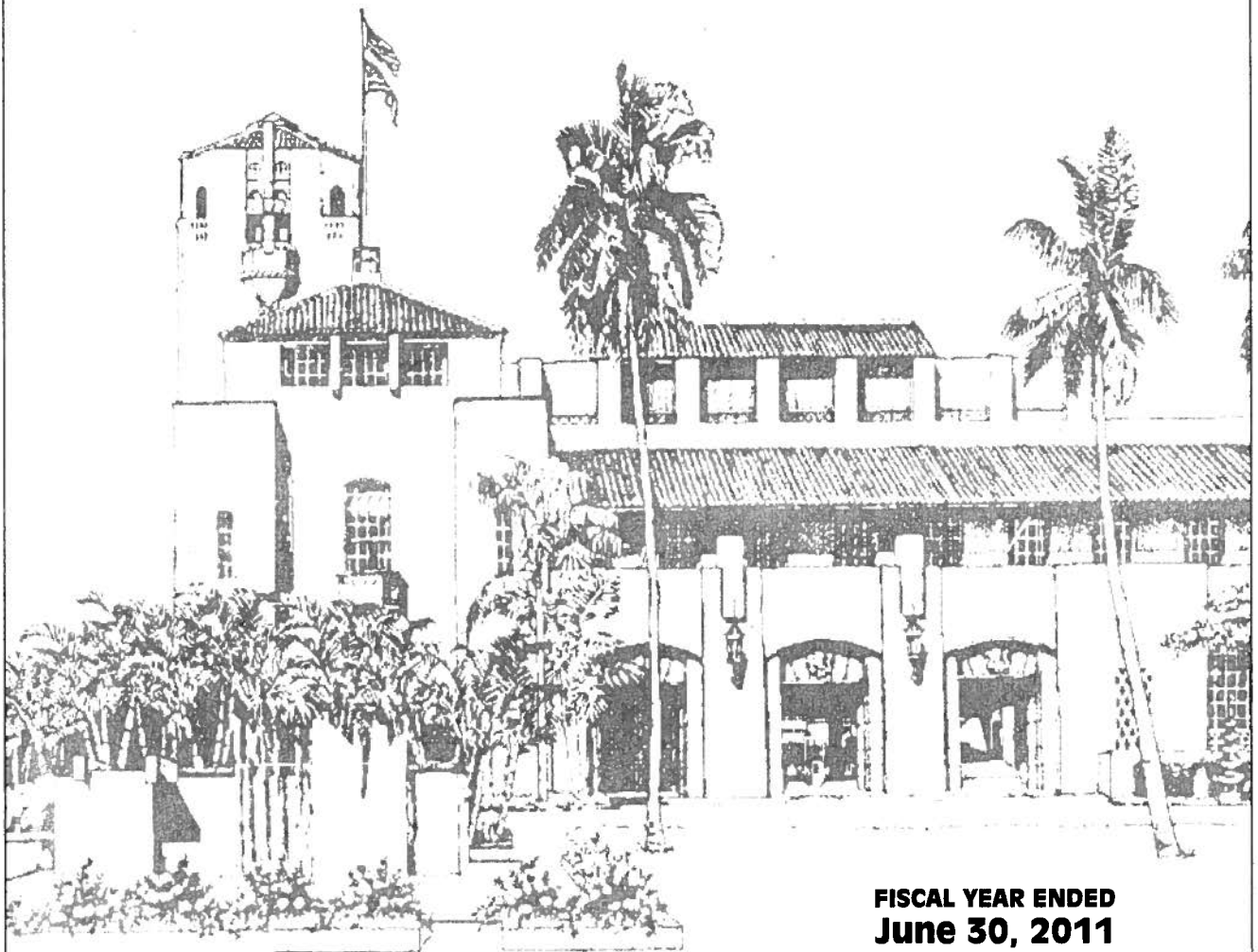
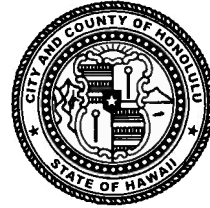


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2011**

EXECUTIVE BRANCH



Peter B. Carlisle
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011

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

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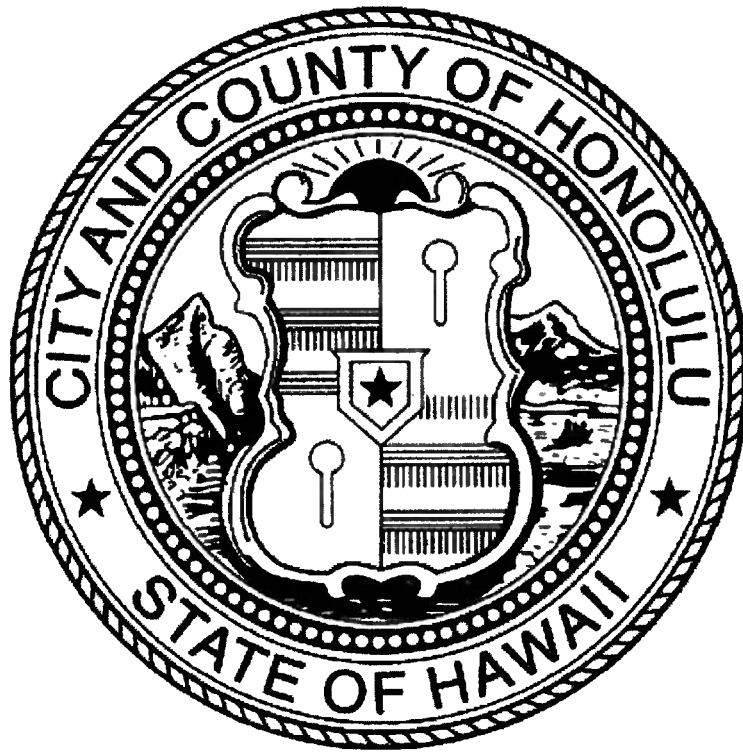
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INTRODUCTORY SECTION

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

December 19, 2011

The Honorable Peter B. Carlisle, Mayor
The Honorable Ernest Y. Martin, Chair
and Members of the City Council
City and County of Honolulu
530 South King Street
Honolulu, Hawaii 96813

Dear Mayor Carlisle, Chair Martin 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, 2011. 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

Several economic indicators registered positive results for Honolulu in 2011, suggesting that Oahu may be on the road to economic recovery.

- Statistics for tourism, Oahu's main industry, reflected increases during 2011. Gains were posted for September 2011 compared to the same month a year ago: visitor expenditures (21.2% to \$552.0 million), average daily room rates (7.1% to \$159.21), international arrivals (6.5%), hotel occupancy (3.2% to 84.1%), length of stay (2.5%), and domestic arrivals (1.8%).
- During the year, sales and prices continued to stabilize for the real estate market on Oahu. A comparison of October 2011 with the same month the year before indicates that while the resale volume decreased 9.0% to 223 for single family homes, and improved a slight 0.6% to 321 for condominiums, the median resale prices declined 2.3% to \$579,000 for single family homes and rose 1.7% to \$305,000 for condominiums.
- Economic indicators for the construction industry have been mixed in recent years. Nonetheless, the City's rail construction project is expected to provide a major boost to the local building trade and the broader island economy for many years to come. Construction jobs increased 7.1% for September 2011 compared to the same month the preceding year. Although contracting receipts decreased 3.7% to \$4.5 billion for the fiscal year ended June 30, 2011, construction revenues increased 7.1% to \$390.6 million for the month ended July 31, 2011 in comparison to the same periods last year. The number of issued building permits increased 9.7% to 15,632 while the value of construction commitments and authorizations decreased 21.7% to \$1.6 billion for fiscal year 2011 compared to the prior fiscal year. Similarly for the first ten months of calendar year 2011, building permits issued numbered 14,753 and totaled \$1.4 billion, representing an increase of 23.1% in quantity and a decrease of 19.1% in value when compared to the same period last year.

- Retailing receipts have been rising on Oahu. That is, retail sales increased by 8.3% to \$22.2 billion for fiscal year 2011 from \$20.5 billion for fiscal year 2010, and 17.6% to \$2.0 billion for the month ended July 31, 2011 when compared to the same month the previous year.
- The military continues to be recognized as an important segment of the State's economy. Direct U.S. Department of Defense expenditures for payroll, goods and services averaged \$6.5 billion annually with the bulk of the spending concentrated on Oahu.
- Non-agricultural jobs totaled 441,300 for September 2011, a 2.0% increase from 432,700 non-farm jobs for the same month the preceding year.
- For September 2011, Honolulu had the lowest unemployment rate among Hawaii's counties, with a non-seasonally adjusted unemployment rate of 5.7%. Oahu's jobless rate is lower than the seasonally adjusted jobless rates of 6.4% statewide and 9.1% nationally.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 4.4% for the first quarter of 2011 compared to a increase of 2.1% for 2010, and a slight decrease of 0.2% for 2009.
- Proprietors' income increased 3.7% for the first quarter of 2011, compared to a increase of 3.3% for 2010 and a decline of 5.1% in 2009.
- With rising gasoline prices and electricity rates, Honolulu's consumer price index rose 3.5% while the nation's inflation rate was 2.8% during the first half of 2011.

Sources:

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

Hawaii Tourism Authority, <http://www.hawaiitourismauthority.org>.

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://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

MAJOR INITIATIVES

The executive operating budget for fiscal year 2011 amounted to \$1.8 billion net of interfund transfers, representing an increase of \$12.5 million compared to the prior year. The increase was 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 represented an increase of 23.5% compared to the preceding fiscal year. Funding was 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 were 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 amounted to \$55.6 million for fiscal year 2011, and represented a 26.0% increase from the previous fiscal year. The major public safety projects included 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 represented a 4.1% reduction for fiscal year 2011 in comparison to the previous fiscal year. Major highways and streets projects included 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 which represented 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 was 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 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), and Sewer Mainline and Lateral Projects (\$10.3 million).

Human Services

The capital improvement budget for the human services function amounted to \$20.4 million for fiscal year 2011, represented a 45.7% increase compared to the last fiscal year, and included 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 included 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 represented 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 included 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).

FOR THE FUTURE

The executive operating budget for fiscal year 2012 is \$1.9 billion net of interfund transfers, representing an increase of \$107.2 million compared to the prior year. The increase is due primarily to expenses related to the Asia Pacific Economic Cooperation (APEC) conference in November, and non-discretionary costs such as rising debt service, increased employee retirement and health care obligations, higher energy costs, and previously negotiated pay raises for bus employees.

The City's capital improvement budget of \$547.4 million for fiscal year 2012 represents a decrease of 74.2% compared to the preceding fiscal year. The decrease is due in large part to the creation of a new component unit, the Honolulu Authority for Rapid Transit (HART), with a budget now separate from the City's executive operating budget. The City also is working toward reducing future debt service costs by focusing capital improvements on maintaining existing facilities and advancing those projects which are mandated, required or essential. Funding for capital improvements in 2012 are primarily for sanitation (53.1%), and highways and streets (18.6%).

General Government

The general government function of the capital improvement budget increased 1.9% to \$30.2 million for fiscal year 2012 compared to the prior fiscal year. The following are the major general government projects: Procurement of Major Equipment (\$16.6 million), Energy Conservation Improvements (\$5.0 million), Telecommunications Facilities Upgrade (\$2.5 million), Kapolei Consolidated Corporation Yard (\$2.1 million), and Public Building Facilities Improvements (\$2.0 million).

Public Safety

The appropriations for the public safety function amount to \$38.6 million for fiscal year 2012, representing a 30.6% decrease from the previous fiscal year. The major public safety projects include Waianae Police Station Replacement (\$6.2 million), Rock Slide Potential Inspections and Mitigative Improvements (\$4.1 million), Traffic Signals at Various Locations (\$3.4 million), Honolulu Police Department Equipment Acquisition (\$3.3 million), and Computerized Traffic Control System (\$2.9 million).

Highways and Streets

The \$101.9 million capital improvement budget for highways and streets represents a 19.5% reduction for fiscal year 2012 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$77.0 million), Kuakini Street Extension (\$4.6 million), Highway Structure Improvements (\$4.4 million), Kapolei Parkway Construction (\$3.7 million), and Bridge Rehabilitation at Various Locations (\$2.1 million).

Sanitation

For solid waste and sewage collection and disposal projects, a sum of \$290.7 million is budgeted for fiscal year 2012, representing a decrease of 41.1% compared to the prior fiscal year. Major sanitation projects include Sand Island Wastewater Treatment Plant Expansion, Primary Treatment (\$95.0 million), Ala Moana Wastewater Pump Station Force Mains No. 3 and 4 (\$36.5 million), Waimalu Wastewater Pump Station Force Main System Improvements (\$17.8 million), Airport Sewer Rehabilitation and Reconstruction (\$16.0 million), and Sewer Mainline and Lateral Projects (\$14.3 million).

Human Services

The capital improvement budget for the human services function is \$17.8 million for fiscal year 2012, representing a 12.7% decrease compared to the last fiscal year, and includes appropriations for Affordable Housing Development (\$6.5 million), Community Development Block Grant Program (\$6.4 million), and Home Investment Partnerships Program (\$3.4 million).

Culture-Recreation

For fiscal year 2012, \$36.8 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a decrease of 7.1% over the prior fiscal year. The major culture-recreation projects include Preservation and Conservation Lands (\$3.8 million), Renovate Recreational Facilities (\$3.3 million), Kualoa Regional Park-Reconstruction of Wastewater System (\$2.2 million), Reconstruct Wastewater Systems for Parks (\$2.2 million), Kanewai Community Park (\$1.4 million), and Ala Moana Regional Park (\$1.4 million).

Transportation

Mass transit appropriations of \$31.4 million for fiscal year 2012 represents a 97.7% decrease compared to the previous fiscal year. Some noteworthy public transit projects include the Bus and Handi-Van Acquisition Program (\$19.5 million), and Alapai Transportation Management Center (\$9.0 million).

FINANCIAL INFORMATION

The basic financial statements include two government-wide financial statements, the Statement of Net Assets and the Statement of Activities. These government-wide financial statements are corporate in style, and present a big-picture view of the City's financial condition and position with the reporting of depreciation and long-term debt. The financial information of the City (known as the primary government) 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, 2010. The City has received the award in 24 of the last 25 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 twelve 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, 2011.

Respectfully submitted,



Michael R. Hansen
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, 2010

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.



Linda C. Dawson

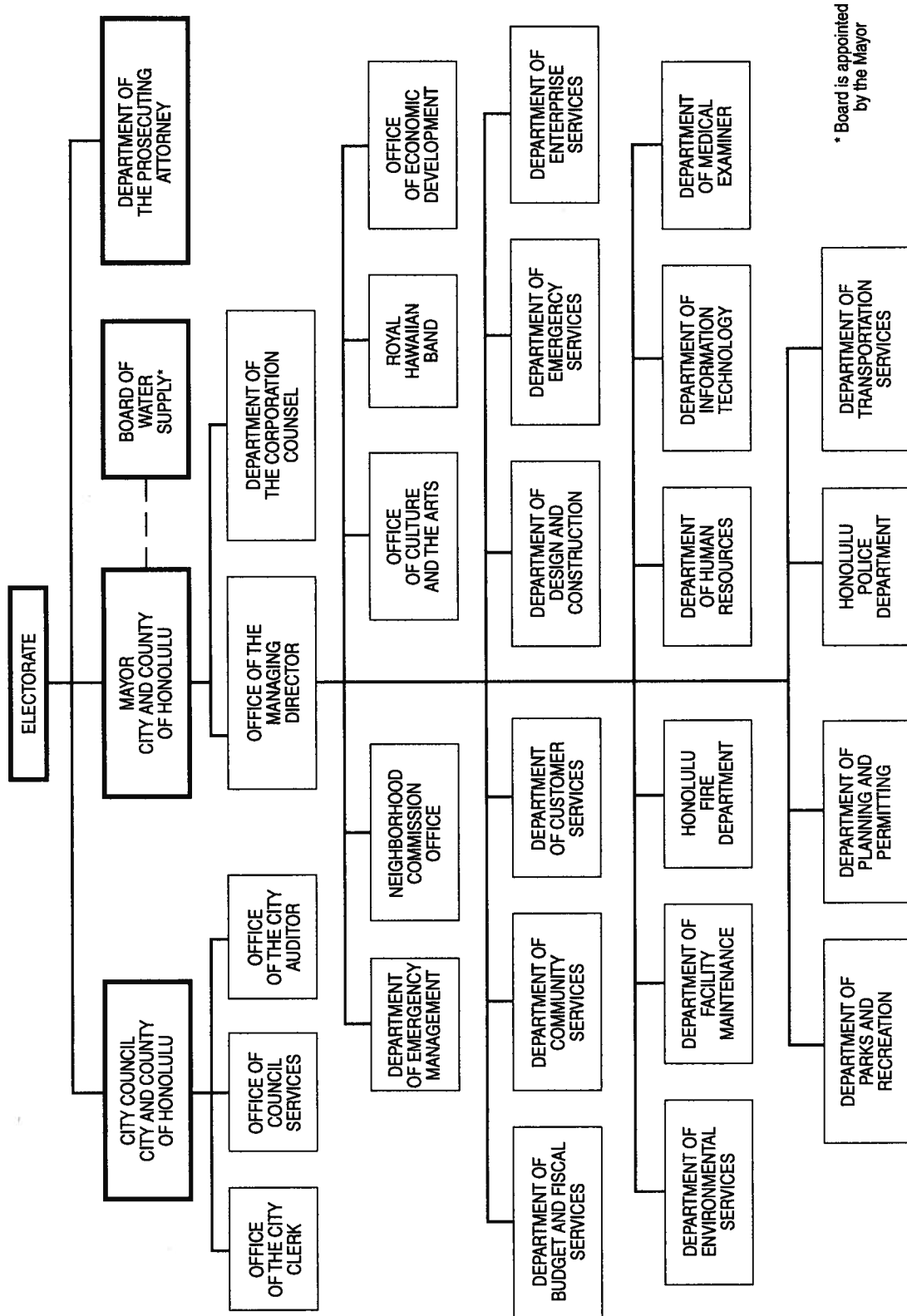
President

Jeffrey R. Egan

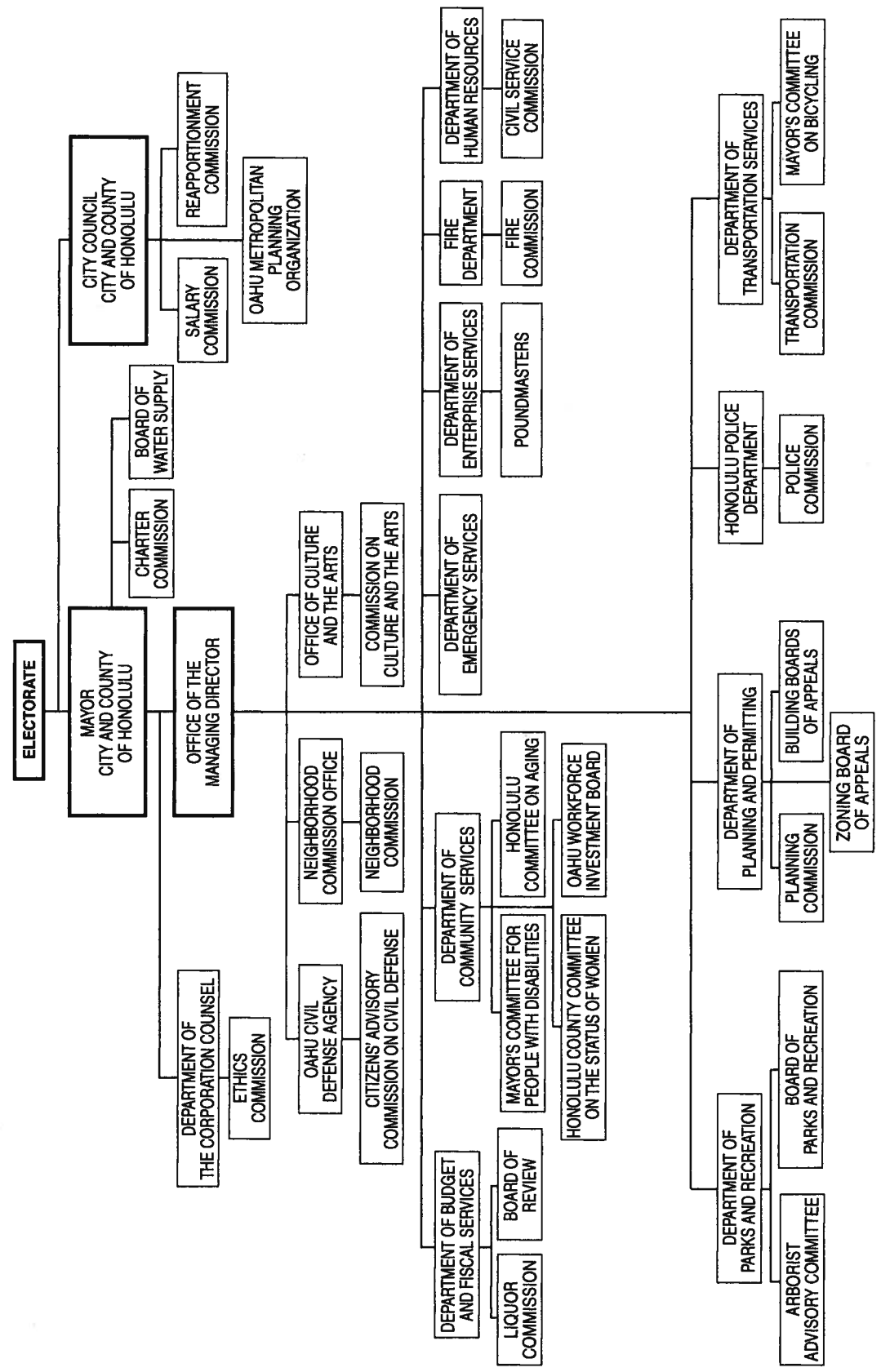
Executive Director

CITY AND COUNTY OF HONOLULU ORGANIZATION CHART

FISCAL YEAR 2010 - 2011



CITY AND COUNTY OF HONOLULU
CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES
FISCAL YEAR 2010 - 2011



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2011**

EXECUTIVE BRANCH

Mayor. Peter B. Carlisle
Prosecuting Attorney. Keith Kaneshiro

LEGISLATIVE BRANCH

<u>Council District</u>	<u>Councilmember</u>
First	Tom Berg
Second.	Ernest Y. Martin, Chair
Third	Ikaika Anderson
Fourth.	Stanley Chang
Fifth	Ann H. Kobayashi
Sixth.	Tulsi Gabbard
Seventh.	Romy M. Cachola
Eighth.	Breene Harimoto
Ninth	Nestor Garcia

LEGISLATIVE BRANCH
CITY COUNCIL



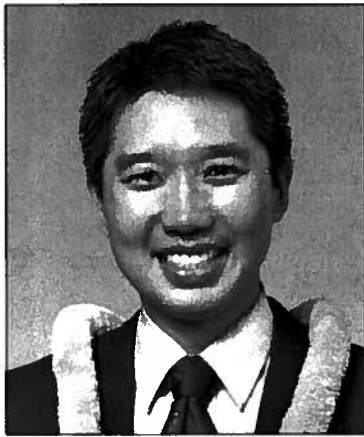
Tom Berg
Councilmember, District I



Ernest Y. Martin
Chair, District II



Ikaika Anderson
Councilmember, District III



Stanley Chang
Councilmember, District IV



Ann H. Kobayashi
Councilmember, District V



Tulsi Gabbard
Councilmember, District VI



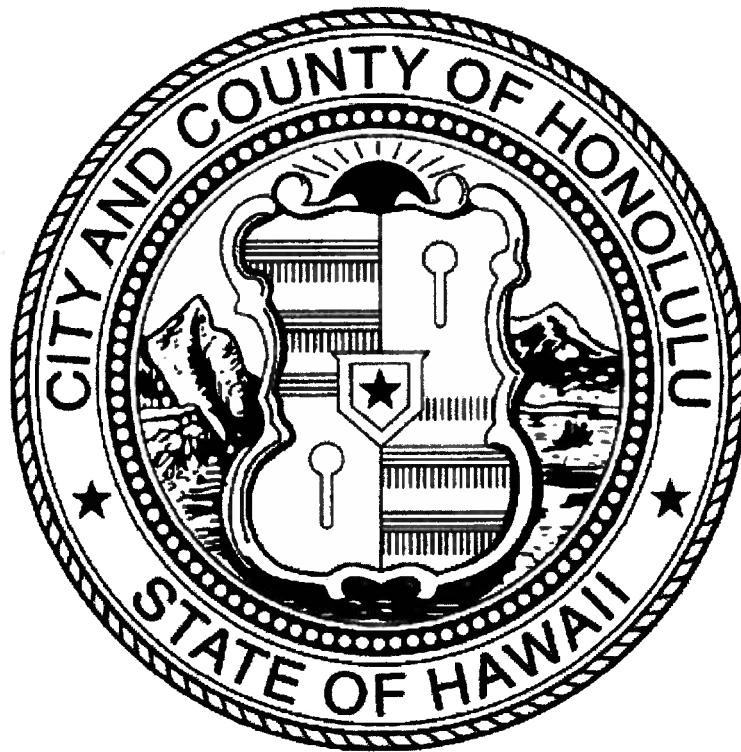
Romy M. Cachola
Councilmember, District VII



Breene Harimoto
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, the discretely presented component unit, 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, 2011, 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 City's 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 for 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 the 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, 2011, 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 19, 2011, 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, budgetary comparison schedules on pages 95 through 99 and schedule of funding progress on page 100 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 19, 2011

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

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, 2011 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 2011

- Taxes and other revenues for governmental activities totaled \$1.58 billion while expenses before transfers amounted to \$1.24 billion, resulting in excess revenues of \$335.9 million for fiscal year 2011. In comparison, revenues exceeded expenses by \$423.5 million during fiscal year 2010. 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 \$574.3 million for fiscal year 2011 from \$518.1 million for fiscal year 2010 while expenses before transfers increased to \$608.8 million for the current fiscal year compared to \$579.9 million for fiscal year 2010. 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, 2011 increased by \$95.3 million (as summarized on page 28) to \$857.6 million (as reported on page 39).
- Net capital assets for the governmental activities increased to \$2.5 billion at the close of fiscal year 2011 from \$2.3 billion at June 30, 2010. Similarly, for the business-type activities, net capital assets rose to \$2.8 billion at June 30, 2011 compared to \$2.5 billion at the end of the prior fiscal year. Capital assets are discussed on pages 30 and 31, and reported on pages 68 to 70 in the Notes to Financial Statements.
- The debt applicable to the City's legal debt margin totaled \$2.0 billion. This represents less than 10.0% of the \$23.0 billion legal debt margin. Further, information on the City's long-term debt may be found on page 32, on pages 72 to 76 in the Notes to Financial Statements, and on pages 229 to 232 in the Statistical Section.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011

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, 2011

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 33 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 seven legally separated funds, combined with the General Fund, as well as the 22 nonmajor funds are presented in aggregate on the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the governmental funds. Individual fund data for each of these 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, 2011**

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

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, the Financial Section of the CAFR presents certain required supplementary information. The combining financial statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. The individual fund statements and schedules 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 \$2.34 billion in contrast to \$2.04 billion at the end of last fiscal year.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

The largest portion of the primary government's net assets (52.3% and 52.9% at the end of fiscal years 2011 and 2010, respectively) is 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 \$959.8 million and \$818.4 million of the net assets for the primary government were unrestricted at June 30, 2011 and 2010, respectively. For the City's governmental activities, the unrestricted net assets of \$551.2 million at the end of fiscal year 2011 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 \$408.6 million at June 30, 2011 primarily due to sewer service charge rate increases. A small percentage (6.8%) of the City's net assets at June 30, 2011 represents resources that are subject to external restrictions on how they may be used.

The following is a summary of the Statements of Net Assets as of June 30, 2011 and 2010:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 1,081.6	\$ 974.2	\$ 990.8	\$ 700.9	\$ 2,072.4	\$ 1,675.1
Restricted assets	-	-	6.2	6.0	6.2	6.0
Capital assets, net of accumulated depreciation	2,476.4	2,293.1	2,836.4	2,525.4	5,312.8	4,818.5
Total assets	3,558.0	3,267.3	3,833.4	3,232.3	7,391.4	6,499.6
Noncurrent liabilities	2,360.1	2,217.3	2,383.5	1,980.3	4,743.6	4,197.6
Other liabilities	146.4	137.3	157.1	121.8	303.5	259.1
Total liabilities	2,506.5	2,354.6	2,540.6	2,102.1	5,047.1	4,456.7
Net assets:						
Invested in capital assets, net of debt	500.1	389.3	725.5	690.7	1,225.6	1,080.0
Restricted	0.2	0.2	158.7	144.3	158.9	144.5
Unrestricted	551.2	523.2	408.6	295.2	959.8	818.4
Total net assets	\$ 1,051.5	\$ 912.7	\$ 1,292.8	\$ 1,130.2	\$ 2,344.3	\$ 2,042.9

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

The following is a summary of the Statements of Activities for fiscal years 2011 and 2010:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	\$ 233.6	\$ 209.4	\$ 518.6	\$ 463.7	\$ 752.2	\$ 673.1
Operating grants and contributions	111.4	123.4	21.4	21.0	132.8	144.4
Capital grants and contributions	65.0	48.5	33.1	32.3	98.1	80.8
General revenues:						
Property taxes	804.3	853.4	-	-	804.3	853.4
Other taxes	135.0	131.3	-	-	135.0	131.3
Other	229.0	202.0	1.2	1.1	230.2	203.1
Total revenues	<u>1,578.3</u>	<u>1,568.0</u>	<u>574.3</u>	<u>518.1</u>	<u>2,152.6</u>	<u>2,086.1</u>
Expenses						
General government	455.9	392.9	-	-	455.9	392.9
Public safety	390.8	374.8	-	-	390.8	374.8
Highways and streets	46.3	30.4	-	-	46.3	30.4
Sanitation	5.3	3.2	-	-	5.3	3.2
Human services	80.6	95.4	-	-	80.6	95.4
Culture and recreation	91.9	106.1	-	-	91.9	106.1
Utilities or other enterprises	80.0	52.7	-	-	80.0	52.7
Interest	91.6	89.0	-	-	91.6	89.0
Housing	-	-	14.5	13.2	14.5	13.2
Sewer	-	-	209.6	197.6	209.6	197.6
Solid waste	-	-	163.5	159.2	163.5	159.2
Public transportation	-	-	221.2	209.9	221.2	209.9
Total expenses	<u>1,242.4</u>	<u>1,144.5</u>	<u>608.8</u>	<u>579.9</u>	<u>1,851.2</u>	<u>1,724.4</u>
Increase (decrease) before transfers	335.9	423.5	(34.5)	(61.8)	301.4	361.7
Transfers	(197.1)	(200.3)	197.1	200.3	-	-
Change in net assets	138.8	223.2	162.6	138.5	301.4	361.7
Net assets - beginning	912.7	689.5	1,130.2	991.7	2,042.9	1,681.2
Net assets - ending	<u>\$ 1,051.5</u>	<u>\$ 912.7</u>	<u>\$ 1,292.8</u>	<u>\$ 1,130.2</u>	<u>\$ 2,344.3</u>	<u>\$ 2,042.9</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

Total revenues for the primary government rose to \$2.15 billion for fiscal year 2011 from \$2.09 billion for fiscal year 2010. The revenue gains for fiscal year 2011 resulted principally from increased rates for motor vehicle weight taxes and sewer service charges.

