cost amounted to \$466 for the year ended June 30, 2008. Revenue bonds were issued during the fiscal year as a current refunding of general obligation bond principal and interest amounting to \$8,073 and \$688 respectively.

Solid Waste

Amortization of bond discount and bond issuance cost amounted to \$48 for the year ended June 30, 2008. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$313) for the year ended June 30, 2008.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$18,436 for the year ended June 30, 2008.

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

## **Fiduciary Fund Financial Statements**

### **General Trust Fund**

This fund accounts for monies received by the various agencies of the City for specific purposes, as trustee, escrow agent, custodian or security holder, for which no special fund exists.

### **Treasury Trust Fund**

Receipts and disbursements of monies from this fund are made through commercial checking accounts authorized by the Director of Budget and Fiscal Services.

### **Real Property Tax Trust Fund**

This fund is used for the purpose of making refunds and adjustments relating to real property taxes.

### **Payroll Clearance Fund**

This fund is used to clear payments of all salaries and wages.

CITY AND COUNTY OF HONOLULU  
**STATEMENT OF FIDUCIARY NET ASSETS**  
 FIDUCIARY FUNDS  
 JUNE 30, 2008  
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<b><u>ASSETS</u></b>		
Cash and cash equivalents .....	\$ 706	\$ 14,688
Investments .....	5,540	31,496
Internal balances (Net due to other funds) .....	--	(166)
Total assets .....	6,246	46,018
<b><u>LIABILITIES</u></b>		
Accounts payable .....	--	366
Other current liabilities .....	--	45,652
Total liabilities .....	--	46,018
<b><u>NET ASSETS</u></b>		
Held in trust for individuals, organizations and other governments .....	\$ 6,246	\$ --

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

**CITY AND COUNTY OF HONOLULU**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
 (Amounts in thousands)

	Private-purpose Trust Fund
<b><u>ADDITIONS</u></b>	
Interest .....	\$ 71
Collections for sundry creditors, contributions, etc.....	3,286
Total additions .....	3,357
<b><u>DEDUCTION</u></b>	
Payments in accordance with trust agreements .....	957
Change in net assets .....	2,400
Net assets - July 1 .....	3,846
Net assets - June 30 .....	\$ 6,246

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



## **NOTES TO THE FINANCIAL STATEMENTS**

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**1. Summary of Significant Accounting Policies**

**The Financial Reporting Entity**

The City and County of Honolulu, State of Hawaii (City) is a municipal corporation governed by an elected mayor and a nine-member City Council. The City operates under a City Charter, which was originally adopted in 1959 and last amended in 1998.

The accompanying financial statements present the operations of the City, as primary government, as well as its discretely presented component unit, the Board of Water Supply.

The City's operations are organized by the following general functions: general government, public safety, highways and streets, sanitation, human services, culture and recreation, and utilities or other enterprises.

State of Hawaii (State) agencies assume full responsibility for several major functions usually performed by local governments such as education, welfare, health and judicial functions. These agencies are not dependent on the City and therefore, are not included in these financial statements. There are no separate city, county or township governments nor any school district, special districts, authorities or public corporations with overlapping authority presented in the accompanying financial statements.

**Discretely Presented Component Unit** – The component unit column in the financial statements includes the financial data of the City's discretely presented component unit, the Board of Water Supply ("the Board") which is a semi-autonomous proprietary agency of the City. It is reported in a separate column to emphasize that it is legally separate from the City.

A majority of the members of the Board, the governing body, are appointed by the Mayor and confirmed by the City Council. The Board has been granted corporate powers by the City Charter. The City does not have the authority to modify or approve the Board's budgets. Water and revenue bonds payable by the Board are general obligations of the City. As the City would be obligated to repay these bonds in the event of default by the Board, the City is financially accountable for the debts of the Board. Complete financial statements of the Board may be obtained from the Board of Water Supply, 630 South Beretania Street, Honolulu, Hawaii 96843.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Government-wide and Fund Financial Statements** – The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component unit, excluding the fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities reflects the direct expenses of the functional category or segment, which are supported by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary (enterprise) funds are reported as separate columns in the fund financial statements.

The City reports the following as major governmental funds:

**General Fund**

This fund is the City's primary operating fund. It includes all financial resources of the general government, except those required to be accounted for in another fund.

**Highway Fund**

This fund accounts for disposition of proceeds from special revenues earmarked by law for highway and related activities. Major revenue sources include the City fuel tax, vehicle weight tax and public utility franchise tax.

**General Obligation Bond and Interest Redemption Fund**

This fund accounts for payments of principal and interest on general obligation serial bonds issued by the City.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Transit Fund**

This fund receives transfers of all monies collected from the county surcharge on state excise and use tax by the general fund and provides budgetary control and accountability of monies collected for the mass transit project.

All of the City proprietary funds are reported as major proprietary funds:

**Housing Development Special Fund**

This fund accounts for monies designated for the development of housing for sale or for rental by the City. Transactions in this fund are incorporated in the special statements for the housing program.

**Sewer Fund**

This fund accounts for all monies received pursuant to the provisions of the Federal Water Pollution Control Act amendments of 1972 and the Hawaii Revised Statutes and expended for the purposes authorized.

**Solid Waste Special Fund**

This fund accounts for all revenues derived from the operation of the City's Refuse Division, solid waste disposal programs, glass recycling program, and other recycling programs. All monies placed in this fund are maintained in separate accounts identified with and expended for the intended purposes.

**Public Transportation System**

The Bus Transportation Fund was created for the management, operation, and maintenance of the bus transportation system, including the City bus system (The Bus) and the special transit service (The Handi-Van).

**Measurement Focus, Basis of Accounting and Financial Statement Presentation –**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, included in the fiduciary fund financial statements, apply the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means the amounts are determinable. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Revenues not considered available are recorded as deferred revenues. Revenues susceptible to accrual are real property taxes collected within sixty days after fiscal year end, fuel taxes, rents and concessions, interest and special assessments. Licenses and permits revenues, franchise taxes, charges for current services, fines, forfeitures, penalties and other miscellaneous revenues are not susceptible to accrual because they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of these revenues. For one type of revenues, monies must be expended for a specific purpose or project and revenues are recognized to the extent of such expenditures. Revenues of this type are deferred for monies received in advance of expenditures and accrued for expenditures in advance of monies received. For the other type of revenues, monies are virtually unrestricted as to purpose of the expenditure. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's fiduciary funds are presented in the fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Fund Types** – The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balances, revenues and expenditures/expenses. There are certain minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statement and detailed in the combining section.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

The City has the following fund types:

**Governmental Fund Types**

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The City's governmental fund types are as follows:

**General Fund** – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of debt principal, interest and related costs.

**Capital Projects Funds** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City maintains four proprietary enterprise fund types (Housing, Sewer, Solid Waste and Public Transportation) as well as its discretely presented component unit under the following criteria:

**Enterprise Funds** – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (a) where the intent of the governing body is that the costs (i.e., expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Fiduciary Funds**

The fiduciary funds are used to account for assets and activities when a governmental unit is functioning as a trustee or an agent for another party. The following are the City's major fiduciary funds:

- Ewa Highway Master Plan Impact Fees
- Lester McCoy Pavilion
- Liquor Commission
- Parks and Playgrounds
- Payroll Clearance
- Planning and Permitting

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted funds first, then unrestricted resources as they are needed.

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB). Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are not applied in the presentation of the financial statements of the proprietary fund types in accordance with GASB Statement No. 34.

The City follows GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Budgets and Budgetary Accounting**

Annual operating and project-length capital budgets are adopted on a basis consistent with GAAP except that encumbrances are treated as budgeted expenditures in the year the commitments are made.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable operating budget appropriation, is employed as an extension of formal budgetary integration in the general fund and in certain special revenue funds (in the fund financial statements). Capital projects funds (in the fund financial statements) employ encumbrance accounting in order to reserve for construction contracts that portion of the applicable capital projects appropriation.

Encumbrances are recorded at the time purchase orders, construction contracts or other contracts or commitments are awarded, except for contracts awarded contingent upon the availability of nonbudgeted federal or state grant monies. Encumbrances outstanding at year end are reported as reservations of fund balances (in the fund financial statements) and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Cash and Investments**

Cash and cash equivalents are considered to be demand and time deposits primarily with various financial institutions in Hawaii, with fiscal agents, short-term investments with original maturity of three months or less from date of acquisition, and imprest and change funds. Cash on deposit with financial institutions is collateralized in accordance with State statutes.

Investments consist of participating interest-earning contracts such as investments in U.S. government securities and investments purchased under agreements to resell to banks (repurchase agreements). Investments are stated at amortized cost.

The City values investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement provides fair value standards for investments in certain types of financial instruments. The City's investments fall into categories that can be valued by cost-based measures.



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Real Property Taxes**

Real property taxes are assessed and billed annually. The City's real property taxes, which are levied on July 1 and billed on July 20 of each year are based on assessed valuations as of October 1, and are due in two equal installments on the following August 20 and February 20. Accordingly, real property taxes receivable at June 30 of each year are delinquent and amounts that are not collected within sixty days after June 30 of each year are reported as deferred revenue in the fund financial statements. A lien for real property taxes attaches as of July 1 of each year.

**Unbilled Receivables**

Included in the enterprise fund – discretely presented component unit and enterprise fund – proprietary fund type receivables at June 30, 2008, were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$9.6 million and \$19.8 million, respectively.

**Inventories of Parts, Materials and Supplies**

Inventories of parts, materials and supplies are stated at weighted average cost, which approximates fair value. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Inventory of Real Estate Held for Sale**

Real estate held for sale is stated at the lower of cost or estimated net realizable value, with cost being determined by the specific identification method. All estimated costs to the anticipated date of disposition are considered in the determination of estimated net realizable value. Costs include all costs directly related to the planning of improvements to be constructed on the land, interest and other carrying charges. Interest on loans used to finance development or construction activities is capitalized during the development period.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All infrastructure assets acquired prior to fiscal year 1980 are capitalized and those acquired after this date are capitalized when certain thresholds are met. Assets with an initial, individual cost of \$5,000 or more for equipment and \$100,000 for buildings, structures and infrastructure, and an estimated useful life of more than one year are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated and accepted capital assets are recorded at estimated fair market value or appraised value at time of acceptance by City Council. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs related to repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided for on the straight-line basis over the following estimated useful lives:

	<b>Years</b>
Infrastructure	8-75
Buildings and improvements	10-50
Transmission and distribution system	13-60
Equipment and machinery	5-25
Buses and other transit vehicles	7-12

**Bond Issue Costs, Original Issue Discount or Premium and Deferred Losses on Refundings**

Bond issue costs are deferred and are amortized over the life of the respective issue on a straight-line basis. Original issue discount or premium and deferred losses on refundings are amortized using the straight-line method over the terms of the respective issues and are added to or offset against the bonds payable in the statement of net assets.

**Intrafund and Interfund Transactions**

Interfund receivables and payables are reported in each fund. Transfers of financial resources between agencies and activities included in the same fund, which are recorded as revenues by the transferee and expenditures or expenses by the transferor, have been eliminated. Transactions that represent reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the reimbursed fund.

Transfers from the primary government include operating loss subsidies of \$105.9 million to the Public Transportation System and authorized transfers from funds receiving revenues to funds that will expend those resources. Contributions to the capital accounts of enterprise funds are reflected in the statement of revenue, expenses and changes in fund net assets.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Net Assets**

Net assets comprise the various net earnings (losses) from operating and nonoperating revenues, expenses, transfers and contributed capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted for capital activity and debt service; and unrestricted net assets. Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments at year-end are not included in the calculation of the amount invested in capital assets, net of related debt. Restricted for capital activity and debt service consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories.

**Retirement Plan Contributions**

In fiscal year 2005, the City's contribution to the Employees' Retirement System of the State of Hawaii was based on an actuarial computation contribution which consisted of the normal cost plus a level annual payment required to amortize an unfunded actuarial accrued liability over the remaining period of 27 years from July 1, 2002. Effective July 1, 2005 a dollar contribution is not determined under the provisions of Act 181/2004. Instead a fixed percentage of payroll is contributed (15.75% for Police and Fire and 13.75% for all other employees). Beginning July 1, 2008, the percentages will increase to 19.70% for Police and Fire, and 15.00% for all others.

**Deferred Compensation Plan**

All full-time employees of the City and its component unit are eligible to participate in the City and County of Honolulu's Public Employees' Deferred Compensation Program (Plan), adopted pursuant to Internal Revenue Code Section 457. The Plan permits eligible employees to defer a portion of their salary until future years by contributing to a fund managed by a plan administrator. The deferred compensation amounts are not available to employees until termination, retirement, death or unforeseeable emergency.

A trust fund was established to protect plan assets from claims of general creditors and from diversion to any uses other than paying benefits to participants and beneficiaries. Deferred compensation plan assets of \$400.6 million are not reported in the accompanying financial statements at June 30, 2008.

**Compensated Absences**

The City accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee. Vacation benefits accrue at a rate of one and three-quarters working days for each month. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Sick leave accumulates at the rate of one and three-quarters working days for each month, without limit. Sick leave is taken only in the event of illness and is not convertible to pay; accordingly, sick leave is not accrued in the accompanying financial statements. Employees who retire or leave government service in good standing with sixty or more unused sick leave days are entitled to an additional service credit in the retirement system. At June 30, 2008, accumulated sick leave amounted to \$356.2 million.

**Leases**

Leases that transfer substantially all of the risks and benefits of ownership are accounted for as capital leases. Other leases are operating leases. Capital leases are included in fixed assets and, where appropriate, are amortized over the shorter of their estimated economic useful lives or lease terms. The related capital lease obligations are included in long-term debt. Operating leases are expensed (or expensed) when the related liability is incurred.

**Enterprise Funds**

The City maintains five enterprise funds consisting of the Public Transportation System (PTS), the Solid Waste Special Fund, the Sewer Fund and the Housing Development Special Fund, which are included in the proprietary fund type, and the Board of Water Supply, which is a discretely presented component unit.

Information describing these enterprise funds, including significant accounting policies, is described in Notes 11 and 15.

**Deficit Balances**

At June 30, 2008 the accumulated deficit in the Solid Waste Special Fund improved by \$31.2 million to \$48.4 million from fiscal year 2007 due to transfers from the General Fund. It is anticipated that the City will continue to provide significant operating subsidies to the refuse collection and recycling operations.

The Housing Special Development Fund showed an increase in the deficit balance of \$3.9 million to \$11.3 million at June 30, 2008 as result of debt service payments of \$10.0 million.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses/expenditures, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**New Accounting Pronouncements**

In November 2006 the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the document excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care. A government is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired if one of five obligating events occur which are as follows: 1) the government is compelled to take pollution remediation action because of an imminent endangerment; 2) the government violates a pollution prevention-related permit or license; 3) the government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs; 4) the government is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation; or 5) the government commences or legally obligates itself to commence pollution remediation. The provisions of this statement are effective for the City for periods beginning after December 15, 2007. The City has not yet determined the effect this Statement will have on its financial statements.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and further enhances information disclosed in notes to financial statements by pension plans and by employers that provide pension benefits. The provisions of this Statement are effective for the City for periods beginning after June 15, 2007. This Statement has no effect on the City's financial statements.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and city governments. The provisions of this Statement are effective for the City for periods beginning after June 15, 2009. The City has not yet determined the effect this Statement will have on its financial statements.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The provisions of this Statement are effective for the City for periods beginning after June 15, 2008. The City has not yet determined the effect this Statement will have on its financial statements.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. It is intended to improve how state and local governments report information about derivative instruments. Basically, a derivative instrument is an agreement that transfers risk from one party to another and is typically used for risk management or investment purposes. The provisions of this statement are effective for the City for periods beginning after June 15, 2009. The City has not yet determined the effect this Statement will have on its financial statements.

**Financial Statement Presentation**

Certain prior year information has been presented in the supplementary fund financial statements in order to provide an understanding of the changes in financial position and operations of these funds.

**2. Budgets and Budgetary Accounting**

On or before March 2, the Mayor submits to the City Council proposed operating and capital budgets for the ensuing fiscal year commencing on July 1. The budgets are on a basis consistent with GAAP except that encumbrances are treated as budgeted expenditures in the year the commitments are made. After public hearings, and on or prior to June 15, the budgets are legally enacted through passage of a budget ordinance by the City Council.

All proprietary funds have legally adopted annual budgets as well as the following governmental funds: General Fund, Highway Fund, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, Bikeway Fund, Parks and Playgrounds Fund, Federal Revenue Sharing Fund, Liquor Commission Fund, Rental Assistance Fund, Zoo Animal Purchase Fund, Hanauma Bay Nature Preserve Fund, Reserve for Fiscal Stability Fund, Transit Fund, Community Development Fund, Golf Fund, Special Events Fund, Special Projects Fund, Federal Grants Fund, Housing and Community Development Rehabilitation Loan Fund, Housing and Community Development Section 8 Contract Fund, and Leasehold Conversion Fund.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Formal budgetary integration is employed (i.e., annual operating budgets are legally adopted) for the general fund and special revenue funds. Effective budgetary control for debt service, trust and agency, and revolving funds is achieved through bond indentures, contractual provisions and legislation. Formal budgetary integration is not employed for capital projects because effective budgetary control is achieved through contractual provisions and project oversight. Flexible budgeting (i.e., the relationship of costs to revenues) is employed for enterprise funds.

Appropriations lapse at the end of the fiscal year if not expended or encumbered, except that appropriations for capital projects lapse twelve months after the end of the fiscal year if not at least partially expended or encumbered. Certain federal and state grant funds are automatically appropriated when received.

The Mayor is authorized to transfer appropriations between activities within a department subject to certain limitations. To transfer appropriations between departments, the legal level of budgeting, amendments must be made to the enacted budget ordinance. Only the Mayor may propose amendments to the enacted budget ordinance.

The financial statements aggregate budgetary information at the functional level. The legal level of budgetary control (i.e., department level) is reported in the individual fund statements. The budget figures presented include all amendments to the enacted budget ordinances.

**3. Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. However, all current and long-term liabilities are reported in the statement of net assets. The details of this \$2.12 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ (2,075,455)
Accrued interest payable and other	(40,864)
	<u>\$ (2,116,319)</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

The government fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances of total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that, "Governmental funds report capital outlays as expenditures. The statement of activities reports depreciation expense on capital assets." The details of this \$82.8 million difference are as follows (amounts in thousands):

Capital outlays	\$ 153,652
Depreciation expense	<u>(70,821)</u>
	<u>\$ 82,831</u>

Another element of that reconciliation states that, "Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements." The details of this \$93.9 million difference are as follows (amounts in thousands):

**Debt Issued:**

General obligation bonds, net	\$ (241,057)
Tax-exempt commercial paper	(75,000)
Other long-term debt	<u>(865)</u>
Total	<u>(316,922)</u>

**Principal Repayments:**

General obligation bonds, net	79,954
Tax-exempt commercial paper	142,200
Other long-term debt	<u>871</u>
Total	<u>223,025</u>
Net adjustment	<u>\$ (93,897)</u>



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Another element of that reconciliation states that, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$48.1 million difference are as follows (amounts in thousands):

Compensated absences	\$	(5,139)
Claims and judgments		8,486
Other Postretirement Benefits		(46,541)
Other		(4,893)
Net adjustment	\$	<u>(48,087)</u>

**4. Cash and Investments**

The City maintains a cash and investment pool that is used by all funds, except the Oahu Transit Services, Inc. workers' compensation trust fund, which is held separately by the independent plan administrator (see note 11). The respective portion of this pool for each fund is displayed in the accompanying financial statements.

**Cash and Cash Equivalents**

The City's demand deposits, including those of its fiduciary funds and component unit, are fully insured or collateralized with securities held by the City or its agents in the City's name. Section 38-3, Hawaii Revised Statutes and the City's policy on collateralization govern acceptable forms of collateral.

**Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of other states, cities, and counties, mutual funds and bank repurchase agreements. Investments in repurchase agreements are primarily U.S. government or federal agency securities. Section 46-50, Hawaii Revised Statutes, the City's investment policy and resolution 98-295, CD1 govern acceptable types of investments. The City's resolution 07-51, CD1 govern the deposit and short-term investment of general excise and use tax revenues.

**Credit Risk and Foreign Currency Risk**

The City invests in obligations of the U.S. government, so it is not exposed to any credit rate risk or foreign currency risk.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Interest Rate Risk**

The City does not have a formal investment policy that relates to interest rate risk. However, the City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations avoiding the need to sell securities on the open market prior to maturity. This practice decreases the City's exposure to risk caused by the fluctuation in interest rates. The City also invests in operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. As of June 30, 2008, the City had no investments in money market mutual funds or external investment pools.

The fair value and maturities of investments as of June 30, 2008 were as follows (amount in thousands):

	Reported Amount	Fair Value	Investment Maturity in Years			
			Less than One	1 to 5	6 to 10	More than 10
<b>Primary Government:</b>						
Repurchase agreements	\$ 266,700	\$ 266,700	\$ 266,700	\$ -	\$ -	\$ -
Certificate of Deposit	269,337	269,337	269,337	-	-	-
Guaranteed investment contracts	46,837	46,837	34,130	-	-	12,707
U.S. government securities	406,457	409,483	409,483	-	-	-
Total	<u>\$ 989,331</u>	<u>\$ 992,357</u>	<u>\$ 979,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,707</u>
<b>Component Unit:</b>						
U.S. government securities	<u>\$ 153,352</u>	<u>\$ 153,352</u>	<u>\$ 29,500</u>	<u>\$ 123,852</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fiduciary Funds:</b>						
Repurchase agreements	\$ 279	\$ 279	\$ 279	\$ -	\$ -	\$ -
U.S. government securities	36,757	36,757	36,757	-	-	-
Total	<u>\$ 37,036</u>	<u>\$ 37,036</u>	<u>\$ 37,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**5. Receivables**

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2008 consisted of the following (amount in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 12,642	\$ -
Accounts	1,309	55,838
Public utilities franchise tax	18,088	-
Special assessments	110	-
Notes	64,844	-
Intergovernmental	95,200	381
Interest	4,701	3,854
CASE fees	-	-
Allowance for uncollectible accounts	(782)	(6,386)
	<u>\$ 196,112</u>	<u>\$ 53,687</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred revenue. \$112.0 million of the receivables for governmental activities have been deferred at June 30, 2008. Notes receivable include \$7.8 million in grant loans, with indefinite repayment terms.

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable in the amount of \$63.1 million, which are generally due to the City on various dates through 2073.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**6. Capital Assets**

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2008 (amounts in thousands):

	<b>Primary Government</b>			<b>Balance at June 30, 2008</b>
	<b>Balance at July 1, 2007</b>	<b>Additions</b>	<b>Retirements/ Transfers</b>	
<b>Governmental Activities:</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 843,661	\$ 33,311	\$ (210)	\$ 876,762
Buildings and improvements	1,032,526	17,367	(440)	1,049,453
Equipment and machinery	248,528	16,232	(6,915)	257,845
Total depreciable assets	<u>2,124,715</u>	<u>66,910</u>	<u>(7,565)</u>	<u>2,184,060</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(449,891)	(19,742)	1	(469,632)
Buildings and improvements	(400,477)	(33,241)	-	(433,718)
Equipment and machinery	(167,955)	(17,838)	5,996	(179,797)
Total accumulated depreciation	<u>(1,018,323)</u>	<u>(70,821)</u>	<u>5,997</u>	<u>(1,083,147)</u>
	1,106,392	(3,911)	(1,568)	1,100,913
<b>Land</b>	456,442	1,825	(1,120)	457,147
<b>Construction Work in Progress</b>	315,269	134,775	(47,170)	402,874
<b>Governmental activities – capital assets, net</b>	<u>\$ 1,878,103</u>	<u>\$ 132,689</u>	<u>\$ (49,858)</u>	<u>\$ 1,960,934</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

	<b>Primary Government</b>			<b>Balance at June 30, 2008</b>
	<b>Balance at July 1, 2007</b>	<b>Additions</b>	<b>Retirements/ Transfers</b>	
<b>Business-type Activities:</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 969,641	\$ 50,984	\$ -	\$ 1,020,625
Buildings and improvements	925,034	11,074	-	936,108
Equipment and machinery	497,156	21,503	(4,782)	513,877
Total depreciable assets	<u>2,391,831</u>	<u>83,561</u>	<u>(4,782)</u>	<u>2,470,610</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(142,012)	(21,290)	-	(163,302)
Buildings and improvements	(179,334)	(23,741)	10	(203,065)
Equipment and machinery	(377,642)	(33,235)	4,647	(406,230)
Total accumulated depreciation	<u>(698,988)</u>	<u>(78,266)</u>	<u>4,657</u>	<u>(772,597)</u>
	1,692,843	5,295	(125)	1,698,013
<b>Land</b>	120,750	-	-	120,750
<b>Construction Work in Progress</b>	161,059	129,541	(66,108)	224,492
<b>Business-type activities – capital assets, net</b>	<u>\$ 1,974,652</u>	<u>\$ 134,836</u>	<u>\$ (66,233)</u>	<u>\$ 2,043,255</u>
<b>Component Unit</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 1,134,211	\$ 11,866	\$ 28,274	\$ 1,174,351
Buildings and improvements	138,134	19	7,029	145,182
Equipment and machinery	206,649	6,413	3,821	216,883
Total depreciable assets	<u>1,478,994</u>	<u>18,298</u>	<u>39,124</u>	<u>1,536,416</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(411,629)	(25,491)	1,130	(435,990)
Buildings and improvements	(41,353)	(3,386)	301	(44,438)
Equipment and machinery	(118,144)	(11,586)	1,755	(127,975)
Total accumulated depreciation	<u>(571,126)</u>	<u>(40,463)</u>	<u>3,186</u>	<u>(608,403)</u>
	907,868	(22,165)	42,310	928,013
<b>Land</b>	32,373	-	-	32,373
<b>Construction Work in Progress</b>	202,690	55,711	(57,447)	200,954
<b>Component unit – capital assets, net</b>	<u>\$ 1,142,931</u>	<u>\$ 33,546</u>	<u>\$ (15,137)</u>	<u>\$ 1,161,340</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Depreciation expense was charged as follows (amounts in thousands):

<b>Governmental Activities:</b>	
General government	\$ 15,282
Public safety	20,402
Highways and streets	15,906
Health and human services	613
Culture-recreation	<u>18,618</u>
Total depreciation expense – governmental activities	<u>\$ 70,821</u>
<b>Business-type Activities:</b>	
Sewer	\$ 39,362
Solid waste	18,206
Housing	3,690
Public Transportation System	<u>17,008</u>
Total depreciation expense – business-type activities	<u>\$ 78,266</u>
<b>Component Unit:</b>	
Board of Water Supply (\$1,429 of depreciation expense was capitalized to projects)	<u>\$ 39,034</u>

**7. Interfund Balances**

The following is a summary of amounts due from and due to other funds at June 30, 2008 (amounts in thousands):

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 26,793	\$ 93,379
Highway Fund	-	4,179
G.O. Bond and Interest Redemption Fund	49	-
Transit Fund	44,373	-
Nonmajor Governmental Funds	3,620	26,607
Fiduciary Funds	42	208
Enterprise Funds:		
Housing Development Special Fund	-	308
Sewer Fund	2,875	55
Solid Waste Special Fund	49,189	2,205
	<u>\$ 126,941</u>	<u>\$ 126,941</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

The main purpose for these interfund balances, are: interfund loans; subsidies and other transfers required by ordinance; capital improvement projects; accruals of intercity transactions; and cash not transferred before the end of the fiscal year. There are no interfund balances that are not expected to be repaid by June 30, 2009.

The following is a summary of amounts transferred from and transferred to other funds at June 30, 2008 (amounts in thousands):

	<b>Transferred From Other Funds</b>	<b>Transferred To Other Funds</b>
General Fund	\$ 91,018	\$ 624,373
Highway Fund	-	93,608
G.O. Bond and Interest Redemption Fund	219,998	-
Transit Fund	169,114	9
Nonmajor Governmental Funds	79,169	22,897
Enterprise Funds:		
Housing Development Special Fund	-	-
Sewer Fund	-	11,944
Solid Waste Special Fund	102,576	14,916
Public Transportation System	105,872	-
	<u>\$ 767,747</u>	<u>\$ 767,747</u>

The main purpose for these interfund transfers, as provided by ordinance, are: for the recovery of central administrative expenses to the general fund; for debt service payments and recoveries to the general fund; for debt service payments and operating subsidies from the general fund; and general excise tax surcharge to the transit fund.

There are no significant transfers that either are non-recurring or are inconsistent with the fund making the transfer.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**8. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities included in the governmental activities, business-type activities, and the component unit during the fiscal year ended June 30, 2008 (amounts in thousands):

	Balance at July 1, 2007	Additions	Reductions	Balance at June 30, 2008	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 1,598,488	\$ 233,753	\$ 73,706	\$ 1,758,535	\$ 76,141
Tax-exempt commercial paper	144,063	75,000	142,200	76,863	76,863
Notes payable to federal and state governments	5,709	-	407	5,302	424
Capital lease	1,497	865	464	1,898	485
Compensated absences	85,943	33,111	27,972	91,082	4,102
Other postemployment benefits	-	46,541	-	46,541	-
Claims and judgments (Note 13)	71,252	12,321	20,807	62,766	25,857
	<u>1,906,952</u>	<u>401,591</u>	<u>265,556</u>	<u>2,042,987</u>	<u>183,872</u>
Add: Unamortized premium	53,618	7,334	8,304	52,648	-
Less: Unamortized discount	(236)	(30)	(29)	(237)	-
Deferred loss on refunding	(21,970)	-	(2,027)	(19,943)	-
Total	<u>\$ 1,938,364</u>	<u>\$ 408,895</u>	<u>\$ 271,804</u>	<u>\$ 2,075,455</u>	<u>\$ 183,872</u>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 252,601	\$ 34,877	\$ 38,618	\$ 248,860	\$ 39,944
Revenue bonds	1,048,775	284,330	114,040	1,219,065	7,565
Tax-exempt commercial paper	17,837	-	17,000	837	837
Notes payable to state governments	112,746	10,990	8,889	114,847	9,451
Operating fee obligation (Note 11)	83,235	-	4,064	79,171	-
Compensated absences	9,355	4,551	3,769	10,137	429
Other postemployment benefits	-	6,520	-	6,520	-
Estimated liability for landfill closure and post closure care costs (Note 14)	20,677	1,409	218	21,868	426
	<u>1,545,226</u>	<u>342,677</u>	<u>186,598</u>	<u>1,701,305</u>	<u>58,652</u>
Add: Unamortized premium	30,798	8,287	2,773	36,312	-
Less: Unamortized discount	(18,957)	(2,965)	(2,103)	(19,819)	-
Deferred loss on refunding	(2,955)	-	(229)	(2,726)	-
Total	<u>\$ 1,554,112</u>	<u>\$ 347,999</u>	<u>\$ 187,039</u>	<u>\$ 1,715,072</u>	<u>\$ 58,652</u>
<b>Discretely Presented Component Unit:</b>					
Revenue bonds	\$ 319,160	\$ -	\$ 5,690	\$ 313,470	\$ 5,910
Notes payable to state governments	16,054	5,434	904	20,584	1,100
Compensated absences	6,616	2,326	2,172	6,770	2,172
Other postemployment benefits	-	7,338	5,900	1,438	-
Customer advances	8,210	8,214	9,722	6,702	-
Accrued workers' compensation	1,651	767	737	1,681	475
Others	11,853	72,025	75,164	8,714	-
	<u>363,544</u>	<u>96,104</u>	<u>100,289</u>	<u>359,359</u>	<u>9,657</u>
Add: Unamortized premium	7,483	-	551	6,932	-
Less: Unamortized discount	(140)	-	(5)	(135)	-
Deferred loss on refunding	(2,362)	-	(102)	(2,260)	-
Total	<u>\$ 368,525</u>	<u>\$ 96,104</u>	<u>\$ 100,733</u>	<u>\$ 363,896</u>	<u>\$ 9,657</u>



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**General Obligation Bonds**

The City issues general obligation bonds for the construction of major capital facilities. General obligation bonds in the governmental activities are direct obligations of the City for which its full faith and credit are pledged. Debt service is paid from the debt service fund. These bonds were issued during the fiscal years 1977 through 2008 in the original amount of \$2.8 billion, less discounts of \$367,998 and adjusted for a premium of \$87.5 million at June 30, 2008 that are being amortized over the related term of the bonds. These bonds bear interest at 3.0% to 8.0%, and mature serially through fiscal year 2032. General obligation debt authorized but not yet issued amounted to \$437.5 million at June 30, 2008.

