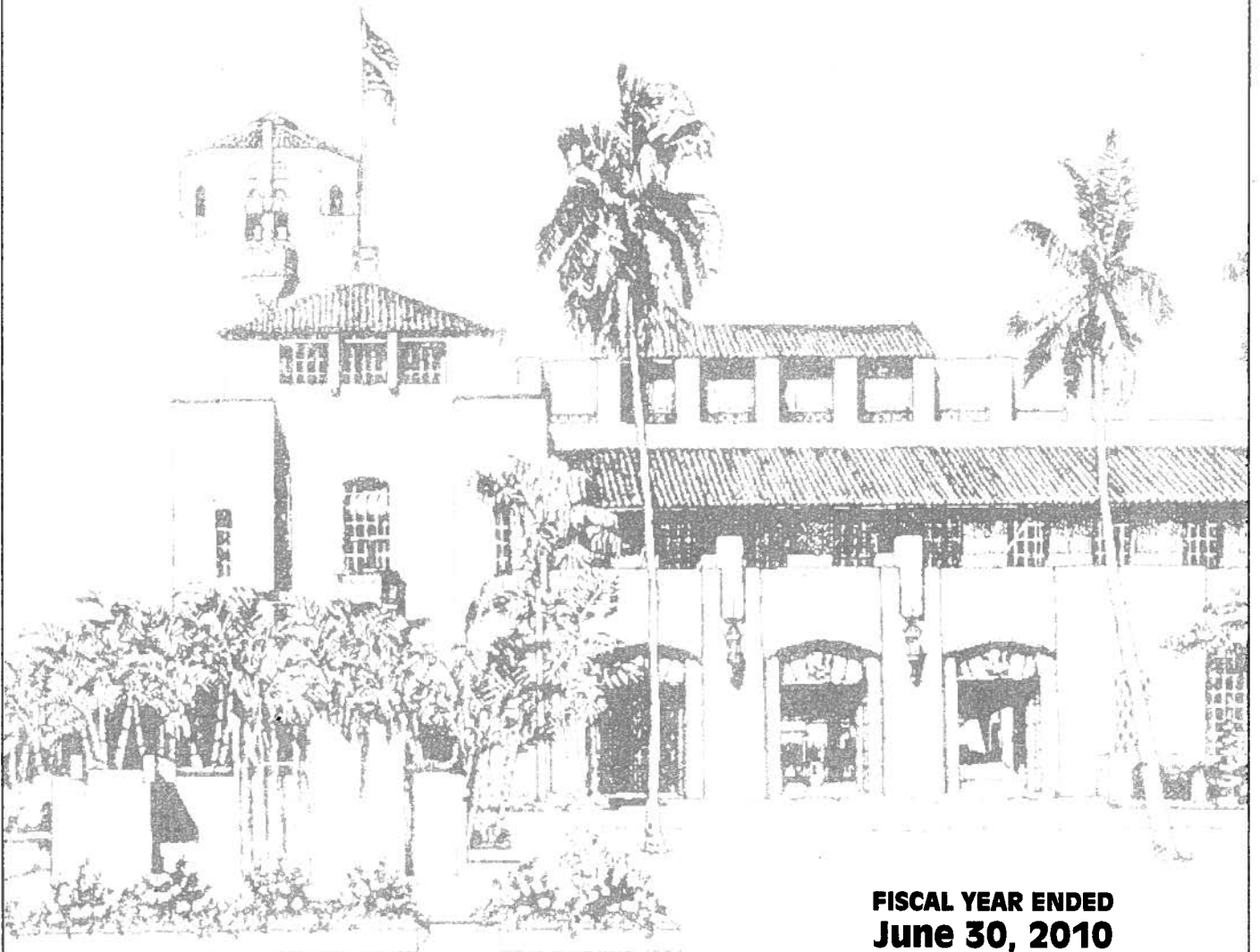
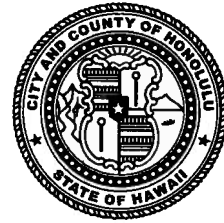


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2010**

EXECUTIVE BRANCH



Mufi Hannemann
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010

Prepared by:
DEPARTMENT OF BUDGET AND FISCAL SERVICES
MICHAEL R. HANSEN
ACTING DIRECTOR

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal.....	1
GFOA Certificate of Achievement.....	10
Organization Chart.....	11
Elected Officials.....	13
 FINANCIAL SECTION:	
Report of Independent Auditors.....	15
Management’s Discussion and Analysis (MD&A).....	17
 <u>Basic Financial Statements</u>	
 Government-wide Financial Statements	
Statement of Net Assets.....	35
Statement of Activities.....	36
 Fund Financial Statements	
 Governmental Fund Financial Statements	
Balance Sheet (including Reconciliation of the Balance Sheet to the Statement of Net Assets).....	39
Statement of Revenues, Expenditures and Changes in Fund Balances...	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	41
 Proprietary Fund Financial Statements	
Statement of Net Assets - Business-type Activities - Enterprise Funds....	43
Statement of Revenues, Expenses and Changes in Fund Net Assets - Business-type Activities - Enterprise Funds.....	44
Statement of Cash Flows - Business-type Activities - Enterprise Funds...	45
 Fiduciary Fund Financial Statements	
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, 2010**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Basic Financial Statements (Continued)</u>	
Notes to the Financial Statements.....	49
<u>Required Supplementary Information Other Than MD&A</u>	
Budgetary Comparison Schedules	
General Fund.....	93
Highway Fund.....	95
Notes to Budgetary Comparison Schedules.....	97
Post-Retirement Health Care and Life Insurance Benefits	
Schedule of Funding Progress.....	98
Schedule of Employer Contributions.....	99
<u>Other Supplementary Information</u>	
Nonmajor Governmental Funds - Combining Financial Statements:	
Combining Balance Sheet.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	110
Agency Funds - Combining Financial Statements:	
Statement of Net Assets.....	118
Statement of Changes in Assets and Liabilities.....	119
Fund Schedules:	
General Fund	
Balance Sheet.....	122
Statement of Revenues, Expenditures and Changes in Fund Balance....	123
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	124
Schedule of Revenues - Budget and Actual.....	127

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Other Supplementary Information (Continued)</u>	
Fund Schedules (Continued):	
Highway Fund	
Balance Sheet.....	133
Statement of Revenues, Expenditures and Changes in Fund Balance.....	134
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	135
Schedule of Revenues - Budget and Actual.....	137
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	
Balance Sheet.....	139
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	140
Schedule of Revenues - Budget and Actual.....	141
Bikeway Fund	
Balance Sheet.....	142
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	143
Schedule of Revenues - Budget and Actual.....	144
Parks and Playground Fund	
Balance Sheet.....	145
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	146
Schedule of Revenues - Budget and Actual.....	147
Liquor Commission Fund	
Balance Sheet.....	148
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	149
Schedule of Revenues - Budget and Actual.....	151

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Other Supplementary Information (Continued)</u>	
Fund Schedules (Continued):	
Other Post-Employment Benefits Reserve Fund	
Balance Sheet.....	152
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	153
Schedule of Revenues - Budget and Actual.....	154
Rental Assistance Fund	
Balance Sheet.....	155
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	156
Schedule of Revenues - Budget and Actual.....	157
Zoo Animal Purchase Fund	
Balance Sheet.....	158
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	159
Schedule of Revenues - Budget and Actual.....	160
Hanauma Bay Nature Preserve Fund	
Balance Sheet.....	161
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	162
Schedule of Revenues - Budget and Actual.....	164
Reserve for Fiscal Stability Fund	
Balance Sheet.....	165
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	166
Schedule of Revenues - Budget and Actual.....	167

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Other Supplementary Information (Continued)</u>	
Fund Schedules (Continued):	
Clean Water and Natural Lands Fund	
Balance Sheet.....	168
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	169
Schedule of Revenues - Budget and Actual.....	170
Affordable Housing Fund	
Balance Sheet.....	171
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	172
Schedule of Revenues - Budget and Actual.....	173
Community Development Fund	
Balance Sheet.....	174
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	175
Schedule of Revenues - Budget and Actual.....	176
Golf Fund	
Balance Sheet.....	177
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	178
Schedule of Revenues - Budget and Actual.....	180
Special Events Fund	
Balance Sheet.....	181
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	182
Schedule of Revenues - Budget and Actual.....	184

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Other Supplementary Information (Continued)</u>	
Fund Schedules (Continued):	
Farmers Home Administration Loan Fund	
Balance Sheet.....	186
Special Projects Fund	
Balance Sheet.....	187
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	188
Schedule of Revenues - Budget and Actual.....	189
Federal Grants Fund	
Balance Sheet.....	190
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	191
Schedule of Revenues - Budget and Actual.....	193
Housing and Community Development Rehabilitation Loan Fund	
Balance Sheet.....	194
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	195
Schedule of Revenues - Budget and Actual.....	196
Pauahi Project Expenditures, Hawaii R-15 Fund	
Balance Sheet.....	197
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	198
Schedule of Revenues - Budget and Actual.....	199

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Other Supplementary Information (Continued)</u>	
Fund Schedules (Continued):	
Housing and Community Development Section 8 Contract Fund	
Balance Sheet.....	200
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	201
Schedule of Revenues - Budget and Actual.....	202
Leasehold Conversion Fund	
Balance Sheet.....	203
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	204
Revolving Funds	
Combining Balance Sheet.....	205
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	206
General Obligation Bond and Interest Redemption Fund	
Balance Sheet.....	207
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	208
Improvement District Bond and Interest Redemption Fund	
Balance Sheet.....	209
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	210
General Improvement Bond Fund	
Balance Sheet.....	211
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	212

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

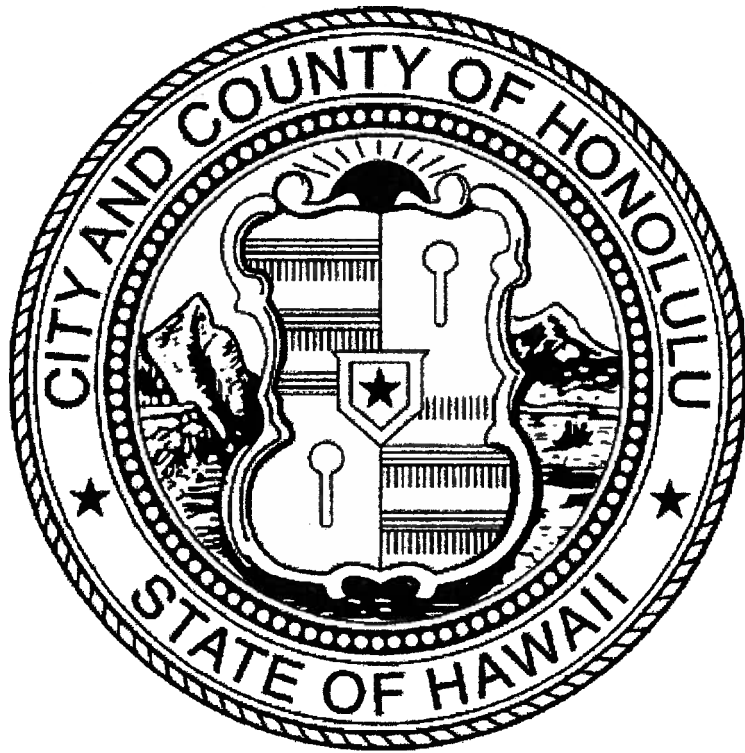
	<u>Page</u>
FINANCIAL SECTION (Continued):	
<u>Other Supplementary Information (Continued)</u>	
Fund Schedules (Continued):	
Highway Improvement Bond Fund	
Balance Sheet.....	213
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	214
Federal Grants Capital Projects Fund	
Balance Sheet.....	215
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	216
Capital Projects Fund	
Balance Sheet.....	217
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	218
Transit Fund	
Balance Sheet.....	219
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	220
Transit Improvement Bond Fund	
Balance Sheet.....	221

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2010**

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited):	
Net Assets by Component (Table 1).....	223
Changes in Net Assets (Table 2).....	224
Fund Balances, Governmental Funds (Table 3).....	225
Changes in Fund Balances, Governmental Funds (Table 4).....	226
Real Property Assessed Values by Classification and Tax Rates (Table 5).....	227
Principal Property Taxpayers (Table 6).....	229
Property Tax Levies and Collections (Table 7).....	230
Ratios of Outstanding Debt by Type (Table 8).....	231
Ratios of General Bonded Debt Outstanding (Table 9).....	232
Legal Debt Margin Information (Table 10).....	233
Pledged Revenue Coverage (Table 11).....	234
Demographic and Economic Statistics (Table 12).....	235
Principal Employers, State of Hawaii (Table 13).....	236
Full-Time Equivalent City Government Employees by Function (Table 14).....	237
Operating Indicators by Function (Table 15).....	238
Capital Asset Statistics by Function (Table 16).....	239

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

PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
ACTING DIRECTOR

December 30, 2010

The Honorable Peter B. Carlisle, Mayor
The Honorable Nestor R. Garcia, Chair
and Members of the City Council
City and County of Honolulu
530 South King Street
Honolulu, Hawaii 96813

Dear Mayor Carlisle, Chair Garcia and Councilmembers:

We are pleased to submit to you the City and County of Honolulu (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The CAFR was prepared by the Department of Budget and Fiscal Services (BFS). BFS is responsible for the accuracy, completeness and fairness of the financial data and presentation, including all disclosures. We believe the data in the CAFR is fairly presented and is accurate in all material aspects. Furthermore, we believe that all disclosures necessary to enable the reader to gain a full understanding of the City's financial affairs have been included. The CAFR represents all budgeting and accounting activities of the City during the year, and covers all funds of the City and its component unit.

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 all of the 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 island wide services are comprehensive and includes police and fire protection; emergency medical care services; disaster management; 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

Signs indicate that Oahu is beginning on the road to economic recovery. Most noteworthy is tourism's positive performance in 2010.

- Statistics for tourism, Oahu's main industry, reflected increases throughout 2010 compared to the same periods in the prior year. For example, the following gains were posted for September 2010 compared to the same month a year ago: international arrivals (8.6%), hotel occupancy (7.5% to 81.7%), domestic length of stay (3.8%), visitor expenditures (19.3% to \$468.1 million), international length of stay (0.2%), average daily room rates (15.8% to \$172.71), and domestic arrivals (2.9%).
- Overall, the real estate market on Oahu softened in 2010 compared to 2009. Specifically, for the month of November 2010 compared to the same month the year before, the resale volume decreased 5.0% to 245 for single family homes, and 24.6% to 303 for condominiums. For the same periods, median resale prices decreased a slight 0.8% to \$585,000 for single family homes and improved 1.4% to \$315,000 for condominiums.
- Economic indicators for the local construction industry are mixed; American Recovery and Reinvestment Act of 2009 (ARRA) funds have been put to work and have helped to soften the economic slowdown for the building trade. Construction jobs declined 26.5% for September 2010 compared to the same month the preceding year. In addition, contracting receipts declined 19.5% to \$364.7 million for the month ended July 31, 2010 in comparison to the same period last year. Although the number of issued building permits decreased 5.9% to 14,249, the value of construction commitments and authorizations increased 31.4% to \$2.0 billion for fiscal year 2010 compared to the prior fiscal year. For the eleven months ended November 30, 2010, issued building permits numbered 13,393 and totaled \$1.8 billion, representing increases of 4.0% and 33.2% in quantity and value, respectively, in contrast to the same period last year.
- Retailing receipts on Oahu decreased by 1.5% to \$20.5 billion for fiscal year 2010 from \$20.8 billion in fiscal year 2009. On the other hand, retailing receipts increased 9.1% to \$1.7 billion for the month ended July 31, 2010 when compared to the same month the previous year.

- The military continues to be recognized as an important segment of the island's economy with expenditures in Hawaii exceeding \$5.5 billion annually.
- Non-agricultural jobs totaled 440,400 for October 2010, a 0.88% increase from 436,550 non-farm jobs for the same month the preceding year.
- For September 2010, Honolulu had the lowest unemployment rate among Hawaii's counties, with a non-seasonally adjusted unemployment rate of 5.3%. Oahu's jobless rate was lower than the seasonally adjusted jobless rates of 6.3% and 9.6% for the State and U.S., respectively.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 1.5% for the first quarter of 2010 compared to a slight decline of 0.2% for 2009, and a gain of 4.0% for 2008.
- Proprietors' incomes increased 3.1% for the first quarter of 2010, compared to a decline of 5.3% for 2009 and a decline of 6.1% in 2008.
- With rising gasoline prices and electricity rates, Honolulu's consumer price index rose 2.5% while the nation's inflation rate was 2.1% during the first half of 2010, compared to the same period last year.

Sources:

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

First Hawaiian Bank, Economic Forecasts, https://www.fhb.com/hm_econ.htm.

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

Honolulu Star-Advertiser, <http://www.staradvertiser.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.hiwi.org>.

State of Hawaii, Department of Taxation, http://www6.hawaii.gov/tax/a5_3txcolrptarchive.htm

University of Hawaii Economic Research Office, <http://www.uhero.hawaii.edu/>.

MAJOR INITIATIVES

The executive operating budget for fiscal year 2010 amounted to \$1.8 billion net of interfund transfers, representing a decrease of \$2.8 million compared to the prior year. Highlights of the budget included the following: no provision for other post-employment benefits (compared to the fiscal year 2009 budget of \$91.9 million, representing the estimated liability for the first two fiscal years since the implementation of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* on July 1, 2007), no transfers from various funds to the other post-employment benefits reserve fund (in contrast to \$51.9 million for the previous fiscal year), pay raises from previously negotiated four-year contracts with police officers and firefighters (\$23.4 million), increasing debt service costs (\$21.0 million), rising healthcare premiums for retirees and employees (\$20.2 million), and higher retirement system contribution requirements (\$4.9 million).

The City's capital improvement budget of \$1.7 billion for fiscal year 2010 represented an increase of 77.9% compared to the preceding fiscal year. Funding was focused in large part on mass transit (65.3%), primarily for the Honolulu Rail Transit Project (\$1.1 billion), and to a much lesser degree on sanitation (19.0%).

General Government

The general government function of the capital improvement budget decreased 39.9% to \$38.6 million for fiscal year 2010 compared to the prior fiscal year. The following were the major general government projects: Procurement of Major Equipment (\$21.7 million), Telecommunications Facilities Upgrade (\$4.0 million), National Pollutant Discharge Elimination System (NPDES) Modification for Corporation Yards (\$3.5 million), Public Building Facilities Improvements (\$2.2 million), and Kapolei Consolidated Corporation Yard (\$2.1 million).

Public Safety

The appropriations for the public safety function amounted to \$44.1 million for fiscal year 2010, and represent a 23.0% reduction from the previous fiscal year. The major public safety projects included Honolulu Fire Department Equipment Acquisition (\$5.6 million), East Kapolei Fire Station (\$4.7 million), Honolulu Police Department Equipment Acquisition (\$4.5 million), Round Top Drive Emergency Roadway Reconstruction (\$3.6 million), Computerized Traffic Control System (\$3.5 million), and Traffic Signals at Various Locations (\$3.4 million).

Highways and Streets

The \$132.0 million capital improvement budget for highways and streets increased 8.7% for fiscal year 2009 in comparison to the previous fiscal year. Major highways and streets projects included Rehabilitation of Streets (\$77.0 million), Kapiolani Boulevard Reconstruction Phase 1 – South Street to Ward Avenue (\$19.2 million), Salt Lake Boulevard Widening (\$6.0 million), Kamehameha Highway Bridge over Heeia Stream Rehabilitation (\$4.9 million), Reconstruction of Concrete Roadways (\$3.5 million), and Pearl City Area (Momilani) Street Lighting Improvements (\$3.1 million).

Sanitation

For solid waste and sewage collection and disposal projects, a sum of \$322.0 million was budgeted for fiscal year 2010, representing an increase of \$2.4 million compared to the prior fiscal year. Most significantly, \$142.9 million was appropriated in fiscal year 2010 for the Solid Waste to Energy Facility; the total cost for expansion is estimated to be \$323.1 million (a multi-year project which began in fiscal year 2009), in addition to \$48.0 million for the refurbishment of the existing plant (a multi-year project starting in fiscal year 2011). Other major sanitation projects included Honouliuli Wastewater Treatment Plant Solids Handling System and Improvements (\$16.3 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$16.1 million), Central Oahu Wastewater Facilities and Effluent Reuse (\$15.6 million), Sewer Mainline and Lateral Projects (\$15.3 million), Waikiki Sewer Rehabilitation/Reconstruction (\$11.6 million), Ala Moana Boulevard/Auahi Street Sewer Rehabilitation (\$9 million), Honouliuli Wastewater Treatment Plant and Sewer Basin Facilities (\$9.0 million), and Sand Island Wastewater Treatment Plant and Sewer Basin Facilities (\$9.0 million).

Human Services

The capital improvement budget for the human services function amounted to \$14.0 million for fiscal year 2010, representing a 10.3% decrease compared to the last fiscal year, and included appropriations for the Community Development Block Grant Program (\$8.4 million), River Street Residences (\$2.6 million), and Home Investment Partnership Program (\$1.7 million).

Culture-Recreation

For fiscal year 2010, \$38.5 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a decrease of 3.5% over the prior fiscal year. The major culture-recreation projects included Recreation District Improvements (\$6.8 million), Preservation and Conservation Land Acquisition (\$4.0 million), Mitigative Improvements at Parks (\$1.8 million), Waipio Peninsula Recreation Complex (\$1.8 million), and Kanewai Community Park (\$1.8 million).

Transportation

Mass transit appropriations of \$1.1 billion for fiscal year 2010 represented a 229.5% increase compared to the previous fiscal year, primarily due to the Honolulu High Capacity Transit Project (\$1.077 billion). Other noteworthy public transit projects included the Bus and Handi-Van Acquisition Program (\$17.2 million), Middle Street Intermodal Center (\$4.9 million), and Bus Rehabilitation (\$3.1 million).

FOR THE FUTURE

The executive operating budget for fiscal year 2011 amounts to \$1.8 billion net of interfund transfers, representing an increase of \$12.5 million compared to the prior year. The increase is driven in large part by predetermined costs such as pay raises from previously negotiated four-year contracts with police officers and firefighters, negotiated pay raises for bus drivers, and other workforce costs.

The City's capital improvement budget of \$2.1 billion for fiscal year 2011 represents an increase of 23.5% compared to the preceding fiscal year. Funding is focused in large part on mass transit (62.0%), primarily for the Honolulu Rail Transit Project (\$1.3 billion), and to a much lesser degree on sanitation (23.3%).

General Government

The general government function of the capital improvement budget decreased 23.3% to \$29.6 million for fiscal year 2011 compared to the prior fiscal year. The following are the major general government projects: Procurement of Major Equipment (\$18.0 million), Public Building Facilities Improvements (\$3.5 million), National Pollutant Discharge Elimination System Modification for Corporation Yards (\$1.8 million), Integrated Financial and Human Resource System (Financial Accounting System (\$1.4 million), and Farrington Highway Improvements (\$1.0 million).

Public Safety

The appropriations for the public safety function amount to \$55.6 million for fiscal year 2011, and represent a 26.0% increase from the previous fiscal year. The major public safety projects include Honolulu Police Department Equipment Acquisition (\$5.7 million), Waianae Police Station Replacement (\$5.0 million), East Kapolei Fire Station (\$4.5 million), Computerized Traffic Control System (\$3.5 million), and Traffic Signals at Various Locations (\$3.4 million).

Highways and Streets

The \$126.6 million capital improvement budget for highways and streets represents a 4.1% reduction for fiscal year 2011 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$77.0 million), Kapolei Parkway Construction (\$18.6 million), Waikiki Improvements (\$5.0 million), Bridge Rehabilitation at Various Locations (\$3.3 million), Reconstruction of Concrete Roadways (\$3.0 million), and Seismic Retrofit at Bridges (\$2.4 million).

Sanitation

For solid waste and sewage collection and disposal projects, a sum of \$493.8 million was budgeted for fiscal year 2011, representing an increase of \$171.8 million compared to the prior fiscal year. Most significantly, \$142.9 million was appropriated in fiscal year 2011 for the Solid Waste to Energy Facility; the total cost for expansion is estimated to be \$323.1 million (a multi-year project which began in fiscal year 2009), in addition to \$48.0 million for the refurbishment of the existing plant (a multi-year project starting in fiscal year 2011). Other major sanitation projects include Ala Moana Wastewater Pump Station Force Mains No. 3 and 4 (\$139.5 million), Kaneohe/Kailua Force Main No. 2 (\$90.7 million), Kailua Wastewater Treatment Plant Improvements (\$23.6 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$11.1 million), Sewer Mainline and Lateral Projects (\$10.3 million).

Human Services

The capital improvement budget for the human services function amounts to \$20.4 million for fiscal year 2011, representing a 45.7% increase compared to the last fiscal year, and includes appropriations for the Community Development Block Grant Program (\$7.9 million), River Street Residences (\$7.6 million), and Home Investment Partnerships Program (\$3.6 million).

Culture-Recreation

For fiscal year 2011, \$39.6 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 2.8% over the prior fiscal year. The major culture-recreation projects include Preservation and Conservation Lands (\$3.0 million), Kualoa Regional Park-Reconstruction of Wastewater System (\$3.0 million), Ala Wai Community Park (\$2.7 million), Kapiolani Regional Park-Waikiki Shell Parking Lot (\$2.3 million), Kailua District Park (\$1.2 million), and Kanewai Community Park (\$1.2 million).

Transportation

Mass transit appropriations of \$1.4 billion for fiscal year 2011 represents a 27.3% increase compared to the previous fiscal year, primarily due to the Honolulu High Capacity Transit Project (\$1.3 billion). Other noteworthy public transit projects include the Bus and Handi-Van Acquisition Program (\$17.7 million), Alapai Transportation Management Center (\$17.1 million), and Kalihi-Palama Bus Facility Improvements (\$1.4 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) is 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. A financial analysis of the primary government is provided in the Management's Discussion and Analysis section of this report.

The City's component unit, the Board of Water Supply, 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.

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 Accuity LLP 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, 2009. The City has received the award in 23 of the last 24 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 has received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past eleven years. To qualify for the award, the government must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

Acknowledgments

The preparation of the CAFR was made possible by the hard work and dedication of the public servants working for the City and particularly through the efforts of the BFS Accounting and Fiscal Services Division personnel. The City's sound financial position is a product of the strong leadership provided by the Mayor, City Council and all agency heads. I am humbled to have had the opportunity to participate in the process to deliver to the citizens of Honolulu the City's financial status for the year ended June 30, 2010.

Respectfully submitted,



Michael R. Hansen
Acting 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, 2009

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.



A stylized, handwritten signature in black ink.

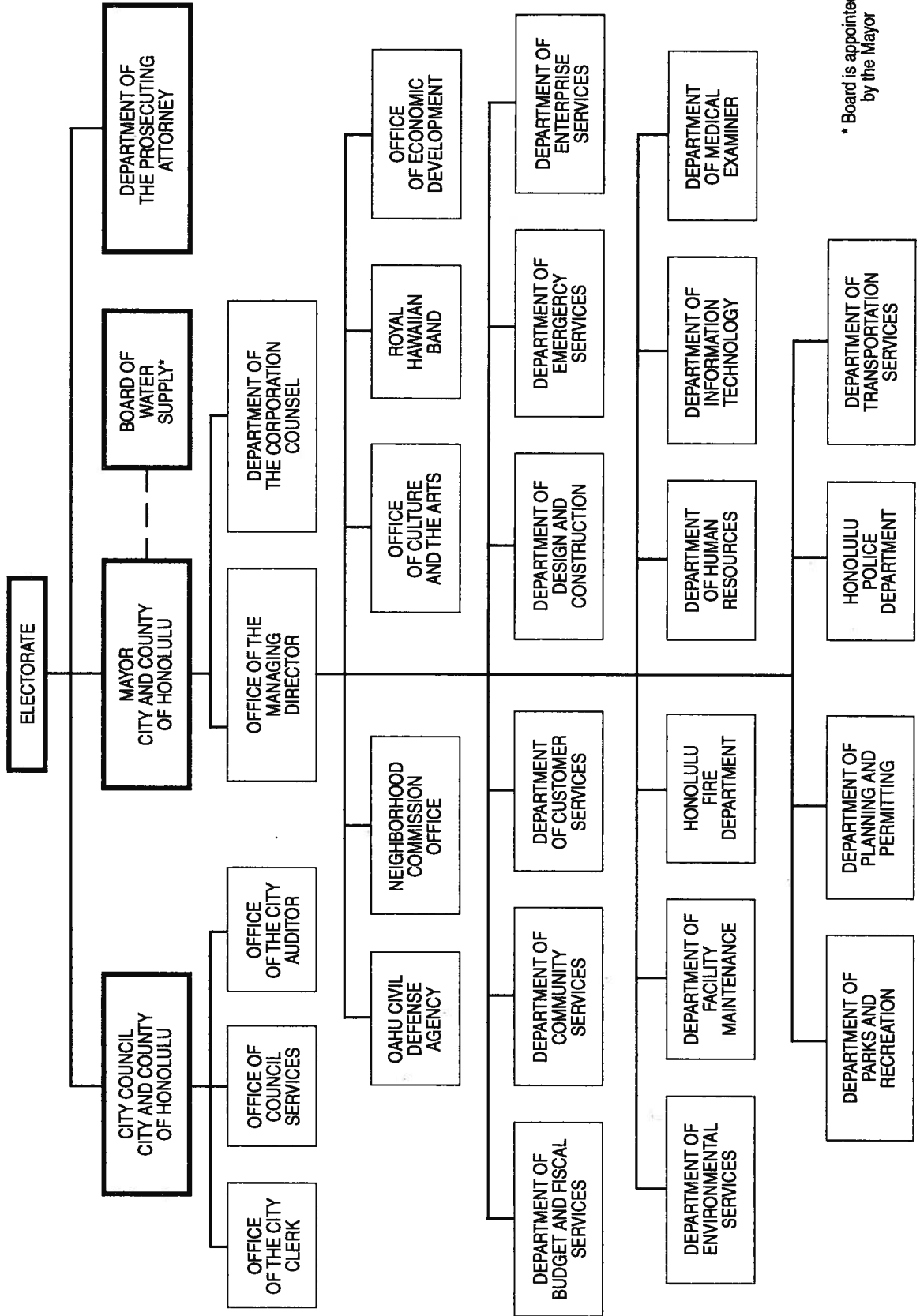
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CITY AND COUNTY OF HONOLULU ORGANIZATION CHART

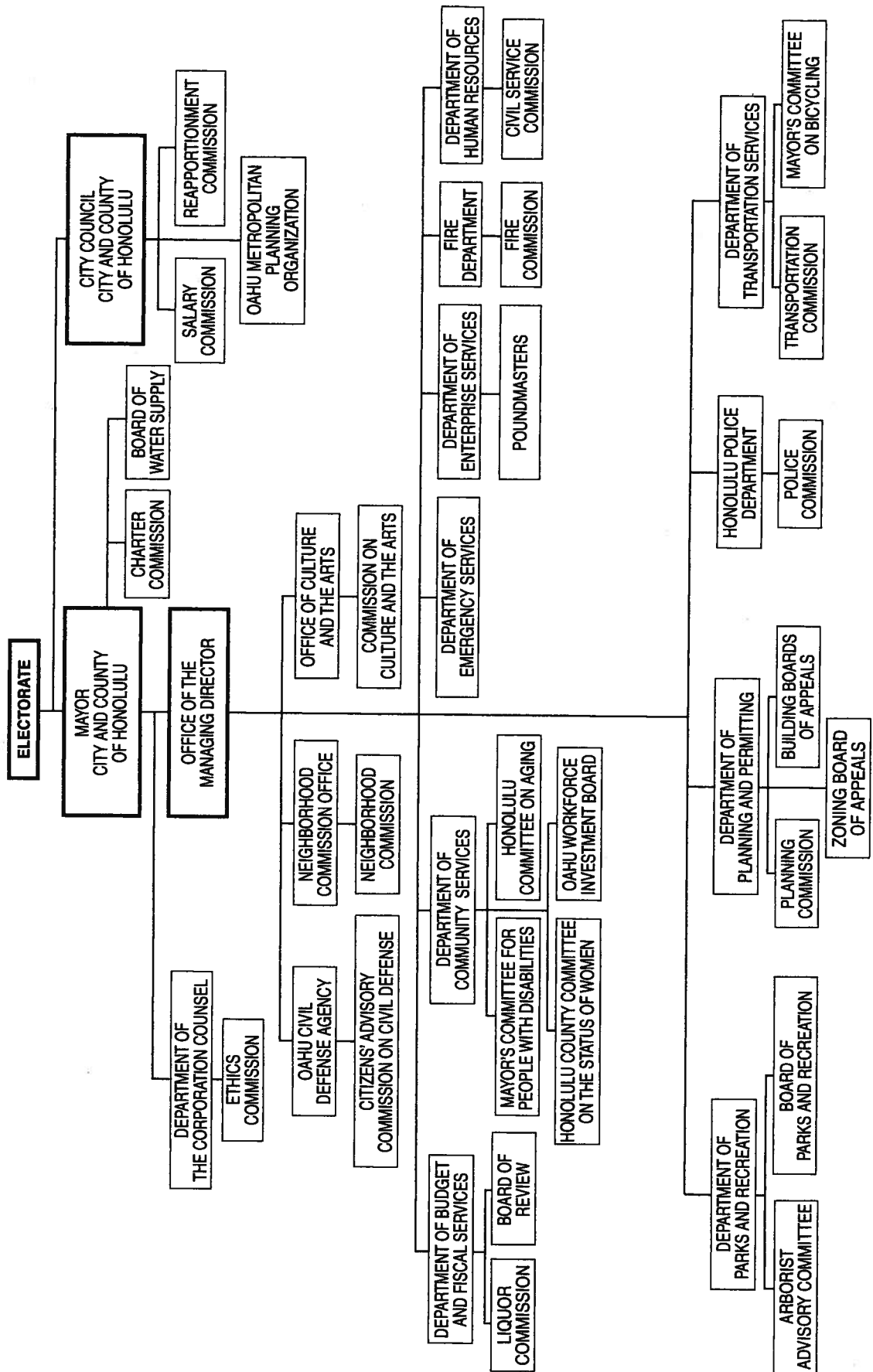
FISCAL YEAR 2009 - 10



* Board is appointed by the Mayor

CITY AND COUNTY OF HONOLULU CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES

FISCAL YEAR 2009 - 10



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2010**

EXECUTIVE BRANCH

Mayor.Mufi Hannemann
(Resigned effective July 21, 2010. Peter Carlisle elected in special election on September 18, 2010.)