Expenses for the primary government totaled \$1.85 billion for fiscal year 2011 of which \$1.24 billion applied to governmental activities and \$608.8 million related to business-type activities. For the prior fiscal year, expenses for the primary government totaled \$1.72 billion; \$1.14 billion pertained to governmental activities and \$579.9 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$81.4 million for the governmental activities and \$72.2 million for business-type activities for fiscal year 2011.

General government expenses increased \$63.0 million primarily due to rising workforce costs for healthcare and retirement.

Due primarily to cost saving measures and fiscal restraint, decreases of \$14.8 million for human services and \$14.2 million for culture and recreation were experienced for fiscal year 2011 compared to the previous year.

Statement of Activities

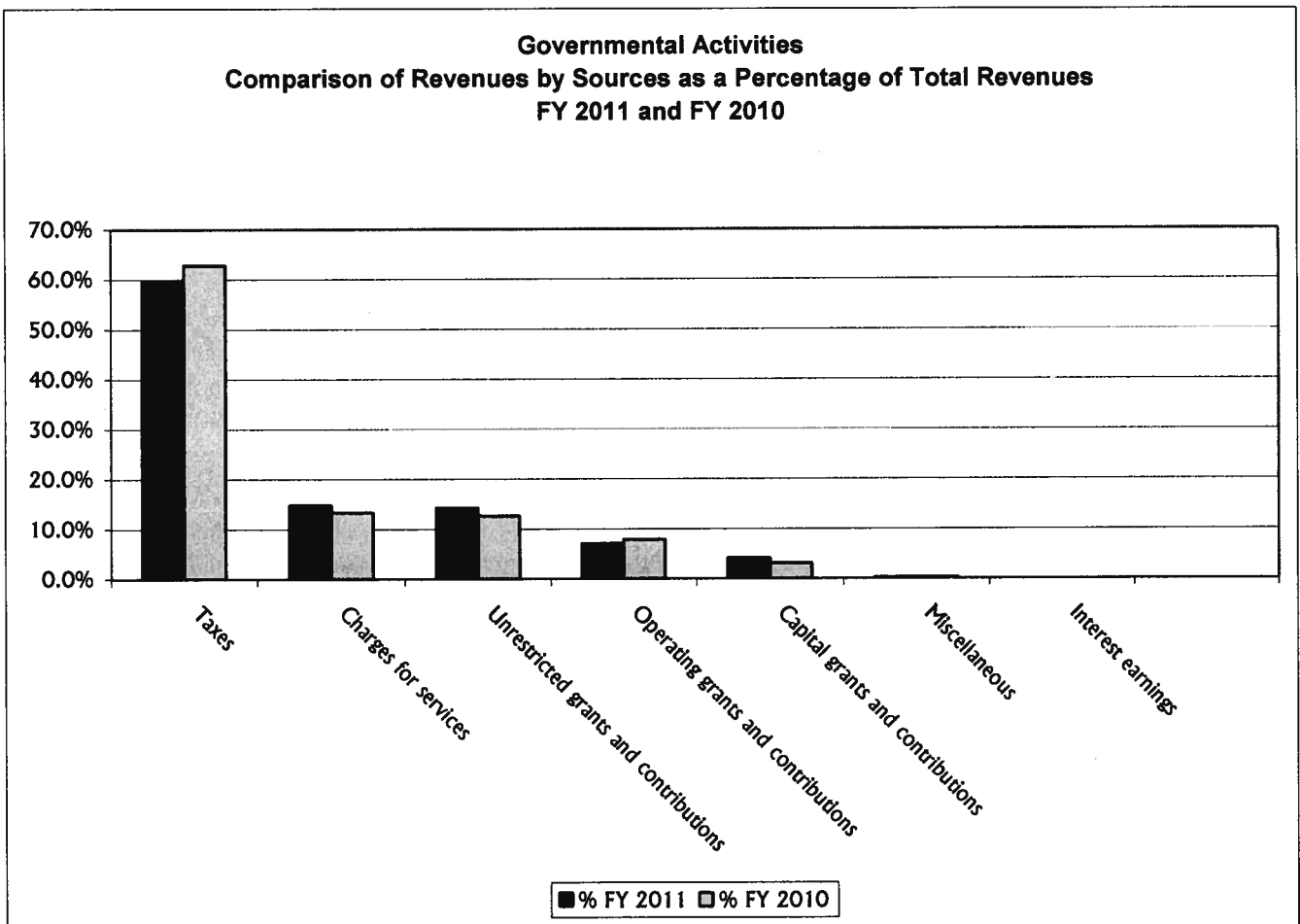
As noted earlier, the Statement of Activities presents how the City's net assets changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some 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 \$138.8 million and \$223.2 million for fiscal year 2011 and 2010, respectively. The increase in net assets is due to lean budgeting policies, hiring freezes and cost savings.

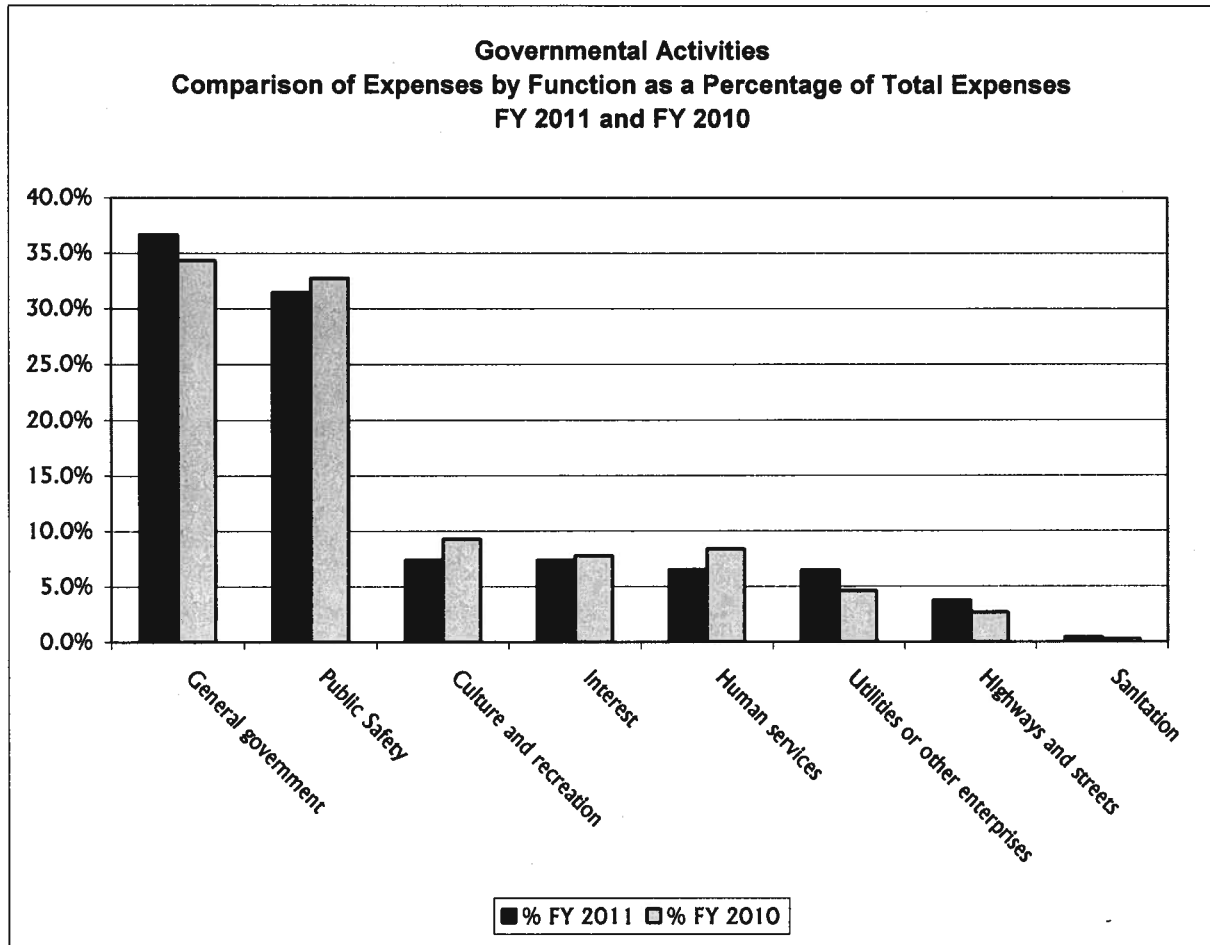
**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

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 2011, taxes decreased \$45.4 million to \$939.3 million, representing 59.5% of the revenues from governmental activities. Principally due to lower net taxable real property tax valuations offset by revenues from a new non-homeowner class, collections of real property taxes declined to \$804.3 million for fiscal year 2011, down from \$853.4 million for the prior fiscal year. Charges for services rose 11.6% to \$233.6 million primarily from increases in the motor vehicle weight tax rates. Unrestricted grants and contributions, primarily from the general excise tax surcharge, increased 13.7% to \$224.5 million for fiscal year 2011 compared to the prior fiscal year. Capital grants and contributions increased 34.0% from \$48.5 million for fiscal year 2010 to \$65.0 million for fiscal year 2011, essentially due to preliminary engineering funds for the Honolulu High Capacity Transit Project from the Federal Transit Administration.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

Expenses. As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, the City spent 36.7% (\$455.9 million) on general government in the current fiscal year, compared to 34.3% (\$392.9 million) for fiscal year 2010. Expenditures for human services decreased by 15.5% from \$95.4 million for the prior fiscal year to \$80.6 million for fiscal year 2011 due mostly to cost cutting measures. Similarly, expenditures for culture and recreation decreased by 13.3% from \$106.1 million for the previous fiscal year to \$91.9 million for fiscal year 2011.

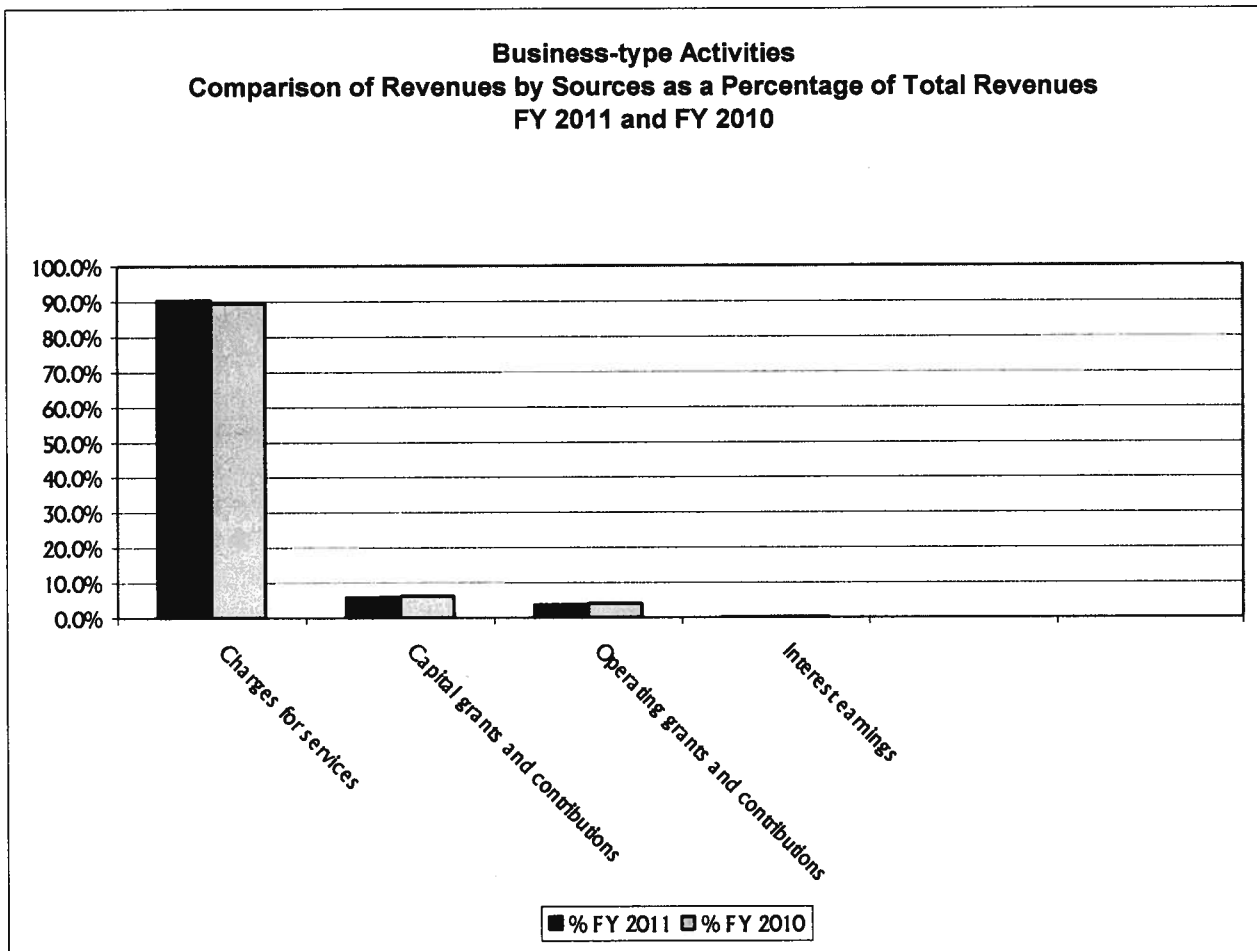


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

Business-type Activities

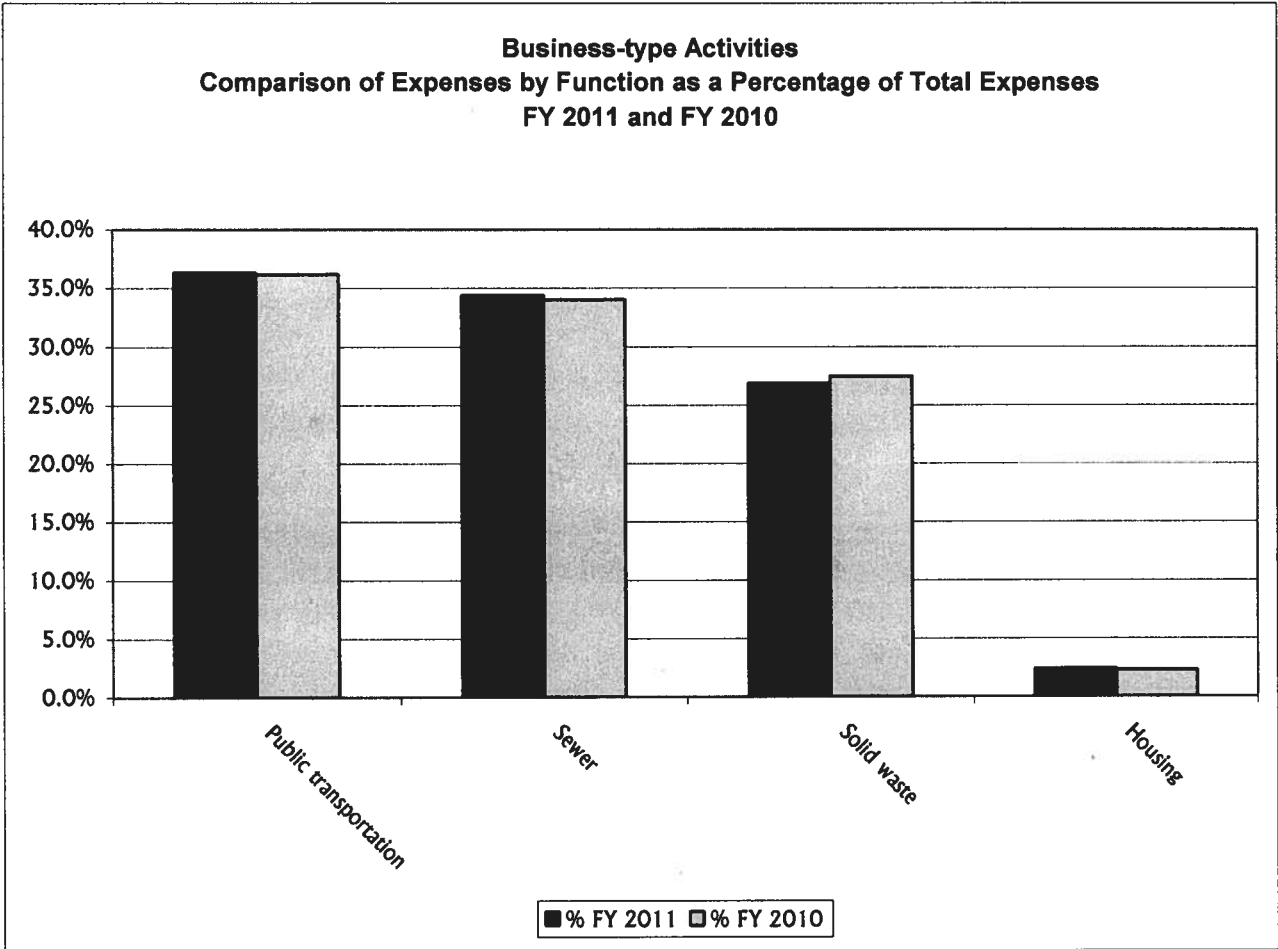
The net assets for the City's business-type activities increased by \$162.6 million and \$138.5 million for fiscal years 2011 and 2010, respectively. For the current fiscal year, a significant portion of the improvement in net assets can be attributed to a 15.0% sewer service charge rate increase, part of a multi-year rate package implemented to address long-term system upgrades mandated by the Environmental Protection Agency.

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 90.3% and 89.5% of the revenues for fiscal years 2011 and 2010, respectively. Specifically, charges for services totaled \$518.6 million for fiscal year 2011 and can be disaggregated as follows: housing (\$9.5 million), sewer (\$347.0 million), solid waste (\$108.4 million), and public transportation (\$53.7 million). In contrast, charges for services totaled \$463.7 million for fiscal year 2010: housing (\$10.3 million), sewer (\$308.4 million), solid waste (\$97.4 million), and public transportation (\$47.6 million).



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2011 and 2010. Public transportation used the most resources (36.3%), followed by sewer (34.4%) and solid waste (26.9%) for fiscal year 2011.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

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 2011 fiscal year, amounting to a surplus of \$95.3 million in comparison to a surplus of \$4.5 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	
						2011	2010
Revenues:							
Taxes	\$ 838.9	\$ 95.6	\$ -	\$ -	\$ -	\$ 934.5	\$ 986.8
Other	312.8	121.9	-	13.4	207.8	655.9	585.4
Total Revenues	1,151.7	217.5	-	13.4	207.8	1,590.4	1,572.2
Expenditures	704.9	76.8	184.8	109.1	373.1	1,448.7	1,418.2
Subtotal	446.8	140.7	(184.8)	(95.7)	(165.3)	141.7	154.0
Transfers and Other	(436.3)	(132.3)	184.8	179.1	158.3	(46.4)	(149.5)
Changes in Fund Balances	\$ 10.5	\$ 8.4	\$ -	\$ 83.4	\$ (7.0)	\$ 95.3	\$ 4.5

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, 2011

General Fund. The General Fund is the chief operating fund of the City. The unassigned fund balance of the General Fund increased by \$54.6 million to \$158.7 million for the fiscal year ended June 30, 2011; total fund balance increased \$10.5 million to \$243.2 million in comparison to the prior fiscal year. The improvement can be attributed to several factors including a number of cost cutting measures. In addition, there were less transfers from the General Fund for healthcare costs as a portion of the current pay-as-you-go amount was paid by the Other Post-Employment Benefits Reserve Fund.

Real property taxes, the primary General Fund revenue source, decreased \$51.4 million, a decline of 6.0% compared to the prior fiscal year. The decrease is the result of a reduction in net taxable real property valuations.

Receipts from the State of Hawaii for the general excise tax surcharge amounted to \$179.1 million for fiscal year 2011 compared to \$157.6 million for fiscal year 2010. The 13.6% increase may be attributed to improvement in the economy. All receipts for the general excise tax surcharge were 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 restricted fund balance improved 35.7% to \$31.9 million as of June 30, 2011 from \$23.5 million at the close of the prior fiscal year. The increase was primarily the result of higher rates for motor vehicle weight taxes.

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, 2011 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. Total committed fund balance increased to \$447.3 million at the end of fiscal year 2011, up from \$363.9 million at the close of fiscal year 2010, as reserves from the general excise tax surcharge accumulate for capital rail costs.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

All Other Funds. This category is comprised of all the City's nonmajor governmental funds, and excludes the proprietary and fiduciary funds. The total fund balances for the nonmajor funds decreased by \$89.7 million from \$224.9 million at June 30, 2010 to \$135.2 million at June 30, 2011. The decline in total fund balance for the nonmajor governmental funds may be attributed in large part to the payment for a portion of the current pay-as-you-go healthcare costs from Other Post-Employment Benefits Reserve Fund. Another factor was the current year's implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, requiring funds previously reflected as special revenue funds to be reported in the General Fund if a substantial portion of the inflows is no longer expected to be derived from restricted or committed revenue sources.

GENERAL FUND BUDGETARY HIGHLIGHTS

Collections of real property taxes and public service company taxes exceeded budget estimates by 0.13% (\$1.1 million) and 22.8% (\$7.1 million), respectively. However, in total, actual revenues including other financing sources were less than budgetary estimates by 3.5% (\$45.2 million) for fiscal year 2011. Primarily due to the recovering economy, the following major revenue sources were less than budgeted: building permit fees (11.8%) and reimbursement from the State for emergency ambulance services (3.3%).

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 9.1% (\$70.5 million) for fiscal year 2011 and by 9.3% (\$75.4 million) for the previous fiscal year. The net changes in fund balance reflected favorable variances of \$81.6 million for fiscal year 2011 and \$96.0 million for last year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$5.3 billion for the primary government of which \$2.5 billion pertained to governmental activities as of June 30, 2011. 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, 2011**

The increase in capital assets is attributed primarily to costs incurred for various ongoing capital improvement projects during fiscal year 2011. The major projects include the Honolulu Rail Transit Project (\$51.3 million) for the governmental activities, and the following for the business type activities: Waste Process Disposal – Third Boiler Expansion (\$138.3 million), Waimalu Sewer Rehabilitation/Reconstruction Phase 1 (\$22.3 million), Beachwalk Wastewater Pumping Station to Ala Moana Park Sewer (\$19.3 million), Sand Island Wastewater Treatment Plant Primary Expansion, Phase 1 (\$14.6 million), and Waste Process/Disposal H-POWER Facility (\$11.2 million).

In addition, the City acquired 48.4 acres of land for the Honouliuli Wastewater Treatment Plant Expansion Parcel 1 (\$26.5 million), and various equipment such as buses and paratransit vehicles (\$16.4 million), both for the business type activities.

Completed projects during fiscal year 2011 include various street rehabilitation projects (\$14.5 million) for the governmental activities, and Honouliuli Wastewater Treatment Plant New Solids Handling Facilities (\$56.2 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 68 to 70.

The following is a summary of the capital assets for the primary government as of June 30, 2011 in comparison to the previous year:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Land	\$ 482.2	\$ 484.2	\$ 147.8	\$ 121.0	\$ 630.0	\$ 605.2
Construction work in progress	616.2	445.9	746.4	636.7	1,362.6	1,082.6
Other capital assets:						
Buildings and improvements	1,198.4	1,181.5	1,111.2	1,032.1	2,309.6	2,213.6
Equipment and machinery	313.2	287.3	561.5	551.9	874.7	839.2
Infrastructure	1,160.6	1,115.3	1,245.8	1,104.3	2,406.4	2,219.6
Less: accumulated depreciation	(1,294.2)	(1,221.1)	(976.3)	(920.6)	(2,270.5)	(2,141.7)
Net	<u>\$ 2,476.4</u>	<u>\$ 2,293.1</u>	<u>\$ 2,836.4</u>	<u>\$ 2,525.4</u>	<u>\$ 5,312.8</u>	<u>\$ 4,818.5</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

Long-Term Debt

At June 30, 2011, the long-term debt for the primary government amounted to \$4.2 billion, consisting mainly of total bonded debt (\$4.0 billion) and notes payable (\$204.3 million). The total bonded debt is comprised of \$2.5 billion in general obligation bonds, and \$1.5 billion in revenue bonds secured by wastewater system revenue sources.

The general obligation bonds, Series 2010A and 2010B, have ratings of "Aa1/AA+" by Moody's Investors Service and Fitch Ratings, respectively.

The wastewater system revenue bonds, Senior Series 2010A and 2010B, have ratings of "Aa2/AA" and the Junior Series 2010A bonds have ratings of "Aa3/AA-" by Moody's Investors Service and Fitch Ratings, respectively.

The following is a summary of the bonded debt activities during fiscal year 2011:

- On November 9, 2010, \$204.4 million wastewater system revenue bonds, Senior Series 2010A and 2010B, were issued. The bonds were issued to pay for certain additions and improvements to the wastewater system and to fund a separate series reserve account.
- On November 17, 2010, \$100.8 million wastewater system revenue bonds, Junior Series 2010A, were issued. The bonds were issued to refund certain outstanding wastewater system revenue bonds.
- On December 15, 2010, \$347.8 million of general obligation bonds, Senior Series 2010A Build America Bonds (Taxable) and Series 2010B (Tax-Exempt), were issued. The bonds were issued to fund certain capital improvement projects and refund certain outstanding commercial paper notes of the City.

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 2011 was \$23.0 billion. The City's outstanding debt applicable to the legal debt margin totaled \$2.0 billion as of June 30, 2011, well below the statutory debt limitation.

Additional information on the City's long-term debt may be found under Long-Term Liabilities of the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Recent improvements in Oahu's economic indicators such as retailing receipts, job counts and personal and proprietors' income growth rates, coupled with the easing of bankruptcy filings, suggest that the local economy is beginning to slowly improve. Also, gains in the tourism industry, as indicated by increased average daily room rates, hotel occupancy, and visitor arrivals and spending, provide additional signs that economy is on its way to recovery.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2011**

The assessed valuation of real property (including new added property inventory) on Oahu increased slightly to \$153.6 billion for fiscal year 2012 from \$153.1 billion for fiscal year 2011.

The rate for sewer service charges was raised 4.0% effective July 1, 2011.

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 increased slightly to \$1.9 billion for fiscal year 2012 from \$1.8 billion for 2011. The increase is due primarily to expenses related to the Asia Pacific Economic Cooperation (APEC) conference, and non-discretionary costs such as rising debt service, increased employee retirement and health care obligations, higher energy costs and previously negotiated pay raises for bus employees.

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.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY AND COUNTY OF HONOLULU
STATEMENT OF NET ASSETS
JUNE 30, 2011
(Amounts in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 787,224	\$ 806,132	\$ 1,593,356	\$ 7,159
Investments	61,363	74,151	135,514	136,896
Receivables (net)	226,927	70,364	297,291	21,731
Internal balances	6,111	(6,111)	--	--
Inventories	--	23,249	23,249	4,509
Deferred charges and other	--	23,013	23,013	3,223
Restricted assets:				
Cash and cash equivalents	--	6,231	6,231	14,975
Investments	--	--	--	28,532
Capital assets (net of accumulated depreciation):				
Land	482,185	147,773	629,958	32,373
Buildings and improvements	658,056	831,100	1,489,156	93,698
Equipment and machinery	101,740	95,599	197,339	80,962
Infrastructure	618,209	1,015,470	1,633,679	787,907
Construction work in progress	616,239	746,497	1,362,736	162,737
Total assets	<u>3,558,054</u>	<u>3,833,468</u>	<u>7,391,522</u>	<u>1,374,702</u>
LIABILITIES				
Accounts payable	103,344	74,969	178,313	11,044
Matured bonds and interest payable ...	330	--	330	--
Accrued interest payable	42,691	47,472	90,163	7,297
Due to fiduciary funds	--	29	29	--
Other liabilities	--	34,624	34,624	1,188
Noncurrent liabilities:				
Due within one year	155,238	75,440	230,678	10,119
Due in more than one year	<u>2,204,932</u>	<u>2,308,105</u>	<u>4,513,037</u>	<u>335,520</u>
Total liabilities	<u>2,506,535</u>	<u>2,540,639</u>	<u>5,047,174</u>	<u>365,168</u>
NET ASSETS				
Invested in capital assets, net of related debt	500,169	725,532	1,225,701	834,243
Restricted for:				
Capital activity	--	--	--	25,609
Debt service	170	158,662	158,832	--
Unrestricted	<u>551,180</u>	<u>408,635</u>	<u>959,815</u>	<u>149,682</u>
Total net assets	<u>\$ 1,051,519</u>	<u>\$ 1,292,829</u>	<u>\$ 2,344,348</u>	<u>\$ 1,009,534</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, 2011
(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.....	\$ 455,874	\$ 165,620	\$ 5,068	\$ (363)
Public safety.....	390,780	38,582	15,419	498
Highways and streets.....	46,315	2,205	--	1,190
Sanitation.....	5,292	161	59	3,034
Human services.....	80,647	1,008	68,230	15,270
Culture and recreation.....	91,944	25,803	343	1,413
Utilities or other enterprises.....	79,969	201	22,300	43,946
Interest.....	91,583	--	--	--
Total governmental activities....	1,242,404	233,580	111,419	64,988
Business-type activities:				
Housing.....	14,481	9,483	--	--
Sewer.....	209,625	347,038	--	823
Solid Waste.....	163,534	108,402	--	--
Public Transportation.....	221,211	53,657	21,441	32,244
Total business-type activities....	608,851	518,580	21,441	33,067
Total primary government.....	\$ 1,851,255	\$ 752,160	\$ 132,860	\$ 98,055
Component unit:				
Board of Water Supply.....	\$ 166,267	\$ 149,894	\$ --	\$ 24,838
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, 2011
 (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
\$ (285,549)	\$ --	\$ (285,549)	\$ --
(336,281)	--	(336,281)	--
(42,920)	--	(42,920)	--
(2,038)	--	(2,038)	--
3,861	--	3,861	--
(64,385)	--	(64,385)	--
(13,522)	--	(13,522)	--
(91,583)	--	(91,583)	--
<u>(832,417)</u>	<u>--</u>	<u>(832,417)</u>	<u>--</u>
--	(4,998)	(4,998)	--
--	138,236	138,236	--
--	(55,132)	(55,132)	--
--	<u>(113,869)</u>	<u>(113,869)</u>	<u>--</u>
--	<u>(35,763)</u>	<u>(35,763)</u>	<u>--</u>
<u>(832,417)</u>	<u>(35,763)</u>	<u>(868,180)</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>8,465</u>
804,311	--	804,311	--
37,999	--	37,999	--
52,298	--	52,298	--
44,801	--	44,801	--
492	1,230	1,722	3,929
224,506	--	224,506	--
3,960	--	3,960	--
<u>(197,118)</u>	<u>197,118</u>	<u>--</u>	<u>--</u>
<u>971,249</u>	<u>198,348</u>	<u>1,169,597</u>	<u>3,929</u>
138,832	162,585	301,417	12,394
912,687	1,130,244	2,042,931	997,140
<u>\$ 1,051,519</u>	<u>\$ 1,292,829</u>	<u>\$ 2,344,348</u>	<u>\$ 1,009,534</u>

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

MAJOR FUNDS

General Fund (Combined)

General Fund

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

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.