General obligation bonds in the City's business-type activities are expected to be paid from their respective revenues. These instruments are also direct obligations of the City for which its full faith and credit is pledged. These bonds were issued during the fiscal years 1991 through 2008 in the original amount of \$962.8 million, less discounts of \$14,684 and adjusted for a premium of \$8.9 million at June 30, 2008, which are being amortized over the related term of the bonds. These bonds bear interest at 3.0% to 8.0%, and mature serially through fiscal year 2032.

In November 2007, the City issued Series 2007A general obligation bonds in the amount of \$268.6 million. The bonds bear interest rates of 4.0% to 5.3% and mature annually on July 1, 2012 through 2031. For the bonds maturing after July 1, 2017, the City may exercise its option of redemption on or after July 1, 2017, in whole or in part, at any time, in any order of maturity selected by the City, and by lot within a maturity, at the principal amount thereof, plus the interest accrued to the date fixed for redemption thereof, without premium. Proceeds of the bond were used to currently refund certain outstanding short-term general obligation tax-exempt commercial paper and fund certain capital improvements of the City. The premium and discount generated by each issue will be amortized over the life of the related bonds.

Short-term general obligation tax-exempt commercial paper in a maximum aggregate principal amount not to exceed \$250.0 million outstanding at any time was authorized for issuance by the City, in accordance with Ordinance 04-36, during October 2004, to refinance long-term bonds. The \$77.7 million commercial paper bear interest at 1.7% at June 30, 2008 with varying maturities to a maximum of 126 days from the respective date of issue, and are not subject to redemption prior to maturity. In connection with the issuance, the City entered into an irrevocable letter of credit agreement in which the City may borrow up to \$250.0 million for payment of principal and up to \$22.2 million for payment of interest.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Revenue Bonds**

Water system revenue bonds in the City's component unit were issued during fiscal years 2001, 2004 and 2007 in the original amount of \$380.4 million. Water system revenue bonds are subject to redemption on and after specified dates prior to maturity at the option of the Board at a price equal to 100% of the principal amount thereof, plus accrued interest. The bonds bear interest at rates ranging from 3.0% to 5.5% at June 30, 2008 and mature serially through July 1, 2036. The revenue bonds are collateralized by the component unit's revenues.

Subsequent to year end, the rating of surety bonds for the Series 2001, Series 2004 and Series 2006B bonds fell below levels required by the Water System Revenue Bonds Bond Resolution No. 717, 2001. As such, the Board was required to set aside approximately \$13.9 million in order to cure the violation. These funds are restricted and are not available for operating purposes.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2008, in the original amount totaling \$1.5 billion, less discounts of \$35.4 million and adjusted for premiums of \$34.8 million, which are being amortized over the related term of the bonds. The bonds bear interest at 2.6% to 5.5% at June 30, 2008 and mature at various dates through fiscal year 2038. The wastewater system revenues collateralize the revenue bonds.

In August 2007, the City issued wastewater system revenue bonds in the aggregate amount of \$171.9 million, Series 2007A for \$162.6 million and Series 2007B for \$9.3 million. The bonds bear interest rates of 4.0% to 5.0% and mature annually on July 1, 2012 through 2037. The bonds maturing after July 1, 2018 are subject to redemption at the option of the City on or after July 1, 2017, in whole or in part at any time, from any maturity, plus accrued interest to the date of redemption. The proceeds of the bonds were used to fund additions and improvements to the wastewater system of the City, to fund a common reserve account for wastewater system bonds, and to refund a portion of outstanding general obligation bonds Series 1993B and 1997C. The premium and discount generated by each issue will be amortized over the life of the related bonds.

In May 2008, the City issued wastewater system revenue bonds, Series 2008A in the amount of \$112.4 million. The bonds bear interest rates of 2.6% to 5.0% and mature annually on July 1, 2009 through 2032. Bonds maturing on or after July 1, 2019 are subject to redemption at the option of the City on or after July 1, 2018, in whole or in part at any time, from any maturity, plus accrued interest to the date of redemption. Proceeds of the bonds were used to fund the common reserve account and to refund a portion of wastewater system revenue bonds Series 2003 A-2 & B-2. The premium and discount generated by each issue will be amortized over the life of the related bonds.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Annual debt service requirements to maturity for general obligation bonds (including tax exempt commercial paper) and revenue bonds at June 30, 2008, including interest of \$2.1 billion, were as follows (amounts in thousands):

Year Ending June 30:	Governmental Activities		Business-Type Activities		Primary Government Total		Component Unit	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2009	\$ 90,851	\$ 153,004	\$ 68,527	\$ 48,346	\$ 159,178	\$ 201,350	\$ 14,869	\$ 5,910
2010	82,464	95,958	64,986	37,806	147,450	133,764	14,617	6,185
2011	76,976	107,215	62,954	35,786	139,930	143,001	14,349	6,435
2012	71,552	103,747	61,305	41,758	132,857	145,505	14,071	6,710
2013	66,198	108,952	59,565	47,743	125,763	156,695	13,777	7,005
2014 – 2018	257,749	464,598	289,643	239,177	527,392	703,775	63,661	40,245
2019 – 2023	153,284	379,208	212,428	284,872	385,712	664,080	52,686	51,405
2024 – 2028	69,159	301,857	138,854	329,438	208,013	631,295	38,574	66,210
2029 – 2033	9,437	120,859	62,753	269,206	72,190	390,065	20,608	79,830
2034 – 2038	-	-	13,801	134,630	13,801	134,830	4,004	43,555
Total	\$ 877,470	\$ 1,835,398	\$ 1,014,816	\$ 1,468,762	\$ 1,892,286	\$ 3,304,160	\$ 251,216	\$ 313,470

Total interest costs incurred by the business-type activities and the component unit for the fiscal year ended June 30, 2008 were \$93.0 million, of which \$11.7 million was capitalized.

**Other Long-Term Debt**

The note payable to federal government is for the City's share of costs for a federal project to develop recreational facilities and fish and wildlife resources at the Kaneohe Reservoir. The note bears interest at 5.1% and requires annual principal and interest payments through fiscal year 2016. The note amounted to \$2.3 million at June 30, 2008.

The notes payable to state government are for the construction of necessary treatment works and for other projects intended for wastewater reclamation or waste management. The notes amounted to \$117.8 million at June 30, 2008, bear interest at 0.50% to 3.02%, and require annual principal and interest payments through fiscal year 2028.

The City has lease purchase contracts for certain equipment, which are accounted for as capital leases (see Note 12).

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Annual debt service requirements to maturity for the City's governmental activities and business-type activities for other long-term debt at June 30, 2008, including interest of \$16.4 million, were as follows (amounts in thousands):

Year Ending June 30:	Primary Government Notes and Leases		Component Unit Notes	
	Interest	Principal	Interest	Principal
2009	\$ 2,752	\$ 10,360	\$ 129	\$ 1,100
2010	2,514	10,788	125	1,115
2011	2,245	10,885	119	1,120
2012	1,975	10,941	113	1,126
2013	1,721	10,758	107	1,132
2014–2018	4,101	38,153	437	5,759
2019–2023	915	20,853	246	5,951
2024–2028	134	9,309	38	3,281
Total	<u>\$ 16,357</u>	<u>\$ 122,047</u>	<u>\$ 1,314</u>	<u>\$ 20,584</u>

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the City's general and highway funds.

**Refunded Bonds**

The City and the Board defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the assets of the irrevocable trusts and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2008, \$583.9 million of the City's and \$72.6 million of the Board's bonds outstanding were considered defeased.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**9. Net Assets**

At June 30, 2008, net assets of the primary government consisted of the following (amounts in thousands):

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
<b>Invested in Capital Assets, Net of Related Debt:</b>		
Net property, plant and equipment	\$ 1,960,934	\$ 2,043,255
Less:		
General obligation bonds payable, net	(1,791,003)	(251,443)
Revenue bonds payable, net		(1,230,249)
Notes payable and other long-term debt	(5,302)	(114,847)
Installment Purchases	(1,898)	-
Tax-exempt commercial paper	(76,863)	(837)
Amount of debt related to unspent debt proceeds	79,389	235,811
	165,257	681,690
<b>Restricted for Debt Service</b>	976	84,981
<b>Unrestricted</b>	399,180	76,007
Total net assets	\$ 565,413	\$ 842,678

**10. Employee Benefit Plans**

**Defined Benefit Pension Plans**

Plan Description – Substantially all eligible employees of the City are members of the Employees' Retirement System of the State of Hawaii (ERS), a cost-sharing multiple-employer defined benefit pension plan. The ERS provides retirement benefits as well as death and disability benefits and is governed by a Board of Trustees. All contributions, benefits and eligibility requirements are established by HRS Chapter 88, and can be amended by legislative action.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

The ERS is composed of a contributory retirement plan and a noncontributory retirement plan. Prior to June 30, 1984, the plan consisted of only a contributory option. In 1984, legislation was enacted to create a new noncontributory option for members of the ERS who are also covered under social security. Persons employed in positions not covered by social security are precluded from the noncontributory option. The noncontributory option provides for reduced benefits and covers most eligible employees hired after June 30, 1984. Employees hired before that date were allowed to continue under the contributory option or to elect the new noncontributory option and receive a refund of employee contributions. All benefits vest after five and ten years of credited service under the contributory and noncontributory options, respectively. Both options provide a monthly retirement allowance based on the employee's age, years of credited service, and average final compensation (AFC). The AFC is the average salary earned during the five highest paid years of service, including the vacation payment, if the employee became a member prior to January 1, 1971. The AFC for members hired on or after that date and prior to January 1, 2003 is based on the three highest paid years of service, excluding the vacation payment. Effective January 1, 2003, the AFC is the highest three calendar years or highest five calendar years plus lump sum vacation payment, or last 36 credited months or last 60 credited months plus lump sum vacation payment.

Most covered employees of the contributing option are required to contribute 7.8% or 12.2% of their salary. The City is required to contribute the remaining amounts necessary to pay contributory plan benefits and all amounts necessary to pay noncontributory benefits when due. The funding method used to calculate the total employer contribution requirement is the Entry Age Normal Actuarial Cost Method. Under this method, employer contributions to the ERS are comprised of normal cost plus level annual payments required to amortize the unfunded actuarial accrued liability over the remaining period of 29 years from July 1, 2000. Effective July 1, 2005 a dollar contribution is not determined under the provisions of Act 181/2004. Instead a fixed percentage of payroll is contributed (15.75% for Police and Fire and 13.75% for All Other Employees). The City's contributions to the ERS, inclusive of its component unit, for the fiscal years ended June 30, 2006, 2007 and 2008 were \$63.3 million, \$67.5 million and \$73.0 million respectively, which were equal to the required contributions for each year.

The 2004 State of Hawaii legislative sessions approved a hybrid retirement plan, which took effect on July 1, 2006. Employees who chose to be under this plan are required to contribute 6.0% of their salary and will receive pensions based on a 2.0% benefit formula instead of a 1.25% benefit formula under the current non-contributory plan. The hybrid plan does not affect the City's contributions to the ERS.

The ERS issues a Comprehensive Annual Financial Report that may be obtained by writing to the Employees' Retirement System of the State of Hawaii, 201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Post-Retirement Health Care and Life Insurance Benefits**

**Plan Description** - In addition to providing pension benefits, the State of Hawaii Employer-Union Health Benefits Trust Fund (EUTF) provides certain health care (medical, prescription, vision and dental) and life insurance benefits for retired City employees. Act 88 established the EUTF during the 2001 legislative session and is codified in Chapter 87A, Hawaii Revised Statutes.

For employees hired before July 1, 1996, the City pays 100% of the monthly health care premium for employees retiring with ten or more years of credited service, and 50% of the monthly premium for employees retiring with fewer than ten years of credited service.

For employees hired after June 30, 1996 and retiring with 25 years or more of service the City pays the entire health care premium. For employees retiring with at least 15 years but fewer than 25 years of service, the City pays 75% of the monthly Medicare or non-Medicare premium. For those retiring with at least 10 years but fewer than 15 years of service, the City pays 50% of the retired employees' monthly Medicare or non-Medicare premium. For those retiring with fewer than 10 years of service, the City makes no contributions.

For employees hired after June 30, 2001 and retiring with over 25 years of service, the City pays 100% of the monthly premium based on the self plan. For those who retire with at least 15 years but fewer than 25 years of service, the City pays 75% of the retired employees' monthly Medicare or non-Medicare premium based on the self plan. For those retiring with at least 10 years but fewer than 15 years of service, the City pays 50% of the retired employees' monthly Medicare or non-Medicare premium based on the self plan. For those retiring with fewer than 10 years of service, the City makes no contributions.

The City also reimburses 100% of Medicare premium costs for retirees and qualified dependents (through the State), who are at least 65 years of age and have at least 10 years of service.

**Funding Policy** - Contributions are based on negotiated collective bargaining agreements and are limited by State statute to the actual cost of benefit coverage.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligation** - The City implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, prospectively for the fiscal year ended June 30, 2008. The City is required to contribute the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table (with amounts in thousands) displays the components of the annual OPEB cost for the year, the amount contributed to the plan, and the changes to the City's net OPEB obligation.

	2008
Annual required contribution	\$ 101,404
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	101,404
Contribution made	(48,343)
Increase in net OPEB obligation	53,061
Net OPEB obligation at beginning of fiscal year	-
Net OPEB obligation at end of fiscal year	\$ 53,061

The percentage of annual OPEB cost contributed was 47.7%.

**Funding Status and Funding Progress** - The funded status of the plan (with amounts in thousands) as of the most recent valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2007	\$ -	\$ 1,242,255	\$ 1,242,255	0.0%	\$ 524,258	237.0%



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As 2008 is the first year of implementation of GASB Statement No. 45, and only one actuarial valuation as been completed, there is no trend information available.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a discount rate of 8%, which was based on the City's anticipated funding level. Actuarial assumptions also included an annual health cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after 5 years, projected salary increases of 3.5%, and an inflation assumption of 3%. The unfunded actuarial accrued liability is being amortized over a thirty year period as a level percentage of projected payrolls on an open basis.

The EUTF issues a stand-alone financial report that includes financial statements and required supplementary information, which may be obtained at the following address: State of Hawaii Employer-Union Health Benefits Trust Fund, 201 Merchant Street, Suite 1520, Honolulu, Hawaii 96813.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**11. Enterprise Funds**

The City maintains five enterprise funds: the Housing Development Special Fund, the Sewer Fund, the Solid Waste Special Fund and the Public Transportation System, which are business-type activities, and the Board of Water Supply, which is a discretely presented component unit.

**Housing Development Special Fund**

The City created the Housing Development Special Fund to develop affordable housing for sale or for rental. At June 30, 2008, the City had \$88.2 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

**Sewer Fund**

The Sewer Fund was created to account for the operations of the City's wastewater system and is operated primarily through user charges. The Sewer Fund also accounts for the proceeds of revenue bonds issued to pay all or part of those appropriations for improvements, repairs, and maintenance of the wastewater treatment system.

**Solid Waste Special Fund**

The Solid Waste Special Fund accounts for the following activities related to the operations of the refuse division:

- the City's refuse collection and disposal operations, which are funded primarily through general fund subsidies.
- the recycling program revenues assessed as 12.0% of refuse disposal charges and are expended for the establishment, operation, management and expansion of the City's recycling programs, including programs for waste reduction, development of recycling markets and recycling awareness.
- the glass incentive program revenues derived for the recycling of glass containers and paying incentives to glass recyclers.
- operation of the solid waste disposal and energy and materials recovery project ("H-POWER Facility").

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**H-POWER Facility**

The City has agreements with Honolulu Resource Recovery Venture (“HRRV”) to operate a solid waste disposal and energy recovery project, the Honolulu Program of Waste Energy Recovery (the “H-POWER Facility”). The H-POWER Facility processes and disposes of solid waste and, together with combustion facilities, produces steam used for the generation of electricity. Revenues are generated from user tip fees and from the sale of energy products and recovered materials. The operating agreement with HRRV has a 20-year term, and the H-POWER Facility’s revenues and expenses are reported in the accompanying financial statements. The operating agreements also require a supplemental operating fee to be paid by the City equivalent to the ground lease payments. The H-POWER Facility commenced commercial operations on May 21, 1990, and the City has a 20-year contract to sell electricity generated to a utility company.

In November 1989, the City sold the H-POWER Facility for \$312.5 million, receiving an \$80.0 million cash payment and a 20-year note for \$232.5 million with interest at 8.04%. On the same date, HRRV entered into a 20-year lease for the H-POWER Facility with the new owner. Although the City is not a party to this lease agreement, the operating fee to be paid by the City to HRRV was increased by an amount equal to the lease payments. Accordingly, the H-POWER Facility has been recorded as an asset and a liability in the H-POWER Facility enterprise fund at an amount equal to the present value of this increase in the operating fee for the lease payments.

In November 1989, the City leased the land underlying the H-POWER Facility to the owner of the H-POWER Facility for 35 years.

The note receivable and the obligation for the increase in the operating fee for the H-POWER facility lease payments (\$31.5 million and \$110.7 million at June 30, 2008, respectively) have been offset for financial statement reporting purposes. At June 30, 2008, future payments are as follows (amounts in thousands):

	<b>Operating Fee Obligation</b>	<b>Note Receivable</b>	<b>Difference</b>
<b>Year Ending June 30:</b>			
2009	\$ 30,613	\$ 29,401	\$ 1,212
2010	93,114	5,013	88,101
Subtotal	123,727	34,414	89,313
Less: Amount representing interest	(13,049)	(2,907)	(10,142)
Total	<u>\$ 110,678</u>	<u>\$ 31,507</u>	<u>\$ 79,171</u>

At June 30, 2008, the City had \$29.3 million of general obligation bonds outstanding, which were used to finance the construction of the H-POWER Facility.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Public Transportation System**

The Department of Transportation Services oversees the administration and operation of the Public Transportation System (the City's bus and paratransit systems or (PTS) on the island of Oahu.

The City has an agreement with Oahu Transit Services, Inc. (OTS), which expires on June 30, 2010, to provide for the management of the City's bus and paratransit systems. OTS provides the employees to operate and manage the bus and paratransit systems. The City reimburses OTS for operating expenses. The annual management fee for the period October 1, 2007 through June 30, 2008 is \$318,750, which increases to \$450,500 for the period July 1, 2008 to June 30, 2009 and increases to \$468,520 for the period July 1, 2009 to June 30, 2010.

The agreement provides that the City furnish, but retain title to, the transit buses, paratransit buses, properties, facilities and equipment used in the systems. Revenues collected by OTS, excluding management fees, are the property of the City and are remitted to a depository controlled by the City.

**Other Assets** – OTS established trust funds for the purpose of maintaining adequate funds for expenses incurred through its workers' compensation, general, and auto liability self-insurance programs. At June 30, 2008, these assets held by OTS amounted to \$2,513,000.

**Reserve for Insurance Claims Payable** – The City sponsors an automotive and general liability self-insurance program for OTS. The self-insurance program is for claims up to \$2.0 million effective July 1, 2006. The City also has a workers' compensation self-insurance program, which covers OTS claims up to \$1.0 million per occurrence effective July 1, 2007. OTS has obtained excess insurance coverage for general liability, automotive claims and workers' compensation through various insurance companies for amounts in excess of claims covered under the two self-insurance programs.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**12. Commitments**

**Leases**

The City leases equipment and office space under capital and operating leases, which expire at various dates through fiscal 2038. At June 30, 2008, the cost of equipment recorded under capital lease arrangements and included in capital assets amounted to \$1.9 million.

Future minimum obligations under capital and operating leases at June 30, 2008 were as follows (amounts in thousands):

	<b>Capital Leases</b>	<b>Operating Leases</b>
<b>Year Ending June 30:</b>		
2009	\$ 555	\$ 3,636
2010	555	3,406
2011	555	2,787
2012	394	2,136
2013	-	1,296
2014-2018	-	781
2019-2023	-	50
2024-2028	-	50
2029-2033	-	50
2034-2038	-	28
Total minimum payments	2,059	\$ 14,220
Less amount representing interest	161	
Present value of future minimum capital lease payments	\$ 1,898	

Certain leases provide for payment of common area charges and for periodic renegotiation of rents. Rent expense under operating leases, principally recorded in the general fund, amounted to \$7.6 million for the fiscal year ended June 30, 2008.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2048. Certain leases provide for periodic renegotiation of rents. The cost, accumulated depreciation and net book value of these leased assets are as follows (amount in thousands):

<u>Asset Class</u>	<u>Cost at Date of Acquisition</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 9,692	\$ -	\$ 9,692
Buildings and Improvements	46,938	(20,988)	25,950
<b>Totals</b>	<b>\$ 56,630</b>	<b>\$ (20,988)</b>	<b>\$ 35,642</b>

Future minimum rental income under such leases at June 30, 2008 were as follows (amounts in thousands):

**Year Ending June 30:**

2009	\$ 5,904
2010	5,357
2011	4,497
2012	4,391
2013	4,296
2014-2018	21,306
2019-2023	19,466
2024-2028	6,683
2029-2033	1,736
2034-2038	1,761
2039-2043	1,760
2044-2048	1,219
2049-2053	606
<b>Total minimum rental income</b>	<b>\$ 78,982</b>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**Other Commitments**

Business-type activities, which do not employ encumbrance accounting, have contractual commitments of approximately \$619.4 million at June 30, 2008, primarily for construction contracts, which includes the Board of Water Supply's commitments of \$113.8 million. Other contractual commitments for the expenditure of City monies are encumbered in the governmental funds.

In May 2006, the City settled the James Smith versus City and County of Honolulu, Civil No. 02-1-1006-04 (VSM) class action suit claiming improper calculation of Fair Labor Standards Act benefits with 2,225 employees. After an initial payment of \$6.0 million on July 31, 2006, the \$30.0 million settlement calls for annual payments of \$3.1 million to the employees beginning July 31, 2007 and ending July 31, 2011. A \$2.1 million credit will be applied to the employee vacation accounts beginning July 31, 2008 and ending on July 31, 2011. Based on the agreement, the City paid \$6.0 million in fiscal year 2007 and \$3.1 million in fiscal year 2008 with the remaining \$20.9 million to be paid or credited to the employees annually.

**Litigation**

OTS and the City are involved in various lawsuits arising from the normal operations of the City bus and paratransit systems. Claims for punitive damages related to certain lawsuits may not be covered by insurance. As provided in the management agreement with the City, the City indemnifies OTS from any and all claims made against OTS and the City for legal liability, damages and injuries where such claims are reasonably related to the providing of mass transportation services.

**13. Contingent Liabilities**

The City is exposed to various risks of loss due to claims filed against the City for personal injury, property and other damages. The City's Corporation Counsel reported that these cases are set for pretrial conferences, awaiting actions from plaintiffs, being investigated, ready for trial calendar, or on appeal.

The City is substantially self-insured for workers' compensation claims with no limit, and general liability claims and automobile claims for up to \$2.0 million, with certain exceptions. The City purchases excess liability insurance through insurance companies for claims in excess of self-insured amounts as well as when required by contract or law. Settled claims have not exceeded these coverages in any of the past three fiscal years.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The basis for estimating the liabilities for unpaid claims includes the effects of specific incremental claim adjustment expenses, salvage, and subrogation, and other allocated or unallocated claim adjustment expenses. At June 30, 2008, the estimated total liability of the City for claims and judgments amounted to \$62.8 million, which included claims incurred but not reported by the claimant and settled claims for which funds have not yet been appropriated. The estimated total liability has been determined through case-by-case analysis and from actuary studies performed by independent third parties. Expenditures for claims and judgments are appropriated annually. In the opinion of management, the City has adequately reserved for such claims.

The following is a summary of changes in the claims and judgments liability account during the fiscal year (amounts in thousands):

	<b>Automobile and General Liability</b>	<b>Workers' Compensation</b>	<b>Total</b>
<b>Balance at July 1, 2006</b>	\$ 43,784	\$ 45,943	\$ 89,727
Incurred losses and loss adjustment expenses	5,401	(1,884)	3,517
Payments	<u>(7,854)</u>	<u>(14,138)</u>	<u>(21,992)</u>
<b>Balance at June 30, 2007</b>	41,331	29,921	71,252
Incurred losses and loss adjustment expenses	(1,964)	14,285	12,321
Payments:	<u>(5,424)</u>	<u>(15,383)</u>	<u>(20,807)</u>
<b>Balance at June 30, 2008</b>	<u>\$ 33,943</u>	<u>\$ 28,823</u>	<u>\$ 62,766</u>

The claims and judgment liability will be liquidated from the City's general fund.



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

**14. Environmental Issues**

**Solid Waste Landfill Costs**

GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, which is based on the October 9, 1991 United States Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria," establishes closure requirements for all municipal solid waste landfills that receive waste after October 9, 1991. The EPA rule also establishes thirty-year postclosure care requirements for those landfills that accept solid waste after October 9, 1993 or for those landfills that stopped accepting solid waste between October 9, 1991 and October 9, 1993 and have not met certain requirements established by the EPA rule. In accordance with GASB Statement No. 18, the City estimates in advance the total cost of closure and postclosure care during the life of those landfills rather than after their closings.

Federal and state laws and regulations require the City to place final covers on certain landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Annual additions to the liability for closure and postclosure care costs are based on landfill capacity used as of each balance sheet date. The \$21.9 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2008 represents the cumulative amount reported to date based on the percentage of the estimated capacity used for the following landfills (amounts in thousands). Actual costs may differ from estimates if additional postclosure care requirements are determined (due to inflation or deflation, changes in technology, or changes in applicable laws or regulations).

	<u>Capacity Used</u>	<u>Closure Date</u>	<u>Liability at June 30, 2008</u>	<u>Total Estimated Cost</u>
Waipahu incinerator landfill	100.0%	October 1991	\$ 17,758	\$ 19,956
Kapaa sanitary landfill	100.0%	May 1997	4,110	14,237
Total			<u>\$ 21,868</u>	<u>\$ 34,193</u>

For fiscal year 2008, the City has provided the financial resources that will be available to provide for closure, postclosure care and remediation or containment of environmental hazards at the above landfills.

For the Waimanalo Gulch Landfill, the contractor shall provide post-closure maintenance of the landfill site for a period of thirty (30) years beyond the date of completion of closure of the landfill site.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

Waipahu – A complaint was filed on February 24, 2003 with the State claiming that the City improperly disposed of solid waste, operated an open dump, stored and disposed of hazardous waste without a permit and operated a solid waste management system without a permit. The City was assessed an administrative penalty of approximately \$542,000 on December 30, 2004 as part of a settlement agreement order between the City and the State. The City paid an administrative penalty of \$425,000 to the State on January 18, 2005 and will pay an additional \$117,000 worth of in-kind services in the form of manpower for a recycling survey as requested by the State Department of Health.

**Sewer Fund – Litigation**

The City is a party to various legal proceedings arising in the normal course of business. Some of these matters relate to the Sewer Fund as follows:

**Clean Water Act**

A lawsuit filed by the U.S. Environmental Protection Agency (EPA) and the State against the City in 1994 resulted in a consent decree which requires the City, among other things, to comply with the Clean Water Act, to establish a schedule under which the City will implement preventive maintenance and sewer replacement and rehabilitation necessary to reduce and prevent spills, to implement and enforce its pretreatment program to regulate industrial discharges, and to develop and implement an effluent and sludge reuse program. The court has retained continuing jurisdiction over implementation of the consent decree. Pursuant to the consent decree, the City has established and is currently implementing a \$3.7 billion, 20-year capital improvement plan (Fiscal Year 1998 to Fiscal Year 2017) to upgrade its wastewater collection and treatment system.

In July 2004, the Sierra Club and other environmental groups filed a lawsuit against the City seeking injunctive relief and penalties for alleged Clean Water Act violations arising from the City's wastewater collection and treatment system. Of plaintiffs' original twelve claims, six have been dismissed. Partial summary judgment has been entered with respect to four of the six remaining claims in this litigation. The court has not addressed the amount of penalties, if any, that would be assessed against the City. The outcome of this litigation cannot be predicted at this stage of the proceedings, and any potential liability in this litigation beyond the costs of the 20-year wastewater system capital improvement plan is speculative.

As a result of a March 2006 sewer spill and after one year of negotiations, the EPA, the U.S. Department of Justice, the State and the City signed a stipulated order that requires the City to take certain actions to evaluate, repair, rehabilitate or replace certain force mains and one pump station in its wastewater collection system, and develop site-specific spill contingency plans. This stipulated order, which has been accepted by the court, resolves the entire civil enforcement action that was simultaneously filed with the stipulated order against the City with respect to the spill. The estimated cost of the work in the stipulated order is approximately \$300.0 million.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

In the opinion of management, the final outcome of these matters is unknown at this time but should not have a material adverse effect on the City's financial statements.

**15. Component Unit Disclosure**

**Board of Water Supply**

The Board is a semi-autonomous agency of the City, which has full and complete authority to manage, control and operate the City's water system and related properties.

**Other Legal Matters**

The Board is party to various legal proceedings arising in the normal course of business. The outcome of individual matters is not predictable. However, management believes that the ultimate resolution of all such matters, after considering insurance coverages, will not have a material adverse effect on the Board's financial position, results of operations or liquidity.

**Major Transactions with the City –**

**Billing and Collection Services –** The Board has an agreement with the Department of Environmental Services, City and County of Honolulu to provide certain services through June 30, 2010, relating to the billing and collection of sewer service charges. The revenues related to these fees are included in other operating revenues of the Board and the corresponding expense in the Sewer Fund. Service fees amounted to \$700,000 plus credit card fees incurred for the fiscal year ended June 30, 2008. As of June 30, 2008, negotiated future fees in addition to assessment of credit card fees incurred were as follows (amount in thousands):

Year Ending June 30,	
2009	\$ 1,830
2010	<u>1,903</u>
	<u>\$ 3,733</u>

**Central Administrative Services Expense (CASE) Fee –** The Board entered into an agreement with the City to pay a CASE fee for treasury, personnel, purchasing and other services that the City provides to the Board on an on-going basis. The Board's Charter allows for a CASE fee to the extent that it represents a reasonable charge for services necessary for the Board to perform its duties. CASE fees totaled \$2.0 million for the fiscal year ended June 30, 2008.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2008**

As of June 30, 2008, negotiated future CASE fees were as follows (amounts in thousands):

Year Ending June 30,	
2009	\$2,500
2010	3,000
2011 and subsequent years	3,300

**Amount Due to/from the City** – Amounts due from the City approximated \$1,902,200 as of June 30, 2008, and are included in other receivables. There were no amounts due to the City as of June 30, 2008.

**16. Subsequent Events**

On October 30, 2008, the City exercised the option to repurchase the H-Power facility for a total cost of approximately \$44.0 million, which included the pre-payment of two years of the lease remaining. In the sale lease back arrangement between the City and Covanta Honolulu Resource Recovery Venture (the facility operator) and DFO Partnership (the successor to the original purchaser of the facility), the option allowed the City to repurchase the facility.

On November 4, 2008, the voters approved the referendum on construction of a steel-wheel on steel rail train for the 20-mile rail project. The proposed elevated rail line will connect West Oahu with downtown Honolulu and Ala Moana. It is estimated to cost between \$4.0 to \$5.0 billion.

In January 2009, the EPA issued final decisions to deny applications for renewed variances from secondary treatment for the Sand Island and Honouliuli wastewater treatment plants. The City is vigorously challenging these decisions. If the City's appeals are denied, the cost of secondary treatment at Honouliuli and Sand Island is estimated to be \$400.0 million and \$800.0 million, respectively, in project costs.

**This page left blank intentionally.**

**REQUIRED  
SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A**

## **BUDGETARY COMPARISON SCHEDULES**

For a brief explanation of the General Fund and Highway Fund, please refer to the divider page for the Governmental Fund Financial Statements preceding page 39.