Prosecuting Attorney.Peter B. Carlisle
(Resigned effective July 21, 2010. Keith Kaneshiro elected in special election on September 18, 2010.)

LEGISLATIVE BRANCH

Council District

Councilmember

FirstTodd K. Apo, Chair
(Resigned effective November 8, 2010. Tom Berg elected in special election on December 29, 2010)

Second. Donovan Dela Cruz
(Resigned effective November 2, 2010. Reed Matsuura appointed on November 8, 2010)

Third Ikaika Anderson

Fourth.Lee D. Donohue
(Charles Djou resigned effective May 25, 2010. Lee Donohue appointed on June 9, 2010)

Fifth Ann H. Kobayashi

Sixth.Rodney Tam

Seventh.Romy M. Cachola

Eighth.Gary H. Okino

NinthNestor R. Garcia
(Elected Chair effective November 8, 2010)

The following were elected to a four year-term starting on January 2, 2011:

Second Ernest Y Martin

Fourth. Stanley P. Chang

Sixth. Tulsi Gabbard Tamayo

Eighth. Breene Y. Harimoto

LEGISLATIVE BRANCH

CITY COUNCIL



Todd K. Apo
Chair, District I



Donovan M. Dela Cruz
Councilmember, District II



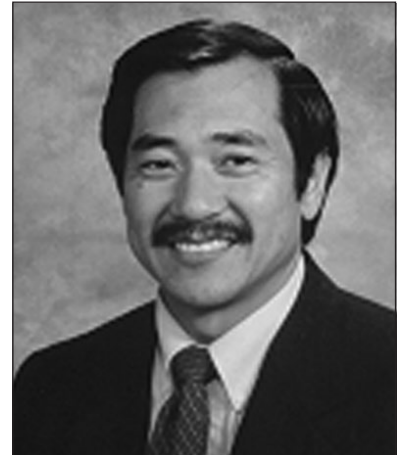
Ikaika Anderson
Councilmember, District III



Lee D. Donohue
Councilmember, District IV



Ann H. Kobayashi
Councilmember, District V



Rodney Tam
Councilmember, District VI



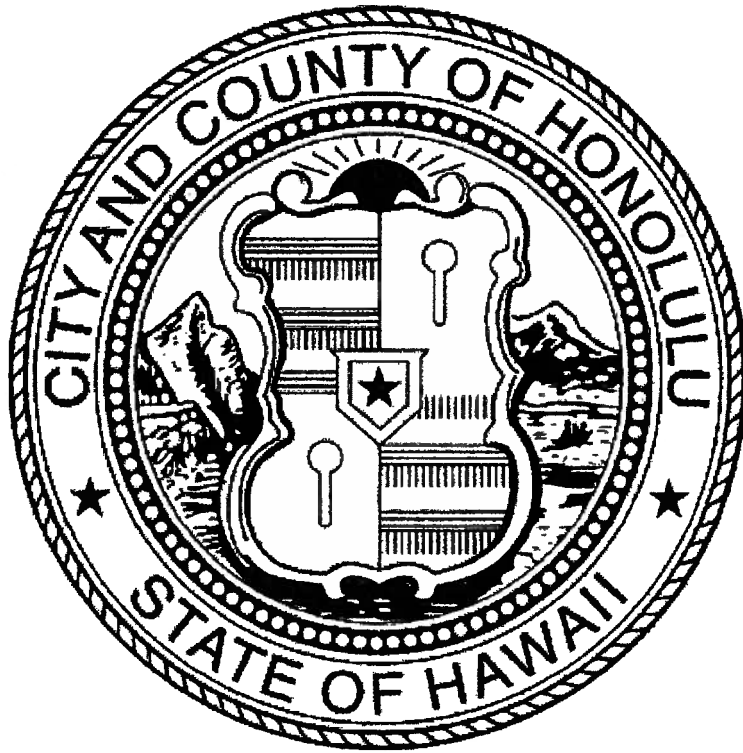
Romy M. Cachola
Councilmember, District VII



Gary H. Okino
Councilmember, District VIII



Nestor Garcia
Councilmember, District IX



FINANCIAL SECTION

Report of Independent Auditors

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and County of Honolulu, State of Hawaii (the "City") as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Water Supply, which is the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included in the Board of Water Supply, is based on the report of the other auditors.

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, based on our audit, and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the 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 December 30, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 accompanying management's discussion and analysis on pages 17 through 33 and required supplementary information on pages 93 through 99 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 nonmajor fund financial statements, 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 nonmajor fund financial statements 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 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.

Accuity LLP

Honolulu, Hawaii
December 30, 2010

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

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, 2010 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 2010

- Taxes and other revenues for governmental activities totaled \$1.57 billion while expenses before transfers amounted to \$1.14 billion, resulting in excess revenues of \$423.5 million for the fiscal year ended June 30, 2010. In comparison, revenues exceeded expenses by \$322.6 million during fiscal year 2009. The excess revenues for both fiscal years may be attributed primarily to increased real property tax collections. 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 improved to \$518.1 million for fiscal year 2010 from \$506.9 million for fiscal year 2009 while expenses before transfers increased to \$579.9 million for the current fiscal year compared to \$556.4 million for fiscal year 2009. 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, 2010 increased by \$4.5 million (as summarized on page 28) to \$762.3 million (as reported on page 39).
- Unreserved fund balance in the General Fund improved by \$36.3 million for fiscal year 2010 to \$104.1 million as reported on page 39. Likewise, the total General Fund balance as of June 30, 2010 increased by \$33.3 million (as summarized on page 28) to \$150.0 million (as reported on pages 39 and 122).
- Net capital assets for the governmental activities increased to \$2.3 billion at the close of fiscal year 2010 from \$2.1 billion at June 30, 2009. Similarly, for the business-type activities, net capital assets rose to \$2.5 billion at June 30, 2010 compared to \$2.2 billion at the end of the prior fiscal year. Capital assets are discussed on pages 30 and 31, and reported on pages 65 to 67 in the Notes to Financial Statements.
- The City's debt applicable to the \$23.0 billion legal debt margin was \$1.9 billion for the fiscal year ended June 30, 2010. Further, information on the City's long-term debt may be found on page 32, on pages 69 to 74 in the Notes to Financial Statements, and on pages 231 to 234 in the Statistical Section.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

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 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, 2010**

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 may be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds essentially are used to account for 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 34 governmental funds, each individually categorized as major or nonmajor. A fund is considered major if its revenues, expenditures, assets, or liabilities are 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 include the Highway Fund, the General Obligation Bond and Interest Redemption Fund, and the Transit Fund. Information for the 30 nonmajor funds is 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, 2010**

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 118 and 119.

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 may 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 \$2.04 billion in contrast to \$1.68 billion at the end of last fiscal year.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

The largest portion of the primary government's net assets (52.9% and 55.2% at the end of fiscal years 2010 and 2009, 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 \$818.4 million and \$620.0 million of the net assets for the primary government were unrestricted at June 30, 2010 and 2009, respectively. For the City's governmental activities, the unrestricted net assets of \$523.2 million at the end of fiscal year 2010 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 \$295.2 million at June 30, 2010 primarily due to the 18.0% sewer service charge rate increase effective on July 1, 2009. A small percentage (7.1 %) of the City's net assets at June 30, 2010 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, 2010 and 2009:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 974.2	\$ 920.5	\$ 700.9	\$ 565.7	\$ 1,675.1	\$ 1,486.2
Restricted assets	-	-	6.0	6.4	6.0	6.4
Capital assets, net of accumulated depreciation	2,293.1	2,066.4	2,525.4	2,242.0	4,818.5	4,308.4
Total assets	3,267.3	2,986.9	3,232.3	2,814.1	6,499.6	5,801.0
Noncurrent liabilities	2,217.3	2,213.6	1,980.3	1,692.3	4,197.6	3,905.9
Other liabilities	137.3	83.8	121.8	130.1	259.1	213.9
Total liabilities	2,354.6	2,297.4	2,102.1	1,822.4	4,456.7	4,119.8
Net assets:						
Invested in capital assets, net of debt	389.3	214.2	690.7	714.5	1,080.0	928.7
Restricted	0.2	1.0	144.3	131.5	144.5	132.5
Unrestricted	523.2	474.3	295.2	145.7	818.4	620.0
Total net assets	\$ 912.7	\$ 689.5	\$ 1,130.2	\$ 991.7	\$ 2,042.9	\$ 1,681.2

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

The following is a summary of the Statement of Activities for fiscal years 2010 and 2009:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 209.4	\$ 199.0	\$ 463.7	\$ 451.5	\$ 673.1	\$ 650.5
Operating grants and contributions	123.4	119.0	21.0	21.1	144.4	140.1
Capital grants and contributions	48.5	38.3	32.3	25.3	80.8	63.6
General revenues:						
Property taxes	853.4	802.6	-	-	853.4	802.6
Other taxes	131.3	154.7	-	-	131.3	154.7
Other	202.0	212.9	1.1	9.0	203.1	221.9
Total revenues	<u>1,568.0</u>	<u>1,526.5</u>	<u>518.1</u>	<u>506.9</u>	<u>2,086.1</u>	<u>2,033.4</u>
Expenses						
General government	392.9	444.7	-	-	392.9	444.7
Public safety	374.8	372.8	-	-	374.8	372.8
Highways and streets	30.4	51.9	-	-	30.4	51.9
Sanitation	3.2	5.1	-	-	3.2	5.1
Human services	95.4	83.7	-	-	95.4	83.7
Culture and recreation	106.1	110.4	-	-	106.1	110.4
Utilities or other enterprises	52.7	52.2	-	-	52.7	52.2
Interest	89.0	83.1	-	-	89.0	83.1
Housing	-	-	13.2	13.7	13.2	13.7
Sewer	-	-	197.6	178.9	197.6	178.9
Solid waste	-	-	159.2	154.2	159.2	154.2
Public transportation	-	-	209.9	209.6	209.9	209.6
Total expenses	<u>1,144.5</u>	<u>1,203.9</u>	<u>579.9</u>	<u>556.4</u>	<u>1,724.4</u>	<u>1,760.3</u>
Increase (decrease) before transfers	423.5	322.6	(61.8)	(49.5)	361.7	273.1
Transfers	(200.3)	(198.5)	200.3	198.5	-	-
Change in net assets	223.2	124.1	138.5	149.0	361.7	273.1
Net assets - beginning	689.5	565.4	991.7	842.7	1,681.2	1,408.1
Net assets - ending	<u>\$ 912.7</u>	<u>\$ 689.5</u>	<u>\$ 1,130.2</u>	<u>\$ 991.7</u>	<u>\$ 2,042.9</u>	<u>\$ 1,681.2</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

Total revenues for the primary government rose to \$2.09 billion for fiscal year 2010 from \$2.03 billion for fiscal year 2009. The revenue gains for fiscal year 2010 resulted principally from increased rates for real property taxes and sewer service charges.

Expenses for the primary government totaled \$1.72 billion for fiscal year 2010 of which \$1.14 billion applied to governmental activities and \$579.9 million related to business-type activities. For the prior fiscal year, expenses for the primary government totaled \$1.76 billion; \$1.20 billion pertained to governmental activities and \$556.4 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$82.7 million for the governmental activities and \$79.4 million for business-type activities for fiscal year 2010.

Due primarily to cost saving measures and fiscal restraint, decreases (in millions) were experienced for fiscal year 2010 compared to the previous year for the following functions:

General government	\$51.8
Highways and streets	21.5
Sanitation	1.9
Culture and recreation	4.3

Human services expenses for fiscal year 2010 increased \$11.7 million in comparison to the prior fiscal year due principally to an increase in the expenditure of federal funds.

Statement of Activities

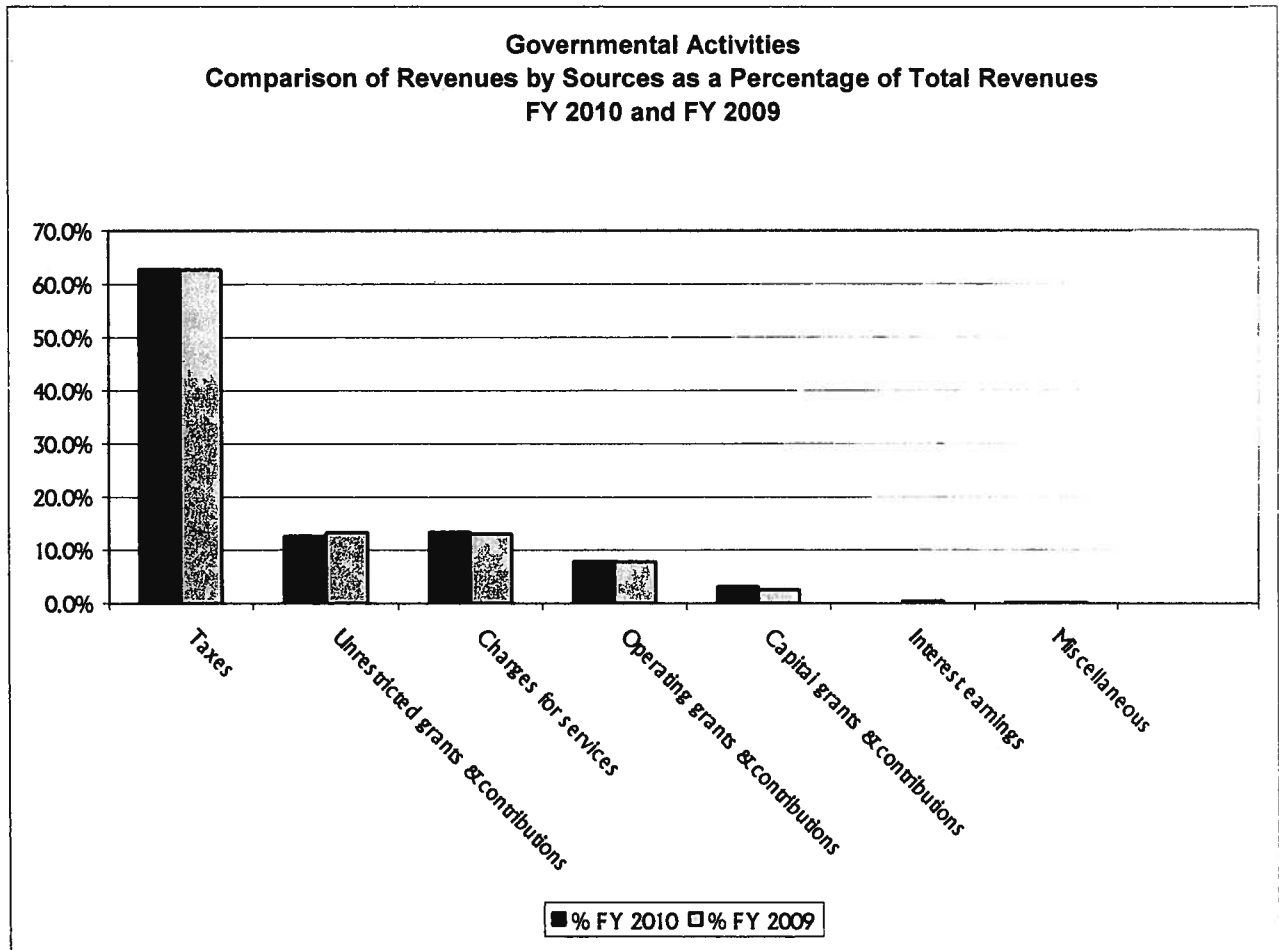
As noted earlier, the Statement of Activities presents how the City's net assets changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some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

Governmental Activities

The net assets for the City's governmental activities improved by \$223.2 million and \$124.1 million for fiscal year 2010 and 2009, respectively. The increase in net assets is due to higher collections from real property taxes as well as cost controls.

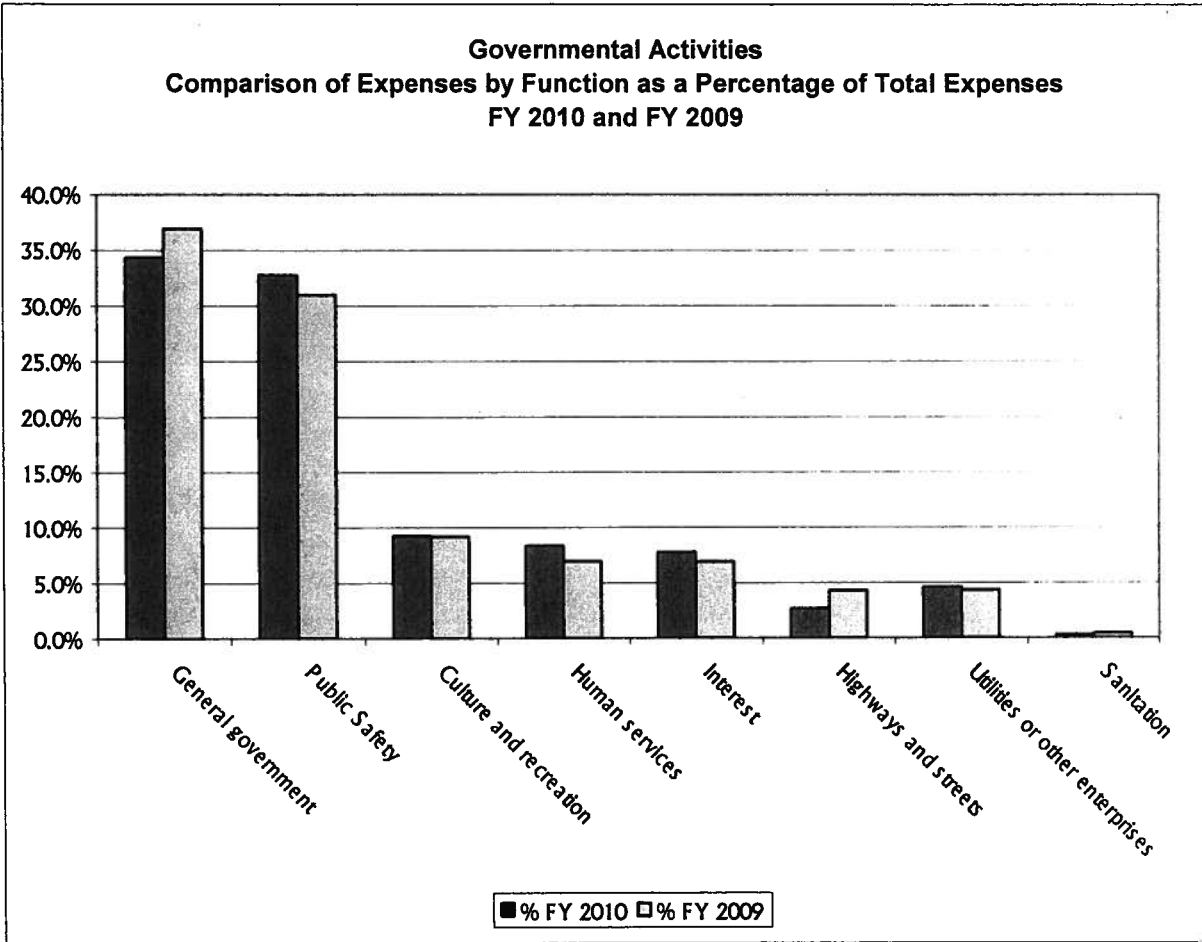
**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

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. For fiscal year 2010, taxes increased \$27.5 million to \$984.8 million, representing 62.8% of the revenues from governmental activities. Principally due to higher real property tax rates, collections of real property taxes increased to \$853.4 million for fiscal year 2010, up from \$802.6 million for the prior fiscal year. Unrestricted grants and contributions, primarily from the general excise tax surcharge, decreased 2.5% to \$197.5 million for fiscal year 2010 compared to the prior fiscal year. Capital grants and contributions increased 26.6% from \$38.3 million for fiscal year 2009 to \$48.5 million for fiscal year 2010, essentially due to the receipt of stimulus funds (American Recovery and Reinvestment Act of 2009). On the other hand, interest earnings declined significantly from \$7.2 million for fiscal year 2009 to \$0.5 million for the current fiscal year, primarily a result of the Federal Reserve Board's actions to stimulate the economy which led to lower yields on allowable investments.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

Expenses. As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, the City spent 34.3% (\$392.9 million) on general government in the current fiscal year, compared to 37.0% (\$444.7 million) for fiscal year 2009. Expenditures on highways and streets decreased by 41.4% from \$51.9 million to \$30.4 million for cost cutting purposes.

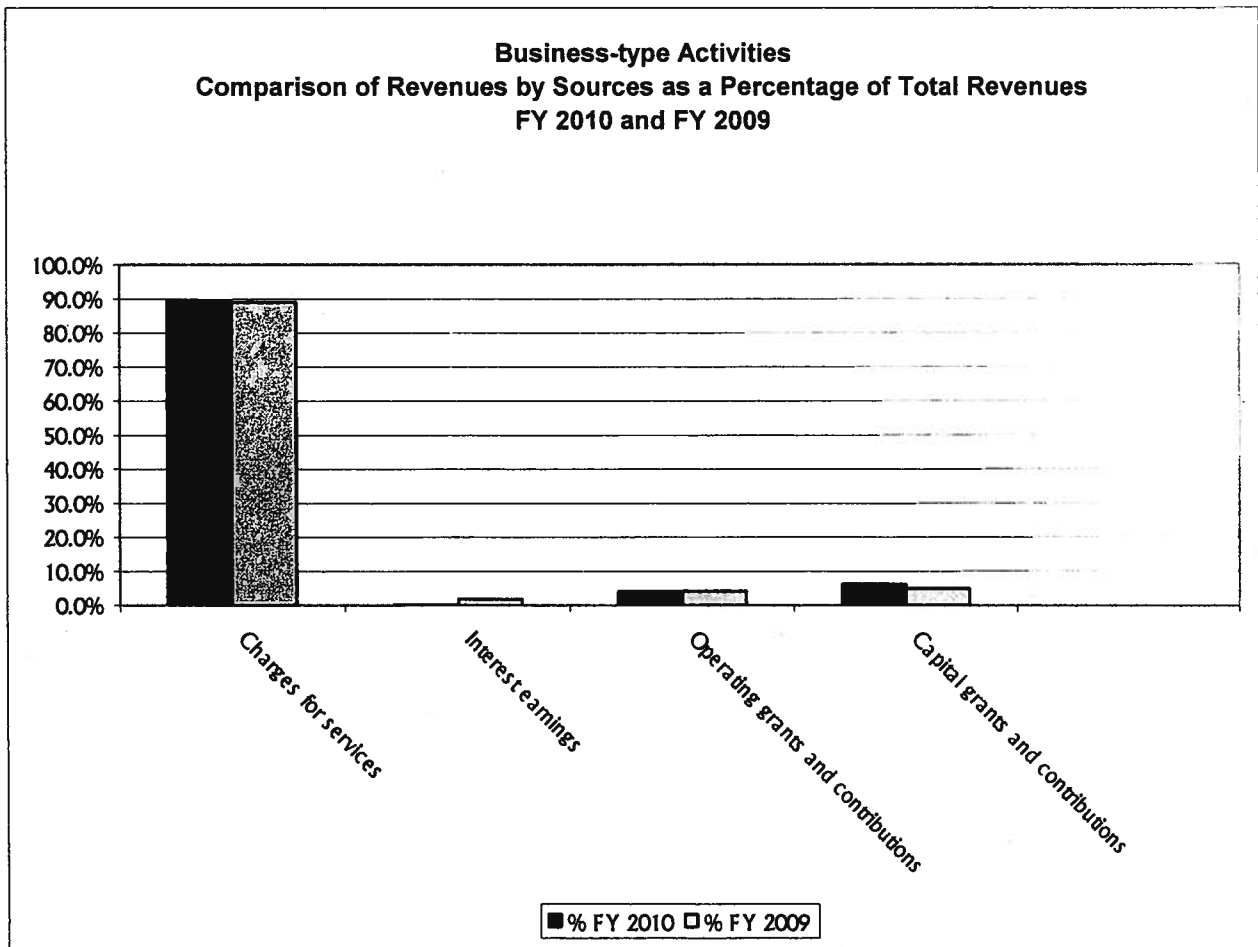


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

Business-type Activities

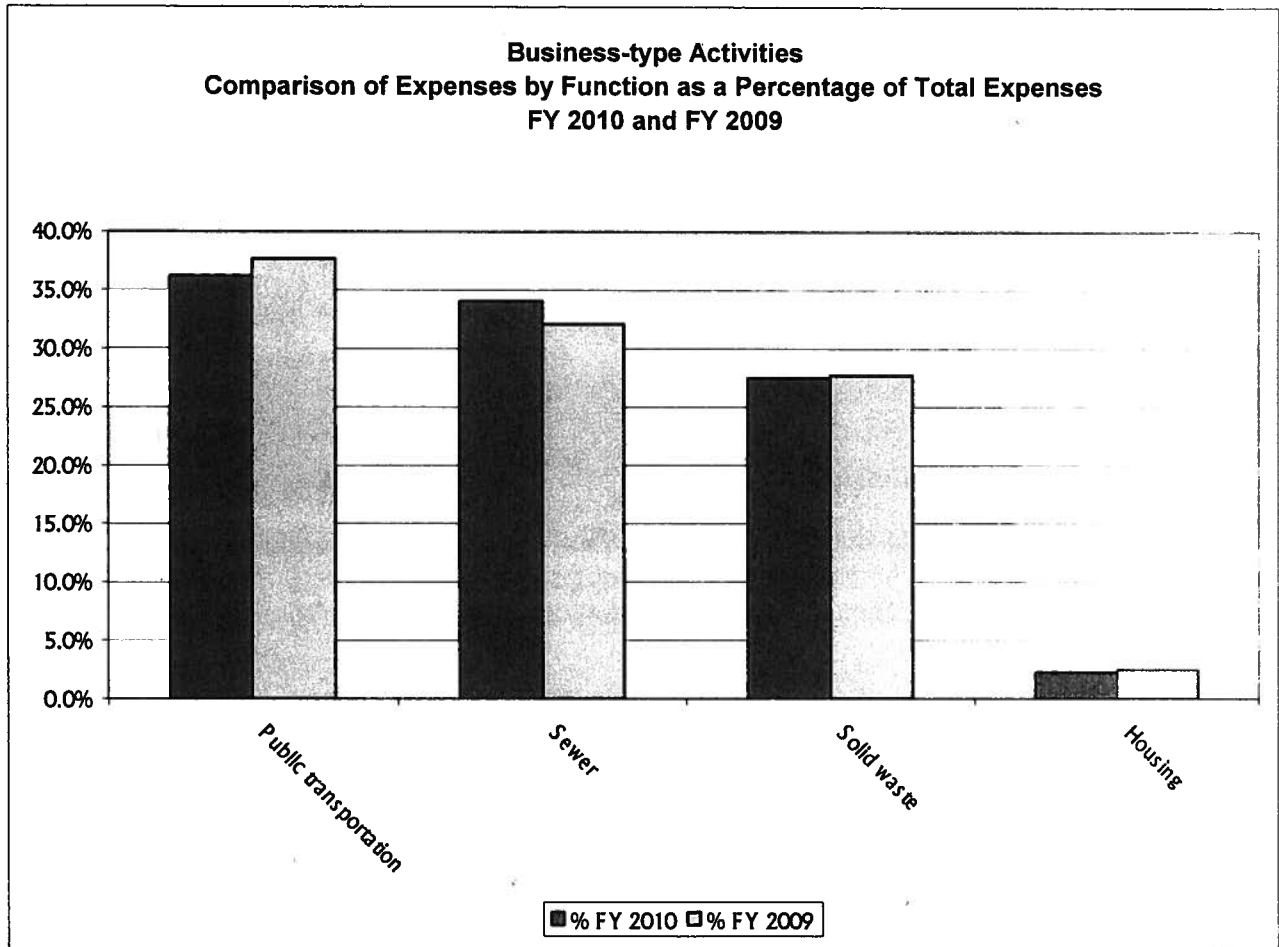
The net assets for the City's business-type activities increased by \$138.5 million and \$149.0 million for fiscal years 2010 and 2009, respectively. For the current fiscal year, a significant portion of the improvement in net assets can be attributed to the 18.0% sewer service charge rate increase effective on July 1, 2009.

Revenues. The Comparison of Revenues by Sources as a Percentage of Total Revenues for business-type activities in the exhibit below indicates that revenues from the business type activities were relatively stable for the last two fiscal years. For example, charges for services provided 89.5% and 89.0% of the revenues for fiscal years 2010 and 2009, respectively. In addition, charges for services totaled \$463.7 million for fiscal year 2010 and can be disaggregated as follows: housing (\$10.3 million), sewer (\$308.4 million), solid waste (\$97.4 million), and public transportation (\$47.6 million). For fiscal year 2009, charges for services totaled \$451.5 million: housing (\$9.8 million), sewer (\$252.0 million), solid waste (\$145.5 million), and public transportation (\$44.2 million). Operating grants and contributions declined slightly to \$21.0 million while capital grants and contributions increased to \$32.3 million for fiscal year 2010 compared to fiscal year 2009.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2010 and 2009. Public transportation used the most resources (36.2%), followed by sewer (34.0%) and solid waste (27.5%) for fiscal year 2010.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

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 2010 fiscal year, amounting to a surplus of \$4.5 million in comparison to a surplus of \$149.0 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	
						2010	2009
Revenues:							
Taxes	\$ 901.7	\$ 85.1	\$ -	\$ -	\$ -	\$ 986.8	\$ 952.5
Other	284.1	95.3	-	0.3	205.7	585.4	632.1
Total Revenues	1,185.8	180.4	-	0.3	205.7	1,572.2	1,584.6
Expenditures	691.1	85.0	185.3	99.1	357.7	1,418.2	1,434.6
Subtotal	494.7	95.4	(185.3)	(98.8)	(152.0)	154.0	150.0
Transfers and Other	(461.4)	(93.2)	185.3	157.5	62.3	(149.5)	(1.0)
Changes in Fund Balances	\$ 33.3	\$ 2.2	\$ 0.0	\$ 58.7	\$ (89.7)	\$ 4.5	\$ 149.0

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, 2010**

General Fund. The General Fund is the chief operating fund of the City. The unreserved fund balance of the General Fund increased by \$36.3 million to \$104.1 million for the fiscal year ended June 30, 2010. The improvement is attributable primarily to a combination of residential real property tax rate increases and cost cutting measures. Likewise, total fund balance increased \$33.3 million to \$150.0 million in comparison to the prior fiscal year end, partially due to a decrease in reserved for encumbrances.

Real property taxes, the primary General Fund revenue source, increased \$50.6 million, a rise of 6.3% compared to the prior year. The increase may be attributed primarily to the increase in the tax rates for the residential class.

Receipts from the State of Hawaii for the general excise tax surcharge amounted to \$157.6 million for fiscal year 2010 compared to \$160.9 million for fiscal year 2009. The 2.1% decrease may be attributed to the state of the global economy. 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 improved 17.0% to \$20.6 million as of June 30, 2010 from \$17.6 million at the close of the prior fiscal year. Similarly, total fund balance increased 10.3% to \$23.5 million during the same period. The increases resulted primarily from higher rates for motor vehicle weight taxes effective January 1, 2010.

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 matured bonds and interest payable balance as of June 30, 2010 remained unchanged at \$321,000 in comparison to the prior fiscal year end.

Transit Fund. The transit fund receives and expends monies for the operating or capital costs of a locally preferred alternative for a rail transit project. Encumbered contracts underway, one component of fund balance, increased to \$338.1 million at the end of fiscal year 2010, up from \$280.2 million at the close of fiscal year 2009. The surplus for unreserved capital projects, the other component of fund balance, improved slightly to \$25.8 million at the end of fiscal year 2010 compared to \$25.0 million at the end of the previous fiscal year.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

All Other Funds. This category is comprised of all the City's nonmajor governmental funds, and excludes the proprietary and fiduciary funds. The fund balances for the nonmajor funds decreased by \$89.7 million from \$314.6 million at June 30, 2009 to \$224.9 million at June 30, 2010. The decline in fund balance for the nonmajor governmental funds may be attributed in large part to the issuance of \$120.1 million less general obligation bonds, and \$25.0 million less tax exempt commercial paper in fiscal year 2010 compared to the previous fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Collections of real property taxes and public service company taxes exceeded budget estimates by 1.8% (\$14.8 million) and 2.4% (\$1.2 million), respectively. However, in total, actual revenues including other financing sources were less than budgetary estimates by 4.5% (\$61.2 million) for fiscal year 2010. Primarily due to the sluggish economy, the following major revenue sources were less than budgeted: investment interest earnings (69.0%), building permit fees (11.0%), transient accommodation tax (5.9%), and State reimbursements for fireboat operations (42.7%) and emergency ambulance services (9.3%).

There was no total change between the original appropriated budget and the final amended budget; line item amendments for the General Fund represent authorized changes between activities.

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 9.3% (\$75.4 million) for fiscal year 2010 and by 7.1% (\$56.9 million) for the previous fiscal year. The net changes in fund balance reflected favorable variances of \$96.0 million for fiscal year 2010 and \$60.6 million for last year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$4.8 billion for the primary government of which \$2.3 billion pertained to governmental activities as of June 30, 2010. This investment in capital assets includes land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

The increase in capital assets is attributed to costs incurred for various ongoing capital improvement projects during fiscal year 2010 such as the Honolulu Rail Transit Project (\$94.5 million). In addition, the City acquired 34 acres of land fronting Kapolei Parkway valued at \$23.6 million in an exchange for a commitment to complete construction of the Kapolei Parkway Project. The H-Power Third Boiler Expansion (\$102.6 million), Wanaao Road/Keolu Drive Relief Sewer (\$45.5 million), Sand Island Wastewater Treatment Plant Primary Phase 1 (\$29.4 million) and Waimalu Sewer Rehabilitation and Reconstruction Phase 1 (\$22.7 million) comprise the increases in capital assets for the business-type activities.