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.

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.

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.

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.

Governmental Fund Financial Statements (Continued)

MAJOR FUNDS (CONTINUED)

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.

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.

Governmental Fund Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

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.

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 plans. Also, funding may be used for any project that is eligible for Community Development Block Grant monies.

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.

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.

CITY AND COUNTY OF HONOLULU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011
(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	\$ 228,205	\$ 31,270	\$ 822	\$ 420,320	\$ 167,970	\$ 848,587
Receivables	92,460	24,777	--	70	109,620	226,927
Due from other funds	30,624	301	--	49,845	891	81,661
Total Assets	<u>\$ 351,289</u>	<u>\$ 56,348</u>	<u>\$ 822</u>	<u>\$ 470,235</u>	<u>\$ 278,481</u>	<u>\$ 1,157,175</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 17,089	\$ 1,175	\$ --	\$ 22,797	\$ 40,218	\$ 81,279
Accrued payroll	19,555	1,398	--	154	958	22,065
Due to other funds	49,856	1,647	501	--	23,546	75,550
Matured bonds and interest payable.....	--	--	321	--	9	330
Deferred revenue	21,564	20,205	--	--	78,541	120,310
Total Liabilities	<u>108,064</u>	<u>24,425</u>	<u>822</u>	<u>22,951</u>	<u>143,272</u>	<u>299,534</u>
Fund Balances:						
Restricted	--	31,923	--	--	104,785	136,708
Committed	32,596	--	--	447,284	35,279	515,159
Assigned	51,961	--	--	--	--	51,961
Unassigned	158,668	--	--	--	(4,855)	153,813
Total Fund Balances	<u>243,225</u>	<u>31,923</u>	<u>--</u>	<u>447,284</u>	<u>135,209</u>	<u>857,641</u>
Total Liabilities and Fund Balances	<u>\$ 351,289</u>	<u>\$ 56,348</u>	<u>\$ 822</u>	<u>\$ 470,235</u>	<u>\$ 278,481</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.	2,476,429
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	120,310
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,402,861)</u>
Net assets of governmental activities	<u>\$ 1,051,519</u>

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

CITY AND COUNTY OF HONOLULU
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes.....	\$ 838,912	\$ 95,645	\$ --	\$ --	\$ --	\$ 934,557
Special assessments.....	--	--	--	--	8	8
Licenses and permits.....	34,258	112,769	--	--	4,554	151,581
Intergovernmental.....	224,526	--	--	--	170,790	395,316
Charges for services.....	6,008	4,552	--	--	17,447	28,007
Fines and forfeits.....	551	--	--	--	215	766
Miscellaneous:						
Reimbursements and recoveries.....	41,462	672	--	--	2	42,136
Interest.....	549	--	--	330	56	935
Other.....	5,436	3,875	--	13,020	14,733	37,064
Total Revenues.....	1,151,702	217,513	--	13,350	207,805	1,590,370
Expenditures:						
Current:						
General government.....	121,733	18,429	--	1,172	8,660	149,994
Public safety.....	325,480	29,413	--	--	16,734	371,627
Highways and streets.....	1,930	14,622	--	--	229	16,781
Sanitation.....	3,863	--	--	--	--	3,863
Human services.....	2,430	--	--	--	69,176	71,606
Culture-recreation.....	51,000	--	--	--	22,087	73,087
Utilities or other enterprises.....	5	1,456	--	4,211	22,086	27,758
Miscellaneous:						
Retirement and health benefits.....	175,821	11,765	--	1,370	5,382	194,338
Other.....	22,240	1,113	--	2	437	23,792
Capital Outlay:						
General government.....	--	--	--	--	18,894	18,894
Public safety.....	--	--	--	--	28,966	28,966
Highways and streets.....	--	--	--	--	65,534	65,534
Sanitation.....	--	--	--	--	827	827
Human services.....	--	--	--	--	10,645	10,645
Culture-recreation.....	--	--	--	--	24,703	24,703
Utilities or other enterprises.....	--	--	--	102,309	78,703	181,012
Debt service:						
Principal.....	266	--	89,349	--	--	89,615
Interest.....	93	--	95,456	--	--	95,549
Total Expenditures.....	704,861	76,798	184,805	109,064	373,063	1,448,591
Revenues over (under) Expenditures.....	446,841	140,715	(184,805)	(95,714)	(165,258)	141,779
Other Financing Sources (Uses):						
Issuance of general obligation bonds	--	--	730	--	100,004	100,734
Issuance of tax exempt commercial paper	--	--	--	--	50,000	50,000
Issuance of refunding bonds	--	--	50,366	--	--	50,366
Bond discount	--	--	(1,096)	--	--	(1,096)
Refunding of bonds and commercial paper ..	--	--	(50,000)	--	--	(50,000)
Sales of capital assets.....	435	224	--	--	1	660
Transfers in.....	106,172	--	184,805	179,108	25,705	495,790
Transfers out.....	(542,963)	(132,537)	--	--	(17,408)	(692,908)
Total Other Financing Sources (Uses).....	(436,356)	(132,313)	184,805	179,108	158,302	(46,454)
Net change in fund balances.....	10,485	8,402	--	83,394	(6,956)	95,325
Fund Balances - July 1.....	232,740	23,521	--	363,890	142,165	762,316
Fund Balances - June 30.....	\$ 243,225	\$ 31,923	\$ --	\$ 447,284	\$ 135,209	\$ 857,641

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, 2011
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ 95,325
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.	183,281
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	4,819
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.	(54,622)
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.	(89,971)
Change in net assets of governmental activities	\$ 138,832

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

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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 financial 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, 2011
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 817	\$ 528,697	\$ 253,662	\$ 22,956	\$ 806,132
Investments	--	53,009	19,420	1,722	74,151
Receivables:					
Accounts (net of allowance for uncollectibles of \$8,641)	1,100	48,596	16,129	2,073	67,898
Interest	2	73	17	--	92
Intergovernmental	--	--	406	--	406
Payroll Advance	--	1,205	684	79	1,968
Due from other funds	--	1,015	1	104	1,120
Inventories of parts, materials and supplies, at cost...	--	11,040	--	7,990	19,030
Inventories of real estate held for sale	4,219	--	--	--	4,219
Restricted assets:					
Cash and cash equivalents	5,013	--	--	1,218	6,231
Prepaid expenses and other assets	25	2,075	434	6,089	8,623
Total Current Assets	11,176	645,710	290,753	42,231	989,870
Noncurrent Assets:					
Capital Assets:					
Land	14,408	33,070	24,063	76,232	147,773
Buildings and Improvements	108,504	870,620	54,392	77,671	1,111,187
Transmission and distribution system	--	1,245,825	--	--	1,245,825
Equipment and machinery	373	42,097	270,286	30,448	343,204
Buses and other transit vehicles	--	--	--	218,263	218,263
Construction work in progress	6,478	406,868	313,795	19,356	746,497
Accumulated depreciation	(65,362)	(406,878)	(290,381)	(213,689)	(976,310)
Deferred charges and other	1,982	10,264	2,144	--	14,390
Total Noncurrent Assets	66,383	2,201,866	374,299	208,281	2,850,829
Total Assets	77,559	2,847,576	665,052	250,512	3,840,699
LIABILITIES					
Current Liabilities:					
Accounts payable	539	26,420	43,808	4,202	74,969
Interest payable	1,636	35,185	10,651	--	47,472
Notes payable	--	16,900	--	--	16,900
Bonds payable	6,899	29,653	10,505	--	47,057
Due to other funds	--	3,855	3,405	--	7,260
Reserve for insurance claims payable	--	--	--	6,264	6,264
Accrued payroll	--	1,423	992	91	2,506
Other current liabilities	802	337	3,085	2,180	6,404
Total Current Liabilities	9,876	113,773	72,446	12,737	208,832
Noncurrent Liabilities:					
Notes payable	--	183,492	--	--	183,492
General obligation bonds payable, net	63,265	63	514,720	--	578,048
Revenue bonds payable, net	--	1,480,176	--	--	1,480,176
Estimated liability for landfill closure and postclosure care costs	--	--	15,067	--	15,067
Other liabilities	8,459	31,534	12,135	30,127	82,255
Total Noncurrent Liabilities	71,724	1,695,265	541,922	30,127	2,339,038
Total Liabilities	81,600	1,809,038	614,368	42,864	2,547,870
NET ASSETS					
Invested in capital assets, net of related debt	(5,763)	591,927	(68,913)	208,281	725,532
Restricted for debt service	--	158,662	--	--	158,662
Unrestricted	1,722	287,949	119,597	(633)	408,635
Total Net Assets (Deficit)	\$ (4,041)	\$ 1,038,538	\$ 50,684	\$ 207,648	\$ 1,292,829

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 9,009	\$ --	\$ --	\$ --	\$ 9,009
Sewer service charges	--	343,660	--	--	343,660
Disposal and collection fees	--	--	52,932	--	52,932
Electrical energy fee	--	--	51,542	--	51,542
Passenger fares for transit services	--	--	--	53,337	53,337
Other revenue	--	3,378	3,795	320	7,493
Total Operating Revenues	9,009	347,038	108,269	53,657	517,973
Operating Expenses:					
Administrative and general	817	43,529	28,322	1,171	73,839
Maintenance	2,263	454	490	1	3,208
Depreciation	3,690	47,321	5,381	15,841	72,233
Contractual services	1,887	22,041	100,745	157,194	281,867
Fringe benefits	149	16,652	13,183	105	30,089
Materials and supplies	113	11,028	2,754	13,187	27,082
Fuel and lubricants	--	1,341	3,404	19,352	24,097
Insurance	167	--	1,456	8,449	10,072
State taxes - fuel	--	--	93	3,087	3,180
Utilities	2,133	20,213	345	2,546	25,237
Total Operating Expenses	11,219	162,579	156,173	220,933	550,904
Operating Income (Loss)	(2,210)	184,459	(47,904)	(167,276)	(32,931)
Nonoperating Revenues (Expenses):					
Interest revenue	39	1,082	109	--	1,230
Interest expense	(3,159)	(50,832)	(7,203)	--	(61,194)
Gain (Loss) from disposal of property ..	--	(5)	1	(278)	(282)
Amortization expense	(103)	(870)	(158)	--	(1,131)
Other	474	4,661	132	21,441	26,708
Total Nonoperating Revenues (Expenses)	(2,749)	(45,964)	(7,119)	21,163	(34,669)
Income (Loss) before Transfers and Capital Contributions.....	(4,959)	138,495	(55,023)	(146,113)	(67,600)
Transfers In	5,110	--	76,630	134,821	216,561
Transfers Out	--	(9,552)	(9,891)	--	(19,443)
Capital Contributions	--	823	--	32,244	33,067
Change In Net Assets	151	129,766	11,716	20,952	162,585
Net Assets - July 1	(4,192)	908,772	38,968	186,696	1,130,244
Net Assets - June 30	\$ (4,041)	\$ 1,038,538	\$ 50,684	\$ 207,648	\$ 1,292,829

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, 2011
 (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.....	\$ 7,542	\$ 338,940	\$ 95,854	\$ 53,566	\$ 495,902
Payments to suppliers.....	(6,178)	(61,846)	(96,714)	(202,258)	(366,996)
Payments to employees.....	(466)	(45,112)	(33,878)	(1,165)	(80,621)
Other receipts (payments).....	1,409	199	8,416	--	10,024
Net cash provided by (used in) operating activities	<u>2,307</u>	<u>232,181</u>	<u>(26,322)</u>	<u>(149,857)</u>	<u>58,309</u>
Cash flows from noncapital financing activities:					
Transfers in	5,020	--	76,630	134,821	216,471
Transfers out	--	(9,552)	(9,891)	--	(19,443)
Grants and contributions	--	--	--	21,442	21,442
Net cash provided by (used in) noncapital financing activities	<u>5,020</u>	<u>(9,552)</u>	<u>66,739</u>	<u>156,263</u>	<u>218,470</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(23)	(174,305)	(131,727)	(742)	(306,797)
Proceeds from issuing notes	--	22,991	75,000	--	97,991
Capital grants and subsidies	--	4,098	--	--	4,098
Proceeds from issuing bonds	--	310,972	210,004	--	520,976
Principal paid on notes	--	(15,702)	(75,000)	--	(90,702)
Principal paid on bonds	(5,158)	(126,902)	(3,875)	--	(135,935)
Interest paid on notes	--	(2,747)	(313)	--	(3,060)
Interest paid on bonds	(3,599)	(61,728)	(16,768)	--	(82,095)
Net cash provided by (used in) capital and related financing activities	<u>(8,780)</u>	<u>(43,323)</u>	<u>57,321</u>	<u>(742)</u>	<u>4,476</u>
Cash flows from investing activities:					
Purchase of investments	--	(524,371)	(322,072)	(28,552)	(874,995)
Proceeds from maturities of investments	2,000	484,069	302,652	26,830	815,551
Interest on investments	27	1,053	103	--	1,183
Net cash provided by (used in) investing activities	<u>2,027</u>	<u>(39,249)</u>	<u>(19,317)</u>	<u>(1,722)</u>	<u>(58,261)</u>
Net increase in cash and cash equivalents	574	140,057	78,421	3,942	222,994
Cash and cash equivalents - July 1	5,256	388,640	175,241	20,232	589,369
Cash and cash equivalents - June 30	<u>\$ 5,830</u>	<u>\$ 528,697</u>	<u>\$ 253,662</u>	<u>\$ 24,174</u>	<u>\$ 812,363</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, 2011
 (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)	\$ (2,210)	\$ 184,459	\$ (47,904)	\$ (167,276)	\$ (32,931)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,690	47,321	5,381	15,841	72,233
Other revenues (expenses)	467	--	--	--	467
Writeoff of capital assets	--	--	--	(279)	(279)
(Increase) decrease in accounts receivable	165	(7,493)	(6,040)	(718)	(14,086)
Increase in intergovernmental receivable	--	--	(406)	--	(406)
Decrease in due from other funds	1	12	5,848	--	5,861
(Increase) decrease in inventory of parts, materials and supplies	--	(19)	--	272	253
(Increase) decrease in prepaid expenses and other assets	8	(95)	55	(817)	(849)
Increase in trade accounts payables	180	1,949	4,955	848	7,932
Decrease in reserve for insurance claims payable	--	--	--	(2,174)	(2,174)
Increase in deferred credits	6	--	--	620	626
Increase in other liabilities	--	5,725	10,699	3,826	20,250
Increase in due to other funds	--	322	1,090	--	1,412
Net cash provided by (used in) operating activities	<u>\$ 2,307</u>	<u>\$ 232,181</u>	<u>\$ (26,322)</u>	<u>\$ (149,857)</u>	<u>\$ 58,309</u>

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

Housing

Amortization of deferred refinancing charges amounted to \$103 for the year ended June 30, 2011. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$345) for the year ended June 30, 2011. Beginning cash balance includes \$4,845 in restricted assets and ending cash balance includes \$5,013 in restricted assets.

Sewer

The Sewer Fund received \$823 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, 2011. Amortization of bond discount and bond premium amounted to \$2,455 and (\$4,351) respectively, while amortization for bond issuance cost amounted to \$871 for the year ended June 30, 2011.

Solid Waste

Amortization of bond discount and bond issuance cost amounted to \$170 for the year ended June 30, 2011. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$1,858) for the year ended June 30, 2011.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$32,244 for the year ended June 30, 2011. Beginning cash balance includes \$1,114 in restricted assets and ending cash balance includes \$1,218 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, 2011
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,906	\$ 33,305
Investments	1,716	6,286
Due from other funds	--	29
Total assets	4,622	39,620
<u>LIABILITIES</u>		
Accounts payable	--	3,443
Other current liabilities	--	36,177
Total liabilities	--	39,620
<u>NET ASSETS</u>		
Held in trust for individuals, organizations and other governments	\$ 4,622	\$ --

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, 2011
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITIONS</u>	
Interest	\$ 1
Collections for sundry creditors, contributions, etc.....	1,383
Total additions	1,384
 <u>DEDUCTION</u>	
Payments in accordance with trust agreements	3,051
Change in net assets	(1,667)
Net assets - July 1	6,289
Net assets - June 30	\$ 4,622

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, 2011

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. 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, 2011

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:

- charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

- 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.

Budget and Budgetary Accounting

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

Encumbrances

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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 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, 2011, were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$8.5 million and \$25.2 million, respectively.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

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 \$134.8 million to the Public Transportation System and authorized transfers from funds receiving revenues to funds that will expend those resources. Contributions to the capital accounts of enterprise funds are reflected in the statement of revenue, expenses and changes in fund net assets.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balance as follows:

- *Nonspendable* includes fund balance amounts that cannot be spent because it is not in spendable form, or because of legal or contractual requirements.
- *Restricted* includes fund balance amounts that are constrained for specific purposes which are externally imposed. Sources of these externally enforceable legal restrictions include creditors, grantors, contributors, federal regulations, the State Constitution, State statutes, the City's revised charter, and enabling State legislation for assessments.
- *Committed* includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision making authority with the consent of the Mayor if applicable. In other words, City Council adopts the appropriation budget ordinances, and established funds like the Reserve for Fiscal Stability Fund to accumulate resources for a rainy day with the Mayor's approval.
- *Assigned* includes fund balances that have been encumbered for purchasing commitments by the Chief Procurement Officer or delegate per Budget Fiscal Services Policies and Procedures and are neither considered restricted nor committed.
- *Unassigned* includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City spends restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2011

The City does not have a formal minimum fund balance policy.

The financial statements for the governmental funds are reported on pages 30 and 40. The following is a summary (amount in thousands) of the fund balance classifications for the major and other governmental (nonmajor) funds:

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:						
Highways	\$ -	\$ 31,923	\$ -	\$ -	\$ 4,000	\$ 35,923
Bikeways	-	-	-	-	1,311	1,311
Liquor Commission Office	-	-	-	-	3,163	3,163
Land conservation program	-	-	-	-	15,658	15,658
Affordable housing programs	-	-	-	-	13,717	13,717
Special projects	-	-	-	-	7,300	7,300
Federal programs	-	-	-	-	32,177	32,177
Rehabilitation loan program	-	-	-	-	3,059	3,059
Rental assistance program	-	-	-	-	8,985	8,985
Other capital projects	-	-	-	-	15,415	15,415
	<u>-</u>	<u>31,923</u>	<u>-</u>	<u>-</u>	<u>104,785</u>	<u>136,708</u>
Committed to:						
Parks and recreation	-	-	-	-	6,088	6,088
Retirement and health benefits	76	-	-	-	-	76
Rental assistance program	-	-	-	-	969	969
Zoo animal acquisition program	-	-	-	-	8	8
Hanauma Bay operations	-	-	-	-	3,127	3,127
Emergency reserves	29,948	-	-	-	-	29,948
Golf operations	-	-	-	-	1,009	1,009
Auditorium operations	-	-	-	-	1,032	1,032
Leasehold conversion program	183	-	-	-	-	183
Improvement districts	1,962	-	-	-	170	2,132
Other capital projects	-	-	-	-	22,876	22,876
Rail transit	-	-	-	447,284	-	447,284
Other	427	-	-	-	-	427
	<u>32,596</u>	<u>-</u>	<u>-</u>	<u>447,284</u>	<u>35,279</u>	<u>515,159</u>
Assigned to:						
General government	11,380	-	-	-	-	11,380
Public safety	9,950	-	-	-	-	9,950
Highways	477	-	-	-	-	477
Sanitation	5,584	-	-	-	-	5,584
Human services	2,423	-	-	-	-	2,423
Parks and recreation	4,902	-	-	-	-	4,902
Mass transit	47	-	-	-	-	47
Retirement and health benefits	7,825	-	-	-	-	7,825
Other	9,373	-	-	-	-	9,373
	<u>51,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,961</u>
Unassigned:	158,668	-	-	-	(4,855)	153,813
Total	<u>\$ 243,225</u>	<u>\$ 31,923</u>	<u>\$ -</u>	<u>\$ 447,284</u>	<u>\$ 135,209</u>	<u>\$ 857,641</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

The City uses restricted amounts first when both restricted and unrestricted net assets are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

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
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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 \$417.8 million are not reported in the accompanying financial statements at June 30, 2011.

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, 2011, accumulated sick leave amounted to \$374.0 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 expended) 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 \$150.9 thousand to \$4.0 million at June 30, 2011 as a result of transfers from the General Fund. It is

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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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, expenses/expenditures, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

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 City implemented Statement No. 54 in the fiscal year ended June 30, 2011.

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, an amendment of GASB Statements No. 14 and 34* 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

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2011

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.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement will make it easier for preparers of state and local government financial statements to find relevant authoritative guidance from one single source. 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 June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. 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.

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, Liquor Commission Fund, Other Post-Employment Benefits Reserve Fund, Rental Assistance Fund, Zoo Animal Purchase

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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Fund, Hanauma Bay Nature Preserve Fund, Clean Water and Natural Lands Fund, Affordable Housing Fund, Transit Fund, Community Development Fund, Golf Fund, Special Events Fund, Special Projects Fund, Federal Grants Fund, Housing and Community Development Rehabilitation Loan Fund, Housing and Community Development Section 8 Contract Fund, and the Leasehold Conversion 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 of expenditures with the same activity subject to certain limitations. City Council approval by resolution is required for:

- 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.
- any transfer of funds between characters of expenditure within the same activity when the cumulative amount of such 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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 \$2.4 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$	(2,360,170)
Accrued interest payable and other		<u>(42,691)</u>
	\$	<u><u>(2,402,861)</u></u>

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."

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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The details of this \$183.3 million difference are as follows (amounts in thousands):

Capital outlays	\$ 264,702
Depreciation expense	<u>(81,421)</u>
	<u>\$ 183,281</u>

Another element of that reconciliation states that, "Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements."

The details of this \$54.6 million difference are as follows (amounts in thousands):

Debt Issued:	
General obligation bonds, net	\$ (151,100)
Tax-exempt commercial paper	<u>(50,000)</u>
Total	<u>(201,100)</u>
Principal Repayments:	
General obligation bonds, net	96,018
Tax-exempt commercial paper	50,000
Other long-term debt	<u>460</u>
Total	<u>146,478</u>
Net adjustment	<u>\$ (54,622)</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 \$90.0 million difference are as follows (amounts in thousands):

Compensated absences	\$ (7,080)
Claims and judgments	(1,505)
Other postretirement benefits	(79,585)
Other	<u>(1,801)</u>
Net adjustment	<u>\$ (89,971)</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

4. Cash and Investments

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

Cash and Cash Equivalents

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

Investments

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

Credit Risk

	Fair Value	Quality Rating			
		Aaa	Aa	BAA1	Not Rated
Primary Government:					
Repurchase agreement	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Certificate of deposits	61,825	-	-	-	61,825
Student loan auction rate securities	3,000	-	-	3,000	-
Guaranteed investment contracts	12,707	-	-	-	12,707
U.S. government agency securities	55,995	55,995	-	-	-
Component Unit:					
U.S. government treasury	62,284	62,284	-	-	-
U.S. government agency securities	102,048	99,037	631	-	2,380
Corporate bonds	1,096	1,096	-	-	-
Fiduciary Funds:					
Certificate of deposits	8,002	-	-	-	8,002

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

The City may invest operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. As of June 30, 2011, 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

Investments include \$12.7 million with FSA Capital Management LLC at June 30, 2011 and 2010.

The fair value and maturities of investments as of June 30, 2011 were as follows (amount in thousand):

	Reported Amount	Fair Value	Investment Maturity in Years			
			Less than One	1 to 5	6 to 10	More than 10
Primary Government:						
Repurchase agreement	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -
Certificate of deposits	61,825	61,825	61,825	-	-	-
Student loan auction rate securities	3,000	3,000	-	-	-	3,000
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government agency securities	55,981	55,995	55,995	-	-	-
Total	<u>\$ 138,513</u>	<u>\$138,527</u>	<u>\$122,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$15,707</u>
Component Unit:						
U.S. government treasury	\$ 62,284	\$ 62,284	\$ 20,624	\$ 41,660	\$ -	\$ -
U.S. government agency securities	102,048	102,048	18,576	83,472	-	-
Corporate bonds	1,096	1,096	-	1,096	-	-
	<u>\$ 165,428</u>	<u>\$165,428</u>	<u>\$ 39,200</u>	<u>\$126,228</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of deposits	\$ 8,002	\$ 8,002	\$ 8,002	\$ -	\$ -	\$ -

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

5. Receivables

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2011 consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 19,054	\$ -
Accounts	1,136	76,539
Public utilities franchise tax	20,205	-
Special assessments	57	-
Notes	68,410	-
Intergovernmental	102,562	406
Interest	102	92
Payroll and others	16,555	1,968
Allowance for uncollectible accounts	(1,154)	(8,641)
	<u>\$ 226,927</u>	<u>\$ 70,364</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred revenue in the government funds. \$120.3 million of the receivables for governmental activities have been deferred at June 30, 2011. Notes receivable include \$5.0 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 \$66.3 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, 2011

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2011 (amounts in thousands):

	Primary Government			Balance at June 30, 2011
	Balance at July 1, 2010	Additions	Retirements/ Transfers	
Governmental Activities:				
Depreciable Assets –				
Infrastructure	\$ 1,115,338	\$ 45,589	\$ (324)	\$ 1,160,603
Buildings and improvements	1,181,582	17,488	(664)	1,198,406
Equipment and machinery	287,311	34,557	(8,635)	313,233
Total depreciable assets	<u>2,584,231</u>	<u>97,634</u>	<u>(9,623)</u>	<u>2,672,242</u>
Less Accumulated Depreciation				
Infrastructure	(518,621)	(23,779)	6	(542,394)
Buildings and improvements	(503,250)	(37,131)	31	(540,350)
Equipment and machinery	(199,278)	(20,511)	8,296	(211,493)
Total accumulated depreciation	<u>(1,221,149)</u>	<u>(81,421)</u>	<u>8,333</u>	<u>(1,294,237)</u>
	1,363,082	16,213	(1,290)	1,378,005
Land	484,209	1,287	(3,311)	482,185
Construction Work in Progress	445,857	211,621	(41,239)	616,239
Governmental activities capital assets, net	<u>\$ 2,293,148</u>	<u>\$ 229,121</u>	<u>\$ (45,840)</u>	<u>\$ 2,476,429</u>

**CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011**

	Primary Government			
	Balance at July 1, 2010	Additions	Retirements/ Transfers	
Business-type Activities:				
Depreciable Assets				
Infrastructure	\$ 1,104,258	\$ 142,428	\$ (861)	\$ 1,245,825
Buildings and improvements	1,032,117	79,070	-	1,111,187
Equipment and machinery	551,892	27,287	(17,712)	561,467
Total depreciable assets	<u>2,688,267</u>	<u>248,785</u>	<u>(18,573)</u>	<u>2,918,479</u>
Less Accumulated Depreciation				
Infrastructure	(205,900)	(24,764)	309	(230,355)
Buildings and improvements	(254,225)	(25,862)	-	(280,087)
Equipment and machinery	(460,478)	(21,607)	16,217	(465,868)
Total accumulated depreciation	<u>(920,603)</u>	<u>(72,233)</u>	<u>16,526</u>	<u>(976,310)</u>
	1,767,664	176,552	(2,047)	1,942,169
Land	120,995	26,778	-	147,773
Construction Work in Progress	<u>636,754</u>	<u>317,739</u>	<u>(207,996)</u>	<u>746,497</u>
Business-type activities capital assets, net	<u>\$ 2,525,413</u>	<u>\$ 521,069</u>	<u>\$ (210,043)</u>	<u>\$ 2,836,439</u>
Component Unit				
Depreciable Assets				
Infrastructure	\$ 1,244,974	\$ 18,917	\$ 39,119	\$ 1,303,010
Buildings and improvements	147,578	453	54	148,085
Equipment and machinery	231,509	4,346	1,258	237,113
Total depreciable assets	<u>1,624,061</u>	<u>23,716</u>	<u>40,431</u>	<u>1,688,208</u>
Less Accumulated Depreciation				
Infrastructure	(487,786)	(28,756)	1,440	(515,102)
Buildings and improvements	(50,985)	(3,420)	18	(54,387)
Equipment and machinery	(147,388)	(10,357)	1,593	(156,152)
Total accumulated depreciation	<u>(686,159)</u>	<u>(42,533)</u>	<u>3,051</u>	<u>(725,641)</u>
	937,902	(18,817)	43,482	962,567
Land	32,373	-	-	32,373
Construction Work in Progress	<u>187,998</u>	<u>32,211</u>	<u>(57,472)</u>	<u>162,737</u>
Component unit – capital assets, net	<u>\$ 1,158,273</u>	<u>\$ 13,394</u>	<u>\$ (13,990)</u>	<u>\$ 1,157,677</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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

Governmental Activities:

General government	\$ 20,009
Public safety	18,052
Highways and streets	21,954
Health and human services	254
Utilities	669
Culture-recreation	20,483
Total depreciation expense – governmental activities	<u>\$ 81,421</u>

Business-type Activities:

Sewer	\$ 47,321
Solid waste	5,381
Housing	3,690
Public Transportation System	15,841
Total depreciation expense – business-type activities	<u>\$ 72,233</u>

Component Unit:

Board of Water Supply	
(\$1,286 of depreciation expense was capitalized to projects)	<u>\$ 41,247</u>

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2011 (amounts in thousands):

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 30,624	\$ 49,856
Highway Fund	301	1,647
G.O. Bond and Interest Redemption Fund	-	501
Transit Fund	49,845	-
Nonmajor Governmental Funds	891	23,546
Fiduciary Funds	29	-
Enterprise Funds:		
Public Transportation System Fund	104	-
Sewer Fund	1,015	3,855
Solid Waste Special Fund	1	3,405
	<u>\$ 82,810</u>	<u>\$ 82,810</u>

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, 2011, there are no interfund balances that are not expected to be repaid.

**CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011**

The following is a summary of amounts transferred from and transferred to other funds at June 30, 2011 (amounts in thousands):

	Transferred From <u>Other Funds</u>	Transferred To <u>Other Funds</u>
General Fund	\$ 106,172	\$ 542,963
Highway Fund	-	132,537
G.O. Bond and Interest Redemption Fund	184,805	-
Transit Fund	179,108	-
Nonmajor Governmental Funds	25,705	17,408
Enterprise Funds:		
Housing Development Special Fund	5,110	-
Sewer Fund	-	9,552
Solid Waste Special Fund	76,630	9,891
Public Transportation System Fund	134,821	-
	<u>\$ 712,351</u>	<u>\$ 712,351</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, 2011

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, 2011 (amounts in thousands):

	Balance at July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 1,896,840	\$ 151,100	\$ 89,155	\$ 1,958,785	\$ 122,110
Tax-exempt commercial paper	-	50,000	50,000	-	-
Notes payable to federal and state governments	4,436	-	460	3,976	479
Capital lease	1,032	-	-	1,032	-
Compensated absences	98,414	36,117	29,037	105,494	5,254
Other postemployment benefits (Note 10)	117,711	136,120	56,535	197,296	-
Claims and judgments (Note 13)	61,594	25,654	24,159	63,099	27,395
	<u>2,180,027</u>	<u>399,001</u>	<u>249,346</u>	<u>2,329,682</u>	<u>155,238</u>
Add: Unamortized premium	60,139	-	9,596	50,543	-
Less: Unamortized discount	(319)	-	(29)	(290)	-
Deferred loss on refunding	(22,469)	-	(2,704)	(19,765)	-
Total	<u>\$ 2,217,378</u>	<u>\$ 399,001</u>	<u>\$ 256,209</u>	<u>\$ 2,360,170</u>	<u>\$ 155,238</u>
Business-Type Activities:					
General obligation bonds	\$ 389,726	\$ 196,670	\$ 14,201	\$ 572,195	\$ 18,617
Revenue bonds	1,300,990	305,190	121,735	1,484,445	28,440
Tax-exempt commercial paper	-	75,000	75,000	-	-
Notes payable to state government	193,103	22,991	15,702	200,392	16,900
Reserve for insurance claims payable	16,802	8,769	10,943	14,628	6,264
Other postemployment benefits (Note 10)	13,056	16,399	6,309	23,146	-
Estimated liability for landfill closure and postclosure care costs (Note 14)	11,517	10,658	4,188	17,987	2,920
Compensated absences	11,502	2,796	3,412	10,886	554
Deferred revenue	8,626	-	-	8,626	-
Arbitrage rebate	2,600	-	-	2,600	1,745
	<u>1,947,922</u>	<u>638,473</u>	<u>251,490</u>	<u>2,334,905</u>	<u>75,440</u>
Add: Unamortized premium	55,167	22,457	6,989	70,635	-
Less: Unamortized discount	(15,432)	(650)	(2,467)	(13,615)	-
Deferred loss on refunding	(7,406)	(1,744)	(771)	(8,379)	-
Total	<u>\$ 1,980,251</u>	<u>\$ 658,536</u>	<u>\$ 255,241</u>	<u>\$ 2,383,546</u>	<u>\$ 75,440</u>
Discretely Presented Component Unit:					
Revenue bonds	\$ 301,395	\$ -	\$ 6,435	\$ 294,960	\$ 6,710
Notes payable to state governments	30,932	3,932	1,528	33,336	1,533
Compensated absences	6,713	1,012	1,876	5,849	1,876
Other postemployment benefits	2,921	10,426	12,339	1,008	-
Customer advances	1,873	5,234	4,896	2,211	-
Accrued workers' compensation	1,910	1,286	961	2,235	-
Others	2,790	540	672	2,658	-
	<u>348,534</u>	<u>22,430</u>	<u>28,707</u>	<u>342,257</u>	<u>10,119</u>
Add: Unamortized premium	5,880	-	489	5,391	-
Less: Unamortized discount	(123)	-	(6)	(117)	-
Deferred loss on refunding	(2,056)	-	(164)	(1,892)	-
Total	<u>\$ 352,235</u>	<u>\$ 22,430</u>	<u>\$ 29,026</u>	<u>\$ 345,639</u>	<u>\$ 10,119</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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 2011 in the original amount of \$3.5 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 2036. General obligation debt authorized but not issued yet amounted to \$2.5 billion at June 30, 2011.

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 2011 in the original amount of \$1.2 billion, less a discount of \$356.1 thousand and adjusted for a premium of \$36.7 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 2036.

On December 15, 2010, the City issued general obligation bonds Series 2010 in the aggregate amount of \$347.8 million. The bonds were comprised of Series A and B.

Series 2010A (Taxable) were issued for \$151.1 million. The bonds mature annually on December 1, 2015 through 2035 and bear interest rates of 2.8% to 6.5%. The bonds are designated as "Build America Bonds" (BAB) under the provisions of the American Recovery and Reinvestment Act of 2009. The proceeds of the bonds were used to currently fund various capital improvements and refunding certain outstanding commercial paper notes of the City. The City expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable.

Series 2010B were issued for \$196.7 million. The bonds mature annually on December 1, 2015 through 2035 and bear interest rates of 3.9% to 5.0%. The bonds maturing on and after December 1, 2021 through 2034 are subject to redemption by the City on or after December 1, 2020 in whole or in part, at any time, from any maturity. The proceeds of the bonds were used to fund H-Power capital improvement and refunding certain outstanding commercial paper notes of the City.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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%. The revenue bonds are collateralized by the component unit's revenues.

The BWS issues long-term bonds to finance part of its capital improvement program. Its debt to equity ratio was 32.9% for fiscal year 2011. The BWS is required under its bond indenture, among other things, to fix, charge, and collect such rates and other charges in each fiscal year to meet the net revenue requirement for such fiscal year. The net revenue requirement is the greater of the sum of the aggregate debt service and all deposit required by bond resolution to be made, or 1.2 times the aggregate debt service. In fiscal year 2011, the net revenue requirements were met.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2011, in the original amount totaling \$1.9 billion, less discounts of \$35.9 million and adjusted for premiums of \$56.7 million, which are being amortized over the related term of the bonds. The bonds bear interest at 2.0% to 6.3%, and mature at various dates through fiscal year 2046. The wastewater system revenues collateralize the revenue bonds.

On November 9, 2010, the City issued wastewater system revenue bonds Series 2010 in the aggregate amount of \$204.4 million. The Series were broken into Senior A, B and Junior A.

Senior Lien Series 2010A were issued for \$25.8 million. The bonds mature annually on July 1, 2015 through 2019 and bear interest rates of 3.0% to 5.0%.

Senior Lien Series 2010B (Taxable) were issued for \$178.6 million. The bonds mature annually on July 1, 2020 through 2040 and bear interest rates of 4.1% to 6.1%. The bonds are 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, 2011

The proceeds for Senior Lien Series A and B will be used to pay for certain additions and improvements to the wastewater system and to fund a common reserve account.

On November 17, 2010 the City issued Junior Lien Series 2010 A for \$100.8 million. The bonds mature annually on July 1, 2024 through 2028 and bear interest rates of 4.0% to 5.0%. The bonds maturing on and after July 1, 2024 through 2027 are subject to redemption by the City on or after July 1, 2020, in whole or in part at any time, from any maturity. The proceeds were used to refund certain outstanding wastewater system revenue bonds. The net present value savings from cash flow on refunding is \$3.6 million. The refunding resulted in a \$5.5 million net decrease on the aggregate debt service total.

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2011, including interest of \$2.5 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
2012	\$ 100,196	\$ 122,110	\$ 103,379	\$ 47,057	\$ 203,575	\$ 189,167	\$ 14,071	\$ 6,710
2013	91,276	108,525	95,461	53,084	186,737	181,809	13,776	7,005
2014	85,563	116,462	93,457	51,334	179,020	167,796	13,460	7,320
2015	80,239	96,317	91,391	59,640	171,630	155,957	13,119	7,660
2016	75,506	105,491	88,798	72,233	164,304	177,724	12,753	8,030
2017-2021	298,991	514,851	396,617	376,628	695,608	891,479	57,475	46,435
2022-2026	185,691	419,938	303,438	429,335	489,129	849,273	44,636	59,995
2027-2031	84,243	352,052	189,426	470,315	273,869	822,367	28,244	76,475
2032-2036	17,074	123,039	79,794	378,907	96,868	501,946	9,596	65,290
2037-2041	-	-	13,571	117,445	13,571	117,445	251	10,040
2042-2046	-	-	82	662	82	662	-	-
Total	<u>\$ 1,018,779</u>	<u>\$ 1,958,785</u>	<u>\$ 1,455,414</u>	<u>\$ 2,056,640</u>	<u>\$ 2,474,193</u>	<u>\$ 4,015,425</u>	<u>\$ 207,381</u>	<u>\$ 294,960</u>

Total interest costs incurred by the business-type activities and the component unit for the fiscal year ended June 30, 2011 was \$101.0 million, of which \$28.4 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 \$1.6 million at June 30, 2011.

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 \$202.8 million at June 30, 2011, bear interest at 0.50% to 3.02%, and require annual principal and interest payments through fiscal year 2028.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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

Annual debt service requirements to maturity for the City's governmental activities and business-type activities for other long-term debt at June 30, 2011, including interest of \$16.1 million, were as follows (amount in thousand):

Year Ending June 30:	Primary Government Notes and Leases		Component Unit Notes	
	Interest	Principal	Interest	Principal
	2012	\$ 2,848	\$ 17,379	\$ 118
2013	2,517	18,646	112	1,551
2014	2,040	16,549	106	1,556
2015	1,651	14,176	99	1,563
2016	1,424	14,266	92	1,570
2017 – 2021	4,186	63,391	343	7,968
2022 – 2026	1,418	51,565	118	7,752
2027 – 2028	63	9,428	1	9,843
Total	<u>\$ 16,147</u>	<u>\$ 205,400</u>	<u>\$ 989</u>	<u>\$ 33,336</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, 2011, \$372.2 million of the City's and \$66.0 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, 2011

9. Net Assets

At June 30, 2011, net assets of the primary government consisted of the following (amounts in thousands):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Invested in Capital Assets, Net of Related Debt:		
Net property, plant and equipment	\$ 2,476,429	\$ 2,836,439
Less:		
General obligation bonds payable, net	(1,989,273)	(596,663)
Revenue bonds payable, net	-	(1,508,618)
Notes payable and other long-term debt	(3,976)	(200,392)
Installment Purchases	(1,032)	-
Amount of debt related to unspent debt proceeds	<u>18,021</u>	<u>194,766</u>
	500,169	725,532
Restricted for Debt Service	170	158,662
Unrestricted	<u>551,180</u>	<u>408,635</u>
Total net assets	<u>\$ 1,051,519</u>	<u>\$ 1,292,829</u>

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 and a noncontributory retirement plan. Prior to June 30, 1984, the plan consisted of only a contributory option. In 1984, legislation was enacted to create a new noncontributory option for members of the ERS who are also covered under social security. Persons employed in positions not covered by social security are precluded from the noncontributory option. The noncontributory option provides for reduced benefits and covers most eligible employees hired after June 30, 1984. Employees hired before that date were allowed to continue under the contributory option or to elect the new noncontributory option and receive a refund of employee contributions.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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, 2009, 2010 and 2011 were \$88.6 million, \$96.7 million, and \$90.1 million respectively, which were equal to the required contributions for each year.

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table (with amounts in thousands) displays the components of the annual OPEB cost, the amount contributed to the plan, the changes to the net OPEB obligation, and the percentage of annual OPEB cost contributed:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 150,711	\$ 116,616	\$ 104,720
Interest on net OPEB obligation	9,154	5,887	4,245
Adjustment to annual required contribution	<u>(7,346)</u>	<u>(4,790)</u>	<u>(3,316)</u>
Annual OPEB cost	152,519	117,713	105,649
Contribution made	<u>(62,844)</u>	<u>(57,108)</u>	<u>(88,548)</u>
Increase in net OPEB obligation	89,675	60,605	17,101
Net OPEB obligation at beginning of fiscal year	<u>130,767</u>	<u>70,162</u>	<u>53,061</u>
Net OPEB obligation at end of fiscal year	<u>\$ 220,442</u>	<u>\$ 130,767</u>	<u>\$ 70,162</u>
Percentage of annual OPEB cost contributed	41.2%	48.5%	83.8%

Funding Status and Funding Progress - The following is the schedule of the funded status and funding progress of the plan (with amounts in thousands) as of the most recent actuarial valuation date, July 1, 2009:

Actuarial accrued liability	\$ 1,924,859
Actuarial value of plan assets	<u>40,110</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,884,749</u>
Funded ratio	2.1%
Covered payroll (active plan members)	\$ 556,742
UAAL as a percentage of covered payroll	338.5%

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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 most recent actuarial valuation, dated as of July 1, 2009, 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 9.25% for 2011, reduced by decrements to an ultimate rate of 5% after 7 years, projected salary increases of 3.5%, and an inflation rate of 3.0%. 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.

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, 2011, the City had \$70.2 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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).

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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, 2011, the City had \$393.9 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, 2010 to June 30, 2011 was \$468,520. The agreement 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, 2011, these assets held by OTS amounted to \$1,218,403.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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, 2011, 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, 2011 were as follows (amounts in thousands):

	<u>Capital Leases</u>	<u>Operating Leases</u>
Year Ending June 30:		
2012	\$ -	\$ 5,651
2013	1,076	5,347
2014	-	4,384
2015	-	3,457
2016	-	2,663
2017-2021	-	8,889
2022-2026	-	71
2027-2031	-	54
2032-2036	-	48
Total minimum payments	<u>1,076</u>	<u>\$ 30,564</u>
Less amount representing interest	<u>44</u>	
Present value of future minimum capital lease payments	<u>\$ 1,032</u>	

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 \$9.0 million for the fiscal year ended June 30, 2011.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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	\$ 2,942	\$ -	\$ 2,942
Buildings and improvements	46,938	(25,792)	21,146
Totals	<u>\$ 49,880</u>	<u>\$ (25,792)</u>	<u>\$ 24,088</u>

Future minimum rental income under such leases at June 30, 2011 were as follows (amounts in thousands):

Year Ending June 30:	
2012	\$ 6,154
2013	6,020
2014	4,731
2015	3,769
2016	3,319
2017 - 2021	5,876
2022 - 2026	2,461
2027 - 2031	2,379
2032 - 2036	2,119
2037 - 2041	2,087
2042 - 2046	1,995
2047 - 2051	1,537
2052 - 2054	1,439
Total minimum rental income	<u>\$ 43,886</u>

Other Commitments

Business-type activities, which do not employ encumbrance accounting, have contractual commitments of approximately \$516.7 million at June 30, 2011, primarily for construction contracts, which includes the Board of Water Supply's commitments of \$66.4 million. Other contractual commitments for the expenditure of City monies are encumbered in the governmental funds with a total aggregate amount of \$2.0 billion as of June 30, 2011.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

July 31, 2011. In accordance with the settlement agreement, the City has paid 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 \$1,200 plus attorneys fees for a total amount of \$580,751 that were paid in fiscal year 2010. Subsequently, the City settled with the rest of the plaintiffs for \$892,853, which includes attorneys' fees and costs. The settlement has been approved by City Council and is pending approval by the Court.

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.

As provided in the management agreement with 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.

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.

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, 2011, the estimated total liability of the City for claims and judgments amounted to \$63.1 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

**CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011**

been determined through case-by-case analysis and from actuary studies performed by independent third parties. Expenditures for claims and judgments are appropriated annually. In the opinion of management, the City has adequately reserved for such claims.

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

	<u>Automobile and General Liability</u>	<u>Workers' Compensation</u>	<u>Total</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	23,043	38,551	61,594
Incurred losses and loss adjustment expenses	5,711	19,953	25,664
Payments	<u>(5,879)</u>	<u>(18,280)</u>	<u>(24,159)</u>
Balance at June 30, 2011	<u>\$ 22,875</u>	<u>\$ 40,224</u>	<u>\$ 63,099</u>

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

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 \$18.0 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2011 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 regulation).

	Capacity Used	Closure Date	Liability at June 30, 2011	Total Estimated Cost
Waipahu incinerator landfill	100%	October 1991	\$ 11,747	\$ 27,422
Kapaa sanitary landfill	100%	May 1997	6,240	15,897
Total			<u>\$ 17,987</u>	<u>\$ 43,319</u>

For fiscal year 2011, 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 postclosure maintenance of the landfill site for a period of thirty (30) years beyond the date of completion of closure of the landfill site.

Sewer Fund – Litigation

The City is a party to various legal proceedings arising in the normal course of business.

Several related matters were settled through a 2010 consent decree which was approved on December 17, 2010 by the U.S. Environmental Protection Agency (EPA), the State Department of Health (DOH), the Sierra Club, Hawaii Chapter, Our Children’s Earth Foundation, and Hawaii’s Thousand Friends, and entered by the United States District Court in Hawaii. The 1994, 2004, and 2007 lawsuits alleging violations of the federal clean water act, several National Pollution Discharge Elimination Systems and DOH permits held by the City have been dismissed. The City’s appeal of the EPA’s January 2009 final decisions denying the City’s applications to renew its permit for variances from secondary treatment for the Honouliuli and Sand Island wastewater treatment plants (WWTP) was dismissed on February 2, 2011. The 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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

extension, for the upgrade of the Sand Island WWTP to secondary treatment.

The City is expected to incur approximately \$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. 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. As part of the settlement, the City has paid a civil penalty in the amount of \$800,000 to the U.S. Department of Justice, and \$800,000 to the State. In addition, the City has paid \$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 City has also settled the nonprofit organizations' claims for their attorneys' fees and costs for an additional payment of \$1.1 million.

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 operates 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 coverage, 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, 2015 relating to the billing and collection of sewer service charges. Fees related to these services were negotiated at approximately \$1.4 million for the fiscal year ended June 30, 2011. The revenues related to these fees are included in other operating revenues of the Board and the corresponding expense in the Sewer Fund.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011

Central Administrative Services Expense (CASE) Fee – The Board has an agreement with the City to pay a Central Administrative Expense (CASE) fee for treasury, personnel, purchasing and other services that the City provides to the BWS 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. For the fiscal year ended June 30, 2011, CASE fees totaled \$3.3 million. CASE fees for subsequent years will be \$3.3 million subject to negotiation.

Joint Construction Projects – The Board has entered into an agreement with the City for a joint water and sewer system upgrade that is administered by the Board. The City advanced approximately \$186.6 thousand in the fiscal year ended June 30, 2011 to the Board for the city's share of total project expenses. At June 30, 2011, approximately \$1.4 million of these funds have not been expended.

Amount Due to/from the City – Amounts due from the City approximated \$2.1 million as of June 30, 2011 and is included in other receivables. There was no amount due to the City as of June 30, 2011.

16. Subsequent Events

On August 4, 2011, the City issued general obligation bonds, Senior Series 2011A and Senior Series 2011B in the aggregate amount of \$304.3 million. The bonds mature annually on August 1, 2016 through August 1, 2036 and bear interest rates of 2.0% to 5.25%. The Senior Series 2011A maturing August 1, 2022 through 2034 are subject to redemption at the option of the City on or after August 1, 2021, except for the bonds maturing on August 1, 2029 and 2032. The Senior Series 2011B maturing August 1, 2022 through 2027 is subject to redemption at the option of the City on or after August 1, 2021. The proceeds from the bonds will be used to refund a portion of outstanding general obligation bonds and will fund various capital improvement projects of the City.

On November 3, 2011, the City issued wastewater system revenue bonds, Senior Series 2011A for \$169.2 million. The bonds mature annually on July 1, 2016 through 2041 and bear interest rates of 2.0% to 5.25%. The bonds are subject to redemption at the option of the City on or after July 1, 2021 except for the bonds maturing on July 1, 2028, July 1, 2031 and bifurcated serial bonds maturing on July 1, 2032 through 2036. The proceeds from the bonds will be used to pay for the

**CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2011**

costs of certain additions and improvements to the wastewater system and to fund a common reserve account.

In November 2010, Oahu voters approved a charter amendment to create a semi-autonomous public transit authority to oversee the planning, construction, operation and extension of the rail system. The Honolulu Authority for Rapid Transportation (HART) began operations July 1, 2011. HART will be included in City's Comprehensive Annual Financial Report as one of the component units beginning fiscal year 2012.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

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	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 830,780	\$ 830,780	\$ 838,912	\$ 8,132
Licenses and permits	36,510	36,510	34,258	(2,252)
Intergovernmental	209,600	220,014	224,526	4,512
Charges for services	6,672	6,672	6,008	(664)
Fines and forfeits	554	554	551	(3)
Miscellaneous:				
Reimbursements and recoveries	92,046	92,046	41,462	(50,584)
Interest	225	225	492	267
Other	2,877	2,877	5,430	2,553
Total Revenues	1,179,264	1,189,678	1,151,639	(38,039)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	16,565	16,565	15,597	968
City Clerk	4,848	4,874	3,383	1,491
City Council	6,569	6,678	6,391	287
Corporation Counsel	8,079	8,079	6,748	1,331
Customer Services	19,891	19,891	18,673	1,218
Design and Construction	15,290	15,740	15,183	557
Facility Maintenance	16,561	17,757	15,061	2,696
Human Resources	5,829	5,829	5,107	722
Information Technology	19,562	19,563	18,713	850
Mayor	4,602	4,602	3,898	704
Planning and Permitting	10,547	10,520	8,833	1,687
Prosecuting Attorney	16,659	16,658	15,491	1,167
Total General government	145,002	146,756	133,078	13,678
Public safety:				
Emergency Management	1,402	1,402	1,261	141
Emergency Services	33,591	34,291	32,885	1,406
Fire	102,296	102,497	96,009	6,488
Medical Examiner	1,361	1,361	1,242	119
Planning and Permitting	4,879	4,905	4,827	78
Police	212,980	213,710	199,206	14,504
Total Public safety	356,509	358,166	335,430	22,736
Highways and streets:				
Facility Maintenance	4,544	3,648	2,407	1,241
Sanitation:				
Environmental Services	10,519	10,519	9,447	1,072
Human services:				
Community Services	5,073	5,073	4,850	223

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

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	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Culture-recreation:				
Mayor	1,837	1,889	1,848	41
Parks and Recreation	58,353	58,353	54,053	4,300
Total Culture-recreation	60,190	60,242	55,901	4,341
Utilities or other enterprises:				
Transportation Services	52	52	52	--
Miscellaneous:				
Retirement and health benefits:				
City Council	2,597	2,597	2,560	37
Provisional	147,281	147,281	127,909	19,372
Total Retirement and health benefits	149,878	149,878	130,469	19,409
Other:				
Budget and Fiscal Services	175	175	--	175
City Council	580	446	134	312
Provisional	41,240	38,807	31,480	7,327
Total Other	41,995	39,428	31,614	7,814
Total Miscellaneous	191,873	189,306	162,083	27,223
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Total Expenditures	774,122	774,122	703,607	70,515
Revenues over Expenditures	405,142	415,556	448,032	32,476
Other Financing Sources (Uses):				
Sales of capital assets	--	--	9	9
Transfers in	110,761	110,761	103,572	(7,189)
Transfers out	(588,811)	(599,225)	(542,963)	56,262
Total Other Financing Sources (Uses)	(478,050)	(488,464)	(439,382)	49,082
Net change in Fund Balance	(72,908)	(72,908)	8,650	81,558
Encumbrances	--	--	51,961	51,961
Fund Balance - July 1	72,959	72,959	150,018	77,059
Fund Balance - June 30	\$ 51	\$ 51	\$ 210,629	\$ 210,578

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 89,814	\$ 89,814	\$ 95,645	\$ 5,831
Licenses and permits	111,379	111,379	112,769	1,390
Charges for services	4,836	4,836	4,552	(284)
Miscellaneous:				
Reimbursements and recoveries	1,884	1,884	672	(1,212)
Other	1,765	1,765	3,875	2,110
Total Revenues	209,678	209,678	217,513	7,835
Expenditures:				
Current:				
General government:				
Design and Construction	5,595	5,595	5,143	452
Facility Maintenance	13,670	12,329	11,758	571
Planning and Permitting	2,228	2,228	2,107	121
Total General government	21,493	20,152	19,008	1,144
Public safety:				
Police	25,880	25,880	25,347	533
Transportation Services	5,869	5,573	5,124	449
Total Public safety	31,749	31,453	30,471	982
Highways and streets:				
Facility Maintenance	18,985	20,326	16,002	4,324
Sanitation:				
Environmental Services	1	1	--	1
Utilities or other enterprises:				
Transportation Services	1,427	1,723	1,546	177
Miscellaneous:				
Retirement and health benefits:				
Provisional	16,549	16,549	11,765	4,784
Other:				
Provisional	1,482	1,482	1,113	369
Total Miscellaneous	18,031	18,031	12,878	5,153
Capital improvements:				
Highways and streets	610	610	26	584
Total Expenditures	92,296	92,296	79,931	12,365

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures	117,382	117,382	137,582	20,200
Other Financing Source (Use):				
Sales of capital assets	312	312	224	(88)
Transfers out	(138,725)	(138,725)	(132,537)	6,188
Total Other Financing Source (Use)	(138,413)	(138,413)	(132,313)	6,100
Net change in Fund Balance	(21,031)	(21,031)	5,269	26,300
Encumbrances	--	--	3,133	3,133
Fund Balance - July 1	21,031	21,031	23,521	2,490
Fund Balance - June 30	\$ --	\$ --	\$ 31,923	\$ 31,923

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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.

The budgetary comparison for the General Fund is the legally separate fund with its legally adopted budget not the combined General Fund (per GASB 54) presented in the basic financial statements.

CITY AND COUNTY OF HONOLULU
POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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%

**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, 2011
 (Amounts in thousands)

(Page 1 of 5)

	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.....	\$ 4,141	\$ 1,300	\$ 5,459	\$ 3,319
Receivables:				
Accounts	--	--	639	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	40	8	--	39
Due from other funds	--	10	--	3
Total Assets	<u>\$ 4,181</u>	<u>\$ 1,318</u>	<u>\$ 6,098</u>	<u>\$ 3,361</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 39	\$ 1	\$ 10	\$ 24
Interest and bonds payable-matured	--	--	--	--
Due to other funds	103	--	--	100
Accrued payroll	39	6	--	74
Deferred revenue	--	--	--	--
Total Liabilities	<u>181</u>	<u>7</u>	<u>10</u>	<u>198</u>
Fund Balances:				
Restricted	4,000	1,311	--	3,163
Committed	--	--	6,088	--
Unassigned	--	--	--	--
Total Fund Balances	<u>4,000</u>	<u>1,311</u>	<u>6,088</u>	<u>3,163</u>
Total Liabilities and Fund Balances	<u>\$ 4,181</u>	<u>\$ 1,318</u>	<u>\$ 6,098</u>	<u>\$ 3,361</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2011
 (Amounts in thousands)

(Page 2 of 5)

Special Revenue Funds

<u>Rental Assistance Fund</u>	<u>Zoo Animal Purchase Fund</u>	<u>Hanauma Bay Nature Preserve Fund</u>	<u>Clean Water and Natural Lands Fund</u>	<u>Affordable Housing Fund</u>	<u>Community Development Fund</u>	<u>Golf Fund</u>
\$ 969	\$ 8	\$ 3,296	\$ 15,658	\$ 12,749	\$ 45	\$ 1,674
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	133	--
--	--	--	--	--	802	--
--	--	33	--	--	19	130
--	--	8	--	--	6	--
<u>\$ 969</u>	<u>\$ 8</u>	<u>\$ 3,337</u>	<u>\$ 15,658</u>	<u>\$ 12,749</u>	<u>\$ 1,005</u>	<u>\$ 1,804</u>
\$ --	\$ --	\$ 172	\$ --	\$ --	\$ 829	\$ 171
--	--	--	--	--	--	--
--	--	--	--	--	13	450
--	--	38	--	--	20	174
--	--	--	--	--	133	--
--	--	210	--	--	995	795
--	--	--	15,658	12,749	10	--
969	8	3,127	--	--	--	1,009
--	--	--	--	--	--	--
<u>969</u>	<u>8</u>	<u>3,127</u>	<u>15,658</u>	<u>12,749</u>	<u>10</u>	<u>1,009</u>
<u>\$ 969</u>	<u>\$ 8</u>	<u>\$ 3,337</u>	<u>\$ 15,658</u>	<u>\$ 12,749</u>	<u>\$ 1,005</u>	<u>\$ 1,804</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2011
 (Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds		
	Special Events Fund	Special Projects Fund	Federal Grants Fund
ASSETS			
Cash and investments:			
With Treasury and banks.....	\$ 2,200	\$ 8,452	\$ 18,367
Receivables:			
Accounts	--	--	--
Special Assessments	--	--	--
Loans	--	--	5,501
Intergovernmental	--	44	22,294
Payroll Advance	213	44	171
Due from other funds	--	2	--
Total Assets	\$ 2,413	\$ 8,542	\$ 46,333
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 252	\$ 352	\$ 1,162
Interest and bonds payable-matured	--	--	--
Due to other funds	852	--	21,005
Accrued payroll	277	33	188
Deferred revenue	--	857	5,900
Total Liabilities	1,381	1,242	28,255
Fund Balances:			
Restricted	--	7,300	18,078
Committed	1,032	--	--
Unassigned	--	--	--
Total Fund Balances	1,032	7,300	18,078
Total Liabilities and Fund Balances	\$ 2,413	\$ 8,542	\$ 46,333

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2011
 (Amounts in thousands)

(Page 4 of 5)

Special Revenue Funds			Debt Service Fund	Capital Projects Funds	
Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund	Improvement District Bond and Interest Redemption Fund	General Improvement Bond Fund	Highway Improvement Bond Fund
\$ 2,990	\$ 958	\$ 9,208	\$ 171	\$ 30,419	\$ 14,654
--	--	78	--	--	--
--	--	--	57	--	--
9,776	--	3,692	--	--	--
67	--	25	--	--	--
2	--	89	--	26	--
--	--	--	--	862	--
<u>\$ 12,835</u>	<u>\$ 958</u>	<u>\$ 13,092</u>	<u>\$ 228</u>	<u>\$ 31,307</u>	<u>\$ 14,654</u>
\$ --	\$ --	\$ 139	\$ --	\$ 7,405	\$ 19,496
--	--	--	9	--	--
--	--	--	--	1,009	4
--	--	83	--	17	9
9,776	--	3,885	49	--	--
9,776	--	4,107	58	8,431	19,509
3,059	958	8,985	--	--	--
--	--	--	170	22,876	--
--	--	--	--	--	(4,855)
<u>3,059</u>	<u>958</u>	<u>8,985</u>	<u>170</u>	<u>22,876</u>	<u>(4,855)</u>
<u>\$ 12,835</u>	<u>\$ 958</u>	<u>\$ 13,092</u>	<u>\$ 228</u>	<u>\$ 31,307</u>	<u>\$ 14,654</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2011
 (Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds		
	Federal Grants Capital Projects Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and investments:			
With Treasury and banks.....	\$ 16,214	\$ 15,719	\$ 167,970
Receivables:			
Accounts	--	--	717
Special Assessments	--	--	57
Loans	49,212	--	68,314
Intergovernmental	16,461	25	39,718
Payroll Advance	--	--	814
Due from other funds	--	--	891
Total Assets	\$ 81,887	\$ 15,744	\$ 278,481
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 9,929	\$ 237	\$ 40,218
Interest and bonds payable-matured	--	--	9
Due to other funds	--	10	23,546
Accrued payroll	--	--	958
Deferred revenue	57,859	82	78,541
Total Liabilities	67,788	329	143,272
Fund Balances:			
Restricted	14,099	15,415	104,785
Committed	--	--	35,279
Unassigned	--	--	(4,855)
Total Fund Balances	14,099	15,415	135,209
Total Liabilities and Fund Balances	\$ 81,887	\$ 15,744	\$ 278,481