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 798,848	\$ 798,848	\$ 805,174	\$ 6,326
Licenses and permits .....	35,844	35,844	36,127	283
Intergovernmental .....	180,856	215,856	214,530	(1,326)
Charges for services .....	5,774	5,774	5,163	(611)
Fines and forfeits .....	340	340	877	537
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	89,406	89,406	88,181	(1,225)
Interest .....	13,997	13,997	18,054	4,057
Other .....	3,268	3,268	4,189	921
<b>Total Revenues .....</b>	<b>1,128,333</b>	<b>1,163,333</b>	<b>1,172,295</b>	<b>8,962</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	16,895	16,966	16,409	557
City Clerk .....	2,976	2,976	2,501	475
City Council .....	6,758	6,758	6,438	320
Corporation Counsel .....	9,201	9,202	7,067	2,135
Customer Services .....	20,708	21,045	19,572	1,473
Design and Construction .....	16,917	16,973	14,052	2,921
Facility Maintenance .....	16,816	16,816	16,432	384
Human Resources .....	5,834	6,052	5,697	355
Information Technology .....	20,646	20,447	20,682	(235)
Mayor .....	4,190	4,596	4,427	169
Planning and Permitting .....	11,953	12,217	11,160	1,057
Prosecuting Attorney .....	16,307	16,360	16,423	(63)
<b>Total General government .....</b>	<b>149,201</b>	<b>150,408</b>	<b>140,860</b>	<b>9,548</b>
<b>Public safety:</b>				
Emergency Management .....	881	940	784	156
Emergency Services .....	31,404	31,425	29,979	1,446
Fire .....	80,862	85,010	81,898	3,112
Medical Examiner .....	1,467	1,518	1,436	82
Planning and Permitting .....	5,425	5,671	5,226	445
Police .....	171,961	182,245	177,555	4,690
<b>Total Public safety .....</b>	<b>292,000</b>	<b>306,809</b>	<b>296,878</b>	<b>9,931</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	4,690	4,753	4,555	198
<b>Sanitation:</b>				
Environmental Services .....	8,462	8,487	7,621	866
<b>Human services:</b>				
Community Services .....	4,097	4,158	4,025	133



CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Culture-recreation:</b>				
Enterprise Services .....	--	2	2	--
Mayor .....	2,061	2,094	2,092	2
Parks and Recreation .....	64,230	65,548	64,348	1,200
<b>Total Culture-recreation .....</b>	<b>66,291</b>	<b>67,644</b>	<b>66,442</b>	<b>1,202</b>
<b>Utilities or other enterprises:</b>				
Transportation Services .....	--	81	81	--
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
City Council .....	2,468	2,468	2,341	127
Provisional .....	132,612	136,091	125,524	10,567
<b>Total Retirement and health benefits .....</b>	<b>135,080</b>	<b>138,559</b>	<b>127,865</b>	<b>10,694</b>
<b>Other:</b>				
Budget and Fiscal Services .....	1,771	1,771	1,771	--
City Council .....	380	380	34	346
Provisional .....	57,232	35,599	20,689	14,910
<b>Total Other .....</b>	<b>59,383</b>	<b>37,750</b>	<b>22,494</b>	<b>15,256</b>
<b>Total Miscellaneous .....</b>	<b>194,463</b>	<b>176,309</b>	<b>150,359</b>	<b>25,950</b>
<b>Debt Service:</b>				
Budget and Fiscal Services .....	360	360	359	1
Information Technology .....	--	555	555	--
<b>Total Debt service .....</b>	<b>360</b>	<b>915</b>	<b>914</b>	<b>1</b>
<b>Capital Improvements:</b>				
General government .....	6,812	6,812	7,677	(865)
Public safety .....	9,090	9,090	9,090	--
<b>Total Capital Improvements .....</b>	<b>15,902</b>	<b>15,902</b>	<b>16,767</b>	<b>(865)</b>
<b>Total Expenditures .....</b>	<b>735,466</b>	<b>735,466</b>	<b>688,502</b>	<b>46,964</b>
Revenues over Expenditures .....	392,867	427,867	483,793	55,926
<b>Other Financing Sources (Uses):</b>				
Capital leases .....	--	--	865	865
Sales of capital assets .....	250	250	176	(74)
Transfers in .....	93,918	93,918	91,018	(2,900)
Transfers out .....	(599,113)	(634,113)	(624,373)	9,740
<b>Total Other Financing Sources (Uses) .....</b>	<b>(504,945)</b>	<b>(539,945)</b>	<b>(532,314)</b>	<b>7,631</b>
<b>Net change in Fund Balance .....</b>	<b>(112,078)</b>	<b>(112,078)</b>	<b>(48,521)</b>	<b>63,557</b>
Encumbrances .....	--	--	58,794	58,794
Fund Balance - July 1 .....	112,698	112,698	155,802	43,104
Fund Balance - June 30 .....	<b>\$ 620</b>	<b>\$ 620</b>	<b>\$ 166,075</b>	<b>\$ 165,455</b>

Budgetary basis includes encumbrances.

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 92,075	\$ 92,075	\$ 86,808	\$ (5,267)
Licenses and permits .....	68,269	68,269	75,456	7,187
Intergovernmental .....	480	480	--	(480)
Charges for services .....	4,773	4,773	4,775	2
Fines and forfeits .....	80	80	48	(32)
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	366	366	543	177
Other .....	1,803	1,803	1,797	(6)
<b>Total Revenues .....</b>	<b>167,846</b>	<b>167,846</b>	<b>169,427</b>	<b>1,581</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Design and Construction .....	5,941	5,941	5,071	870
Facility Maintenance .....	11,831	11,831	11,420	411
Planning and Permitting .....	2,184	2,280	1,924	356
<b>Total General government .....</b>	<b>19,956</b>	<b>20,052</b>	<b>18,415</b>	<b>1,637</b>
<b>Public safety:</b>				
Police .....	20,586	21,044	21,072	(28)
Transportation Services .....	5,267	5,462	5,191	271
<b>Total Public safety .....</b>	<b>25,853</b>	<b>26,506</b>	<b>26,263</b>	<b>243</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	22,325	22,831	22,632	199
<b>Sanitation:</b>				
Environmental Services .....	178	178	178	--
<b>Utilities or other enterprises:</b>				
Transportation Services .....	3,218	3,286	3,064	222
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	12,866	13,260	13,260	--
<b>Other:</b>				
Provisional .....	3,458	1,741	1,100	641
<b>Total Miscellaneous .....</b>	<b>16,324</b>	<b>15,001</b>	<b>14,360</b>	<b>641</b>
<b>Capital improvements:</b>				
General government .....	3,699	3,699	3,699	--
<b>Total Expenditures .....</b>	<b>91,553</b>	<b>91,553</b>	<b>88,611</b>	<b>2,942</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures .....	76,293	76,293	80,816	4,523
Other Financing Source (Use):				
Sales of capital assets .....	256	256	184	(72)
Transfers out .....	(97,537)	(97,537)	(93,608)	3,929
Total Other Financing Source (Use) .....	(97,281)	(97,281)	(93,424)	3,857
Net change in Fund Balance .....	(20,988)	(20,988)	(12,608)	8,380
Encumbrances .....	--	--	8,421	8,421
Fund Balance - July 1 .....	20,988	20,988	31,782	10,794
Fund Balance - June 30 .....	\$ --	\$ --	\$ 27,595	\$ 27,595

Budgetary basis includes encumbrances.

**CITY AND COUNTY OF HONOLULU**  
**POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
 (Amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2007	\$ --	\$ 1,242,255	\$ 1,242,255	0.0%	\$ 524,258	237.0%

**CITY AND COUNTY OF HONOLULU**  
**POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
(Amounts in thousands)

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>
2008	\$ 101,404	47.7%

**OTHER SUPPLEMENTARY  
INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS COMBINING FINANCIAL STATEMENTS**

For a brief explanation of the individual nonmajor governmental funds, please refer to the divider page for the Governmental Fund Financial Statements preceding page 39.

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 6)

	<u>Special Revenue Funds</u>			
	<u>Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund</u>	<u>Bikeway Fund</u>	<u>Parks and Playgrounds Fund</u>	<u>Liquor Commission Fund</u>
<b><u>ASSETS</u></b>				
Cash and investments:				
With Treasury and banks.....	\$ 1,841	\$ 806	\$ 3,339	\$ 2,375
Receivables:				
Accounts .....	--	--	--	--
Special Assessments .....	--	--	--	--
Loans .....	--	--	--	--
Intergovernmental .....	--	--	--	--
Due from other funds .....	--	421	910	--
Inventories - Municipal Stores .....	--	--	--	--
<b>Total Assets .....</b>	<b>\$ 1,841</b>	<b>\$ 1,227</b>	<b>\$ 4,249</b>	<b>\$ 2,375</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable .....	\$ 55	\$ 32	\$ 20	\$ 37
Interest and bonds payable-matured .....	--	--	--	--
Due to other funds .....	11	--	--	2
Accrued payroll .....	7	--	--	35
Deferred revenue .....	--	--	--	--
<b>Total Liabilities .....</b>	<b>73</b>	<b>32</b>	<b>20</b>	<b>74</b>
Fund Balances:				
Reserved for encumbrances .....	482	613	1,516	146
Reserved for debt service .....	--	--	--	--
Unreserved - undesignated .....	1,286	582	2,713	2,155
<b>Total Fund Balances .....</b>	<b>1,768</b>	<b>1,195</b>	<b>4,229</b>	<b>2,301</b>
<b>Total Liabilities and Fund Balances .....</b>	<b>\$ 1,841</b>	<b>\$ 1,227</b>	<b>\$ 4,249</b>	<b>\$ 2,375</b>



CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 6)

**Special Revenue Funds**

<u>Other Post- Employment Benefits Reserve Fund</u>	<u>Rental Assistance Fund</u>	<u>Zoo Animal Purchase Fund</u>	<u>Hanauma Bay Nature Preserve Fund</u>	<u>Reserve for Fiscal Stability Fund</u>	<u>Clean Water and Natural Lands Fund</u>	<u>Affordable Housing Fund</u>
\$ 40,334	\$ 991	\$ 34	\$ 3,788	\$ 18,098	\$ 3,928	\$ 3,928
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>\$ 40,334</u>	<u>\$ 991</u>	<u>\$ 34</u>	<u>\$ 3,788</u>	<u>\$ 18,098</u>	<u>\$ 3,928</u>	<u>\$ 3,928</u>
\$ --	\$ --	\$ --	\$ 508	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
224	--	--	--	--	--	--
--	--	--	17	--	--	--
--	--	--	--	--	--	--
<u>224</u>	<u>--</u>	<u>--</u>	<u>525</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	5	--	424	--	--	--
--	--	--	--	--	--	--
<u>40,110</u>	<u>986</u>	<u>34</u>	<u>2,839</u>	<u>18,098</u>	<u>3,928</u>	<u>3,928</u>
<u>40,110</u>	<u>991</u>	<u>34</u>	<u>3,263</u>	<u>18,098</u>	<u>3,928</u>	<u>3,928</u>
<u>\$ 40,334</u>	<u>\$ 991</u>	<u>\$ 34</u>	<u>\$ 3,788</u>	<u>\$ 18,098</u>	<u>\$ 3,928</u>	<u>\$ 3,928</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2008  
 (Amounts in thousands)

(Page 3 of 6)

	Special Revenue Funds		
	Community Development Fund	Golf Fund	Special Events Fund
<b><u>ASSETS</u></b>			
<b>Cash and investments:</b>			
With Treasury and banks.....	\$ 103	\$ 3,433	\$ 3,943
<b>Receivables:</b>			
Accounts .....	--	--	--
Special Assessments .....	--	--	--
Loans .....	160	--	--
Intergovernmental .....	627	--	--
Due from other funds .....	19	--	--
Inventories - Municipal Stores .....	--	--	--
<b>Total Assets .....</b>	<b>\$ 909</b>	<b>\$ 3,433</b>	<b>\$ 3,943</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable .....	\$ 759	\$ 225	\$ 283
Interest and bonds payable-matured .....	--	--	--
Due to other funds .....	--	4	13
Accrued payroll .....	--	86	120
Deferred revenue .....	454	--	--
<b>Total Liabilities .....</b>	<b>1,213</b>	<b>315</b>	<b>416</b>
<b>Fund Balances:</b>			
Reserved for encumbrances .....	10,372	1,035	346
Reserved for debt service .....	--	--	--
Unreserved - undesignated .....	(10,676)	2,083	3,181
<b>Total Fund Balances .....</b>	<b>(304)</b>	<b>3,118</b>	<b>3,527</b>
<b>Total Liabilities and Fund Balances .....</b>	<b>\$ 909</b>	<b>\$ 3,433</b>	<b>\$ 3,943</b>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2008  
 (Amounts in thousands)

(Page 4 of 6)

**Special Revenue Funds**

Farmers Home Administration Loan Fund	Special Projects Fund	Federal Grants Fund	Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund
\$ 46	\$ 6,918	\$ 13,954	\$ 4,830	\$ 945	\$ 9,528
--	--	--	--	--	226
--	--	--	--	--	--
--	--	3,327	9,689	--	2,964
--	24	22,930	--	--	262
--	--	--	--	--	--
--	--	--	--	--	--
<b>\$ 46</b>	<b>\$ 6,942</b>	<b>\$ 40,211</b>	<b>\$ 14,519</b>	<b>\$ 945</b>	<b>\$ 12,980</b>
\$ --	\$ 530	\$ 1,783	\$ --	\$ --	\$ 144
--	--	--	--	--	--
--	--	21,061	--	--	--
--	--	--	--	--	--
--	258	3,593	11,346	27	3,517
--	788	26,437	11,346	27	3,661
--	3,246	20,383	3,173	--	9,461
--	--	--	--	--	--
46	2,908	(6,609)	--	918	(142)
46	6,154	13,774	3,173	918	9,319
<b>\$ 46</b>	<b>\$ 6,942</b>	<b>\$ 40,211</b>	<b>\$ 14,519</b>	<b>\$ 945</b>	<b>\$ 12,980</b>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2008  
 (Amounts in thousands)

(Page 5 of 6)

	Special Revenue Funds			
	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund
<b><u>ASSETS</u></b>				
Cash and investments:				
With Treasury and banks.....	\$ 469	\$ 1,510	\$ 165	\$ 155
Receivables:				
Accounts .....	--	--	--	--
Special Assessments .....	--	--	--	--
Loans .....	--	--	--	--
Intergovernmental .....	--	--	--	--
Due from other funds .....	--	--	59	--
Inventories - Municipal Stores .....	--	--	--	23
Total Assets .....	\$ 469	\$ 1,510	\$ 224	\$ 178
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable .....	\$ 1	\$ --	\$ --	\$ --
Interest and bonds payable-matured .....	--	--	--	--
Due to other funds .....	--	--	--	--
Accrued payroll .....	--	--	--	--
Deferred revenue .....	230	--	--	--
Total Liabilities .....	231	--	--	--
Fund Balances:				
Reserved for encumbrances .....	--	--	--	--
Reserved for debt service .....	--	--	--	--
Unreserved - undesignated .....	238	1,510	224	178
Total Fund Balances .....	238	1,510	224	178
Total Liabilities and Fund Balances .....	\$ 469	\$ 1,510	\$ 224	\$ 178

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2008  
 (Amounts in thousands)

(Page 6 of 6)

Debt Service Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
Improvement District Bond and Interest Redemption Fund	General Improvement Bond Fund	Highway Improvement Bond Fund	Federal Grants Capital Projects Fund	Capital Projects Fund	
\$ 1,003	\$ 57,322	\$ 38,832	\$ 6,738	\$ 20,542	\$ 249,898
--	--	--	--	--	226
110	--	--	--	--	110
--	--	--	48,705	--	64,845
--	--	--	12,196	--	36,039
--	2,174	--	--	37	3,620
--	--	--	--	--	23
<u>\$ 1,113</u>	<u>\$ 59,496</u>	<u>\$ 38,832</u>	<u>\$ 67,639</u>	<u>\$ 20,579</u>	<u>\$ 354,761</u>
\$ --	\$ 12,367	\$ 10,169	\$ 5,395	\$ 188	\$ 32,496
9	--	--	--	--	9
37	2,875	--	19	2,361	26,607
--	--	--	--	--	265
91	--	--	55,700	--	75,216
137	15,242	10,169	61,114	2,549	134,593
--	201,326	255,259	108,701	6,447	622,935
976	--	--	--	--	976
--	(157,072)	(226,596)	(102,176)	11,583	(403,743)
976	44,254	28,663	6,525	18,030	220,168
<u>\$ 1,113</u>	<u>\$ 59,496</u>	<u>\$ 38,832</u>	<u>\$ 67,639</u>	<u>\$ 20,579</u>	<u>\$ 354,761</u>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

( Amounts in thousands )

(Page 1 of 6)

	Special Revenue Funds			
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund	Liquor Commisson Fund
<b>Revenues:</b>				
Special assessments .....	\$ --	\$ --	\$ --	\$ --
Licenses and permits.....	--	420	--	3,654
Intergovernmental.....	--	--	--	--
Charges for services.....	3,141	--	--	123
Fines and forfeits.....	--	--	--	258
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	19	917	--
Total Revenues.....	<u>3,141</u>	<u>439</u>	<u>917</u>	<u>4,035</u>
<b>Expenditures:</b>				
Current:				
General government.....	1,987	--	--	2,817
Public safety.....	--	338	--	--
Highways and streets.....	--	7	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	10	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	362	--	--	622
Other.....	--	--	--	43
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	87	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	65	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	<u>2,349</u>	<u>442</u>	<u>65</u>	<u>3,482</u>
Revenues over (under) Expenditures.....	<u>792</u>	<u>(3)</u>	<u>852</u>	<u>553</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of general obligation bonds .....	--	--	--	--
Issuance of commercial paper & long-term notes ..	--	--	--	--
Sales of capital assets.....	--	--	--	--
Transfers in.....	--	421	910	--
Transfers out.....	(276)	(56)	--	(498)
Total Other Financing Sources (Uses).....	<u>(276)</u>	<u>365</u>	<u>910</u>	<u>(498)</u>
Revenues and Other Sources over (under) Expenditures and Other Uses.....	<u>516</u>	<u>362</u>	<u>1,762</u>	<u>55</u>
Fund Balances - July 1.....	1,252	833	2,467	2,246
Fund Balances - June 30.....	<u>\$ 1,768</u>	<u>\$ 1,195</u>	<u>\$ 4,229</u>	<u>\$ 2,301</u>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

(Page 2 of 6)

**Special Revenue Funds**

Other Post- Employment Benefits Reserve Fund	Rental Assistance Fund	Zoo Animal Purchase Fund	Hanauma Bay Nature Preserve Fund	Reserve for Fiscal Stability Fund	Clean Water and Natural Lands Fund	Affordable Housing Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	3,292	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
323	--	--	--	564	31	31
--	303	4	1,251	--	--	--
<u>323</u>	<u>303</u>	<u>4</u>	<u>4,543</u>	<u>564</u>	<u>31</u>	<u>31</u>
--	--	--	--	--	--	--
--	--	--	783	--	--	--
--	--	--	--	--	--	--
--	136	--	--	--	--	--
--	--	6	2,143	--	--	--
--	--	--	--	--	--	--
--	--	--	490	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	136	6	3,416	--	--	--
<u>323</u>	<u>167</u>	<u>(2)</u>	<u>1,127</u>	<u>564</u>	<u>31</u>	<u>31</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
39,787	--	--	667	7,500	3,897	3,897
--	(12)	--	(2,081)	--	--	--
<u>39,787</u>	<u>(12)</u>	<u>--</u>	<u>(1,414)</u>	<u>7,500</u>	<u>3,897</u>	<u>3,897</u>
40,110	155	(2)	(287)	8,064	3,928	3,928
--	836	36	3,550	10,034	--	--
<u>\$ 40,110</u>	<u>\$ 991</u>	<u>\$ 34</u>	<u>\$ 3,263</u>	<u>\$ 18,098</u>	<u>\$ 3,928</u>	<u>\$ 3,928</u>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

( Amounts in thousands )

( Page 3 of 6 )

	<u>Special Revenue Funds</u>		
	<u>Community Development Fund</u>	<u>Golf Fund</u>	<u>Special Events Fund</u>
<b>Revenues:</b>			
Special assessments .....	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--
Intergovernmental.....	9,013	--	--
Charges for services.....	--	5,292	1,980
Fines and forfeits.....	--	--	--
<b>Miscellaneous:</b>			
Reimbursements and recoveries.....	--	--	7
Interest.....	--	--	252
Other.....	--	3,366	7,675
<b>Total Revenues.....</b>	<b><u>9,013</u></b>	<b><u>8,658</u></b>	<b><u>9,914</u></b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government.....	687	--	115
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Human services.....	957	--	--
Culture-recreation.....	--	8,453	10,720
Utilities or other enterprises.....	--	--	--
<b>Miscellaneous:</b>			
Retirement and health benefits.....	--	1,800	2,492
Other.....	--	24	189
<b>Capital Outlay:</b>			
General government.....	--	--	--
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Human services.....	7,822	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
<b>Total Expenditures.....</b>	<b><u>9,466</u></b>	<b><u>10,277</u></b>	<b><u>13,516</u></b>
<b>Revenues over (under) Expenditures.....</b>	<b><u>(453)</u></b>	<b><u>(1,619)</u></b>	<b><u>(3,602)</u></b>
<b>Other Financing Sources (Uses):</b>			
Issuance of general obligation bonds .....	--	--	--
Issuance of commercial paper & long-term notes .....	--	--	--
Sales of capital assets.....	--	--	--
Transfers in.....	--	10,876	11,177
Transfers out.....	--	(9,510)	(8,066)
<b>Total Other Financing Sources (Uses).....</b>	<b><u>--</u></b>	<b><u>1,366</u></b>	<b><u>3,111</u></b>
<b>Revenues and Other Sources over (under) Expenditures and Other Uses.....</b>	<b><u>(453)</u></b>	<b><u>(253)</u></b>	<b><u>(491)</u></b>
<b>Fund Balances - July 1.....</b>	<b><u>149</u></b>	<b><u>3,371</u></b>	<b><u>4,018</u></b>
<b>Fund Balances - June 30.....</b>	<b><u>\$ (304)</u></b>	<b><u>\$ 3,118</u></b>	<b><u>\$ 3,527</u></b>



CITY AND COUNTY OF HONOLULU  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

( Amounts in thousands )

( Page 4 of 6 )

Special Revenue Funds					
Farmers Home Administration Loan Fund	Special Projects Fund	Federal Grants Fund	Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	8,755	50,683	--	--	43,212
--	--	--	--	--	--
--	--	--	--	--	--
--	42	413	182	8	228
--	1,115	1,348	847	--	104
--	<u>9,912</u>	<u>52,444</u>	<u>1,029</u>	<u>8</u>	<u>43,544</u>
--	3,306	1,512	--	--	198
--	1,102	12,032	--	--	--
--	1,810	--	--	--	--
--	4,411	14,693	2,564	--	39,599
--	226	258	--	--	--
--	--	24,569	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	<u>10,855</u>	<u>53,064</u>	<u>2,564</u>	<u>--</u>	<u>39,797</u>
--	<u>(943)</u>	<u>(620)</u>	<u>(1,535)</u>	<u>8</u>	<u>3,747</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	(943)	(620)	(1,535)	8	3,747
46	7,097	14,394	4,708	910	5,572
<u>\$ 46</u>	<u>\$ 6,154</u>	<u>\$ 13,774</u>	<u>\$ 3,173</u>	<u>\$ 918</u>	<u>\$ 9,319</u>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

( Amounts in thousands )

( Page 5 of 6 )

	Special Revenue Funds			
	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund
<b>Revenues:</b>				
Special assessments .....	\$ --	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--	--
Intergovernmental.....	--	--	--	--
Charges for services.....	--	--	--	--
Fines and forfeits.....	--	--	--	--
<b>Miscellaneous:</b>				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	17	--	--	--
Other.....	--	--	--	53
<b>Total Revenues.....</b>	<b>17</b>	<b>--</b>	<b>--</b>	<b>53</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government.....	--	--	--	43
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Human services.....	12	--	--	--
Culture-recreation.....	--	--	--	--
Utilities or other enterprises.....	--	--	--	--
<b>Miscellaneous:</b>				
Retirement and health benefits.....	--	--	--	--
Other.....	--	--	--	--
<b>Capital Outlay:</b>				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	--	--
Utilities or other enterprises.....	--	--	--	--
<b>Total Expenditures.....</b>	<b>12</b>	<b>--</b>	<b>--</b>	<b>43</b>
Revenues over (under) Expenditures.....	5	--	--	10
<b>Other Financing Sources (Uses):</b>				
Issuance of general obligation bonds .....	--	--	--	--
Issuance of commercial paper & long-term notes ....	--	--	--	--
Sales of capital assets.....	--	--	--	--
Transfers in.....	--	--	--	--
Transfers out.....	--	--	--	--
<b>Total Other Financing Sources (Uses).....</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Revenues and Other Sources over (under) Expenditures and Other Uses.....	5	--	--	10
<b>Fund Balances - July 1.....</b>	<b>233</b>	<b>1,510</b>	<b>224</b>	<b>168</b>
<b>Fund Balances - June 30.....</b>	<b>\$ 238</b>	<b>\$ 1,510</b>	<b>\$ 224</b>	<b>\$ 178</b>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

( Amounts in thousands )

( Page 6 of 6 )

Debt Service Improvement District Bond and Interest Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
General Improvement Bond Fund	Highway Improvement Bond Fund	Federal Grants Capital Projects Fund	Capital Projects Fund		
\$ 28	\$ --	\$ --	\$ --	\$ --	\$ 28
--	--	--	--	--	4,074
--	--	32,359	--	--	144,022
--	--	--	--	--	13,828
--	--	--	--	--	258
--	--	--	--	--	7
8	496	265	--	--	2,860
1	--	--	--	76	17,079
<u>37</u>	<u>496</u>	<u>265</u>	<u>32,359</u>	<u>76</u>	<u>182,156</u>
--	--	--	--	--	10,665
--	--	--	--	--	14,255
--	--	--	--	--	1,817
--	--	--	--	--	62,372
--	--	--	--	--	21,816
--	--	--	--	--	24,569
--	--	--	--	--	5,766
109	--	--	--	--	365
--	37,121	347	186	--	37,654
--	18,400	1,341	1,294	--	21,035
--	538	39,355	8,793	98	48,871
--	--	--	45	190	235
--	--	--	10,392	--	18,214
--	20,790	--	--	721	21,576
--	--	10,798	11,911	--	22,709
<u>109</u>	<u>76,849</u>	<u>51,841</u>	<u>32,621</u>	<u>1,009</u>	<u>311,919</u>
<u>(72)</u>	<u>(76,353)</u>	<u>(51,576)</u>	<u>(262)</u>	<u>(933)</u>	<u>(129,763)</u>
--	71,000	38,000	--	--	109,000
--	44,000	31,000	--	--	75,000
--	2	--	--	--	2
--	--	--	--	37	79,169
(37)	--	--	--	(2,361)	(22,897)
<u>(37)</u>	<u>115,002</u>	<u>69,000</u>	<u>--</u>	<u>(2,324)</u>	<u>240,274</u>
(109)	38,649	17,424	(262)	(3,257)	110,511
1,085	5,605	11,239	6,787	21,287	109,657
<u>\$ 976</u>	<u>\$ 44,254</u>	<u>\$ 28,663</u>	<u>\$ 6,525</u>	<u>\$ 18,030</u>	<u>\$ 220,168</u>

**This page left blank intentionally.**

**FIDUCIARY FUNDS  
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU  
**AGENCY FUNDS**  
 COMBINING STATEMENT OF NET ASSETS  
 JUNE 30, 2008  
 (Amounts in thousands)

	Agency Funds				Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Payroll Clearance Fund	
<b>ASSETS</b>					
Cash and Investments:					
With Treasury .....	\$ 23,526	\$ 3,829	\$ 16,271	\$ 2,425	\$ 46,051
Imprest and change funds .....	67	66	--	--	133
Due from other funds:					
Highway Fund .....	7	--	--	--	7
Federal Grants Fund .....	2	--	--	--	2
Solid Waste Fund .....	33	--	--	--	33
<b>Total Assets .....</b>	<b>23,635</b>	<b>3,895</b>	<b>16,271</b>	<b>2,425</b>	<b>46,226</b>
<b>LIABILITIES</b>					
Liabilities:					
Accounts payable .....	29	--	337	--	366
Due to other funds:					
General Fund .....	198	--	--	--	198
General Obligation Bond and Interest Redemption Fund .....	10	--	--	--	10
Other current liabilities .....	23,398	3,895	15,934	2,425	45,652
<b>Total Liabilities .....</b>	<b>23,635</b>	<b>3,895</b>	<b>16,271</b>	<b>2,425</b>	<b>46,226</b>
<b>NET ASSETS</b>					
Held in trust for individuals, organizations and other governments .....	\$ --	\$ --	\$ --	\$ --	\$ --

CITY AND COUNTY OF HONOLULU  
**AGENCY FUNDS**  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b><u>GENERAL TRUST FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash .....	\$ 27,011	\$ 126,901	\$ 130,319	\$ 23,593
Due from other funds .....	61	42	61	42
Total Assets .....	<u>\$ 27,072</u>	<u>\$ 126,943</u>	<u>\$ 130,380</u>	<u>\$ 23,635</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ 14	\$ 50,246	\$ 50,231	\$ 29
Due to other funds .....	--	208	--	208
Other current liabilities .....	27,058	76,489	80,149	23,398
Total Liabilities .....	<u>\$ 27,072</u>	<u>\$ 126,943</u>	<u>\$ 130,380</u>	<u>\$ 23,635</u>
<b><u>TREASURY TRUST FUND</u></b>				
<b><u>ASSET</u></b>				
Cash .....	<u>\$ 10,445</u>	<u>\$ 25,119</u>	<u>\$ 31,669</u>	<u>\$ 3,895</u>
<b><u>LIABILITY</u></b>				
Other current liabilities .....	<u>\$ 10,445</u>	<u>\$ 25,119</u>	<u>\$ 31,669</u>	<u>\$ 3,895</u>
<b><u>REAL PROPERTY TAX TRUST FUND</u></b>				
<b><u>ASSET</u></b>				
Cash .....	<u>\$ 14,068</u>	<u>\$ 8,538</u>	<u>\$ 6,335</u>	<u>\$ 16,271</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ --	\$ 6,122	\$ 5,785	\$ 337
Other current liabilities .....	14,068	2,416	550	15,934
Total Liabilities .....	<u>\$ 14,068</u>	<u>\$ 8,538</u>	<u>\$ 6,335</u>	<u>\$ 16,271</u>
<b><u>PAYROLL CLEARANCE FUND</u></b>				
<b><u>ASSET</u></b>				
Cash .....	<u>\$ 2,220</u>	<u>\$ 524,292</u>	<u>\$ 524,087</u>	<u>\$ 2,425</u>
<b><u>LIABILITY</u></b>				
Other current liabilities .....	<u>\$ 2,220</u>	<u>\$ 524,292</u>	<u>\$ 524,087</u>	<u>\$ 2,425</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash .....	\$ 53,744	\$ 684,850	\$ 692,410	\$ 46,184
Due from other funds .....	61	42	61	42
Total Assets .....	<u>\$ 53,805</u>	<u>\$ 684,892</u>	<u>\$ 692,471</u>	<u>\$ 46,226</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ 14	\$ 56,368	\$ 56,016	\$ 366
Due to other funds .....	--	208	--	208
Other current liabilities .....	53,791	628,316	636,455	45,652
Total Liabilities .....	<u>\$ 53,805</u>	<u>\$ 684,892</u>	<u>\$ 692,471</u>	<u>\$ 46,226</u>

**This page left blank intentionally.**



## **FUND SCHEDULES**

For a brief explanation of the individual funds, please refer to the divider page for the Governmental Fund Financial Statements preceding page 39.

Note: the revolving funds are comprised of the Improvement District Revolving Fund, Housing and Community Development Revolving Fund and Municipal Stores Revolving Fund.