Completed projects during fiscal year 2010 include various street rehabilitation projects such as Central Oahu, Phases 3 and 4 (\$19.5 million), and Kapolei Corporation Yard Office Building, Phase I (\$6.5 million) for the governmental activities and various sewer system projects (\$87.7 million) for the business type activities.

Additional information on the City's capital assets may be found in the Notes to Financial Statements on pages 65 to 67.

The following is a summary of the capital assets for the primary government as of June 30, 2010 in comparison to the previous year:

**Summary of Capital Assets
(Amounts in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Non-depreciable assets:						
Land	\$ 484.2	\$ 456.9	\$ 121.0	\$ 120.8	\$ 605.2	\$ 577.7
Construction work in progress	445.9	352.9	636.7	407.9	1,082.6	760.8
Other capital assets:						
Buildings and improvements	1,181.5	1,120.8	1,032.1	1,013.0	2,213.6	2,133.8
Equipment and machinery	287.3	267.4	551.9	530.3	839.2	797.7
Infrastructure	1,115.3	1,015.6	1,104.3	1,016.9	2,219.6	2,032.5
Less: accumulated depreciation	(1,221.1)	(1,147.2)	(920.6)	(846.9)	(2,141.7)	(1,994.1)
Net	<u>\$ 2,293.1</u>	<u>\$ 2,066.4</u>	<u>\$ 2,525.4</u>	<u>\$ 2,242.0</u>	<u>\$ 4,818.5</u>	<u>\$ 4,308.4</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

Long-Term Debt

At June 30, 2010, the long-term debt for the primary government amounted to \$3.8 billion, consisting mainly of total bonded debt (\$3.6 billion) and notes payable (\$197.5 million). The total bonded debt is comprised of \$2.3 billion in general obligation bonds, and \$1.3 billion in revenue bonds secured by wastewater system revenue sources.

The following is a summary of the bonded debt activities during fiscal year 2010:

- On September 29, 2009, \$275.3 million wastewater system revenue bonds were issued. Senior and Junior Series A were issued to refund portions of outstanding wastewater system revenue bonds Senior and Junior 1998 Series. Senior Series 2009 B and C were issued to fund additions and improvements to the wastewater system and the common reserve account.
- On November 19, 2009, \$241.9 million of General Obligation Bonds were issued: Series 2009D - to reimburse the City for a loan made to H-Power and to fund H-power capital improvements; Series 2009E - to currently refund the outstanding short-term general obligation tax-exempt commercial paper Series W and fund various capital improvements; and Series 2009F - to refund a portion of outstanding general obligation Series 1993A, 1997B, 1999C, 2001A, 2003A, 2004A, 2005A and 2005F.
- On March 25, 2010, the United States Department of Agriculture (USDA) through its Rural Development purchased wastewater system revenue bonds (USDA Bond Resolution) Series 2010 value at \$2.8 million. The proceeds were used to fund additions and improvements to the wastewater system.

The wastewater system revenue bonds Senior Series 2009 A, B and C have been assigned ratings of "Aa3/AA-/AA-" and the Junior Series 2009A with "A1/A+/A+" by Moody's Investors Services, Standard & Poor's Rating Service, a division of McGraw-Hill Companies, Inc. and Fitch Ratings, respectively.

The general obligation bonds Series 2009D, E and F have been assigned ratings of "Aa2/AA/AA" by Moody's Investors Service, Standard & Poor's Rating Service, a division of McGraw-Hill Companies, Inc. and Fitch Ratings, 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 2010 was \$24.9 billion. The City's outstanding debt applicable to the legal debt margin totaled \$1.9 billion as of June 30, 2010, well below the statutory debt limitation.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Recent upticks in economic indicators such as average daily room rates, job counts and personal and proprietors' income growth rates, coupled with the easing of the unemployment rate and foreclosure listings, suggest that the local economy is beginning to improve. Also, gains in the tourism industry, as indicated by increased visitor arrivals and spending, provide additional signs that economic recovery is emerging.

The assessed valuation of real property (including new added property inventory) on Oahu decreased slightly to \$153.1 billion for fiscal year 2011 from \$165.8 billion for fiscal year 2010.

The rate for sewer service charges was raised 15.0% effective July 1, 2010.

To fund the Honolulu Rail 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. Along with this excise tax surcharge, the capital and financing costs for the rail project will be funded by the Federal Transit Administration.

Given the continued 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 remained essentially unchanged at \$1.81 billion for fiscal years 2010 and 2011. Rising health insurance premiums, higher debt service costs, increased retirement system funding, and pay raises for police officers and firefighters 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, 2010
 (Amounts in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 771,698	\$ 583,410	\$ 1,355,108	\$ 3,487
Investments	1,562	14,707	16,269	131,141
Receivables (net)	204,443	56,209	260,652	22,578
Internal balances	(3,543)	3,543	--	--
Inventories	25	23,502	23,527	3,976
Deferred charges and other	--	19,574	19,574	3,252
Restricted assets:				
Cash and cash equivalents	--	5,959	5,959	14,376
Investments	--	--	--	31,696
Capital assets (net of accumulated depreciation):				
Land	484,209	120,995	605,204	32,373
Buildings and improvements	678,332	777,892	1,456,224	96,593
Equipment and machinery	88,033	91,414	179,447	84,121
Infrastructure	596,717	898,358	1,495,075	757,188
Construction work in progress	445,857	636,754	1,082,611	187,998
Total assets	<u>3,267,333</u>	<u>3,232,317</u>	<u>6,499,650</u>	<u>1,368,779</u>
LIABILITIES				
Accounts payable	94,967	51,846	146,813	11,228
Matured bonds and interest payable ...	330	--	330	--
Accrued interest payable	40,890	39,271	80,161	7,444
Due to fiduciary funds	1,081	23	1,104	--
Other liabilities	--	30,682	30,682	732
Noncurrent liabilities:				
Due within one year	120,982	58,392	179,374	10,110
Due in more than one year	2,096,396	1,921,859	4,018,255	342,125
Total liabilities	<u>2,354,646</u>	<u>2,102,073</u>	<u>4,456,719</u>	<u>371,639</u>
NET ASSETS				
Invested in capital assets, net of related debt	389,308	690,697	1,080,005	833,275
Restricted for:				
Capital activity	--	--	--	23,779
Debt service	173	144,307	144,480	--
Unrestricted	523,206	295,240	818,446	140,086
Total net assets	<u>\$ 912,687</u>	<u>\$ 1,130,244</u>	<u>\$ 2,042,931</u>	<u>\$ 997,140</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, 2010
(Amounts in thousands)**

(Page 1 of 2)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government.....	\$ 392,893	\$ 139,925	\$ 6,794	\$ 601
Public safety.....	374,791	40,089	19,179	1,637
Highways and streets.....	30,418	2,447	--	704
Sanitation.....	3,244	21	--	107
Human services.....	95,437	180	75,354	16,223
Culture and recreation.....	106,081	26,714	523	94
Utilities or other enterprises.....	52,700	17	21,539	29,095
Interest.....	88,959	--	--	--
Total governmental activities....	1,144,523	209,393	123,389	48,461
Business-type activities:				
Housing.....	13,220	10,275	--	--
Sewer.....	197,643	308,407	--	5,962
Solid Waste.....	159,187	97,351	--	--
Public Transportation.....	209,847	47,638	21,017	26,367
Total business-type activities....	579,897	463,671	21,017	32,329
Total primary government.....	\$ 1,724,420	\$ 673,064	\$ 144,406	\$ 80,790
Component unit:				
Board of Water Supply.....	\$ 156,051	\$ 152,248	\$ --	\$ 18,130

General revenues:
Property taxes.....
Public service company tax.....
Fuel tax
Public utility franchise tax.....
Investment earnings.....
Unrestricted grants and contributions.....
Other.....
Transfers.....
Total general revenues and transfers.....
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, 2010
(Amounts in thousands)

(Page 2 of 2)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (245,573)	\$ --	\$ (245,573)	\$ --
(313,886)	--	(313,886)	--
(27,267)	--	(27,267)	--
(3,116)	--	(3,116)	--
(3,680)	--	(3,680)	--
(78,750)	--	(78,750)	--
(2,049)	--	(2,049)	--
(88,959)	--	(88,959)	--
<u>(763,280)</u>	<u>--</u>	<u>(763,280)</u>	<u>--</u>
--	(2,945)	(2,945)	--
--	116,726	116,726	--
--	(61,836)	(61,836)	--
--	(114,825)	(114,825)	--
<u>--</u>	<u>(62,880)</u>	<u>(62,880)</u>	<u>--</u>
<u>(763,280)</u>	<u>(62,880)</u>	<u>(826,160)</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>14,327</u>
853,426	--	853,426	--
49,393	--	49,393	--
47,639	--	47,639	--
34,312	--	34,312	--
457	1,078	1,535	3,108
197,519	--	197,519	--
4,053	--	4,053	--
<u>(200,369)</u>	<u>200,369</u>	<u>--</u>	<u>--</u>
<u>986,430</u>	<u>201,447</u>	<u>1,187,877</u>	<u>3,108</u>
223,150	138,567	361,717	17,435
689,537	991,677	1,681,214	979,705
<u>\$ 912,687</u>	<u>\$ 1,130,244</u>	<u>\$ 2,042,931</u>	<u>\$ 997,140</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.

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.

Governmental Fund Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Special Revenue Funds (Continued)

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.

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.

Governmental Fund Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Special Revenue Funds (Continued)

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.

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.

Governmental Fund Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Special Revenue Funds (Continued)

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.

Transit Improvement Bond Fund

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

CITY AND COUNTY OF HONOLULU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments:						
With Treasury	\$ 143,001	\$ 23,727	\$ 1,106	\$ 358,402	\$ 247,024	\$ 773,260
Receivables	78,475	21,837	--	56	104,075	204,443
Due from other funds	27,339	499	--	36,455	1,612	65,905
Inventories	--	--	--	--	25	25
Total Assets	<u>\$ 248,815</u>	<u>\$ 46,063</u>	<u>\$ 1,106</u>	<u>\$ 394,913</u>	<u>\$ 352,736</u>	<u>\$ 1,043,633</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 13,733	\$ 1,119	\$ --	\$ 30,914	\$ 28,111	\$ 73,877
Accrued payroll	18,062	1,573	--	109	1,346	21,090
Due to other funds	45,217	1,099	785	--	23,428	70,529
Matured bonds and Interest payable	--	--	321	--	9	330
Deferred revenue	21,785	18,751	--	--	74,955	115,491
Total Liabilities	<u>98,797</u>	<u>22,542</u>	<u>1,106</u>	<u>31,023</u>	<u>127,849</u>	<u>281,317</u>
Fund Balances:						
Reserved for:						
Encumbrances	45,965	2,892	--	338,137	1,639,179	2,026,173
Debt service	--	--	--	--	173	173
Unreserved, reported in:						
General fund	104,053	--	--	--	--	104,053
Special revenue funds	--	20,629	--	--	101,537	122,166
Capital projects funds	--	--	--	25,753	(1,516,002)	(1,490,249)
Total Fund Balances	<u>150,018</u>	<u>23,521</u>	<u>--</u>	<u>363,890</u>	<u>224,887</u>	<u>762,316</u>
Total Liabilities and Fund Balances	<u>\$ 248,815</u>	<u>\$ 46,063</u>	<u>\$ 1,106</u>	<u>\$ 394,913</u>	<u>\$ 352,736</u>	

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. 2,293,148

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 115,491

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (2,258,268)

Net assets of governmental activities \$ 912,687

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, 2010
 (Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes.....	\$ 901,687	\$ 85,141	\$ -	\$ -	\$ -	\$ 986,828
Special assessments.....	-	-	-	-	18	18
Licenses and permits.....	34,686	87,367	-	-	4,155	126,208
Intergovernmental.....	198,142	-	-	-	164,257	362,399
Charges for services.....	5,521	5,149	-	-	17,044	27,714
Fines and forfeits.....	562	-	-	-	193	755
Miscellaneous:						
Reimbursements and recoveries.....	40,623	764	-	-	10	41,397
Interest.....	422	-	-	247	186	855
Other.....	4,143	2,019	-	17	19,850	26,029
Total Revenues.....	1,185,786	180,440	-	264	205,713	1,572,203
Expenditures:						
Current:						
General government.....	128,576	18,058	-	1,999	11,080	159,713
Public safety.....	312,443	29,360	-	-	15,345	357,148
Highways and streets.....	2,086	19,541	-	-	147	21,774
Sanitation.....	2,959	-	-	-	-	2,959
Human services.....	3,081	-	-	-	75,310	78,391
Culture-recreation.....	58,826	-	-	-	23,033	81,859
Utilities or other enterprises.....	123	1,910	-	3,583	21,506	27,122
Miscellaneous:						
Retirement and health benefits.....	158,939	15,180	-	1,354	7,171	182,644
Other.....	21,484	1,000	-	69	1,253	23,806
Capital Outlay:						
General government.....	778	-	-	-	23,075	23,853
Public safety.....	770	-	-	-	20,217	20,987
Highways and streets.....	-	-	-	-	89,857	89,857
Sanitation.....	-	-	-	-	121	121
Human services.....	-	-	-	-	14,906	14,906
Culture-recreation.....	-	-	-	-	19,090	19,090
Utilities or other enterprises.....	-	-	-	92,121	35,560	127,681
Debt service:						
Principal.....	823	-	92,192	-	-	93,015
Interest.....	162	-	93,063	-	-	93,225
Total Expenditures.....	691,050	85,049	185,255	99,126	357,671	1,418,151
Revenues over (under) Expenditures.....	494,736	95,391	(185,255)	(98,862)	(151,958)	154,052
Other Financing Sources (Uses):						
Issuance of general obligation bonds	-	-	242	-	30,012	30,254
Issuance of tax exempt commercial paper	-	-	-	-	20,000	20,000
Issuance of refunding bonds	-	-	61,192	-	-	61,192
Bond premium	-	-	5,122	-	-	5,122
Bond discount	-	-	(1,996)	-	-	(1,996)
Refunding of bonds and commercial paper ..	-	-	(64,318)	-	-	(64,318)
Sales of capital assets.....	72	397	-	-	112	581
Transfers in.....	102,267	-	185,013	157,555	32,516	477,351
Transfers out.....	(563,749)	(93,605)	-	-	(20,366)	(677,720)
Total Other Financing Sources (Uses).....	(461,410)	(93,208)	185,255	157,555	62,274	(149,534)
Net change in fund balances.....	33,326	2,183	-	58,693	(89,684)	4,518
Fund Balances - July 1.....	116,692	21,338	-	305,197	314,571	757,798
Fund Balances - June 30.....	\$ 150,018	\$ 23,521	\$ -	\$ 363,890	\$ 224,887	\$ 762,316

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, 2010
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ 4,518
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.	226,757
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(1,716)
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.	49,626
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.	(56,035)
Change in net assets of governmental activities	<u>\$ 223,150</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).

CITY AND COUNTY OF HONOLULU
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2010
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 411	\$ 388,640	\$ 175,241	\$ 19,118	\$ 583,410
Investments	2,000	12,707	--	--	14,707
Receivables:					
Accounts (net of allowance for uncollectibles of \$7,517)	1,267	41,088	10,090	1,681	54,126
Interest	2	45	11	--	58
Payroll Advance	--	1,269	713	43	2,025
Due from other funds	1	1,027	7,705	--	8,733
Inventories of parts, materials and supplies, at cost...	--	11,021	--	8,262	19,283
Inventories of real estate held for sale	4,219	--	--	--	4,219
Restricted assets:					
Cash and cash equivalents	4,845	--	--	1,114	5,959
Prepaid expenses and other assets	35	1,980	461	5,086	7,562
Total Current Assets	12,780	457,777	194,221	35,304	700,082
Noncurrent Assets:					
Capital Assets:					
Land	14,408	6,292	24,063	76,232	120,995
Buildings and improvements	108,504	796,173	54,392	73,048	1,032,117
Transmission and distribution system	--	1,104,258	--	--	1,104,258
Equipment and machinery	350	38,820	267,411	29,545	336,126
Buses and other transit vehicles	--	--	--	215,766	215,766
Construction work in progress	6,478	463,265	158,477	8,534	636,754
Accumulated depreciation	(61,672)	(360,191)	(286,751)	(211,989)	(920,603)
Deferred charges and other	2,076	8,591	1,345	--	12,012
Total Noncurrent Assets	70,144	2,057,208	218,937	191,136	2,537,425
Total Assets	82,924	2,514,985	413,158	226,440	3,237,507
LIABILITIES					
Current Liabilities:					
Accounts payable	249	24,472	23,771	3,354	51,846
Interest payable	1,731	30,146	7,394	--	39,271
Notes payable	--	15,365	--	--	15,365
Bonds payable	5,158	24,262	3,876	--	33,296
Due to other funds	--	3,532	1,681	--	5,213
Reserve for insurance claims payable	--	--	--	6,142	6,142
Accrued payroll	--	1,552	1,028	48	2,628
Other current liabilities	797	355	3,192	1,548	5,892
Total Current Liabilities	7,935	99,684	40,942	11,092	159,653
Noncurrent Liabilities:					
Notes payable	--	177,738	--	--	177,738
General obligation bonds payable, net	70,509	1,274	316,109	--	387,892
Revenue bonds payable, net	--	1,301,855	--	--	1,301,855
Estimated liability for landfill closure and postclosure care costs	--	--	8,437	--	8,437
Other liabilities	8,672	25,662	8,702	28,652	71,688
Total Noncurrent Liabilities	79,181	1,506,529	333,248	28,652	1,947,610
Total Liabilities	87,116	1,606,213	374,190	39,744	2,107,263
NET ASSETS					
Invested in capital assets, net of related debt	(7,599)	586,031	(78,871)	191,136	690,697
Restricted for debt service	--	144,307	--	--	144,307
Unrestricted	3,407	178,434	117,839	(4,440)	295,240
Total Net Assets (Deficit)	\$ (4,192)	\$ 908,772	\$ 38,968	\$ 186,696	\$ 1,130,244

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, 2010
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 9,060	\$ --	\$ --	\$ --	\$ 9,060
Sewer service charges	--	299,502	--	--	299,502
Disposal and collection fees	--	--	50,560	--	50,560
Electrical energy fee	--	--	44,496	--	44,496
Passenger fares for transit services	--	--	--	47,384	47,384
Other revenue	--	8,905	2,142	254	11,301
Total Operating Revenues	9,060	308,407	97,198	47,638	462,303
Operating Expenses:					
Administrative and general	823	45,490	30,132	1,214	77,659
Maintenance	1,055	377	413	1	1,846
Depreciation	3,692	42,281	16,909	16,524	79,406
Contractual services	2,015	16,223	70,190	147,432	235,860
Fringe benefits	160	21,196	17,087	499	38,942
Materials and supplies	108	9,625	11,337	13,031	34,101
Fuel and lubricants	--	1,768	2,941	16,110	20,819
Insurance	162	--	1,540	9,864	11,566
State taxes - fuel	--	--	148	2,761	2,909
Utilities	1,706	16,719	281	2,222	20,928
Other	--	--	--	86	86
Total Operating Expenses	9,721	153,679	150,978	209,744	524,122
Operating Income (Loss)	(661)	154,728	(53,780)	(162,106)	(61,819)
Nonoperating Revenues (Expenses):					
Interest revenue	49	957	72	--	1,078
Interest expense	(3,359)	(43,554)	(8,108)	--	(55,021)
Gain (Loss) from disposal of property ..	--	43	87	(103)	27
Amortization expense	(140)	(784)	(101)	--	(1,025)
Other	1,215	331	66	21,017	22,629
Total Nonoperating Revenues (Expenses)	(2,235)	(43,007)	(7,984)	20,914	(32,312)
Income (Loss) before Transfers and Capital Contributions.....	(2,896)	111,721	(61,764)	(141,192)	(94,131)
Transfers In	7,413	--	87,973	124,331	219,717
Transfers Out	--	(9,486)	(9,862)	--	(19,348)
Capital Contributions	--	5,962	--	26,367	32,329
Change in Net Assets	4,517	108,197	16,347	9,506	138,567
Net Assets - July 1	(8,709)	800,575	22,621	177,190	991,677
Net Assets - June 30	\$ (4,192)	\$ 908,772	\$ 38,968	\$ 186,696	\$ 1,130,244

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Cash flows from operating activities:					
Receipts from customers.....	\$ 8,340	\$ 301,852	\$ 94,123	\$ 46,770	\$ 451,085
Payments to suppliers.....	(5,170)	(61,705)	(87,709)	(189,768)	(344,352)
Payments to employees.....	(454)	(50,278)	(37,218)	(1,206)	(89,156)
Other receipts (payments).....	966	255	(428)	--	793
Net cash provided by (used in) operating activities	<u>3,682</u>	<u>190,124</u>	<u>(31,232)</u>	<u>(144,204)</u>	<u>18,370</u>
Cash flows from noncapital financing activities:					
Transfers In	7,411	--	77,973	124,331	209,715
Transfers out	--	(9,485)	(9,862)	--	(19,347)
Grants and contributions	--	--	--	21,018	21,018
Net cash provided by (used in) noncapital financing activities	<u>7,411</u>	<u>(9,485)</u>	<u>68,111</u>	<u>145,349</u>	<u>211,386</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(5)	(200,273)	(117,237)	(800)	(318,315)
Proceeds from issuing notes	--	49,147	--	--	49,147
Capital grants and subsidies	--	9,935	--	107	10,042
Proceeds from issuing bonds	5,063	288,034	154,844	--	447,941
Principal paid on notes	--	(13,354)	--	--	(13,354)
Principal paid on bonds	(11,376)	(195,545)	(14,363)	--	(221,284)
Interest paid on notes	--	(2,048)	--	--	(2,048)
Interest paid on bonds	(3,619)	(53,129)	(8,152)	--	(64,900)
Net cash provided by (used in) capital and related financing activities	<u>(9,937)</u>	<u>(117,233)</u>	<u>15,092</u>	<u>(693)</u>	<u>(112,771)</u>
Cash flows from Investing activities:					
Purchase of investments	(2,000)	--	--	--	(2,000)
Interest on investments	26	937	64	--	1,027
Net cash provided by (used in) investing activities	<u>(1,974)</u>	<u>937</u>	<u>64</u>	<u>--</u>	<u>(973)</u>
Net Increase (decrease) in cash and cash equivalents	(818)	64,343	52,035	452	116,012
Cash and cash equivalents - July 1	<u>6,074</u>	<u>324,297</u>	<u>123,206</u>	<u>19,780</u>	<u>473,357</u>
Cash and cash equivalents - June 30	<u>\$ 5,256</u>	<u>\$ 388,640</u>	<u>\$ 175,241</u>	<u>\$ 20,232</u>	<u>\$ 589,369</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, 2010
 (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)	\$ (661)	\$ 154,728	\$ (53,780)	\$ (162,106)	\$ (61,819)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,692	42,281	16,909	16,524	79,406
Other revenues (expenses)	966	--	--	--	966
Writeoff of capital assets	--	--	874	--	874
(Increase) decrease in accounts receivable	(352)	(7,806)	647	(2,338)	(9,849)
Decrease in Intergovernmental receivable	--	--	453	--	453
(Increase) decrease in due from other funds	(1)	90	--	--	89
(Increase) decrease in inventory of parts, materials and supplies	--	(1,896)	--	8	(1,888)
(Increase) decrease in prepaid expenses and other assets	7	(85)	(690)	--	(768)
Increase (decrease) in trade accounts payables	66	(6,243)	3,854	739	(1,584)
Decrease in reserve for Insurance claims payable	--	--	--	(2,304)	(2,304)
Decrease in deferred credits	(34)	--	--	(398)	(432)
Increase (decrease) in other liabilities	--	5,523	(3,156)	5,671	8,038
Increase (decrease) in due to other funds	(1)	3,532	3,657	--	7,188
Net cash provided by (used in) operating activities	<u>\$ 3,682</u>	<u>\$ 190,124</u>	<u>\$ (31,232)</u>	<u>\$ (144,204)</u>	<u>\$ 18,370</u>

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

Housing

Amortization of deferred refinancing charges amounted to \$140 for the year ended June 30, 2010. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$329) for the year ended June 30, 2010. Beginning cash balance includes \$4,772 in restricted assets and ending cash balance includes \$4,845 in restricted assets.

Sewer

The Sewer Fund received \$5,962 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, 2010. Amortization of bond discount and bond premium amounted to \$2,323 and (\$3,535) respectively, while amortization for bond issuance cost amounted to \$784 for the year ended June 30, 2010.

Solid Waste

Amortization of bond discount and bond issuance cost amounted to \$105 for the year ended June 30, 2010. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$867) for the year ended June 30, 2010.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$26,367 for the year ended June 30, 2010. Beginning cash balance includes \$1,611 in restricted assets and ending cash balance includes \$1,114 in restricted assets.

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, 2010
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,802	\$ 34,929
Investments	1,487	3,820
Due from other funds	--	1,104
Total assets	6,289	39,853
<u>LIABILITIES</u>		
Accounts payable	--	5,093
Other current liabilities	--	34,760
Total liabilities	--	39,853
<u>NET ASSETS</u>		
Held in trust for individuals, organizations and other governments	\$ 6,289	\$ --

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, 2010
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITIONS</u>	
Interest	\$ 5
Collections for sundry creditors, contributions, etc.....	1,130
Total additions	1,135
 <u>DEDUCTION</u>	
Payments in accordance with trust agreements	1,330
Change in net assets	(195)
Net assets - July 1	6,484
Net assets - June 30	\$ 6,289

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, 2010

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 ("Board").

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 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 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, 2010

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, 2010

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, 2010

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 funds combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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, 2010

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 significant fiduciary funds:

- Community Services
- Design and Construction
- Ewa Highway Master Plan Impact Fees
- Lester McCoy Pavilion
- Liquor Commission
- 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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 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.

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, 2010, were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$10.5 million and \$24.7 million, respectively.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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.

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:

	<u>Years</u>
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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 \$124.3 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.

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). On July 1, 2008, the percentages increased 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 \$356.3 million are not reported in the accompanying financial statements at June 30, 2010.

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.

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, 2010, accumulated sick leave amounted to \$375.7 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 capital 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

The Housing Special Development Fund showed a decrease in the deficit net asset balance of \$4.5 million to \$4.2 million at June 30, 2010 as a result of transfers from the General Fund. It is anticipated that the City will continue to provide significant operating subsidies for the Housing Development Special Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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,

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

expenses/expenditures, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

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 implemented Statement No. 51 for fiscal year ended June 30, 2010. The impact of the implementation of Statement No. 51 on the City's financial statement was immaterial.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements in this Statement will improve financial reporting by providing fund balance categories and classifications that will be more easily understood. The provisions of this Statement are effective for the City for periods beginning after June 15, 2010. The City has not yet determined the effect this Statement will have on its financial statements.

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that local governments are entering into. The Statement will improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs. The provisions for this statement are effective for the City for periods beginning after December 15, 2011. The City has not yet determined the effect this Statement will have on its financial statements.

In December 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, amending the requirements of Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and local Governments*. This Statement improves the financial reporting for governmental entities, which is comprised of primary government and related entities (component units). The Statement amends the criteria for blending which helps ensure that the primary government includes only those component units that are so intertwined with primary government. The provisions of this statement are effective for the City for periods beginning after June 15, 2012. 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, 2010

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, Leasehold Conversion Fund, Other Post-Employment Benefits Reserve Fund, and the Clean Water and Natural Lands Fund.

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 and character expenditures with the same activity subject to certain limitations. City Council approval by resolution is required for 1) any transfer of funds between activities when the cumulative amount of transfers from or to an activity totals in excess of \$100,000 or ten percent of the amount appropriated for that activity, and 2) any transfer of funds between characters of expenditure within the same activity when the cumulative amount of such

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

transfers exceeds the lesser of \$100,000, or the greater of ten percent of the appropriation or \$10,000. 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 Funds Balance Sheet and the Government-Wide Statement of Net Assets

The governmental funds 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 \$2.26 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$	(2,217,378)
Accrued interest payable and other		(40,890)
		(2,258,268)
	\$	(2,258,268)

The governmental 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 \$226.8 million difference are as follows (amounts in thousands):

Capital outlays	\$	309,414
Depreciation expense		(82,657)
		226,757
	\$	226,757

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 \$49.6 million difference are as follows (amounts in thousands):

Debt Issued:	
General obligation bonds, net	\$ (94,891)
Tax-exempt commercial paper	(20,000)
Total	<u>(114,891)</u>
Principal Repayments:	
General obligation bonds, net	143,505
Tax-exempt commercial paper	20,000
Other long-term debt	1,012
Total	<u>164,517</u>
Net adjustment	<u>\$ 49,626</u>

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 \$56.0 million difference are as follows (amounts in thousands):

Compensated absences	\$ (3,238)
Claims and judgments	2,426
Other postretirement benefits	(52,624)
Other	(2,599)
Net adjustment	<u>\$ (56,035)</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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 primarily in obligations of the U.S. government with a AAA rating except for \$2 million invested in Student loan auction rate securities with a rating of BAA1.

Interest Rate Risk

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 may invest operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. As of June 30, 2010, the City had no investments in money market mutual funds or external investment pools except for \$1.1 million of restricted assets held in a money market mutual fund.

Concentration of Credit Risk

As of June 30, 2010, \$12.7 million in investments were issued by FSA Capital Management Services LLC.

The fair value and maturities of investments as of June 30, 2010 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
Primary Government:						
Repurchase agreement	\$ 1,562	\$ 1,562	\$ 1,562	\$ -	\$ -	\$ -
Student loan auction rate securities	2,000	2,000	-	-	-	2,000
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
Total	<u>\$ 16,269</u>	<u>\$ 16,269</u>	<u>\$ 1,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,707</u>
Component Unit:						
U.S. government securities	\$ 122,843	\$ 122,843	\$ 21,124	\$ 101,719	\$ -	\$ -
Corporate bonds	39,994	39,994	1,814	38,180	-	-
Total	<u>\$ 162,837</u>	<u>\$ 162,837</u>	<u>\$ 22,938</u>	<u>\$ 139,899</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of Deposits	\$ 5,307	\$ 5,307	\$ 5,307	\$ -	\$ -	\$ -

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

5. Receivables

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2010 consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 15,728	\$ -
Accounts	1,077	61,643
Public utilities franchise tax	18,751	-
Special assessments	68	-
Notes	70,023	-
Intergovernmental	82,891	-
Interest	67	58
Payroll and others	16,908	2,025
Allowance for uncollectible accounts	(1,070)	(7,517)
	<u>\$ 204,443</u>	<u>\$ 56,209</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred revenue in the government funds. \$115.5 million of the receivables for governmental activities have been deferred at June 30, 2010. Notes receivable include \$2.2 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 \$69.4 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, 2010

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2010 (amounts in thousands):

	Primary Government			Balance at June 30, 2010
	Balance at July 1, 2009	Additions	Retirements/ Transfers	
Governmental Activities:				
Depreciable Assets --				
Infrastructure	\$ 1,015,574	\$ 125,097	\$ (25,333)	\$ 1,115,338
Buildings and improvements	1,120,847	79,479	(18,744)	1,181,582
Equipment and machinery	267,341	23,889	(3,919)	287,311
Total depreciable assets	<u>2,403,762</u>	<u>228,465</u>	<u>(47,996)</u>	<u>2,584,231</u>
Less Accumulated Depreciation --				
Infrastructure	(494,609)	(24,139)	127	(518,621)
Buildings and improvements	(470,323)	(38,400)	5,473	(503,250)
Equipment and machinery	(182,293)	(20,118)	3,133	(199,278)
Total accumulated depreciation	<u>(1,147,225)</u>	<u>(82,657)</u>	<u>8,733</u>	<u>(1,221,149)</u>
	1,256,537	145,808	(39,263)	1,363,082
Land	456,927	30,312	(3,030)	484,209
Construction Work in Progress	352,927	216,972	(124,042)	445,857
Governmental activities -- capital assets, net	<u>\$ 2,066,391</u>	<u>\$ 393,092</u>	<u>\$ (166,335)</u>	<u>\$ 2,293,148</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

	Primary Government			
	Balance at July 1, 2009	Additions	Retirements/ Transfers	Balance at June 30, 2010
Business-type Activities:				
Depreciable Assets –				
Infrastructure	\$ 1,016,918	\$ 90,698	\$ (3,358)	\$ 1,104,258
Buildings and improvements	1,013,035	19,082	-	1,032,117
Equipment and machinery	530,347	27,755	(6,210)	551,892
Total depreciable assets	<u>2,560,300</u>	<u>137,535</u>	<u>(9,568)</u>	<u>2,688,267</u>
Less Accumulated Depreciation –				
Infrastructure	(183,820)	(22,235)	155	(205,900)
Buildings and improvements	(228,813)	(25,412)	-	(254,225)
Equipment and machinery	(434,326)	(31,759)	5,607	(460,478)
Total accumulated depreciation	<u>(846,959)</u>	<u>(79,406)</u>	<u>5,762</u>	<u>(920,603)</u>
	1,713,341	58,129	(3,806)	1,767,664
Land	120,804	195	(4)	120,995
Construction Work in Progress	407,881	316,521	(87,648)	636,754
Business-type activities – capital assets, net	<u>\$ 2,242,026</u>	<u>\$ 374,845</u>	<u>\$ (91,458)</u>	<u>\$ 2,525,413</u>

	Component Unit			
	Balance at July 1, 2009	Additions	Retirements/ Transfers	Balance at June 30, 2010
Depreciable Assets –				
Infrastructure	\$ 1,217,427	\$ 9,499	\$ 18,048	\$ 1,244,974
Buildings and improvements	146,070	-	1,508	147,578
Equipment and machinery	223,489	3,118	4,902	231,509
Total depreciable assets	<u>1,586,986</u>	<u>12,617</u>	<u>24,458</u>	<u>1,624,061</u>
Less Accumulated Depreciation –				
Infrastructure	(461,323)	(26,961)	498	(487,786)
Buildings and improvements	(47,721)	(3,400)	136	(50,985)
Equipment and machinery	(137,643)	(11,282)	1,537	(147,388)
Total accumulated depreciation	<u>(646,687)</u>	<u>(41,643)</u>	<u>2,171</u>	<u>(686,159)</u>
	940,299	(29,026)	26,629	937,902
Land	32,373	-	-	32,373
Construction Work in Progress	187,571	36,318	(35,891)	187,998
Component unit – capital assets, net	<u>\$ 1,160,243</u>	<u>\$ 7,292</u>	<u>\$ (9,262)</u>	<u>\$ 1,158,273</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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

Governmental Activities:

General government	\$ 19,872
Public safety	19,778
Highways and streets	21,008
Health and human services	459
Utilities	831
Culture-recreation	20,709
Total depreciation expense – governmental activities	<u>\$ 82,657</u>

Business-type Activities:

Sewer	\$ 42,281
Solid waste	16,909
Housing	3,692
Public Transportation System	16,524
Total depreciation expense – business-type activities	<u>\$ 79,406</u>

Component Unit:

Board of Water Supply (\$1,541 of depreciation expense was capitalized to projects)	<u>\$ 40,101</u>
---	------------------

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2010 (amounts in thousands):

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 27,339	\$ 45,217
Highway Fund	499	1,099
G.O. Bond and Interest Redemption Fund	-	785
Transit Fund	36,455	-
Nonmajor Governmental Funds	1,612	23,428
Fiduciary Funds	1,104	-
Enterprise Funds:		
Housing Development Special Fund	1	-
Sewer Fund	1,027	3,532
Solid Waste Special Fund	7,705	1,681
	<u>\$ 75,742</u>	<u>\$ 75,742</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

The main purpose for these interfund balances, are: interfund loans; subsidies and other transfers required by ordinance; capital improvement projects; accruals of interfund transactions; and cash not transferred before the end of the fiscal year. At June 30, 2010, there are no interfund balances that are not expected to be repaid.