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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, 2011
(Amounts In thousands)

(Page 1 of 5)

	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.....	--	515	--	4,039
Intergovernmental.....	--	--	--	--
Charges for services.....	4,389	--	--	134
Fines and forfeits.....	--	--	--	215
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	--	639	4
Total Revenues.....	4,389	515	639	4,392
Expenditures:				
Current:				
General government.....	1,370	--	--	2,275
Public safety.....	--	306	--	--
Highways and streets.....	225	4	--	--
Human services.....	--	--	--	--
Culture-recreation.....	929	13	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	325	--	--	653
Other.....	--	--	--	96
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	--	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	156	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	2,849	323	156	3,024
Revenues over (under) Expenditures.....	1,540	192	483	1,368
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Issuance of commercial paper	--	--	--	--
Sales of capital assets.....	--	--	--	--
Transfers in.....	--	10	--	--
Transfers out.....	(213)	(55)	--	(235)
Total Other Financing Sources (Uses).....	(213)	(45)	--	(235)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	1,327	147	483	1,133
Fund Balances - July 1.....	2,673	1,164	5,605	2,030
Fund Balances - June 30.....	\$ 4,000	\$ 1,311	\$ 6,088	\$ 3,163

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, 2011
(Amounts in thousands)

(Page 2 of 5)

Special Revenue Funds

Rental Assistance Fund	Zoo Animal Purchase Fund	Hanauma Bay Nature Preserve Fund	Clean Water and Natural Lands Fund	Affordable Housing Fund	Community Development Fund	Golf Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	9,077	--
--	--	4,110	--	--	--	5,523
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	11	9	--	--
371	2	1,540	--	--	--	3,128
<u>371</u>	<u>2</u>	<u>5,650</u>	<u>11</u>	<u>9</u>	<u>9,077</u>	<u>8,651</u>
--	--	--	--	--	628	--
--	--	826	--	--	--	--
--	--	--	--	--	--	--
210	--	--	--	--	848	--
--	2	2,448	--	--	--	8,215
--	--	--	--	--	--	--
--	--	423	--	--	--	1,583
--	--	--	--	--	--	136
--	--	--	--	--	--	793
--	--	--	--	--	284	--
--	--	--	--	--	--	--
--	--	--	--	--	5,067	--
--	--	--	--	--	--	--
--	--	--	--	--	654	--
<u>210</u>	<u>2</u>	<u>3,697</u>	<u>--</u>	<u>--</u>	<u>7,481</u>	<u>10,727</u>
<u>161</u>	<u>--</u>	<u>1,953</u>	<u>11</u>	<u>9</u>	<u>1,596</u>	<u>(2,076)</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	4,020	4,020	--	8,344
(12)	--	(1,696)	--	--	(1,500)	(6,452)
<u>(12)</u>	<u>--</u>	<u>(1,696)</u>	<u>4,020</u>	<u>4,020</u>	<u>(1,500)</u>	<u>1,892</u>
149	--	257	4,031	4,029	96	(184)
820	8	2,870	11,627	8,720	(86)	1,193
<u>\$ 969</u>	<u>\$ 8</u>	<u>\$ 3,127</u>	<u>\$ 15,658</u>	<u>\$ 12,749</u>	<u>\$ 10</u>	<u>\$ 1,009</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, 2011
(Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds		
	Special Events Fund	Special Projects Fund	Federal Grants Fund
Revenues:			
Special assessments	\$ --	\$ --	\$ --
Licenses and permits.....	--	--	--
Intergovernmental.....	--	6,650	55,401
Charges for services.....	3,291	--	--
Fines and forfeits.....	--	--	--
Miscellaneous:			
Reimbursements and recoveries.....	2	--	--
Interest.....	4	1	9
Other.....	7,064	825	513
Total Revenues.....	10,361	7,476	55,923
Expenditures:			
Current:			
General government.....	109	2,196	1,988
Public safety.....	--	1,087	14,515
Highways and streets.....	--	--	--
Human services.....	--	3,837	17,219
Culture-recreation.....	10,082	279	119
Utilities or other enterprises.....	--	--	22,086
Miscellaneous:			
Retirement and health benefits.....	2,398	--	--
Other.....	205	--	--
Capital Outlay:			
General government.....	373	--	--
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Human services.....	--	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
Total Expenditures.....	13,167	7,399	55,927
Revenues over (under) Expenditures.....	(2,806)	77	(4)
Other Financing Sources (Uses):			
Issuance of general obligation bonds	--	--	--
Issuance of commercial paper	--	--	--
Sales of capital assets.....	--	--	--
Transfers in.....	7,795	--	--
Transfers out.....	(7,219)	--	--
Total Other Financing Sources (Uses).....	576	--	--
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(2,230)	77	(4)
Fund Balances - July 1.....	3,262	7,223	18,082
Fund Balances - June 30.....	\$ 1,032	\$ 7,300	\$ 18,078

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, 2011
(Amounts in thousands)

(Page 4 of 5)

Special Revenue Funds			Debt Service	Capital Projects Funds	
Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund	Improvement District Bond and Interest Fund	General Improvement Bond Fund	Highway Improvement Bond Fund
\$ --	\$ --	\$ --	\$ 8	\$ --	\$ --
--	--	--	--	--	--
--	--	47,677	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1	1	16	4	--	--
575	--	36	1	--	--
<u>576</u>	<u>1</u>	<u>47,729</u>	<u>13</u>	<u>--</u>	<u>--</u>
--	--	94	--	--	--
--	--	--	--	--	--
2,059	--	45,003	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	13,085	4,424
--	--	--	--	21,807	2,941
--	--	--	--	123	64,257
--	--	--	--	--	--
--	--	--	--	22,921	--
--	--	--	--	--	38,245
<u>2,059</u>	<u>--</u>	<u>45,097</u>	<u>--</u>	<u>57,936</u>	<u>109,867</u>
<u>(1,483)</u>	<u>1</u>	<u>2,632</u>	<u>13</u>	<u>(57,936)</u>	<u>(109,867)</u>
--	--	--	--	50,003	50,001
--	--	--	--	--	50,000
--	--	--	--	--	1
1,500	--	--	--	--	--
--	--	--	(16)	--	--
<u>1,500</u>	<u>--</u>	<u>--</u>	<u>(16)</u>	<u>50,003</u>	<u>100,002</u>
17	1	2,632	(3)	(7,933)	(9,865)
3,042	957	6,353	173	30,809	5,010
<u>\$ 3,059</u>	<u>\$ 958</u>	<u>\$ 8,985</u>	<u>\$ 170</u>	<u>\$ 22,876</u>	<u>\$ (4,855)</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, 2011
(Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Federal Grants Capital Projects Fund	Capital Projects Fund	
Revenues:			
Special assessments	\$ --	\$ --	\$ 8
Licenses and permits.....	--	--	4,554
Intergovernmental.....	50,706	1,279	170,790
Charges for services.....	--	--	17,447
Fines and forfeits.....	--	--	215
Miscellaneous:			
Reimbursements and recoveries.....	--	--	2
Interest.....	--	--	56
Other.....	--	35	14,733
Total Revenues.....	50,706	1,314	207,805
Expenditures:			
Current:			
General government.....	--	--	8,660
Public safety.....	--	--	16,734
Highways and streets.....	--	--	229
Human services.....	--	--	69,176
Culture-recreation.....	--	--	22,087
Utilities or other enterprises.....	--	--	22,086
Miscellaneous:			
Retirement and health benefits.....	--	--	5,382
Other.....	--	--	437
Capital Outlay:			
General government.....	219	--	18,894
Public safety.....	3,584	350	28,966
Highways and streets.....	1,082	72	65,534
Sanitation.....	5	822	827
Human services.....	5,578	--	10,645
Culture-recreation.....	651	975	24,703
Utilities or other enterprises.....	39,804	--	78,703
Total Expenditures.....	50,923	2,219	373,063
Revenues over (under) Expenditures.....	(217)	(905)	(165,258)
Other Financing Sources (Uses):			
Issuance of general obligation bonds	--	--	100,004
Issuance of commercial paper	--	--	50,000
Sales of capital assets.....	--	--	1
Transfers in.....	--	16	25,705
Transfers out.....	--	(10)	(17,408)
Total Other Financing Sources (Uses).....	--	6	158,302
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(217)	(899)	(6,956)
Fund Balances - July 1.....	14,316	16,314	142,165
Fund Balances - June 30.....	\$ 14,099	\$ 15,415	\$ 135,209

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2011
 (Amounts in thousands)

	Agency Funds			Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	
<u>ASSETS</u>				
Cash and investments:				
With Treasury	\$ 25,811	\$ 1,242	\$ 12,399	\$ 39,452
Imprest and change funds	72	67	--	139
Due from other funds:				
General Fund	--	--	--	--
Highway Fund	--	--	--	--
Sewer Fund	--	--	--	--
Solid Waste Fund	29	--	--	29
Total Assets	<u>25,912</u>	<u>1,309</u>	<u>12,399</u>	<u>39,620</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts payable	3,442	--	1	3,443
Other current liabilities	22,470	1,309	12,398	36,177
Total Liabilities	<u>25,912</u>	<u>1,309</u>	<u>12,399</u>	<u>39,620</u>
<u>NET ASSETS</u>				
Held in trust for individuals, organizations and other governments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>GENERAL TRUST FUND</u>				
<u>ASSETS</u>				
Cash	\$ 26,218	\$ 88,428	\$ 88,763	\$ 25,883
Due from other funds	31	29	31	29
Total Assets	<u>\$ 26,249</u>	<u>\$ 88,457</u>	<u>\$ 88,794</u>	<u>\$ 25,912</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 4,020	\$ 88,187	\$ 88,765	\$ 3,442
Other current liabilities	22,229	270	29	22,470
Total Liabilities	<u>\$ 26,249</u>	<u>\$ 88,457</u>	<u>\$ 88,794</u>	<u>\$ 25,912</u>
<u>TREASURY TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 2,681	\$ 12,379	\$ 13,751	\$ 1,309
<u>LIABILITY</u>				
Other current liabilities	<u>\$ 2,681</u>	<u>\$ 12,379</u>	<u>\$ 13,751</u>	<u>\$ 1,309</u>
<u>REAL PROPERTY TAX TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 9,850	\$ 30,892	\$ 28,343	\$ 12,399
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 8,819	\$ 8,818	\$ 1
Other current liabilities	9,850	22,073	19,525	12,398
Total Liabilities	<u>\$ 9,850</u>	<u>\$ 30,892</u>	<u>\$ 28,343</u>	<u>\$ 12,399</u>
<u>PAYROLL CLEARANCE FUND</u>				
<u>ASSETS</u>				
Cash	\$ --	\$ 581,780	\$ 581,780	\$ --
Due from other funds	1,073	--	1,073	--
Total Assets	<u>\$ 1,073</u>	<u>\$ 581,780</u>	<u>\$ 582,853</u>	<u>\$ --</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,073	\$ --	\$ 1,073	\$ --
Other current liabilities	--	581,780	581,780	--
Total Liabilities	<u>\$ 1,073</u>	<u>\$ 581,780</u>	<u>\$ 582,853</u>	<u>\$ --</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 38,749	\$ 713,479	\$ 712,637	\$ 39,591
Due from other funds	1,104	29	1,104	29
Total Assets	<u>\$ 39,853</u>	<u>\$ 713,508</u>	<u>\$ 713,741</u>	<u>\$ 39,620</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 5,093	\$ 97,006	\$ 98,656	\$ 3,443
Other current liabilities	34,760	616,502	615,085	36,177
Total Liabilities	<u>\$ 39,853</u>	<u>\$ 713,508</u>	<u>\$ 713,741</u>	<u>\$ 39,620</u>

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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
COMBINING BALANCE SHEET
 JUNE 30, 2011
 (Amounts in thousands)

(Page 1 of 2)

	<u>Legally Separate Funds</u>			
	<u>General Fund</u>	<u>Other Post- Employment Benefits Reserve Fund</u>	<u>Reserve for Fiscal Stability Fund</u>	<u>Farmers Home Administration Loan Fund</u>
<u>ASSETS</u>				
Cash and investments:				
With Treasury and banks.....	\$ 182,093	\$ 13,370	\$ 29,948	\$ 46
Receivables:				
Real property taxes	19,054	--	--	--
Accounts	565	--	--	--
Interest	57	--	--	--
Intergovernmental	59,406	--	--	--
Payroll Advance	13,378	--	--	--
Due from other funds	43,918	--	--	--
Total Assets	\$ 318,471	\$ 13,370	\$ 29,948	\$ 46
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 17,089	\$ --	\$ --	\$ --
Due to other funds	49,856	13,294	--	--
Accrued payroll	19,555	--	--	--
Deferred revenue	21,342	--	--	--
Total Liabilities	107,842	13,294	--	--
Fund Balances:				
Committed	--	76	29,948	46
Assigned	51,961	--	--	--
Unassigned	158,668	--	--	--
Total Fund Balances	210,629	76	29,948	46
Total Liabilities and Fund Balances	\$ 318,471	\$ 13,370	\$ 29,948	\$ 46

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2011
 (Amounts in thousands)

(Page 2 of 2)

Legally Separate Funds					Reporting Fund Per GASB 54
Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Elimination	Total General Fund
\$ 405	\$ 1,962	\$ 224	\$ 157	\$ --	\$ 228,205
--	--	--	--	--	19,054
--	--	--	--	--	565
--	--	--	--	--	57
--	--	--	--	--	59,406
--	--	--	--	--	13,378
--	--	--	--	(13,294)	30,624
\$ 405	\$ 1,962	\$ 224	\$ 157	\$ (13,294)	\$ 351,289
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 17,089
--	--	--	--	(13,294)	49,856
--	--	--	--	--	19,555
222	--	--	--	--	21,564
222	--	--	--	(13,294)	108,064
183	1,962	224	157	--	32,596
--	--	--	--	--	51,961
--	--	--	--	--	158,668
183	1,962	224	157	--	243,225
\$ 405	\$ 1,962	\$ 224	\$ 157	\$ (13,294)	\$ 351,289

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Other Post- Employment Benefits Reserve Fund	Reserve for Fiscal Stability Fund
Revenues:			
Taxes	\$ 838,912	\$ --	\$ --
Licenses and permits.....	34,258	--	--
Intergovernmental.....	224,526	--	--
Charges for services.....	6,008	--	--
Fines and forfeits.....	551	--	--
Miscellaneous:			
Reimbursements and recoveries.....	41,462	--	--
Interest.....	492	33	24
Other.....	5,430	--	--
Total Revenues.....	1,151,639	33	24
Expenditures:			
Current:			
General government.....	121,698	--	--
Public safety.....	325,480	--	--
Highways and streets.....	1,930	--	--
Sanitation.....	3,863	--	--
Human services.....	2,427	--	--
Culture-recreation.....	51,000	--	--
Utilities or other enterprises.....	5	--	--
Miscellaneous:			
Retirement and health benefits.....	122,644	53,177	--
Other.....	22,240	--	--
Debt service:			
Principal.....	266	--	--
Interest.....	93	--	--
Total Expenditures.....	651,646	53,177	--
Revenues over (under) Expenditures.....	499,993	(53,144)	24
Other Financing Sources (Uses):			
Sales of capital assets.....	9	--	426
Transfers in.....	103,572	--	2,600
Transfers out.....	(542,963)	--	--
Total Other Financing Sources (Uses)....	(439,382)	--	3,026
Revenues and Other Sources over (under) Expenditures and Other Uses.....	60,611	(53,144)	3,050
Fund Balances - July 1.....	150,018	53,220	26,898
Fund Balances - June 30.....	\$ 210,629	\$ 76	\$ 29,948

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Amounts in thousands)

(Page 2 of 2)

Legally Separate Funds					Reporting Fund Per GASB 54
Farmers Home Administration Loan Fund	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Total General Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 838,912
--	--	--	--	--	34,258
--	--	--	--	--	224,526
--	--	--	--	--	6,008
--	--	--	--	--	551
--	--	--	--	--	41,462
--	--	--	--	--	549
--	--	--	--	6	5,436
--	--	--	--	6	1,151,702
--	--	--	--	35	121,733
--	--	--	--	--	325,480
--	--	--	--	--	1,930
--	--	--	--	--	3,863
--	3	--	--	--	2,430
--	--	--	--	--	51,000
--	--	--	--	--	5
--	--	--	--	--	175,821
--	--	--	--	--	22,240
--	--	--	--	--	266
--	--	--	--	--	93
--	3	--	--	35	704,861
--	(3)	--	--	(29)	446,841
--	--	--	--	--	435
--	--	--	--	--	106,172
--	--	--	--	--	(542,963)
--	--	--	--	--	(436,356)
--	(3)	--	--	(29)	10,485
46	186	1,962	224	186	232,740
\$ 46	\$ 183	\$ 1,962	\$ 224	\$ 157	\$ 243,225

CITY AND COUNTY OF HONOLULU
GENERAL FUND
BALANCE SHEET
JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
(Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 182,093	\$ 143,001
Receivables:		
Real property taxes	19,054	15,728
Accounts	565	432
Interest	57	38
Intergovernmental	59,406	47,895
Payroll Advance	13,378	14,382
Due from other funds	43,918	27,339
Total Assets	\$ 318,471	\$ 248,815
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 17,089	\$ 13,733
Due to other funds	49,856	45,217
Accrued payroll	19,555	18,062
Deferred revenue	21,342	21,785
Total Liabilities	107,842	98,797
Fund Balance:		
Assigned	51,961	45,965
Unassigned	158,668	104,053
Total Fund Balance	210,629	150,018
Total Liabilities and Fund Balance	\$ 318,471	\$ 248,815

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Amounts in thousands)

	2011	2010
Revenues:		
Taxes	\$ 838,912	\$ 901,687
Licenses and permits	34,258	34,686
Intergovernmental	224,526	198,142
Charges for services	6,008	5,521
Fines and forfeits	551	562
Miscellaneous:		
Reimbursements and recoveries	41,462	40,623
Interest	492	422
Other	5,430	4,143
Total Revenues	1,151,639	1,185,786
Expenditures:		
Current:		
General government	121,698	128,576
Public safety	325,480	312,443
Highways and streets	1,930	2,086
Sanitation	3,863	2,959
Human services	2,427	3,081
Culture-recreation	51,000	58,826
Utilities or other enterprises	5	123
Miscellaneous:		
Retirement and health benefits	122,644	158,939
Other	22,240	21,484
Capital outlay	--	1,548
Debt Service:		
Principal retirement	266	823
Interest charges	93	162
Total Expenditures	651,646	691,050
Revenues over Expenditures	499,993	494,736
Other Financing Sources (Uses):		
Sales of capital assets	9	72
Transfers in	103,572	102,267
Transfers out	(542,963)	(563,749)
Total Other Financing Sources (Uses)	(439,382)	(461,410)
Revenues and Other Sources over Expenditures and Other Uses	60,611	33,326
Fund Balance - July 1	150,018	116,692
Fund Balance - June 30	\$ 210,629	\$ 150,018

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, 2011
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 830,780	\$ 830,780	\$ 838,912	\$ 8,132
Licenses and permits	36,510	36,510	34,258	(2,252)
Intergovernmental	209,600	220,014	224,526	4,512
Charges for services	6,672	6,672	6,008	(664)
Fines and forfeits	554	554	551	(3)
Miscellaneous:				
Reimbursements and recoveries	92,046	92,046	41,462	(50,584)
Interest	225	225	492	267
Other	2,877	2,877	5,430	2,553
Total Revenues	1,179,264	1,189,678	1,151,639	(38,039)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	15,536	15,536	14,618	918
City Clerk	4,004	4,029	2,546	1,483
City Council	6,303	6,413	6,130	283
Corporation Counsel	6,925	6,925	5,618	1,307
Customer Services	18,497	18,497	17,333	1,164
Design and Construction	14,038	14,488	14,009	479
Facility Maintenance	15,298	16,494	14,122	2,372
Human Resources	5,757	5,757	5,039	718
Information Technology	17,323	17,323	16,629	694
Mayor	4,244	4,244	3,556	688
Planning and Permitting	8,991	8,964	7,283	1,681
Prosecuting Attorney	16,265	16,265	15,374	891
Total General government	133,181	134,935	122,257	12,678
Public safety:				
Emergency Management	1,242	1,242	1,105	137
Emergency Services	31,406	32,106	31,029	1,077
Fire	101,551	101,752	95,345	6,407
Medical Examiner	1,353	1,353	1,236	117
Planning and Permitting	4,868	4,894	4,816	78
Police	211,191	211,921	197,512	14,409
Total Public safety	351,611	353,268	331,043	22,225

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, 2011
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance	3,320	2,424	1,461	963
Sanitation:				
Environmental Services	5,840	5,840	4,795	1,045
Human services:				
Community Services	4,179	4,179	3,969	210
Culture-recreation:				
Mayor	1,822	1,874	1,845	29
Parks and Recreation	55,341	55,341	51,326	4,015
Total Culture-recreation	57,163	57,215	53,171	4,044
Miscellaneous:				
Retirement and health benefits:				
City Council	2,597	2,597	2,560	37
Provisional	135,035	135,035	115,663	19,372
Total Retirement and health benefits	137,632	137,632	118,223	19,409
Other:				
City Council	580	446	134	312
Provisional	34,291	31,858	24,531	7,327
Total Other	34,871	32,304	24,665	7,639
Total Miscellaneous	172,503	169,936	142,888	27,048
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, 2011
 (Amounts in thousands)

(Page 4 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	728,157	728,157	659,943	68,214
Revenues over Expenditures	451,107	461,521	491,696	30,175
Other Financing Sources (Uses):				
Sales of capital assets	--	--	9	9
Transfers in:				
Central administrative service expenses	32,231	32,231	31,330	(901)
Debt service	77,758	77,758	71,470	(6,288)
Other	772	772	772	--
Transfers out:				
Debt service	(241,686)	(241,686)	(185,424)	56,262
Bus subsidy	(70,531)	(70,531)	(70,531)	--
Transit Fund	(168,695)	(179,109)	(179,109)	--
Other	(107,899)	(107,899)	(107,899)	--
Total Other Financing Sources (Uses)	(478,050)	(488,464)	(439,382)	49,082
Revenues and Other Sources over (under) Expenditures and Other Uses	(26,943)	(26,943)	52,314	79,257
Unreserved - Undesignated Fund				
Balance - July 1	26,994	26,994	104,053	77,059
Unreserved - Undesignated Fund				
Balance - June 30 (Budgetary Basis)	\$ 51	\$ 51	156,367	\$ 156,316
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			39,114	
Expenditures - prior year encumbrances			(30,817)	
Increase in reserved for encumbrances			(5,996)	
Unreserved - Undesignated Fund				
Balance - June 30			158,668	
Reserved for Encumbrances - June 30			51,961	
Fund Balance - June 30 (GAAP Basis)			\$ 210,629	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
TAXES				
GENERAL PROPERTY TAXES:				
Real Property Tax	\$ 799,838	\$ 799,838	\$ 800,913	\$ 1,075
PUBLIC SERVICE COMPANY TAX:				
Public Service Company Tax	30,942	30,942	37,999	7,057
TOTAL TAXES	830,780	830,780	838,912	8,132
LICENSES AND PERMITS				
BUSINESS LICENSES AND PERMITS:				
Police and Protective:				
Second-Hand and Junk Dealers	12	12	15	3
Alarm Permits	191	191	195	4
Other	13	13	16	3
Professional and Occupational:				
Other	1	1	1	--
Total Business Licenses and Permits	217	217	227	10
NON-BUSINESS LICENSES AND PERMITS:				
Building Structures and Equipment Permits:				
Building	12,500	12,500	11,020	(1,480)
Signs	35	35	26	(9)
Non-Storm Water Discharge Permit	--	--	1	1
Motor Vehicle Licenses and Fees:				
Motor Vehicle Plate and Tag Fees	1,654	1,654	1,660	6
Motor Vehicle Transfer Fees and Penalty	2,479	2,479	2,468	(11)
Duplicate Registration & Ownership Certificates	210	210	192	(18)
Motor Vehicle Registration Annual Fee	13,763	13,763	13,758	(5)
Other	27	27	24	(3)
Other Vehicle Licenses and Fees:				
Passenger and Freight Vehicle Permit Fees	104	104	88	(16)
Nonresident Vehicle Permit	21	21	28	7
Motor Vehicle Drivers' Licenses	4,575	4,575	3,944	(631)
Animal Licenses:				
Dog Licenses and Tag Fees	249	249	220	(29)
Street, Sidewalk and Curb Permits:				
Easement Grants	100	100	68	(32)
Newsstands	36	36	21	(15)
Telephone Enclosures	--	--	1	1
Dispensing Rack	5	5	139	134
Fire Code Permits and License Fees	535	535	373	(162)
Total Non-Business Licenses and Permits	36,293	36,293	34,031	(2,262)
TOTAL LICENSES AND PERMITS	36,510	36,510	34,258	(2,252)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>				
STATE GRANTS:				
Transient Accommodation Tax	40,885	40,885	45,412	4,527
Excise Tax Surcharge for Transit.....	168,695	179,109	179,109	--
Total State Grants	<u>209,580</u>	<u>219,994</u>	<u>224,521</u>	<u>4,527</u>
INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:				
Fish and Wildlife Service	20	20	5	(15)
Total Intergovernmental Payments in Lieu of Taxes	<u>20</u>	<u>20</u>	<u>5</u>	<u>(15)</u>
TOTAL INTERGOVERNMENTAL	<u>209,600</u>	<u>220,014</u>	<u>224,526</u>	<u>4,512</u>
<u>CHARGES FOR SERVICES</u>				
GENERAL GOVERNMENT:				
Data Processing Services:				
Duplication of Master Tapes	22	22	70	48
Data Processing Service - State	650	650	893	243
Data Processing Service - U.S. Government	2	2	3	1
Data Processing Service - Other Counties	300	300	403	103
Legal Services (BWS)	30	30	30	--
Service Fee for Dishonored Checks	27	27	21	(6)
Band Collections	4	4	1	(3)
Automotive Equipment Service Charges	250	250	141	(109)
Subdivision Fees	100	100	44	(56)
Application Fees for Zoning Regulations	180	180	133	(47)
Nonconforming Use Renewal Fees	250	250	318	68
Plan Review Use Fees	800	800	563	(237)
Administrative Fee--Multi-Family Housing Program.....	60	60	29	(31)
Military Housing Fee In Lieu of Property Tax	820	820	867	47
Zoning/Flood Clearance Fee	30	30	21	(9)
Fees for Certificates, Copies & Extracts of Records	113	113	153	40
Fees for Services	116	116	115	(1)
Custodial and Attendant Services	400	400	379	(21)
Spay-Neuter Service	262	262	315	53
Other	1	1	14	13
Total General Government	<u>4,417</u>	<u>4,417</u>	<u>4,513</u>	<u>96</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
PUBLIC SAFETY:				
Police Charges:				
Taxicab Drivers' & Pedicab Operators' Certificates ...	12	12	14	2
HPD Special Duty Fees	450	450	292	(158)
Miscellaneous:				
Other	1	1	--	(1)
Total Public Safety	463	463	306	(157)
HIGHWAYS AND STREETS:				
Parking:				
City Employees	450	450	407	(43)
HPD Parking Lot	100	100	81	(19)
Total Highways and Streets	550	550	488	(62)
CULTURE-RECREATION:				
Commercial Activities:				
Scuba, Snorkeling and Windsurfing	32	32	25	(7)
Commercial Filming	22	22	34	12
Summer Fun Program	205	205	229	24
Fall and Spring Program	58	58	1	(57)
Fees for Use of Parks	750	750	249	(501)
Foster Botanic Garden	127	127	115	(12)
Fees for Community Garden	48	48	48	--
Total Culture-Recreation	1,242	1,242	701	(541)
TOTAL CHARGES FOR SERVICES	6,672	6,672	6,008	(664)
<u>FINES AND FORFEITS</u>				
<u>FINES:</u>				
Fines	459	459	500	41
Liquidated Contract Damages	--	--	26	26
Total Fines	459	459	526	67
<u>FORFEITS:</u>				
Forfeiture of Seized Property	95	95	25	(70)
TOTAL FINES AND FORFEITS	554	554	551	(3)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS				
REIMBURSEMENTS AND RECOVERIES:				
Reimbursements from State:				
Fireboat Operations	2,051	2,051	2,484	433
HPD Civil Defense Coordinator	29	29	15	(14)
Motor Vehicle Inspection Program	646	646	599	(47)
Administration Cost - Ewa Highway Impact Fee	30	30	28	(2)
Emergency Ambulance Services	33,785	33,785	32,664	(1,121)
Collection Cost - State Motor Vehicle				
Weight Tax, etc.	872	872	754	(118)
Commercial Drivers' License Program	537	537	470	(67)
Recoveries:				
Workers' Compensation Payment	400	400	712	312
Real Property Tax Services	58	58	57	(1)
Central Administrative Service Expenses:				
Board of Water Supply	3,000	3,000	3,300	300
Debt Service Charges - Enterprise Funds:				
Sewer	12,178	12,178	--	(12,178)
Solid Waste	27,293	27,293	--	(27,293)
Housing	8,758	8,758	--	(8,758)
Recovery-Interest-Federal Subsidy	2,206	2,206	201	(2,005)
Workers' Compensation Claims (Third Party)	100	100	42	(58)
Recovery-NPDES Permit	95	95	--	(95)
Recoveries - Other	8	8	136	128
Total Reimbursements and Recoveries	92,046	92,046	41,462	(50,584)
INTEREST:				
Interest Earnings:				
Investments	225	225	490	265
Other Sources	--	--	2	2
Total Interest	225	225	492	267