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
BALANCE SHEET  
JUNE 30, 2008  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
(Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 196,653	\$ 136,752
Receivables:		
Real property taxes .....	12,642	9,168
Accounts .....	300	684
Interest .....	3,483	2,260
Intergovernmental .....	53,307	44,384
Component unit - CASE fees .....	--	7,800
Due from other funds:		
Highway Fund .....	4,172	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund .....	11	--
Sewer Fund .....	55	26
Liquor Commission Fund .....	2	--
Golf Fund .....	4	--
Special Events Fund .....	13	--
Special Projects Fund .....	--	433
Federal Grants Fund .....	21,000	21,767
Capital Projects Fund .....	1,030	--
Housing Development Special Fund .....	308	--
Solid Waste Special Fund .....	--	108
General Trust Fund .....	198	--
<b>Total Assets .....</b>	<b>\$ 293,178</b>	<b>\$ 223,382</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 9,964	\$ 8,951
Due to other funds:		
Sewer Fund .....	--	696
Special Events Fund .....	--	19
Solid Waste Special Fund .....	49,189	267
General Obligation Bond and Interest Redemption Fund .....	38	--
General Improvement Bond Fund .....	2	--
Transit Fund .....	44,150	35,646
General Trust Fund .....	--	61
Accrued payroll .....	5,025	5,098
Deferred revenue .....	18,735	16,842
<b>Total Liabilities .....</b>	<b>127,103</b>	<b>67,580</b>
Fund Balance:		
Reserved for encumbrances .....	58,794	27,767
Unreserved - undesignated .....	107,281	128,035
<b>Total Fund Balance .....</b>	<b>166,075</b>	<b>155,802</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 293,178</b>	<b>\$ 223,382</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(Amounts In thousands)

	2008	2007
<b>Revenues:</b>		
Taxes .....	\$ 805,174	\$ 727,015
Licenses and permits .....	36,127	40,648
Intergovernmental .....	214,530	92,760
Charges for services .....	5,163	5,752
Fines and forfeits .....	877	557
<b>Miscellaneous:</b>		
Reimbursements and recoveries .....	88,181	86,793
Interest .....	18,054	19,071
Other .....	4,189	5,865
Total Revenues .....	1,172,295	978,461
<b>Expenditures:</b>		
<b>Current:</b>		
General government .....	125,323	115,200
Public safety .....	288,860	268,521
Highways and streets .....	2,554	2,239
Sanitation .....	5,536	2,245
Human services .....	2,772	2,356
Culture-recreation .....	60,512	51,844
<b>Miscellaneous:</b>		
Retirement and health benefits .....	121,398	119,430
Other .....	19,761	21,806
Capital outlay .....	2,078	--
<b>Debt Service:</b>		
Principal retirement .....	693	395
Interest charges .....	221	166
Total Expenditures .....	629,708	584,202
Revenues over Expenditures .....	542,587	394,259
<b>Other Financing Sources (Uses):</b>		
Capital leases .....	865	1,674
Sales of capital assets .....	176	74
Transfers In .....	91,018	84,300
Transfers out .....	(624,373)	(423,113)
Total Other Financing Sources (Uses) .....	(532,314)	(337,065)
Revenues and Other Sources over Expenditures and Other Uses .....	10,273	57,194
Fund Balance - July 1 .....	155,802	98,608
Fund Balance - June 30 .....	\$ 166,075	\$ 155,802

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 798,848	\$ 798,848	\$ 805,174	\$ 6,326
Licenses and permits .....	35,844	35,844	36,127	283
Intergovernmental .....	180,856	215,856	214,530	(1,326)
Charges for services .....	5,774	5,774	5,163	(611)
Fines and forfeits .....	340	340	877	537
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	89,406	89,406	88,181	(1,225)
Interest .....	13,997	13,997	18,054	4,057
Other .....	3,268	3,268	4,189	921
<b>Total Revenues .....</b>	<b>1,128,333</b>	<b>1,163,333</b>	<b>1,172,295</b>	<b>8,962</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	16,213	16,284	15,732	552
City Clerk .....	2,686	2,686	2,217	469
City Council .....	6,306	6,306	6,037	269
Corporation Counsel .....	7,963	7,964	5,905	2,059
Customer Services .....	18,626	18,963	17,501	1,462
Design and Construction .....	15,526	15,582	12,712	2,870
Facility Maintenance .....	16,021	16,021	15,671	350
Human Resources .....	5,746	5,964	5,611	353
Information Technology .....	17,340	17,696	17,187	509
Mayor .....	3,931	4,337	4,173	164
Planning and Permitting .....	9,876	10,140	9,087	1,053
Prosecuting Attorney .....	15,878	15,931	15,928	3
<b>Total General government .....</b>	<b>136,112</b>	<b>137,874</b>	<b>127,761</b>	<b>10,113</b>
<b>Public safety:</b>				
Emergency Management .....	857	916	764	152
Emergency Services .....	31,131	31,152	29,724	1,428
Fire .....	79,568	83,716	80,689	3,027
Medical Examiner .....	1,436	1,487	1,411	76
Planning and Permitting .....	5,425	5,671	5,225	446
Police .....	168,954	179,238	173,827	5,411
<b>Total Public safety .....</b>	<b>287,371</b>	<b>302,180</b>	<b>291,640</b>	<b>10,540</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Highways and streets:</b>				
Facility Maintenance .....	4,484	4,547	4,383	164
<b>Sanitation:</b>				
Environmental Services .....	7,441	7,466	6,600	866
<b>Human services:</b>				
Community Services .....	3,326	3,387	3,265	122
<b>Culture-recreation:</b>				
Enterprise Services .....	--	2	2	--
Mayor .....	2,009	2,042	2,041	1
Parks and Recreation .....	58,327	59,645	58,690	955
<b>Total Culture-recreation .....</b>	<b>60,336</b>	<b>61,689</b>	<b>60,733</b>	<b>956</b>
<b>Utilities or other enterprises:</b>				
Transportation Services .....	--	81	81	--
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
City Council .....	2,468	2,468	2,341	127
Provisional .....	132,612	136,091	125,423	10,668
<b>Total Retirement and health benefits .....</b>	<b>135,080</b>	<b>138,559</b>	<b>127,764</b>	<b>10,795</b>
<b>Other:</b>				
City Council .....	380	380	34	346
Provisional .....	56,907	35,274	20,558	14,716
<b>Total Other .....</b>	<b>57,287</b>	<b>35,654</b>	<b>20,592</b>	<b>15,062</b>
<b>Total Miscellaneous .....</b>	<b>192,367</b>	<b>174,213</b>	<b>148,356</b>	<b>25,857</b>
<b>Debt Service:</b>				
Budget and Fiscal Services .....	360	360	359	1
<b>Total Debt service .....</b>	<b>360</b>	<b>360</b>	<b>359</b>	<b>1</b>
<b>Capital improvements:</b>				
Budget and Fiscal Services .....	6,084	6,084	6,084	--
Design and Construction .....	728	728	728	--
Fire .....	3,376	3,376	3,376	--
Police .....	5,714	5,714	5,714	--
<b>Total Capital Improvements .....</b>	<b>15,902</b>	<b>15,902</b>	<b>15,902</b>	<b>--</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts In thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures .....	707,699	707,699	659,080	48,619
Revenues over Expenditures .....	420,634	455,634	513,215	57,581
Other Financing Sources (Uses):				
Capital leases .....	--	--	865	865
Sales of capital assets .....	250	250	176	(74)
Transfers in:				
Central administrative service expenses .....	29,803	29,803	29,803	--
Debt service .....	63,243	63,243	59,313	(3,930)
Other .....	872	872	1,902	1,030
Transfers out:				
Debt service .....	(228,603)	(228,603)	(219,998)	8,605
Bus subsidy .....	(69,519)	(69,519)	(69,519)	--
Other post-employment benefits .....	(25,152)	(25,152)	(25,152)	--
Transit Fund .....	(135,000)	(170,000)	(170,000)	--
Other .....	(140,839)	(140,839)	(140,590)	249
Total Other Financing Sources (Uses) .....	(504,945)	(539,945)	(533,200)	6,745
Revenues and Other Sources under Expenditures and Other Uses .....	(84,311)	(84,311)	(19,985)	64,326
Unreserved - Undesignated Fund Balance - July 1 .....	84,931	84,931	128,035	43,104
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 620	\$ 620	108,050	\$ 107,430
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			48,076	
Expenditures - prior year encumbrances .....			(16,118)	
Accrued expenditures .....			(1,700)	
Increase in reserved for encumbrances .....			(31,027)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			107,281	
Reserved for Encumbrances - June 30 .....			58,794	
Fund Balance - June 30 (GAAP Basis) .....			\$ 166,075	

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>TAXES</b>				
<b>GENERAL PROPERTY TAXES:</b>				
Real Property Tax .....	\$ 763,409	\$ 763,409	\$ 769,351	\$ 5,942
<b>PUBLIC SERVICE COMPANY TAX:</b>				
Public Service Company Tax .....	35,439	35,439	35,823	384
<b>TOTAL TAXES .....</b>	<b>798,848</b>	<b>798,848</b>	<b>805,174</b>	<b>6,326</b>
<b>LICENSES AND PERMITS</b>				
<b>BUSINESS LICENSES AND PERMITS:</b>				
<b>Police and Protective:</b>				
Second-Hand and Junk Dealers .....	14	14	14	-
Alarm Permits .....	172	172	194	22
Other .....	13	13	16	3
<b>Professional and Occupational:</b>				
Refuse Collector .....	10	10	15	5
Other .....	1	1	2	1
<b>Total Business Licenses and Permits .....</b>	<b>210</b>	<b>210</b>	<b>241</b>	<b>31</b>
<b>NON-BUSINESS LICENSES AND PERMITS:</b>				
<b>Building Structures and Equipment Permits:</b>				
Building .....	13,500	13,500	14,061	561
Signs .....	40	40	36	(4)
<b>Motor Vehicle Licenses and Fees:</b>				
Motor Vehicle Plate and Tag Fees .....	1,752	1,752	1,787	35
Motor Vehicle Transfer Fees and Penalty .....	3,024	3,024	2,794	(230)
Duplicate Registration & Ownership Certificates .....	235	235	228	(7)
Motor Vehicle Registration Annual Fee .....	13,693	13,693	13,755	62
Other .....	36	36	53	17
<b>Other Vehicle Licenses and Fees:</b>				
Passenger and Freight Vehicle Permit Fees .....	78	78	104	26
Nonresident Vehicle Permit .....	21	21	21	-
Motor Vehicle Drivers' Licenses .....	2,246	2,246	2,145	(101)
<b>Animal Licenses:</b>				
Dog Licenses and Tag Fees .....	251	251	240	(11)
<b>Street, Sidewalk and Curb Permits:</b>				
Easement Grants .....	25	25	81	56
Newsstands .....	62	62	33	(29)
Telephone Enclosures .....	-	-	2	2
Dispensing Rack .....	136	136	112	(24)
Fire Code Permits and License Fees .....	535	535	434	(101)
<b>Total Non-Business Licenses and Permits .....</b>	<b>35,634</b>	<b>35,634</b>	<b>35,886</b>	<b>252</b>
<b>TOTAL LICENSES AND PERMITS .....</b>	<b>35,844</b>	<b>35,844</b>	<b>36,127</b>	<b>283</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>INTERGOVERNMENTAL</b>				
<b>FEDERAL GRANTS:</b>				
Civil Defense Administration Expense .....	--	--	112	112
<b>Total Federal Grants</b> .....	<b>--</b>	<b>--</b>	<b>112</b>	<b>112</b>
<b>STATE GRANTS:</b>				
Transient Accommodation Tax .....	45,834	45,834	45,284	(550)
Excise Tax Surcharge for Transit.....	135,000	170,000	169,114	(886)
<b>Total State Grants</b> .....	<b>180,834</b>	<b>215,834</b>	<b>214,398</b>	<b>(1,436)</b>
<b>INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:</b>				
Fish and Wildlife Service .....	22	22	20	(2)
<b>Total Intergovernmental Payments     in Lieu of Taxes</b> .....	<b>22</b>	<b>22</b>	<b>20</b>	<b>(2)</b>
<b>TOTAL INTERGOVERNMENTAL</b> .....	<b>180,856</b>	<b>215,856</b>	<b>214,530</b>	<b>(1,326)</b>
<b>CHARGES FOR SERVICES</b>				
<b>GENERAL GOVERNMENT:</b>				
<b>Data Processing Services:</b>				
Duplication of Master Tapes .....	23	23	48	25
Data Processing Service - State .....	600	600	647	47
Data Processing Service - U.S. Government .....	4	4	3	(1)
Data Processing Service - Other Counties .....	260	260	386	126
Legal Services (BWS) .....	30	30	30	--
Service Fee for Dishonored Checks .....	22	22	17	(5)
Band Collections .....	4	4	4	--
Automotive Equipment Service Charges .....	195	195	206	11
Subdivision Fees .....	150	150	95	(55)
Application Fees for Zoning Regulations .....	215	215	175	(40)
Plan Review Use Fees .....	1,300	1,300	791	(509)
Administrative Fee--Multi-Family Housing Program.....	130	130	57	(73)
Military Housing Fee in Lieu of Property Tax .....	580	580	624	44
Zoning/Flood Clearance Fee .....	40	40	36	(4)
Fees for Certificates, Copies & Extracts of Records ....	134	134	195	61
Fees for Services .....	102	102	136	34
Custodial and Attendant Services .....	265	265	281	16
Spay-Neuter Service .....	316	316	321	5
Other .....	5	5	17	12
<b>Total General Government</b> .....	<b>4,375</b>	<b>4,375</b>	<b>4,069</b>	<b>(306)</b>



CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>PUBLIC SAFETY:</b>				
Police Charges:				
Taxicab Drivers' & Pedicab Operators' Certificates ...	42	42	38	(4)
HPD Special Duty Fees .....	180	180	99	(81)
Miscellaneous:				
Other .....	1	1	1	--
<b>Total Public Safety .....</b>	<b>223</b>	<b>223</b>	<b>138</b>	<b>(85)</b>
<b>HIGHWAYS AND STREETS:</b>				
Parking:				
City Employees .....	450	450	407	(43)
HPD Parking Lot .....	130	130	108	(22)
<b>Total Highways and Streets .....</b>	<b>580</b>	<b>580</b>	<b>515</b>	<b>(65)</b>
<b>CULTURE-RECREATION:</b>				
Commercial Activities:				
Scuba, Snorkeling and Windsurfing .....	35	35	28	(7)
Commercial Filming .....	27	27	34	7
Summer Fun Program .....	200	200	199	(1)
Fall and Spring Program .....	--	--	13	13
Fees for Professional Sports at Hans L'Orange .....	--	--	4	4
Foster Botanic Garden .....	254	254	119	(135)
Fees for Community Garden .....	80	80	44	(36)
<b>Total Culture-Recreation .....</b>	<b>596</b>	<b>596</b>	<b>441</b>	<b>(155)</b>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>5,774</b>	<b>5,774</b>	<b>5,163</b>	<b>(611)</b>
<b><u>FINES AND FORFEITS</u></b>				
<b>FINES:</b>				
Fines .....	265	265	679	414
Liquidated Contract Damages .....	--	--	12	12
<b>Total Fines .....</b>	<b>265</b>	<b>265</b>	<b>691</b>	<b>426</b>
<b>FORFEITS:</b>				
Forfeiture of Seized Property .....	75	75	186	111
<b>TOTAL FINES AND FORFEITS .....</b>	<b>340</b>	<b>340</b>	<b>877</b>	<b>537</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>				
<b>REIMBURSEMENTS AND RECOVERIES:</b>				
Reimbursements from State:				
Fireboat Operations .....	2,600	2,600	1,844	(756)
HPD Civil Defense Coordinator .....	29	29	--	(29)
Motor Vehicle Inspection Program .....	634	634	620	(14)
Administration Cost - Ewa Highway Impact Fee .....	50	50	12	(38)
Family Support Program .....	796	796	117	(679)
Emergency Ambulance Services .....	28,938	28,938	23,521	(5,417)
Collection Cost - State Motor Vehicle				
Weight Tax, etc. ....	885	885	775	(110)
Commercial Drivers' License Program .....	492	492	466	(26)
Recoveries:				
Overhead Charges .....	190	190	31	(159)
Workers' Compensation Payment .....	450	450	402	(48)
Real Property Tax Services .....	150	150	180	30
Central Administrative Service Expenses:				
Board of Water Supply .....	3,300	3,300	9,800	6,500
Debt Service Charges - Enterprise Funds:				
Sewer .....	7,649	7,649	7,840	191
Solid Waste .....	32,912	32,912	32,062	(850)
Housing .....	10,267	10,267	10,265	(2)
Workers' Compensation Claims (Third Party) .....	50	50	150	100
Fuel Taxes for Off-Highway Use Vehicles .....				--
Recoveries - Other .....	14	14	96	82
<b>Total Reimbursements and Recoveries .....</b>	<b>89,406</b>	<b>89,406</b>	<b>88,181</b>	<b>(1,225)</b>
<b>INTEREST:</b>				
Interest Earnings:				
Investments .....	13,997	13,997	17,393	3,396
Other Sources .....	--	--	661	661
<b>Total Interest .....</b>	<b>13,997</b>	<b>13,997</b>	<b>18,054</b>	<b>4,057</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>OTHER MISCELLANEOUS:</b>				
<b>Rents:</b>				
<b>Rental Units:</b>				
Rental Units (City Property) .....	192	192	257	65
Rental Units (HCD Property) .....	337	337	263	(74)
Rental - Ambulance Facilities .....	64	64	64	--
<b>Rental of Parks and Recreational Facilities:</b>				
Perquisite Housing .....	23	23	16	(7)
Other .....	--	--	1	1
Rental of Equipment .....	9	9	2	(7)
Rental for Use of Land .....	55	55	61	6
<b>Rental of Other Properties:</b>				
Chinatown Community Service Center .....	--	--	10	10
Telecom Facilities .....	126	126	--	(126)
<b>Total Rents .....</b>	<b>806</b>	<b>806</b>	<b>674</b>	<b>(132)</b>
<b>Concessions:</b>				
Public Pay Phones .....	--	--	1	1
<b>Total Concessions .....</b>	<b>--</b>	<b>--</b>	<b>1</b>	<b>1</b>
<b>Contributions from Private Sources:</b>				
Community Programming .....	--	--	4	4
Developers' Premium .....	50	50	49	(1)
<b>Unclaimed Monies:</b>				
Police Department .....	5	5	--	(5)
Other Escheats .....	499	499	193	(306)
<b>Total Contributions from Private Sources .....</b>	<b>554</b>	<b>554</b>	<b>246</b>	<b>(308)</b>
<b>Other:</b>				
Towing Service Premiums .....	575	575	439	(136)
Vacation Accumulation Deposits .....	25	25	295	270
Miscellaneous Sales .....	151	151	206	55
Sundry Refunds .....	1,145	1,145	1,858	713
Sundry Realizations .....	12	12	470	458
<b>Total Other .....</b>	<b>1,908</b>	<b>1,908</b>	<b>3,268</b>	<b>1,360</b>
<b>Total Other Miscellaneous .....</b>	<b>3,268</b>	<b>3,268</b>	<b>4,189</b>	<b>921</b>
<b>TOTAL MISCELLANEOUS .....</b>	<b>106,671</b>	<b>106,671</b>	<b>110,424</b>	<b>3,753</b>
<b>TOTAL REVENUES .....</b>	<b>1,128,333</b>	<b>1,163,333</b>	<b>1,172,295</b>	<b>8,962</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>OTHER FINANCING SOURCES</b>				
<b>CAPITAL LEASE:</b>				
Inception of Capital Lease .....	--	--	865	865
<b>SALES OF CAPITAL ASSETS:</b>				
Sale of Capital Assets .....	250	250	166	(84)
Compensation for Loss of Fixed Assets .....	--	--	10	10
<b>TOTAL SALES OF CAPITAL ASSETS .....</b>	<b>250</b>	<b>250</b>	<b>176</b>	<b>(74)</b>
<b>TRANSFERS FROM OTHER FUNDS:</b>				
<b>Recovery of Central Administrative Service Expenses:</b>				
Highway Fund .....	8,805	8,805	8,805	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund .....	156	156	156	--
Blkeway Fund .....	56	56	56	--
Sewer Fund .....	7,561	7,561	7,561	--
Liquor Commission Fund .....	218	218	218	--
Rental Assistance Fund .....	12	12	12	--
Hanauma Bay Nature Preserve Fund .....	300	300	300	--
Golf Fund .....	999	999	999	--
Special Events Fund .....	1,021	1,021	1,021	--
Solid Waste Special Fund .....	10,675	10,675	10,675	--
<b>Recovery of Debt Service Charges:</b>				
Highway Fund .....	47,652	47,652	43,722	(3,930)
Hanauma Bay Nature Preserve Fund .....	1,577	1,577	1,577	--
Golf Fund .....	7,796	7,796	7,796	--
Special Events Fund .....	6,218	6,218	6,218	--
<b>Other Transfers:</b>				
Sewer Fund .....	508	508	508	--
Liquor Commission Fund .....	100	100	100	--
Solid Waste Special Fund .....	264	264	264	--
Capital Projects Fund .....	--	--	1,030	1,030
<b>TOTAL TRANSFERS FROM OTHER FUNDS ...</b>	<b>93,918</b>	<b>93,918</b>	<b>91,018</b>	<b>(2,900)</b>
<b>TOTAL OTHER FINANCING SOURCES .....</b>	<b>94,168</b>	<b>94,168</b>	<b>92,059</b>	<b>(2,109)</b>
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,222,501</b>	<b>\$ 1,257,501</b>	<b>\$ 1,264,354</b>	<b>\$ 6,853</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
BALANCE SHEET  
JUNE 30, 2008  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
(Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 27,645	\$ 28,832
Receivables:		
Public Utilities .....	18,088	18,024
Intergovernmental .....	5,853	4,532
Total Assets .....	\$ 51,586	\$ 51,388
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 1,266	\$ 1,079
Due to other fund:		
General Fund .....	4,172	--
General Trust Fund .....	7	--
Accrued payroll .....	458	503
Deferred revenue .....	18,088	18,024
Total Liabilities .....	23,991	19,606
Fund Balance:		
Reserved for encumbrances .....	8,421	4,194
Unreserved - undesignated .....	19,174	27,588
Total Fund Balance .....	27,595	31,782
Total Liabilities and Fund Balance .....	\$ 51,586	\$ 51,388

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(Amounts in thousands)

	2008	2007
<b>Revenues:</b>		
Taxes .....	\$ 86,808	\$ 88,269
Licenses and permits .....	75,456	75,852
Charges for services .....	4,775	5,259
Fines and forfeits .....	48	17
<b>Miscellaneous:</b>		
Reimbursements and recoveries .....	543	310
Other .....	1,797	2,629
Total Revenues .....	169,427	172,336
<b>Expenditures:</b>		
<b>Current:</b>		
General government .....	17,505	15,282
Public safety .....	25,993	24,079
Highways and streets .....	19,695	17,286
Sanitation .....	1	419
Utilities or other enterprises .....	2,611	1,654
<b>Miscellaneous:</b>		
Retirement and health benefits .....	13,260	13,294
Other .....	1,100	841
Capital outlay .....	25	--
Total Expenditures .....	80,190	72,855
Revenues over Expenditures .....	89,237	99,481
<b>Other Financing Sources (Uses):</b>		
Sales of general fixed assets .....	184	351
Transfers out .....	(93,608)	(94,658)
Total Other Financing Sources (Uses) .....	(93,424)	(94,307)
Revenues and Other Sources over (under) Expenditures and Other Uses .....	(4,187)	5,174
Fund Balance - July 1 .....	31,782	26,608
Fund Balance - June 30 .....	\$ 27,595	\$ 31,782

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 92,075	\$ 92,075	\$ 86,808	\$ (5,267)
Licenses and permits .....	68,269	68,269	75,456	7,187
Intergovernmental .....	480	480	--	(480)
Charges for services .....	4,773	4,773	4,775	2
Fines and forfeits .....	80	80	48	(32)
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	366	366	543	177
Other .....	1,803	1,803	1,797	(6)
<b>Total Revenues .....</b>	<b>167,846</b>	<b>167,846</b>	<b>169,427</b>	<b>1,581</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Design and Construction .....	5,571	5,571	4,707	864
Facility Maintenance .....	11,009	11,009	10,599	410
Planning and Permitting .....	2,149	2,245	1,889	356
<b>Total General government .....</b>	<b>18,729</b>	<b>18,825</b>	<b>17,195</b>	<b>1,630</b>
<b>Public safety:</b>				
Police .....	20,410	20,868	20,868	--
Transportation Services .....	4,692	4,887	4,624	263
<b>Total Public safety .....</b>	<b>25,102</b>	<b>25,755</b>	<b>25,492</b>	<b>263</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	20,508	21,014	20,817	197
<b>Utilities or other enterprises:</b>				
Transportation Services .....	2,997	3,065	2,844	221
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	12,866	13,260	13,260	--
<b>Other:</b>				
Provisional .....	3,458	1,741	1,100	641
<b>Total Miscellaneous .....</b>	<b>16,324</b>	<b>15,001</b>	<b>14,360</b>	<b>641</b>
<b>Capital Improvements:</b>				
Budget and Fiscal Services .....	3,699	3,699	3,699	--
<b>Total Expenditures .....</b>	<b>87,359</b>	<b>87,359</b>	<b>84,407</b>	<b>2,952</b>
<b>Revenues over Expenditures .....</b>	<b>80,487</b>	<b>80,487</b>	<b>85,020</b>	<b>4,533</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts In thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Other Financing Source (Uses):</b>				
Sales of capital assets .....	256	256	184	(72)
<b>Transfers out:</b>				
Debt service .....	(47,652)	(47,652)	(43,722)	3,930
Reimbursement for central administrative service expenses .....	(8,805)	(8,805)	(8,805)	--
Other post-employment benefits .....	(4,728)	(4,728)	(4,728)	--
Bus subsidy .....	<u>(36,352)</u>	<u>(36,352)</u>	<u>(36,353)</u>	<u>(1)</u>
Total Transfers out.....	<u>(97,537)</u>	<u>(97,537)</u>	<u>(93,608)</u>	<u>3,929</u>
Total Other Financing Source (Uses) .....	<u>(97,281)</u>	<u>(97,281)</u>	<u>(93,424)</u>	<u>3,857</u>
Revenues and Other Source under Expenditures and Other Uses .....	(16,794)	(16,794)	(8,404)	8,390
Unreserved - Undesignated Fund Balance - July 1 .....	<u>16,794</u>	<u>16,794</u>	<u>27,588</u>	<u>10,794</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	<u>\$ --</u>	<u>\$ --</u>	19,184	<u>\$ 19,184</u>
<b>Adjustments to conform with generally accepted accounting principles:</b>				
Encumbrances included above .....			7,340	
Expenditures - prior year encumbrances .....			(3,095)	
Accrued expenditures .....			(28)	
Increase in reserved for encumbrances .....			<u>(4,227)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			19,174	
Reserved for Encumbrances - June 30 .....			<u>8,421</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 27,595</u>	



CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 3)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>TAXES</u></b>			
<b>GROSS RECEIPTS BUSINESS TAXES:</b>			
Public Utility Franchise Tax .....	\$ 38,388	\$ 36,175	\$ (2,213)
<b>SELECTIVE SALES AND USE TAXES:</b>			
Fuel Tax .....	<u>53,687</u>	<u>50,633</u>	<u>(3,054)</u>
<b>TOTAL TAXES .....</b>	<b><u>92,075</u></b>	<b><u>86,808</u></b>	<b><u>(5,267)</u></b>
<b><u>LICENSES AND PERMITS</u></b>			
<b>NON-BUSINESS LICENSES AND PERMITS:</b>			
<b>Building Structures and Equipment Permits -</b>			
Grading, Excavations and Fills .....	250	330	80
Other Permits .....	7	6	(1)
<b>Motor Vehicle Licenses and Fees -</b>			
Motor Vehicle Weight Tax .....	65,363	71,873	6,510
Other Vehicle Licenses and Fees .....	2,302	2,915	613
Street and Sidewalk Use .....	8	11	3
Freight Curb and Passenger Loading Zone Permits .....	254	252	(2)
Excavation and Repair of Streets and Sidewalks .....	<u>85</u>	<u>69</u>	<u>(16)</u>
<b>TOTAL LICENSES AND PERMITS .....</b>	<b><u>68,269</u></b>	<b><u>75,456</u></b>	<b><u>7,187</u></b>
<b><u>INTERGOVERNMENTAL</u></b>			
<b>FEDERAL GRANTS:</b>			
Federal Agencies Grants .....	<u>480</u>	<u>--</u>	<u>(480)</u>
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>480</u></b>	<b><u>--</u></b>	<b><u>(480)</u></b>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>GENERAL GOVERNMENT:</b>			
Sidewalk and Driveway Specifications Filing Fees .....	15	10	(5)
<b>HIGHWAYS AND STREETS:</b>			
Street and Sidewalk Charges .....	43	67	24
Street Parking Meter Collections .....	3,400	3,264	(136)
Other Parking Meter Collections .....	1,303	1,386	83
Other .....	<u>12</u>	<u>48</u>	<u>36</u>
<b>Total Highways and Streets .....</b>	<b><u>4,758</u></b>	<b><u>4,765</u></b>	<b><u>7</u></b>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b><u>4,773</u></b>	<b><u>4,775</u></b>	<b><u>2</u></b>
<b><u>FINES AND FORFEITS</u></b>			
<b>FINES:</b>			
Fines .....	<u>80</u>	<u>48</u>	<u>(32)</u>
<b>TOTAL FINES AND FORFEITS .....</b>	<b><u>80</u></b>	<b><u>48</u></b>	<b><u>(32)</u></b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 3)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Reimbursement from State for			
Traffic Signal Maintenance .....	350	502	152
Recovery of Overhead Charges .....	11	28	17
Recovery of Overtime Inspection .....	5	13	8
<b>Total Reimbursements and Recoveries .....</b>	<b>366</b>	<b>543</b>	<b>177</b>
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Rental for Use of Land .....	60	41	(19)
<b>Total Rents .....</b>	<b>60</b>	<b>41</b>	<b>(19)</b>
Concessions:			
Kekaulike Parking Lot .....	59	6	(53)
Marin Towers Garage .....	378	411	33
Harbor Court Garage .....	391	379	(12)
Kaimuki Parking Lot .....	--	24	24
Kukui Plaza Garage .....	710	758	48
Smith-Beretania Garage .....	125	87	(38)
<b>Total Concessions .....</b>	<b>1,663</b>	<b>1,665</b>	<b>2</b>
Contributions from Private Sources:			
Developers'/Utilities'/Others'			
Share of Construction .....	2	--	(2)
<b>Total Contributions from Private Sources .....</b>	<b>2</b>	<b>--</b>	<b>(2)</b>
Other:			
Vacation Accumulation Deposits .....	4	56	52
Miscellaneous Sales .....	10	7	(3)
Ferry Fares .....	--	14	14
Sundry Refunds .....	64	14	(50)
<b>Total Other .....</b>	<b>78</b>	<b>91</b>	<b>13</b>
<b>Total Other Miscellaneous .....</b>	<b>1,803</b>	<b>1,797</b>	<b>(6)</b>
<b>TOTAL MISCELLANEOUS .....</b>	<b>2,169</b>	<b>2,340</b>	<b>171</b>
<b>TOTAL REVENUES .....</b>	<b>167,846</b>	<b>169,427</b>	<b>1,581</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 3 of 3)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
<b>SALES OF CAPITAL ASSETS:</b>			
Sales of Capital Assets .....	25	--	(25)
Compensation for Loss of Capital Assets .....	<u>231</u>	<u>184</u>	<u>(47)</u>
 TOTAL OTHER FINANCING SOURCES .....	 <u>256</u>	 <u>184</u>	 <u>(72)</u>
 TOTAL HIGHWAY FUND .....	 <u>\$ 168,102</u>	 <u>\$ 169,611</u>	 <u>\$ 1,509</u>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED  
VEHICLES REVOLVING FUND**

BALANCE SHEET  
JUNE 30, 2008  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
(Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,841	\$ 1,267
Total Asset .....	\$ 1,841	\$ 1,267
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 55	\$ 7
Due to other fund:		
General Fund .....	11	--
Accrued payroll .....	7	8
Total Liabilities .....	73	15
Fund Balance:		
Reserved for encumbrances .....	482	262
Unreserved - undesignated .....	1,286	990
Total Fund Balance .....	1,768	1,252
Total Liabilities and Fund Balance .....	\$ 1,841	\$ 1,267