The following is a summary of amounts transferred from and transferred to other funds at June 30, 2010 (amounts in thousands):

	Transferred From Other Funds	Transferred To Other Funds
General Fund	\$ 102,267	\$ 563,749
Highway Fund	-	93,605
G.O. Bond and Interest Redemption Fund	185,013	-
Transit Fund	157,555	-
Nonmajor Governmental Funds	32,516	20,366
Enterprise Funds:		
Housing Development Special Fund	7,413	-
Sewer Fund	-	9,486
Solid Waste Special Fund	87,973	9,862
Public Transportation System	124,331	-
	<u>\$ 697,068</u>	<u>\$ 697,068</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, 2010

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, 2010 (amounts in thousands):

	Balance at July 1, 2009	Additions	Reductions	Balance at June 30, 2010	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 1,941,715	\$ 91,446	\$ 136,321	\$ 1,896,840	\$ 89,155
Tax-exempt commercial paper	-	20,000	20,000	-	-
Notes payable to federal and state governments	4,878	-	442	4,436	460
Capital lease	1,602	-	570	1,032	587
Compensated absences	95,175	33,704	30,465	98,414	4,112
Other postemployment benefits	65,088	101,697	49,074	117,711	-
Claims and judgments (Note 13)	64,020	20,886	23,312	61,594	26,668
	<u>2,172,478</u>	<u>267,733</u>	<u>260,184</u>	<u>2,180,027</u>	<u>120,982</u>
Add: Unamortized premium	65,200	5,122	10,183	60,139	-
Less: Unamortized discount	(348)	-	(29)	(319)	-
Deferred loss on refunding	(23,762)	(1,677)	(2,970)	(22,469)	-
Total	<u>\$ 2,213,568</u>	<u>\$ 271,178</u>	<u>\$ 267,368</u>	<u>\$ 2,217,378</u>	<u>\$ 120,982</u>
Business-Type Activities:					
General obligation bonds	\$ 272,001	\$ 150,419	\$ 32,694	\$ 389,726	\$ 14,201
Revenue bonds	1,211,500	278,080	188,590	1,300,990	19,095
Notes payable to state government	157,310	49,147	13,354	193,103	15,365
Reserve for insurance claims payable	19,106	9,969	12,273	16,802	6,142
Other postemployment benefits	5,074	16,016	8,034	13,056	-
Estimated liability for landfill closure and post closure care costs (Note 14)	19,509	-	7,992	11,517	3,080
Compensated absences	11,882	3,683	4,063	11,502	509
Deferred Revenue	-	8,626	-	8,626	-
Arbitrage Rebate	2,600	-	-	2,600	-
	<u>1,698,982</u>	<u>515,940</u>	<u>267,000</u>	<u>1,947,922</u>	<u>58,392</u>
Add: Unamortized premium	36,485	23,845	5,163	55,167	-
Less: Unamortized discount	(17,619)	(141)	(2,328)	(15,432)	-
Deferred loss on refunding	(3,776)	(4,262)	(632)	(7,406)	-
Total	<u>\$ 1,714,072</u>	<u>\$ 535,382</u>	<u>\$ 269,203</u>	<u>\$ 1,980,251</u>	<u>\$ 58,392</u>
Discretely Presented Component Unit:					
Revenue bonds	\$ 307,560	\$ -	\$ 6,165	\$ 301,395	\$ 6,435
Notes payable to state governments	25,376	7,058	1,502	30,932	1,516
Compensated absences	7,049	1,823	2,159	6,713	2,159
Other postemployment benefits	3,832	7,862	8,773	2,921	-
Customer advances	3,530	6,522	8,179	1,873	-
Accrued workers' compensation	1,857	629	576	1,910	-
Others	2,083	1,441	734	2,790	-
	<u>351,287</u>	<u>25,335</u>	<u>28,088</u>	<u>348,534</u>	<u>10,110</u>
Add: Unamortized premium	6,394	-	514	5,880	-
Less: Unamortized discount	(129)	-	(6)	(123)	-
Deferred loss on refunding	(2,158)	-	(102)	(2,056)	-
Total	<u>\$ 355,394</u>	<u>\$ 25,335</u>	<u>\$ 28,494</u>	<u>\$ 352,235</u>	<u>\$ 10,110</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 fiscal years 1977 through 2010 in the original amount of \$3.2 billion, less discounts of \$521.1 thousand and adjusted for a premium of \$113.4 million that are being amortized over the related term of the bonds. These bonds bear interest at 2.0% to 8.0%, and mature serially through fiscal year 2035. General obligation debt authorized but not issued yet amounted to \$1.5 billion at June 30, 2010.

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 2010 in the original amount of \$1.1 billion, less a discount of \$112.0 thousand and adjusted for a premium of \$22.2 million, which are being amortized over the related term of the bonds. These bonds bear interest at 2.0% to 8.0%, and mature serially through fiscal year 2035.

On November 19, 2009, the City issued general obligation bonds Series 2009 in the aggregate amount of \$241.9 million. The bonds were comprised of Series D, E and F.

Series 2009D were issued for \$142.0 million. The bonds mature annually on September 1, 2014 through 2034 and bear interest rates of 2.3% to 5.3%. For the bonds maturing on and after September 1, 2020 through September 1, 2034, the City may exercise its option of redemption on or after September 1, 2019, in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus the interest accrued to the date fixed for redemption thereof, without premium. The proceeds of the bonds were used to reimburse the City for a loan made to fund the H-Power facility and fund H-Power capital improvements.

Series 2009E (Taxable) were issued for \$50.4 million. The bonds mature annually on September 1, 2014 through 2034 and bear interest rates of 3.3% to 6.3%. The proceeds of the bonds were used to currently refund the outstanding short-term general obligation tax-exempt commercial paper Series W and fund various capital improvements of the City. The bonds were designated as "Build America Bonds" (BAB) under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

Series 2009F were issued for \$49.5 million. The bonds mature annually on September 1, 2014 through 2020 and bear an interest rate of 5%. For bonds maturing on September 1, 2020, the City may exercise its option of redemption on or after September 1, 2019, in whole or in part, at any time by the City. The proceeds were used to refund a portion of outstanding General Obligation Bond Series 1993A, 1997B, 1999C, 2001A, 2003A, 2004A, 2005A and 2005F.

The refunding generated over \$3.8 million of net present value (NPV) savings or 14.0% of callable refunded par amount. The refunding was structured for upfront cash flow savings of \$6.3 million in fiscal year 2010 and \$20.0 million in fiscal year 2011. The refunding resulted in a \$258.0 thousand net decrease on the aggregate debt service total.

The premium and discount generated by each issue will be amortized over the life of the related bonds.

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 mature serially through July 1, 2036 and bear interest at rates ranging from 3.0% to 5.5% at June 30, 2010. The revenue bonds are collateralized by the component unit's revenues.

During fiscal years ended June 30, 2009 and 2008, the rating of surety bonds for 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 \$14.0 million in order to utilize the alternative method of meeting the requirement. 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 2010, in the original amount totaling \$1.8 billion, less discounts of \$35.5 million and adjusted for premiums of \$48.8 million, which are being amortized over the related term of the bonds. The bonds bear interest at 2.0% to 6.3% at June 30, 2010 and mature at various dates through fiscal year 2040. The wastewater system revenues collateralize the revenue bonds.

On September 29, 2009, the City issued wastewater system revenue bonds Series 2009 in the aggregate amount of \$275.3 million. The bonds were comprised of Senior Series A, B and C and Junior Series A.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

Senior Series 2009A were issued for \$78.1 million. The bonds mature annually on July 1, 2010 through 2028 and bear interest rates of 2.0% to 5.0%. For bonds maturing on and after July 1, 2020 through July 1, 2028, the City may exercise its option of redemption on or after July 1, 2019, in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus the interest accrued to the date fixed for redemption thereof, without premium. The proceeds were used to refund a portion of outstanding wastewater system revenue bonds Senior Series 1998 and to fund additions and improvements to the wastewater system of the City. The net present value savings from cash flow on refunding is \$3.1 million. The refunding resulted in a \$4.0 million net decrease on the aggregate debt service total.

Junior Series 2009A were issued for \$127.0 million. The bonds mature annually on July 1, 2010 through 2023 and bear interest rates of 2.0% to 5.0%. For bonds maturing on and after July 1, 2020 through July 1, 2023, the City may exercise its option of redemption on or after July 1, 2019, in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus the interest accrued to the date fixed for redemption thereof, without premium. The proceeds were used to refund a portion of outstanding wastewater system revenue bonds Junior Series 1998. The net present value savings from cash flow on refunding is \$10.9 million. The refunding resulted in a \$13.5 million net decrease on the aggregate debt service total.

Senior Series 2009B (Taxable) were issued for \$40.8 million. The bonds mature annually on July 1, 2026 through 2035 and bear interest rates of 6.1% to 6.3%. The bonds are designated as BABs under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable.

Senior Series 2009C (Taxable) were issued for \$29.4 million. The bonds mature annually on July 1, 2035 through 2039 and bear an interest rate of 6.3%. The bonds are designated as "Recovery Zone Economic Development Bonds" (RZEDB) under the provisions of the American Recovery and Reinvestment Act of 2009. The City expects to receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable.

The Senior Series 2009B and C proceeds were used to fund additions and improvements to the wastewater system of the City and to fund the common reserve account.

On March 25, 2010, the United States Department of Agriculture (USDA) through its Rural Development purchased \$2.8 million of the City wastewater system revenue bonds (USDA Bond Resolution) Series 2010. The bonds mature annually on July 1, 2011 through 2045 and bear an interest rate of 4.0%. The proceeds were used to fund additions and improvements to the wastewater system of the City.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2010, including interest of \$2.3 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
2011	\$ 93,834	\$ 89,155	\$ 81,162	\$ 33,296	\$ 174,996	\$ 122,451	\$ 14,349	\$ 6,435
2012	88,356	103,493	76,123	47,057	164,479	150,550	14,071	6,710
2013	83,173	108,525	74,345	53,085	157,518	161,610	13,777	7,005
2014	77,461	116,462	72,341	51,334	149,802	167,796	13,460	7,320
2015	72,136	96,317	70,275	59,640	142,411	155,957	13,119	7,660
2016-2020	285,901	509,583	313,487	315,856	599,388	825,439	59,666	44,245
2021-2025	173,368	401,100	239,295	344,686	412,663	745,786	47,438	57,020
2026-2030	78,655	346,593	148,094	392,870	226,749	739,463	31,861	72,875
2031-2035	14,190	125,612	60,907	291,263	75,097	416,875	12,997	72,535
2036-2040	-	-	8,938	100,849	8,938	100,849	992	19,590
2041-2045	-	-	107	637	107	637	-	-
2046-2050	-	-	6	143	6	143	-	-
Total	\$ 967,074	\$ 1,896,840	\$ 1,145,080	\$ 1,690,716	\$ 2,112,154	\$ 3,587,556	\$ 221,730	\$ 301,395

Total interest costs incurred by the business-type activities and the component unit for the fiscal year ended June 30, 2010 was \$87.6 million, of which \$22.4 million was capitalized.

Other Long-Term Debt

The note payable to the 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 \$1.8 million at June 30, 2010.

The notes payable to the 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 \$195.7 million at June 30, 2010, 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, 2010

Annual debt service requirements to maturity for the City's governmental activities and business-type activities for other long-term debt at June 30, 2010, including interest of \$17.6 million, were as follows (amounts in thousands):

Year Ending June 30:	Primary Government		Component Unit Notes	
	Notes and Leases			
	Interest	Principal	Interest	Principal
2011	\$ 2,953	\$ 16,412	\$ 125	\$ 1,516
2012	2,656	16,476	119	1,533
2013	2,360	16,261	112	1,539
2014	1,893	15,190	106	1,546
2015	1,514	12,810	99	1,552
2016-2020	4,537	59,653	382	7,874
2021-2025	1,566	45,311	166	8,089
2026-2028	158	16,448	4	7,283
Total	<u>\$ 17,637</u>	<u>\$ 198,571</u>	<u>\$ 1,113</u>	<u>\$ 30,932</u>

Primarily the City's General and Highway Funds will liquidate the compensated absences liability attributable to the governmental activities.

Refunded Bonds

The City and the Board of Water Supply 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 basic financial statements. At June 30, 2010, \$423.9 million of the City's and \$68.4 million of the Board of Water Supply's bonds outstanding were considered defeased.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

9. Net Assets

At June 30, 2010, net assets of the primary government consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Invested in Capital Assets, Net of Related Debt:		
Net property, plant and equipment	\$ 2,293,148	\$ 2,525,413
Less:		
General obligation bonds payable, net	(1,934,191)	(402,093)
Revenue bonds payable, net	-	(1,320,950)
Notes payable and other long-term debt	(4,436)	(193,103)
Installment Purchases	(1,032)	-
Amount of debt related to unspent debt proceeds	35,819	81,430
	389,308	690,697
Restricted for Debt Service	173	144,307
Unrestricted	523,206	295,240
Total net assets	\$ 912,687	\$ 1,130,244

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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.

The ERS is composed of a contributory retirement plan a noncontributory retirement plan and hybrid 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 (19.7% for Police and Fire and 15.0% for All Other Employees). The City's contributions to the ERS, exclusive of its component unit, for the fiscal years ended June 30, 2008, 2009 and 2010 were \$73.0 million, \$88.6 million and \$96.7 million respectively, which were equal to the required contributions for each year.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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.

Post-Retirement Health Care and Life Insurance Benefits

Plan Description - In addition to providing pension benefits, the City is required by state statute to contribute to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). The EUTF is an agent, multiple-employer defined benefit plan providing certain health care (medical, prescription, vision and dental) and life insurance benefits to 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, 2010

Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligation - The City is required to contribute the annual required contribution (ARC) of the employer, an actuarially determined amount. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the 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, the amount contributed to the plan, and the changes to the City's net OPEB obligation.

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 116,616	\$ 104,720
Interest on net OPEB obligation	5,887	4,245
Adjustment to annual required contribution	<u>(4,790)</u>	<u>(3,316)</u>
Annual OPEB cost	117,713	105,649
Contribution made	<u>(57,108)</u>	<u>(88,548)</u>
Increase in net OPEB obligation	60,605	17,101
Net OPEB obligation at beginning of fiscal year	<u>70,162</u>	<u>53,061</u>
Net OPEB obligation at end of fiscal year	<u>\$ 130,767</u>	<u>\$ 70,162</u>
Percentage of annual OPEB cost contributed	48.5%	83.8%

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:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2009	\$ 40,110	\$ 1,924,859	\$ 1,884,749	2.1%	\$ 556,742	338.5%
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, 2010

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.

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, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a discount rate of 7%, which was based on EUTF's anticipated asset investment return and the City's anticipated funding level. Actuarial assumptions also included an annual health cost trend rate of 9.75% for 2010, reduced by decrements to an ultimate rate of 5% after 8 years, and projected salary increases of 3.5%. The unfunded actuarial accrued liability is being amortized over a thirty-year closed period as a level percentage of projected payrolls.

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, 2010

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, 2010, the City had \$75.7 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, 2010

H-POWER Facility

The City has agreements with Covanta Honolulu Resource Recovery Venture ("Covanta") 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 H-POWER Facility commenced commercial operations on May 21, 1990, and the City has a 25-year contract to sell electricity generated to a utility company.

The City has contracted with Covanta to design, build, operate, and maintain the third boiler expansion project, which will add another 900 tons per day of waste processing capacity in addition to 27 megawatts of electrical generation to the current 46 megawatt electrical generation. The expansion is scheduled to begin commercial operations in mid-2012. The current operating contract with Covanta has been amended and restated to extend the term to another 20-year period to operate both the original and the expansion facilities.

As of June 30, 2010, the City had \$184.3 million of general obligation bonds outstanding which were used to finance the construction and purchase of the H-POWER Facility.

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") 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 management fee for the period July 1, 2009 to June 30, 2010 was \$468,520. In July 2010, the agreement between OTS and the City was extended. The extension provides for the City to pay OTS \$117,130 per quarter beginning with the quarter ended September 30, 2010, until a new management and operations agreement is executed.

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 account 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, 2010, these assets held by OTS amounted to \$1,114,000.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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, 2002. 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.

12. Commitments

Leases

The City leases equipment and office space under capital and operating leases, which expire at various dates through fiscal 2036. At June 30, 2010, the cost of equipment recorded under capital lease arrangements and included in capital assets amounted to \$1.0 million.

Future minimum obligations under capital and operating leases at June 30, 2010 were as follows (amounts in thousands):

	Capital Leases	Operating Leases
Year Ending June 30:		
2011	\$ 621	\$ 4,595
2012	455	2,918
2013	-	2,142
2014	-	1,230
2015	-	767
2016-2020	-	547
2021-2025	-	55
2026-2030	-	50
2031-2035	-	50
2036	-	8
Total minimum payments	1,076	\$ 12,362
Less amount representing interest	44	
Present value of future minimum capital lease payments	\$ 1,032	

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 \$9.1 million for the fiscal year ended June 30, 2010.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2054. 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	(24,191)	22,747
Totals	<u>\$ 56,630</u>	<u>\$ (24,191)</u>	<u>\$ 32,439</u>

Future minimum rental income under such leases at June 30, 2010 were as follows (amounts in thousands):

Year Ending June 30:

2011	\$ 3,893
2012	3,444
2013	3,344
2014	2,079
2015	1,152
2016-2020	5,053
2021-2025	3,280
2026-2030	3,284
2031-2035	3,436
2036-2040	3,592
2041-2045	3,615
2046-2050	890
2051-2054	559
Total minimum rental income	<u>\$ 37,621</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

Other Commitments

Business-type activities, which do not employ encumbrance accounting, have contractual commitments of approximately \$574.9 million at June 30, 2010, primarily for construction contracts, which includes the Board of Water Supply's commitments of \$75.4 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 (FLSA) benefits with 2,225 employees. The \$30.0 million settlement included an initial payment of \$6.0 million on July 31, 2006, annual cash payments of \$3.1 million to the employees beginning July 31, 2007 and ending July 31, 2011 and credits of \$2.1 million to be applied annually to the employees' vacation accounts beginning July 31, 2008 and ending on July 31, 2011. In accordance with the settlement agreement, the City has been paying the cash components annually.

In March 2010, the City settled with 280 plaintiffs out of approximately 465 employees on a second suit filed under FLSA, Jonathan S. Almodova versus City and County of Honolulu, Civil No. CV07-000378 DAE/LEK. Settlements ranged between \$800 to \$2,000 plus attorneys fees for a total amount of \$580,751 which were paid in fiscal year 2010.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

13. Contingent Liabilities

The City is exposed to various risks arising out of its diverse activities and operations, resulting in claims and lawsuits 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 fully self-insured for workers' compensation claims, and uses a combination of self-insurance and commercial insurance for automobile liability and most general liability claims, with certain exceptions. The City purchases excess liability insurance through insurance companies for claims in excess of self-insured amounts as well as primary liability insurance when required by contract or law. Only one settled claim has exceeded the City's self-insured retention in any of the past three fiscal years.

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, 2010, the estimated total liability of the City for claims and judgments amounted to \$61.6 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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

	Automobile and General Liability	Workers' Compensation	Total
Balance at June 30, 2008	\$ 33,943	\$ 28,823	\$ 62,766
Incurred losses and loss adjustment expenses	4,624	24,002	28,626
Payments	<u>(10,485)</u>	<u>(16,887)</u>	<u>(27,372)</u>
Balance at June 30, 2009	28,082	35,938	64,020
Incurred losses and loss adjustment expenses	1,806	19,080	20,886
Payments	<u>(6,845)</u>	<u>(16,467)</u>	<u>(23,312)</u>
Balance at June 30, 2010	<u>\$ 23,043</u>	<u>\$ 38,551</u>	<u>\$ 61,594</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, 2010

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 \$11.5 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2010 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, 2010</u>	<u>Total Estimated Cost</u>
Waipahu incinerator landfill	100.0%	October 1991	\$ 7,834	\$ 19,956
Kapaa sanitary landfill	100.0%	May 1997	3,683	14,237
Total			<u>\$ 11,517</u>	<u>\$ 34,193</u>

For fiscal year 2010, 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, 2010

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 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 \$4.7 billion, 20-year capital improvement plan (Fiscal Year 2000 to Fiscal Year 2019) 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. Although the outcome of this litigation cannot be predicted at this stage of the proceedings, the entry of a proposed consent decree would result in the dismissal of this litigation.

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 million. This requirement would be included in the proposed consent decree.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

On July 14, 2010, the City Council approved the terms of a proposed consent decree with the EPA, the State, the Sierra Club - Hawaii Chapter, Our Children's Earth Foundation, and Hawaii's Thousand Friends. The proposed consent decree would resolve the 1994, 2004, and 2006 lawsuits and the City's appeals of the EPA's January 2009 final decisions. The proposed consent decree allows 10 years for completion of work on the collection system, 14 years for the upgrade of the Honouliuli WWTP to secondary treatment, and up to 25 years, with the possibility of a three-year extension, for the upgrade of the Sand Island WWTP to secondary treatment. The City is expected to incur \$3.4 billion in capital costs through fiscal year 2020 (which coincides with the term of the collection system portion of the consent decree). This amount will largely be spent on the collection system, and much of it will go toward work that was already required or planned. This amount also includes a portion of the costs of treatment plant upgrades at Sand Island and Honouliuli. Costs for the treatment plant upgrades include approximately \$550 million to replace primary treatment facilities at both plants and \$1.15 billion to upgrade the plants to secondary treatment plants. The settlement also requires the payment of a civil penalty in the amount of \$800,000 to the United States, and \$800,000 to the State of Hawaii. In addition, the City will provide \$800,000 to the Sierra Club - Hawaii Chapter, Our Children's Earth Foundation, and Hawaii's Thousand Friends, to fund four identified supplemental environmental projects.

The proposed consent decree was approved by the Justice Department and lodged with the federal court and was subject to a 30-day public comment period which ended September 15, 2010. The Justice Department filed its motion to enter the consent decree on November 15, 2010. The consent decree will become effective upon its entry by the Court. Plaintiffs' claims for attorneys' fees remain outstanding and will be resolved separately by the federal magistrate.

Honouliuli and Sand Island Wastewater Treatment Plant Permits

In January 2009, the EPA issued final decisions to deny applications for renewed variances from secondary treatment for the Honouliuli wastewater treatment plant and for the Sand Island wastewater treatment plant. The project costs for secondary treatment at Honouliuli and Sand Island is estimated to be \$400.0 million and \$800.0 million, respectively. A resolution of these denials is included in the proposed consent decree.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

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 \$1.9 million plus credit card fees incurred for the fiscal year ended June 30, 2010. The fee for the year ending June 30, 2011 is being negotiated.

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 \$3.0 million for the fiscal year ended June 30, 2010.

As of June 30, 2010, the CASE fees for fiscal year 2011 and subsequent years will be \$3.3 million, until renegotiated.

Amount Due to/from the City – Amounts due from the City approximated \$411,000 as of June 30, 2010 and are included in other receivables. There were no amounts due to the City as of June 30, 2010.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2010

16. Subsequent Events

On July 1, 2010, the City and the State of Hawaii agreed to a memorandum of agreement to operate and maintain a glass recycling program. This will result in an increase in revenues for the Solid Waste Fund as it relates to glass recycling.

On August 23, 2010, the City canceled the three year contract with Hawaiian Waste Systems to ship Oahu trash to the State of Washington. As a result, approximately 20,000 tons of solid waste accumulated at Campbell Industrial Park. Under an amended one year contract, the City will pay Hawaiian Waste Systems \$39.48 for every ton of shredded trash it sends to the H-Power waste to energy plant or to the Waimanalo Gulch Landfill foregoing the related tip fees to the City.

In November 2010, the City issued wastewater system revenue bonds, Senior Series 2010A and Senior Series 2010B BABs, in the aggregate amount of \$204.4 million, and Junior Series 2010A of \$100.8 million. The bonds mature annually on July 1, 2015 through July 1, 2040 and bear interest at rates of 3.0% to 6.1%. The Junior Series 2010A bonds maturing on July 1, 2024, 2026 and 2027 are subject to redemption at the option of the City on or after July 1, 2020, in whole or in part at any time, from any maturity. The proceeds from the bonds will be used to pay for the cost of certain additions and improvements to the wastewater system, to fund a common reserve account and to refund certain City wastewater system revenue bonds.

In December 2010, the City issued general obligation bonds, Senior Series 2010A BABs and Senior Series 2010B, in the aggregate amount of \$347.8 million. The bonds mature annually on December 1, 2015 through December 1, 2035 and bear interest rates of 2.8% to 6.5%. The Senior Series 2010B maturing December 1, 2021 through December 1, 2034 except for the bifurcated serial bonds that will mature on December 1, 2025 are subject to redemption at the option of the City on or after December 1, 2020, in whole or in part at any time, from any maturity. The proceeds from the bonds will be used to currently refund the outstanding short-term general obligation tax-exempt commercial paper Series A and C and fund various capital improvement projects of the City which include but are not limited to H-Power.

Since the BABs were sold as taxable bonds, the City is eligible for federal interest subsidies of 35%.

This page left blank intentionally.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 885,691	\$ 885,691	\$ 901,687	\$ 15,996
Licenses and permits	38,464	38,464	34,686	(3,778)
Intergovernmental	203,602	203,602	198,142	(5,460)
Charges for services	6,328	6,328	5,521	(807)
Fines and forfeits	776	776	562	(214)
Miscellaneous:				
Reimbursements and recoveries	101,876	101,876	40,623	(61,253)
Interest	1,200	1,200	422	(778)
Other	2,502	2,502	4,143	1,641
Total Revenues	1,240,439	1,240,439	1,185,786	(54,653)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	18,448	18,448	17,001	1,447
City Clerk	3,961	3,961	3,493	468
City Council	7,163	7,163	6,632	531
Corporation Counsel	9,288	9,288	7,009	2,279
Customer Services	20,938	20,938	19,738	1,200
Design and Construction	17,126	17,126	14,992	2,134
Facility Maintenance	19,883	19,883	16,406	3,477
Human Resources	6,347	6,347	5,759	588
Information Technology	20,940	20,314	18,450	1,864
Mayor	4,586	4,586	4,235	351
Planning and Permitting	11,703	11,668	10,193	1,475
Prosecuting Attorney	17,916	17,916	16,488	1,428
Total General government	158,299	157,638	140,396	17,242
Public safety:				
Emergency Management	1,434	1,434	1,211	223
Emergency Services	35,870	35,870	33,113	2,757
Fire	97,327	97,425	88,697	8,728
Medical Examiner	1,491	1,491	1,432	59
Planning and Permitting	5,500	5,535	5,462	73
Police	202,629	202,629	187,428	15,201
Total Public safety	344,251	344,384	317,343	27,041
Highways and streets:				
Facility Maintenance	4,557	4,557	3,310	1,247
Sanitation:				
Environmental Services	9,740	9,740	7,638	2,102
Human services:				
Community Services	4,135	4,135	3,975	160

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Culture-recreation:				
Mayor	2,152	2,152	2,074	78
Parks and Recreation	65,957	65,957	59,778	6,179
Total Culture-recreation	68,109	68,109	61,852	6,257
Utilities or other enterprises:				
Transportation Services	75	175	175	--
Miscellaneous:				
Retirement and health benefits:				
City Council	2,631	2,631	2,536	95
Provisional	178,734	178,734	168,649	10,085
Total Retirement and health benefits	181,365	181,365	171,185	10,180
Other:				
Budget and Fiscal Services	280	280	176	104
City Council	280	280	83	197
Provisional	36,058	35,860	28,349	7,511
Total Other	36,618	36,420	28,608	7,812
Total Miscellaneous	217,983	217,785	199,793	17,992
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Information Technology	--	626	626	--
Total Debt service	360	986	985	1
Capital Improvements:				
General government	4,123	4,123	778	3,345
Public safety	770	770	770	--
Total Capital Improvements	4,893	4,893	1,548	3,345
Total Expenditures	812,402	812,402	737,015	75,387
Revenues over Expenditures	428,037	428,037	448,771	20,734
Other Financing Sources (Uses):				
Sales of capital assets	--	--	72	72
Transfers in	108,849	108,849	102,267	(6,582)
Transfers out	(645,477)	(645,477)	(563,749)	81,728
Total Other Financing Sources (Uses)	(536,628)	(536,628)	(461,410)	75,218
Net change in Fund Balance	(108,591)	(108,591)	(12,639)	95,952
Encumbrances	--	--	45,965	45,965
Fund Balance - July 1	108,621	108,621	116,692	8,071
Fund Balance - June 30	\$ 30	\$ 30	\$ 150,018	\$ 149,988

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 86,718	\$ 86,718	\$ 85,141	\$ (1,577)
Licenses and permits	87,017	87,017	87,367	350
Charges for services	5,887	5,887	5,149	(738)
Fines and forfeits	22	22	--	(22)
Miscellaneous:				
Reimbursements and recoveries	340	340	764	424
Other	1,901	1,901	2,019	118
Total Revenues	181,885	181,885	180,440	(1,445)
Expenditures:				
Current:				
General government:				
Design and Construction	6,415	6,415	5,884	531
Facility Maintenance	12,104	12,104	11,276	828
Planning and Permitting	2,445	2,445	2,300	145
Total General government	20,964	20,964	19,460	1,504
Public safety:				
Police	25,102	25,102	24,444	658
Transportation Services	5,918	5,895	5,295	600
Total Public safety	31,020	30,997	29,739	1,258
Highways and streets:				
Facility Maintenance	23,809	23,809	20,479	3,330
Sanitation:				
Environmental Services	1	1	1	--
Utilities or other enterprises:				
Transportation Services	3,201	3,224	2,082	1,142
Miscellaneous:				
Retirement and health benefits:				
Provisional	15,471	15,471	15,180	291
Other:				
Provisional	1,707	1,707	1,000	707
Total Miscellaneous	17,178	17,178	16,180	998
Total Expenditures	96,173	96,173	87,941	8,232

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures	85,712	85,712	92,499	6,787
Other Financing Source (Use):				
Sales of capital assets	231	231	397	166
Transfers out	(100,121)	(100,121)	(93,605)	6,516
Total Other Financing Source (Use)	(99,890)	(99,890)	(93,208)	6,682
Net change in Fund Balance	(14,178)	(14,178)	(709)	13,469
Encumbrances	--	--	2,892	2,892
Fund Balance - July 1	14,178	14,178	21,338	7,160
Fund Balance - June 30	\$ --	\$ --	\$ 23,521	\$ 23,521

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Budgets and Budgetary Accounting

Except for the inclusion of carry-over encumbrances, the budgets for the General Fund and the Highway Fund are adopted on a modified accrual basis consistent with generally accepted accounting principles (GAAP).

The actual expenditures on a budgetary basis include payments made during the fiscal year on the modified accrual basis of accounting, consistent with GAAP, plus outstanding encumbrances at the end of the current fiscal year.

CITY AND COUNTY OF HONOLULU
POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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, 2009	\$ 40,110	\$ 1,924,859	\$ 1,884,749	2.1%	\$ 556,742	338.5%
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, 2010
(Amounts in thousands)

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>
2008	\$ 101,404	47.7%
2009	\$ 104,720	83.8%
2010	\$ 116,616	48.5%

This page left blank intentionally.