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:				
Rents:				
Rental Units:				
Rental Units (City Property)	184	184	207	23
Rental Units (HCD Property)	338	338	229	(109)
Rental - Ambulance Facilities	64	64	64	--
Rental of Parks and Recreational Facilities:				
Perquisite Housing	17	17	32	15
Other	--	--	5	5
Rental of Equipment	2	2	9	7
Rental for Use of Land	80	80	147	67
Rental of Other Properties:				
Other City Facilities	--	--	13	13
Total Rents	685	685	706	21
Concessions:				
Public Pay Phones	--	--	1	1
Total Concessions	--	--	1	1
Contributions from Private Sources:				
Developers' Premium	40	40	43	3
Other Escheats	500	500	--	(500)
Total Contributions from Private Sources	540	540	43	(497)
Other:				
Towing Service Premiums	427	427	518	91
Vacation Accumulation Deposits	2	2	180	178
Miscellaneous Sales	155	155	594	439
Sundry Refunds	782	782	3,195	2,413
Sundry Realizations	286	286	193	(93)
Total Other	1,652	1,652	4,680	3,028
Total Other Miscellaneous	2,877	2,877	5,430	2,553
TOTAL MISCELLANEOUS	95,148	95,148	47,384	(47,764)
TOTAL REVENUES	1,179,264	1,189,678	1,151,639	(38,039)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES				
SALES OF CAPITAL ASSETS:				
Sale of Capital Assets	--	--	9	9
TOTAL SALES OF CAPITAL ASSETS	--	--	9	9
TRANSFERS FROM OTHER FUNDS:				
Recovery of Central Administrative Service Expenses:				
Highway Fund	10,863	10,863	10,863	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	213	213	213	--
Bikeway Fund	55	55	55	--
Sewer Fund	9,044	9,044	9,044	--
Liquor Commission Fund	235	235	235	--
Rental Assistance Fund	12	12	12	--
Hanauma Bay Nature Preserve Fund	282	282	282	--
Golf Fund	901	901	--	(901)
Special Events Fund	999	999	999	--
Solid Waste Special Fund	9,627	9,627	9,627	--
Recovery of Debt Service Charges:				
Highway Fund	63,572	63,572	57,384	(6,188)
Hanauma Bay Nature Preserve Fund	1,414	1,414	1,414	--
Golf Fund	6,552	6,552	6,452	(100)
Special Events Fund	6,220	6,220	6,220	--
Other Transfers:				
Sewer Fund	508	508	508	--
Solid Waste Special Fund	264	264	264	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	110,761	110,761	103,572	(7,189)
TOTAL OTHER FINANCING SOURCES	110,761	110,761	103,581	(7,180)
TOTAL GENERAL FUND	\$ 1,290,025	\$ 1,300,439	\$ 1,255,220	\$ (45,219)

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 31,270	\$ 23,727
Receivables:		
Public Utilities	20,205	18,751
Intergovernmental	3,440	1,898
Payroll advance	1,132	1,188
Due from other funds:		
Solid Waste Fund	--	28
General Obligation Bond and Interest Redemption Fund	301	471
Total Assets	\$ 56,348	\$ 46,063
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,175	\$ 1,119
Due to other funds:		
General Fund	1,646	1,098
Solid Waste Fund	1	--
General Trust Fund	--	1
Accrued payroll	1,398	1,573
Deferred revenue	20,205	18,751
Total Liabilities	24,425	22,542
Fund Balance:		
Restricted	31,923	23,521
Total Fund Balance	31,923	23,521
Total Liabilities and Fund Balance	\$ 56,348	\$ 46,063

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Amounts in thousands)

	2011	2010
Revenues:		
Taxes	\$ 95,645	\$ 85,141
Licenses and permits	112,769	87,367
Charges for services	4,552	5,149
Miscellaneous:		
Reimbursements and recoveries	672	764
Other	3,875	2,019
Total Revenues	217,513	180,440
Expenditures:		
Current:		
General government	18,429	18,058
Public safety	29,413	29,360
Highways and streets	14,622	19,541
Utilities or other enterprises	1,456	1,910
Miscellaneous:		
Retirement and health benefits	11,765	15,180
Other	1,113	1,000
Total Expenditures	76,798	85,049
Revenues over Expenditures	140,715	95,391
Other Financing Sources (Uses):		
Sales of capital assets	224	397
Transfers out	(132,537)	(93,605)
Total Other Financing Sources (Uses)	(132,313)	(93,208)
Revenues and Other Sources over Expenditures and Other Uses	8,402	2,183
Fund Balance - July 1	23,521	21,338
Fund Balance - June 30	\$ 31,923	\$ 23,521

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, 2011
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 89,814	\$ 89,814	\$ 95,645	\$ 5,831
Licenses and permits	111,379	111,379	112,769	1,390
Charges for services	4,836	4,836	4,552	(284)
Miscellaneous:				
Reimbursements and recoveries	1,884	1,884	672	(1,212)
Other	1,765	1,765	3,875	2,110
Total Revenues	209,678	209,678	217,513	7,835
Expenditures:				
Current:				
General government:				
Design and Construction	4,863	4,863	4,412	451
Facility Maintenance	13,031	11,690	11,148	542
Planning and Permitting	2,197	2,197	2,076	121
Total General government	20,091	18,750	17,636	1,114
Public safety:				
Police	25,878	25,878	25,345	533
Transportation Services	5,491	5,195	4,749	446
Total Public safety	31,369	31,073	30,094	979
Highways and streets:				
Facility Maintenance	18,047	19,388	15,197	4,191
Utilities or other enterprises:				
Transportation Services	1,256	1,552	1,375	177
Miscellaneous:				
Retirement and health benefits:				
Provisional	16,549	16,549	11,765	4,784
Other:				
Provisional	1,482	1,482	1,113	369
Total Miscellaneous	18,031	18,031	12,878	5,153
Capital Improvements:				
Design and Construction	610	610	610	--
Total Expenditures	89,404	89,404	77,790	11,614
Revenues over Expenditures	120,274	120,274	139,723	19,449

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, 2011
(Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Other Financing Source (Uses):				
Sales of capital assets	312	312	224	(88)
Transfers out:				
Debt service	(63,572)	(63,572)	(57,384)	6,188
Reimbursement for central administrative service expenses	(10,863)	(10,863)	(10,863)	--
Bus subsidy	(64,290)	(64,290)	(64,290)	--
Total Transfers out.....	<u>(138,725)</u>	<u>(138,725)</u>	<u>(132,537)</u>	<u>6,188</u>
Total Other Financing Source (Uses)	<u>(138,413)</u>	<u>(138,413)</u>	<u>(132,313)</u>	<u>6,100</u>
Revenues and Other Source over (under) Expenditures and Other Uses	(18,139)	(18,139)	7,410	25,549
Unreserved - Undesignated Fund Balance - July 1	<u>18,139</u>	<u>18,139</u>	<u>20,629</u>	<u>2,490</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	<u>\$ --</u>	<u>\$ --</u>	<u>28,039</u>	<u>\$ 28,039</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			3,183	
Expenditures - prior year encumbrances			(2,191)	
Increase in reserved for encumbrances			<u>(241)</u>	
Unreserved - Undesignated Fund Balance - June 30			<u>28,790</u>	
Reserved for Encumbrances - June 30			<u>3,133</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 31,923</u>	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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>
TAXES			
GROSS RECEIPTS BUSINESS TAXES:			
Public Utility Franchise Tax	\$ 38,750	\$ 43,347	\$ 4,597
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	<u>51,064</u>	<u>52,298</u>	<u>1,234</u>
TOTAL TAXES	<u>89,814</u>	<u>95,645</u>	<u>5,831</u>
LICENSES AND PERMITS			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	250	241	(9)
Other Permits	6	8	2
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	106,719	108,670	1,951
Other Vehicle Licenses and Fees	4,052	3,531	(521)
Street and Sidewalk Use	8	9	1
Freight Curb and Passenger Loading Zone Permits	264	249	(15)
Excavation and Repair of Streets and Sidewalks	<u>80</u>	<u>61</u>	<u>(19)</u>
TOTAL LICENSES AND PERMITS	<u>111,379</u>	<u>112,769</u>	<u>1,390</u>
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	14	12	(2)
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	73	41	(32)
Street Parking Meter Collections	3,399	3,257	(142)
Other Parking Meter Collections	1,292	1,168	(124)
Other	<u>58</u>	<u>74</u>	<u>16</u>
Total Highways and Streets	<u>4,822</u>	<u>4,540</u>	<u>(282)</u>
TOTAL CHARGES FOR SERVICES	<u>4,836</u>	<u>4,552</u>	<u>(284)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursement from State for			
Traffic Signal Maintenance	400	371	(29)
Recovery of Overhead Charges	11	-	(11)
Recovery of Overtime Inspection	3	-	(3)
Recovery - Federal Interest Subsidy	<u>1,470</u>	<u>301</u>	<u>(1,169)</u>
Total Reimbursements and Recoveries	<u>1,884</u>	<u>672</u>	<u>(1,212)</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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 MISCELLANEOUS:			
Rents:			
Rental Units	--	146	146
Rental for Use of Land	78	37	(41)
Total Rents	78	183	105
Concessions:			
Kekaulike Parking Lot	9	--	(9)
Marin Towers Garage	400	361	(39)
Harbor Court Garage	335	271	(64)
Kalmukl Parking Lot	24	216	192
Kukul Plaza Garage	824	809	(15)
SmIth-Beretania Garage	80	75	(5)
Total Concessions	1,672	1,732	60
Other:			
Vacation Accumulation Deposits	11	36	25
Miscellaneous Sales	3	9	6
Sundry Refunds	1	1,915	1,914
Total Other	15	1,960	1,945
Total Other Miscellaneous	1,765	3,875	2,110
TOTAL MISCELLANEOUS	3,649	4,547	898
TOTAL REVENUES	209,678	217,513	7,835
OTHER FINANCING SOURCES			
SALES OF CAPITAL ASSETS:			
Sales of Capital Assets	--	25	25
Compensation for Loss of Capital Assets	312	199	(113)
TOTAL OTHER FINANCING SOURCES	312	224	(88)
TOTAL HIGHWAY FUND	\$ 209,990	\$ 217,737	\$ 7,747

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

BALANCE SHEET
JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
(Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 4,141	\$ 2,865
Receivable:		
Payroll advance	40	42
Total Assets	\$ 4,181	\$ 2,907
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 39	\$ 97
Due to other fund:		
General Fund	103	88
Accrued payroll	39	49
Total Liabilities	181	234
Fund Balance:		
Restricted	4,000	2,673
Total Fund Balance	4,000	2,673
Total Liabilities and Fund Balance	\$ 4,181	\$ 2,907

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, 2011
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ 4,343	\$ 4,389	\$ 46
Total Revenue	4,343	4,389	46
Expenditures:			
Current:			
General government:			
Customer Services	2,704	1,439	1,265
Highways and streets:			
Facility Maintenance	200	200	--
Culture-recreation:			
Parks and Recreation	1,000	1,000	--
Miscellaneous:			
Retirement and health benefits:			
Provisional	347	325	22
Total Expenditures	4,251	2,964	1,287
Revenue over Expenditures	92	1,425	1,333
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(213)	(213)	--
Revenue over (under) Expenditures and Other Use	(121)	1,212	1,333
Unreserved - Undesignated Fund Balance - July 1	795	2,240	1,445
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 674	3,452	\$ 2,778
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		289	
Expenditures - prior year encumbrances		(174)	
Increase in reserved for encumbrances		(112)	
Unreserved - Undesignated Fund Balance - June 30		3,455	
Reserved for Encumbrances - June 30		545	
Fund Balance - June 30 (GAAP Basis)		\$ 4,000	

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, 2011
(Amounts In thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>CHARGES FOR SERVICES</u>			
HIGHWAYS AND STREETS:			
Highway Beautification Fees	\$ 4,343	\$ 4,389	\$ 46
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUE	<u>\$ 4,343</u>	<u>\$ 4,389</u>	<u>\$ 46</u>

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 1,300	\$ 1,160
Receivable:		
Payroll advance	8	9
Due from other fund:		
Capital Projects Fund	10	3
Total Assets	\$ 1,318	\$ 1,172
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1	\$ 3
Accrued payroll	6	5
Total Liabilities	7	8
Fund Balance:		
Restricted	1,311	1,164
Total Fund Balance	1,311	1,164
Total Liabilities and Fund Balance	\$ 1,318	\$ 1,172

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Licenses and permits	\$ 459	\$ 515	\$ 56
Total Revenue	459	515	56
Expenditures:			
Current:			
Public safety:			
Transportation Services	454	306	148
Highways and streets:			
Facility Maintenance	10	4	6
Culture-recreation:			
Parks and Recreation	30	13	17
Capital improvements:			
Highways and streets:			
Transportation Services	600	600	--
Total Expenditures	1,094	923	171
Revenue under Expenditures	(635)	(408)	227
Other Financing Source (Use):			
Transfer in	--	10	10
Transfer out:			
Reimbursement for central administrative service expenses	(55)	(55)	--
Total Other Financing Source (Use)	(55)	(45)	10
Revenue and Other Source under Expenditures and Other Use	(690)	(453)	237
Unreserved - Undesignated Fund Balance - July 1	707	856	149
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 17	403	\$ 386
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		600	
Expenditures - prior year encumbrances		--	
Decrease in reserved for encumbrances		300	
Unreserved - Undesignated Fund Balance - June 30		1,303	
Reserved for Encumbrances - June 30		8	
Fund Balance - June 30 (GAAP Basis)		\$ 1,311	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 459	\$ 515	\$ 56
TOTAL REVENUES	459	515	56
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Capital Projects Fund	--	10	10
TOTAL OTHER FINANCING SOURCE	--	10	10
TOTAL BIKEWAY FUND	\$ 459	\$ 525	\$ 66

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,459	\$ 5,595
Receivables:		
Accounts	639	--
Due from other fund:		
Capital Projects Fund	--	17
Total Assets	\$ 6,098	\$ 5,612
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 10	\$ 7
Total Liability	10	7
Fund Balance:		
Committed	6,088	5,605
Total Fund Balance	6,088	5,605
Total Liability and Fund Balance	\$ 6,098	\$ 5,612

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 639	\$ 639
Unreserved - Undesignated Fund Balance - July 1.....	3,516	4,519	1,003
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 3,516	5,158	\$ 1,642
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		(156)	
Decrease in reserved for encumbrances		257	
Unreserved - Undesignated Fund Balance - June 30		5,259	
Reserved for Encumbrances - June 30		829	
Fund Balance - June 30 (GAAP Basis)		\$ 6,088	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ --	\$ 639	\$ 639
TOTAL PARKS AND PLAYGROUNDS FUND	\$ --	\$ 639	\$ 639

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 3,319	\$ 2,289
Receivable:		
Payroll advance	39	51
Due from other fund:		
Golf Fund	3	--
Total Assets	\$ 3,361	\$ 2,340
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 24	\$ 22
Accrued payroll	74	80
Due to other fund:		
General Fund	100	208
Total Liabilities	198	310
Fund Balance:		
Restricted	3,163	2,030
Total Fund Balance	3,163	2,030
Total Liabilities and Fund Balance	\$ 3,361	\$ 2,340

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, 2011
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 3,998	\$ 4,039	\$ 41
Charges for services	127	134	7
Fines and forfeits	285	215	(70)
Miscellaneous:			
Other	--	4	4
Total Revenues	<u>4,410</u>	<u>4,392</u>	<u>(18)</u>
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	3,460	2,135	1,325
Corporation Counsel	143	120	23
Information Technology	49	49	--
Total General government	<u>3,652</u>	<u>2,304</u>	<u>1,348</u>
Miscellaneous:			
Retirement and health benefits:			
Provisional	856	653	203
Other:			
Provisional	164	96	68
Total Miscellaneous	<u>1,020</u>	<u>749</u>	<u>271</u>
Capital improvements:			
Budget and Fiscal Services	27	27	--
Total Expenditures	<u>4,699</u>	<u>3,080</u>	<u>1,619</u>
Revenues over (under) Expenditures	(289)	1,312	1,601
Other Financing Use:			
Transfers out:			
Reimbursement for central administrative service expenses	<u>(235)</u>	<u>(235)</u>	<u>--</u>
Revenues over (under) Expenditures and Other Use .	(524)	1,077	1,601
Unreserved - Undesignated Fund Balance - July 1	<u>785</u>	<u>1,936</u>	<u>1,151</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 261</u>	<u>3,013</u>	<u>\$ 2,752</u>

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		62	
Expenditures - prior year encumbrances		(6)	
Decrease in reserved for encumbrances		35	
 Unreserved - Undesignated Fund			
Balance - June 30		3,104	
 Reserved for Encumbrances - June 30		59	
 Fund Balance - June 30 (GAAP Basis)		\$ 3,163	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 3,998	\$ 4,039	\$ 41
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	6	7	1
Fees:			
Charge for Photo I.D.	118	124	6
Other	3	3	--
TOTAL CHARGES FOR SERVICES	127	134	7
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	285	215	(70)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	4	4
TOTAL LIQUOR COMMISSION FUND REVENUES	\$ 4,410	\$ 4,392	\$ (18)

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 13,370	\$ 53,220
Total Asset	\$ 13,370	\$ 53,220
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Due to other fund:		
General Fund	\$ 13,294	\$ --
Total Liability	13,294	--
Fund Balance:		
Committed	76	53,220
Total Fund Balance	76	53,220
Total Liability and Fund Balance	\$ 13,370	\$ 53,220

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 42	\$ 33	\$ (9)
Total Revenue	42	33	(9)
Expenditure:			
Current:			
Miscellaneous:			
Retirement and health benefits:			
Provisional	53,177	53,177	--
Total Expenditure	53,177	53,177	--
Revenue under Expenditure	(53,135)	(53,144)	(9)
Unreserved - Undesignated Fund Balance - July 1	53,219	53,220	1
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 84	76	\$ (8)
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		76	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 76	

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 42	\$ 33	\$ (9)
TOTAL OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND REVENUE	\$ 42	\$ 33	\$ (9)

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 969	\$ 820
Total Asset	\$ 969	\$ 820
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 969	\$ 820
Total Fund Balance	\$ 969	\$ 820

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 252	\$ 371	\$ 119
Total Revenue	252	371	119
Expenditure:			
Current:			
Human services:			
Community Services	233	200	33
Total Expenditure	233	200	33
Revenue over Expenditure	19	171	152
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(12)	(12)	--
Revenue over Expenditure and Other Use	7	159	152
Unreserved - Undesignated Fund Balance - July 1	837	809	(28)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 844	968	\$ 124
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		(10)	
Decrease in reserved for encumbrances		11	
Unreserved - Undesignated Fund Balance - June 30		969	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 969	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 252	\$ 221	\$ (31)
Other:			
Sundry Realizations	--	150	150
TOTAL RENTAL ASSISTANCE			
FUND REVENUE	\$ 252	\$ 371	\$ 119

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 8	\$ 8
Total Asset	\$ 8	\$ 8
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 8	\$ 8
Total Fund Balance	\$ 8	\$ 8

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 2	\$ 2
Total Revenue	--	2	2
Expenditure:			
Current:			
Culture-recreation:			
Enterprise Services	3	2	1
Revenue over (under) Expenditure	(3)	--	3
Unreserved - Undesignated Fund Balance - July 1	3	8	5
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	8	\$ 8
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		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, 2011
 (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>			
OTHER MISCELLANEOUS:			
Other:			
Sale of Animals	\$ --	\$ 2	\$ 2
 TOTAL ZOO ANIMAL PURCHASE FUND REVENUE	 <u>\$ --</u>	 <u>\$ 2</u>	 <u>\$ 2</u>

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 3,296	\$ 3,141
Receivables:		
Payroll advance	33	36
Due from other fund:		
General Fund	8	--
Total Asset	\$ 3,337	\$ 3,177
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 172	\$ 151
Accrued payroll	38	43
Due to other fund:		
General Fund	--	113
Total Liabilities	210	307
Fund Balance:		
Committed	3,127	2,870
Total Fund Balance	3,127	2,870
Total Liabilities and Fund Balance	\$ 3,337	\$ 3,177

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, 2011
 (Amounts In thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 3,610	\$ 4,110	\$ 500
Miscellaneous:			
Other	1,523	1,540	17
Total Revenues	5,133	5,650	517
Expenditures:			
Current:			
Public safety:			
Emergency Services	851	840	11
Culture-recreation:			
Enterprise Services	5	--	5
Parks and Recreation	2,685	2,400	285
Total Culture-recreation	2,690	2,400	290
Miscellaneous:			
Retirement and health benefits:			
Provisional	675	423	252
Other:			
Provisional	14	--	14
Total Miscellaneous	689	423	266
Total Expenditures	4,230	3,663	567
Revenues over Expenditures	903	1,987	1,084
Other Financing Uses:			
Transfers out:			
Debt service	(1,414)	(1,414)	--
Reimbursement for central administrative service expenses	(282)	(282)	--
Total Other Financing Uses	(1,696)	(1,696)	--
Revenues over (under) Expenditures and Other Uses	(793)	291	1,084
Unreserved - Undesignated Fund Balance - July 1	1,448	2,651	1,203
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 655	2,942	\$ 2,287

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, 2011
 (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		152	
Expenditures - prior year encumbrances		(186)	
Decrease in reserved for encumbrances		<u>55</u>	
Unreserved - Undesignated Fund			
Balance - June 30		2,963	
Reserved for Encumbrances - June 30		<u>164</u>	
Fund Balance - June 30 (GAAP Basis)		<u><u>\$ 3,127</u></u>	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 160	\$ 177	\$ 17
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	<u>3,450</u>	<u>3,933</u>	<u>483</u>
TOTAL CHARGES FOR SERVICES	<u>3,610</u>	<u>4,110</u>	<u>500</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	69	73	4
Hanauma Beach Park Concession	180	283	103
Hanauma Shuttle Bus Service	38	38	--
Hanauma Snorkling Rental	<u>1,236</u>	<u>1,146</u>	<u>(90)</u>
TOTAL MISCELLANEOUS	<u>1,523</u>	<u>1,540</u>	<u>17</u>
TOTAL HANAUMA BAY NATURE PRESERVE FUND REVENUE	<u>\$ 5,133</u>	<u>\$ 5,650</u>	<u>\$ 517</u>

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 29,948	\$ 26,898
Total Asset	\$ 29,948	\$ 26,898
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 29,948	\$ 26,898
Total Fund Balance	\$ 29,948	\$ 26,898

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 14	\$ 24	\$ 10
Other Financing Source:			
Sales of capital assets	--	426	426
Transfer In	2,600	2,600	--
Total Other Financing Sources	2,600	3,026	426
Revenue and Other Sources	2,614	3,050	436
Unreserved - Undesignated Fund Balance - July 1	26,788	26,898	110
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 29,402	29,948	\$ 546
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		29,948	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 29,948	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 14	\$ 24	\$ 10
TOTAL REVENUE	<u>14</u>	<u>24</u>	<u>10</u>
OTHER FINANCING SOURCE			
SALES OF CAPITAL ASSETS:			
Sale of Capital Assets	--	426	426
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	<u>2,600</u>	<u>2,600</u>	--
TOTAL OTHER FINANCING SOURCES	<u>2,600</u>	<u>3,026</u>	<u>426</u>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 2,614</u>	<u>\$ 3,050</u>	<u>\$ 436</u>

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 15,658	\$ 11,627
Total Asset	\$ 15,658	\$ 11,627
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 15,658	\$ 11,627
Total Fund Balance	\$ 15,658	\$ 11,627

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 4	\$ 11	\$ 7
Total Revenue	4	11	7
Expenditure:			
Capital improvements:			
Design and Construction	3,000	3,000	--
Revenue under Expenditure	(2,996)	(2,989)	7
Other Financing Source:			
Transfer In	4,020	4,020	--
Revenues and Other Source over Expenditure	1,024	1,031	7
Unreserved - Undesignated Fund Balance - July 1	4,224	7,627	3,403
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 5,248	8,658	\$ 3,410
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		3,000	
Expenditures - prior year encumbrances		--	
Decrease in reserved for encumbrances		4,000	
Unreserved - Undesignated Fund Balance - June 30		15,658	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 15,658	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 4	\$ 11	\$ 7
 OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	<u>4,020</u>	<u>4,020</u>	<u>--</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND	 <u>\$ 4,024</u>	 <u>\$ 4,031</u>	 <u>\$ 7</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 12,749	\$ 8,720
Total Asset	\$ 12,749	\$ 8,720
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 12,749	\$ 8,720
Total Fund Balance	\$ 12,749	\$ 8,720

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 3	\$ 9	\$ 6
Total Revenue	3	9	6
Expenditure:			
Capital Improvements:			
Community Services	7,600	7,600	--
Total Expenditure	7,600	7,600	--
Revenue under Expenditure	(7,597)	(7,591)	6
Other Financing Source:			
Transfer in	4,020	4,020	--
Revenue and Other Source under Expenditure	(3,577)	(3,571)	6
Unreserved - Undesignated Fund Balance - July 1	6,117	6,120	3
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,540	2,549	\$ 9
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		7,600	
Expenditures - prior year encumbrances		--	
Decrease in reserved for encumbrances		2,600	
Unreserved - Undesignated Fund Balance - June 30		12,749	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 12,749	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 3	\$ 9	\$ 6
 OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	<u>4,020</u>	<u>4,020</u>	<u>--</u>
 TOTAL AFFORDABLE HOUSING FUND	 <u>\$ 4,023</u>	 <u>\$ 4,029</u>	 <u>\$ 6</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 45	\$ 1,000
Receivables:		
Loans	133	141
Intergovernmental	802	73
Payroll advance	19	22
Due from other fund:		
Federal Grants Fund	6	--
Total Assets	\$ 1,005	\$ 1,236
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 829	\$ 316
Due to other fund:		
General Fund	13	2
Accrued payroll	20	20
Deferred revenue	133	984
Total Liabilities	995	1,322
Fund Balance:		
Restricted	10	--
Unassigned	--	(86)
Total Fund Balance	10	(86)
Total Liabilities and Fund Balance	\$ 1,005	\$ 1,236

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, 2011
(Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:				
Intergovernmental	\$ 12,618	\$ 12,881	\$ 9,077	\$ (3,804)
Total Revenue	12,618	12,881	9,077	(3,804)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	784	1,047	662	385
Human services:				
Community Services	1,203	1,203	860	343
Miscellaneous:				
Provisional	174	174	--	174
Capital improvements:				
Community Services	8,332	8,332	8,332	--
Design and Construction				--
Fire	625	625	625	--
Total Capital Improvements	8,957	8,957	8,957	--
Total Expenditures	11,118	11,381	10,479	902
Revenue over (under) Expenditures	1,500	1,500	(1,402)	(2,902)
Other Financing Use:				
Transfer out	(1,500)	(1,500)	(1,500)	--
Revenues under Expenditures and Other Use	--	--	(2,902)	(2,902)
Unreserved - Undesignated Fund Balance - July 1	--	--	(11,255)	(11,255)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	(14,157)	\$ (14,157)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances Included above			7,213	
Expenditures - prior year encumbrances			(4,215)	
Decrease in reserved for encumbrances			1,834	
Unreserved - Undesignated Fund Balance - June 30			(9,325)	
Reserved for Encumbrances - June 30			9,335	
Fund Balance - June 30 (GAAP Basis)			\$ 10	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 12,618	\$ 12,881	\$ 9,077	\$ (3,804)
TOTAL COMMUNITY DEVELOPMENT FUND	<u>\$ 12,618</u>	<u>\$ 12,881</u>	<u>\$ 9,077</u>	<u>\$ (3,804)</u>

CITY AND COUNTY OF HONOLULU
GOLF FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 1,674	\$ 1,853
Receivable:		
Payroll advance	130	136
Total Assets	\$ 1,804	\$ 1,989
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 171	\$ 252
Due to other fund:		
General Fund	450	363
Accrued payroll	174	181
Total Liabilities	795	796
Fund Balance:		
Committed	1,009	1,193
Total Fund Balance	1,009	1,193
Total Liabilities and Fund Balance	\$ 1,804	\$ 1,989

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, 2011
 (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	\$ 5,523	\$ (1,085)
Miscellaneous:			
Other	3,885	3,128	(757)
Total Revenues	10,493	8,651	(1,842)
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services	8,884	8,491	393
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,734	1,583	151
Other:			
Provisional	282	136	146
Total Miscellaneous	2,016	1,719	297
Capital improvements:			
Budget and Fiscal Services	490	490	--
Total Expenditures	11,390	10,700	690
Revenues under Expenditures	(897)	(2,049)	(1,152)
Other Finance Source (Uses):			
Transfer In	8,344	8,344	--
Transfers out:			
Debt service	(6,552)	(6,452)	100
Reimbursement for central administrative service expenses	(901)	--	901
Total Other Financing Sources (Uses)	891	1,892	1,001
Revenues and Other Source under Expenditures and Other Uses	(6)	(157)	(151)
Unreserved - Undesignated Fund Balance - July 1	6	233	227
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	76	\$ 76

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, 2011
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		729	
Expenditures - prior year encumbrances		(756)	
Decrease in reserved for encumbrances		293	
Unreserved - Undesignated Fund Balance - June 30		342	
Reserved for Encumbrances - June 30		667	
Fund Balance - June 30 (GAAP Basis)		\$ 1,009	

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 5,523	\$ (1,085)
TOTAL CHARGES FOR SERVICES	<u>6,608</u>	<u>5,523</u>	<u>(1,085)</u>
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	3,120	2,544	(576)
Total Rents	<u>3,120</u>	<u>2,544</u>	<u>(576)</u>
Concessions:			
Food Concession - Golf Courses	77	61	(16)
Golf Course - Pro Shops	6	1	(5)
Golf Course - Driving Range	682	521	(161)
Total Concessions	<u>765</u>	<u>583</u>	<u>(182)</u>
Other:			
Sundry Refunds	--	1	1
TOTAL MISCELLANEOUS	<u>3,885</u>	<u>3,128</u>	<u>(757)</u>
TOTAL REVENUES	<u>10,493</u>	<u>8,651</u>	<u>(1,842)</u>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	8,344	8,344	--
TOTAL OTHER FINANCING SOURCE	<u>8,344</u>	<u>8,344</u>	<u>--</u>
TOTAL GOLF FUND	<u>\$ 18,837</u>	<u>\$ 16,995</u>	<u>\$ (1,842)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,200	\$ 4,151
Receivable:		
Payroll advance	213	228
Total Assets	\$ 2,413	\$ 4,379
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 252	\$ 255
Due to other funds:		
General Fund	746	548
Bus Transportation Fund	106	--
Accrued payroll	277	314
Total Liabilities	1,381	1,117
Fund Balance:		
Committed	1,032	3,262
Total Fund Balance	1,032	3,262
Total Liabilities and Fund Balance	\$ 2,413	\$ 4,379

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, 2011
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 3,795	\$ 3,291	\$ (504)
Miscellaneous:			
Reimbursements and recoveries	10	2	(8)
Interest	98	4	(94)
Other	6,925	7,064	139
Total Revenues	10,828	10,361	(467)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	109	109	--
Culture-recreation:			
Enterprise Services	10,455	10,106	349
Miscellaneous:			
Retirement and health benefits:			
Provisional	2,529	2,398	131
Other:			
Provisional	251	205	46
Total Miscellaneous	2,780	2,603	177
Capital improvements:			
Budget and Fiscal Services	365	365	--
Total Expenditures	13,709	13,183	526
Revenues under Expenditures	(2,881)	(2,822)	59
Other Finance Source (Uses):			
Transfer in	7,795	7,795	--
Transfers out:			
Debt service	(6,220)	(6,220)	--
Reimbursement for central administrative service expenses	(999)	(999)	--
Total Other Financing Source (Uses)	576	576	--