CITY AND COUNTY OF HONOLULU  
**HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED  
VEHICLES REVOLVING FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts In thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>				
Charges for services .....	\$ 2,983	\$ 2,983	\$ 3,141	\$ 158
<b>Total Revenue</b> .....	<b>2,983</b>	<b>2,983</b>	<b>3,141</b>	<b>158</b>
<b>Expenditure:</b>				
<b>Current:</b>				
General government:				
Customer Services .....	2,574	2,614	2,208	406
<b>Miscellaneous:</b>				
Retirement and health benefits:				
Provisional .....	362	375	362	13
<b>Other:</b>				
Provisional .....	66	13	--	13
<b>Total Miscellaneous</b> .....	<b>428</b>	<b>388</b>	<b>362</b>	<b>26</b>
<b>Total Expenditure</b> .....	<b>3,002</b>	<b>3,002</b>	<b>2,570</b>	<b>432</b>
Revenues over (under) Expenditure .....	(19)	(19)	571	590
<b>Other Financing Source (Uses):</b>				
Transfer in .....	250	250	--	(250)
<b>Transfers out:</b>				
Reimbursement for central administrative service expenses .....	(156)	(156)	(156)	--
Other post-employment benefits .....	(120)	(120)	(120)	--
<b>Total Other Financing Source (Uses)</b> .....	<b>(26)</b>	<b>(26)</b>	<b>(276)</b>	<b>(250)</b>
Revenue and Other Source over (under) Expenditures and Other Uses .....	(45)	(45)	295	340
Unreserved - Undesignated Fund Balance - July 1 .....	45	45	990	945
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	\$ --	1,285	\$ 1,285
<b>Adjustments to conform with generally accepted accounting principles:</b>				
Encumbrances Included above .....			319	
Expenditures - prior year encumbrances .....			(98)	
Increase in reserved for encumbrances .....			(220)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			1,286	
Reserved for Encumbrances - June 30 .....			482	
Fund Balance - June 30 (GAAP Basis) .....			\$ 1,768	

CITY AND COUNTY OF HONOLULU  
**HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED  
VEHICLES REVOLVING FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>HIGHWAYS AND STREETS:</b>			
Highway Beautification Fees .....	\$ 2,983	\$ 3,141	\$ 158
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	250	--	(250)
<b>TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND .....</b>	<b>\$ 3,233</b>	<b>\$ 3,141</b>	<b>\$ (92)</b>

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 806	\$ 834
Due from other fund:		
Capital Projects Fund .....	421	--
<b>Total Assets .....</b>	<b>\$ 1,227</b>	<b>\$ 834</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 32	\$ --
Accrued payroll .....	--	1
<b>Total Liabilities .....</b>	<b>32</b>	<b>1</b>
Fund Balance:		
Reserved for encumbrances .....	613	19
Unreserved - undesignated .....	582	814
<b>Total Fund Balance .....</b>	<b>1,195</b>	<b>833</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 1,227</b>	<b>\$ 834</b>

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Licenses and permits .....	\$ 455	\$ 420	\$ (35)
<b>Miscellaneous:</b>			
Other .....	--	19	19
<b>Total Revenues</b> .....	<b>455</b>	<b>439</b>	<b>(16)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public safety:</b>			
Transportation Services .....	384	323	61
<b>Highways and streets:</b>			
Facility Maintenance .....	10	4	6
<b>Culture-recreation:</b>			
Parks and Recreation .....	30	10	20
<b>Capital Improvements:</b>			
<b>Highways and streets:</b>			
Transportation Services .....	700	700	--
<b>Total Expenditures</b> .....	<b>1,124</b>	<b>1,037</b>	<b>87</b>
Revenue under Expenditures .....	<b>(669)</b>	<b>(598)</b>	<b>71</b>
<b>Other Financing Source (Uses):</b>			
Transfer in .....	--	421	421
<b>Transfers out:</b>			
Reimbursement for central administrative service expenses .....	(56)	(56)	--
<b>Total Other Financing Source (Uses)</b> .....	<b>(56)</b>	<b>365</b>	<b>421</b>
Revenue and Other Source under Expenditures and Other Uses .....	(725)	(233)	492
Unreserved - Undesignated Fund Balance - July 1 .....	730	814	84
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 5	581	\$ 576
<b>Adjustments to conform with generally accepted accepted accounting principles:</b>			
Encumbrances included above .....		613	
Expenditures - prior year encumbrances .....		(18)	
Increase in reserved for encumbrances .....		(594)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		582	
Reserved for Encumbrances - June 30 .....		613	
<b>Fund Balance - June 30 (GAAP Basis)</b> .....		<b>\$ 1,195</b>	



CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>LICENSES AND PERMITS</b>			
<b>NON-BUSINESS LICENSES AND PERMITS:</b>			
Other Vehicle Licenses and Fees -			
Bicycle Licenses .....	\$ 455	\$ 420	\$ (35)
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Other:			
Vacation Accumulation Deposits .....	--	19	19
<b>TOTAL REVENUES .....</b>	<b>455</b>	<b>439</b>	<b>(16)</b>
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
Capital Projects Fund .....	--	421	421
<b>TOTAL OTHER FINANCING SOURCE .....</b>	<b>--</b>	<b>421</b>	<b>421</b>
<b>TOTAL BIKEWAY FUND .....</b>	<b>\$ 455</b>	<b>\$ 860</b>	<b>\$ 405</b>

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 3,339	\$ 2,467
Due from other fund:		
Capital Projects Fund .....	910	--
<b>Total Assets .....</b>	<b>\$ 4,249</b>	<b>\$ 2,467</b>
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Accounts payable .....	\$ 20	\$ --
<b>Total Liability .....</b>	<b>20</b>	<b>--</b>
Fund Balance:		
Reserved for encumbrances .....	1,516	--
Unreserved - undesignated .....	2,713	2,467
<b>Total Fund Balance .....</b>	<b>4,229</b>	<b>2,467</b>
<b>Total Liability and Fund Balance .....</b>	<b>\$ 4,249</b>	<b>\$ 2,467</b>

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Other .....	\$ --	\$ 917	\$ 917
Total Revenue .....	--	917	917
<b>Expenditures:</b>			
<b>Capital improvements:</b>			
Budget and Fiscal Services .....	1	1	--
Design and Construction .....	1,580	1,580	--
Total Expenditures .....	1,581	1,581	--
Revenue under Expenditures .....	(1,581)	(664)	917
<b>Other Financing Source:</b>			
Transfer In .....	--	910	910
Revenue and Other Source over (under) Expenditures .....	(1,581)	246	1,827
Unreserved - Undesignated Fund Balance - July 1 .....	2,071	2,467	396
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 490	2,713	\$ 2,223
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		1,516	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		(1,516)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		2,713	
Reserved for Encumbrances - June 30 .....		1,516	
Fund Balance - June 30 (GAAP Basis) .....		\$ 4,229	

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Contributions from Private Sources:			
Subdividers' Contributions for Parks and Playgrounds .....	\$ --	\$ 917	\$ 917
<b>TOTAL REVENUE .....</b>	<b>---</b>	<b>917</b>	<b>917</b>
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer - Capital Projects Fund .....	--	910	910
<b>TOTAL OTHER FINANCING SOURCE .....</b>	<b>---</b>	<b>910</b>	<b>910</b>
<b>TOTAL PARKS AND PLAYGROUNDS FUND .....</b>	<b>\$ --</b>	<b>\$ 1,827</b>	<b>\$ 1,827</b>

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 2,375	\$ 2,277
Total Asset .....	\$ 2,375	\$ 2,277
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 37	\$ 7
Accrued payroll .....	35	24
Due to other fund:		
General Fund .....	2	--
Total Liabilities .....	74	31
Fund Balance:		
Reserved for encumbrances .....	146	156
Unreserved - undesignated .....	2,155	2,090
Total Fund Balance .....	2,301	2,246
Total Liabilities and Fund Balance .....	\$ 2,375	\$ 2,277

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Licenses and permits .....	\$ 3,698	\$ 3,698	\$ 3,654	\$ (44)
Charges for services .....	127	127	123	(4)
Fines and forfeits .....	200	200	258	58
Total Revenues .....	<u>4,025</u>	<u>4,025</u>	<u>4,035</u>	<u>10</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	3,136	3,136	2,695	441
Corporation Counsel .....	64	64	57	7
Information Technology .....	48	50	50	--
Total General government .....	<u>3,248</u>	<u>3,250</u>	<u>2,802</u>	<u>448</u>
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	663	663	622	41
<b>Other:</b>				
Provisional .....	154	152	43	109
Total Miscellaneous .....	<u>817</u>	<u>815</u>	<u>665</u>	<u>150</u>
<b>Capital Improvements:</b>				
Budget and Fiscal Services .....	32	32	32	--
Total Expenditures .....	<u>4,097</u>	<u>4,097</u>	<u>3,499</u>	<u>598</u>
Revenues over (under) Expenditures .....	<u>(72)</u>	<u>(72)</u>	<u>536</u>	<u>608</u>
<b>Other Financing Uses:</b>				
<b>Transfers out:</b>				
Reimbursement for central administrative service expenses .....	(218)	(218)	(218)	--
Other post-employment benefits .....	(180)	(180)	(180)	--
Other .....	(100)	(100)	(100)	--
Total Other Financing Uses .....	<u>(498)</u>	<u>(498)</u>	<u>(498)</u>	<u>--</u>
Revenues over (under) Expenditures and Other Uses	(570)	(570)	38	608
Unreserved - Undesignated Fund Balance - July 1 .....	<u>869</u>	<u>869</u>	<u>2,090</u>	<u>1,221</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 299</u>	<u>\$ 299</u>	<u>2,128</u>	<u>\$ 1,829</u>

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			134	
Expenditures - prior year encumbrances .....			(117)	
Decrease in reserved for encumbrances .....			<u>10</u>	
 Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			 2,155	
 Reserved for Encumbrances - June 30 .....			 <u>146</u>	
 Fund Balance - June 30 (GAAP Basis) .....			 <u>\$ 2,301</u>	

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>LICENSES AND PERMITS</b>			
<b>BUSINESS LICENSES AND PERMITS:</b>			
Alcoholic Licenses and Permits .....	\$ 3,698	\$ 3,654	\$ (44)
<b>CHARGES FOR SERVICES</b>			
<b>GENERAL GOVERNMENT:</b>			
Charges for Publications, Reports, Copies, etc. ....	4	6	2
Fees:			
Charge for Photo I.D. ....	120	114	(6)
Other .....	3	3	--
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>127</b>	<b>123</b>	<b>(4)</b>
<b>FINES AND FORFEITS</b>			
<b>FINES:</b>			
Fines - Liquor Commission .....	200	258	58
<b>TOTAL LIQUOR COMMISSION FUND REVENUES .....</b>	<b>\$ 4,025</b>	<b>\$ 4,035</b>	<b>\$ 10</b>



CITY AND COUNTY OF HONOLULU  
**OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 40,334	\$ --
Total Asset .....	\$ 40,334	\$ --
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Due to other fund:		
Transit Fund .....	\$ 224	\$ --
Total Liability .....	224	--
Fund Balance:		
Unreserved - undesignated .....	40,110	--
Total Fund Balance .....	40,110	--
Total Liability and Fund Balance .....	\$ 40,334	\$ --

CITY AND COUNTY OF HONOLULU  
**OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Interest .....	\$ --	\$ 323	\$ 323
<b>Total Revenue</b> .....	<u>--</u>	<u>323</u>	<u>323</u>
<b>Other Financing Source:</b>			
Transfer In .....	40,011	39,787	(224)
<b>Total Other Financing Source (Uses)</b> .....	<u>40,011</u>	<u>39,787</u>	<u>(224)</u>
<b>Revenue and Other Source</b> .....	40,011	40,110	99
<b>Unreserved - Undesignated Fund Balance - July 1</b> .....	<u>--</u>	<u>--</u>	<u>--</u>
<b>Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)</b> .....	<u>\$ 40,011</u>	40,110	<u>\$ 99</u>
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		<u>--</u>	
<b>Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)</b> .....		40,110	
<b>Reserved for Encumbrances - June 30</b> .....		<u>--</u>	
<b>Fund Balance - June 30 (GAAP Basis)</b> .....		<u>\$ 40,110</u>	

CITY AND COUNTY OF HONOLULU  
**OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$     --	\$    323	\$    323
<b>TOTAL REVENUE .....</b>	<b>          --</b>	<b>      323</b>	<b>      323</b>
<b>OTHER FINANCING SOURCES</b>			
<b>TRANSFERS FROM OTHER FUNDS:</b>			
Other Transfers:			
General Fund .....	25,152	25,152	--
Highway Fund .....	4,728	4,728	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund .....	120	120	--
Sewer Fund .....	3,875	3,875	--
Liquor Commission Fund .....	180	180	--
Hanauma Bay Nature Preserve Fund .....	204	204	--
Solid Waste Special Fund .....	3,977	3,977	--
Transit Fund .....	233	9	(224)
Golf Fund .....	715	715	--
Special Events Fund .....	827	827	--
<b>TOTAL TRANSFERS FROM OTHER FUNDS ....</b>	<b>40,011</b>	<b>39,787</b>	<b>(224)</b>
<b>TOTAL OTHER FINANCING SOURCES .....</b>	<b>40,011</b>	<b>39,787</b>	<b>(224)</b>
<b>TOTAL OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND .....</b>	<b>\$ 40,011</b>	<b>\$ 40,110</b>	<b>\$ 99</b>

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 991	\$ 836
Total Asset .....	\$ 991	\$ 836
<b><u>FUND BALANCE</u></b>		
Fund Balance:		
Reserved for encumbrances .....	\$ 5	\$ --
Unreserved - undesignated .....	986	836
Total Fund Balance .....	\$ 991	\$ 836

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Other .....	\$ 233	\$ 303	\$ 70
Total Revenue .....	233	303	70
<b>Expenditure:</b>			
<b>Current:</b>			
<b>Human services:</b>			
Community Services .....	233	141	92
Total Expenditure .....	233	141	92
Revenue over Expenditure .....	--	162	162
<b>Other Financing Use:</b>			
<b>Transfer out:</b>			
Reimbursement for central administrative service expenses .....	(12)	(12)	--
Revenue over (under) Expenditure and Other Use ....	(12)	150	162
Unreserved - Undesignated Fund Balance - July 1 .....	517	836	319
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 505	986	\$ 481
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		5	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		(5)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		986	
Reserved for Encumbrances - June 30 .....		5	
Fund Balance - June 30 (GAAP Basis) .....		\$ 991	

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Rental of Parking Stalls .....	\$       --	\$     303	\$     303
Rental of Other City Facilities .....	<u>      233</u>	<u>      --</u>	<u>   (233)</u>
 TOTAL RENTAL ASSISTANCE FUND REVENUE .....	 <u>      233</u>	 <u>      303</u>	 <u>      70</u>

CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 34	\$ 36
Total Asset .....	\$ 34	\$ 36
<b><u>FUND BALANCE</u></b>		
Fund Balance:		
Reserved for encumbrances .....	--	3
Unreserved - undesignated .....	\$ 34	\$ 33
Total Fund Balance .....	\$ 34	\$ 36

CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
Miscellaneous:			
Other .....	\$       --	\$        4	\$        4
<b>Total Revenue</b> .....	--	4	4
<b>Expenditure:</b>			
Current:			
Culture-recreation:			
Enterprise Services .....	10	3	7
Revenue over (under) Expenditure .....	(10)	1	11
Unreserved - Undesignated Fund Balance - July 1 .....	10	33	23
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$       --	34	\$       34
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		(3)	
Decrease in reserved for encumbrances .....		3	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		34	
Reserved for Encumbrances - June 30 .....		--	
<b>Fund Balance - June 30 (GAAP Basis)</b> .....		\$       34	



CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Other:			
Sale of Animals .....	\$           --	\$           4	\$           4
<b>TOTAL ZOO ANIMAL PURCHASE FUND REVENUE .....</b>	<b>\$           --</b>	<b>\$           4</b>	<b>\$           4</b>

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 3,788	\$ 3,573
Total Asset .....	\$ 3,788	\$ 3,573
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 508	\$ 9
Accrued payroll .....	17	14
Total Liabilities .....	525	23
Fund Balance:		
Reserved for encumbrances .....	424	130
Unreserved - undesignated .....	2,839	3,420
Total Fund Balance .....	3,263	3,550
Total Liabilities and Fund Balance .....	\$ 3,788	\$ 3,573

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Charges for services .....	\$ 3,200	\$ 3,200	\$ 3,292	\$ 92
Miscellaneous:				
Other .....	1,137	1,137	1,251	114
<b>Total Revenues .....</b>	<b>4,337</b>	<b>4,337</b>	<b>4,543</b>	<b>206</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Emergency Services .....	737	737	734	3
<b>Culture-recreation:</b>				
Enterprise Services .....	15	15	--	15
Parks and Recreation .....	2,873	2,909	2,482	427
<b>Total Culture-recreation .....</b>	<b>2,888</b>	<b>2,924</b>	<b>2,482</b>	<b>442</b>
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	540	540	490	50
<b>Other:</b>				
Provisional .....	58	22	--	22
<b>Total Miscellaneous .....</b>	<b>598</b>	<b>562</b>	<b>490</b>	<b>72</b>
<b>Capital improvements:</b>				
Budget and Fiscal Services .....	10	10	10	--
<b>Total Expenditures .....</b>	<b>4,233</b>	<b>4,233</b>	<b>3,716</b>	<b>517</b>
<b>Revenues over Expenditures .....</b>	<b>104</b>	<b>104</b>	<b>827</b>	<b>723</b>
<b>Other Financing Source (Uses):</b>				
Transfer in .....	667	667	667	--
<b>Transfers out:</b>				
Debt service .....	(1,577)	(1,577)	(1,577)	--
Reimbursement for central administrative service expenses .....	(300)	(300)	(300)	--
Other post-employment benefits .....	(204)	(204)	(204)	--
<b>Total Transfers out .....</b>	<b>(2,081)</b>	<b>(2,081)</b>	<b>(2,081)</b>	<b>--</b>
<b>Total Other Financing Source (Uses) .....</b>	<b>(1,414)</b>	<b>(1,414)</b>	<b>(1,414)</b>	<b>--</b>
<b>Revenues and Other Source   under Expenditures and Other Uses .....</b>	<b>(1,310)</b>	<b>(1,310)</b>	<b>(587)</b>	<b>723</b>
<b>Unreserved - Undesignated Fund Balance - July 1 .....</b>	<b>3,613</b>	<b>3,613</b>	<b>3,420</b>	<b>(193)</b>
<b>Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....</b>	<b>\$ 2,303</b>	<b>\$ 2,303</b>	<b>2,833</b>	<b>\$ 530</b>

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			410	
Expenditures - prior year encumbrances .....			(110)	
Increase in reserved for encumbrances .....			<u>(294)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			2,839	
Reserved for Encumbrances - June 30 .....			<u>424</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u><u>\$ 3,263</u></u>	

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>HIGHWAYS AND STREETS:</b>			
Hanauma Bay Parking .....	\$ 200	\$ 220	\$ 20
<b>CULTURE-RECREATION:</b>			
Miscellaneous:			
Hanauma Bay Admission Fee .....	<u>3,000</u>	<u>3,072</u>	<u>72</u>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b><u>3,200</u></b>	<b><u>3,292</u></b>	<b><u>92</u></b>
<b><u>MISCELLANEOUS</u></b>			
<b>OTHER MISCELLANEOUS:</b>			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession .....	48	56	8
Hanauma Beach Park Concession .....	261	274	13
Hanauma Shuttle Bus Service .....	38	38	--
Hanauma Snorkling Rental .....	790	861	71
Vacation Accumulation Deposits .....	<u>--</u>	<u>22</u>	<u>22</u>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>1,137</u></b>	<b><u>1,251</u></b>	<b><u>114</u></b>
<b>TOTAL REVENUES .....</b>	<b><u>4,337</u></b>	<b><u>4,543</u></b>	<b><u>206</u></b>
<b><u>OTHER FINANCING SOURCE</u></b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	<u>667</u>	<u>667</u>	<u>--</u>
<b>TOTAL HANAUMA BAY NATURE PRESERVE FUND .....</b>	<b><u>\$ 5,004</u></b>	<b><u>\$ 5,210</u></b>	<b><u>\$ 206</u></b>

CITY AND COUNTY OF HONOLULU  
**RESERVE FOR FISCAL STABILITY FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 18,098	\$ 10,034
Total Asset .....	\$ 18,098	\$ 10,034
<b><u>FUND BALANCE</u></b>		
Fund Balance:		
Unreserved - undesignated .....	\$ 18,098	\$ 10,034
Total Fund Balance .....	\$ 18,098	\$ 10,034

CITY AND COUNTY OF HONOLULU  
**RESERVE FOR FISCAL STABILITY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Interest .....	\$ 593	\$ 564	\$ (29)
<b>Other Financing Source:</b>			
Transfer in .....	<u>7,500</u>	<u>7,500</u>	<u>--</u>
Revenue and Other Source .....	8,093	8,064	(29)
Unreserved - Undesignated Fund Balance - July 1 .....	<u>10,034</u>	<u>10,034</u>	<u>--</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 18,127</u>	18,098	<u>\$ (29)</u>
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		18,098	
Reserved for Encumbrances - June 30 .....		<u>--</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 18,098</u>	

CITY AND COUNTY OF HONOLULU  
**RESERVE FOR FISCAL STABILITY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$ 593	\$ 564	\$ (29)
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	<u>7,500</u>	<u>7,500</u>	<u>--</u>
<b>TOTAL RESERVE FOR FISCAL STABILITY FUND ...</b>	<b><u>\$ 8,093</u></b>	<b><u>\$ 8,064</u></b>	<b><u>\$ (29)</u></b>



CITY AND COUNTY OF HONOLULU  
**CLEAN WATER AND NATURAL LANDS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 3,928	\$ --
Total Asset .....	\$ 3,928	\$ --
<b><u>FUND BALANCE</u></b>		
Fund Balance:		
Unreserved - undesignated .....	\$ 3,928	\$ --
Total Fund Balance .....	\$ 3,928	\$ --

CITY AND COUNTY OF HONOLULU  
**CLEAN WATER AND NATURAL LANDS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Interest .....	\$ --	\$ 31	\$ 31
<b>Other Financing Source:</b>			
Transfer In .....	3,897	3,897	--
Revenues and Other Source .....	3,897	3,928	31
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 3,897	3,928	\$ 31
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		3,928	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		\$ 3,928	

CITY AND COUNTY OF HONOLULU  
**CLEAN WATER AND NATURAL LANDS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$       --	\$       31	\$       31
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	<u>3,897</u>	<u>3,897</u>	<u>    --</u>
<b>TOTAL CLEAN WATER AND NATURAL LANDS FUND .....</b>	<b><u>\$   3,897</u></b>	<b><u>\$   3,928</u></b>	<b><u>\$       31</u></b>

CITY AND COUNTY OF HONOLULU  
**AFFORDABLE HOUSING FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 3,928	\$ --
Total Asset .....	\$ 3,928	\$ --
<b><u>FUND BALANCE</u></b>		
Fund Balance:		
Unreserved - undesignated .....	\$ 3,928	\$ --
Total Fund Balance .....	\$ 3,928	\$ --

CITY AND COUNTY OF HONOLULU  
**AFFORDABLE HOUSING FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Interest .....	\$ --	\$ 31	\$ 31
<b>Other Financing Source:</b>			
Transfer in .....	3,897	3,897	--
Revenues and Other Source .....	3,897	3,928	31
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 3,897	3,928	\$ 31
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		3,928	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		\$ 3,928	

CITY AND COUNTY OF HONOLULU  
**AFFORDABLE HOUSING FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>MISCELLANEOUS</u></b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$       --	\$       31	\$       31
 <b><u>OTHER FINANCING SOURCE</u></b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	<u>3,897</u>	<u>3,897</u>	<u>    --</u>
 <b>TOTAL AFFORDABLE HOUSING FUND .....</b>	 <b><u>\$   3,897</u></b>	 <b><u>\$   3,928</u></b>	 <b><u>\$       31</u></b>

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 103	\$ 135
Receivables:		
Loans .....	160	180
Intergovernmental .....	627	717
Due from other fund:		
Federal Grants Capital Projects Fund .....	19	--
Total Assets .....	\$ 909	\$ 1,032
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 759	\$ 703
Deferred revenue .....	454	180
Total Liabilities .....	1,213	883
Fund Balance:		
Reserved for encumbrances .....	10,372	9,776
Unreserved - undesignated .....	(10,676)	(9,627)
Total Fund Balance .....	(304)	149
Total Liabilities and Fund Balance .....	\$ 909	\$ 1,032

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
Intergovernmental .....	\$ 10,537	\$ 9,013	\$ (1,524)
<b>Total Revenue</b> .....	<b>10,537</b>	<b>9,013</b>	<b>(1,524)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General government:</b>			
Budget and Fiscal Services .....	774	630	144
Design and Construction .....	83	40	43
<b>Total General government</b> .....	857	670	187
<b>Human services:</b>			
Community Services .....	1,250	914	336
<b>Capital improvements:</b>			
Community Services .....	9,140	9,140	--
<b>Total Expenditures</b> .....	<b>11,247</b>	<b>10,724</b>	<b>523</b>
Revenue under Expenditures .....	(710)	(1,711)	(1,001)
Unreserved - Undesignated Fund Balance - July 1 .....	710	(9,627)	(10,337)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	(11,338)	\$ (11,338)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		6,226	
Expenditures - prior year encumbrances .....		(4,968)	
Increase in reserved for encumbrances .....		(596)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		(10,676)	
Reserved for Encumbrances - June 30 .....		10,372	
Fund Balance - June 30 (GAAP Basis) .....		\$ (304)	



CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>			
<b><u>FEDERAL GRANTS:</u></b>			
Community Development Block Grant .....	\$ 10,537	\$ 8,981	\$ (1,556)
Home Grant .....	<u>    --</u>	<u>    32</u>	<u>    32</u>
 TOTAL REVENUES .....	 <u>\$ 10,537</u>	 <u>\$ 9,013</u>	 <u>\$ (1,524)</u>

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 3,433	\$ 3,501
Total Asset .....	\$ 3,433	\$ 3,501
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 225	\$ 60
Due to other fund:		
General Fund .....	4	--
Accrued payroll .....	86	70
Total Liabilities .....	315	130
Fund Balance:		
Reserved for encumbrances .....	1,035	1,013
Unreserved - undesignated .....	2,083	2,358
Total Fund Balance .....	3,118	3,371
Total Liabilities and Fund Balance .....	\$ 3,433	\$ 3,501

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Charges for services .....	\$ 5,379	\$ 5,379	\$ 5,292	\$ (87)
Miscellaneous:				
Other .....	3,339	3,339	3,366	27
<b>Total Revenues .....</b>	<b>8,718</b>	<b>8,718</b>	<b>8,658</b>	<b>(60)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Culture-recreation:</b>				
Enterprise Services .....	9,299	9,514	8,476	1,038
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	1,787	1,800	1,800	--
<b>Other:</b>				
Provisional .....	307	79	25	54
<b>Total Miscellaneous .....</b>	<b>2,094</b>	<b>1,879</b>	<b>1,825</b>	<b>54</b>
<b>Total Expenditures .....</b>	<b>11,393</b>	<b>11,393</b>	<b>10,301</b>	<b>1,092</b>
Revenues under Expenditures .....	(2,675)	(2,675)	(1,643)	1,032
<b>Other Finance Sources (Uses):</b>				
Transfer in .....	10,876	10,876	10,876	--
<b>Transfers out:</b>				
Debt service .....	(7,796)	(7,796)	(7,796)	--
Reimbursement for central administrative service expenses .....	(999)	(999)	(999)	--
Other post-employment benefits .....	(715)	(715)	(715)	--
<b>Total Other Financing Sources (Uses) .....</b>	<b>1,366</b>	<b>1,366</b>	<b>1,366</b>	<b>--</b>
Revenues and Other Sources under Expenditures and Other Uses .....	(1,309)	(1,309)	(277)	1,032
Unreserved - Undesignated Fund Balance - July 1 .....	1,309	1,309	2,358	1,049
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	\$ --	2,081	\$ 2,081

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Adjustments to conform with generally accepted accounting principles:</b>				
Encumbrances included above .....			372	
Expenditures - prior year encumbrances .....			(348)	
Increase in reserved for encumbrances .....			<u>(22)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			2,083	
Reserved for Encumbrances - June 30 .....			<u>1,035</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 3,118</u>	

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>CULTURE-RECREATION:</b>			
Golf Course Fees .....	\$ 5,379	\$ 5,292	\$ (87)
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>5,379</b>	<b>5,292</b>	<b>(87)</b>
<b><u>MISCELLANEOUS</u></b>			
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Golf Cart Rentals .....	2,694	2,717	23
<b>Total Rents .....</b>	<b>2,694</b>	<b>2,717</b>	<b>23</b>
Concessions:			
Food Concession - Golf Courses .....	111	136	25
Golf Course - Pro Shops .....	10	10	--
Golf Course - Driving Range .....	524	502	(22)
<b>Total Concessions .....</b>	<b>645</b>	<b>648</b>	<b>3</b>
Other:			
Sundry Refunds .....	--	1	1
<b>TOTAL MISCELLANEOUS .....</b>	<b>3,339</b>	<b>3,366</b>	<b>27</b>
<b>TOTAL REVENUES .....</b>	<b>8,718</b>	<b>8,658</b>	<b>(60)</b>
<b><u>OTHER FINANCING SOURCE</u></b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	10,876	10,876	--
<b>TOTAL OTHER FINANCING SOURCE .....</b>	<b>10,876</b>	<b>10,876</b>	<b>--</b>
<b>TOTAL GOLF FUND .....</b>	<b>\$ 19,594</b>	<b>\$ 19,534</b>	<b>\$ (60)</b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 3,943	\$ 4,283
Due from other fund:		
General Fund .....	--	19
<b>Total Assets .....</b>	<b>\$ 3,943</b>	<b>\$ 4,302</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 283	\$ 155
Due to other fund:		
General Fund .....	13	--
Accrued payroll .....	120	129
<b>Total Liabilities .....</b>	<b>416</b>	<b>284</b>
Fund Balance:		
Reserved for encumbrances .....	346	1,074
Unreserved - undesignated .....	3,181	2,944
<b>Total Fund Balance .....</b>	<b>3,527</b>	<b>4,018</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 3,943</b>	<b>\$ 4,302</b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts In thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Charges for services .....	\$ 1,945	\$ 1,945	\$ 1,980	\$ 35
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	10	10	7	(3)
Interest .....	50	50	252	202
Other .....	<u>6,704</u>	<u>6,704</u>	<u>7,675</u>	<u>971</u>
<b>Total Revenues .....</b>	<b><u>8,709</u></b>	<b><u>8,709</u></b>	<b><u>9,914</u></b>	<b><u>1,205</u></b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	111	115	115	--
<b>Culture-recreation:</b>				
Enterprise Services .....	10,152	10,481	9,990	491
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	2,492	2,492	2,492	--
<b>Other:</b>				
Provisional .....	<u>617</u>	<u>284</u>	<u>189</u>	<u>95</u>
<b>Total Miscellaneous .....</b>	<b><u>3,109</u></b>	<b><u>2,776</u></b>	<b><u>2,681</u></b>	<b><u>95</u></b>
<b>Total Expenditures .....</b>	<b><u>13,372</u></b>	<b><u>13,372</u></b>	<b><u>12,786</u></b>	<b><u>586</u></b>
<b>Revenues under Expenditures .....</b>	<b>(4,663)</b>	<b>(4,663)</b>	<b>(2,872)</b>	<b>1,791</b>
<b>Other Finance Source (Uses):</b>				
Transfer In .....	11,177	11,177	11,177	--
<b>Transfers out:</b>				
Debt service .....	(6,218)	(6,218)	(6,218)	--
Reimbursement for central administrative service expenses .....	(1,021)	(1,021)	(1,021)	--
Other post-employment benefits .....	<u>(827)</u>	<u>(827)</u>	<u>(827)</u>	<u>--</u>
<b>Total Other Financing Source (Uses) .....</b>	<b><u>3,111</u></b>	<b><u>3,111</u></b>	<b><u>3,111</u></b>	<b><u>--</u></b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues and Other Source over (under) Expenditures and Other Uses .....	(1,552)	(1,552)	239	1,791
Unreserved - Undesignated Fund Balance - July 1 .....	<u>1,552</u>	<u>1,552</u>	<u>2,944</u>	<u>1,392</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ --</u>	<u>\$ --</u>	3,183	<u>\$ 3,183</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			238	
Expenditures - prior year encumbrances .....			(960)	
Accrued expenditures .....			(8)	
Decrease in reserved for encumbrances .....			<u>728</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			3,181	
Reserved for Encumbrances - June 30 .....			<u>346</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 3,527</u>	



CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts In thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>GENERAL GOVERNMENT:</b>			
Surcharge on Auditorium Tickets .....	\$ 97	\$ 78	\$ (19)
<b>CULTURE-RECREATION:</b>			
Honolulu Zoo .....	<u>1,848</u>	<u>1,902</u>	<u>54</u>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b><u>1,945</u></b>	<b><u>1,980</u></b>	<b><u>35</u></b>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Recovery of Utility Charges .....	10	7	(3)
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	50	252	202
<b>OTHER MISCELLANEOUS:</b>			
<b>Rents:</b>			
Rental for Use of Land .....	20	19	(1)
Rental of Auditorium Facilities .....	1,778	2,024	246
Auditorium Equipment Rental .....	<u>980</u>	<u>935</u>	<u>(45)</u>
<b>Total Rents .....</b>	<b><u>2,778</u></b>	<b><u>2,978</u></b>	<b><u>200</u></b>
<b>Concessions:</b>			
Food Concession - Auditoriums .....	745	901	156
Food Concession - Honolulu Zoo .....	120	168	48
Food Concession - Parks .....	191	230	39
Parking - Auditoriums .....	1,490	2,043	553
Novelty Sales Concession - Auditoriums .....	88	114	26
Other - Auditoriums .....	1	57	56
Beach Concession - Parks .....	1,160	1,050	(110)
Pouring Rights .....	111	89	(22)
Other Concessions .....	<u>20</u>	<u>31</u>	<u>11</u>
<b>Total Concessions .....</b>	<b><u>3,926</u></b>	<b><u>4,683</u></b>	<b><u>757</u></b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Other:</b>			
Vacation Accumulation Deposits .....	--	13	13
Sundry Refunds .....	--	1	1
<b>Total Other .....</b>	<b>--</b>	<b>14</b>	<b>14</b>
<b>Total Other Miscellaneous .....</b>	<b>6,704</b>	<b>7,675</b>	<b>971</b>
<b>TOTAL MISCELLANEOUS .....</b>	<b>6,764</b>	<b>7,934</b>	<b>1,170</b>
<b>TOTAL REVENUES .....</b>	<b>8,709</b>	<b>9,914</b>	<b>1,205</b>
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer - General Fund .....	11,177	11,177	--
<b>TOTAL SPECIAL EVENTS FUND .....</b>	<b>\$ 19,886</b>	<b>\$ 21,091</b>	<b>\$ 1,205</b>

CITY AND COUNTY OF HONOLULU  
**FARMERS HOME ADMINISTRATION LOAN FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 46	\$ 46
Total Asset .....	\$ 46	\$ 46
<b><u>FUND BALANCE</u></b>		
Fund Balance:		
Unreserved - undesignated .....	\$ 46	\$ 46
Total Fund Balance .....	\$ 46	\$ 46

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 6,918	\$ 7,617
Receivable:		
Intergovernmental .....	24	781
<b>Total Assets .....</b>	<b>\$ 6,942</b>	<b>\$ 8,398</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 530	\$ 583
Due to other funds:		
General Fund .....	--	433
Federal Grants Fund .....	--	15
Deferred revenue .....	258	270
<b>Total Liabilities .....</b>	<b>788</b>	<b>1,301</b>
Fund Balance:		
Reserved for encumbrances .....	3,246	4,540
Unreserved - undesignated .....	2,908	2,557
<b>Total Fund Balance .....</b>	<b>6,154</b>	<b>7,097</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 6,942</b>	<b>\$ 8,398</b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental .....	\$ 8,823	\$ 13,447	\$ 8,755	\$ (4,692)
Miscellaneous:				
Interest .....	--	--	42	42
Other .....	100	3,839	1,115	(2,724)
<b>Total Revenues .....</b>	<b>8,923</b>	<b>17,286</b>	<b>9,912</b>	<b>(7,374)</b>
<b>Expenditures:</b>				
Current:				
General government:				
Budget and Fiscal Services .....	--	135	41	94
City Council .....	44	44	--	44
Customer Services .....	43	43	40	3
Information Technology .....	--	2,200	1,340	860
Mayor .....	--	769	610	159
Planning and Permitting .....	76	76	--	76
Prosecuting Attorney .....	1,822	2,535	1,257	1,278
<b>Total General government .....</b>	<b>1,985</b>	<b>5,802</b>	<b>3,288</b>	<b>2,514</b>
Public safety:				
Emergency Management .....	57	57	31	26
Emergency Services .....	584	614	567	47
Fire .....	17	115	98	17
Police .....	--	2,177	215	1,962
<b>Total Public safety .....</b>	<b>658</b>	<b>2,963</b>	<b>911</b>	<b>2,052</b>
Human services:				
Community Services .....	6,130	7,625	4,824	2,801
Culture-recreation:				
Parks and Recreation .....	45	1,028	282	746
<b>Total Expenditures .....</b>	<b>8,818</b>	<b>17,418</b>	<b>9,305</b>	<b>8,113</b>
Revenues over (under) Expenditures .....	105	(132)	607	739
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	2,557	2,557
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 105</u>	<u>\$ (132)</u>	3,164	<u>\$ 3,296</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			1,539	
Expenditures - prior year encumbrances .....			(3,089)	
Decrease in reserved for encumbrances .....			<u>1,294</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			2,908	
Reserved for Encumbrances - June 30 .....			<u>3,246</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 6,154</u>	

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>INTERGOVERNMENTAL</b>				
<b>STATE GRANTS:</b>				
Department of the Attorney General .....	\$ 1,821	\$ 1,821	\$ 1,156	\$ (665)
Department of Defense .....	45	45	8	(37)
Department of Education .....	--	49	49	--
Department of Hawaiian Home Lands .....	--	500	46	(454)
Department of Health .....	4,250	4,394	3,874	(520)
Department of Human Services .....	--	359	278	(81)
Department of Labor and Industrial Relations .....	1,820	1,820	--	(1,820)
Department of Land and Natural Resources .....	584	584	537	(47)
Department of Transportation .....	--	--	264	264
Hawaii Public Housing Authority .....	--	750	750	--
Hawaii Tourism Authority .....	--	622	437	(185)
Wireless Enhanced 911 Board .....	--	2,200	1,340	(860)
Grants from Other Agencies .....	303	303	16	(287)
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b>8,823</b>	<b>13,447</b>	<b>8,755</b>	<b>(4,692)</b>
<b>MISCELLANEOUS</b>				
<b>INTEREST:</b>				
Interest Earnings:				
Investments .....	--	--	42	42
<b>OTHER MISCELLANEOUS:</b>				
Contributions from Private Sources:				
Community Programing .....	--	--	40	40
Contributions to the City .....	--	63	314	251
Developers' premium .....	100	100	--	(100)
<b>Total Contributions from Private Sources .....</b>	<b>100</b>	<b>163</b>	<b>354</b>	<b>191</b>
Other:				
Other .....	--	3,676	761	(2,915)
<b>Total Other Miscellaneous .....</b>	<b>100</b>	<b>3,839</b>	<b>1,115</b>	<b>(2,724)</b>
<b>TOTAL MISCELLANEOUS .....</b>	<b>100</b>	<b>3,839</b>	<b>1,157</b>	<b>(2,682)</b>
<b>TOTAL SPECIAL PROJECTS FUND REVENUES .....</b>	<b>\$ 8,923</b>	<b>\$ 17,286</b>	<b>\$ 9,912</b>	<b>\$ (7,374)</b>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 13,954	\$ 14,475
Receivables:		
Loans .....	3,327	2,441
Intergovernmental .....	22,930	21,994
Due from other fund:		
Special Projects Fund .....	--	15
Total Assets .....	\$ 40,211	\$ 38,925
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 1,783	\$ 212
Due to other funds:		
General Fund .....	21,000	21,767
Housing and Community Development Revolving Fund .....	59	59
General Trust Fund .....	2	--
Deferred revenue .....	3,593	2,493
Total Liabilities .....	26,437	24,531
Fund Balance:		
Reserved for encumbrances .....	20,383	21,396
Unreserved - undesignated .....	(6,609)	(7,002)
Total Fund Balance .....	13,774	14,394
Total Liabilities and Fund Balance .....	\$ 40,211	\$ 38,925

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental .....	\$ 38,156	\$ 71,818	\$ 50,683	\$ (21,135)
Miscellaneous:				
Interest .....	--	390	413	23
Other .....	4,269	5,018	1,348	(3,670)
<b>Total Revenues .....</b>	<b>42,425</b>	<b>77,226</b>	<b>52,444</b>	<b>(24,782)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	347	360	103	257
Design and Construction .....	--	840	720	120
Information Technology .....	125	125	--	125
Mayor .....	--	300	300	--
Planning and Permitting .....	209	211	--	211
Prosecuting Attorney .....	1,159	1,182	746	436
<b>Total General government .....</b>	<b>1,840</b>	<b>3,018</b>	<b>1,869</b>	<b>1,149</b>
<b>Public safety:</b>				
Emergency Management .....	170	23,783	7,441	16,342
Fire .....	--	242	242	--
Medical Examiner .....	--	38	19	19
Police .....	--	5,012	3,505	1,507
Transportation Services .....	--	40	33	7
<b>Total Public safety .....</b>	<b>170</b>	<b>29,115</b>	<b>11,240</b>	<b>17,875</b>
<b>Sanitation:</b>				
Environmental Services .....	60	60	--	60
<b>Human services:</b>				
Community Services .....	17,055	20,738	15,730	5,008
<b>Culture-recreation:</b>				
Parks and Recreation .....	300	450	361	89
<b>Utilities or other enterprises:</b>				
Transportation Services .....	23,000	23,455	23,433	22
<b>Total Expenditures .....</b>	<b>42,425</b>	<b>76,836</b>	<b>52,633</b>	<b>24,203</b>



CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over (under) Expenditures .....	--	390	(189)	(579)
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	(7,002)	(7,002)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	\$ 390	(7,191)	\$ (7,581)
<b>Adjustments to conform with generally accepted accounting principles:</b>				
Encumbrances included above .....			13,471	
Expenditures - prior year encumbrances .....			(13,474)	
Accrued expenditures .....			(428)	
Decrease in reserved for encumbrances .....			1,013	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			(6,609)	
Reserved for Encumbrances - June 30 .....			20,383	
Fund Balance - June 30 (GAAP Basis) .....			\$ 13,774	

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>INTERGOVERNMENTAL</b>				
<b>FEDERAL GRANTS:</b>				
Department of Agriculture .....	\$ 300	\$ 390	\$ 296	\$ (94)
Department of Commerce .....	209	430	3	(427)
Department of Education .....	--	207	199	(8)
Department of Health and Human Services .....	3,751	5,846	4,956	(890)
Department of Homeland Security .....	170	24,013	7,674	(16,339)
Department of Housing and Urban Development .....	5,606	6,322	3,903	(2,419)
Department of Justice .....	1,478	3,458	2,511	(947)
Department of Labor .....	3,582	4,221	4,300	79
Department of the Interior .....	--	150	--	(150)
Department of Transportation .....	23,000	24,350	24,574	224
Environmental Protection Agency .....	60	126	92	(34)
Office of National Drug Control Policy .....	--	2,305	2,175	(130)
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>38,156</u></b>	<b><u>71,818</u></b>	<b><u>50,683</u></b>	<b><u>(21,135)</u></b>
<b>MISCELLANEOUS</b>				
<b>INTEREST:</b>				
Interest Earnings:				
Investments .....	--	390	413	23
<b>OTHER MISCELLANEOUS:</b>				
Other:				
Other .....	4,269	5,018	749	(4,269)
Sundry Refunds .....	--	--	599	599
<b>Total Other .....</b>	<b><u>4,269</u></b>	<b><u>5,018</u></b>	<b><u>1,348</u></b>	<b><u>(3,670)</u></b>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>4,269</u></b>	<b><u>5,408</u></b>	<b><u>1,761</u></b>	<b><u>(3,647)</u></b>
<b>TOTAL FEDERAL GRANTS FUND REVENUES .....</b>	<b><u>\$ 42,425</u></b>	<b><u>\$ 77,226</u></b>	<b><u>\$ 52,444</u></b>	<b><u>\$ (24,782)</u></b>

CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**REHABILITATION LOAN FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 4,830	\$ 4,708
Receivable:		
Loans .....	9,689	10,294
Total Assets .....	\$ 14,519	\$ 15,002
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Deferred revenue .....	\$ 11,346	\$ 10,294
Total Liability .....	11,346	10,294
Fund Balance:		
Reserved for encumbrances .....	3,173	4,708
Total Fund Balance .....	3,173	4,708
Total Liability and Fund Balance .....	\$ 14,519	\$ 15,002

CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**REHABILITATION LOAN FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Miscellaneous:</b>			
Interest .....	\$ 200	\$ 182	\$ (18)
Other .....	1,871	847	(1,024)
<b>Total Revenues .....</b>	<b>2,071</b>	<b>1,029</b>	<b>(1,042)</b>
<b>Expenditure:</b>			
<b>Current:</b>			
<b>Human services:</b>			
Community Services .....	1,816	1,816	--
<b>Total Expenditure .....</b>	<b>1,816</b>	<b>1,816</b>	<b>--</b>
<b>Revenues over (under) Expenditure .....</b>	<b>255</b>	<b>(787)</b>	<b>(1,042)</b>
<b>Unreserved - Undesignated Fund Balance - July 1 .....</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....</b>	<b>\$ 255</b>	<b>(787)</b>	<b>\$ (1,042)</b>
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		1,705	
Expenditures - prior year encumbrances .....		(2,453)	
Decrease in reserved for encumbrances .....		1,535	
<b>Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....</b>		<b>--</b>	
<b>Reserved for Encumbrances - June 30 .....</b>		<b>3,173</b>	
<b>Fund Balance - June 30 (GAAP Basis) .....</b>		<b>\$ 3,173</b>	

CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**REHABILITATION LOAN FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
(Amounts In thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$ 200	\$ 158	\$ (42)
Other Sources .....	--	24	24
	<u>200</u>	<u>182</u>	<u>(18)</u>
Total Interest .....			
<b>OTHER MISCELLANEOUS:</b>			
<b>Other:</b>			
<b>Repayments of Department of Housing and Community Development Loans:</b>			
Principal .....	1,750	783	(967)
Interest .....	120	63	(57)
Late Charge .....	1	1	--
	<u>1,871</u>	<u>847</u>	<u>(1,024)</u>
Total Other Miscellaneous .....			
<b>TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES .....</b>	<b><u>\$ 2,071</u></b>	<b><u>\$ 1,029</u></b>	<b><u>\$ (1,042)</u></b>

CITY AND COUNTY OF HONOLULU  
**PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 945	\$ 910
Total Asset .....	\$ 945	\$ 910
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Deferred revenue .....	\$ 27	\$ --
Total Liability .....	27	--
Fund Balance:		
Unreserved - undesignated .....	\$ 918	\$ 910
Total Liability and Fund Balance .....	\$ 945	\$ 910

CITY AND COUNTY OF HONOLULU  
**PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
Miscellaneous:			
Interest .....	\$       --	\$        8	\$        8
<b>Total Revenue</b> .....	<b>          --</b>	<b>          8</b>	<b>          8</b>
<b>Unreserved - Undesignated Fund Balance - July 1</b> .....	<b>          866</b>	<b>          910</b>	<b>          44</b>
<b>Unreserved - Undesignated Fund Balance - June 30</b> (Budgetary Basis) .....	<b>          866</b>	<b>          918</b>	<b>          52</b>
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances Included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		--	
<b>Unreserved - Undesignated Fund Balance - June 30</b> (GAAP Basis) .....		<b>          918</b>	
<b>Reserved for Encumbrances - June 30</b> .....		<b>          --</b>	
<b>Fund Balance - June 30 (GAAP Basis)</b> .....		<b>          918</b>	

CITY AND COUNTY OF HONOLULU  
**PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$       --	\$       8	\$       8
<b>TOTAL PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND REVENUE .....</b>	<b>\$       --</b>	<b>\$       8</b>	<b>\$       8</b>



CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**SECTION 8 CONTRACT FUND**  
**BALANCE SHEET**  
**JUNE 30, 2008**  
**WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007**  
(Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 9,528	\$ 3,428
Receivables:		
Accounts (net of allowance for uncollectibles) .....	226	465
Loans .....	2,964	2,964
Intergovernmental .....	262	2,561
Total Assets .....	\$ 12,980	\$ 9,418
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 144	\$ 108
Deferred revenue .....	3,517	3,738
Total Liabilities .....	3,661	3,846
Fund Balance:		
Reserved for encumbrances .....	9,461	3,375
Unreserved - undesignated .....	(142)	2,197
Total Fund Balance .....	9,319	5,572
Total Liabilities and Fund Balance .....	\$ 12,980	\$ 9,418

CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**SECTION 8 CONTRACT FUND**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Amounts in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Intergovernmental .....	\$ 37,256	\$ 46,456	\$ 43,212	\$ (3,244)
<b>Miscellaneous:</b>				
Interest .....	--	--	228	228
Other .....	--	--	104	104
<b>Total Revenues .....</b>	<u>37,256</u>	<u>46,456</u>	<u>43,544</u>	<u>(2,912)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	191	191	147	44
Information Technology .....	127	127	50	77
<b>Total General government .....</b>	<u>318</u>	<u>318</u>	<u>197</u>	<u>121</u>
<b>Human services:</b>				
Community Services .....	36,938	46,138	45,686	452
<b>Total Expenditures .....</b>	<u>37,256</u>	<u>46,456</u>	<u>45,883</u>	<u>573</u>
Revenues over (under) Expenditures .....	--	--	(2,339)	(2,339)
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	2,197	2,197
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ --</u>	<u>\$ --</u>	(142)	<u>\$ (142)</u>
<b>Adjustments to conform with generally accepted accounting principles:</b>				
Encumbrances included above .....			6,203	
Expenditures - prior year encumbrances .....			(117)	
Increase in reserved for encumbrances .....			<u>(6,086)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....			(142)	
Reserved for Encumbrances - June 30 .....			<u>9,461</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 9,319</u>	

CITY AND COUNTY OF HONOLULU  
**HOUSING AND COMMUNITY DEVELOPMENT**  
**SECTION 8 CONTRACT FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>				
<b>FEDERAL GRANTS:</b>				
Section 8 Grants:				
Moderate Rehabilitation Program, (001) .....	\$ 174	\$ 174	\$ 150	\$ (24)
Existing Housing Voucher Program .....	35,682	44,882	41,718	(3,164)
Mainstream Voucher .....	1,400	1,400	1,344	(56)
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>37,256</u></b>	<b><u>46,456</u></b>	<b><u>43,212</u></b>	<b><u>(3,244)</u></b>
<b><u>MISCELLANEOUS</u></b>				
<b>INTEREST:</b>				
Interest Earnings:				
Investments .....	--	--	216	216
Other Sources .....	--	--	12	12
<b>Total Interest .....</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>228</u></b>	<b><u>228</u></b>
<b>OTHER MISCELLANEOUS:</b>				
Rents:				
Rental for Use of Land.....	--	--	25	25
Other:				
Escheats .....	--	--	79	79
<b>Total Other Miscellaneous .....</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>104</u></b>	<b><u>104</u></b>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>332</u></b>	<b><u>332</u></b>
<b>TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....</b>	<b><u>\$ 37,256</u></b>	<b><u>\$ 46,456</u></b>	<b><u>\$ 43,544</u></b>	<b><u>\$ (2,912)</u></b>

CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and Investments:		
With Treasury .....	\$ 469	\$ 468
Total Asset .....	\$ 469	\$ 468
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 1	\$ --
Deferred revenue .....	230	235
Total Liabilities .....	231	235
Fund Balance:		
Unreserved - undesignated .....	238	233
Total Fund Balance .....	238	233
Total Liabilities and Fund Balance .....	\$ 469	\$ 468

CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
<b>Miscellaneous:</b>			
Interest .....	\$ --	\$ 17	\$ 17
<b>Total Revenue</b> .....	<b>--</b>	<b>17</b>	<b>17</b>
<b>Expenditure:</b>			
<b>Current:</b>			
<b>Human services:</b>			
Community Services .....	85	12	73
<b>Total Expenditure</b> .....	<b>85</b>	<b>12</b>	<b>73</b>
Revenue over (under) Expenditure .....	(85)	5	90
Unreserved - Undesignated Fund Balance - July 1 .....	216	233	17
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 131	238	\$ 107
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances Included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis) .....		238	
Reserved for Encumbrances - June 30 .....		--	
<b>Fund Balance - June 30 (GAAP Basis)</b> .....		<b>\$ 238</b>	

CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>MISCELLANEOUS</u></b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$           --	\$           17	\$           17
<b>TOTAL LEASEHOLD CONVERSION FUND REVENUE .....</b>	<b><u>\$           --</u></b>	<b><u>\$           17</u></b>	<b><u>\$           17</u></b>

CITY AND COUNTY OF HONOLULU  
 REVOLVING FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2008	2007
<b>ASSETS</b>					
Cash and investments:					
With Treasury .....	\$ 1,510	\$ 165	\$ 155	\$ 1,830	\$ 1,826
Due from other fund:					
Federal Grants Fund .....	--	59	--	59	59
Inventories - Municipal Stores .....	--	--	23	23	20
<b>Total Assets .....</b>	<b>\$ 1,510</b>	<b>\$ 224</b>	<b>\$ 178</b>	<b>\$ 1,912</b>	<b>\$ 1,905</b>
<b>LIABILITY AND FUND BALANCES</b>					
Liability:					
Accounts payable .....	\$ --	\$ --	\$ --	\$ --	\$ 3
<b>Total Liability .....</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3</b>
Fund Balances:					
Unreserved - undesignated .....	1,510	224	178	1,912	1,902
<b>Total Fund Balances .....</b>	<b>1,510</b>	<b>224</b>	<b>178</b>	<b>1,912</b>	<b>1,902</b>
<b>Total Liability and Fund Balances ....</b>	<b>\$ 1,510</b>	<b>\$ 224</b>	<b>\$ 178</b>	<b>\$ 1,912</b>	<b>\$ 1,905</b>

CITY AND COUNTY OF HONOLULU  
**REVOLVING FUNDS**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2008	2007
<b>Revenue:</b>					
<b>Miscellaneous:</b>					
Other .....	\$ --	\$ --	\$ 53	\$ 53	\$ 28
<b>Total Revenue</b> .....	<b>--</b>	<b>--</b>	<b>53</b>	<b>53</b>	<b>28</b>
<b>Expenditure:</b>					
<b>Current:</b>					
General government .....	--	--	43	43	20
<b>Total Expenditure</b> .....	<b>--</b>	<b>--</b>	<b>43</b>	<b>43</b>	<b>20</b>
Revenue over Expenditure .....	--	--	10	10	8
Fund Balances - July 1 .....	1,510	224	168	1,902	1,894
Fund Balances - June 30 .....	<u>\$ 1,510</u>	<u>\$ 224</u>	<u>\$ 178</u>	<u>\$ 1,912</u>	<u>\$ 1,902</u>



CITY AND COUNTY OF HONOLULU  
**GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 272	\$ 323
Due from other fund:		
General Fund .....	49	--
Total Assets .....	\$ 321	\$ 323
<b><u>LIABILITIES</u></b>		
Liabilities:		
Interest payable - matured .....	\$ 137	\$ 139
Bonds payable - matured .....	184	184
Total Liabilities .....	\$ 321	\$ 323

CITY AND COUNTY OF HONOLULU  
**GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b>Expenditures:</b>		
<b>Tax exempt commercial paper:</b>		
Principal retirement .....	\$ 142,200	\$ 2,700
Interest charges .....	7,093	2,864
<b>General obligation bonds:</b>		
Bond principal retirement .....	117,787	99,409
Interest charges .....	93,048	100,829
<b>Total Expenditures .....</b>	<b>360,128</b>	<b>205,802</b>
<b>Other Financing Sources (Uses):</b>		
Issuance of refunding bonds .....	132,826	--
Bond premium .....	7,334	--
Bond discount .....	(30)	--
<b>Transfers from other funds:</b>		
General Fund - Principal .....	121,593	102,109
General Fund - Interest .....	98,405	103,693
<b>Total Other Financing Sources (Uses) .....</b>	<b>360,128</b>	<b>205,802</b>
Other Financing Sources over Expenditures and Other Uses .....	--	--
<b>Fund Balances - July 1 .....</b>	<b>--</b>	<b>--</b>
<b>Fund Balances - June 30 .....</b>	<b>\$ --</b>	<b>\$ --</b>

CITY AND COUNTY OF HONOLULU  
**IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,003	\$ 1,027
Receivables:		
Special assessments - current .....	19	127
Special assessments - deferred .....	91	11
Total Assets .....	\$ 1,113	\$ 1,165
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Interest payable - matured .....	\$ 4	\$ 4
Bonds payable - matured .....	5	5
Due to other fund:		
Capital Projects Fund .....	37	60
Deferred revenue .....	91	11
Total Liabilities .....	137	80
Fund Balance:		
Reserved for debt service .....	976	1,085
Total Fund Balance .....	976	1,085
Total Liabilities and Fund Balance .....	\$ 1,113	\$ 1,165

CITY AND COUNTY OF HONOLULU  
**IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b>Revenues:</b>		
Special assessments .....	\$ 28	\$ 354
<b>Miscellaneous:</b>		
Interest .....	8	35
Other .....	1	4
<b>Total Revenues .....</b>	<b>37</b>	<b>393</b>
<b>Expenditures:</b>		
<b>Current:</b>		
<b>Miscellaneous:</b>		
Other .....	109	--
<b>Special assessment bonds:</b>		
Bond principal retirement .....	--	290
Interest charges .....	--	10
<b>Total Expenditures .....</b>	<b>109</b>	<b>300</b>
<b>Revenues over (under) Expenditures .....</b>	<b>(72)</b>	<b>93</b>
<b>Other Financing Use:</b>		
<b>Transfers to other fund:</b>		
Capital Projects Fund .....	(37)	(60)
<b>Revenues over (under) Expenditures and Other Use .....</b>	<b>(109)</b>	<b>33</b>
<b>Fund Balances - July 1 .....</b>	<b>1,085</b>	<b>1,052</b>
<b>Fund Balances - June 30 .....</b>	<b>\$ 976</b>	<b>\$ 1,085</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL IMPROVEMENT BOND FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 57,322	\$ 15,558
Due from other funds:		
General Fund .....	2	--
Solid Waste Fund .....	2,172	2,143
Total Assets .....	\$ 59,496	\$ 17,701
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 12,367	\$ 8,864
Due to other fund:		
Sewer Fund .....	2,875	3,232
Total Liabilities .....	15,242	12,096
Fund Balance:		
Reserved for encumbrances .....	201,326	228,071
Unreserved - undesignated .....	(157,072)	(222,466)
Total Fund Balance .....	44,254	5,605
Total Liabilities and Fund Balance .....	\$ 59,496	\$ 17,701

CITY AND COUNTY OF HONOLULU  
**GENERAL IMPROVEMENT BOND FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>		
<b>Miscellaneous:</b>		
Interest .....	\$ 496	\$ 605
<b>Total Revenues</b> .....	<u>496</u>	<u>605</u>
<b>Expenditures:</b>		
<b>Capital outlay:</b>		
General government .....	37,121	24,906
Public safety .....	18,400	19,428
Highways and streets .....	538	1,919
Culture-recreation .....	<u>20,790</u>	<u>25,850</u>
<b>Total Expenditures</b> .....	<u>76,849</u>	<u>72,103</u>
Revenues under Expenditures .....	<u>(76,353)</u>	<u>(71,498)</u>
<b>Other Financing Sources:</b>		
Sales of capital assets .....	2	5
Issuance of tax exempt commercial paper .....	44,000	56,000
Issuance of general obligation bonds .....	<u>71,000</u>	<u>--</u>
<b>Total Other Financing Sources</b> .....	<u>115,002</u>	<u>56,005</u>
Revenues and Other Sources over (under) Expenditures .....	38,649	(15,493)
<b>Fund Balance - July 1</b> .....	<u>5,605</u>	<u>21,098</u>
<b>Fund Balance - June 30</b> .....	<u>\$ 44,254</u>	<u>\$ 5,605</u>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY IMPROVEMENT BOND FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 38,832	\$ 17,746
Total Asset .....	\$ 38,832	\$ 17,746
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Accounts payable .....	\$ 10,169	\$ 6,507
Total Liability .....	10,169	6,507
Fund Balance:		
Reserved for encumbrances .....	255,259	193,285
Unreserved - undesignated .....	(226,596)	(182,046)
Total Fund Balance .....	28,663	11,239
Total Liability and Fund Balance .....	\$ 38,832	\$ 17,746

CITY AND COUNTY OF HONOLULU  
**HIGHWAY IMPROVEMENT BOND FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b>Revenue:</b>		
Miscellaneous:		
Interest .....	\$ 265	\$ --
<b>Total Revenue</b> .....	<b>265</b>	<b>--</b>
<b>Expenditures:</b>		
Capital outlay:		
General government .....	347	896
Public safety .....	1,341	4,242
Highways and streets .....	39,355	39,196
Utilities or other enterprises .....	10,798	14,061
<b>Total Expenditures</b> .....	<b>51,841</b>	<b>58,395</b>
Revenue under Expenditures .....	(51,576)	(58,395)
<b>Other Financing Sources:</b>		
Issuance of general obligation bonds .....	38,000	--
Issuance of tax exempt commercial paper .....	31,000	38,000
<b>Total Other Financing Sources</b> .....	<b>69,000</b>	<b>38,000</b>
Revenue and Other Sources over (under) Expenditures .....	17,424	(20,395)
<b>Fund Balance - July 1</b> .....	<b>11,239</b>	<b>31,634</b>
<b>Fund Balance - June 30</b> .....	<b>\$ 28,663</b>	<b>\$ 11,239</b>



CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS CAPITAL PROJECTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 6,738	\$ 8,356
Receivables:		
Loans .....	48,705	46,006
Intergovernmental .....	<u>12,196</u>	<u>3,598</u>
Total Assets .....	<u>\$ 67,639</u>	<u>\$ 57,960</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 5,395	\$ 4,113
Due to other fund:		
Community Development Fund .....	19	--
Deferred revenue .....	<u>55,700</u>	<u>47,060</u>
Total Liabilities .....	<u>61,114</u>	<u>51,173</u>
Fund Balance:		
Reserved for encumbrances .....	108,701	91,976
Unreserved - undesignated .....	<u>(102,176)</u>	<u>(85,189)</u>
Total Fund Balance .....	<u>6,525</u>	<u>6,787</u>
Total Liabilities and Fund Balance .....	<u>\$ 67,639</u>	<u>\$ 57,960</u>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS CAPITAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts In thousands)

	<u>2008</u>	<u>2007</u>
<b>Revenue:</b>		
Intergovernmental .....	\$ 32,359	\$ 39,102
<b>Total Revenue .....</b>	<u>32,359</u>	<u>39,102</u>
<b>Expenditures:</b>		
<b>Capital outlay:</b>		
General government .....	186	67
Public safety .....	1,294	2,150
Highways and streets .....	8,793	4,003
Sanitation .....	45	--
Human services .....	10,392	3,093
Utilities or other enterprises .....	11,911	31,251
<b>Total Expenditures .....</b>	<u>32,621</u>	<u>40,564</u>
Revenue under Expenditures .....	(262)	(1,462)
<b>Other Financing Source:</b>		
Transfer from other fund:		
Community Development Fund .....	--	58
<b>Total Other Financing Source .....</b>	<u>--</u>	<u>58</u>
Revenue and Other Source under Expenditures .....	(262)	(1,404)
<b>Fund Balance - July 1 .....</b>	<u>6,787</u>	<u>8,191</u>
<b>Fund Balance - June 30 .....</b>	<u>\$ 6,525</u>	<u>\$ 6,787</u>

CITY AND COUNTY OF HONOLULU  
**CAPITAL PROJECTS FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and Investments:		
With Treasury .....	\$ 20,542	\$ 21,311
Due from other fund:		
Improvement District Bond and Interest Redemption Fund .....	37	60
<b>Total Assets .....</b>	<b>\$ 20,579</b>	<b>\$ 21,371</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 188	\$ 84
Due to other fund:		
General Fund .....	1,030	--
Bikeway Fund .....	421	--
Parks and Playgrounds Fund .....	910	--
<b>Total Liabilities .....</b>	<b>2,549</b>	<b>84</b>
Fund Balance:		
Reserved for encumbrances .....	6,447	18,411
Unreserved - undesignated .....	11,583	2,876
<b>Total Fund Balance .....</b>	<b>18,030</b>	<b>21,287</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 20,579</b>	<b>\$ 21,371</b>