**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, 2010
 (Amounts in thousands)

(Page 1 of 7)

	Special Revenue Funds			
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund	Liquor Commission Fund
ASSETS				
Cash and investments:				
With Treasury and banks.....	\$ 2,865	\$ 1,160	\$ 5,595	\$ 2,289
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	42	9	--	51
Due from other funds	--	3	17	--
Inventories - Municipal Stores	--	--	--	--
Total Assets	<u>\$ 2,907</u>	<u>\$ 1,172</u>	<u>\$ 5,612</u>	<u>\$ 2,340</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 97	\$ 3	\$ 7	\$ 22
Interest and bonds payable-matured	--	--	--	--
Due to other funds	88	--	--	208
Accrued payroll	49	5	--	80
Deferred revenue	--	--	--	--
Total Liabilities	<u>234</u>	<u>8</u>	<u>7</u>	<u>310</u>
Fund Balances:				
Reserved for encumbrances	433	308	1,086	94
Reserved for debt service	--	--	--	--
Unreserved - undesignated	2,240	856	4,519	1,936
Total Fund Balances	<u>2,673</u>	<u>1,164</u>	<u>5,605</u>	<u>2,030</u>
Total Liabilities and Fund Balances	<u>\$ 2,907</u>	<u>\$ 1,172</u>	<u>\$ 5,612</u>	<u>\$ 2,340</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2010
 (Amounts in thousands)

(Page 2 of 7)

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>
\$ 53,220	\$ 820	\$ 8	\$ 3,141	\$ 26,898	\$ 11,627	\$ 8,720
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	36	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>\$ 53,220</u>	<u>\$ 820</u>	<u>\$ 8</u>	<u>\$ 3,177</u>	<u>\$ 26,898</u>	<u>\$ 11,627</u>	<u>\$ 8,720</u>
\$ --	\$ --	\$ --	\$ 151	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	113	--	--	--
--	--	--	43	--	--	--
--	--	--	--	--	--	--
--	--	--	307	--	--	--
--	11	--	219	--	4,000	2,600
--	--	--	--	--	--	--
<u>53,220</u>	<u>809</u>	<u>8</u>	<u>2,651</u>	<u>26,898</u>	<u>7,627</u>	<u>6,120</u>
<u>53,220</u>	<u>820</u>	<u>8</u>	<u>2,870</u>	<u>26,898</u>	<u>11,627</u>	<u>8,720</u>
<u>\$ 53,220</u>	<u>\$ 820</u>	<u>\$ 8</u>	<u>\$ 3,177</u>	<u>\$ 26,898</u>	<u>\$ 11,627</u>	<u>\$ 8,720</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2010
 (Amounts in thousands)

(Page 3 of 7)

	Special Revenue Funds		
	Community Development Fund	Golf Fund	Special Events Fund
<u>ASSETS</u>			
Cash and investments:			
With Treasury and banks.....	\$ 1,000	\$ 1,853	\$ 4,151
Receivables:			
Accounts	--	--	--
Special Assessments	--	--	--
Loans	141	--	--
Intergovernmental	73	--	--
Payroll Advance	22	136	228
Due from other funds	--	--	--
Inventories - Municipal Stores	--	--	--
Total Assets	\$ 1,236	\$ 1,989	\$ 4,379
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 316	\$ 252	\$ 255
Interest and bonds payable-matured	--	--	--
Due to other funds	2	363	548
Accrued payroll	20	181	314
Deferred revenue	984	--	--
Total Liabilities	1,322	796	1,117
Fund Balances:			
Reserved for encumbrances	11,169	960	824
Reserved for debt service	--	--	--
Unreserved - undesignated	(11,255)	233	2,438
Total Fund Balances	(86)	1,193	3,262
Total Liabilities and Fund Balances	\$ 1,236	\$ 1,989	\$ 4,379

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2010
 (Amounts in thousands)

(Page 4 of 7)

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	\$ 8,484	\$ 18,591	\$ 1,037	\$ 957	\$ 6,488
--	--	--	--	--	102
--	--	--	--	--	--
--	--	5,865	10,585	--	3,479
--	63	21,994	2,007	--	85
--	46	179	2	--	102
--	--	6	2	--	--
--	--	--	--	--	--
<u>\$ 46</u>	<u>\$ 8,593</u>	<u>\$ 46,635</u>	<u>\$ 13,633</u>	<u>\$ 957</u>	<u>\$ 10,256</u>
\$ --	\$ 665	\$ 801	\$ --	\$ --	\$ 123
--	--	--	--	--	--
--	14	21,036	2	--	4
--	37	476	4	--	102
--	654	6,240	10,585	--	3,674
--	1,370	28,553	10,591	--	3,903
--	3,545	21,738	3,325	--	6,416
--	--	--	--	--	--
46	3,678	(3,656)	(283)	957	(63)
46	7,223	18,082	3,042	957	6,353
<u>\$ 46</u>	<u>\$ 8,593</u>	<u>\$ 46,635</u>	<u>\$ 13,633</u>	<u>\$ 957</u>	<u>\$ 10,256</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2010
 (Amounts in thousands)

(Page 5 of 7)

	Special Revenue Funds			
	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund
<u>ASSETS</u>				
Cash and investments:				
With Treasury and banks.....	\$ 413	\$ 1,962	\$ 224	\$ 161
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	--	--	--	--
Due from other funds	--	--	--	--
Inventories - Municipal Stores	--	--	--	25
Total Assets	\$ 413	\$ 1,962	\$ 224	\$ 186
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Interest and bonds payable-matured	--	--	--	--
Due to other funds	--	--	--	--
Accrued payroll	--	--	--	--
Deferred revenue	227	--	--	--
Total Liabilities	227	--	--	--
Fund Balances:				
Reserved for encumbrances	--	--	--	--
Reserved for debt service	--	--	--	--
Unreserved - undesignated	186	1,962	224	186
Total Fund Balances	186	1,962	224	186
Total Liabilities and Fund Balances	\$ 413	\$ 1,962	\$ 224	\$ 186

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2010
 (Amounts in thousands)

(Page 6 of 7)

Debt Service Fund	Capital Projects Funds				
Improvement District Bond and Interest Redemption Fund	General Improvement Bond Fund	Highway Improvement Bond Fund	Federal Grants Capital Projects Fund	Capital Projects Fund	Transit Improvement Bond Fund
\$ 171	\$ 35,903	\$ 22,367	\$ 10,487	\$ 16,386	\$ --
--	--	--	--	--	--
68	--	--	--	--	--
--	--	--	49,858	--	--
--	--	--	8,876	--	--
--	26	--	--	--	--
--	1,584	--	--	--	--
--	--	--	--	--	--
<u>\$ 239</u>	<u>\$ 37,513</u>	<u>\$ 22,367</u>	<u>\$ 69,221</u>	<u>\$ 16,386</u>	<u>\$ --</u>
\$ --	\$ 5,644	\$ 17,352	\$ 2,371	\$ 52	\$ --
9	--	--	--	--	--
--	1,027	3	--	20	--
--	33	2	--	--	--
57	--	--	52,534	--	--
<u>66</u>	<u>6,704</u>	<u>17,357</u>	<u>54,905</u>	<u>72</u>	<u>--</u>
--	193,337	355,221	108,677	7,899	917,317
173	--	--	--	--	--
--	(162,528)	(350,211)	(94,361)	8,415	(917,317)
<u>173</u>	<u>30,809</u>	<u>5,010</u>	<u>14,316</u>	<u>16,314</u>	<u>--</u>
<u>\$ 239</u>	<u>\$ 37,513</u>	<u>\$ 22,367</u>	<u>\$ 69,221</u>	<u>\$ 16,386</u>	<u>\$ --</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2010
 (Amounts in thousands)

(Page 7 of 7)

	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>	
Cash and investments:	
With Treasury and banks.....	\$ 247,024
Receivables:	
Accounts	102
Special Assessments	68
Loans	69,928
Intergovernmental	33,098
Payroll Advance	879
Due from other funds	1,612
Inventories - Municipal Stores	25
Total Assets	<u>\$ 352,736</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 28,111
Interest and bonds payable-matured	9
Due to other funds	23,428
Accrued payroll	1,346
Deferred revenue	74,955
Total Liabilities	<u>127,849</u>
Fund Balances:	
Reserved for encumbrances	1,639,179
Reserved for debt service	173
Unreserved - undesignated	<u>(1,414,465)</u>
Total Fund Balances	<u>224,887</u>
Total Liabilities and Fund Balances	<u>\$ 352,736</u>

This page left blank intentionally.

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, 2010

(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 Commission Fund
Revenues:				
Special assessments	\$ --	\$ --	\$ --	\$ --
Licenses and permits.....	--	458	--	3,697
Intergovernmental.....	--	--	--	--
Charges for services.....	3,707	--	--	128
Fines and forfeits.....	--	--	--	193
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	--	868	3
Total Revenues.....	3,707	458	868	4,021
Expenditures:				
Current:				
General government.....	1,757	--	--	3,021
Public safety.....	--	340	--	--
Highways and streets.....	137	10	--	--
Human services.....	--	--	--	--
Culture-recreation.....	572	12	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	500	--	--	797
Other.....	--	--	--	75
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	18	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	43	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	2,966	380	43	3,893
Revenues over (under) Expenditures.....	741	78	825	128
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Issuance of commercial paper	--	--	--	--
Sales of capital assets.....	--	--	--	--
Transfers in.....	--	3	17	--
Transfers out.....	(222)	(40)	--	(260)
Total Other Financing Sources (Uses).....	(222)	(37)	17	(260)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	519	41	842	(132)
Fund Balances - July 1.....	2,154	1,123	4,763	2,162
Fund Balances - June 30.....	\$ 2,673	\$ 1,164	\$ 5,605	\$ 2,030

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, 2010
(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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	4,365	--	--	--
--	--	--	--	--	--	--
43	--	--	--	19	7	4
--	107	1	1,617	--	--	--
<u>43</u>	<u>107</u>	<u>1</u>	<u>5,982</u>	<u>19</u>	<u>7</u>	<u>4</u>
--	--	--	--	--	--	--
--	--	--	787	--	--	--
--	--	--	--	--	--	--
--	189	--	--	--	--	--
--	--	28	2,208	--	--	--
--	--	--	--	--	--	--
--	--	--	667	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	600	--
--	--	--	--	--	--	--
--	189	28	3,662	--	600	--
<u>43</u>	<u>(82)</u>	<u>(27)</u>	<u>2,320</u>	<u>19</u>	<u>(593)</u>	<u>4</u>
--	--	--	--	--	--	--
--	--	--	--	105	--	--
--	--	--	--	662	4,234	4,234
--	(12)	--	(1,769)	--	--	--
--	<u>(12)</u>	<u>--</u>	<u>(1,769)</u>	<u>767</u>	<u>4,234</u>	<u>4,234</u>
43	(94)	(27)	551	786	3,641	4,238
53,177	914	35	2,319	26,112	7,986	4,482
<u>\$ 53,220</u>	<u>\$ 820</u>	<u>\$ 8</u>	<u>\$ 2,870</u>	<u>\$ 26,898</u>	<u>\$ 11,627</u>	<u>\$ 8,720</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, 2010
(Amounts in thousands)

(Page 3 of 6)

	Special Revenue Funds		
	Community Development Fund	Golf Fund	Special Events Fund
Revenues:			
Special assessments	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--
Intergovernmental.....	9,639	--	--
Charges for services.....	--	6,040	2,804
Fines and forfeits.....	--	--	--
Miscellaneous:			
Reimbursements and recoveries.....	--	--	10
Interest.....	--	--	4
Other.....	--	3,806	7,254
Total Revenues.....	9,639	9,846	10,072
Expenditures:			
Current:			
General government.....	726	--	120
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Human services.....	1,090	--	--
Culture-recreation.....	--	8,878	10,639
Utilities or other enterprises.....	--	--	--
Miscellaneous:			
Retirement and health benefits.....	--	2,245	2,962
Other.....	--	148	234
Capital Outlay:			
General government.....	506	422	171
Public safety.....	1,908	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Human services.....	7,653	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
Total Expenditures.....	11,883	11,693	14,126
Revenues over (under) Expenditures.....	(2,244)	(1,847)	(4,054)
Other Financing Sources (Uses):			
Issuance of general obligation bonds	--	--	--
Issuance of commercial paper	--	--	--
Sales of capital assets.....	--	--	--
Transfers in.....	3,000	9,027	11,115
Transfers out.....	--	(7,819)	(7,200)
Total Other Financing Sources (Uses).....	3,000	1,208	3,915
Revenues and Other Sources over (under) Expenditures and Other Uses.....	756	(639)	(139)
Fund Balances - July 1.....	(842)	1,832	3,401
Fund Balances - June 30.....	\$ (86)	\$ 1,193	\$ 3,262

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, 2010
(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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	7,297	62,361	--	--	44,405
--	--	--	--	--	--
--	--	--	--	--	--
--	1	13	2	1	28
--	922	777	3,933	--	44
--	<u>8,220</u>	<u>63,151</u>	<u>3,935</u>	<u>1</u>	<u>44,477</u>
--	3,167	2,136	--	--	139
--	1,146	13,072	--	--	--
--	--	--	--	--	--
--	3,660	20,264	3,279	--	46,821
--	320	376	--	--	--
--	--	21,506	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	<u>8,293</u>	<u>57,354</u>	<u>3,279</u>	<u>--</u>	<u>46,960</u>
--	(73)	5,797	656	1	(2,483)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	200	--	--	--
--	--	--	(3,000)	--	--
--	--	200	(3,000)	--	--
--	(73)	5,997	(2,344)	1	(2,483)
46	7,296	12,085	5,386	956	8,836
<u>\$ 46</u>	<u>\$ 7,223</u>	<u>\$ 18,082</u>	<u>\$ 3,042</u>	<u>\$ 957</u>	<u>\$ 6,353</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, 2010
(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
Revenues:				
Special assessments	\$ --	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--	--
Intergovernmental.....	--	--	--	--
Charges for services.....	--	--	--	--
Fines and forfeits.....	--	--	--	--
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	452	--	15
Total Revenues.....	<u>--</u>	<u>452</u>	<u>--</u>	<u>15</u>
Expenditures:				
Current:				
General government.....	--	--	--	14
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Human services.....	7	--	--	--
Culture-recreation.....	--	--	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	--	--	--	--
Other.....	--	--	--	--
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	--	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	<u>7</u>	<u>--</u>	<u>--</u>	<u>14</u>
Revenues over (under) Expenditures.....	<u>(7)</u>	<u>452</u>	<u>--</u>	<u>1</u>
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Issuance of commercial paper	--	--	--	--
Sales of capital assets.....	--	--	--	--
Transfers in.....	--	--	--	--
Transfers out.....	--	--	--	--
Total Other Financing Sources (Uses).....	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Revenues and Other Sources over (under) Expenditures and Other Uses.....	<u>(7)</u>	<u>452</u>	<u>--</u>	<u>1</u>
Fund Balances - July 1.....	193	1,510	224	185
Fund Balances - June 30.....	<u>\$ 186</u>	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 186</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, 2010
(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	
\$ 18	\$ --	\$ --	\$ --	\$ --	\$ 18
--	--	--	--	--	4,155
--	--	--	40,555	--	164,257
--	--	--	--	--	17,044
--	--	--	--	--	193
--	--	--	--	--	10
5	--	59	--	--	186
1	--	--	--	50	19,850
<u>24</u>	<u>--</u>	<u>59</u>	<u>40,555</u>	<u>50</u>	<u>205,713</u>
--	--	--	--	--	11,080
--	--	--	--	--	15,345
--	--	--	--	--	147
--	--	--	--	--	75,310
--	--	--	--	--	23,033
--	--	--	--	--	21,506
--	--	--	--	--	7,171
796	--	--	--	--	1,253
--	18,588	3,362	23	3	23,075
--	14,789	2,254	1,266	--	20,217
--	93	88,785	943	18	89,857
--	--	--	74	47	121
--	--	--	7,253	--	14,906
--	17,593	7	71	776	19,090
--	--	5,897	29,663	--	35,560
<u>796</u>	<u>51,063</u>	<u>100,305</u>	<u>39,293</u>	<u>844</u>	<u>357,671</u>
<u>(772)</u>	<u>(51,063)</u>	<u>(100,246)</u>	<u>1,262</u>	<u>(794)</u>	<u>(151,958)</u>
--	4	30,008	--	--	30,012
--	20,000	--	--	--	20,000
--	6	1	--	--	112
--	--	--	--	24	32,516
(24)	--	--	--	(20)	(20,366)
<u>(24)</u>	<u>20,010</u>	<u>30,009</u>	<u>--</u>	<u>4</u>	<u>62,274</u>
(796)	(31,053)	(70,237)	1,262	(790)	(89,684)
969	61,862	75,247	13,054	17,104	314,571
<u>\$ 173</u>	<u>\$ 30,809</u>	<u>\$ 5,010</u>	<u>\$ 14,316</u>	<u>\$ 16,314</u>	<u>\$ 224,887</u>

This page left blank intentionally.

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2010
 (Amounts in thousands)

	Agency Funds				Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Payroll Clearance Fund	
ASSETS					
Cash and investments:					
With Treasury	\$ 26,145	\$ 2,615	\$ 9,850	\$ --	\$ 38,610
Imprest and change funds	73	66	--	--	139
Due from other funds:					
General Fund	7	--	--	1,073	1,080
Highway Fund	1	--	--	--	1
Sewer Fund	1	--	--	--	1
Solid Waste Fund	22	--	--	--	22
Total Assets	26,249	2,681	9,850	1,073	39,853
LIABILITIES					
Liabilities:					
Accounts payable	4,020	--	--	1,073	5,093
Other current liabilities	22,229	2,681	9,850	--	34,760
Total Liabilities	26,249	2,681	9,850	1,073	39,853
NET ASSETS					
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, 2010
 (Amounts in thousands)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>GENERAL TRUST FUND</u>				
<u>ASSETS</u>				
Cash	\$ 23,843	\$ 93,088	\$ 90,713	\$ 26,218
Due from other funds	43	31	43	31
Total Assets	<u>\$ 23,886</u>	<u>\$ 93,119</u>	<u>\$ 90,756</u>	<u>\$ 26,249</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2,502	\$ 92,243	\$ 90,725	\$ 4,020
Other current liabilities	21,384	876	31	22,229
Total Liabilities	<u>\$ 23,886</u>	<u>\$ 93,119</u>	<u>\$ 90,756</u>	<u>\$ 26,249</u>
<u>TREASURY TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 2,552	\$ 12,323	\$ 12,194	\$ 2,681
<u>LIABILITY</u>				
Other current liabilities	\$ 2,552	\$ 12,323	\$ 12,194	\$ 2,681
<u>REAL PROPERTY TAX TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 13,795	\$ 21,261	\$ 25,206	\$ 9,850
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 9,712	\$ 9,712	\$ --
Other current liabilities	13,795	11,549	15,494	9,850
Total Liabilities	<u>\$ 13,795</u>	<u>\$ 21,261</u>	<u>\$ 25,206</u>	<u>\$ 9,850</u>
<u>PAYROLL CLEARANCE FUND</u>				
<u>ASSETS</u>				
Cash	\$ 2,712	\$ 604,814	\$ 607,526	\$ --
Due from other funds	--	1,073	--	1,073
Total Assets	<u>\$ 2,712</u>	<u>\$ 605,887</u>	<u>\$ 607,526</u>	<u>\$ 1,073</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 1,073	\$ --	\$ 1,073
Other current liabilities	2,712	604,814	607,526	--
Total Liabilities	<u>\$ 2,712</u>	<u>\$ 605,887</u>	<u>\$ 607,526</u>	<u>\$ 1,073</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 42,902	\$ 731,486	\$ 735,639	\$ 38,749
Due from other funds	43	1,104	43	1,104
Total Assets	<u>\$ 42,945</u>	<u>\$ 732,590</u>	<u>\$ 735,682</u>	<u>\$ 39,853</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2,502	\$ 103,028	\$ 100,437	\$ 5,093
Other current liabilities	40,443	629,562	635,245	34,760
Total Liabilities	<u>\$ 42,945</u>	<u>\$ 732,590</u>	<u>\$ 735,682</u>	<u>\$ 39,853</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, 2010
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
(Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 143,001	\$ 101,360
Receivables:		
Real property taxes	15,728	16,046
Accounts	432	373
Interest	38	18
Intergovernmental	47,895	52,689
Payroll Advance	14,382	--
Due from other funds	27,339	21,001
Total Assets	\$ 248,815	\$ 191,487
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 13,733	\$ 8,423
Due to other funds	45,217	41,134
Accrued payroll	18,062	2,417
Deferred revenue	21,785	22,821
Total Liabilities	98,797	74,795
Fund Balance:		
Reserved for encumbrances	45,965	48,868
Unreserved - undesignated	104,053	67,824
Total Fund Balance	150,018	116,692
Total Liabilities and Fund Balance	\$ 248,815	\$ 191,487

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Amounts in thousands)

	2010	2009
Revenues:		
Taxes	\$ 901,687	\$ 851,265
Licenses and permits	34,686	33,360
Intergovernmental	198,142	202,216
Charges for services	5,521	6,402
Fines and forfeits	562	645
Miscellaneous:		
Reimbursements and recoveries	40,623	95,694
Interest	422	7,170
Other	4,143	5,123
Total Revenues	1,185,786	1,201,875
Expenditures:		
Current:		
General government	128,576	133,597
Public safety	312,443	308,990
Highways and streets	2,086	3,718
Sanitation	2,959	4,828
Human services	3,081	3,646
Culture-recreation	58,826	64,346
Utilities or other enterprises	123	6
Miscellaneous:		
Retirement and health benefits	158,939	150,051
Other	21,484	26,000
Capital outlay	1,548	1,984
Debt Service:		
Principal retirement	823	726
Interest charges	162	188
Total Expenditures	691,050	698,080
Revenues over Expenditures	494,736	503,795
Other Financing Sources (Uses):		
Capital leases	--	189
Sales of capital assets	72	346
Transfers in	102,267	95,060
Transfers out	(563,749)	(648,773)
Total Other Financing Sources (Uses)	(461,410)	(553,178)
Revenues and Other Sources over (under) Expenditures and Other Uses	33,326	(49,383)
Fund Balance - July 1	116,692	166,075
Fund Balance - June 30	\$ 150,018	\$ 116,692

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, 2010
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 885,691	\$ 885,691	\$ 901,687	\$ 15,996
Licenses and permits	38,464	38,464	34,686	(3,778)
Intergovernmental	203,602	203,602	198,142	(5,460)
Charges for services	6,328	6,328	5,521	(807)
Fines and forfeits	776	776	562	(214)
Miscellaneous:				
Reimbursements and recoveries	101,876	101,876	40,623	(61,253)
Interest	1,200	1,200	422	(778)
Other	2,502	2,502	4,143	1,641
Total Revenues	1,240,439	1,240,439	1,185,786	(54,653)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	17,559	17,559	16,160	1,399
City Clerk	3,722	3,722	3,289	433
City Council	6,588	6,588	6,344	244
Corporation Counsel	7,505	7,505	5,722	1,783
Customer Services	19,394	19,394	18,453	941
Design and Construction	15,848	15,848	13,920	1,928
Facility Maintenance	18,319	18,319	15,200	3,119
Human Resources	6,284	6,284	5,701	583
Information Technology	18,198	18,198	16,955	1,243
Mayor	4,224	4,224	3,902	322
Planning and Permitting	9,736	9,701	8,372	1,329
Prosecuting Attorney	17,781	17,781	16,469	1,312
Total General government	145,158	145,123	130,487	14,636
Public safety:				
Emergency Management	1,029	1,029	810	219
Emergency Services	34,043	34,043	31,495	2,548
Fire	96,449	96,547	88,019	8,528
Medical Examiner	1,473	1,473	1,420	53
Planning and Permitting	5,488	5,523	5,451	72
Police	199,212	199,212	185,426	13,786
Total Public safety	337,694	337,827	312,621	25,206

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, 2010
 (Amounts in thousands)

(Page 2 of 3)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Highways and streets:				
Facility Maintenance	2,564	2,564	1,887	677
Sanitation:				
Environmental Services	6,193	6,193	4,093	2,100
Human services:				
Community Services	3,099	3,099	2,946	153
Culture-recreation:				
Mayor	2,150	2,150	2,073	77
Parks and Recreation	61,624	61,624	56,337	5,287
Total Culture-recreation	63,774	63,774	58,410	5,364
Utilities or other enterprises:				
Transportation Services	--	100	100	--
Miscellaneous:				
Retirement and health benefits:				
City Council	2,631	2,631	2,536	95
Provisional	168,568	168,568	158,483	10,085
Total Retirement and health benefits	171,199	171,199	161,019	10,180
Other:				
City Council	280	280	83	197
Provisional	33,213	33,015	25,504	7,511
Total Other	33,493	33,295	25,587	7,708
Total Miscellaneous	204,692	204,494	186,606	17,888
Debt Service:				
Budget and Fiscal Services	360	360	359	1

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, 2010
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	763,534	763,534	697,509	66,025
Revenues over Expenditures	476,905	476,905	488,277	11,372
Other Financing Sources (Uses):				
Sales of capital assets	--	--	72	72
Transfers in:				
Central administrative service expenses	30,586	30,586	30,521	(65)
Debt service	77,491	77,491	70,974	(6,517)
Other	772	772	772	--
Transfers out:				
Debt service	(253,827)	(253,827)	(185,013)	68,814
Bus subsidy	(96,323)	(96,323)	(96,323)	--
Transit Fund	(160,470)	(160,470)	(157,555)	2,915
Other	(134,857)	(134,857)	(124,858)	9,999
Total Other Financing Sources (Uses)	(536,628)	(536,628)	(461,410)	75,218
Revenues and Other Sources over (under) Expenditures and Other Uses	(59,723)	(59,723)	26,867	86,590
Unreserved - Undesignated Fund				
Balance - July 1	59,753	59,753	67,824	8,071
Unreserved - Undesignated Fund				
Balance - June 30 (Budgetary Basis)	\$ 30	\$ 30	94,691	\$ 94,661
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			34,414	
Expenditures - prior year encumbrances			(28,099)	
Accrued expenditures			144	
Decrease in reserved for encumbrances			2,903	
Unreserved - Undesignated Fund				
Balance - June 30 (GAAP Basis)			104,053	
Reserved for Encumbrances - June 30			45,965	
Fund Balance - June 30 (GAAP Basis)			\$ 150,018	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
TAXES			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 837,463	\$ 852,294	\$ 14,831
PUBLIC SERVICE COMPANY TAX:			
Public Service Company Tax	48,228	49,393	1,165
TOTAL TAXES	885,691	901,687	15,996
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Police and Protective:			
Second-Hand and Junk Dealers	13	15	2
Alarm Permits	199	191	(8)
Other	14	17	3
Professional and Occupational:			
Refuse Collector	9	--	(9)
Other	2	1	(1)
Total Business Licenses and Permits	237	224	(13)
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits:			
Building	13,500	12,012	(1,488)
Signs	35	36	1
Non-Storm Water Discharge Permit	--	2	2
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees	1,764	1,655	(109)
Motor Vehicle Transfer Fees and Penalty	2,808	2,447	(361)
Duplicate Registration & Ownership Certificates	226	207	(19)
Motor Vehicle Registration Annual Fee	14,390	13,543	(847)
Other	47	30	(17)
Other Vehicle Licenses and Fees:			
Passenger and Freight Vehicle Permit Fees	96	82	(14)
Nonresident Vehicle Permit	21	24	3
Motor Vehicle Drivers' Licenses	4,410	3,659	(751)
Animal Licenses:			
Dog Licenses and Tag Fees	247	233	(14)
Street, Sidewalk and Curb Permits:			
Easement Grants	110	115	5
Newsstands	33	29	(4)
Telephone Enclosures	--	1	1
Dispensing Rack	5	7	2
Fire Code Permits and License Fees	535	380	(155)
Total Non-Business Licenses and Permits	38,227	34,462	(3,765)
TOTAL LICENSES AND PERMITS	38,464	34,686	(3,778)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
STATE GRANTS:			
Transient Accommodation Tax	43,112	40,564	(2,548)
Excise Tax Surcharge for Transp.....	160,470	157,555	(2,915)
Total State Grants	203,582	198,119	(5,463)
INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:			
Fish and Wildlife Service	20	23	3
Total Intergovernmental Payments in Lieu of Taxes	20	23	3
TOTAL INTERGOVERNMENTAL	203,602	198,142	(5,460)
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Data Processing Services:			
Duplication of Master Tapes	22	44	22
Data Processing Service - State	650	804	154
Data Processing Service - U.S. Government	5	5	--
Data Processing Service - Other Counties	260	421	161
Legal Services (BWS)	30	30	--
Service Fee for Dishonored Checks	22	19	(3)
Band Collections	4	8	4
Automotive Equipment Service Charges	302	151	(151)
Subdivision Fees	90	106	16
Application Fees for Zoning Regulations	180	190	10
Plan Review Use Fees	900	547	(353)
Administrative Fee--Multi-Family Housing Program....	60	45	(15)
Military Housing Fee in Lieu of Property Tax	650	842	192
Zoning/Flood Clearance Fee	36	16	(20)
Fees for Certificates, Copies & Extracts of Records	124	122	(2)
Fees for Services	132	113	(19)
Custodial and Attendant Services	398	374	(24)
Spay-Neuter Service	335	355	20
Other	2	9	7
Total General Government	4,202	4,201	(1)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
PUBLIC SAFETY:			
Police Charges:			
Taxicab Drivers' & Pedicab Operators' Certificates ...	37	34	(3)
HPD Special Duty Fees	350	293	(57)
Miscellaneous:			
Other	1	1	--
Total Public Safety	388	328	(60)
HIGHWAYS AND STREETS:			
Parking:			
City Employees	450	449	(1)
HPD Parking Lot	100	139	39
Total Highways and Streets	550	588	38
CULTURE-RECREATION:			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing	32	21	(11)
Commercial Filming	22	33	11
Summer Fun Program	208	146	(62)
Fall and Spring Program	58	28	(30)
Fees for Use of Parks	700	5	(695)
Foster Botanic Garden	118	127	9
Fees for Community Garden	50	44	(6)
Total Culture-Recreation	1,188	404	(784)
TOTAL CHARGES FOR SERVICES	6,328	5,521	(807)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	598	425	(173)
Liquidated Contract Damages	--	63	63
Total Fines	598	488	(110)
FORFEITS:			
Forfeiture of Seized Property	178	69	(109)
Other	--	5	5
Total Forfeits	178	74	(104)
TOTAL FINES AND FORFEITS	776	562	(214)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursements from State:			
Fireboat Operations	3,217	1,844	(1,373)
HPD Civil Defense Coordinator	29	7	(22)
Motor Vehicle Inspection Program	662	663	1
Administration Cost - Ewa Highway Impact Fee	30	27	(3)
Emergency Ambulance Services	35,550	32,256	(3,294)
Collection Cost - State Motor Vehicle Weight Tax, etc.	830	806	(24)
Commercial Drivers' License Program	548	526	(22)
Recoveries:			
Workers' Compensation Payment	400	397	(3)
Real Property Tax Services	83	--	(83)
Central Administrative Service Expenses:			
Board of Water Supply	3,000	3,000	--
Debt Service Charges - Enterprise Funds:			
Sewer	14,411	--	(14,411)
Solid Waste	31,898	--	(31,898)
Housing	11,110	--	(11,110)
Recovery-Interest-Federal Subsidy	--	314	314
Workers' Compensation Claims (Third Party)	100	410	310
Recoveries - Other	8	373	365
Total Reimbursements and Recoveries	<u>101,876</u>	<u>40,623</u>	<u>(61,253)</u>
INTEREST:			
Interest Earnings:			
Investments	1,200	372	(828)
Other Sources	--	50	50
Total Interest	<u>1,200</u>	<u>422</u>	<u>(778)</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental Units:			
Rental Units (City Property)	132	218	86
Rental Units (HCD Property)	132	225	93
Rental - Ambulance Facilities	64	64	--
Rental of Parks and Recreational Facilities:			
Perquisite Housing	17	25	8
Other	--	4	4
Rental of Equipment	2	4	2
Rental of Other Properties:			
Other City Facilities	--	11	11
Total Rents	347	551	204
Concessions:			
Public Pay Phones	--	1	1
Total Concessions	--	1	1
Contributions from Private Sources:			
Developers' Premium	50	46	(4)
Other Escheats	200	--	(200)
Total Contributions from Private Sources	250	46	(204)
Other:			
Towing Service Premiums	525	427	(98)
Vacation Accumulation Deposits	30	323	293
Miscellaneous Sales	221	209	(12)
Sundry Refunds	814	2,142	1,328
Sundry Realizations	315	444	129
Total Other	1,905	3,545	1,640
Total Other Miscellaneous	2,502	4,143	1,641
TOTAL MISCELLANEOUS	105,578	45,188	(60,390)
TOTAL REVENUES	1,240,439	1,185,786	(54,653)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>OTHER FINANCING SOURCES</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Sale of Capital Assets	--	72	72
TOTAL SALES OF CAPITAL ASSETS	--	72	72
<u>TRANSFERS FROM OTHER FUNDS:</u>			
Recovery of Central Administrative Service Expenses:			
Highway Fund	9,171	9,171	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	221	221	--
Blkeway Fund	40	40	--
Sewer Fund	8,978	8,978	--
Liquor Commission Fund	260	260	--
Rental Assistance Fund	12	12	--
Hanauma Bay Nature Preserve Fund	290	290	--
Golf Fund	959	894	(65)
Special Events Fund	1,056	1,056	--
Solid Waste Special Fund	9,599	9,599	--
Recovery of Debt Service Charges:			
Highway Fund	62,942	56,426	(6,516)
Hanauma Bay Nature Preserve Fund	1,480	1,479	(1)
Golf Fund	6,925	6,925	--
Special Events Fund	6,144	6,144	--
Other Transfers:			
Sewer Fund	508	508	--
Solid Waste Special Fund	264	264	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	108,849	102,267	(6,582)
TOTAL OTHER FINANCING SOURCES	108,849	102,339	(6,510)
TOTAL GENERAL FUND	\$ 1,349,288	\$ 1,288,125	\$ (61,163)

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
BALANCE SHEET
JUNE 30, 2010
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
(Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 23,727	\$ 18,206
Receivables:		
Public Utilities	18,751	21,941
Intergovernmental	1,898	4,651
Payroll advance	1,188	--
Due from other funds:		
General Fund	--	26
Solid Waste Fund	28	--
General Obligation Bond and Interest Redemption Fund	471	--
	<u>\$ 46,063</u>	<u>\$ 44,824</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,119	\$ 1,268
Due to other funds:		
General Fund	1,098	--
General Trust Fund	1	--
Accrued payroll	1,573	277
Deferred revenue	18,751	21,941
	<u>22,542</u>	<u>23,486</u>
Fund Balance:		
Reserved for encumbrances	2,892	3,714
Unreserved - undesignated	20,629	17,624
	<u>23,521</u>	<u>21,338</u>
	<u>\$ 46,063</u>	<u>\$ 44,824</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Amounts in thousands)

	2010	2009
Revenues:		
Taxes	\$ 85,141	\$ 101,266
Licenses and permits	87,367	74,944
Charges for services	5,149	4,636
Miscellaneous:		
Reimbursements and recoveries	764	734
Other	2,019	2,284
Total Revenues	180,440	183,864
Expenditures:		
Current:		
General government	18,058	19,018
Public safety	29,360	27,628
Highways and streets	19,541	24,115
Utilities or other enterprises	1,910	4,554
Miscellaneous:		
Retirement and health benefits	15,180	11,980
Other	1,000	1,180
Capital outlay	--	211
Total Expenditures	85,049	88,686
Revenues over Expenditures	95,391	95,178
Other Financing Sources (Uses):		
Sales of general fixed assets	397	302
Transfers out	(93,605)	(101,737)
Total Other Financing Sources (Uses)	(93,208)	(101,435)
Revenues and Other Sources over (under) Expenditures and Other Uses	2,183	(6,257)
Fund Balance - July 1	21,338	27,595
Fund Balance - June 30	\$ 23,521	\$ 21,338