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, 2011
 (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	(2,305)	(2,246)	59
Unreserved - Undesignated Fund Balance - July 1	2,305	2,438	133
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	192	\$ 192
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		472	
Expenditures - prior year encumbrances		(456)	
Decrease in reserved for encumbrances		284	
Unreserved - Undesignated Fund Balance - June 30		492	
Reserved for Encumbrances - June 30		540	
Fund Balance - June 30 (GAAP Basis)		\$ 1,032	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 97	\$ 35	\$ (62)
HIGHWAYS AND STREETS:			
Zoo Parking Lot	845	445	(400)
CULTURE-RECREATION:			
Honolulu Zoo	<u>2,853</u>	<u>2,811</u>	<u>(42)</u>
TOTAL CHARGES FOR SERVICES	<u>3,795</u>	<u>3,291</u>	<u>(504)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Recovery of Utility Charges	10	2	(8)
INTEREST:			
Interest Earnings:			
Investments	98	4	(94)
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	21	40	19
Rental of Auditorium Facilities	1,814	1,779	(35)
Auditorium Equipment Rental	<u>890</u>	<u>1,100</u>	<u>210</u>
Total Rents	<u>2,725</u>	<u>2,919</u>	<u>194</u>
Concessions:			
Food Concession - Auditoriums	870	584	(286)
Food Concession - Honolulu Zoo	155	174	19
Food Concession - Parks	265	252	(13)
Parking - Auditoriums	1,700	1,912	212
Novelty Sales Concession - Auditoriums	80	80	--
Other - Auditoriums	6	6	--
Beach Concession - Parks	964	994	30
Pouring Rights	80	65	(15)
Other Concessions	<u>80</u>	<u>59</u>	<u>(21)</u>
Total Concessions	<u>4,200</u>	<u>4,126</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, 2011
 (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	--	18	18
Other	--	1	1
Total Other	--	19	19
Total Other Miscellaneous	6,925	7,064	139
TOTAL MISCELLANEOUS	7,033	7,070	37
TOTAL REVENUES	10,828	10,361	(467)
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	7,795	7,795	--
TOTAL SPECIAL EVENTS FUND	\$ 18,623	\$ 18,156	\$ (467)

CITY AND COUNTY OF HONOLULU
FARMERS HOME ADMINISTRATION LOAN FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 46	\$ 46
Total Asset	\$ 46	\$ 46
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 46	\$ 46
Total Fund Balance	\$ 46	\$ 46

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 8,452	\$ 8,484
Receivables:		
Intergovernmental	44	63
Payroll advance	44	46
Due from other fund:		
General Fund	2	--
Total Assets	\$ 8,542	\$ 8,593
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 352	\$ 665
Accrued payroll	33	37
Due to other funds:		
General Fund	--	10
Federal Grants Fund	--	4
Deferred revenue	857	654
Total Liabilities	1,242	1,370
Fund Balance:		
Restricted	7,300	7,223
Total Fund Balance	7,300	7,223
Total Liabilities and Fund Balance	\$ 8,542	\$ 8,593

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, 2011
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 5,558	\$ 9,321	\$ 6,650	\$ (2,671)
Miscellaneous:				
Interest	--	--	1	1
Other	56	731	825	94
Total Revenues	5,614	10,052	7,476	(2,576)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	94	1	93
City Council	14	14	12	2
Customer Services	42	42	42	--
Information Technology	--	2,000	1,377	623
Mayor	3	477	280	197
Planning and Permitting	--	50	50	--
Prosecuting Attorney	1,001	1,580	514	1,066
Total General government	1,060	4,257	2,276	1,981
Public safety:				
Emergency Management	28	40	--	40
Emergency Services	656	706	584	122
Fire	62	439	229	210
Police	--	2,474	411	2,063
Total Public safety	746	3,659	1,224	2,435
Human services:				
Community Services	3,850	5,113	3,848	1,265
Culture-recreation:				
Parks and Recreation	256	961	279	682
Miscellaneous:				
Provisional	4	4	--	4
Total Expenditures	5,916	13,994	7,627	6,367
Revenues under Expenditures	(302)	(3,942)	(151)	3,791
Unreserved - Undesignated Fund Balance - July 1	--	--	3,678	3,678
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ (302)</u>	<u>\$ (3,942)</u>	3,527	<u>\$ 7,469</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			895	
Expenditures - prior year encumbrances			(667)	
Increase in reserved for encumbrances			(74)	
Unreserved - Undesignated Fund Balance - June 30			3,681	
Reserved for Encumbrances - June 30			3,619	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 7,300</u>	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(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>				
STATE GRANTS:				
Department of the Attorney General	\$ 1,001	\$ 1,001	\$ 343	\$ (658)
Department of Defense	28	31	31	--
Department of Hawaiian Home Lands	96	96	310	214
Department of Health	3,662	3,662	3,400	(262)
Department of Human Services	23	47	25	(22)
Department of Labor and Industrial Relations	35	246	105	(141)
Department of Land and Natural Resources	645	645	584	(61)
Hawaii Public Housing Authority	--	750	--	(750)
Hawaii Tourism Authority	--	775	407	(368)
Wireless Enhanced 911 Board	--	2,000	1,377	(623)
Grants from Other Agencies	68	68	68	--
TOTAL INTERGOVERNMENTAL	<u>5,558</u>	<u>9,321</u>	<u>6,650</u>	<u>(2,671)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	1	1
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Sprint/Nextel 800MHz Rebanding	--	121	--	(121)
Community Programing	56	56	56	--
Contributions to the City	--	54	303	249
Total Contributions from Private Sources	<u>56</u>	<u>231</u>	<u>359</u>	<u>128</u>
Other:				
Other	--	500	466	(34)
TOTAL MISCELLANEOUS	<u>56</u>	<u>731</u>	<u>826</u>	<u>95</u>
TOTAL SPECIAL PROJECTS FUND REVENUES	<u>\$ 5,614</u>	<u>\$ 10,052</u>	<u>\$ 7,476</u>	<u>\$ (2,576)</u>

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts In thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 18,367	\$ 18,591
Receivables:		
Loans	5,501	5,865
Intergovernmental	22,294	21,994
Payroll advance	171	179
Due from other funds:		
Special Projects Fund	--	4
Housing and Community Development Rehabilitation Loan Fund	--	2
Total Assets	\$ 46,333	\$ 46,635
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,162	\$ 801
Accrued payroll	188	476
Due to other funds:		
General Fund	20,999	21,036
Community Development Fund	6	--
Deferred revenue	5,900	6,240
Total Liabilities	28,255	28,553
Fund Balance:		
Restricted	18,078	18,082
Total Fund Balance	18,078	18,082
Total Liabilities and Fund Balance	\$ 46,333	\$ 46,635

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, 2011
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 42,846	\$ 77,984	\$ 55,401	\$ (22,583)
Miscellaneous:				
Interest	--	--	9	9
Other	--	--	513	513
Total Revenues	42,846	77,984	55,923	(22,061)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	470	568	91	477
Design and Construction	--	237	124	113
Information Technology	110	110	--	110
Mayor	--	15	15	--
Prosecuting Attorney	609	1,827	1,171	656
Total General government	1,189	2,757	1,401	1,356
Public safety:				
Emergency Management	175	17,822	7,507	10,315
Fire	--	437	349	88
Police	--	20,681	6,089	14,592
Transportation Services	--	842	614	228
Total Public safety	175	39,782	14,559	25,223
Sanitation:				
Environmental Services	100	100	60	40
Human services:				
Community Services	18,731	24,874	19,511	5,363
Culture-recreation:				
Parks and Recreation	300	300	111	189
Utilities or other enterprises:				
Transportation Services	21,623	22,194	21,619	575
Miscellaneous:				
Provisional	728	728	--	728
Total Expenditures	42,846	90,735	57,261	33,474

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, 2011
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues under Expenditures	--	(12,751)	(1,338)	11,413
Unreserved - Undesignated Fund Balance - July 1	--	--	(3,656)	(3,656)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ (12,751)	(4,994)	\$ 7,757
Adjustments to conform with generally accepted accounting principles:				
Encumbrances Included above			13,979	
Expenditures - prior year encumbrances			(12,645)	
Decrease in reserved for encumbrances			455	
Unreserved - Undesignated Fund Balance - June 30			(3,205)	
Reserved for Encumbrances - June 30			21,283	
Fund Balance - June 30 (GAAP Basis)			\$ 18,078	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (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	\$ 384	\$ 128	\$ (256)
Department of Commerce	--	96	39	(57)
Department of Education	--	--	71	71
Department of Health and Human Services	6,652	9,193	4,964	(4,229)
Department of Homeland Security	193	18,550	8,300	(10,250)
Department of Housing and Urban Development	7,454	8,395	5,582	(2,813)
Department of Justice	1,020	6,977	4,699	(2,278)
Department of Labor	5,504	7,935	6,450	(1,485)
Department of The Interior	--	--	73	73
Department of Transportation	21,623	23,911	23,395	(516)
Environmental Protection Agency	100	637	108	(529)
Office of National Drug Control Policy	--	1,906	1,592	(314)
TOTAL INTERGOVERNMENTAL	<u>42,846</u>	<u>77,984</u>	<u>55,401</u>	<u>(22,583)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	9	9
OTHER MISCELLANEOUS:				
Other:				
Other	--	--	513	513
TOTAL MISCELLANEOUS	<u>--</u>	<u>--</u>	<u>522</u>	<u>522</u>
TOTAL FEDERAL GRANTS FUND	<u>\$ 42,846</u>	<u>\$ 77,984</u>	<u>\$ 55,923</u>	<u>\$ (22,061)</u>

CITY AND COUNTY OF HONOLULU
**HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND**
BALANCE SHEET
JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
(Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 2,990	\$ 1,037
Receivables:		
Intergovernmental	67	2,007
Loans	9,776	10,585
Payroll advance	2	2
Due from other fund:		
Housing and Community Development Section 8 Contract Fund	--	2
Total Assets	\$ 12,835	\$ 13,633
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other fund:		
Federal Grants Fund	\$ --	\$ 2
Accrued payroll	--	4
Deferred revenue	9,776	10,585
Total Liabilities	9,776	10,591
Fund Balance:		
Restricted	3,059	3,042
Total Fund Balance	3,059	3,042
Total Liabilities and Fund Balance	\$ 12,835	\$ 13,633

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, 2011
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous:			
Interest	\$ 505	\$ 1	\$ (504)
Other	3,316	575	(2,741)
Total Revenues	3,821	576	(3,245)
Expenditure:			
Current:			
General government:			
Budget and Fiscal Services	62	--	62
Human services:			
Community Services	2,448	1,793	655
Miscellaneous:			
Other:			
Provisional	13	--	13
Total Expenditure	2,523	1,793	730
Revenues over (under) Expenditure	1,298	(1,217)	(2,515)
Other Financing Source:			
Transfer in:			
Other - Budget and Fiscal Services	1,500	1,500	--
Revenues over Expenditure and Other Use	2,798	283	(2,515)
Unreserved - Undesignated Fund Balance - July 1	(2,797)	(283)	2,514
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1	--	\$ (1)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances Included above		181	
Expenditures - prior year encumbrances		(447)	
Decrease in reserved for encumbrances		266	
Unreserved - Undesignated Fund Balance - June 30		--	
Reserved for Encumbrances - June 30		3,059	
Fund Balance - June 30 (GAAP Basis)		\$ 3,059	

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, 2011
(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	\$ 1	\$ (499)
Other Sources	5	--	(5)
Total Interest	505	1	(504)
OTHER MISCELLANEOUS:			
Other:			
Sundry Refunds	--	1	1
Repayments of Department of Housing and Community Development Loans:			
Principal	3,200	479	(2,721)
Interest	115	93	(22)
Late Charge	1	2	1
Total Other Miscellaneous	3,316	575	(2,741)
TOTAL REVENUES	3,821	576	(3,245)
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Community Development Fund	1,500	1,500	--
TOTAL OTHER FINANCING SOURCE	1,500	1,500	--
TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES	\$ 5,321	\$ 2,076	\$ (3,245)

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 958	\$ 957
Total Asset	\$ 958	\$ 957
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 958	\$ 957
Total Fund Balance	\$ 958	\$ 957

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, 2011
 (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	956	957	1
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>956</u>	958	<u>2</u>
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		958	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		<u>958</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, 2011
 (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, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 9,208	\$ 6,488
Receivables:		
Accounts (net of allowance for uncollectibles)	78	102
Loans	3,692	3,479
Intergovernmental	25	85
Payroll advance	89	102
Total Assets	\$ 13,092	\$ 10,256
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 139	\$ 123
Due to other funds:		
General Fund	--	2
Housing and Community Development Rehabilitation Loan Fund	--	2
Accrued payroll	83	102
Deferred revenue	3,885	3,674
Total Liabilities	4,107	3,903
Fund Balance:		
Restricted	8,985	6,353
Total Fund Balance	8,985	6,353
Total Liabilities and Fund Balance	\$ 13,092	\$ 10,256

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, 2011
(Amounts in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 48,186	\$ 48,886	\$ 47,677	\$ (1,209)
Miscellaneous:				
Interest	--	--	16	16
Other	--	--	36	36
Total Revenues	<u>48,186</u>	<u>48,886</u>	<u>47,729</u>	<u>(1,157)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	139	139	131	8
Information Technology	65	65	--	65
Total General government	204	204	131	73
Human services:				
Community Services	47,629	48,329	47,787	542
Miscellaneous:				
Other:				
Provisional	353	353	--	353
Total Expenditures	<u>48,186</u>	<u>48,886</u>	<u>47,918</u>	<u>968</u>
Revenues over (under) Expenditures	--	--	(189)	(189)
Unreserved - Undesignated Fund Balance - July 1	--	--	(63)	(63)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>\$ --</u>	(252)	<u>\$ (252)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			2,912	
Expenditures - prior year encumbrances			(91)	
Increase in reserved for encumbrances			<u>(2,821)</u>	
Unreserved - Undesignated Fund Balance - June 30			(252)	
Reserved for Encumbrances - June 30			<u>9,237</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 8,985</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, 2011
(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:				
Section 8 Grants:				
Moderate Rehabilitation Program, (001)	\$ 170	\$ 170	\$ 376	\$ 206
Existing Housing Voucher Program	46,416	47,116	45,805	(1,311)
Mainstream Voucher	1,600	1,600	1,496	(104)
	<u>48,186</u>	<u>48,886</u>	<u>47,677</u>	<u>(1,209)</u>
TOTAL INTERGOVERNMENTAL				
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	6	6
Other Sources	--	--	10	10
	<u>--</u>	<u>--</u>	<u>16</u>	<u>16</u>
Total Interest				
OTHER MISCELLANEOUS:				
Other:				
Escheats	--	--	36	36
	<u>--</u>	<u>--</u>	<u>52</u>	<u>52</u>
TOTAL MISCELLANEOUS				
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....				
	<u>\$ 48,186</u>	<u>\$ 48,886</u>	<u>\$ 47,729</u>	<u>\$ (1,157)</u>

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 405	\$ 413
Total Asset	\$ 405	\$ 413
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue	\$ 222	\$ 227
Total Liability	222	227
Fund Balance:		
Committed	183	186
Total Fund Balance	183	186
Total Liability and Fund Balance	\$ 405	\$ 413

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, 2011
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Expenditure:			
Current:			
Human services:			
Community Services	\$ 90	\$ 3	\$ 87
Total Expenditure	90	3	87
Unreserved - Undesignated Fund Balance - July 1	186	186	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 96	183	\$ 87
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		183	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 183	

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2011	2010
<u>ASSETS</u>					
Cash and Investments:					
With Treasury	\$ 1,962	\$ 224	\$ 157	\$ 2,343	\$ 2,347
Inventories - Municipal Stores	--	--	--	--	25
Total Assets	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 157</u>	<u>\$ 2,343</u>	<u>\$ 2,372</u>
<u>FUND BALANCES</u>					
Fund Balances:					
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ 25
Committed	<u>1,962</u>	<u>224</u>	<u>157</u>	<u>2,343</u>	<u>2,347</u>
Total Fund Balances	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 157</u>	<u>\$ 2,343</u>	<u>\$ 2,372</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, 2011
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2011	2010
Revenue:					
Miscellaneous:					
Other	\$ --	\$ --	\$ 6	\$ 6	\$ 467
Total Revenue	--	--	6	6	467
Expenditure:					
Current:					
General government	--	--	35	35	14
Total Expenditure	--	--	35	35	14
Revenue over (under) Expenditure	--	--	(29)	(29)	453
Fund Balances - July 1	1,962	224	186	2,372	1,919
Fund Balances - June 30	<u>\$ 1,962</u>	<u>\$ 224</u>	<u>\$ 157</u>	<u>\$ 2,343</u>	<u>\$ 2,372</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and Investments:		
With Treasury	\$ 822	\$ 1,106
Total Asset	\$ 822	\$ 1,106
<u>LIABILITIES</u>		
Liabilities:		
Interest payable - matured	\$ 137	\$ 137
Bonds payable - matured	184	184
Due to other funds:		
General Fund	200	785
Highway Fund	301	--
Total Liabilities	\$ 822	\$ 1,106

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, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
Expenditures:		
Tax exempt commercial paper:		
Interest charges	\$ 1,527	\$ 1,257
Notes payable:		
Principal	194	189
Interest	101	107
General obligation bonds:		
Principal	89,155	92,003
Interest	93,828	91,699
Total Expenditures	184,805	185,255
Other Financing Sources (Uses):		
Issuance of general obligation bonds	730	242
Issuance of refunding bonds	50,366	61,192
Bond premium	--	5,122
Bond discount	(1,096)	(1,996)
Transfers from other funds:		
General Fund - Principal	89,349	92,191
General Fund - Interest	95,456	92,822
Refunding of tax exempt commercial paper	(50,000)	(20,000)
Refunding of general obligation bonds	--	(44,318)
Total Other Financing Sources (Uses)	184,805	185,255
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, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

<u>ASSETS</u>	2011	2010
Cash and Investments:		
With Treasury	\$ 171	\$ 171
Receivables:		
Special assessments - current	8	11
Special assessments - deferred	49	57
Total Assets	\$ 228	\$ 239
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 4	\$ 4
Bonds payable - matured	5	5
Deferred revenue	49	57
Total Liabilities	58	66
Fund Balance:		
Committed	170	173
Total Fund Balance	170	173
Total Liabilities and Fund Balance	\$ 228	\$ 239

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, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
Revenues:		
Special assessments	\$ 8	\$ 18
Miscellaneous:		
Interest	4	5
Other	1	1
Total Revenues	13	24
Expenditure:		
Current:		
Miscellaneous:		
Other	--	796
Revenues over (under) Expenditure	13	(772)
Other Financing Use:		
Transfers to other fund:		
Capital Projects Fund	(16)	(24)
Revenues under Expenditure and Other Use	(3)	(796)
Fund Balances - July 1	173	969
Fund Balances - June 30	\$ 170	\$ 173

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 30,419	\$ 35,903
Receivable:		
Payroll advance	26	26
Due from other fund:		
Solid Waste Fund	862	1,584
Total Assets	\$ 31,307	\$ 37,513
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 7,405	\$ 5,644
Accrued payroll	17	33
Due to other fund:		
Sewer Fund	1,009	1,027
Total Liabilities	8,431	6,704
Fund Balance:		
Committed	22,876	30,809
Total Fund Balance	22,876	30,809
Total Liabilities and Fund Balance	\$ 31,307	\$ 37,513

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, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
Expenditures:		
Capital outlay:		
General government	\$ 13,085	\$ 18,588
Public safety	21,807	14,789
Highways and streets	123	93
Culture-recreation	22,921	17,593
Total Expenditures	57,936	51,063
Other Financing Sources:		
Sales of capital assets	--	6
Issuance of tax exempt commercial paper	--	20,000
Issuance of general obligation bonds	50,003	4
Total Other Financing Sources	50,003	20,010
Other Sources under Expenditures	(7,933)	(31,053)
Fund Balance - July 1	30,809	61,862
Fund Balance - June 30	\$ 22,876	\$ 30,809

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 14,654	\$ 22,367
Total Asset	\$ 14,654	\$ 22,367
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 19,496	\$ 17,352
Due to other funds:		
General Fund	4	3
Accrued payroll	9	2
Total Liabilities	19,509	17,357
Fund Balance:		
Committed	--	5,010
Unassigned	(4,855)	--
Total Fund Balance	(4,855)	5,010
Total Liabilities and Fund Balance	\$ 14,654	\$ 22,367

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, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
Revenue:		
Miscellaneous:		
Interest	\$ --	\$ 59
Total Revenue	--	59
Expenditures:		
Capital outlay:		
General government	4,424	3,362
Public safety	2,941	2,254
Highways and streets	64,257	88,785
Culture-recreation	--	7
Utilities or other enterprises	38,245	5,897
Total Expenditures	109,867	100,305
Revenue under Expenditures	(109,867)	(100,246)
Other Financing Sources:		
Sales of capital assets	1	1
Issuance of general obligation bonds	50,001	30,008
Issuance of tax exempt commercial paper	50,000	--
Total Other Financing Sources	100,002	30,009
Revenue and Other Sources under Expenditures	(9,865)	(70,237)
Fund Balance - July 1	5,010	75,247
Fund Balance - June 30	\$ (4,855)	\$ 5,010

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 16,214	\$ 10,487
Receivables:		
Loans (net of allowance for uncollectibles)	49,212	49,858
Intergovernmental	16,461	8,876
Total Assets	\$ 81,887	\$ 69,221
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 9,929	\$ 2,371
Deferred revenue	57,859	52,534
Total Liabilities	67,788	54,905
Fund Balance:		
Restricted	14,099	14,316
Total Fund Balance	14,099	14,316
Total Liabilities and Fund Balance	\$ 81,887	\$ 69,221

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, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts In thousands)

	2011	2010
Revenue:		
Intergovernmental	\$ 50,706	\$ 40,555
Total Revenue	50,706	40,555
Expenditures:		
Capital outlay:		
General government	219	23
Public safety	3,584	1,266
Highways and streets	1,082	943
Sanitation	5	74
Human services	5,578	7,253
Culture-recreation	651	71
Utilities or other enterprises	39,804	29,663
Total Expenditures	50,923	39,293
Revenue over (under) Expenditures	(217)	1,262
Fund Balance - July 1	14,316	13,054
Fund Balance - June 30	\$ 14,099	\$ 14,316

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts In thousands)

	2011	2010
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 15,719	\$ 16,386
Receivables:		
Intergovernmental	25	--
Total Assets	\$ 15,744	\$ 16,386
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 237	\$ 52
Due to other funds:		
Bikeway Fund	10	3
Parks and Playgrounds Fund	--	17
Deferred revenue	82	--
Total Liabilities	329	72
Fund Balance:		
Restricted	15,415	16,314
Total Fund Balance	15,415	16,314
Total Liabilities and Fund Balance	\$ 15,744	\$ 16,386

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

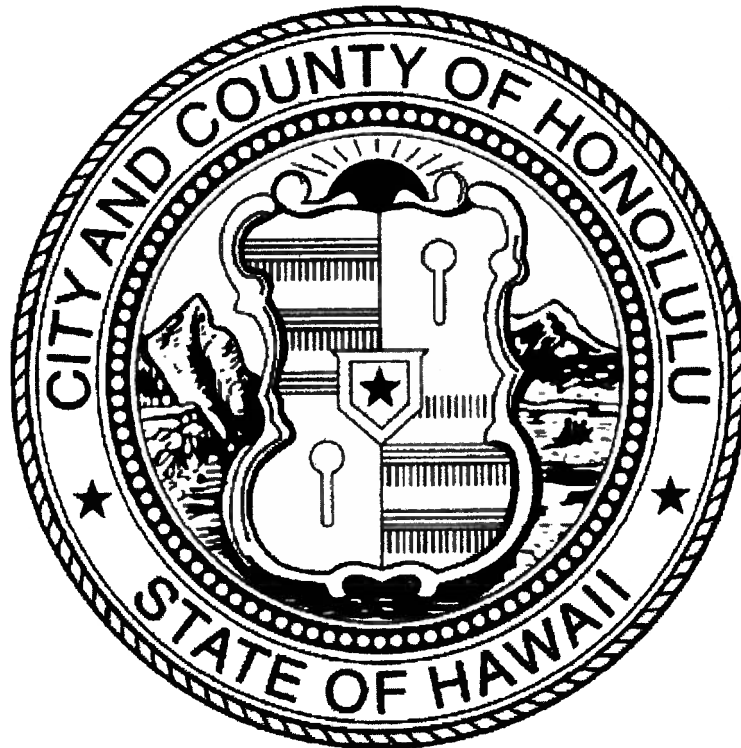
	2011	2010
Revenue:		
Intergovernmental	\$ 1,279	\$ --
Miscellaneous:		
Other	35	50
Total Revenue	1,314	50
Expenditures:		
Capital outlay:		
General government	--	3
Public safety	350	--
Highways and streets	72	18
Sanitation	822	47
Culture-recreation	975	776
Total Expenditures	2,219	844
Revenue under Expenditures	(905)	(794)
Other Financing Source (Uses):		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	16	24
Transfers to other funds:		
Bikeway Fund	(10)	(3)
Parks and Playgrounds Fund	--	(17)
Total Other Financing Source (Uses)	6	4
Revenue and Other Source under Expenditures and Other Uses	(899)	(790)
Fund Balance - July 1	16,314	17,104
Fund Balance - June 30	\$ 15,415	\$ 16,314

CITY AND COUNTY OF HONOLULU
TRANSIT FUND
 BALANCE SHEET
 JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 420,320	\$ 358,402
Receivables:		
Interest	44	30
Payroll advance	26	26
Due from other fund:		
General Fund	49,845	36,455
Total Assets	\$ 470,235	\$ 394,913
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 22,797	\$ 30,914
Accrued payroll	154	109
Total Liabilities	22,951	31,023
Fund Balance:		
Committed	447,284	363,890
Total Fund Balance	447,284	363,890
Total Liabilities and Fund Balance	\$ 470,235	\$ 394,913

CITY AND COUNTY OF HONOLULU
TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010
 (Amounts in thousands)

	2011	2010
Revenues:		
Miscellaneous:		
Interest	\$ 330	\$ 247
Other	13,020	17
Total Revenues	13,350	264
Expenditures:		
Current:		
General government	1,172	1,999
Utilities or other enterprises	4,211	3,583
Miscellaneous:		
Retirement and health benefits	1,370	1,354
Other	2	69
Capital outlay:		
Utilities or other enterprises	102,309	92,121
Total Expenditures	109,064	99,126
Revenues under Expenditures	(95,714)	(98,862)
Other Financing Source (Use):		
Transfers in:		
General Fund	179,108	157,555
Revenues and Other Sources over Expenditures	83,394	58,693
Fund Balance - July 1	363,890	305,197
Fund Balance - June 30	\$ 447,284	\$ 363,890



**STATISTICAL SECTION
(Unaudited)**

STATISTICAL SECTION

(Unaudited)

The information in this section is not covered by the Report of Independent Auditors 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.