CITY AND COUNTY OF HONOLULU  
**CAPITAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

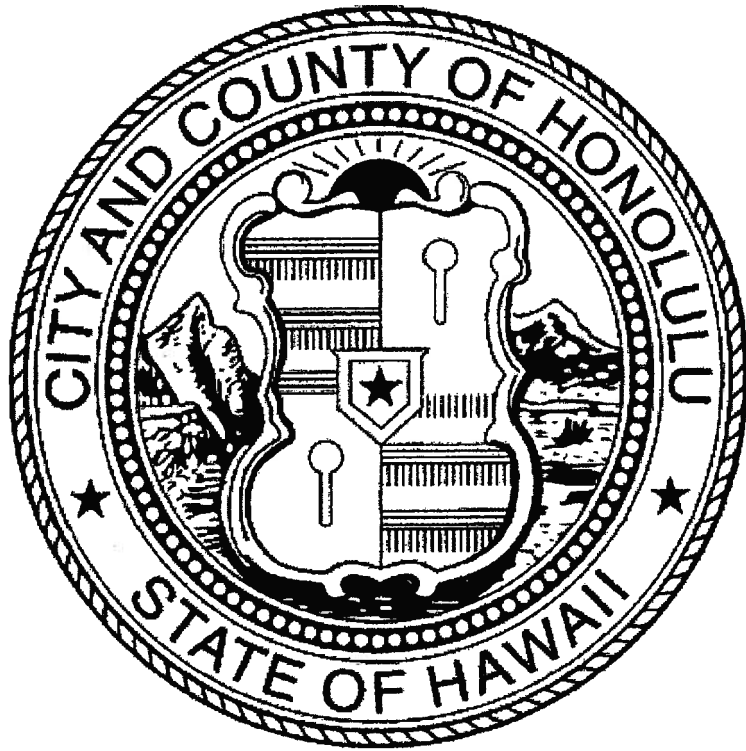
	2008	2007
<b>Revenue:</b>		
<b>Miscellaneous:</b>		
Other .....	\$ 76	\$ 160
<b>Total Revenue</b> .....	<b>76</b>	<b>160</b>
<b>Expenditures:</b>		
<b>Capital outlay:</b>		
Highways and streets .....	98	45
Sanitation .....	190	4,068
Culture-recreation .....	721	1,627
<b>Total Expenditures</b> .....	<b>1,009</b>	<b>5,740</b>
Revenue under Expenditures .....	(933)	(5,580)
<b>Other Financing Sources (Uses):</b>		
<b>Transfers from other funds:</b>		
Bikeway Fund .....	--	6,219
Parks and Playgrounds Fund .....	--	2,050
Improvement District Bond and Interest Redemption Fund .....	37	60
<b>Transfers to other funds:</b>		
General Fund .....	(1,030)	--
Bikeway Fund .....	(421)	(421)
Parks and Playgrounds Fund .....	(910)	(494)
Sewer Fund .....	--	(5,139)
Hanauma Bay Nature Preserve Fund .....	--	(425)
<b>Total Other Financing Sources (Uses)</b> .....	<b>(2,324)</b>	<b>1,850</b>
Revenue and Other Sources under Expenditures and Other Uses .....	(3,257)	(3,730)
<b>Fund Balance - July 1</b> .....	<b>21,287</b>	<b>25,017</b>
<b>Fund Balance - June 30</b> .....	<b>\$ 18,030</b>	<b>\$ 21,287</b>

CITY AND COUNTY OF HONOLULU  
**TRANSIT FUND**  
 BALANCE SHEET  
 JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 155,190	\$ 12,400
Receivables:		
Interest .....	1,219	--
Due from other fund:		
General Fund .....	44,373	35,646
<b>Total Assets .....</b>	<b>\$ 200,782</b>	<b>\$ 48,046</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 5,856	\$ --
Accrued payroll .....	5	--
<b>Total Liabilities .....</b>	<b>5,861</b>	<b>--</b>
Fund Balance:		
Reserved for encumbrances .....	89,042	11,477
Unreserved - undesignated .....	105,879	36,569
<b>Total Fund Balance .....</b>	<b>194,921</b>	<b>48,046</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 200,782</b>	<b>\$ 48,046</b>

CITY AND COUNTY OF HONOLULU  
**TRANSIT FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
 (Amounts in thousands)

	2008	2007
Revenue:		
Miscellaneous:		
Interest .....	\$ 3,724	\$ 18
Total Revenue .....	3,724	18
Expenditures:		
Current:		
General government .....	266	86
Utilities or other enterprises .....	638	--
Miscellaneous:		
Retirement and health benefits .....	37	--
Capital outlay:		
General government .....	27	--
Utilities or other enterprises .....	24,986	310
Total Expenditures .....	25,954	396
Revenue under Expenditure .....	(22,230)	(378)
Other Financing Source (Use):		
Transfers in:		
General Fund .....	169,114	48,424
Transfers out:		
Other post-employment benefits .....	(9)	--
Total Other Financing Source (Use).....	169,105	48,424
Revenue and Other Source over Expenditures .....	146,875	48,046
Fund Balance - July 1 .....	48,046	--
Fund Balance - June 30 .....	\$ 194,921	\$ 48,046



**STATISTICAL SECTION  
(Unaudited)**

## **STATISTICAL SECTION**

(Unaudited)

The information in this section is not covered by the Independent Auditors' Report but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to better understand and assess the overall financial health of the City.

<b>CONTENTS:</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	219
<p>Tables 1 to 4 contain trend information to help the reader understand how the financial performance and well-being of the City have changed over time.</p>	
<b>Revenue Capacity</b>	223
<p>Tables 5 to 7 contain trend information to help the reader review real property tax, the most significant local revenue source of the City.</p>	
<b>Debt Capacity</b>	227
<p>Tables 8 to 11 present information to help the reader assess the affordability of the current levels of outstanding debt of the City and its ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	231
<p>Tables 12 to 14 offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
<b>Operating Information</b>	234
<p>Tables 15 to 16 contain service and infrastructure data to help the reader understand how the information in the financial report of the City relates to the services the City provides and the activities it performs.</p>	



TABLE 1  
CITY AND COUNTY OF HONOLULU  
NET ASSETS BY COMPONENT  
FISCAL YEARS 2002 - 2008  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 275,456	\$ 262,817	\$ 211,083	\$ 155,932	\$ 151,597	\$ 113,778	\$ 165,257
Restricted	1,347	1,412	1,056	1,053	1,052	1,085	976
Unrestricted	79,576	47,330	84,837	95,024	97,865	233,339	399,180
<b>Total governmental activities net assets</b>	<b>356,379</b>	<b>311,559</b>	<b>296,976</b>	<b>252,009</b>	<b>250,514</b>	<b>348,202</b>	<b>565,413</b>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	725,510	702,785	747,875	759,186	694,775	711,150	681,690
Restricted	54,489	20,603	22,584	26,882	35,425	59,409	84,981
Unrestricted	63,894	20,841	(52,186)	(62,557)	549	16,751	76,007
<b>Total business-type activities net assets</b>	<b>843,893</b>	<b>744,229</b>	<b>718,273</b>	<b>723,511</b>	<b>730,749</b>	<b>787,310</b>	<b>842,678</b>
<b>Primary government</b>							
Invested in capital assets, net of related debt	1,000,966	965,602	958,958	915,118	846,372	824,928	846,947
Restricted	55,836	22,015	23,640	27,935	36,477	60,494	85,957
Unrestricted	143,470	68,171	32,651	32,467	98,414	250,090	475,187
<b>Total primary government net assets</b>	<b>\$ 1,200,272</b>	<b>\$ 1,055,788</b>	<b>\$ 1,015,249</b>	<b>\$ 975,520</b>	<b>\$ 981,263</b>	<b>\$ 1,135,512</b>	<b>\$ 1,408,091</b>

TABLE 2  
CITY AND COUNTY OF HONOLULU  
CHANGES IN NET ASSETS  
FISCAL YEARS 2002-2008  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>							
<b>Governmental activities:</b>							
General government.....	\$ 269,312	\$ 252,351	\$ 275,549	\$ 276,458	\$ 319,455	\$ 314,667	\$ 371,354
Public safety.....	221,355	264,427	259,067	302,231	300,245	337,052	354,427
Highways and streets.....	61,245	45,049	19,667	23,263	35,795	39,126	16,095
Sanitation.....	562	648	699	902	3,125	6,742	5,758
Human services.....	81,607	74,463	70,165	75,943	79,880	73,725	82,966
Culture and recreation.....	75,962	68,323	61,158	81,447	86,197	95,655	96,299
Utilities or other enterprises.....	48,795	44,261	93,954	65,974	33,579	68,406	75,506
Interest.....	54,943	60,203	64,558	65,525	81,454	79,176	84,670
<b>Total governmental activities expenses</b>	<b>813,781</b>	<b>809,725</b>	<b>844,817</b>	<b>891,743</b>	<b>939,730</b>	<b>1,014,549</b>	<b>1,087,075</b>
<b>Business-type activities:</b>							
Housing.....	13,319	24,151	16,247	10,418	12,296	12,905	13,841
Sewer.....	112,700	130,186	123,653	131,452	140,242	157,724	194,061
Solid Waste.....	126,807	140,060	136,623	138,443	145,181	153,736	170,781
Public Transportation.....	148,231	150,523	150,267	162,429	175,347	184,304	198,823
<b>Total business-type activities expenses</b>	<b>401,057</b>	<b>444,920</b>	<b>426,790</b>	<b>442,742</b>	<b>473,066</b>	<b>508,669</b>	<b>577,506</b>
<b>Total primary government expenses</b>	<b>\$ 1,214,838</b>	<b>\$ 1,254,645</b>	<b>\$ 1,271,607</b>	<b>\$ 1,334,485</b>	<b>\$ 1,412,796</b>	<b>\$ 1,523,218</b>	<b>\$ 1,664,581</b>
<b>Program Revenues</b>							
<b>Governmental activities:</b>							
<b>Charges for services:</b>							
General government.....	\$ 70,096	\$ 74,512	\$ 90,126	\$ 98,217	\$ 113,459	\$ 135,587	\$ 128,620
Public safety.....	9,535	26,239	26,058	31,017	30,502	35,663	37,772
Highways and streets.....	90	2,115	2,232	2,236	2,152	2,149	599
Sanitation.....	2	2	5	36	14	77	48
Human services.....	18,334	2,208	2,033	2,010	442	636	719
Culture and recreation.....	17,832	19,914	20,012	21,698	21,646	22,128	23,879
Utilities.....	70	-	-	-	-	-	-
Operating grants and contributions.....	79,500	85,512	93,590	106,383	100,838	104,397	106,930
Capital grants and contributions.....	41,336	33,736	67,675	19,723	35,200	50,078	48,736
<b>Total governmental activities program revenues</b>	<b>236,795</b>	<b>244,238</b>	<b>301,731</b>	<b>281,320</b>	<b>304,253</b>	<b>350,715</b>	<b>347,303</b>
<b>Business-type activities:</b>							
<b>Charges for services:</b>							
Housing.....	12,025	18,540	7,948	8,092	8,367	8,306	9,694
Sewer.....	113,811	115,773	115,032	118,893	151,200	165,914	225,104
Solid Waste.....	76,854	88,429	94,321	96,021	100,452	107,682	108,323
Public Transportation.....	32,279	31,776	35,333	41,958	43,502	43,598	43,767
Operating grants and contributions.....	21,787	21,212	25,093	27,630	23,516	17,840	21,674
Capital grants and contributions.....	41,790	24,023	50,565	18,461	4,255	32,704	18,514
<b>Total business-type activities program revenues</b>	<b>298,546</b>	<b>299,753</b>	<b>328,292</b>	<b>311,055</b>	<b>331,292</b>	<b>376,044</b>	<b>427,076</b>
<b>Total primary government program revenues</b>	<b>\$ 535,341</b>	<b>\$ 543,991</b>	<b>\$ 630,023</b>	<b>\$ 592,375</b>	<b>\$ 635,545</b>	<b>\$ 726,759</b>	<b>\$ 774,379</b>
<b>Net Revenue (Expense)</b>							
Governmental activities.....	\$ (576,986)	\$ (565,487)	\$ (543,086)	\$ (610,423)	\$ (635,477)	\$ (663,834)	\$ (739,772)
Business-type activities.....	(102,511)	(145,167)	(98,498)	(131,687)	(141,774)	(132,625)	(150,430)
<b>Total primary government net expense</b>	<b>\$ (679,497)</b>	<b>\$ (710,654)</b>	<b>\$ (641,584)</b>	<b>\$ (742,110)</b>	<b>\$ (777,251)</b>	<b>\$ (796,459)</b>	<b>\$ (890,202)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental activities:</b>							
<b>General revenues:</b>							
Property taxes.....	\$ 381,330	\$ 385,107	\$ 438,964	\$ 497,935	\$ 595,041	\$ 685,868	\$ 775,971
Public service company tax.....	24,821	25,171	22,819	29,665	29,815	37,640	35,823
Fuel tax.....	48,728	47,156	49,271	51,354	52,385	52,221	50,633
Public utility franchise tax.....	24,217	22,104	26,800	28,382	33,450	38,356	36,239
Investment earnings.....	7,519	3,099	1,907	4,194	11,621	19,676	21,269
Unrestricted grants and contributions.....	31,588	38,771	36,127	39,402	43,269	92,884	216,274
Harbor Court lease to fee conversion.....	11,971	31,781	-	33,271	-	-	-
Other.....	3,858	-	14,120	7,627	3,940	2,329	2,362
Transfers.....	(41,356)	(32,522)	(61,505)	(126,374)	(135,539)	(167,452)	(181,588)
<b>Total governmental activities</b>	<b>490,676</b>	<b>520,667</b>	<b>528,503</b>	<b>565,456</b>	<b>633,982</b>	<b>761,522</b>	<b>956,983</b>
<b>Business-type activities:</b>							
<b>General revenues:</b>							
Investment earnings.....	18,828	12,981	11,037	10,551	13,473	21,734	24,210
Transfers.....	41,356	32,522	61,505	126,374	135,539	167,452	181,588
<b>Total business-type activities</b>	<b>60,184</b>	<b>45,503</b>	<b>72,542</b>	<b>136,925</b>	<b>149,012</b>	<b>189,186</b>	<b>205,798</b>
<b>Total primary government</b>	<b>\$ 550,860</b>	<b>\$ 566,170</b>	<b>\$ 601,045</b>	<b>\$ 702,381</b>	<b>\$ 782,994</b>	<b>\$ 950,708</b>	<b>\$ 1,162,781</b>
<b>Changes in Net Assets</b>							
Governmental activities.....	\$ (86,310)	\$ (44,820)	\$ (14,583)	\$ (44,967)	\$ (1,495)	\$ 97,688	\$ 217,211
Business-type activities.....	(42,327)	(99,664)	(25,956)	5,238	7,238	58,561	55,368
<b>Total primary government changes in net assets</b>	<b>\$ (128,637)</b>	<b>\$ (144,484)</b>	<b>\$ (40,539)</b>	<b>\$ (39,729)</b>	<b>\$ 5,743</b>	<b>\$ 154,249</b>	<b>\$ 272,579</b>

TABLE 3  
CITY AND COUNTY OF HONOLULU  
FUND BALANCES, GOVERNMENTAL FUNDS  
FISCAL YEARS 1999 - 2008  
(Modified accrual basis of accounting)  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 19,228	\$ 20,683	\$ 18,189	\$ 19,191	\$ 21,320	\$ 20,838	\$ 19,802	\$ 22,004	\$ 27,767	\$ 58,794
Unreserved	30,515	38,176	23,347	35,159	51,496	41,479	57,364	76,604	128,035	107,281
<b>Total general fund</b>	<b>49,743</b>	<b>58,859</b>	<b>41,536</b>	<b>54,350</b>	<b>72,816</b>	<b>62,317</b>	<b>77,166</b>	<b>98,608</b>	<b>155,802</b>	<b>166,075</b>
<b>All Other Governmental Funds</b>										
Reserved	714,612	528,644	575,303	661,575	643,334	604,304	522,483	543,455	594,951	721,374
Unreserved, reported in:										
Special revenue funds	84,136	27,181	29,148	22,608	30,418	23,071	14,988	28,815	45,054	89,692
Capital projects funds	(483,982)	(434,053)	(471,479)	(558,241)	(616,257)	(520,834)	(440,551)	(410,417)	(450,520)	(368,382)
<b>Total of other governmental funds</b>	<b>314,766</b>	<b>121,772</b>	<b>132,972</b>	<b>125,942</b>	<b>57,495</b>	<b>106,541</b>	<b>96,920</b>	<b>161,853</b>	<b>189,485</b>	<b>442,684</b>
<b>TOTAL FUND BALANCES</b>	<b>\$ 364,509</b>	<b>\$ 180,631</b>	<b>\$ 174,508</b>	<b>\$ 180,292</b>	<b>\$ 130,311</b>	<b>\$ 168,858</b>	<b>\$ 174,086</b>	<b>\$ 260,461</b>	<b>\$ 345,287</b>	<b>\$ 608,759</b>

TABLE 4  
CITY AND COUNTY OF HONOLULU  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
FISCAL YEARS 1999 - 2008  
(Modified accrual basis of accounting)  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues:</b>										
Taxes.....	\$ 466,115	\$ 461,255	\$ 448,986	\$ 477,746	\$ 480,851	\$ 532,804	\$ 607,541	\$ 705,557	\$ 815,284	\$ 891,982
Special assessments.....	537	447	445	440	520	56	419	387	354	28
Licenses and permits.....	46,357	55,157	56,266	56,814	61,220	74,138	86,649	100,938	120,802	115,657
Intergovernmental.....	130,128	165,189	170,152	145,439	144,482	180,846	159,612	169,515	238,926	358,552
Charges for services.....	141,828	20,489	20,718	18,482	20,703	22,145	24,346	23,991	24,754	23,766
Fines and forfeits.....	456	477	366	460	646	657	391	698	868	1,183
<b>Miscellaneous:</b>										
Reimbursements and recoveries.....	78,412	97,143	87,264	76,873	78,908	77,676	86,776	78,993	87,113	88,731
Interest.....	16,567	15,098	15,234	10,086	3,646	2,473	4,620	12,506	20,959	24,638
Other.....	32,775	28,796	21,663	38,199	31,165	30,710	24,981	28,654	27,403	23,065
<b>Total Revenues.....</b>	<b>913,175</b>	<b>844,051</b>	<b>821,094</b>	<b>824,339</b>	<b>822,141</b>	<b>921,505</b>	<b>995,335</b>	<b>1,121,439</b>	<b>1,336,463</b>	<b>1,527,602</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government.....	107,163	101,740	104,720	115,314	115,067	115,975	122,306	129,387	141,459	153,759
Public safety.....	197,815	200,782	217,504	224,274	246,109	256,231	277,867	287,592	306,181	329,108
Highways and streets.....	23,872	14,964	14,976	15,122	13,831	14,964	15,731	17,114	21,000	24,086
Sanitation.....	82,569	455	482	491	648	692	734	1,251	2,674	5,537
Human services.....	65,482	61,024	68,986	64,905	52,007	56,994	55,877	57,673	60,883	65,144
Culture and recreation.....	49,674	50,125	55,555	58,410	62,260	59,512	62,971	68,285	71,084	82,328
Utilities or other enterprises.....	9,685	20,580	23,621	23,793	22,557	24,336	29,645	23,330	22,917	27,818
<b>Miscellaneous:</b>										
Retirement and health benefits.....	98,458	61,605	60,158	94,380	82,791	99,128	120,111	134,657	137,615	140,461
Other.....	17,005	14,976	15,774	20,377	18,864	22,213	17,481	18,765	22,832	21,226
<b>Capital Outlay:</b>										
General government.....	39,539	78,775	69,276	46,377	32,696	30,554	18,263	17,290	25,869	39,784
Public safety.....	24,743	16,357	10,828	16,777	9,802	11,554	17,833	25,473	25,824	21,035
Highways and streets.....	20,049	24,195	42,910	50,940	57,092	34,895	62,237	45,963	45,163	48,871
Sanitation.....	33,074	3,678	84	116	196	7	196	1,874	4,068	235
Human services.....	—	—	3,222	16,950	23,308	17,636	19,142	22,655	12,978	18,214
Culture and recreation.....	18,435	55,380	60,181	101,692	48,924	36,621	44,277	29,050	27,477	21,576
Utilities or other enterprises.....	7,909	19,646	17,213	25,014	21,704	14,388	36,350	10,297	45,622	47,695
<b>Debt service:</b>										
Principal.....	68,501	69,417	147,703	27,728	73,900	258,584	272,856	249,164	102,794	260,680
Interest.....	83,280	75,982	77,896	81,205	83,164	80,774	83,825	89,630	103,869	100,362
<b>Total Expenditures.....</b>	<b>947,053</b>	<b>869,681</b>	<b>991,089</b>	<b>983,865</b>	<b>964,920</b>	<b>1,135,058</b>	<b>1,257,702</b>	<b>1,229,450</b>	<b>1,180,289</b>	<b>1,407,899</b>
Revenues over (under) Expenditures.....	(33,878)	(25,630)	(169,995)	(159,526)	(142,779)	(213,553)	(262,367)	(108,011)	158,174	119,703
<b>Other Financing Sources (Uses):</b>										
Issuance of general obligation bonds.....	150,000	111,500	150,060	205,015	80,066	258,793	165,313	—	—	109,000
Issuance of revenue bonds with accrued interest.....	27,345	—	—	—	—	—	—	—	—	—
Issuance of tax exempt commercial paper.....	—	—	—	—	36,732	99,264	165,800	168,022	94,000	75,000
Capital Leases.....	—	—	—	—	—	—	—	—	1,674	865
Issuance of long-term notes.....	10,999	6,094	—	1,119	2,781	13	—	—	—	—
Issuance of refunding bonds.....	614,474	38,500	9,300	90,584	—	275,444	145,077	387,324	—	132,826
Bond premium.....	—	—	—	—	—	—	26,501	17,054	—	7,334
Bond discount.....	—	—	—	—	—	—	(14)	(115)	—	(30)
Inception of installment purchase contracts.....	93	86	2,670	—	—	—	—	—	—	—
Issuance costs.....	—	(918)	—	—	—	—	—	—	—	—
Payment of refunded bonds.....	(614,474)	(43,500)	(9,300)	(90,584)	—	(275,444)	(145,077)	(243,000)	—	—
Sales of capital assets.....	10,189	18,006	283	532	887	10,820	36,369	640	430	362
Transfers in.....	277,672	230,941	221,828	211,909	238,353	274,723	254,927	268,137	377,590	559,299
Transfers out.....	(321,659)	(348,236)	(288,503)	(253,265)	(266,021)	(391,513)	(381,301)	(403,676)	(545,042)	(740,887)
<b>Total Other Financing Sources (Uses).....</b>	<b>154,639</b>	<b>12,473</b>	<b>86,338</b>	<b>165,310</b>	<b>92,798</b>	<b>252,100</b>	<b>287,595</b>	<b>194,386</b>	<b>(71,348)</b>	<b>143,769</b>
<b>Net change in fund balances.....</b>	<b>\$ 120,761</b>	<b>\$ (13,157)</b>	<b>\$ (83,657)</b>	<b>\$ 5,784</b>	<b>\$ (49,981)</b>	<b>\$ 38,547</b>	<b>\$ 5,228</b>	<b>\$ 86,375</b>	<b>\$ 84,826</b>	<b>\$ 263,472</b>
<b>Debt service as a percentage of noncapital expenditures.....</b>										
	18.9%	21.6%	28.7% (a)	13.5% (a)	19.3% (a)	34.2% (a)	31.8% (a)	30.6% (a)	19.0% (a)	28.8%

(a) Revised from prior CAFR in compliance with GASB Statement 44.

TABLE 5  
CITY AND COUNTY OF HONOLULU  
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES  
FISCAL YEARS 1999 - 2008  
(Amounts in thousands)  
(Unaudited)

(Page 1 of 2)

Fiscal Year	Class of Property	Value of Net Taxable Building	Building Tax Rates Per \$1,000	Value of Net Taxable Land	Land Tax Rates Per \$1,000	Value of Net Taxable Real Property
1999	Improved Residential .....	\$ 9,049,562	\$ 3.49	\$ 29,075,124	\$ 3.49	\$ 38,124,686
	Unimproved Residential .....	40,154	4.00	893,991	4.00	934,145
	Apartment .....	9,762,680	3.97	6,497,815	3.97	16,260,495
	Hotel/Resort .....	2,191,901	9.64	2,638,300	9.64	4,830,201
	Commercial .....	4,190,660	8.88	5,939,935	8.88	10,130,595
	Industrial .....	1,590,950	8.62	3,779,419	8.62	5,370,369
	Agricultural .....	92,320	9.00	398,599	9.00	490,919
	Conservation .....	62,262	9.00	424,699	9.00	486,961
	Total .....	<u>\$ 26,980,489</u>		<u>\$ 49,647,882</u>		<u>\$ 76,628,371</u>
		Fiscal year 1999 total direct tax rate \$5.13				
2000	Improved Residential .....	\$ 9,230,152	\$ 3.65	\$ 27,176,656	\$ 3.65	\$ 36,406,808
	Unimproved Residential .....	41,303	4.66	760,369	4.66	801,672
	Apartment .....	8,770,891	4.49	5,583,553	4.49	14,354,444
	Hotel/Resort .....	2,181,039	9.96	2,495,333	9.96	4,676,372
	Commercial .....	4,376,172	9.25	5,349,767	9.25	9,725,939
	Industrial .....	1,592,304	9.39	3,336,296	9.39	4,928,600
	Agricultural .....	94,231	9.89	350,930	9.89	445,161
	Conservation .....	65,278	9.25	416,402	9.25	481,680
	Total .....	<u>\$ 26,351,370</u>		<u>\$ 45,469,306</u>		<u>\$ 71,820,676</u>
		Fiscal year 2000 total direct tax rate \$5.47				
2001	Improved Residential .....	\$ 9,315,911	\$ 3.65	\$ 25,898,762	\$ 3.65	\$ 35,214,673
	Unimproved Residential .....	40,789	4.66	690,343	4.66	731,132
	Apartment .....	8,460,667	4.49	5,119,280	4.49	13,579,947
	Hotel/Resort .....	2,068,493	9.96	2,358,990	9.96	4,427,483
	Commercial .....	4,370,036	9.25	4,876,112	9.25	9,246,148
	Industrial .....	1,562,797	9.39	2,997,584	9.39	4,560,381
	Agricultural .....	88,643	9.89	318,530	9.89	407,173
	Conservation .....	77,821	9.25	431,440	9.25	509,261
	Total .....	<u>\$ 25,985,157</u>		<u>\$ 42,691,041</u>		<u>\$ 66,676,198</u>
		Fiscal year 2001 total direct tax rate \$5.45				
2002	Improved Residential .....	\$ 10,066,199	\$ 3.65	\$ 26,533,079	\$ 3.65	\$ 36,599,278
	Unimproved Residential .....	41,985	4.66	428,191	4.66	470,176
	Apartment .....	8,480,325	4.21	5,038,002	4.21	13,518,327
	Hotel/Resort .....	2,121,627	9.96	2,435,463	9.96	4,557,090
	Commercial .....	4,361,423	9.25	4,798,891	9.25	9,160,314
	Industrial .....	1,581,298	9.39	2,838,754	9.39	4,420,052
	Agricultural .....	74,443	9.89	227,205	9.89	301,648
	Conservation .....	73,224	9.25	352,070	9.25	425,294
	Public Service.....	55,219	0.00	164,175	0.00	219,394
Total .....	<u>\$ 26,855,743</u>		<u>\$ 42,815,830</u>		<u>\$ 69,671,573</u>	
		Fiscal year 2002 total direct tax rate \$5.33				
2003	Improved Residential .....	\$ 12,230,871	\$ 3.65	\$ 27,308,923	\$ 3.65	\$ 39,539,794
	Unimproved Residential .....	42,458	4.66	714,387	4.66	756,845
	Apartment .....	9,305,365	3.93	4,950,109	3.93	14,255,474
	Hotel/Resort .....	2,226,305	9.96	2,347,705	9.96	4,574,010
	Commercial .....	4,322,821	9.25	4,839,542	9.25	9,162,363
	Industrial .....	1,570,203	9.39	2,850,632	9.39	4,420,835
	Agricultural .....	100,594	9.89	308,674	9.89	409,468
	Conservation .....	70,744	9.25	359,754	9.25	430,498
	Public Service.....	14,870	0.00	20,201	0.00	35,071
Total .....	<u>\$ 29,884,231</u>		<u>\$ 43,700,127</u>		<u>\$ 73,584,358</u>	
		Fiscal year 2003 total direct tax rate \$5.21				

TABLE 5  
CITY AND COUNTY OF HONOLULU  
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES  
FISCAL YEARS 1999 - 2008  
(Amounts in thousands)  
(Unaudited)

(Page 2 of 2)

Fiscal Year	Class of Property	Value of Net Taxable Building	Building Tax Rates Per \$1,000	Value of Net Taxable Land	Land Tax Rates Per \$1,000	Value of Net Taxable Real Property
2004	Improved Residential .....	\$ 13,252,080	\$ 3.75	\$ 30,280,854	\$ 3.75	\$ 43,513,034
	Unimproved Residential .....	46,627	5.35	655,236	5.35	701,863
	Apartment .....	11,059,012	3.75	5,074,206	3.75	16,133,217
	Hotel/Resort .....	2,266,433	10.63	2,251,393	10.63	4,517,826
	Commercial .....	4,349,397	10.63	4,766,874	10.63	9,116,271
	Industrial .....	1,568,117	10.63	2,802,730	10.63	4,370,847
	Agricultural .....	87,970	10.63	268,044	10.63	386,014
	Conservation .....	72,126	10.63	327,477	10.63	399,603
	Public Service.....	7,291	0.00	8,579	0.00	15,870
	<b>Total .....</b>	<b>\$ 32,709,053</b>		<b>\$ 46,445,492</b>		<b>\$ 79,154,545</b>
			Fiscal year 2004 total direct tax rate		\$6.40	
2005	Improved Residential .....				\$ 3.75	\$ 52,078,717
	Unimproved Residential .....				5.72	539,376
	Apartment .....				3.75	19,832,878
	Hotel/Resort .....				11.37	4,528,843
	Commercial .....				11.37	9,025,643
	Industrial .....				11.37	4,615,760
	Agricultural .....				9.57	1,382,516
	Preservation.....				9.57	404,535
	Public Service.....				0.00	15,114
	<b>Total .....</b>					<b>\$ 92,421,382</b>
			Fiscal year 2005 total direct tax rate		\$5.37	
2006	Improved Residential .....				\$ 3.75	\$ 68,475,274
	Unimproved Residential .....				5.72	524,508
	Apartment .....				3.75	24,671,194
	Hotel/Resort .....				11.37	4,708,327
	Commercial .....				11.37	9,818,183
	Industrial .....				11.37	4,972,434
	Agricultural .....				8.67	735,975
	Vacant Agricultural .....				8.57	33,887
	Preservation.....				9.57	383,128
	Public Service.....				0.00	(10)
	<b>Total .....</b>					<b>\$ 114,102,880</b>
		Fiscal year 2006 total direct tax rate		\$5.10		
2007	Improved Residential .....				\$ 3.59	\$ 89,283,029
	Unimproved Residential .....				5.72	754,816
	Apartment .....				3.59	32,642,928
	Hotel/Resort .....				11.97	5,787,719
	Commercial .....				11.97	10,814,805
	Industrial .....				11.97	5,513,282
	Agricultural .....				8.57	675,793
	Vacant Agricultural .....				8.57	38,547
	Preservation.....				9.57	365,292
	Public Service.....				0.00	(1,300)
	<b>Total .....</b>					<b>\$ 148,074,910</b>
		Fiscal year 2007 total direct tax rate		\$4.92		
2008	Improved Residential .....				\$ 3.29	\$ 100,858,035
	Unimproved Residential .....				5.70	431,258
	Apartment .....				3.29	38,352,746
	Hotel/Resort .....				12.40	6,872,417
	Commercial .....				12.40	12,282,509
	Industrial .....				12.40	6,711,928
	Agricultural .....				5.70	1,054,884
	Vacant Agricultural .....				8.50	111,524
	Preservation.....				5.70	349,430
	Public Service.....				0.00	0
	<b>Total .....</b>					<b>\$ 167,024,731</b>
		Fiscal year 2008 total direct tax rate		\$4.73		

NOTES:

Sources: City and County of Honolulu, Department of Budget and Fiscal Services, Real Property Assessment Division.  
(a) Land and its buildings and other improvements are required to be reported as a single value effective July 1, 2003.