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 86,718	\$ 86,718	\$ 85,141	\$ (1,577)
Licenses and permits	87,017	87,017	87,367	350
Charges for services	5,887	5,887	5,149	(738)
Fines and forfeits	22	22	--	(22)
Miscellaneous:				
Reimbursements and recoveries	340	340	764	424
Other	1,901	1,901	2,019	118
Total Revenues	181,885	181,885	180,440	(1,445)
Expenditures:				
Current:				
General government:				
Design and Construction	5,881	5,881	5,358	523
Facility Maintenance	11,784	11,784	11,005	779
Planning and Permitting	2,419	2,419	2,274	145
Total General government	20,084	20,084	18,637	1,447
Public safety:				
Police	25,054	25,054	24,416	638
Transportation Services	5,416	5,393	4,802	591
Total Public safety	30,470	30,447	29,218	1,229
Highways and streets:				
Facility Maintenance	22,946	22,946	19,801	3,145
Utilities or other enterprises:				
Transportation Services	1,781	1,804	1,474	330
Miscellaneous:				
Retirement and health benefits:				
Provisional	15,471	15,471	15,180	291
Other:				
Provisional	1,707	1,707	1,000	707
Total Miscellaneous	17,178	17,178	16,180	998
Total Expenditures	92,459	92,459	85,310	7,149
Revenues over Expenditures	89,426	89,426	95,130	5,704

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, 2010
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Other Financing Source (Uses):				
Sales of capital assets	231	231	397	166
Transfers out:				
Debt service	(62,942)	(62,942)	(56,426)	6,516
Reimbursement for central administrative service expenses	(9,171)	(9,171)	(9,171)	--
Bus subsidy	(28,008)	(28,008)	(28,008)	--
Total Transfers out.....	(100,121)	(100,121)	(93,605)	6,516
Total Other Financing Source (Uses)	(99,890)	(99,890)	(93,208)	6,682
Revenues and Other Source over (under) Expenditures and Other Uses	(10,464)	(10,464)	1,922	12,386
Unreserved - Undesignated Fund Balance - July 1	10,464	10,464	17,624	7,160
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	19,546	\$ 19,546
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			2,512	
Expenditures - prior year encumbrances			(2,251)	
Decrease in reserved for encumbrances			822	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)			20,629	
Reserved for Encumbrances - June 30			2,892	
Fund Balance - June 30 (GAAP Basis)			\$ 23,521	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
<u>TAXES</u>			
GROSS RECEIPTS BUSINESS TAXES:			
Public Utility Franchise Tax	\$ 37,170	\$ 37,502	\$ 332
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	49,548	47,639	(1,909)
TOTAL TAXES	86,718	85,141	(1,577)
<u>LICENSES AND PERMITS</u>			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	250	226	(24)
Other Permits	6	6	--
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	83,105	83,962	857
Other Vehicle Licenses and Fees	3,302	2,834	(468)
Street and Sidewalk Use	8	20	12
Freight Curb and Passenger Loading Zone Permits	266	246	(20)
Excavation and Repair of Streets and Sidewalks	80	73	(7)
TOTAL LICENSES AND PERMITS	87,017	87,367	350
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	14	19	5
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	45	147	102
Street Parking Meter Collections	3,399	3,186	(213)
Other Parking Meter Collections	2,415	1,753	(662)
Other	14	44	30
Total Highways and Streets	5,873	5,130	(743)
TOTAL CHARGES FOR SERVICES	5,887	5,149	(738)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	22	--	(22)
TOTAL FINES AND FORFEITS	22	--	(22)

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursement from State for			
Traffic Signal Maintenance	325	293	(32)
Recovery of Overhead Charges	12	--	(12)
Recovery of Overtime Inspection	3	--	(3)
Recovery - Federal Interest Subsidy	--	471	471
Total Reimbursements and Recoveries	340	764	424
OTHER MISCELLANEOUS:			
Rents:			
Rental Units	--	33	33
Concessions:			
Kekaulike Parking Lot	70	--	(70)
Marin Towers Garage	390	405	15
Harbor Court Garage	419	346	(73)
Kaimuki Parking Lot	24	24	--
Kukui Plaza Garage	824	817	(7)
Smith-Beretania Garage	125	89	(36)
Total Concessions	1,852	1,681	(171)
Other:			
Vacation Accumulation Deposits	13	70	57
Miscellaneous Sales	5	9	4
Ferry Fares	20	5	(15)
Sundry Refunds	11	221	210
Total Other	49	305	256
Total Other Miscellaneous	1,901	2,019	118
TOTAL MISCELLANEOUS	2,241	2,783	542
TOTAL REVENUES	181,885	180,440	(1,445)
OTHER FINANCING SOURCES			
SALES OF CAPITAL ASSETS:			
Sales of Capital Assets	--	235	235
Compensation for Loss of Capital Assets	231	162	(69)
TOTAL OTHER FINANCING SOURCES	231	397	166
TOTAL HIGHWAY FUND	\$ 182,116	\$ 180,837	\$ (1,279)

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

BALANCE SHEET
JUNE 30, 2010
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
(Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,865	\$ 2,169
Receivables:		
Payroll advance	42	--
Total Assets	\$ 2,907	\$ 2,169
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 97	\$ 5
Due to other fund:		
General Fund	88	--
Accrued payroll	49	10
Total Liabilities	234	15
Fund Balance:		
Reserved for encumbrances	433	340
Unreserved - undesignated	2,240	1,814
Total Fund Balance	2,673	2,154
Total Liabilities and Fund Balance	\$ 2,907	\$ 2,169

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, 2010
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ 3,816	\$ 3,707	\$ (109)
Total Revenue	3,816	3,707	(109)
Expenditures:			
Current:			
General government:			
Customer Services	2,792	1,842	950
Highways and streets:			
Facility Maintenance	200	167	33
Culture-recreation:			
Parks and Recreation	1,000	674	326
Miscellaneous:			
Retirement and health benefits:			
Provisional	500	500	--
Total Expenditures	4,492	3,183	1,309
Revenue over (under) Expenditures	(676)	524	1,200
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(222)	(222)	--
Revenue over (under) Expenditures and Other Use	(898)	302	1,200
Unreserved - Undesignated Fund Balance - July 1	1,004	1,814	810
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 106	2,116	\$ 2,010
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		310	
Expenditures - prior year encumbrances		(93)	
Increase in reserved for encumbrances		(93)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		2,240	
Reserved for Encumbrances - June 30		433	
Fund Balance - June 30 (GAAP Basis)		\$ 2,673	

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, 2010
(Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
HIGHWAYS AND STREETS:			
Highway Beautification Fees	\$ 3,816	\$ 3,707	\$ (109)
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUE	\$ 3,816	\$ 3,707	\$ (109)

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 1,160	\$ 1,042
Receivables:		
Payroll advance	9	--
Due from other fund:		
Capital Projects Fund	3	110
Total Assets	\$ 1,172	\$ 1,152
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 3	\$ 29
Accrued payroll	5	--
Total Liabilities	8	29
Fund Balance:		
Reserved for encumbrances	308	26
Unreserved - undesignated	856	1,097
Total Fund Balance	1,164	1,123
Total Liabilities and Fund Balance	\$ 1,172	\$ 1,152

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, 2010
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:			
Licenses and permits	\$ 444	\$ 458	\$ 14
Total Revenue	<u>444</u>	<u>458</u>	<u>14</u>
Expenditures:			
Current:			
Public safety:			
Transportation Services	468	340	128
Highways and streets:			
Facility Maintenance	10	10	--
Culture-recreation:			
Parks and Recreation	30	12	18
Capital improvements:			
Highways and streets:			
Transportation Services	300	300	--
Total Expenditures	<u>808</u>	<u>662</u>	<u>146</u>
Revenue under Expenditures	<u>(364)</u>	<u>(204)</u>	<u>160</u>
Other Financing Source (Use):			
Transfer in	--	3	3
Transfer out:			
Reimbursement for central administrative service expenses	(40)	(40)	--
Total Other Financing Source (Use)	<u>(40)</u>	<u>(37)</u>	<u>3</u>
Revenue and Other Source under Expenditures and Other Use	(404)	(241)	163
Unreserved - Undesignated Fund Balance - July 1	<u>521</u>	<u>1,097</u>	<u>576</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 117</u>	856	<u>\$ 739</u>
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		300	
Expenditures - prior year encumbrances		(18)	
Increase in reserved for encumbrances		<u>(282)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		856	
Reserved for Encumbrances - June 30		<u>308</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 1,164</u>	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
LICENSES AND PERMITS			
NON-BUSINESS LICENSES AND PERMITS:			
Other Vehicle Licenses and Fees -			
Bicycle Licenses	\$ 444	\$ 458	\$ 14
TOTAL REVENUES	<u>444</u>	<u>458</u>	<u>14</u>
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Capital Projects Fund	--	3	3
TOTAL OTHER FINANCING SOURCE	<u>--</u>	<u>3</u>	<u>3</u>
TOTAL BIKEWAY FUND	<u>\$ 444</u>	<u>\$ 461</u>	<u>\$ 17</u>

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,595	\$ 4,507
Due from other fund:		
Capital Projects Fund	17	303
Total Assets	\$ 5,612	\$ 4,810
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 7	\$ 47
Total Liability	7	47
Fund Balance:		
Reserved for encumbrances	1,086	1,146
Unreserved - undesignated	4,519	3,617
Total Fund Balance	5,605	4,763
Total Liability and Fund Balance	\$ 5,612	\$ 4,810

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, 2010
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 868	\$ 868
Total Revenue	--	868	868
Expenditures:			
Capital Improvements:			
Budget and Fiscal Services	1	1	--
Design and Construction	100	100	--
Total Expenditures	101	101	--
Revenue over (under) Expenditures	(101)	767	868
Other Financing Source:			
Transfer in	--	17	17
Revenue and Other Source over (under) Expenditures	(101)	784	885
Unreserved - Undesignated Fund Balance - July 1	2,497	3,617	1,120
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,396	4,401	\$ 2,005
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		101	
Expenditures - prior year encumbrances		(43)	
Decrease in reserved for encumbrances		60	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		4,519	
Reserved for Encumbrances - June 30		1,086	
Fund Balance - June 30 (GAAP Basis)		\$ 5,605	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Contributions from Private Sources:			
Subdividers' Contributions for			
Parks and Playgrounds	\$ --	\$ 868	\$ 868
TOTAL REVENUE	--	868	868
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Capital Projects Fund	--	17	17
TOTAL OTHER FINANCING SOURCE	--	17	17
TOTAL PARKS AND PLAYGROUNDS FUND	\$ --	\$ 885	\$ 885

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,289	\$ 2,207
Receivables:		
Payroll advance	51	--
Total Assets	\$ 2,340	\$ 2,207
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 22	\$ 34
Accrued payroll	80	11
Due to other fund:		
General Fund	208	--
Total Liabilities	310	45
Fund Balance:		
Reserved for encumbrances	94	166
Unreserved - undesignated	1,936	1,996
Total Fund Balance	2,030	2,162
Total Liabilities and Fund Balance	\$ 2,340	\$ 2,207

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 3,770	\$ 3,697	\$ (73)
Charges for services	130	128	(2)
Fines and forfeits	294	193	(101)
Miscellaneous:			
Other	8	3	(5)
Total Revenues	4,202	4,021	(181)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	4,082	2,869	1,213
Corporation Counsel	137	81	56
Information Technology	54	54	--
Total General government	4,273	3,004	1,269
Miscellaneous:			
Retirement and health benefits:			
Provisional	999	797	202
Other:			
Provisional	89	75	14
Total Miscellaneous	1,088	872	216
Capital Improvements:			
Budget and Fiscal Services	25	25	--
Total Expenditures	5,386	3,901	1,485
Revenues over (under) Expenditures	(1,184)	120	1,304
Other Financing Use:			
Transfers out:			
Reimbursement for central administrative service expenses	(260)	(260)	--
Revenues under Expenditures and Other Use	(1,444)	(140)	1,304
Unreserved - Undesignated Fund Balance - July 1	1,460	1,996	536
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 16	1,856	\$ 1,840

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, 2010
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and 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		59	
Expenditures - prior year encumbrances		(51)	
Decrease in reserved for encumbrances		<u>72</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		1,936	
Reserved for Encumbrances - June 30		<u>94</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 2,030</u>	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Alcoholic Licenses and Permits	\$ 3,770	\$ 3,697	\$ (73)
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	5	6	1
Fees:			
Charge for Photo I.D.	122	118	(4)
Other	3	4	1
	<u>130</u>	<u>128</u>	<u>(2)</u>
TOTAL CHARGES FOR SERVICES	<u>130</u>	<u>128</u>	<u>(2)</u>
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	294	193	(101)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	2	2	--
Sundry Refunds	6	1	(5)
	<u>8</u>	<u>3</u>	<u>(5)</u>
TOTAL MISCELLANEOUS	<u>8</u>	<u>3</u>	<u>(5)</u>
TOTAL LIQUOR COMMISSION FUND REVENUES	<u>\$ 4,202</u>	<u>\$ 4,021</u>	<u>\$ (181)</u>

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 53,220	\$ 53,177
Total Asset	\$ 53,220	\$ 53,177
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated	\$ 53,220	\$ 53,177
Total Fund Balance	\$ 53,220	\$ 53,177

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, 2010
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 89	\$ 43	\$ (46)
Total Revenue	89	43	(46)
Unreserved - Undesignated Fund Balance - July 1	989	53,177	52,188
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,078	53,220	\$ 52,142
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		53,220	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 53,220	

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>\$ 89</u>	<u>\$ 43</u>	<u>\$ (46)</u>
TOTAL OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND REVENUE	<u>\$ 89</u>	<u>\$ 43</u>	<u>\$ (46)</u>

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 820	\$ 916
Total Asset	\$ 820	\$ 916
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ --	\$ 2
Total Liability	--	2
Fund Balance:		
Reserved for encumbrances	11	--
Unreserved - undesignated	809	914
Total Liability and Fund Balance	\$ 820	\$ 916

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, 2010
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 233	\$ 107	\$ (126)
Total Revenue	233	107	(126)
Expenditure:			
Current:			
Human services:			
Community Services	233	200	33
Total Expenditure	233	200	33
Revenue over (under) Expenditure	--	(93)	(93)
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(12)	(12)	--
Revenue under Expenditure and Other Use	(12)	(105)	(93)
Unreserved - Undesignated Fund Balance - July 1	974	914	(60)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 962	809	\$ (153)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		11	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(11)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		809	
Reserved for Encumbrances - June 30		11	
Fund Balance - June 30 (GAAP Basis)		\$ 820	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Rents:			
Rental of Parking Stalls	\$ 233	\$ 107	\$ (126)
TOTAL RENTAL ASSISTANCE FUND REVENUE	\$ 233	\$ 107	\$ (126)

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 8	\$ 35
Total Asset	\$ 8	\$ 35
<u>FUND BALANCE</u>		
Fund Balance:		
Reserved for encumbrances	--	9
Unreserved - undesignated	\$ 8	\$ 26
Total Fund Balance	\$ 8	\$ 35

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, 2010
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 1	\$ 1
Total Revenue	--	1	1
Expenditure:			
Current:			
Culture-recreation:			
Enterprise Services	23	19	4
Revenue under Expenditure	(23)	(18)	5
Unreserved - Undesignated Fund Balance - July 1	24	26	2
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1	8	\$ 7
Adjustments to conform with generally accepted accounting principles:			
Encumbrances Included above		--	
Expenditures - prior year encumbrances		(9)	
Decrease in reserved for encumbrances		9	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		8	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 8	

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Sale of Animals	\$ --	\$ 1	\$ 1
TOTAL ZOO ANIMAL PURCHASE FUND REVENUE	<u> \$ --</u>	<u> \$ 1</u>	<u> \$ 1</u>

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 3,141	\$ 2,493
Receivables:		
Payroll advance	36	--
Total Asset	\$ 3,177	\$ 2,493
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 151	\$ 168
Accrued payroll	43	6
Due to other fund:		
General Fund	113	--
Total Liabilities	307	174
Fund Balance:		
Reserved for encumbrances	219	111
Unreserved - undesignated	2,651	2,208
Total Fund Balance	2,870	2,319
Total Liabilities and Fund Balance	\$ 3,177	\$ 2,493

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,700	\$ 4,365	\$ (335)
Miscellaneous:			
Other	1,156	1,617	461
Total Revenues	5,856	5,982	126
Expenditures:			
Current:			
Public safety:			
Emergency Services	771	755	16
Culture-recreation:			
Enterprise Services	14	--	14
Parks and Recreation	2,806	2,410	396
Total Culture-recreation	2,820	2,410	410
Miscellaneous:			
Retirement and health benefits:			
Provisional	726	667	59
Other:			
Provisional	7	--	7
Total Miscellaneous	733	667	66
Total Expenditures	4,324	3,832	492
Revenues over Expenditures	1,532	2,150	618
Other Financing Uses:			
Transfers out:			
Debt service	(1,480)	(1,479)	1
Reimbursement for central administrative service expenses	(290)	(290)	--
Total Other Financing Uses	(1,770)	(1,769)	1
Revenues over (under) Expenditures and Other Uses	(238)	381	619
Unreserved - Undesignated Fund Balance - July 1	1,770	2,208	438
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,532	2,589	\$ 1,057

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, 2010
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and 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		217	
Expenditures - prior year encumbrances		(47)	
Increase in reserved for encumbrances		<u>(108)</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		2,651	
Reserved for Encumbrances - June 30		<u>219</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 2,870</u>	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
HIGHWAYS AND STREETS:			
Hanauma Bay Parking	\$ 200	\$ 197	\$ (3)
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	4,500	4,168	(332)
TOTAL CHARGES FOR SERVICES	4,700	4,365	(335)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	67	70	3
Hanauma Beach Park Concession	261	261	--
Hanauma Shuttle Bus Service	38	38	--
Hanauma Snorkling Rental	790	1,248	458
TOTAL MISCELLANEOUS	1,156	1,617	461
TOTAL HANAUMA BAY NATURE PRESERVE FUND REVENUE	\$ 5,856	\$ 5,982	\$ 126

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 26,898	\$ 26,112
Total Asset	\$ 26,898	\$ 26,112
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated	\$ 26,898	\$ 26,112
Total Fund Balance	\$ 26,898	\$ 26,112

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, 2010
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 48	\$ 19	\$ (29)
Other Financing Source:			
Sales of capital assets	--	105	105
Transfer in	662	662	--
Total Other Financing Sources	662	767	105
Revenue and Other Sources	710	786	76
Unreserved - Undesignated Fund Balance - July 1	26,073	26,112	39
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 26,783	26,898	\$ 115
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		26,898	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 26,898	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	\$ 48	\$ 19	\$ (29)
TOTAL REVENUE	48	19	(29)
OTHER FINANCING SOURCE			
SALES OF CAPITAL ASSETS:			
Sale of Capital Assets	--	105	105
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	662	662	--
TOTAL OTHER FINANCING SOURCES	662	767	105
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	\$ 710	\$ 786	\$ 76

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 11,627	\$ 7,986
Total Asset	\$ 11,627	\$ 7,986
<u>FUND BALANCE</u>		
Fund Balance:		
Reserved for encumbrances	\$ 4,000	\$ 4,000
Unreserved - undesignated	7,627	3,986
Total Fund Balance	\$ 11,627	\$ 7,986

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, 2010
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:				
Miscellaneous:				
Interest	\$ 9	\$ 9	\$ 7	\$ (2)
Total Revenue	9	9	7	(2)
Expenditure:				
Capital improvements:				
Design and Construction	4,000	4,000	4,000	--
Revenue under Expenditure	(3,991)	(3,991)	(3,993)	(2)
Other Financing Source:				
Transfer in	4,234	4,234	4,234	--
Revenues and Other Source over Expenditure	243	243	241	(2)
Unreserved - Undesignated Fund Balance - July 1	3,958	3,897	3,986	89
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 4,201	\$ 4,140	4,227	\$ 87
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			4,000	
Expenditures - prior year encumbrances			(600)	
Increase in reserved for encumbrances			--	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)			7,627	
Reserved for Encumbrances - June 30			4,000	
Fund Balance - June 30 (GAAP Basis)			\$ 11,627	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	\$ 9	\$ 7	\$ (2)
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	<u>4,234</u>	<u>4,234</u>	<u>--</u>
TOTAL CLEAN WATER AND NATURAL LANDS FUND	<u>\$ 4,243</u>	<u>\$ 4,241</u>	<u>\$ (2)</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 8,720	\$ 4,482
Total Asset	\$ 8,720	\$ 4,482
<u>FUND BALANCE</u>		
Fund Balance:		
Reserved for encumbrances	\$ 2,600	\$ 2,001
Unreserved - undesignated	6,120	2,481
Total Fund Balance	\$ 8,720	\$ 4,482

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, 2010
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 9	\$ 4	\$ (5)
Total Revenue	9	4	(5)
Expenditure:			
Capital Improvements:			
Community Services	2,600	2,600	--
Total Expenditure	2,600	2,600	--
Revenue under Expenditure	(2,591)	(2,596)	(5)
Other Financing Source:			
Transfer in	4,234	4,234	--
Revenue and Other Source over Expenditure	1,643	1,638	(5)
Unreserved - Undesignated Fund Balance - July 1	2,458	2,481	23
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 4,101	4,119	\$ 18
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		2,600	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(599)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		6,120	
Reserved for Encumbrances - June 30		2,600	
Fund Balance - June 30 (GAAP Basis)		\$ 8,720	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	\$ 9	\$ 4	\$ (5)
 <u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	<u>4,234</u>	<u>4,234</u>	<u>--</u>
 TOTAL AFFORDABLE HOUSING FUND	 <u>\$ 4,243</u>	 <u>\$ 4,238</u>	 <u>\$ (5)</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 1,000	\$ 86
Receivables:		
Loans	141	149
Intergovernmental	73	786
Payroll advance	22	--
	\$ 1,236	\$ 1,021
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 316	\$ 1,714
Due to other fund:		
General Fund	2	--
Accrued payroll	20	--
Deferred revenue	984	149
	1,322	1,863
Fund Balance:		
Reserved for encumbrances	11,169	9,329
Unreserved - undesignated	(11,255)	(10,171)
	(86)	(842)
	\$ 1,236	\$ 1,021

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, 2010
 (Amounts in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:				
Intergovernmental	\$ 11,517	\$ 11,780	\$ 9,639	\$ (2,141)
Total Revenue	<u>11,517</u>	<u>11,780</u>	<u>9,639</u>	<u>(2,141)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	854	1,117	697	420
Human services:				
Community Services	1,427	1,427	1,122	305
Capital Improvements:				
Community Services	8,836	8,836	8,123	(713)
Design and Construction	2,400	2,400	2,400	--
Fire	1,000	1,000	1,000	--
Total Capital Improvements	<u>12,236</u>	<u>12,236</u>	<u>11,523</u>	<u>(713)</u>
Total Expenditures	<u>14,517</u>	<u>14,780</u>	<u>13,342</u>	<u>12</u>
Revenue under Expenditures	(3,000)	(3,000)	(3,703)	(2,129)
Other Financing Source:				
Transfer in	3,000	3,000	3,000	--
Revenues and Other Source under Expenditures	--	--	(703)	(2,129)
Unreserved - Undesignated Fund Balance - July 1	--	--	(10,171)	(10,171)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>\$ --</u>	(10,874)	<u>\$ (12,300)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			6,300	
Expenditures - prior year encumbrances			(4,841)	
Increase in reserved for encumbrances			(1,840)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)			(11,255)	
Reserved for Encumbrances - June 30			<u>11,169</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ (86)</u>	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
INTERGOVERNMENTAL				
FEDERAL GRANTS:				
Community Development Block Grant	\$ 11,517	\$ 11,780	\$ 9,639	\$ (2,141)
OTHER FINANCING SOURCE				
TRANSFER FROM OTHER FUND:				
Other Transfer -				
Housing and Community Development Rehabilitation Loan Fund	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>--</u>
TOTAL COMMUNITY DEVELOPMENT FUND	<u>\$ 14,517</u>	<u>\$ 14,780</u>	<u>\$ 12,639</u>	<u>\$ (2,141)</u>

CITY AND COUNTY OF HONOLULU
GOLF FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 1,853	\$ 2,017
Receivable:		
Payroll advance	136	--
Total Assets	\$ 1,989	\$ 2,017
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 252	\$ 151
Due to other fund:		
General Fund	363	--
Accrued payroll	181	34
Total Liabilities	796	185
Fund Balance:		
Reserved for encumbrances	960	1,109
Unreserved - undesignated	233	723
Total Fund Balance	1,193	1,832
Total Liabilities and Fund Balance	\$ 1,989	\$ 2,017

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 6,608	\$ 6,040	\$ (568)
Miscellaneous:			
Other	3,735	3,806	71
Total Revenues	10,343	9,846	(497)
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services	9,375	9,087	288
Miscellaneous:			
Retirement and health benefits:			
Provisional	2,245	2,245	--
Other:			
Provisional	182	148	34
Total Miscellaneous	2,427	2,393	34
Capital Improvements:			
Budget and Fiscal Services	586	586	--
Total Expenditures	12,388	12,066	322
Revenues under Expenditures	(2,045)	(2,220)	(175)
Other Finance Source (Uses):			
Transfer In	9,027	9,027	--
Transfers out:			
Debt service	(6,925)	(6,925)	--
Reimbursement for central administrative service expenses	(959)	(894)	65
Total Other Financing Sources (Uses)	1,143	1,208	65
Revenues and Other Source under Expenditures and Other Uses	(902)	(1,012)	(110)
Unreserved - Undesignated Fund Balance - July 1	902	723	(179)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	(289)	\$ (289)

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, 2010
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and 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		948	
Expenditures - prior year encumbrances		(575)	
Decrease in reserved for encumbrances		<u>149</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		233	
Reserved for Encumbrances - June 30		<u>960</u>	
Fund Balance - June 30 (GAAP Basis)		<u><u>\$ 1,193</u></u>	

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>CHARGES FOR SERVICES</u>			
<u>CULTURE-RECREATION:</u>			
Golf Course Fees	\$ 6,608	\$ 6,040	\$ (568)
TOTAL CHARGES FOR SERVICES	<u>6,608</u>	<u>6,040</u>	<u>(568)</u>
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	3,120	2,890	(230)
Total Rents	<u>3,120</u>	<u>2,890</u>	<u>(230)</u>
Concessions:			
Food Concession - Golf Courses	68	108	40
Golf Course - Pro Shops	10	1	(9)
Golf Course - Driving Range	537	531	(6)
Total Concessions	<u>615</u>	<u>640</u>	<u>25</u>
Other:			
Vacation Accumulation Deposits	--	22	22
Sundry Refunds	--	254	254
Total Other	<u>--</u>	<u>276</u>	<u>276</u>
TOTAL MISCELLANEOUS	<u>3,735</u>	<u>3,806</u>	<u>71</u>
TOTAL REVENUES	<u>10,343</u>	<u>9,846</u>	<u>(497)</u>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	9,027	9,027	--
TOTAL OTHER FINANCING SOURCE	<u>9,027</u>	<u>9,027</u>	<u>--</u>
TOTAL GOLF FUND	<u>\$ 19,370</u>	<u>\$ 18,873</u>	<u>\$ (497)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 4,151	\$ 3,740
Receivable:		
Payroll advance	228	--
Total Assets	\$ 4,379	\$ 3,740
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 255	\$ 242
Due to other fund:		
General Fund	548	--
Accrued payroll	314	97
Total Liabilities	1,117	339
Fund Balance:		
Reserved for encumbrances	824	616
Unreserved - undesignated	2,438	2,785
Total Fund Balance	3,262	3,401
Total Liabilities and Fund Balance	\$ 4,379	\$ 3,740

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 2,513	\$ 2,804	\$ 291
Miscellaneous:			
Reimbursements and recoveries	10	10	--
Interest	113	4	(109)
Other	6,906	7,254	348
Total Revenues	9,542	10,072	530
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	121	121	--
Culture-recreation:			
Enterprise Services	11,171	10,770	401
Miscellaneous:			
Retirement and health benefits:			
Provisional	2,962	2,962	--
Other:			
Provisional	351	233	118
Total Miscellaneous	3,313	3,195	118
Capital Improvements:			
Budget and Fiscal Services	393	393	--
Total Expenditures	14,998	14,479	519
Revenues under Expenditures	(5,456)	(4,407)	1,049
Other Finance Source (Uses):			
Transfer in	11,115	11,115	--
Transfers out:			
Debt service	(6,144)	(6,144)	--
Reimbursement for central administrative service expenses	(1,056)	(1,056)	--
Total Other Financing Source (Uses)	3,915	3,915	--

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, 2010
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source under Expenditures and Other Uses	(1,541)	(492)	1,049
Unreserved - Undesignated Fund Balance - July 1	1,541	2,785	1,244
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	2,293	\$ 2,293
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		701	
Expenditures - prior year encumbrances		(348)	
Increase in reserved for encumbrances		(208)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		2,438	
Reserved for Encumbrances - June 30		824	
Fund Balance - June 30 (GAAP Basis)		\$ 3,262	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Surcharge on Auditorium Tickets	\$ --	\$ 109	\$ 109
CULTURE-RECREATION:			
Honolulu Zoo	<u>2,513</u>	<u>2,695</u>	<u>182</u>
TOTAL CHARGES FOR SERVICES	<u>2,513</u>	<u>2,804</u>	<u>291</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Recovery of Utility Charges	10	10	--
INTEREST:			
Interest Earnings:			
Investments	113	4	(109)
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	21	19	(2)
Rental of Auditorium Facilities	1,883	2,104	221
Auditorium Equipment Rental	<u>928</u>	<u>1,095</u>	<u>167</u>
Total Rents	<u>2,832</u>	<u>3,218</u>	<u>386</u>
Concessions:			
Food Concession - Auditoriums	860	682	(178)
Food Concession - Honolulu Zoo	120	163	43
Food Concession - Parks	213	265	52
Parking - Auditoriums	1,700	1,699	(1)
Novelty Sales Concession - Auditoriums	88	68	(20)
Other - Auditoriums	2	2	--
Beach Concession - Parks	983	1,025	42
Pouring Rights	80	76	(4)
Other Concessions	<u>28</u>	<u>20</u>	<u>(8)</u>
Total Concessions	<u>4,074</u>	<u>4,000</u>	<u>(74)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
Other:			
Vacation Accumulation Deposits	--	35	35
Other	--	1	1
Total Other	--	36	36
Total Other Miscellaneous	6,906	7,254	348
TOTAL MISCELLANEOUS	7,029	7,268	239
TOTAL REVENUES	9,542	10,072	530
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	11,115	11,115	--
TOTAL SPECIAL EVENTS FUND	\$ 20,657	\$ 21,187	\$ 530

CITY AND COUNTY OF HONOLULU
FARMERS HOME ADMINISTRATION LOAN FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 46	\$ 46
Total Asset	\$ 46	\$ 46
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated	\$ 46	\$ 46
Total Fund Balance	\$ 46	\$ 46

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 8,484	\$ 8,197
Receivables:		
Intergovernmental	63	33
Payroll advance	46	--
	\$ 8,593	\$ 8,230
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 665	\$ 100
Accrued payroll	37	--
Due to other funds:		
General Fund	10	--
Federal Grants Fund	4	--
Deferred revenue	654	834
	1,370	934
Fund Balance:		
Reserved for encumbrances	3,545	4,381
Unreserved - undesignated	3,678	2,915
	7,223	7,296
	\$ 8,593	\$ 8,230

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, 2010
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 6,074	\$ 9,465	\$ 7,297	\$ (2,168)
Miscellaneous:				
Interest	--	--	1	1
Other	95	322	922	600
Total Revenues	6,169	9,787	8,220	(1,567)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	273	193	80
City Council	4	4	--	4
Customer Services	48	48	45	3
Information Technology	--	2,322	1,339	983
Mayor	--	482	467	15
Planning and Permitting	--	50	--	50
Prosecuting Attorney	970	1,565	686	879
Total General government	1,022	4,744	2,730	2,014
Public safety:				
Emergency Management	20	37	28	9
Emergency Services	639	689	584	105
Fire	--	248	82	166
Police	--	2,216	220	1,996
Total Public safety	659	3,190	914	2,276
Human services:				
Community Services	4,360	4,623	3,797	826
Culture-recreation:				
Parks and Recreation	68	822	321	501
Total Expenditures	6,109	13,379	7,762	5,617
Revenues over (under) Expenditures	60	(3,592)	458	4,050
Unreserved - Undesignated Fund Balance - July 1	--	--	2,915	2,915
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 60	\$ (3,592)	3,373	\$ 6,965
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			981	
Expenditures - prior year encumbrances			(1,512)	
Decrease in reserved for encumbrances			836	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)			3,678	
Reserved for Encumbrances - June 30			3,545	
Fund Balance - June 30 (GAAP Basis)			\$ 7,223	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
INTERGOVERNMENTAL				
STATE GRANTS:				
Department of the Attorney General	\$ 970	\$ 970	\$ 557	\$ (413)
Department of Defense	20	28	28	--
Department of Education	--	49	49	--
Department of Hawaiian Home Lands	108	108	85	(23)
Department of Health	4,230	4,230	3,460	(770)
Department of Human Services	68	68	62	(6)
Department of Labor and Industrial Relations	35	70	35	(35)
Department of Land and Natural Resources	639	639	584	(55)
Hawaii Public Housing Authority	--	250	250	--
Hawaii Tourism Authority	--	670	500	(170)
Wireless Enhanced 911 Board	--	2,200	1,294	(906)
Grants from Other Agencies	4	183	393	210
TOTAL INTERGOVERNMENTAL	6,074	9,465	7,297	(2,168)
MISCELLANEOUS				
INTEREST:				
Interest Earnings:				
Investments	--	--	1	1
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Sprint/Nextel 800MHz Rebanding	--	97	20	(77)
Community Programing	48	48	44	(4)
Contributions to the City	25	155	360	205
Total Contributions from Private Sources	73	300	424	124
Other:				
Other	22	22	498	476
TOTAL MISCELLANEOUS	95	322	923	601
TOTAL SPECIAL PROJECTS FUND REVENUES	\$ 6,169	\$ 9,787	\$ 8,220	\$ (1,567)