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<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>	
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<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	233
<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>	
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<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 - 2011
(Amounts in thousands)
(Unaudited)

	Fiscal Year										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Governmental activities											
Invested in capital assets, net of related debt	\$ 500,169	\$ 389,308	\$ 214,214	\$ 165,257	\$ 113,778	\$ 151,597	\$ 155,932	\$ 211,083	\$ 262,817	\$ 275,456	
Restricted	170	173	969	976	1,085	1,052	1,053	1,056	1,412	1,347	
Unrestricted	551,180	523,206	474,354	399,180	233,339	97,865	95,024	84,837	47,330	79,576	
Total governmental activities net assets	1,051,519	912,687	689,537	565,413	348,202	250,514	252,009	296,976	311,559	356,379	
Business-type activities											
Invested in capital assets, net of related debt	725,532	690,697	714,543	681,690	711,150	694,775	759,186	747,875	702,785	725,510	
Restricted	158,662	144,307	131,469	84,981	59,409	35,425	26,882	22,584	20,603	54,489	
Unrestricted	408,635	295,240	145,665	76,007	16,751	549	(62,557)	(52,186)	20,841	63,894	
Total business-type activities net assets	1,292,829	1,130,244	991,677	842,678	787,310	730,749	723,511	718,273	744,229	843,893	
Primary government											
Invested in capital assets, net of related debt	1,225,701	1,080,005	928,757	846,947	824,928	846,372	915,118	958,958	965,602	1,000,966	
Restricted	158,832	144,480	132,438	85,957	60,494	36,477	27,935	23,640	22,015	55,836	
Unrestricted	959,815	818,446	620,019	475,187	250,090	98,414	32,467	32,651	68,171	143,470	
Total primary government net assets	\$ 2,344,348	\$ 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	

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET ASSETS
FISCAL YEARS 2002-2011
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
General government.....	\$ 455,874	\$ 392,883	\$ 444,701	\$ 371,354	\$ 314,667	\$ 319,455	\$ 278,458	\$ 275,549	\$ 252,351	\$ 269,312
Public safety.....	390,780	374,791	372,843	354,427	337,052	300,245	302,231	259,067	264,427	221,355
Highways and streets.....	46,315	30,418	51,916	16,095	39,128	35,795	23,263	19,667	45,049	81,245
Sanitation.....	5,292	3,244	5,130	5,758	8,742	3,125	902	899	648	562
Human services.....	80,647	95,437	83,647	82,966	73,725	79,880	75,943	70,165	74,463	81,607
Culture and recreation.....	91,944	106,081	110,390	96,299	95,655	86,197	81,447	61,158	68,323	75,962
Utilities or other enterprises.....	79,969	52,700	52,166	75,506	68,406	33,579	85,974	93,954	44,261	48,795
Interest.....	91,583	88,959	83,048	84,670	79,178	81,454	85,525	64,558	80,203	54,843
Total governmental activities expenses	1,242,404	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.....	14,481	13,220	13,711	13,841	12,905	12,296	10,418	16,247	24,151	13,319
Sewer.....	208,625	197,643	178,944	194,061	157,724	140,242	131,452	123,853	130,186	112,700
Solid Waste.....	163,534	159,187	154,158	170,781	153,736	145,181	138,443	136,623	140,060	126,807
Public Transportation.....	221,211	209,847	209,645	198,823	184,304	175,347	182,429	150,267	150,523	148,231
Total business-type activities expenses	608,851	579,897	558,458	577,506	508,669	473,066	442,742	426,790	444,920	401,057
Total primary government expenses	\$ 1,851,255	\$ 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.....	\$ 165,620	\$ 139,925	\$ 130,888	\$ 128,620	\$ 135,587	\$ 113,459	\$ 98,217	\$ 90,126	\$ 74,512	\$ 70,096
Public safety.....	38,582	40,089	42,163	37,772	35,883	30,502	31,017	28,058	26,239	9,535
Highways and streets.....	2,205	2,447	2,738	599	2,149	2,152	2,236	2,232	2,115	90
Sanitation.....	181	21	47	48	77	14	36	5	2	2
Human services.....	1,006	160	1,084	719	636	442	2,010	2,033	2,208	18,334
Culture and recreation.....	25,803	26,714	22,318	23,879	22,128	21,646	21,696	20,012	19,914	17,832
Utilities.....	201	17	--	--	--	--	--	--	--	70
Operating grants and contributions.....	111,419	123,389	118,970	106,930	104,397	100,838	106,383	93,590	85,512	79,500
Capital grants and contributions.....	64,988	48,461	38,292	46,736	50,078	35,200	19,723	67,675	33,736	41,336
Total governmental activities program revenues	409,987	381,243	358,280	347,303	350,715	304,253	281,320	301,731	244,238	236,795
Business-type activities:										
Charges for services:										
Housing.....	9,483	10,275	9,766	9,694	8,306	8,367	8,092	7,948	18,540	12,025
Sewer.....	347,038	308,407	251,853	225,104	165,914	151,200	118,893	115,032	115,773	113,811
Solid Waste.....	108,402	97,351	145,507	108,323	107,682	100,452	96,021	94,321	88,429	78,854
Public Transportation.....	53,657	47,638	44,245	43,767	43,598	43,502	41,958	35,333	31,776	32,279
Operating grants and contributions.....	21,441	21,017	21,108	21,674	17,840	23,516	27,630	25,093	21,212	21,787
Capital grants and contributions.....	33,067	32,329	25,307	18,514	32,704	4,255	18,461	50,565	24,023	41,790
Total business-type activities program revenues	573,088	517,017	497,886	427,076	376,044	331,292	311,055	328,292	299,753	298,546
Total primary government program revenues	\$ 983,075	\$ 898,260	\$ 856,166	\$ 774,379	\$ 726,759	\$ 635,545	\$ 592,375	\$ 630,023	\$ 543,991	\$ 535,341
Net Revenue (Expense)										
Governmental activities.....	\$ (832,417)	\$ (763,280)	\$ (847,561)	\$ (739,772)	\$ (663,834)	\$ (635,477)	\$ (610,423)	\$ (543,086)	\$ (565,487)	\$ (576,986)
Business-type activities.....	(35,763)	(62,880)	(58,572)	(150,430)	(132,825)	(141,774)	(131,887)	(98,498)	(145,167)	(102,511)
Total primary government net expense	\$ (868,180)	\$ (826,160)	\$ (906,133)	\$ (890,202)	\$ (796,659)	\$ (777,251)	\$ (742,110)	\$ (641,584)	\$ (710,654)	\$ (679,497)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
General revenues:										
Property taxes.....	\$ 804,311	\$ 853,426	\$ 802,571	\$ 775,971	\$ 685,868	\$ 595,041	\$ 497,935	\$ 438,964	\$ 385,107	\$ 381,330
Public service company tax.....	37,999	49,393	48,596	35,823	37,640	28,815	29,665	22,819	25,171	24,821
Fuel tax.....	52,298	47,639	50,316	50,633	52,221	52,385	51,354	49,271	47,156	46,728
Public utility franchise tax.....	44,801	34,312	54,804	36,239	38,356	33,450	28,382	26,800	22,104	24,217
Investment earnings.....	492	457	7,170	21,269	19,678	11,621	4,194	1,907	3,099	7,519
Unrestricted grants and contributions.....	224,506	197,519	202,598	216,274	92,884	43,269	39,402	36,127	38,771	31,588
Harbor Court lease to fee conversion.....	--	--	--	--	--	--	33,271	--	31,781	11,971
Other.....	3,960	4,053	3,162	2,362	2,329	3,940	7,627	14,120	--	3,858
Transfers.....	(197,116)	(200,369)	(198,532)	(181,588)	(167,452)	(135,539)	(126,374)	(61,505)	(32,522)	(41,356)
Total governmental activities	971,249	986,430	971,665	956,983	761,522	633,962	565,456	528,503	520,667	490,676
Business-type activities:										
General revenues:										
Investment earnings.....	1,230	1,078	9,039	24,210	21,734	13,473	10,551	11,037	12,981	18,828
Transfers.....	197,118	200,369	196,532	181,588	167,452	135,539	126,374	61,505	32,522	41,356
Total business-type activities	198,348	201,447	207,571	205,798	189,186	149,012	136,925	72,542	45,503	60,184
Total primary government	\$ 1,169,597	\$ 1,187,877	\$ 1,179,236	\$ 1,162,781	\$ 950,708	\$ 782,974	\$ 702,381	\$ 601,045	\$ 566,170	\$ 550,860
Changes in Net Assets										
Governmental activities.....	\$ 138,832	\$ 223,150	\$ 124,124	\$ 217,211	\$ 97,688	\$ (1,495)	\$ (44,967)	\$ (14,583)	\$ (44,820)	\$ (66,310)
Business-type activities.....	162,585	138,567	148,999	55,368	56,561	7,238	5,238	(25,956)	(99,664)	(42,327)
Total primary government changes in net assets	\$ 301,417	\$ 361,717	\$ 273,123	\$ 272,579	\$ 154,249	\$ 5,743	\$ (39,729)	\$ (40,539)	\$ (144,484)	\$ (128,837)

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2002 - 2011
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Post-GASB 54 Fiscal Year	
	2011	2010
General Fund		
Nonspendable	\$ -	\$ 25
Restricted		
Committed	32,596	82,697
Assigned	51,961	45,965
Unassigned	158,668	104,053
Total General Fund	\$ 243,225	\$ 232,740
All other Governmental Funds		
Restricted	\$ 136,708	\$ 115,936
Committed	482,563	413,640
Unassigned	(4,855)	--
Total all other Governmental Funds	\$ 614,416	\$ 529,576

Note: In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned only for fiscal years 2011 and 2010 for comparison purposes.

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

TABLE 4
CITY AND COUNTY OF HONOLULU
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2002 - 2011
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Taxes.....	\$ 934,557	\$ 986,828	\$ 952,531	\$ 891,982	\$ 815,284	\$ 705,557	\$ 607,541	\$ 532,804	\$ 480,851	\$ 477,746
Special assessments.....	8	18	17	28	354	387	419	56	520	440
Licenses and permits.....	151,581	126,208	112,397	115,657	120,802	100,938	86,649	74,138	61,220	56,614
Intergovernmental.....	395,316	362,399	355,530	358,552	238,926	169,515	159,612	180,846	144,482	145,439
Charges for services.....	28,007	27,714	23,924	23,766	24,754	23,991	24,346	22,145	20,703	18,482
Fines and forfeits.....	766	755	932	1,183	868	698	391	657	646	460
Miscellaneous:										
Reimbursements and recoveries.....	42,136	41,397	96,435	88,731	87,113	78,993	86,776	77,676	78,908	76,873
Interest.....	935	855	13,291	24,638	20,959	12,506	4,620	2,473	3,646	10,086
Other.....	37,064	26,029	29,576	23,065	27,403	28,854	24,981	30,710	31,165	38,199
Total Revenues.....	1,590,370	1,572,203	1,584,633	1,527,602	1,336,463	1,121,439	995,335	921,505	822,141	824,339
Expenditures:										
Current:										
General government.....	149,994	159,713	163,280	153,759	141,459	129,387	122,306	115,975	115,067	115,314
Public safety.....	371,627	357,148	359,277	329,108	306,161	287,592	277,867	256,231	246,109	224,274
Highways and streets.....	16,781	21,774	28,271	24,066	21,000	17,114	15,731	14,964	13,831	15,122
Sanitation.....	3,863	2,859	4,828	5,537	2,674	1,251	734	692	648	491
Human services.....	71,606	78,391	73,401	65,144	60,883	57,673	55,877	56,994	52,007	64,905
Culture and recreation.....	73,087	81,859	87,888	82,328	71,084	68,285	62,971	59,512	62,260	58,410
Utilities or other enterprises.....	27,758	27,122	28,857	27,818	22,917	23,330	29,645	24,336	22,557	23,793
Miscellaneous:										
Retirement and health benefits.....	194,338	182,644	208,354	140,461	137,615	134,657	120,111	99,128	82,791	94,380
Other.....	23,792	23,806	27,493	21,226	22,832	18,765	17,481	22,213	18,864	20,377
Capital Outlay:										
General government.....	18,894	23,853	36,247	39,784	25,869	17,290	18,263	30,554	32,696	46,377
Public safety.....	28,966	20,987	25,903	21,035	25,824	25,473	17,833	11,554	9,802	16,777
Highways and streets.....	65,534	89,857	55,985	48,871	45,163	45,963	62,237	34,895	57,092	50,940
Sanitation.....	827	121	302	235	4,068	1,874	196	7	196	116
Human services.....	10,645	14,906	11,591	18,214	12,978	22,655	19,142	17,636	23,308	16,950
Culture and recreation.....	24,703	19,090	22,038	21,576	27,477	29,050	44,277	36,621	48,924	101,692
Utilities or other enterprises.....	181,012	127,681	73,597	47,695	45,622	10,297	36,350	14,388	21,704	25,014
Debt service:										
Principal.....	89,615	93,015	122,273	260,680	102,794	249,164	272,856	258,584	73,900	27,728
Interest.....	95,549	93,225	104,980	100,362	103,869	89,630	83,825	80,774	83,164	81,205
Total Expenditures.....	1,448,591	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
Revenues over (under) Expenditures.....	141,779	154,052	150,068	119,703	156,174	(108,011)	(262,367)	(213,553)	(142,779)	(159,526)
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	100,734	30,254	150,089	109,000	--	--	165,313	258,793	80,066	205,015
Issuance of tax exempt commercial paper (TECP)	50,000	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.....	50,366	61,192	350,749	132,826	--	387,324	145,077	275,444	--	90,584
Bond premium.....	--	5,122	18,071	7,334	--	17,054	26,501	--	--	--
Bond discount.....	(1,096)	(1,996)	(78)	(30)	--	(115)	(14)	--	--	--
Payment of refunded bonds and TECP.....	(50,000)	(64,318)	(367,178)	--	--	(243,000)	(145,077)	(275,444)	--	(90,584)
Sales of capital assets.....	660	581	661	362	430	640	36,369	10,820	887	532
Transfers in.....	495,790	477,351	573,642	559,299	377,590	268,137	254,927	274,723	238,353	211,909
Transfers out.....	(692,908)	(677,720)	(772,174)	(740,887)	(545,042)	(403,676)	(381,301)	(391,513)	(266,021)	(253,265)
Total Other Financing Sources (Uses).....	(46,454)	(149,534)	(1,029)	143,769	(71,348)	194,386	267,595	252,100	92,798	165,310
Net change in fund balances.....	\$ 95,325	\$ 4,518	\$ 149,039	\$ 263,472	\$ 84,826	\$ 86,375	\$ 5,228	\$ 38,547	\$ (49,981)	\$ 5,784
Debt service as a percentage of noncapital expenditures.....										
	15.6%	16.8%	18.2%	28.8%	19.0%	30.6%	31.8%	34.2%	19.3%	13.5%

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2002 - 2011
(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	
2011	Homeowner	\$ 3.42	\$ 62,837,101	
	Non-Homeowner	3.58	59,448,272	
	Hotel/Resort	12.40	6,522,528	
	Commercial	12.40	14,425,794	
	Industrial	12.40	7,969,269	
	Agricultural	5.70	1,315,389	
	Vacant Agricultural	8.50	203,137	
	Preservation.....	5.70	384,308	
	Public Service.....	0.00	3,307	
		Total		\$ 153,109,105
	Fiscal year 2011 total direct tax rate	\$ 5.21		
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	3,938	
		Total		\$ 165,782,078
		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	377,099	
		Total		\$ 166,337,947
	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	349,430	
		Total		\$ 167,024,731
		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	385,292	
	Public Service.....	0.00	(1,300)	
		Total		\$ 146,074,910
	Fiscal year 2007 total direct tax rate	\$ 4.92		

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 2002 - 2011
(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	
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	9,618,183	
	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	(10)	
	Total		<u>\$ 114,102,880</u>	
	Fiscal year 2006 total direct tax rate	\$ 5.10		
	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	701,863
	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	9,162,363	
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		

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 7
CITY AND COUNTY OF HONOLULU
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2002 - 2011
(Amounts in thousands)
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied		Adjusted Taxes Levied		Collections within the fiscal year of the levy		Collections in Subsequent Years		Total Collections to Date	
	Taxes Levied	Adjustments (a)	Adjusted Taxes Levied	Amount	Percentage of Levy	Amount	Subsequent Years	Amount	Percentage of Levy	
2011	\$ 812,604	\$ (8,332)	\$ 804,272	\$ 795,456	98.9 %	\$ -	-	\$ 795,456	98.9 %	
2010	853,767	(4,713)	849,054	840,234	99.0	2,794	2,794	843,028	99.3	
2009	798,703	(676)	798,027	788,309	98.8	6,356	6,356	794,665	99.6	
2008	777,151	(3,706)	773,445	765,891	99.0	4,931	4,931	770,822	99.7	
2007	703,777	(5,500)	698,277	692,421	99.2	3,747	3,747	696,168	99.7	
2006	590,398	(1,065)	589,333	581,452	98.7	3,042	3,042	584,494	99.2	
2005	511,011	(10,476)	500,535	496,230	99.1	1,990	1,990	498,220	99.5	
2004	435,318	(3,539)	431,779	427,378	99.0	2,862	2,862	430,240	99.6	
2003	392,606	(4,884)	387,722	382,638	98.7	1,886	1,886	384,524	99.2	
2002	383,720	(5,244)	378,476	373,838	98.8	3,052	3,052	376,890	99.6	

Notes: New format displays taxes collected by fiscal year of levy.
(a) Adjustments include mostly appeals.

TABLE 8
CITY AND COUNTY OF HONOLULU
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2002 - 2011
(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	Percentage of Personal Income (a)	Per Capita (a)	Water Bonds	Per Capita (a)	Percentage of Personal Income (a)
2011	\$ 1,958,785	\$ -	\$ -	3,976	\$ 1,032	\$ 572,195	\$ 1,484,445	\$ -	\$ 200,392	\$ 4,220,825	10.22 %	\$ 4,428	\$ 294,960	\$ 4,737	10.94 %
2010	1,896,840	-	-	4,436	1,032	389,726	1,300,990	-	193,103	3,786,127	9.17 (c)	4,172 (c)	301,395	4,504	9.90 (c)
2009	1,941,715	-	-	4,878	1,602	272,001	1,211,500	-	157,310	3,589,006	8.71 (c)	3,976 (c)	307,560	4,316	9.46 (c)
2008	1,758,535	76,863	-	5,302	1,898	248,860	1,219,065	837	114,847	3,426,207	8.69 (c)	3,812 (c)	313,470	4,161	9.48 (c)
2007	1,598,488	144,063	-	5,709	1,497	252,601	1,048,775	17,837	112,746	3,161,716	8.59	3,522 (c)	319,160	3,675	9.46
2006	1,652,329	52,763	290	6,100	-	291,688	851,050	11,837	68,338	2,944,395	8.59	3,270 (c)	210,925	3,505	9.21
2005	1,579,217	37,942	645	6,476	-	326,734	701,785	11,858	74,123	2,738,760	8.53	3,062 (c)	215,045	3,303	9.20
2004	1,438,194	63,942	1,010	6,836	103	354,231	702,925	10,858	79,880	2,657,979	8.95	2,963 (c)	217,180	3,238	9.68
2003	1,254,315	128,100	1,375	7,173	694	385,264	704,020	-	85,494	2,566,435	8.99	2,908 (c)	119,270	3,043	9.41
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	2,610 (c)	121,000	2,748	8.78

NOTES:
(a) See TABLE 12 for personal income and population data.
(b) 2011 Personal Income is not available. 2010 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 2002 - 2011
 (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)
2011	\$ 2,530,980	\$ --	\$ 3,976	\$ 2,534,956	1.66 %	\$ 2,659
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
2008	2,007,395	77,700	5,302	2,090,397	1.25	2,326
2007	1,851,089	161,900	5,709	2,018,698	1.38	2,234
2006	1,954,017	64,600	6,100	2,024,717	1.77	2,249
2005	1,905,951	49,800	6,476	1,962,227	2.12	2,194
2004	1,792,425	74,800	6,836	1,874,061	2.37	2,110
2003	1,639,579	128,100	7,173	1,774,852	2.41	2,011
2002	1,715,173	21,500	4,620	1,741,293	2.50	1,985

NOTES:

- (a) See TABLE 5 for net taxable property values.
- (b) See TABLE 12 for population data.

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 2002 - 2011
(Amounts in thousands)
(Unaudited)

	Fiscal Year										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Debt limit (a)	\$ 22,966,366	\$ 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	
Debt applicable to limit	1,962,761	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	
Legal debt margin (b)	\$ 21,003,605	\$ 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	
Debt applicable to the limit as a percentage of debt limit	8.55%	7.65%	7.80%	7.35%	7.98%	10.06%	11.71%	12.71%	12.59%	12.57%	

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 2011

Net assessed value	\$ 153,109,105
Debt limit (15% of assessed value)	22,966,366
Debt applicable to limit	1,962,761
Legal debt margin	<u>\$ 21,003,605</u>

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEGDED REVENUE COVERAGE
FISCAL YEARS 2002-2011
(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		
2011	\$ 154,527	\$ 109,301	\$ 45,226	\$ 6,710	\$ 14,213	\$ 20,923	2.16
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

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2011	\$ 344,188	\$ 124,129	\$ 220,059	\$ 19,190	\$ 59,326	\$ 78,516	2.80
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

SPECIAL ASSESSMENT BONDS (e)

Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2011	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
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

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 2002 - 2011
(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)
2011	953,207	NA	NA	117,880	5.6
2010	907,574	\$ 41,291	\$ 45,496	118,534	5.8 (c)
2009	902,745	41,188 (c)	45,625 (c)	117,990	3.6
2008	898,695	39,430 (c)	43,874 (c)	119,005	2.5
2007	903,467	37,020	40,976	120,889	2.4
2006	900,340	34,264	38,057	122,673	2.7
2005	894,406	32,101	35,891	122,950	3.1
2004	888,026	29,705	33,450	123,387	3.7
2003	882,628	28,537	32,332	123,658	3.9
2002	877,189	27,459	31,304	123,658	4.1

NOTES:

(a) Per *The State of Hawaii Data Book 2010*.

(b) Enrollment figures for 2002-2011 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 13
CITY AND COUNTY OF HONOLULU
PRINCIPAL EMPLOYERS, STATE OF HAWAII
FISCAL YEARS 2001 - 2010
(Unaudited)

Employer (a)	2010			2009			2008			2007			2006		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)
State of Hawaii	71,700	1	12.21%	73,700	1	12.52%	74,300	1	12.10%	72,400	1	11.72%	71,950	1	11.65%
Federal Government	34,800	2	5.92%	33,300	2	5.66%	32,200	2	5.25%	31,750	2	5.14%	31,850	2	5.16%
Local Governments	18,700	3	3.18%	18,650	3	3.17%	18,550	3	3.02%	17,950	3	2.91%	17,450	3	2.82%
Hawaii Pacific Health	5,490	4	0.93%	5,300	5	0.90%	5,200	6	0.85%	5,200	7	0.84%	5,500	5	0.89%
Hilton Hotels Hawaii Region	5,400	5	0.92%	5,059	6	0.86%	4,903	7	0.80%	4,834	8	0.78%	4,351	7	0.70%
The Queen's Health Systems	5,147	6	0.88%	5,092	7	0.87%	4,403	8	0.72%	4,017	9	0.65%	3,969	8	0.64%
Starwood Hotels and Resorts Hawaii	4,400	8	0.75%	3,700	9	0.63%	3,639	10	0.59%	3,764	10	0.61%	3,807	9	0.62%
Kaiser Permanente Medical Care Program	4,019	9	0.68%	3,560	10	0.60%	3,752	9	0.61%	8,311	4	1.35%	7,438	4	1.20%
Hawaiian Electric Industries Inc.	3,400	10	0.58%	3,851	7	0.65%	9,869	4	1.61%	5,910	5	0.96%	3,562	10	0.58%
Kyo-ya Co. Ltd.	--	--	--	3,839	8	0.65%	8,000	5	1.30%	5,500	6	0.89%	4,800	6	0.78%
Hawaii Health Systems Corp.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
ALTRES Inc.	--	--	--	9,000	4	1.53%	164,816		27.17%	159,636		25.85%	154,687		25.04%
NCL America	--	--	--	158,148		26.92%	159,959		27.17%	164,816		28.85%	159,636		25.85%
Proservice Hawaii Business Development Corp.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	158,148		26.92%	159,959		27.17%	164,816		27.17%	164,816		28.85%	159,636		25.85%

Employer (a)	2005			2004			2003			2002			2001		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
State of Hawaii	71,150	1	11.67%	71,500	1	11.95%	70,550	1	11.91%	70,150	1	12.00%	67,300	1	11.42%
Federal Government	31,300	2	5.13%	31,450	2	5.26%	31,650	2	5.34%	30,650	2	5.25%	30,100	2	5.11%
Local Governments	17,200	3	2.82%	17,100	3	2.86%	16,950	3	2.86%	17,150	3	2.83%	17,100	3	2.90%
ALTRES Inc.	7,574	4	1.24%	7,238	4	1.21%	6,958	4	1.17%	6,588	4	1.13%	6,846	4	1.16%
Starwood Hotels and Resorts Hawaii	5,500	5	0.90%	5,434	5	0.91%	5,449	5	0.92%	5,468	5	0.94%	--	--	--
Hawaii Pacific Health	5,449	6	0.89%	5,434	5	0.91%	5,449	5	0.92%	5,468	5	0.94%	--	--	--
Kaiser Permanente Medical Care Program	3,918	7	0.64%	3,790	6	0.63%	3,663	6	0.62%	3,385	8	0.58%	3,275	9	0.56%
Aloha Airgroup, Inc.	3,701	8	0.61%	3,558	9	0.59%	--	--	--	--	--	--	--	--	--
The Queen's Health Systems	3,673	9	0.60%	3,689	8	0.62%	3,400	9	0.57%	4,055	6	0.69%	3,773	7	0.64%
Kyo-ya Co. Ltd.	3,574	10	0.59%	3,753	7	0.63%	3,638	7	0.61%	3,762	7	0.64%	4,078	6	0.69%
Hawaii Health Systems Corp.	--	--	--	3,400	10	0.57%	3,400	9	0.57%	3,205	9	0.55%	--	--	--
Bancorp Hawaii Inc./Pacific Century Financial Corp./	--	--	--	--	--	--	--	--	--	3,175	10	0.54%	4,162	5	0.71%
Bank of Hawaii Corp.	--	--	--	--	--	--	--	--	--	--	--	--	3,210	10	0.54%
McDonald's Restaurants of Hawaii	--	--	--	--	--	--	3,491	8	0.59%	--	--	--	3,313	8	0.56%
Hawaiian Airlines Inc.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	153,039		25.09%	150,912		25.23%	149,149		25.16%	147,588		25.25%	143,157		24.29%

SOURCES:
The State of Hawaii Data Book (<http://www.hawaii.gov/dbedt/>).
Hawaii Business, magazine various years.
Pacific Business News - 2010 data
NOTES:
(a) State of Hawaii employees only.
(b) Total State employment count revised from prior CAFR.

TABLE 14
CITY AND COUNTY OF HONOLULU
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEARS 2002 - 2011
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government										
Administration	478	491	547	538	532	531	523	480	517	530
Finance	398	419	475	439	425	414	416	403	415	403
Legal	304	314	314	318	307	310	321	316	315	323
Planning & Permitting	248	259	270	250	257	251	234	225	238	236
Design & Construction	227	226	228	216	209	204	203	217	223	238
Public Safety										
Police	2,551	2,570	2,625	2,601	2,569	2,537	2,490	2,507	2,466	2,490
Fire	1,099	1,083	1,092	1,098	1,091	1,076	1,061	1,077	1,084	1,090
Emergency Medical Services	147	145	144	136	129	134	127	173	126	117
Highways and Streets	585	604	651	631	631	616	614	624	625	639
Sanitation										
Solid Waste	585	302	145	363	348	336	333	333	324	332
Sewer	253	559	542	530	520	508	498	512	536	565
Health and Human Resources	403	411	404	397	391	416	411	390	387	421
Culture and Recreation	982	1,026	984	962	932	855	871	911	959	968
Total	<u>8,260</u>	<u>8,409</u>	<u>8,421</u>	<u>8,352</u>	<u>8,341</u>	<u>8,188</u>	<u>8,102</u>	<u>8,168</u>	<u>8,215</u>	<u>8,352</u>

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 2002 - 2011
(Unaudited)

Function	Fiscal Year											
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002		
Public Safety												
Police												
Part I number of arrests (a)	5,120	5,430	4,011	4,453	4,038	4,484	3,554	4,649	5,401	6,426		
Part II number of arrests (a)	31,930	33,940	35,315	37,295	35,006	31,145	26,095	33,350	31,120	35,868		
Parking violations	115,171 (f)	124,997 (f)	133,216 (f)	154,323 (f)	97,366 (e)	105,871 (e)	106,304 (e)	92,066 (e)	92,115 (e)	84,024 (e)		
Traffic violations	203,052 (f)	197,820 (f)	198,746 (f)	173,762 (f)	240,220 (f)	183,205 (e)	180,941 (e)	168,491 (e)	158,304 (e)	167,481 (e)		
Fire												
Fire department responses	18,436	16,254	16,152	15,728	16,021	15,859	13,900	10,766	10,468	10,627		
Emergency medical responses	27,953	24,808	24,930	23,760	21,722	19,346	20,268	22,178	19,549	18,997		
Inspections	73,302 (i)	67,542 (i)	70,268 (i)	66,947 (i)	180,536	191,333	213,538	218,083	175,744 (d)	234,175		
Emergency Medical Services												
Ambulance responses	67,477	69,253	60,412	73,902	74,887	72,807	66,162	67,762	60,976	55,270		
Refuse Collection												
Refuse collected (tons per year)	273,040	290,064	312,360	340,781	359,801	373,462	368,288	350,298	335,622	358,946		
Recyclables collected (tons per year)	121,442	84,046	69,188	55,700	57,900	67,966	67,713	80,624	82,721	39,869		
Other Public Works												
Street resurfacing in-house (miles)	19	57	60	51	38	43	31 (h)	--	--	--		
Street resurfacing contract (miles)	149	319	76	91	75	120	122 (h)	27	91	128		
First aid (tons of asphalt)	753	4,277	2,560	3,007	12,528	13,079	13,785 (h)	9,354	1,829	2,387		
Potholes repaired	67,714	41,505	68,816	82,850	73,013	55,192	47,660 (h)	68,872	40,195	38,432		
Parks and Recreation												
Park facility permits issued	16,549	15,520	18,611	15,136	21,522	18,912 (b)	36,124	24,114	21,550	12,045 (c)		
Other Enterprise												
Rounds of golf	475,663	534,508	563,589	563,669	563,858	538,451	530,606	560,921	611,979	619,300		
Zoo attendance	603,677	580,265	623,034	599,442	601,510	568,952	513,931	498,767	495,184	521,870		
Water												
New connections	962	1,075	1,262	1,370	1,926	1,925	2,269	2,182	2,766	1,857		
Water main breaks	333	388	325	285	342	358	388	399	338	392		
Average daily pumpage (millions of gallons)	130	148	145	148	152 (e)	148	148	150	159	154		
Peak daily pumpage (millions of gallons)	157	171	179	179	175	187	184	182	185	182		
Wastewater												
Average daily sewage treatment (millions of gallons)	105	104	108	107	105	112	112	112	111	115		
Transit												
Total bus directional route miles	909	945	943	927	927	922	919	915	912	914		
Total bus revenue miles	18,356,893	18,343,673	18,462,001	18,272,697	17,923,724	18,019,030	18,388,911	16,530,804 (g)	18,331,577	18,674,279		
Bus passengers	73,785,232	73,158,620	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		
Total paratransit revenue miles	4,955,876	4,960,022	4,999,735	4,833,262	4,608,289	4,322,045	4,036,752	4,171,202	4,252,570	4,232,589		
Paratransit passengers	825,660	790,357	840,763	833,835	807,851	784,058	733,777	731,083	730,651	710,957		

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 2002 - 2011
(Unaudited)

Function	Fiscal Year											
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002		
Public Safety												
Police												
Stations	11	12	12	12	11	11	11	11	11	11		
Patrol units - City owned	473	328	331	300 (a)	363	332	288	288	295	324		
Patrol units - privately owned (b)	1,312	1,357	1,276	1,428	1,293	1,313	1,325	1,332	1,295	1,278		
Fire stations (c)	44	44	44	44	44	44	44	44	44	44		
Emergency medical services stations	21	21	21	21	20	20	20	19	19	19		
Refuse collection trucks	174	206	206	191	191	192	186 (d)	205	197	187		
Other Public Works												
Streets (paved mile)	1,410	1,407	1,398	1,398	1,398	1,393	1,391	1,389	1,386	1,374		
Streetslights	47,544	47,283	47,160	46,756	46,605	46,236	45,937	45,922	45,285	44,093		
Storm sewers (miles)	718	715	706	706	706	702	701	699	696	684		
Parks and Recreation												
Parks and recreational areas	288	288	287	284	282	277	288	280	283	283		
Beach access/right of ways	90	90	90	90	90	83	87	87	87	87		
Botanical gardens	5	5	5	5	5	5	5	5	5	5		
Recreation buildings	93	93	93	93	93	93	93	93	91	91		
Gymnasiums	24	24	24	24	24	24	24	26	25	24		
Swimming pools	21	21	21	21	21	21	20	20	20	19		
Baseball/softball fields	200	200	193	193	194	194	194	194	200	195		
Basketball courts	200	220	220	220	220	220	220	220	222	222		
Tennis courts	203	200	200	200	200	179	179	179	179	179		
Volleyball courts	169	169	169	169	169	169	169	169	170	173		
Soccer fields	80	80	80	80	80	80	80	80	81	81		
Traffic related landscaped areas	149	149	149	149 (e)	90	86	86	86	86	94		
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)	2,095	2,079	2,043	2,067	2,060	2,055	2,037	1,997	1,977	1,960		
Fire hydrants	21,045	21,006	20,950	20,760	20,381	20,073	19,832	19,711	19,526	19,179		
Storage capacity (millions of gallons)	182	182	182	182	183	182	182	182	182	178		
Wastewater												
Sanitary sewers (miles)	2,100	2,143	2,152	2,113	2,191	2,191	2,191	2,205	2,304	2,541		
Treatment capacity (millions of gallons)	152	152	152	152	152	151	151	151	151	151		
Transit												
Buses	553	552	549	540	525	525	525	536	525	525		
Paratransit vehicles	181	166	166	148	129	119	123	121	154 (f)	124		
Traffic signal intersections (g)	825	823	819	799	790	787	772	760	760	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 unserviceable vehicles were awaiting disposal.

(g) Includes State traffic signals on Oahu that the City maintains.

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