Assessed value is at 100% of market value.

Property is reassessed annually.

The City Council sets the tax rates annually.

There are no overlapping property tax rates in the City and County of Honolulu.

TABLE 6  
CITY AND COUNTY OF HONOLULU  
PRINCIPAL PROPERTY TAXPAYERS  
FISCAL YEARS 1999-2008  
(Values in thousands)  
(Unaudited)

Taxpayer	1999			2000			2001			2002			2003		
	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Bishop Estate	\$ 4,181,761	1	4.54 %	\$ 3,867,229	1	4.47 %	\$ 3,768,209	1	4.50 %	\$ 3,706,702	1	4.39 %	\$ 786,673	2	0.88 %
Queen's Medical Center et al	1,155,907	2	1.28	1,096,378	2	1.27	1,059,616	2	1.27	1,052,578	2	1.25	--	--	--
James Campbell Corporation	834,551	3	0.91	744,581	4	0.86	685,511	4	0.82	624,286	6	0.74	233,128	8	0.26
Lihoukalanui Trust	712,977	5	0.77	681,628	6	0.76	627,457	6	0.75	630,227	5	0.75	--	--	--
Kyo-Ya Co., Ltd.	654,949	7	0.71	651,527	7	0.75	670,223	5	0.80	670,045	4	0.79	997,368	1	1.12
Samuel M. Damon Trust Estate	580,879	9	0.63	554,862	9	0.64	508,652	9	0.61	496,947	8	0.59	--	--	--
Hilton Hawaiian Village LLC	676,176	6	0.73	671,482	5	0.78	621,415	7	0.74	617,503	7	0.73	699,786	4	0.78
Dole Food Co.	619,407	8	0.67	573,703	8	0.66	510,751	8	0.61	437,370	9	0.52	341,425	7	0.38
Dale/Equity Life / D/E Hawaii Jt. Venture	731,736	4	0.80	774,507	3	0.90	--	--	--	--	--	--	--	--	--
Bancorp Hawaii, Inc./ Pacific Century	430,729	10	0.47	407,735	10	0.47	382,753	10	0.46	424,897	10	0.50	346,413	6	0.39
GGP Ala Moana LLC	--	--	--	--	--	--	754,977	3	0.90	778,692	3	0.92	746,422	3	0.84
MFD Partners	--	--	--	--	--	--	--	--	--	--	--	--	352,030	5	0.39
Victoria Ward, Limited	--	--	--	--	--	--	--	--	--	--	--	--	230,430	9	0.26
C. K. Corporation	--	--	--	--	--	--	--	--	--	--	--	--	206,455	10	0.23
Taxpayer	2004			2005			2006			2007			2008		
Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
Bishop Estate	\$ 768,916	2	0.81 %	\$ 1,162,123	1	1.06 %	\$ 892,148	3	0.68 %	\$ 1,261,674	1	0.76 %	\$ 1,370,878	1	0.72 %
Queen's Medical Center et al	--	--	--	--	--	--	297,428	10	0.23	--	--	--	--	--	--
James Campbell Corporation	990,423	1	1.04	323,274	7	0.29	387,336	7	0.29	413,557	8	0.25	423,835	8	0.22
Kyo-Ya Co., Ltd.	667,028	4	0.70	609,017	4	0.55	611,662	4	0.46	1,133,113	2	0.68	1,156,329	2	0.80
Hilton Hawaiian Village LLC	359,082	6	0.38	191,610	10	0.17	537,832	5	0.41	773,111	4	0.46	848,717	4	0.44
Dole Food Co.	305,399	7	0.32	--	--	--	--	--	--	--	--	--	--	--	--
Bancorp Hawaii, Inc./ Pacific Century	753,669	3	0.79	1,008,002	2	0.92	1,046,306	1	0.79	1,029,975	3	0.62	1,130,056	3	0.59
GGP Ala Moana LLC	220,077	8	0.23	258,738	9	0.24	--	--	--	--	--	--	--	--	--
Victoria Ward, Limited	199,745	9	0.21	--	--	--	--	--	--	--	--	--	--	--	--
C. K. Corporation	451,394	5	0.47	472,521	5	0.43	467,524	6	0.35	556,094	6	0.33	622,799	5	0.33
Outrigger Hotels Hawaii	198,423	10	0.21	--	--	--	--	--	--	--	--	--	--	--	--
WBM Resort, L.P.	--	--	--	332,717	6	0.30	349,615	8	0.26	285,038	9	0.17	293,958	10	0.15
Azabu Building Company Limited	--	--	--	281,711	8	0.24	--	--	--	275,837	10	0.17	--	--	--
Halekuanui Corporation	--	--	--	--	--	--	298,921	9	0.23	--	--	--	--	--	--
A & B Properties	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Ko'Oliha Hotel, et al.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
First Hawaiian Bank	--	--	--	--	--	--	--	--	--	673,856	5	0.40	611,165	6	0.32
Reynolds/Shidler	--	--	--	--	--	--	--	--	--	467,016	7	0.28	491,051	7	0.26
													416,984	9	0.22

NOTES:

Taxpayer's name as recorded in real property records.  
Assessed valuations were certified as of January 30 each year at 100% of market value.  
The total gross assessed valuation for Fiscal Year 2008 was \$191,491,948.

TABLE 7  
CITY AND COUNTY OF HONOLULU  
PROPERTY TAX LEVIES AND COLLECTIONS  
FISCAL YEARS 1999 - 2008  
(Amounts in thousands)  
(Unaudited)

Fiscal Year Ended June 30	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections		Prepays & Overpayment Refunds Due	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percentage of Current Levy
		Amount	Percentage of Levy		Amount	Percentage of Levy			
1999	\$ 392,962	\$ 396,949	101.0 %	\$ 5,878	\$ 402,827	102.5 %	\$ 2,764	\$ 7,025	1.8 %
2000	393,000	392,950	100.0	6,165	399,115	101.6	2,136	6,638	1.7
2001	374,099	375,668	100.4	4,430	380,098	101.6	2,708	8,658	2.3
2002	371,234	377,742	101.8	4,707	382,449	103.0	1,725	5,234	1.4
2003	383,724	384,432	100.2	1,440	385,872	100.6	4,840	9,194	2.4
2004	427,171	430,318	100.7	4,979	435,297	101.9	3,171	8,265	1.9
2005	496,428	495,446	99.8	4,231	499,677	100.7	3,511	8,310	1.7
2006	581,801	587,718	101.0	3,659	591,377	101.6	1,969	9,728	1.7
2007	673,960	685,367	101.7	4,008	689,375	102.3	1,641	9,168	1.4
2008	760,409	768,520	101.1	830	769,350	101.2	15,122	12,642	1.7



TABLE 8  
CITY AND COUNTY OF HONOLULU  
RATIOS OF OUTSTANDING DEBT BY TYPE  
FISCAL YEARS 1999 - 2008  
(Amounts in thousands, except per capita)  
(Unaudited)

Fiscal Year	Primary Government										Component Unit	Total Primary Government and Component Unit				
	Governmental Activities					Business-Type Activities						Water Bonds	Percentage of Personal Income (a)	Per Capita (a)	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Tax Exempt Commercial Paper	Revenue Bonds	Special Assessment Bonds	Notes Payable	Capital Lease	General Obligation Bonds	Revenue Bonds	Tax Exempt Commercial Paper	Notes Payable	Total	Percentage of Personal Income (a)	Per Capita (a)	Water Bonds	Percentage of Personal Income (a)	Per Capita (a)
1999	\$ 1,086,261	\$ -	\$ 319,453	2,910	\$ 69,593	\$ 2,637	\$ 280,366	\$ -	\$ 43,500	\$ -	\$ 1,804,720	7.29 %	\$ 2,035	\$ 56,130	7.51 %	\$ 2,098
2000	987,147	-	(b)	2,465	3,861	2,207	469,595	319,453	-	67,999	1,852,747	7.32	2,115	52,870	7.53	2,175
2001	1,093,784	9,300	-	2,115	3,700	1,742	441,434	319,453	-	68,829	1,940,357	7.29	2,217	66,600	7.54	2,293
2002	1,296,078	11,317	-	1,745	4,620	1,239	417,095	454,463	10,183	90,410	2,289,150	8.49	2,608	121,000	8.93	2,747
2003	1,254,315	128,100	-	1,375	7,173	694	385,264	704,020	-	85,494	2,568,435	9.23	2,905	119,270	9.65	3,040
2004	1,438,194	63,942	-	1,010	6,836	103	354,231	702,925	10,868	79,880	2,657,979	9.20	2,990	217,180	9.95	3,234
2005	1,579,217	37,942	-	645	6,476	-	326,734	701,785	11,858	74,123	2,736,780	8.77	3,057	215,045	9.45	3,297
2006	1,662,329	52,763	-	290	6,100	-	291,688	851,050	11,837	68,338	2,944,395	8.74	3,264	210,925	9.37	3,498
2007	1,598,488	144,063	-	-	5,709	1,497	252,601	1,048,775	17,837	112,746	3,181,716	8.85	3,509	319,160	9.74	3,861
2008	1,758,535	76,863	-	-	5,302	1,898	248,860	1,219,065	837	114,847	3,426,207	9.02	3,783	313,470	9.84	4,129

NOTES:

- (a) See TABLE 12 for personal income and population data.
- (b) The Sewer Fund became an enterprise fund in fiscal year 2000.
- (c) Includes general obligation bonds.
- (d) Revised from previous CAFR.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

TABLE 9  
CITY AND COUNTY OF HONOLULU  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
FISCAL YEARS 1999 - 2008  
(Amounts in thousands, except per capita)  
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding						Notes Payable	Total	Percentage of Net Taxable Property Value (a)	Per Capita (b)
	General Obligation Bonds	Tax Exempt Commercial Paper	Revenue Bonds							
1999	\$ 1,366,627	\$ 43,500	\$ 319,453	(c)	\$ 69,593		\$ 1,799,173	2.35 %	\$ 2,047	
2000	1,456,742	--	--		3,861	(c)	1,460,603	2.03	1,667	
2001	1,535,218	9,300	--		3,700		1,548,218	2.25	1,769	
2002	1,715,173	21,500	--		4,620		1,741,293	2.50	1,984	
2003	1,639,579	128,100	--		7,173		1,774,852	2.41	2,009	
2004	1,792,425	74,800	--		6,836		1,874,061	2.37	2,108	
2005	1,905,951	49,800	--		6,476		1,962,227	2.12	2,190	
2006	1,954,017	64,600	--		6,100		2,024,717	1.77	2,245	
2007	1,851,089	161,900	--		5,709		2,018,698	1.38	2,226	
2008	2,007,395	77,700	--		5,302		2,090,397	1.25	2,308	

NOTES:

- (a) See TABLE 5 for net taxable property values.
- (b) See TABLE 12 for population data.
- (c) The Sewer Fund became an enterprise fund in fiscal year 2000.
- (d) Revised from prior year CAFR.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

TABLE 10  
CITY AND COUNTY OF HONOLULU  
LEGAL DEBT MARGIN INFORMATION  
FISCAL YEARS 1999 - 2008  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit (a)	\$ 11,494,256	\$ 10,773,101	\$ 10,301,430	\$ 10,450,736	\$ 11,037,654	\$ 11,873,182	\$ 13,863,192	\$ 17,115,432	\$ 21,911,237	\$ 25,053,710
Debt applicable to limit	1,475,307	991,008	(c) 1,106,784	1,314,015	1,389,588	1,508,972	1,623,635	1,721,099	1,748,261	1,840,700
Legal debt margin (b)	\$ 10,018,949	\$ 9,782,093	\$ 9,194,646	\$ 9,136,721	\$ 9,648,066	\$ 10,364,210	\$ 12,239,557	\$ 15,394,333	\$ 20,162,976	\$ 23,213,010
Debt applicable to the limit as a percentage of debt limit	12.84%	9.20%	10.74%	12.57%	12.59%	12.71%	11.71%	10.06%	7.98%	7.35%

NOTES:

- (a) State finance statutes limit the City's outstanding general debt to no more than 15 percent of the net assessed value of property.
- (b) The legal debt margin is the City's available borrowing authority under state finance statutes and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.
- (c) The Sewer fund became an enterprise fund in fiscal year 2000 and the revenue bonds were reclassified to business-type activities.

Legal Debt Margin Calculation for Fiscal Year 2008

Net assessed value	\$ 167,024,731
Debt limit (15% of assessed value)	25,053,710
Debt applicable to limit	1,840,700
Legal debt margin	<u>\$ 23,213,010</u>

TABLE 11  
CITY AND COUNTY OF HONOLULU  
PLEGDED REVENUE COVERAGE  
FISCAL YEARS 1999-2008  
(Amounts in thousands)  
(Unaudited)

BOARD OF WATER SUPPLY

Fiscal Year	Gross Revenues	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
1999	\$ 113,256	\$ 55,993	\$ 57,263	\$ 410	\$ 948	\$ 1,358	42.17
2000	114,313	63,670	50,643	425	930	1,355	37.37
2001	114,164	66,469	47,695	445	911	1,356	35.17
2002	122,728	75,556	47,172	—	4,608	4,608	10.24
2003	112,184	79,007	33,177	780	5,367	6,147	5.40
2004	106,000	78,108	27,892	2,691	5,723	8,414	3.31
2005	105,864	85,820	20,044	2,135	10,196	12,331	1.63
2006	107,925	90,932	16,993	4,220	9,153	13,373	1.27
2007	125,733	87,038	38,695	5,690	15,190	20,880	1.85
2008	140,448	107,586	32,862	5,910	14,990	20,900	1.57

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
1999	\$ 114,430	\$ 59,869	\$ 54,561	\$ —	\$ 8,187	\$ 8,187	6.66
2000	130,453	56,834	73,619	—	15,204	15,204	4.84
2001	118,967	66,973	51,994	—	14,034	14,034	3.70
2002	116,982	62,566	54,416	1,172	17,439	18,611	2.92
2003	113,994	59,697	54,297	1,050	21,409	22,459	2.42
2004	113,495	63,336	50,159	1,095	23,603	24,698	2.03
2005	115,144	68,326	46,818	1,140	25,956	27,096	1.73
2006	146,544	75,228	71,316	3,550	27,562	31,112	2.29
2007	174,960	75,410	99,550	3,710	37,810	41,520	2.40
2008	237,964	114,182	123,782	6,140	50,262	56,402	2.19

SPECIAL ASSESSMENT BONDS (e)

Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
1999	\$ 853	\$ —	\$ 853	\$ 370	\$ 202	\$ 572	1.49
2000	695	—	695	425	177	602	1.15
2001	707	—	707	370	152	522	1.35
2002	682	—	682	370	129	499	1.37
2003	702	—	702	370	105	475	1.48
2004	573	—	573	365	81	446	1.28
2005	512	—	512	365	56	421	1.22
2006	454	—	454	355	32	387	1.17
2007	393	—	393	290	10	300	1.31
2008	—	—	—	—	—	—	—

NOTES:

- (a) As defined in applicable bond indenture, expenses are exclusive of depreciation and amortization of property values or losses.
- (b) Net available revenue divided by total debt service.
- (c) Includes interest on investments and excludes wastewater facility system charges.
- (d) Expenses are absorbed by the general fund.

TABLE 12  
CITY AND COUNTY OF HONOLULU  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
FISCAL YEARS 1999 - 2008  
(Unaudited)

<u>Fiscal Year Ended June 30</u>	<u>Resident Population as of July 1 (a)</u>	<u>Personal Income (millions of dollars) (a)</u>	<u>Per Capita Personal Income (a)</u>	<u>School Enrollment (b)</u>	<u>Unemployment Rate (a)</u>
1999	886,909 (c)	\$ 24,771 (c)	\$ 27,929 (c)	127,943 (c)	4.9
2000	876,156 (c)	25,303 (c)	28,789 (c)	126,745 (c)	4.4
2001	875,133 (c)	26,605 (c)	30,401 (c)	125,579 (c)	3.9
2002	877,496 (c)	26,976 (c)	30,742 (c)	123,658 (c)	4.1
2003	883,357 (c)	27,819 (c)	31,492 (c)	123,658 (c)	3.9
2004	889,102 (c)	28,885 (c)	32,488 (c)	123,387 (c)	3.7
2005	895,895 (c)	31,244 (c)	34,875 (c)	122,950 (c)	3.1
2006	902,034 (c)	33,684	37,343	122,673 (c)	2.7
2007	906,715	35,954	39,653	120,889 (c)	2.4
2008	905,601	38,003	41,964	119,005	2.5

NOTES:

(a) Per *The State of Hawaii Data Book 2007*.

(b) Enrollment figures for 1999-2008 obtained from *The State of Hawaii Data Book*, various years. Enrollment include grade kindergarten - 12, special education schools, nurseries and upgraded students in special schools. Only public schools are reported.

(c) Revised from previous CAFR.

TABLE 13  
CITY AND COUNTY OF HONOLULU  
PRINCIPAL EMPLOYERS, STATE OF HAWAII  
FISCAL YEARS 1998 - 2007  
(Unaudited)

Employer	1998			1999			2000			2001			2002		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
State of Hawaii	64,950	1	11.39%	65,800	1	11.42%	66,900	1	11.44%	67,300	1	11.42%	70,150	1	12.00%
Federal Government	30,400	2	5.33%	30,300	2	5.28%	31,000	2	5.30%	30,100	2	5.11%	30,650	2	5.25%
Local Governments	16,850	3	2.96%	16,850	3	2.89%	16,700	3	2.86%	17,100	3	2.90%	17,150	3	2.83%
Bancorp Hawaii Inc./Pacific Century Financial Corp./ Bank of Hawaii Corp.	5,114	4	0.90%	4,928	5	0.86%	4,700	5	0.80%	4,162	5	0.71%	3,175	10	0.54%
Kyo-ya Co. Ltd.	4,349	6	0.76%	4,264	6	0.74%	4,060	6	0.69%	4,078	6	0.69%	3,762	7	0.64%
McDonald's Restaurants of Hawaii	--	--	--	--	--	--	3,160	9	0.54%	3,210	10	0.54%	--	--	--
The Queen's Health Systems	3,937	7	0.69%	3,904	7	0.68%	3,878	7	0.68%	3,773	7	0.64%	--	--	--
Hawaiian Electric Industries Inc.	3,872	9	0.64%	3,722	8	0.65%	3,262	8	0.56%	--	--	--	4,055	6	0.69%
Kaiser Permanente Medical Care Program	--	--	--	3,000	10	0.52%	3,150	10	0.54%	3,275	9	0.56%	--	--	--
First Hawaiian Inc.	3,000	10	0.53%	--	--	--	--	--	--	--	--	--	3,385	8	0.56%
Liberty House (Purchased by Macy's in 2002)	3,800	8	0.67%	--	--	--	--	--	--	--	--	--	--	--	--
ALTRIS Inc.	4,500	5	0.79%	5,658	4	0.98%	6,373	4	1.09%	6,846	4	1.16%	6,688	4	1.13%
Outrigger Hotels & Resorts	--	--	--	3,500	9	0.61%	--	--	--	3,313	8	0.56%	--	--	--
Hawaiian Airlines Inc.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Hawaii Health Systems Corp.	--	--	--	--	--	--	--	--	--	--	--	--	3,205	9	0.55%
Hawaii Pacific Health	--	--	--	--	--	--	--	--	--	--	--	--	5,468	5	0.94%
<b>Total</b>	<b>140,572</b>		<b>24.66%</b>	<b>141,724</b>		<b>24.61%</b>	<b>143,181</b>		<b>24.49%</b>	<b>143,157</b>		<b>24.29%</b>	<b>147,588</b>		<b>25.25%</b>
State of Hawaii	70,550	1	11.91%	71,500	1	11.87%	71,150	1	11.51%	71,950	1	11.39%	72,400	1	11.46%
Federal Government	31,650	2	5.34%	31,450	2	5.22%	31,300	2	5.06%	31,850 (c)	2	5.04%	31,650	2	5.01%
Local Governments	16,950	3	2.86%	17,100	3	2.84%	17,200	3	2.78%	17,450 (c)	3	2.76%	17,950	3	2.84%
Bancorp Hawaii Inc./Pacific Century Financial Corp./ Bank of Hawaii Corp.	--	--	--	--	--	--	3,574	10	0.59%	--	--	--	--	--	--
Kyo-ya Co. Ltd.	3,638	7	0.61%	3,753	7	0.62%	3,674	10	0.58%	3,807	9	0.60%	3,764	10	0.60%
The Queen's Health Systems	3,400	9	0.57%	3,689	8	0.61%	3,673	9	0.59%	4,351	7	0.80%	4,834	8	0.76%
Kaiser Permanente Medical Care Program	3,683	6	0.62%	3,790	6	0.63%	3,918	7	0.63%	3,969	8	0.63%	4,017	9	0.64%
ALTRIS Inc.	6,958	4	1.17%	7,238	4	1.20%	7,574	4	1.23%	7,438	4	1.18%	8,311	4	1.32%
Hawaiian Airlines Inc.	3,491	8	0.59%	--	--	--	--	--	--	--	--	--	--	--	--
Hawaii Health Systems Corp.	3,400	9	0.57%	3,400	10	0.56%	--	--	--	--	--	--	--	--	--
Hawaii Pacific Health	5,449	5	0.92%	5,434	5	0.90%	5,449	6	0.88%	5,500	5	0.87%	5,200	7	0.82%
Aloha Airgroup, Inc.	--	--	--	3,558	9	0.59%	3,701	8	0.60%	--	--	--	--	--	--
Starwood Hotels and Resorts Hawaii	--	--	--	--	--	--	5,500	5	0.89%	--	--	--	--	--	--
Proservice Hawaii	--	--	--	--	--	--	--	--	--	4,800	6	0.76%	5,500	6	0.87%
NCL America	--	--	--	--	--	--	--	--	--	3,582	10	0.57%	5,910	5	0.94%
<b>Total</b>	<b>149,149</b>		<b>25.16%</b>	<b>150,912</b>		<b>25.04%</b>	<b>153,039</b>		<b>24.75%</b>	<b>154,697</b>		<b>24.49%</b>	<b>159,536</b>		<b>25.26%</b>

SOURCES:  
The State of Hawaii Data Book (<http://www.hawaii.gov/dbedt/>),  
Hawaii Business, magazine various years.

NOTES:  
(a) State of Hawaii employees only.  
(b) Total State employment count revised from prior CAFR.  
(c) Revised from prior CAFR.

TABLE 14  
CITY AND COUNTY OF HONOLULU  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
FISCAL YEARS 1999 - 2008  
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Administration	338 (a)	358	376	530	517	480	523	531	532	538
Finance	576 (a)	541	531	403	415	403	416	414	425	439
Legal	323	314	313	323	315	316	321	310	307	318
Planning & Permitting	255 (a)	250	243	236	238	225	234	251	257	250
Design & Construction	247 (a)	223	227	238	223	217	203	204	209	216
Public Safety										
Police	2,402	2,474	2,494	2,490	2,466	2,507	2,490	2,537	2,569	2,601
Fire	1,031	1,015	1,084	1,090	1,084	1,077	1,061	1,076	1,091	1,098
Emergency Medical Services	128 (a)	140	135	117	126	173	127	134	129	136
Highways and Streets	655 (a)	658	615	639	625	624	614	616	631	631
Sanitation										
Solid Waste	398	374	369	332	324	333	333	336	348	363
Sewer	613	594	573	565	536	512	498	508	520	530
Health and Human Resources	368	381	368	421	387	390	411	416	391	397
Culture and Recreation	880 (a)	861	927	968	959	911	871	855	932	962
<b>Total</b>	<b>8,214</b>	<b>8,183</b>	<b>8,255</b>	<b>8,352</b>	<b>8,215</b>	<b>8,168</b>	<b>8,102</b>	<b>8,188</b>	<b>8,341</b>	<b>8,479</b>

**NOTES:**

Source: City and County of Honolulu, Department of Human Resources.

(a) In fiscal year 1999 various departments were reorganized to better segregate functional responsibilities.

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

This table excludes the Board of Water Supply employees.

TABLE 15  
CITY AND COUNTY OF HONOLULU  
OPERATING INDICATORS BY FUNCTION  
FISCAL YEARS 1999 - 2008  
(Unaudited)

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Part I number of arrests (a)	6,629	6,319	6,332	6,426	5,401	4,648	3,554	4,484	4,039	4,453
Part II number of arrests (a)	34,778	37,807	34,101	35,868	31,120	33,350	28,085	31,145	35,006	37,285
Parking violations	NA	NA	77,443 (k)	84,024 (k)	92,115 (k)	92,066 (k)	106,304 (k)	105,871 (k)	97,366 (k)	154,323 (l)
Traffic violations	NA	NA	170,104 (k)	167,481 (k)	158,304 (k)	168,491 (k)	180,941 (k)	183,205 (k)	240,220 (l)	173,762 (l)
Fire										
Fire department responses	8,351	9,320	10,210	10,627	10,468	10,766	13,900	15,859	16,021	15,728
Emergency medical responses	12,318	13,567	16,555	18,987	19,549	22,178	20,288	19,346	21,722	23,780
Inspections	3,622	184,474	234,934	234,175	175,744 (d)	218,083	213,538	191,333	190,538	66,947 (l)
Emergency Medical Services										
Ambulance responses	44,754	47,724	51,458	55,270	60,976	67,762	66,162	72,807	74,887	73,902
Refuse Collection										
Refuse collected (tons per year)	284,007	268,491	233,288	358,946	335,622	350,298	368,288	373,462	359,801	340,781
Recyclables collected (tons per year)	18,206	26,400	43,108	39,869	82,721	80,624	67,713	67,966	57,900	55,700
Other Public Works										
Street resurfacing in-house (miles)	34	35	-	-	-	-	31 (h)	43	38	51
Street resurfacing contract (miles)	5	-	146	128	91	27	122 (h)	120	75	81
First aid (tons of asphalt)	8,652	11,295	4,034	2,387	1,828	9,354	13,785 (h)	13,078	12,528	3,007
Potholes repaired	34,815	41,810	29,293	38,432	40,195	66,872	47,660 (h)	55,192	73,013	82,850
Parks and Recreation										
Park facility permits issued	16,884 (f)	16,947 (f)	16,375 (f)	12,045 (f)	21,550	24,114	36,124	18,912 (j)	21,522	15,136
Other Enterprise										
Rounds of golf	689,070	663,710	647,850	619,300	611,979	560,921	530,806	538,451	563,858	563,669
Zoo attendance	597,695	573,120	559,727	521,870	495,184	499,767	513,931	568,952	601,510	599,442
Water										
New connections	1,233	1,521	1,419	1,857	2,786	2,182	2,269	1,925	1,928	1,370
Water main breaks	392	411	406	392	338	399	388	358	342	285
Average daily pumpage										
(millions of gallons)	151	152	155	154	159	150	148	148	152 (e)	148
Peak daily pumpage										
(millions of gallons)	174	175	177	182	185	182	184	187	175	178
Wastewater										
Average daily sewage treatment										
(millions of gallons)	112	113	111	115	111	112	112	112	105 (e)	107
Transit										
Total bus directional route miles	875	888	907	914	912	915	919	922	927	927
Total bus revenue miles	16,454,929	17,066,511	18,568,681	18,674,279	18,331,577	16,530,804 (g)	18,388,911	18,019,030	17,923,724	18,272,697
Bus passengers	66,236,147	66,602,820	70,384,025	73,524,474	69,100,627	61,297,980 (g)	67,406,827	70,384,355	71,749,456	69,759,895
Total paratransit revenue miles	4,043,744	4,128,359	4,247,101	4,232,589	4,252,570	4,171,202	4,035,752	4,322,045	4,608,289	4,833,262
Paratransit passengers	619,958	655,422	702,921	710,957	730,651	731,083	733,777	784,058	807,851	833,655

NOTES:

- (a) The data is reported on a calendar year basis.
- (b) Source: City and County of Honolulu, Individual Departments.
- (c) Source: State of Hawaii, District Court Administrator.
- (d) Incomplete reporting from operations (company inspections) decreased the count in the fiscal year ended June 30, 2003.
- (e) Revised from prior CAFR.
- (f) Camping permits only.
- (g) The bus system experienced a 34 day strike during fiscal year 2004 that had minimal impact on paratransit operations.
- (h) The increase in street resurfacing and first aid reduced the number of pothole repairs.
- (i) Beginning in FY 2007, the Honolulu Fire Department (HFD) changed methods of data collection to count fire prevention inspections. Inspection may now be completed over a two year period instead of one year.
- (j) The decrease is due to extended severe weather and the related Walkiki sewage spill.
- (k) The count is based on tickets issued.
- (l) The count is based on number of violations.

NA: Not available.



TABLE 16  
CITY AND COUNTY OF HONOLULU  
CAPITAL ASSET STATISTICS BY FUNCTION  
FISCAL YEARS 1999 - 2008  
(Unaudited)

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	8	10 (a)	11 (a)	11 (a)	11 (a)	11 (a)	11 (a)	11 (a)	11 (a)	12
Patrol units - City owned	318	360	314	324	295	288	288	332	363	300 (b)
Patrol units - privately owned	NA	NA	1,265	1,278	1,295	1,332	1,325	1,313	1,293	1,428 (c)
Fire stations (d)	42	42	44	44	44	44	44	44	44	44
Emergency medical services stations	16	16	18	19	19	19	20	20	20	21
Refuse collection trucks	190	192	175	187	197	205	186 (e)	192	191	191
Other Public Works										
Streets (paved mile)	1,366	1,368	1,370	1,374	1,386	1,389	1,391	1,393	1,398	1,398
Streetlights	43,478	43,584	43,844	44,093	45,285	45,922	45,937	46,236	46,605	46,756
Storm sewers (miles)	676	678	680	684	696	699	701	702	706	706
Parks and Recreation										
Parks and recreational areas	260	278	283	283	283	280	288	277	282	284
Beach access/right of ways	62	74	90	87	87	87	87	83	90	90
Botanical gardens	5	5	5	5	5	5	5	5	5	5
Recreation buildings	87	90	90	91	91	93	93	93	93	93
Gymnasiums	24	24	24	24	25	24	24	24	24	24
Swimming pools	18	18	18	19	20	20	20	21	21	21
Baseball/softball fields	191	191	191	195	200	194	194	194	194	193
Basketball courts	222	222	222	222	222	222	220	220	220	220
Tennis courts	179	179	179	179	179	179	179	179	179	169
Volleyball courts	173	173	173	173	170	169	169	169	169	169
Soccer fields	--	--	19	81	81	80	80	80	80	80
Traffic related landscaped areas	NA	86	86	94	86	86	86	86	90	149 (h)
Other Enterprise										
Golf courses	6	6	6	6	6	6	6	6	6	6
Zoological parks	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	1,911	1,925	1,944	1,960	1,977	1,997	2,037	2,055	2,060	2,067
Fire hydrants	18,554	18,858	19,043	19,179	19,526	19,711	19,832	20,073	20,381	20,760
Storage capacity (millions of gallons)	174	174	177	178	182	182	182	182	183	182
Wastewater										
Sanitary sewers (miles)	1,900	2,310	2,541	2,541	2,304	2,205	2,191	2,191	2,191	2,113
Treatment capacity (millions of gallons)	151	151	151	151	151	151	151	151	152	152
Transit										
Buses	525	525	529	525	525	536	525	525	525	540
Paratransit vehicles	103	110	110	124	154 (f)	121	123	119	129	148
Traffic signal intersections (g)	700	750	750	750	760	760	772	787	790	799

SOURCE: City and County of Honolulu, various agencies.

NOTES:

(a) Revised from prior CAFR. Includes substations in China Town established in 2000 and Waikiki in 2001.

(b) Decrease attributed to the retirement of mechanically obsolete and unsound vehicles.

(c) The number varies according to actual staffing of motorized patrol position.

(d) Includes one fireboat and one aircraft station.

(e) In fiscal year 2005, management decided to eliminate old trucks requiring excessive manpower and money to maintain.

(f) At fiscal year end unserviceable vehicles were awaiting disposal.

(g) Includes State traffic signals on Oahu that the City maintains.

(h) In 2008, Facility Maintenance assumed management of and subdivided some of the landscaped areas.

NA: Not Available

**This page left blank intentionally.**