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 18,591	\$ 14,354
Receivables:		
Loans	5,865	4,184
Intergovernmental	21,994	21,882
Payroll advance	179	--
Due from other funds:		
Special Projects Fund	4	--
Housing and Community Development Rehabilitation Loan Fund	2	--
Total Assets	\$ 46,635	\$ 40,420
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 801	\$ 3,066
Accrued payroll	476	--
Due to other fund:		
General Fund	21,036	21,000
Deferred revenue	6,240	4,269
Total Liabilities	28,553	28,335
Fund Balance:		
Reserved for encumbrances	21,738	14,284
Unreserved - undesignated	(3,656)	(2,199)
Total Fund Balance	18,082	12,085
Total Liabilities and Fund Balance	\$ 46,635	\$ 40,420

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, 2010
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 37,405	\$ 79,091	\$ 62,361	\$ (16,730)
Miscellaneous:				
Interest	--	--	13	13
Other	8,299	8,976	777	(8,199)
Total Revenues	45,704	88,067	63,151	(24,916)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	464	617	150	467
Design and Construction	640	673	453	220
Information Technology	122	122	--	122
Mayor	--	25	10	15
Prosecuting Attorney	515	2,934	2,872	62
Total General government	1,741	4,371	3,485	886
Public safety:				
Emergency Management	228	20,818	10,369	10,449
Fire	--	229	75	154
Police	--	26,824	8,122	18,702
Transportation Services	--	48	14	34
Total Public safety	228	47,919	18,580	29,339
Sanitation:				
Environmental Services	80	80	--	80
Human services:				
Community Services	21,742	25,699	21,545	4,154
Culture-recreation:				
Parks and Recreation	300	300	98	202
Utilities or other enterprises:				
Transportation Services	21,613	22,012	21,983	29
Total Expenditures	45,704	100,381	65,691	34,690

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, 2010
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues under Expenditures	--	(12,314)	(2,540)	9,774
Other Financing Source:				
Transfer in	200	200	200	--
Revenues and Other Source under Expenditures	200	(12,114)	(2,340)	9,774
Unreserved - Undesignated Fund Balance - July 1	--	--	(2,199)	(2,199)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 200	\$ (12,114)	(4,539)	\$ 7,575
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			16,577	
Expenditures - prior year encumbrances			(8,240)	
Increase in reserved for encumbrances			(7,454)	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)			(3,656)	
Reserved for Encumbrances - June 30			21,738	
Fund Balance - June 30 (GAAP Basis)			\$ 18,082	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (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>
<u>INTERGOVERNMENTAL</u>				
FEDERAL GRANTS:				
Department of Agriculture	\$ 300	\$ 447	\$ 186	\$ (261)
Department of Commerce	--	25	87	62
Department of Education	--	--	72	72
Department of Health and Human Services	3,758	4,423	5,025	602
Department of Homeland Security	228	20,737	9,522	(11,215)
Department of Housing and Urban Development	7,835	9,607	7,805	(1,802)
Department of Justice	882	14,181	7,484	(6,697)
Department of Labor	2,069	4,040	7,430	3,390
Department of Transportation	22,253	22,907	22,879	(28)
Environmental Protection Agency	80	80	49	(31)
Office of National Drug Control Policy	--	2,644	1,822	(822)
TOTAL INTERGOVERNMENTAL	37,405	79,091	62,361	(16,730)
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	13	13
OTHER MISCELLANEOUS:				
Other:				
Other	8,299	8,976	777	(8,199)
TOTAL MISCELLANEOUS	8,299	8,976	790	(8,186)
TOTAL REVENUES	45,704	88,067	63,151	(24,916)
<u>OTHER FINANCING SOURCE</u>				
TRANSFERS FROM OTHER FUNDS:				
Other Transfer -				
General Fund	200	200	200	--
TOTAL FEDERAL GRANTS FUND	\$ 45,904	\$ 88,267	\$ 63,351	\$ (24,916)

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND
BALANCE SHEET
JUNE 30, 2010
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
(Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 1,037	\$ 5,422
Receivables:		
Intergovernmental	2,007	--
Loans	10,585	9,960
Payroll advance	2	--
Due from other fund:		
Housing and Community Development Section 8 Contract Fund	2	--
Total Assets	\$ 13,633	\$ 15,382
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ --	\$ 36
Due to other fund:		
Federal Grants Fund	2	--
Accrued payroll	4	--
Deferred revenue	10,585	9,960
Total Liabilities	10,591	9,996
Fund Balance:		
Reserved for encumbrances	3,325	5,386
Unreserved - undesignated	(283)	--
Total Fund Balance	3,042	5,386
Total Liabilities and Fund Balance	\$ 13,633	\$ 15,382

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, 2010
(Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:			
Miscellaneous:			
Interest	\$ 505	\$ 2	\$ (503)
Other	<u>2,616</u>	<u>3,933</u>	<u>1,317</u>
Total Revenues	<u>3,121</u>	<u>3,935</u>	<u>814</u>
Expenditure:			
Current:			
General government:			
Budget and Fiscal Services	44	--	44
Human services:			
Community Services	<u>3,074</u>	<u>1,358</u>	<u>1,716</u>
Total Expenditure	<u>3,118</u>	<u>1,358</u>	<u>1,760</u>
Revenues over Expenditure	3	2,577	2,574
Other Finance Use:			
Transfers out:			
Other	<u>(3,000)</u>	<u>(3,000)</u>	<u>--</u>
Revenues under Expenditure and Other Use	(2,997)	(423)	2,574
Unreserved - Undesignated Fund Balance - July 1	<u>2,997</u>	<u>--</u>	<u>(2,997)</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	(423)	<u>\$ (423)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		576	
Expenditures - prior year encumbrances		(2,497)	
Decrease in reserved for encumbrances		<u>2,061</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		(283)	
Reserved for Encumbrances - June 30		<u>3,325</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 3,042</u>	

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, 2010
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	\$ 500	\$ 2	\$ (498)
Other Sources	5	--	(5)
	<hr/>	<hr/>	<hr/>
Total Interest	505	2	(503)
OTHER MISCELLANEOUS:			
Other:			
Repayments of Department of Housing and Community Development Loans:			
Principal	2,500	3,838	1,338
Interest	115	90	(25)
Late Charge	1	5	4
	<hr/>	<hr/>	<hr/>
Total Other Miscellaneous	2,616	3,933	1,317
TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES			
	<u>\$ 3,121</u>	<u>\$ 3,935</u>	<u>\$ 814</u>

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 957	\$ 956
Total Asset	\$ 957	\$ 956
<u>FUND BALANCE</u>		
Fund Balance:		
Unreserved - undesignated	\$ 957	\$ 956
Total Fund Balance	\$ 957	\$ 956

CITY AND COUNTY OF HONOLULU
PAUAAHI 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, 2010
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 1	\$ 1
Total Revenue	--	1	1
Unreserved - Undesignated Fund Balance - July 1	<u>918</u>	<u>956</u>	<u>38</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 918</u>	957	<u>\$ 39</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances Included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		957	
Reserved for Encumbrances - June 30		<u>--</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 957</u>	

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, 2010
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	\$ --	\$ 1	\$ 1
TOTAL PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND REVENUE	<u>\$ --</u>	<u>\$ 1</u>	<u>\$ 1</u>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
SECTION 8 CONTRACT FUND

BALANCE SHEET
JUNE 30, 2010
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
(Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,488	\$ 8,982
Receivables:		
Accounts (net of allowance for uncollectibles)	102	82
Loans	3,479	2,964
Intergovernmental	85	485
Payroll advance	102	--
Total Assets	\$ 10,256	\$ 12,513
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 123	\$ 145
Due to other funds:		
General Fund	2	--
Housing and Community Development Rehabilitation Loan Fund	2	--
Accrued payroll	102	--
Deferred revenue	3,674	3,532
Total Liabilities	3,903	3,677
Fund Balance:		
Reserved for encumbrances	6,416	8,891
Unreserved - undesignated	(63)	(55)
Total Fund Balance	6,353	8,836
Total Liabilities and Fund Balance	\$ 10,256	\$ 12,513

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, 2010
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 47,124	\$ 44,405	\$ (2,719)
Miscellaneous:			
Interest	--	28	28
Other	--	44	44
Total Revenues	47,124	44,477	(2,647)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	151	140	11
Information Technology	72	--	72
Total General government	223	140	83
Human services:			
Community Services	46,901	44,345	2,556
Total Expenditures	47,124	44,485	2,639
Revenues over (under) Expenditures	--	(8)	(8)
Unreserved - Undesignated Fund Balance - July 1	--	(55)	(55)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	(63)	<u>\$ (63)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances Included above		2,064	
Expenditures - prior year encumbrances		(4,539)	
Decrease in reserved for encumbrances		<u>2,475</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		(63)	
Reserved for Encumbrances - June 30		<u>6,416</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 6,353</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, 2010
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
FEDERAL GRANTS:			
Section 8 Grants:			
Moderate Rehabilitation Program, (001)	\$ 170	\$ 686	\$ 516
Existing Housing Voucher Program	45,354	42,124	(3,230)
Mainstream Voucher	1,600	1,595	(5)
	<hr/>	<hr/>	<hr/>
TOTAL INTERGOVERNMENTAL	47,124	44,405	(2,719)
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	--	6	6
Other Sources	--	22	22
	<hr/>	<hr/>	<hr/>
Total Interest	--	28	28
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land.....	--	10	10
Other:			
Escheats	--	29	29
Sundry Refunds	--	1	1
Vacation Accumulation Deposits	--	4	4
	<hr/>	<hr/>	<hr/>
Total Other Miscellaneous	--	44	44
	<hr/>	<hr/>	<hr/>
TOTAL MISCELLANEOUS	--	72	72
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....	<hr/> <hr/> \$ 47,124	<hr/> <hr/> \$ 44,477	<hr/> <hr/> \$ (2,647)

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 413	\$ 421
Total Asset	<u>\$ 413</u>	<u>\$ 421</u>
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue	\$ 227	\$ 228
Total Liability	<u>227</u>	<u>228</u>
Fund Balance:		
Unreserved - undesignated	186	193
Total Fund Balance	<u>186</u>	<u>193</u>
Total Liability and Fund Balance	<u>\$ 413</u>	<u>\$ 421</u>

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, 2010
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Expenditure:			
Current:			
Human services:			
Community Services	\$ 138	\$ 7	\$ 131
Total Expenditure	138	7	131
Unreserved - Undesignated Fund Balance - July 1	<u>138</u>	<u>193</u>	<u>55</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	186	<u>\$ 186</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		186	
Reserved for Encumbrances - June 30		<u>--</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 186</u>	

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	<u>Improvement District Revolving Fund</u>	<u>Housing and Community Development Revolving Fund</u>	<u>Municipal Stores Revolving Fund</u>	<u>Totals</u>	
				<u>2010</u>	<u>2009</u>
<u>ASSETS</u>					
Cash and Investments:					
With Treasury	\$ 1,962	\$ 224	\$ 161	\$ 2,347	\$ 1,896
Inventories - Municipal Stores	--	--	25	25	23
Total Assets	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 186</u>	<u>\$ 2,372</u>	<u>\$ 1,919</u>
<u>FUND BALANCES</u>					
Fund Balances:					
Unreserved - undesignated	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 186</u>	<u>\$ 2,372</u>	<u>\$ 1,919</u>
Total Fund Balances	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 186</u>	<u>\$ 2,372</u>	<u>\$ 1,919</u>

CITY AND COUNTY OF HONOLULU
REVOLVING FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2010	2009
Revenue:					
Miscellaneous:					
Other	\$ 452	\$ --	\$ 15	\$ 467	\$ 23
Total Revenue	<u>452</u>	<u>--</u>	<u>15</u>	<u>467</u>	<u>23</u>
Expenditure:					
Current:					
General government	--	--	14	14	16
Total Expenditure	<u>--</u>	<u>--</u>	<u>14</u>	<u>14</u>	<u>16</u>
Revenue over Expenditure	452	--	1	453	7
Fund Balances - July 1	<u>1,510</u>	<u>224</u>	<u>185</u>	<u>1,919</u>	<u>1,912</u>
Fund Balances - June 30	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 186</u>	<u>\$ 2,372</u>	<u>\$ 1,919</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

<u>ASSET</u>	<u>2010</u>	<u>2009</u>
Cash and Investments:		
With Treasury	\$ 1,106	\$ 321
Total Asset	<u>\$ 1,106</u>	<u>\$ 321</u>
 <u>LIABILITIES</u>		
Liabilities:		
Interest payable - matured	\$ 137	\$ 137
Bonds payable - matured	184	184
Due to other fund:		
Improvement District Revolving Fund	<u>785</u>	<u>--</u>
Total Liabilities	<u>\$ 1,106</u>	<u>\$ 321</u>

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, 2010
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
Expenditures:		
Tax exempt commercial paper:		
Interest charges	\$ 1,257	\$ 2,383
Notes payable:		
Principal	189	183
Interest	107	115
General obligation bonds:		
Principal	92,003	121,364
Interest	91,699	102,294
Total Expenditures	185,255	226,339
Other Financing Sources (Uses):		
Issuance of general obligation bonds	242	--
Issuance of refunding bonds	61,192	350,749
Bond premium	5,122	18,071
Bond discount	(1,996)	(78)
Transfers from other funds:		
General Fund - Principal	92,191	121,547
General Fund - Interest	92,822	103,228
Refunding of tax exempt commercial paper	(20,000)	(152,700)
Refunding of general obligation bonds	(44,318)	(214,478)
Total Other Financing Sources (Uses)	185,255	226,339
Other Financing Sources over Expenditures and Other Uses	--	--
Fund Balances - July 1	--	--
Fund Balances - June 30	\$ --	\$ --

CITY AND COUNTY OF HONOLULU
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Cash and investments:		
With Treasury	\$ 171	\$ 1,009
Receivables:		
Special assessments - current	11	11
Special assessments - deferred	<u>57</u>	<u>75</u>
Total Assets	<u>\$ 239</u>	<u>\$ 1,095</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 4	\$ 4
Bonds payable - matured	5	5
Due to other fund:		
Capital Projects Fund	--	42
Deferred revenue	<u>57</u>	<u>75</u>
Total Liabilities	<u>66</u>	<u>126</u>
 Fund Balance:		
Reserved for debt service	<u>173</u>	<u>969</u>
Total Fund Balance	<u>173</u>	<u>969</u>
Total Liabilities and Fund Balance	<u>\$ 239</u>	<u>\$ 1,095</u>

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, 2010
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
Revenues:		
Special assessments	\$ 18	\$ 17
Miscellaneous:		
Interest	5	9
Other	1	9
Total Revenues	24	35
Expenditure:		
Current:		
Miscellaneous:		
Other	796	--
Revenues over (under) Expenditure	(772)	35
Other Financing Use:		
Transfers to other fund:		
Capital Projects Fund	(24)	(42)
Revenues under Expenditure and Other Use	(796)	(7)
Fund Balances - July 1	969	976
Fund Balances - June 30	\$ 173	\$ 969

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 35,903	\$ 68,395
Receivable:		
Payroll advance	26	--
Due from other fund:		
Solid Waste Fund	1,584	429
Total Assets	\$ 37,513	\$ 68,824
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 5,644	\$ 5,851
Accrued payroll	33	--
Due to other fund:		
Sewer Fund	1,027	1,111
Total Liabilities	6,704	6,962
Fund Balance:		
Reserved for encumbrances	193,337	208,337
Unreserved - undesignated	(162,528)	(146,475)
Total Fund Balance	30,809	61,862
Total Liabilities and Fund Balance	\$ 37,513	\$ 68,824

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, 2010
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
Expenditures:		
Capital outlay:		
General government	\$ 18,588	\$ 27,575
Public safety	14,789	18,771
Highways and streets	93	89
Culture-recreation	17,593	21,037
Total Expenditures	51,063	67,472
Other Financing Sources:		
Sales of capital assets	6	13
Issuance of tax exempt commercial paper	20,000	25,000
Issuance of general obligation bonds	4	60,067
Total Other Financing Sources	20,010	85,080
Other Sources over (under) Expenditures	(31,053)	17,608
Fund Balance - July 1	61,862	44,254
Fund Balance - June 30	\$ 30,809	\$ 61,862

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 22,367	\$ 85,582
Total Asset	<u>\$ 22,367</u>	<u>\$ 85,582</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 17,352	\$ 10,329
Due to other funds:		
General Fund	3	--
Sewer Fund	--	6
Accrued payroll	2	--
Total Liabilities	<u>17,357</u>	<u>10,335</u>
Fund Balance:		
Reserved for encumbrances	355,221	344,462
Unreserved - undesignated	<u>(350,211)</u>	<u>(269,215)</u>
Total Fund Balance	<u>5,010</u>	<u>75,247</u>
Total Liabilities and Fund Balance	<u>\$ 22,367</u>	<u>\$ 85,582</u>

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, 2010
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
Revenue:		
Miscellaneous:		
Interest	\$ 59	\$ --
Total Revenue	59	--
Expenditures:		
Capital outlay:		
General government	3,362	2,846
Public safety	2,254	3,304
Highways and streets	88,785	44,857
Culture-recreation	7	--
Utilities or other enterprises	5,897	12,431
Total Expenditures	100,305	63,438
Revenue under Expenditures	(100,246)	(63,438)
Other Financing Sources:		
Sales of capital assets	1	--
Issuance of general obligation bonds	30,008	90,022
Issuance of tax exempt commercial paper	--	20,000
Total Other Financing Sources	30,009	110,022
Revenue and Other Sources over (under) Expenditures	(70,237)	46,584
Fund Balance - July 1	75,247	28,663
Fund Balance - June 30	\$ 5,010	\$ 75,247

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 10,487	\$ 9,670
Receivables:		
Loans (net of allowance for uncollectibles)	49,858	49,226
Intergovernmental	8,876	8,838
Total Assets	\$ 69,221	\$ 67,734
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,371	\$ 1,282
Deferred revenue	52,534	53,398
Total Liabilities	54,905	54,680
Fund Balance:		
Reserved for encumbrances	108,677	94,439
Unreserved - undesignated	(94,361)	(81,385)
Total Fund Balance	14,316	13,054
Total Liabilities and Fund Balance	\$ 69,221	\$ 67,734

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, 2010
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
Revenue:		
Intergovernmental	\$ 40,555	\$ 32,244
Total Revenue	40,555	32,244
Expenditures:		
Capital outlay:		
General government	23	21
Public safety	1,266	3,258
Highways and streets	943	10,851
Sanitation	74	279
Human services	7,253	2,327
Culture-recreation	71	--
Utilities or other enterprises	29,663	8,979
Total Expenditures	39,293	25,715
Revenue over Expenditures	1,262	6,529
Fund Balance - July 1	13,054	6,525
Fund Balance - June 30	\$ 14,316	\$ 13,054

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 16,386	\$ 17,584
Due from other fund:		
Improvement District Bond and Interest Redemption Fund	--	42
Total Assets	\$ 16,386	\$ 17,626
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 52	\$ 109
Due to other funds:		
Bikeway Fund	3	110
Parks and Playgrounds Fund	17	303
Total Liabilities	72	522
Fund Balance:		
Reserved for encumbrances	7,899	7,560
Unreserved - undesignated	8,415	9,544
Total Fund Balance	16,314	17,104
Total Liabilities and Fund Balance	\$ 16,386	\$ 17,626

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Amounts in thousands)

	2010	2009
Revenue:		
Miscellaneous:		
Other	\$ 50	\$ --
Total Revenue	50	--
Expenditures:		
Capital outlay:		
General government	3	12
Highways and streets	18	--
Sanitation	47	23
Culture-recreation	776	520
Total Expenditures	844	555
Revenue under Expenditures	(794)	(555)
Other Financing Source (Uses):		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	24	42
Transfers to other funds:		
General Fund	--	--
Bikeway Fund	(3)	(110)
Parks and Playgrounds Fund	(17)	(303)
Total Other Financing Source (Uses)	4	(371)
Revenue and Other Source under Expenditures and Other Uses	(790)	(926)
Fund Balance - July 1	17,104	18,030
Fund Balance - June 30	\$ 16,314	\$ 17,104

CITY AND COUNTY OF HONOLULU
TRANSIT FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 358,402	\$ 273,343
Receivables:		
Interest	30	10
Payroll advance	26	--
Due from other fund:		
General Fund	36,455	41,108
Total Assets	\$ 394,913	\$ 314,461
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 30,914	\$ 9,243
Accrued payroll	109	21
Total Liabilities	31,023	9,264
Fund Balance:		
Reserved for encumbrances	338,137	280,223
Unreserved - undesignated	25,753	24,974
Total Fund Balance	363,890	305,197
Total Liabilities and Fund Balance	\$ 394,913	\$ 314,461

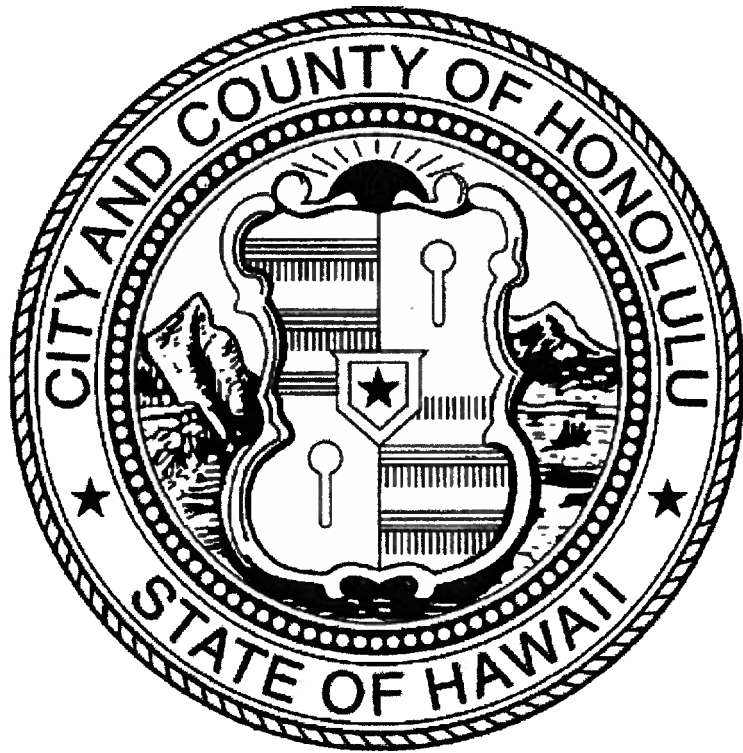
CITY AND COUNTY OF HONOLULU
TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
Revenues:		
Miscellaneous:		
Interest	\$ 247	\$ 3,596
Other	17	30
Total Revenues	264	3,626
Expenditures:		
Current:		
General government	1,999	64
Utilities or other enterprises	3,583	1,557
Miscellaneous:		
Retirement and health benefits	1,354	187
Other	69	26
Capital outlay:		
Utilities or other enterprises	92,121	52,187
Total Expenditures	99,126	54,021
Revenues under Expenditures	(98,862)	(50,395)
Other Financing Source (Use):		
Transfers in:		
General Fund	157,555	160,856
Transfers out:		
Other post-employment benefits	--	(185)
Total Other Financing Source (Use)	157,555	160,671
Revenues and Other Source over Expenditures and Other Use	58,693	110,276
Fund Balance - July 1	305,197	194,921
Fund Balance - June 30	\$ 363,890	\$ 305,197

CITY AND COUNTY OF HONOLULU
TRANSIT IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2010
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2009
 (Amounts in thousands)

	2010	2009
<u>FUND BALANCE</u>		
Fund Balance:		
Reserved for encumbrances	\$ 917,317	\$ --
Unreserved - undesignated	(917,317)	--
Total Fund Balance	\$ --	\$ --

This page left blank intentionally.



**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.

CONTENTS:	<u>Page</u>
Financial Trends	223
<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>	
Revenue Capacity	227
<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>	
Debt Capacity	231
<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>	
Demographic and Economic Information	235
<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>	
Operating Information	238
<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 - 2010
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2002
Governmental activities										
Invested in capital assets, net of related debt	\$ 389,308	\$ 214,214	\$ 165,257	\$ 113,778	\$ 151,597	\$ 155,932	\$ 211,083	\$ 262,817	\$ 275,456	\$ 275,456
Restricted	173	969	976	1,085	1,052	1,053	1,056	1,412	1,347	1,347
Unrestricted	523,206	474,354	399,180	233,339	97,865	95,024	84,837	47,330	79,576	79,576
Total governmental activities net assets	912,687	689,537	565,413	348,202	250,514	252,009	296,976	311,559	356,379	356,379
Business-type activities										
Invested in capital assets, net of related debt	690,697	714,543	681,690	711,150	694,775	759,186	747,875	702,785	725,510	725,510
Restricted	144,307	131,469	84,981	59,409	35,425	26,882	22,584	20,603	54,489	54,489
Unrestricted	295,240	145,665	76,007	16,751	549	(62,557)	(52,186)	20,841	63,894	63,894
Total business-type activities net assets	1,130,244	991,677	842,678	787,310	730,749	723,511	718,273	744,229	843,893	843,893
Primary government										
Invested in capital assets, net of related debt	1,080,005	928,757	846,947	824,928	846,372	915,118	958,958	965,602	1,000,966	1,000,966
Restricted	144,480	132,438	85,957	60,494	36,477	27,935	23,640	22,015	55,836	55,836
Unrestricted	818,446	620,019	475,187	250,090	98,414	32,467	32,651	68,171	143,470	143,470
Total primary government net assets	\$ 2,042,931	\$ 1,681,214	\$ 1,408,091	\$ 1,135,512	\$ 981,263	\$ 975,520	\$ 1,015,249	\$ 1,055,788	\$ 1,200,272	\$ 1,200,272

Note: The information presented covers nine years data only because the City adopted GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," and 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 (effective July 1, 2001).

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET ASSETS
FISCAL YEARS 2002-2010
(Amounts in thousands)
(Unaudited)

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses									
Governmental activities:									
General government.....	\$ 382,683	\$ 444,701	\$ 371,354	\$ 314,667	\$ 319,455	\$ 276,458	\$ 275,549	\$ 252,351	\$ 289,312
Public safety.....	374,791	372,843	354,427	337,052	300,245	302,231	259,067	264,427	221,355
Highways and streets.....	30,416	51,918	16,095	39,126	35,795	23,263	19,667	45,049	61,245
Sanitation.....	3,244	5,130	5,758	8,742	3,125	902	699	648	562
Human services.....	95,437	83,847	82,966	73,725	79,880	75,943	70,165	74,463	81,607
Culture and recreation.....	106,081	110,390	96,299	95,655	86,197	81,447	61,158	68,323	75,962
Utilities or other enterprises.....	52,700	52,166	75,506	68,406	33,579	65,974	93,954	44,261	48,795
Interest.....	88,959	83,048	84,870	79,178	81,454	65,525	64,558	60,203	54,943
Total governmental activities expenses	1,144,523	1,203,841	1,087,075	1,014,549	939,730	891,743	844,817	809,725	813,781
Business-type activities:									
Housing.....	13,220	13,711	13,841	12,905	12,296	10,416	16,247	24,151	13,319
Sewer.....	197,643	178,944	194,061	157,724	140,242	131,452	123,853	130,166	112,700
Solid Waste.....	159,187	154,158	170,781	153,736	145,181	138,443	138,623	140,060	126,807
Public Transportation.....	209,847	209,645	199,823	184,304	175,347	162,429	150,267	150,523	148,231
Total business-type activities expenses	579,897	556,458	577,508	508,669	473,066	442,742	426,790	444,920	401,057
Total primary government expenses	\$ 1,724,420	\$ 1,760,299	\$ 1,664,581	\$ 1,523,218	\$ 1,412,796	\$ 1,334,485	\$ 1,271,607	\$ 1,254,645	\$ 1,214,838
Program Revenues									
Governmental activities:									
Charges for services:									
General government.....	\$ 139,925	\$ 130,688	\$ 126,620	\$ 135,587	\$ 113,459	\$ 98,217	\$ 90,128	\$ 74,512	\$ 70,096
Public safety.....	40,089	42,163	37,772	35,663	30,502	31,017	28,058	26,239	9,535
Highways and streets.....	2,447	2,738	599	2,149	2,152	2,236	2,232	2,115	90
Sanitation.....	21	47	48	77	14	36	5	2	2
Human services.....	180	1,064	719	636	442	2,010	2,033	2,208	18,334
Culture and recreation.....	28,714	22,318	23,879	22,128	21,646	21,898	20,012	19,914	17,832
Utilities.....	17	-	-	-	-	-	-	-	70
Operating grants and contributions.....	123,389	118,970	106,930	104,397	100,838	106,383	93,590	85,512	79,500
Capital grants and contributions.....	48,461	38,292	48,736	50,078	35,200	19,723	67,875	33,796	41,336
Total governmental activities program revenues	381,243	356,280	347,303	350,715	304,253	281,320	301,731	244,238	236,795
Business-type activities:									
Charges for services:									
Housing.....	10,275	9,766	9,694	8,306	8,387	6,092	7,948	18,540	12,025
Sewer.....	308,407	251,953	225,104	165,914	151,200	118,863	115,032	115,773	113,811
Solid Waste.....	97,351	145,507	106,323	107,682	100,452	98,021	94,321	86,429	76,854
Public Transportation.....	47,638	44,245	43,787	43,598	43,502	41,958	35,333	31,776	32,279
Operating grants and contributions.....	21,017	21,108	21,874	17,840	23,516	27,830	25,093	21,212	21,767
Capital grants and contributions.....	32,329	25,307	16,514	32,704	4,255	18,481	50,565	24,023	41,790
Total business-type activities program revenues	517,017	497,886	427,076	378,044	331,292	311,055	328,292	299,753	298,546
Total primary government program revenues	\$ 898,260	\$ 854,166	\$ 774,379	\$ 728,759	\$ 635,545	\$ 592,375	\$ 630,023	\$ 543,991	\$ 535,341
Net Revenue (Expense)									
Governmental activities.....	\$ (763,280)	\$ (847,561)	\$ (739,772)	\$ (663,834)	\$ (635,477)	\$ (610,423)	\$ (543,086)	\$ (565,467)	\$ (578,986)
Business-type activities.....	(62,880)	(58,572)	(150,430)	(132,625)	(141,774)	(131,687)	(98,498)	(145,167)	(102,511)
Total primary government net expense	\$ (826,160)	\$ (906,133)	\$ (890,202)	\$ (796,459)	\$ (777,251)	\$ (742,110)	\$ (641,584)	\$ (710,654)	\$ (679,497)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
General revenues:									
Property taxes.....	\$ 853,426	\$ 802,571	\$ 775,971	\$ 685,868	\$ 595,041	\$ 497,935	\$ 438,964	\$ 385,107	\$ 381,330
Public service company tax.....	49,393	49,596	35,823	37,640	29,815	29,665	22,819	25,171	24,821
Fuel tax.....	47,639	50,318	50,633	52,221	52,385	51,354	49,271	47,156	46,728
Public utility franchise tax.....	34,312	54,804	38,239	38,356	33,450	28,382	28,800	22,104	24,217
Investment earnings.....	457	7,170	21,269	19,678	11,621	4,194	1,907	3,099	7,519
Unrestricted grants and contributions.....	197,519	202,598	216,274	92,884	43,289	39,402	36,127	36,771	31,588
Harbor Court lease to fee conversion.....	-	-	-	-	-	33,271	-	31,781	11,971
Other.....	4,053	3,162	2,382	2,329	3,940	7,627	14,120	-	3,858
Transfers.....	(200,389)	(198,532)	(161,588)	(167,452)	(135,539)	(126,374)	(81,505)	(32,522)	(41,356)
Total governmental activities	986,430	971,685	956,983	781,522	633,982	585,456	528,503	520,667	490,676
Business-type activities:									
General revenues:									
Investment earnings.....	1,076	9,039	24,210	21,734	13,473	10,551	11,037	12,981	16,828
Transfers.....	200,389	198,532	161,588	167,452	135,539	126,374	61,505	32,522	41,356
Total business-type activities	201,447	207,571	205,798	189,186	149,012	138,925	72,542	45,503	60,184
Total primary government	\$ 1,187,877	\$ 1,179,256	\$ 1,162,781	\$ 950,708	\$ 782,994	\$ 724,381	\$ 601,045	\$ 566,170	\$ 550,860
Changes in Net Assets									
Governmental activities.....	\$ 223,150	\$ 124,124	\$ 217,211	\$ 97,688	\$ (1,495)	\$ (44,967)	\$ (14,583)	\$ (44,820)	\$ (86,310)
Business-type activities.....	138,567	148,899	55,368	56,561	7,238	5,238	(25,956)	(99,664)	(42,327)
Total primary government changes in net assets	\$ 361,717	\$ 273,023	\$ 272,579	\$ 154,249	\$ 5,743	\$ (39,729)	\$ (40,539)	\$ (144,484)	\$ (128,637)

Note: The information presented covers nine years data only because the City adopted GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," and 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 (effective July 1, 2001).

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2001 - 2010
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 45,965	\$ 48,868	\$ 58,794	\$ 27,767	\$ 22,004	\$ 19,802	\$ 20,838	\$ 21,320	\$ 19,191	\$ 18,189
Unreserved	104,053	67,824	107,281	128,035	76,604	57,364	41,479	51,496	35,159	23,347
Total general fund	<u>150,018</u>	<u>116,692</u>	<u>166,075</u>	<u>155,802</u>	<u>98,608</u>	<u>77,166</u>	<u>62,317</u>	<u>72,816</u>	<u>54,350</u>	<u>41,536</u>
All Other Governmental Funds										
Reserved	1,980,381	991,499	721,374	594,951	543,455	522,483	604,304	643,334	661,575	575,303
Unreserved, reported in:										
Special revenue funds	122,166	112,164	89,692	45,054	28,815	14,988	23,071	30,418	22,608	29,148
Capital projects funds	(1,490,249)	(462,557)	(368,382)	(450,520)	(410,417)	(440,551)	(520,834)	(616,257)	(558,241)	(471,479)
Total of other governmental funds	<u>612,298</u>	<u>641,106</u>	<u>442,684</u>	<u>189,485</u>	<u>161,853</u>	<u>96,920</u>	<u>106,541</u>	<u>57,495</u>	<u>125,942</u>	<u>132,972</u>
TOTAL FUND BALANCES	\$ 762,316	\$ 757,798	\$ 608,759	\$ 345,287	\$ 260,461	\$ 174,086	\$ 168,858	\$ 130,311	\$ 180,292	\$ 174,508

TABLE 4
CITY AND COUNTY OF HONOLULU
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2001 - 2010
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Taxes.....	\$ 986,828	\$ 952,531	\$ 891,982	\$ 815,284	\$ 705,557	\$ 607,541	\$ 532,804	\$ 480,851	\$ 477,746	\$ 448,986
Special assessments.....	18	17	28	354	387	419	56	520	440	445
Licenses and permits.....	126,208	112,397	115,657	120,802	100,938	86,649	74,138	61,220	56,614	56,266
Intergovernmental.....	362,399	355,530	358,552	238,928	169,515	159,612	180,848	144,482	145,439	170,152
Charges for services.....	27,714	23,924	23,766	24,754	23,991	24,348	22,145	20,703	18,482	20,718
Fines and forfeits.....	755	932	1,183	868	698	391	657	646	460	366
Miscellaneous:										
Reimbursements and recoveries.....	41,397	96,435	88,731	87,113	78,993	86,776	77,676	78,908	76,873	87,264
Interest.....	855	13,291	24,638	20,959	12,506	4,620	2,473	3,646	10,086	15,234
Other.....	26,029	29,576	23,065	27,403	28,854	24,981	30,710	31,165	38,199	21,663
Total Revenues.....	1,572,203	1,584,633	1,527,602	1,336,463	1,121,439	995,335	921,505	822,141	824,339	821,094
Expenditures:										
Current:										
General government.....	159,713	163,280	153,759	141,459	129,387	122,306	115,975	115,067	115,314	104,720
Public safety.....	357,148	359,277	329,108	306,161	287,592	277,867	256,231	246,109	224,274	217,504
Highways and streets.....	21,774	28,271	24,066	21,000	17,114	15,731	14,964	13,831	15,122	14,976
Sanitation.....	2,959	4,828	5,537	2,674	1,251	734	692	648	491	482
Human services.....	78,391	73,401	65,144	80,883	57,873	55,877	56,994	52,007	64,905	68,986
Culture and recreation.....	81,859	87,888	82,328	71,084	68,285	62,971	59,512	62,260	58,410	55,555
Utilities or other enterprises.....	27,122	28,857	27,818	22,917	23,330	29,645	24,336	22,557	23,793	23,621
Miscellaneous:										
Retirement and health benefits.....	182,644	208,354	140,481	137,615	134,857	120,111	99,128	82,791	94,380	60,158
Other.....	23,806	27,493	21,228	22,832	18,785	17,481	22,213	18,864	20,377	15,774
Capital Outlay:										
General government.....	23,853	38,247	39,784	25,869	17,290	18,263	30,554	32,696	46,377	69,276
Public safety.....	20,987	25,903	21,035	25,824	25,473	17,833	11,554	9,802	16,777	10,828
Highways and streets.....	89,857	55,985	48,871	45,163	45,963	62,237	34,695	57,092	50,940	42,910
Sanitation.....	121	302	235	4,068	1,874	196	7	196	116	84
Human services.....	14,906	11,591	18,214	12,978	22,655	19,142	17,636	23,308	16,950	3,222
Culture and recreation.....	19,090	22,038	21,576	27,477	29,050	44,277	36,621	48,924	101,692	60,181
Utilities or other enterprises.....	127,681	73,597	47,695	45,622	10,297	38,350	14,388	21,704	25,014	17,213
Debt service:										
Principal.....	93,015	122,273	280,680	102,794	249,164	272,856	256,584	73,900	27,728	147,703
Interest.....	93,225	104,980	100,362	103,869	89,630	83,825	80,774	83,164	81,205	77,896
Total Expenditures.....	1,418,151	1,434,565	1,407,899	1,180,289	1,229,450	1,257,702	1,135,058	964,920	983,865	991,089
Revenues over (under) Expenditures.....	154,052	150,068	119,703	156,174	(108,011)	(262,367)	(213,553)	(142,779)	(159,526)	(169,995)
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	30,254	150,089	109,000	--	--	165,313	258,793	80,066	205,015	150,060
Issuance of tax exempt commercial paper (TECP).....	20,000	45,000	75,000	94,000	168,022	165,800	99,264	36,732	--	--
Capital Leases.....	--	189	865	1,674	--	--	--	--	--	--
Issuance of long-term notes.....	--	--	--	--	--	--	13	2,781	1,119	--
Issuance of refunding bonds.....	61,192	350,749	132,828	--	387,324	145,077	275,444	--	90,584	9,300
Bond premium.....	5,122	18,071	7,334	--	17,054	28,501	--	--	--	--
Bond discount.....	(1,996)	(78)	(30)	--	(115)	(14)	--	--	--	--
Inception of installment purchase contracts.....	0	--	--	--	--	--	--	--	--	2,670
Issuance costs.....	0	--	--	--	--	--	--	--	--	--
Payment of refunded bonds and TECP.....	(64,318)	(387,178)	--	--	(243,000)	(145,077)	(275,444)	--	(90,584)	(9,300)
Sales of capital assets.....	581	681	362	430	640	36,369	10,820	887	532	283
Transfers in.....	477,351	573,642	559,299	377,590	268,137	254,927	274,723	238,353	211,909	221,828
Transfers out.....	(877,720)	(772,174)	(740,887)	(545,042)	(403,876)	(381,301)	(391,513)	(266,021)	(253,265)	(288,503)
Total Other Financing Sources (Uses).....	(149,534)	(1,029)	143,789	(71,348)	194,386	267,595	252,100	92,798	165,310	86,338
Net change in fund balances.....	\$ 4,518	\$ 149,039	\$ 263,472	\$ 84,826	\$ 86,375	\$ 5,228	\$ 38,547	\$ (49,981)	\$ 5,784	\$ (83,657)
Debt service as a percentage of noncapital expenditures.....	16.8%	18.2%	28.8%	19.0%	30.6%	31.8%	34.2%	19.3%	13.5%	28.7%

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2001 - 2010
(Amounts in thousands)
(Unaudited)

(Page 1 of 2)

Fiscal Year	Class of Property (a)	Parcel Tax Rates Per \$1,000	Value of Net Taxable Real Property
2010	Residential	\$ 3.42	\$ 134,490,385
	Hotel/Resort	12.40	7,234,047
	Commercial	12.40	14,312,242
	Industrial	12.40	7,968,538
	Agricultural	5.70	1,248,062
	Vacant Agricultural	8.50	143,153
	Preservation	5.70	381,713
	Public Service	0.00	<u>3,938</u>
	Total		<u>\$ 165,782,078</u>
	Fiscal year 2010 total direct tax rate	\$ 5.05	
2009	Residential	\$ 3.29	\$ 136,983,348
	Hotel/Resort	12.40	6,979,025
	Commercial	12.40	13,505,161
	Industrial	12.40	7,249,188
	Agricultural	5.70	1,133,318
	Vacant Agricultural	8.50	110,808
	Preservation	5.70	<u>377,099</u>
		Total	
	Fiscal year 2009 total direct tax rate	\$ 4.83	
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	<u>349,430</u>
		Total	
	Fiscal year 2008 total direct tax rate	\$ 4.73	
2007	Improved Residential	\$ 3.59	\$ 89,283,029
	Unimproved Residential	5.72	754,815
	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	875,793
	Vacant Agricultural	8.57	38,547
	Preservation	9.57	365,292
	Public Service	0.00	<u>(1,300)</u>
		Total	
	Fiscal year 2007 total direct tax rate	\$ 4.92	
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	8.57	735,975
	Vacant Agricultural	8.57	33,867
	Preservation	9.57	363,128
	Public Service	0.00	<u>(10)</u>
		Total	
	Fiscal year 2006 total direct tax rate	\$ 5.10	

NOTES:

Source: 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 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2001 - 2010
(Amounts in thousands)
(Unaudited)

(Page 2 of 2)

Fiscal Year	Class of Property (a)	Parcel Tax Rates Per \$1,000	Value of Net Taxable Real Property	
2005	Improved Residential	\$ 3.75	\$ 52,078,717	
	Unimproved Residential	5.72	539,376	
	Apartment	3.75	19,832,878	
	Hotel/Resort	11.37	4,526,843	
	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	
		Total		<u>\$ 92,421,382</u>
	Fiscal year 2005 total direct tax rate	\$ 5.37		
2004	Improved Residential	\$ 3.75	\$ 43,513,034	
	Unimproved Residential	5.35	701,883	
	Apartment	3.75	16,133,217	
	Hotel/Resort	10.63	4,517,826	
	Commercial	10.63	9,116,271	
	Industrial	10.63	4,370,847	
	Agricultural	10.63	386,014	
	Conservation	10.63	399,603	
	Public Service	0.00	15,870	
		Total		<u>\$ 79,154,545</u>
	Fiscal year 2004 total direct tax rate	\$ 5.40		
2003	Improved Residential	\$ 3.65	\$ 39,539,794	
	Unimproved Residential	4.66	756,845	
	Apartment	3.93	14,255,474	
	Hotel/Resort	9.96	4,574,010	
	Commercial	9.25	9,182,383	
	Industrial	9.39	4,420,835	
	Agricultural	9.89	409,468	
	Conservation	9.25	430,498	
	Public Service	0.00	35,071	
		Total		<u>\$ 73,584,358</u>
	Fiscal year 2003 total direct tax rate	\$ 5.21		
2002	Improved Residential	\$ 3.65	\$ 36,599,278	
	Unimproved Residential	4.66	470,176	
	Apartment	4.21	13,518,327	
	Hotel/Resort	9.96	4,557,090	
	Commercial	9.25	9,160,314	
	Industrial	9.39	4,420,052	
	Agricultural	9.89	301,648	
	Conservation	9.25	425,294	
	Public Service	0.00	219,394	
		Total		<u>\$ 69,671,573</u>
	Fiscal year 2002 total direct tax rate	\$ 5.33		
2001	Improved Residential	\$ 3.65	\$ 35,214,673	
	Unimproved Residential	4.66	731,132	
	Apartment	4.49	13,579,947	
	Hotel/Resort	9.96	4,427,483	
	Commercial	9.25	9,246,148	
	Industrial	9.39	4,560,381	
	Agricultural	9.89	407,173	
	Conservation	9.25	509,281	
		Total		<u>\$ 68,676,198</u>
		Fiscal year 2001 total direct tax rate	\$ 5.45	

NOTES:

Source: 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 2001-2010
(Values in thousands)
(Unaudited)

Taxpayer	2010			2009			2008			2007			2006		
	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	\$ 1,390,593	1	0.72 %	\$ 1,424,272	1	0.75 %	\$ 1,370,878	1	0.72 %	\$ 1,261,674	1	0.76 %	\$ 892,148	3	0.68 %
GGP Ala Moana LLC	1,254,081	2	0.66	1,218,932	3	0.64	1,130,056	3	0.59	1,029,975	3	0.62	1,046,306	1	0.79
Kyo-Ya Co., Ltd.	1,129,265	3	0.59	1,223,150	2	0.64	1,196,329	2	0.60	1,133,113	2	0.68	978,457	2	0.74
Hilton Hawaiian Village LLC	911,200	4	0.48	994,340	4	0.52	848,717	4	0.44	773,111	4	0.46	611,662	4	0.46
Outrigger Hotels Hawaii	596,438	5	0.31	648,897	5	0.34	622,799	5	0.33	556,094	6	0.33	467,524	6	0.35
First Hawaiian Bank	511,344	6	0.27	518,909	6	0.27	491,051	7	0.26	467,016	7	0.28	--	--	
Ko'Olina Hotel, et al.	451,420	7	0.24	503,211	7	0.26	611,185	6	0.32	673,856	5	0.40	--	--	
Reynolds/Shidler	441,501	8	0.23	435,900	9	0.23	418,994	9	0.22	--	--	--	--	--	
Weinberg, H & J Foundation, Inc.	408,099	9	0.21	--	--	--	--	--	--	--	--	--	--	--	
James Campbell Corporation	406,156	10	0.21	440,104	8	0.23	423,835	8	0.22	413,557	8	0.25	387,336	7	0.29
Marrriott Ownership Resorts	--	--	--	370,618	10	0.19	--	--	--	--	--	--	--	--	--
Azabu Building Company Limited	--	--	--	--	--	--	283,958	10	0.15	285,038	9	0.17	349,615	8	0.26
Halekulani Corporation	--	--	--	--	--	--	--	--	--	275,837	10	0.17	--	--	
Queen's Medical Center et al	--	--	--	--	--	--	--	--	--	--	--	--	297,429	10	0.23
Dole Food Co.	--	--	--	--	--	--	--	--	--	--	--	--	537,832	5	0.41
A & B Properties	--	--	--	--	--	--	--	--	--	--	--	--	298,921	9	0.23

Taxpayer	2005			2004			2003			2002			2001		
	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	\$ 1,162,123	1	1.06 %	\$ 769,916	2	0.81 %	\$ 786,673	2	0.88 %	\$ 3,706,702	1	4.39 %	\$ 3,756,209	1	4.50 %
GGP Ala Moana LLC	1,008,002	2	0.92	746,422	3	0.79	746,422	3	0.84	778,682	3	0.92	754,977	3	0.90
Kyo-Ya Co., Ltd.	995,493	3	0.91	990,423	1	1.04	997,368	1	1.12	670,045	4	0.79	670,223	5	0.80
Hilton Hawaiian Village LLC	609,017	4	0.55	667,028	4	0.70	699,786	4	0.78	817,503	7	0.73	621,415	7	0.74
Outrigger Hotels Hawaii	472,521	5	0.43	451,394	5	0.47	--	--	--	--	--	--	--	--	
Azabu Building Company Limited	323,717	6	0.30	--	--	--	--	--	--	--	--	--	--	--	
James Campbell Corporation	323,274	7	0.29	--	--	--	233,129	8	0.26	624,286	6	0.74	685,511	4	0.82
Halekulani Corporation	261,711	8	0.24	--	--	--	--	--	--	--	--	--	--	--	
Victoria Ward, Limited	258,738	9	0.24	220,077	8	0.23	230,430	9	0.26	--	--	--	--	--	
Dole Food Co.	181,610	10	0.17	359,082	6	0.38	341,425	7	0.38	437,370	9	0.52	510,751	8	0.61
Bancorp Hawaii, Inc./ Pacific Century	--	--	--	199,745	9	0.21	206,455	10	0.23	424,897	10	0.50	382,763	10	0.46
C. K. Corporation	--	--	--	198,423	10	0.21	--	--	--	--	--	--	--	--	
WBM Resort, L P	--	--	--	--	--	--	352,030	5	0.39	--	--	--	--	--	
MFD Partners	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Queen's Medical Center et al	--	--	--	--	--	--	--	--	--	1,052,578	2	1.25	1,059,616	2	1.27
Liliuokalani Trust	--	--	--	--	--	--	--	--	--	630,227	5	0.75	627,457	6	0.75
Samuel M. Damon Trust Estate	--	--	--	--	--	--	--	--	--	496,947	8	0.59	508,652	9	0.61

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 2010 was \$191,211,286.

TABLE 7
CITY AND COUNTY OF HONOLULU
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2001 - 2010
(Amounts in thousands)
(Unaudited)

Fiscal Year Ended June 30	Tax Levied for the Fiscal Year (b)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (a)	Total Collections		Prepays & Overpayment Refunds Due	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percentage of Current Levy
		Amount (a)	Percentage of Levy		Amount	Percentage of Levy			
2010	\$ 834,464	\$ 838,522	100.5 %	\$ 8,934	\$ 847,456	101.6 %	\$ 1,171	\$ 15,728	1.9 %
2009	788,047	792,852	100.6	5,781	798,633	101.3	1,108	16,046	2.0
2008	760,409	768,520	101.1	767	769,287	101.2	15,122	12,642	1.7
2007	673,960	682,733	101.3	3,675	686,408	101.8	1,641	9,168	1.4
2006	581,801	585,390	100.6	2,834	588,224	101.1	1,969	9,728	1.7
2005	496,428	493,554	99.4	3,177	496,731	100.1	3,511	8,310	1.7
2004	427,171	428,675	100.4	3,708	432,383	101.2	3,171	8,265	1.9
2003	383,724	383,079	99.8	179	383,258	99.9	4,840	9,194	2.4
2002	371,234	376,480	101.4	3,288	379,768	102.3	1,725	5,234	1.4
2001	374,099	374,714	100.2	3,209	377,923	101.0	2,708	8,658	2.3

(a) Net of penalties and interest.

(b) Tax levied amount based on budgeted amounts(gross valuations less exemptions and 50% of taxes on appeal).

TABLE 8
CITY AND COUNTY OF HONOLULU
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2001 - 2010
(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	Per Capita (a)	Percentage of Personal Income (a)	Per Capita (a)	Percentage of Personal Income (a)
	General Obligation Bonds	Tax Exempt Commercial Paper	Special Assessment Bonds	Notes Payable	Capital Lease	General Obligation Bonds	Revenue Bonds	Tax Exempt Commercial Paper	Notes Payable	Total					
2010	\$ 1,896,840	\$ --	\$ --	4,436	\$ 1,032	\$ 389,726	\$ 1,300,980	\$ --	193,103	\$ 3,786,127	9.28 %	\$ 4,327	\$ 301,395	10.02 %	\$ 4,504
2009	1,941,715	--	--	4,878	1,602	272,001	1,211,500	--	157,310	3,589,006	8.79 (c)	4,091 (c)	307,560	9.55 (c)	4,316 (c)
2008	1,758,535	76,863	--	5,302	1,898	248,860	1,219,065	837	114,847	3,426,207	8.73 (c)	3,882 (c)	313,470	9.53 (c)	4,161 (c)
2007	1,598,488	144,063	--	5,709	1,497	252,601	1,048,775	17,837	112,746	3,181,716	8.59 (c)	3,583 (c)	319,160	9.46 (c)	3,875 (c)
2006	1,662,329	52,763	280	6,100	--	291,888	851,050	11,837	66,338	2,944,395	8.59 (c)	3,292 (c)	210,825	9.21 (c)	3,505 (c)
2005	1,579,217	37,942	645	6,476	--	326,734	701,785	11,858	74,123	2,738,780	8.53 (c)	3,042 (c)	215,045	9.20 (c)	3,303 (c)
2004	1,438,194	63,942	1,010	6,836	103	354,231	702,825	10,858	79,880	2,657,979	8.95 (c)	2,942 (c)	217,180	9.68 (c)	3,238 (c)
2003	1,254,315	126,100	1,375	7,173	694	385,264	704,020	--	85,494	2,566,435	8.98 (c)	2,856 (c)	119,270	9.41 (c)	3,043 (c)
2002	1,298,078	11,317	1,745	4,620	1,239	417,095	454,463	10,183	90,410	2,289,150	8.34 (c)	2,536 (c)	121,000	8.78 (c)	2,748 (c)
2001	1,093,784	9,300	2,115	3,700	1,742	441,434	319,453	--	68,829	1,940,357	7.16 (c)	2,138 (c)	66,600	7.40 (c)	2,294 (c)

NOTES:

- (a) See TABLE 12 for personal income and population data.
 - (b) 2010 Personal Income is not available. 2009 Personal Income was used instead.
 - (c) 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 2001 - 2010
 (Amounts in thousands, except per capita)
 (Unaudited)

Fiscal Year	General Obligation Bonds	Tax Exempt Commercial Paper	Notes Payable	Total	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2010	\$ 2,286,566	\$ --	\$ 4,436	\$ 2,291,002	1.38 %	\$ 2,524
2009	2,213,716	--	4,878	2,218,594	1.33	2,458 (c)
2008	2,007,395	77,700	5,302	2,090,397	1.25	2,326 (c)
2007	1,851,089	161,900	5,709	2,018,698	1.38	2,234 (c)
2006	1,954,017	64,600	6,100	2,024,717	1.77	2,249 (c)
2005	1,905,951	49,800	6,476	1,962,227	2.12	2,194 (c)
2004	1,792,425	74,800	6,836	1,874,061	2.37	2,110 (c)
2003	1,639,579	128,100	7,173	1,774,852	2.41	2,011 (c)
2002	1,715,173	21,500	4,620	1,741,293	2.50	1,985
2001	1,535,218	9,300	3,700	1,548,218	2.25	1,769

NOTES:

(a) See TABLE 5 for net taxable property values.

(b) See TABLE 12 for population data.

(c) 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 2001 - 2010
(Amounts in thousands)
(Unaudited)

	Fiscal Year										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Debt limit (a)	\$ 24,867,312	\$ 24,950,695	\$ 25,053,710	\$ 21,911,237	\$ 17,115,432	\$ 13,863,192	\$ 11,873,182	\$ 11,037,654	\$ 10,450,736	\$ 10,301,430	
Debt applicable to limit	1,901,277	1,946,593	1,840,700	1,748,261	1,721,099	1,623,635	1,508,972	1,389,588	1,314,015	1,106,784	
Legal debt margin (b)	\$ 22,966,035	\$ 23,004,102	\$ 23,213,010	\$ 20,162,976	\$ 15,394,333	\$ 12,239,557	\$ 10,364,210	\$ 9,648,066	\$ 9,136,721	\$ 9,194,646	
Debt applicable to the limit as a percentage of debt limit	7.65%	7.80%	7.35%	7.98%	10.06%	11.71%	12.71%	12.59%	12.57%	10.74%	

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.

Legal Debt Margin Calculation for Fiscal Year 2010

Net assessed value	\$ 165,782,078
Debt limit (15% of assessed value)	24,867,312
Debt applicable to limit	1,901,277
Legal debt margin	<u>\$ 22,966,035</u>

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2001-2010
(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		
2010	\$ 157,207	\$ 105,868	\$ 51,339	\$ 6,435	\$ 14,484	\$ 20,919	2.45
2009	145,239	108,948	36,291	6,165	14,749	20,914	1.74
2008	140,448	107,586	32,862	5,910	14,990	20,900	1.57
2007	125,733	87,038	38,695	5,690	15,190	20,880	1.85
2006	107,925	90,932	16,993	4,220	9,153	13,373	1.27
2005	105,864	85,820	20,044	2,135	10,196	12,331	1.63
2004	106,000	78,108	27,892	2,691	5,723	8,414	3.31
2003	112,184	79,007	33,177	780	5,367	6,147	5.40
2002	122,728	75,556	47,172	--	4,608	4,608	10.24
2001	114,164	66,469	47,695	445	911	1,356	35.17

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2010	\$ 301,978	\$ 116,586	\$ 185,392	\$ 12,575	\$ 51,796	\$ 64,371	2.88
2009	257,587	99,995	157,592	7,635	56,339	63,974	2.46
2008	237,964	114,182	123,782	6,140	50,262	56,402	2.19
2007	174,960	75,410	99,550	3,710	37,810	41,520	2.40
2006	146,544	75,228	71,316	3,550	27,562	31,112	2.29
2005	115,144	68,326	46,818	1,140	25,956	27,096	1.73
2004	113,495	63,336	50,159	1,095	23,603	24,698	2.03
2003	113,994	59,697	54,297	1,050	21,409	22,459	2.42
2002	116,982	62,566	54,416	1,172	17,439	18,611	2.92
2001	118,967	66,973	51,994	--	14,034	14,034	3.70

SPECIAL ASSESSMENT BONDS (e)

Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2010	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
2009	--	--	--	--	--	--	--
2008	--	--	--	--	--	--	--
2007	393	--	393	290	10	300	1.31
2006	454	--	454	355	32	387	1.17
2005	512	--	512	365	56	421	1.22
2004	573	--	573	365	81	446	1.28
2003	702	--	702	370	105	475	1.48
2002	682	--	682	370	129	499	1.37
2001	707	--	707	370	152	522	1.35

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.
- (e) Paid off in FY 2007.

TABLE 12
CITY AND COUNTY OF HONOLULU
DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEARS 2001 - 2010
(Unaudited)

Fiscal Year Ended June 30	Resident Population as of July 1 (a)	Personal Income (millions of dollars) (a)	Per Capita Personal Income (a)	School Enrollment (b)	Unemployment Rate (a)
2010	907,574	NA	NA	118,534	5.7
2009	902,745 (c)	\$ 40,809 (c)	\$ 45,205 (c)	117,990	3.6 (c)
2008	898,695 (c)	39,258 (c)	43,683 (c)	119,005	2.5
2007	903,467 (c)	37,020 (c)	40,976 (c)	120,889	2.4
2006	900,340 (c)	34,264 (c)	38,057 (c)	122,673	2.7
2005	894,406 (c)	32,101 (c)	35,891 (c)	122,950	3.1
2004	888,026 (c)	29,705 (c)	33,450 (c)	123,387	3.7
2003	882,628 (c)	28,537 (c)	32,332 (c)	123,658	3.9
2002	877,189 (c)	27,459 (c)	31,304 (c)	123,658	4.1
2001	875,061 (c)	27,108 (c)	30,979 (c)	125,579	3.9

NOTES:

(a) Per *The State of Hawaii Data Book 2009*.

(b) Enrollment figures for 2001-2010 obtained from *The State of Hawaii Data Book*, various years.
Enrollment include grade kindergarten to Grade 12, special education schools, nurseries
and upgraded students in special schools. Only public schools are reported.

(c) Revised from previous CAFR.

NA - Not available

TABLE 14
CITY AND COUNTY OF HONOLULU
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEARS 2001 - 2010
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Administration	491	547	538	532	531	523	480	517	530	376
Finance	419	475	439	425	414	416	403	415	403	531
Legal	314	314	318	307	310	321	316	315	323	313
Planning & Permitting	259	270	250	257	251	234	225	238	236	243
Design & Construction	226	228	216	209	204	203	217	223	238	227
Public Safety										
Police	2,570	2,625	2,601	2,569	2,537	2,490	2,507	2,466	2,490	2,494
Fire	1,083	1,092	1,098	1,091	1,076	1,061	1,077	1,084	1,090	1,084
Emergency Medical Services	145	144	136	129	134	127	173	126	117	135
Highways and Streets	604	651	631	631	616	614	624	625	639	615
Sanitation										
Solid Waste	302	145	363	348	336	333	333	324	332	369
Sewer	559	542	530	520	508	498	512	536	565	573
Health and Human Resources	411	404	397	391	416	411	390	387	421	368
Culture and Recreation	1,026	984	962	932	855	871	911	959	968	927
Total	8,409	8,421	8,352	8,341	8,188	8,102	8,168	8,215	8,352	8,255

NOTES:

Source: City and County of Honolulu, Department of Human Resources.

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 2001 - 2010
(Unaudited)

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety										
Police										
Part I number of arrests (a)	5,430	4,011	4,453	4,039	4,484	3,554	4,649	5,401	6,428	6,332
Part II number of arrests (a)	33,940	35,315	37,295	35,008	31,145	26,095	33,350	31,120	35,668	34,101
Parking violations	124,997 (f)	133,216 (f)	154,323 (f)	97,366 (f)	105,871 (e)	106,304 (e)	92,068 (e)	92,115 (e)	84,024 (e)	77,443 (e)
Traffic violations	197,820 (f)	198,746 (f)	173,782 (f)	240,220 (f)	183,205 (e)	180,941 (e)	168,481 (e)	158,304 (e)	167,481 (e)	170,104 (e)
Fire										
Fire department responses	16,254	16,152	15,728	16,021	15,859	13,900	10,786	10,468	10,627	10,210
Emergency medical responses	24,808	24,830	23,760	21,722	19,346	20,288	22,178	19,549	18,997	16,655
Inspections	67,542 (f)	70,288 (f)	66,947 (f)	180,536	181,333	213,538	218,083	175,744 (d)	234,175	234,934
Emergency Medical Services										
Ambulance responses	69,253	60,412	73,902	74,887	72,807	66,162	67,782	60,976	55,270	51,458
Refuse Collection										
Refuse collected (tons per year)	290,064	312,360	340,781	359,801	373,462	368,288	350,298	335,622	358,946	233,288
Recyclables collected (tons per year)	84,046	69,188	55,700	57,900	67,968	67,713	80,624	82,721	39,868	43,108
Other Public Works										
Street resurfacing in-house (miles)	57	60	51	38	43	31 (h)	--	--	--	--
Street resurfacing contract (miles)	319	78	91	75	120	122 (h)	27	91	128	146
First aid (tons of asphalt)	4,277	2,560	3,007	12,528	13,079	13,785 (h)	9,354	1,829	2,387	4,034
Potholes repaired	41,505	68,816	82,850	73,013	55,182	47,660 (h)	68,872	40,195	38,432	29,283
Parks and Recreation										
Park facility permits issued	15,520	18,811	15,136	21,522	18,912 (b)	36,124	24,114	21,550	12,045 (c)	16,375 (c)
Other Enterprise										
Rounds of golf	534,508	563,589	563,669	563,858	538,451	530,606	580,921	611,979	619,300	647,850
Zoo attendance	580,285	623,034	598,442	601,510	588,952	513,831	498,767	485,184	521,870	559,727
Water										
New connections	1,075	1,262	1,370	1,926	1,925	2,269	2,182	2,766	1,857	1,419
Water main breaks	388	325	285	342	358	388	399	338	392	406
Average daily pumpage (millions of gallons)	148	145	148	152 (e)	148	148	150	159	154	155
Peak daily pumpage (millions of gallons)	171	179	178	175	187	184	182	185	182	177
Wastewater										
Average daily sewage treatment (millions of gallons)	104	108	107	105	112	112	112	111	115	111
Transit										
Total bus directional route miles	945	943	927	927	922	919	915	912	914	907
Total bus revenue miles	18,343,673	16,462,001 (i)	18,272,697	17,923,724	18,019,030	18,388,911	16,530,804 (g)	18,331,577	18,674,279	18,568,681
Bus passengers	73,159,620	77,329,670	69,759,895	71,749,456	70,384,355	67,406,827	61,297,980 (g)	69,100,627	73,524,474	70,384,025
Total paratransit revenue miles	4,960,022	4,995,735	4,833,282	4,808,289	4,322,045	4,035,752	4,171,202	4,252,570	4,232,589	4,247,101
Paratransit passengers	780,357	840,763	833,835	807,851	784,058	733,777	731,083	730,651	710,957	702,921

NOTES:
(a) The data is reported on a calendar year basis.
(b) The decrease is due to extended severe weather and the related Waikiki sewage spill.
(c) Camping permits only.
(d) Incomplete reporting from operations (company inspections) decreased the count in the fiscal year ended June 30, 2003.
(e) The count is based on tickets issued.
(f) The count is based on number of violations.
(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.
This method accounts for the decrease in number of inspections in 2008.
SOURCES:
City and County of Honolulu, various departments
State of Hawaii, District Court Administrator for parking and traffic violations.
NA: Not available.

TABLE 16
CITY AND COUNTY OF HONOLULU
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2001 - 2010
(Unaudited)

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety										
Police										
Stations	12	12	12	11	11	11	11	11	11	11
Patrol units - City owned	328	331	300 (a)	363	288	288	288	295	324	314
Patrol units - privately owned (b)	1,357	1,276	1,428	1,293	1,313	1,325	1,332	1,295	1,278	1,265
Fire stations (c)	44	44	44	44	44	44	44	44	44	44
Emergency medical services stations	21	21	21	20	20	20	19	19	19	18
Refuse collection trucks	206	206	191	191	192	186 (d)	205	197	187	175
Other Public Works										
Streets (paved mile)	1,407	1,398	1,398	1,398	1,393	1,391	1,389	1,386	1,374	1,370
Streetlights	47,283	47,160	46,756	46,605	46,236	45,937	45,922	45,285	44,093	43,844
Storm sewers (miles)	715	706	706	706	702	701	699	696	684	680
Parks and Recreation										
Parks and recreational areas	288	287	284	282	277	288	280	283	283	283
Beach access/right of ways	90	90	90	90	83	87	87	87	87	90
Botanical gardens	5	5	5	5	5	5	5	5	5	5
Recreation buildings	93	93	93	93	93	93	93	91	91	90
Gymnasiums	24	24	24	24	24	24	26	25	24	24
Swimming pools	21	21	21	21	21	20	20	20	19	18
Baseball/softball fields	200	193	193	194	194	194	194	200	195	191
Basketball courts	220	220	220	220	220	220	220	222	222	222
Tennis courts	200	200	200	200	179	179	179	179	179	179
Volleyball courts	169	169	169	169	169	169	169	170	173	173
Soccer fields	80	80	80	80	80	80	80	81	81	19
Traffic related landscaped areas	149	149	149 (e)	90	86	86	86	86	94	86
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)	2,079	2,043	2,067	2,060	2,055	2,037	1,997	1,977	1,960	1,944
Fire hydrants	21,006	20,950	20,760	20,381	20,073	19,832	19,711	19,526	19,179	19,043
Storage capacity (millions of gallons)	182	182	182	183	182	182	182	182	178	177
Wastewater										
Sanitary sewers (miles)	2,143	2,152	2,113	2,191	2,191	2,191	2,205	2,304	2,541	2,541
Treatment capacity (millions of gallons)	152	152	152	152	151	151	151	151	151	151
Transit										
Buses	552	549	540	525	525	525	536	525	525	529
Paratransit vehicles	166	166	148	129	119	123	121	154 (f)	124	110
Traffic signal intersections (g)	823	819	799	790	787	772	760	760	750	750

SOURCE: City and County of Honolulu, various agencies.

NOTES:

- (a) Decrease attributed to the retirement of mechanically obsolete and unsound vehicles.
- (b) The number varies according to actual staffing of motorized patrol position.
- (c) Includes one fireboat and one aircraft station.
- (d) In fiscal year 2005, management decided to eliminate old trucks requiring excessive manpower and money to maintain.
- (e) In 2008, Facility Maintenance assumed management of and subdivided some of the landscaped areas.
- (f) At fiscal year end unseviceable vehicles were awaiting disposal.
- (g) Includes State traffic signals on Oahu that the City maintains.

This page left blank intentionally.