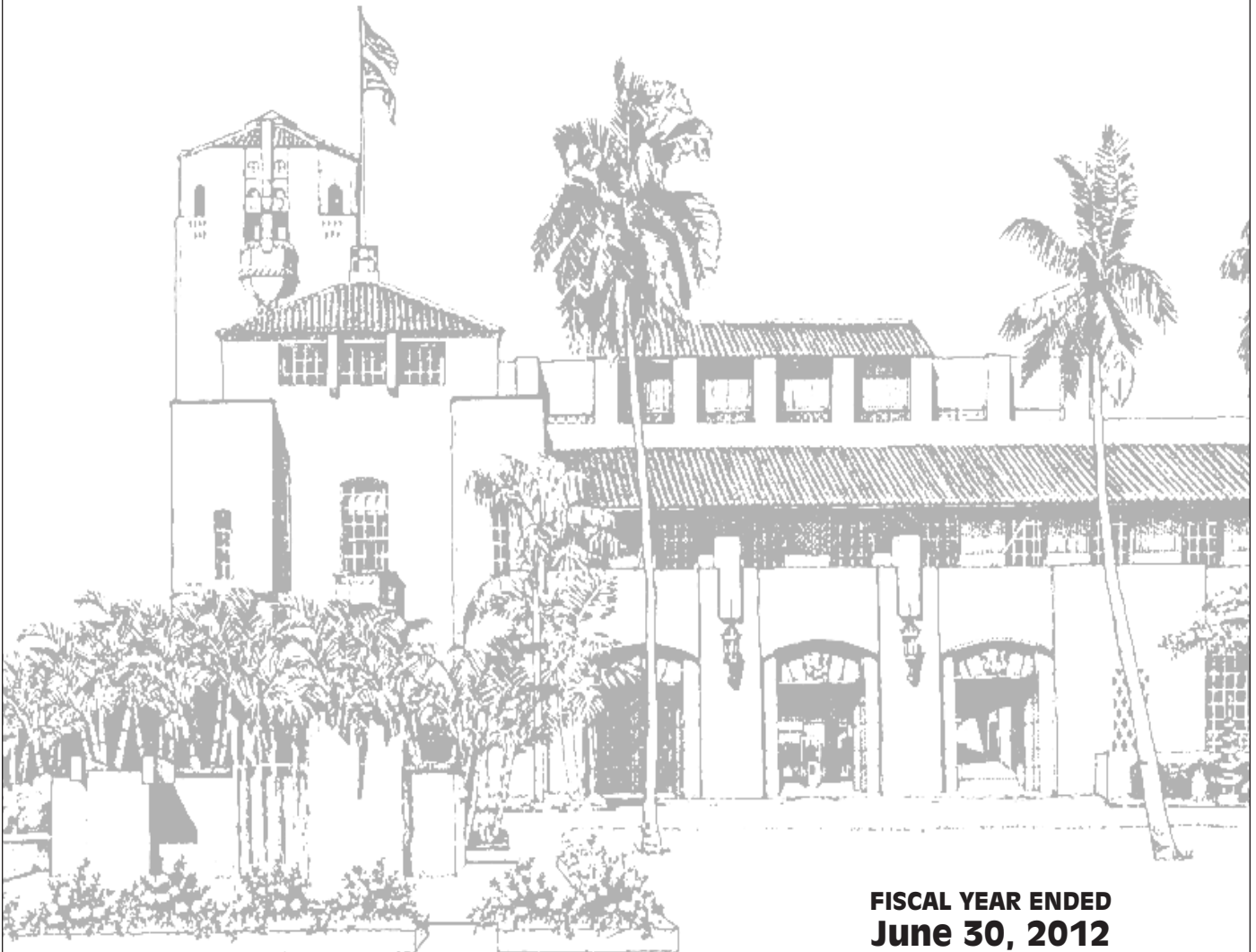
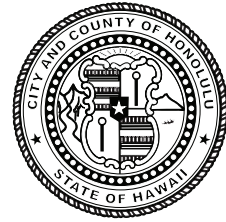


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2012**

EXECUTIVE BRANCH



Peter B. Carlisle
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2012

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

**CITY AND COUNTY OF HONOLULU
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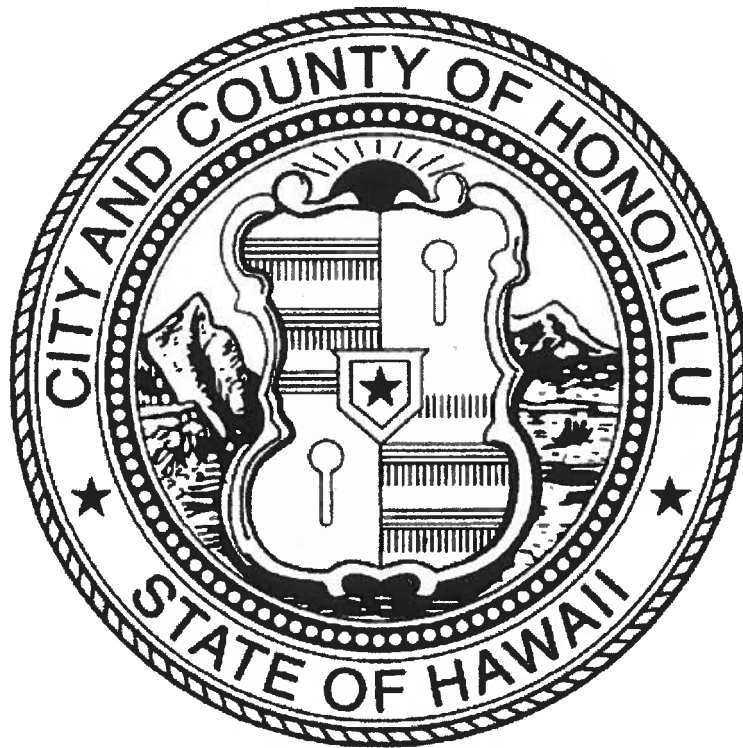
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INTRODUCTORY SECTION

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

PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

December 21, 2012

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, 2012. 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 units.

REPORTING ENTITY

The CAFR presents the financial status of the City (the primary government) and its discretely presented component units, the Board of Water Supply (BWS) and the Honolulu Authority for Rapid Transportation (HART). The financial information for BWS and HART are reported in separate columns in the government-wide financial statements to emphasize their legal separation from the primary government and to differentiate their 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

Oahu is on the road to economic recovery.

- The October 2012 single family home median resale prices increased 7.9% to \$625,000, and resale volume rose 26.5% to 282 when compared with the same month a year ago. Additionally for October 2012, condominium resale prices grew 6.6% to \$325,000, and the resale volume sold increased 32.4% to 425.
- Construction revenues increased 29.3% to \$470.6 million for June 2012, and 12.3% to \$5.08 billion for the fiscal year ended June 30, 2012. Furthermore, building permits issued numbered 23,450 and totaled \$1.80 billion, representing an increase of 59.0% in quantity and an increase of 30.1% in value for the first ten months of calendar year 2012 when compared to the same period last year.
- Retail sales on Oahu have been rising, increasing 14.0% to \$25.3 billion for fiscal year 2012 from \$22.2 billion for fiscal year 2011, and 10.6% to \$2.08 billion for the month ended June 30, 2012 when compared to the same month the previous year.
- Hawaii is recognized as a strategic military location, and 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 overwhelming majority of the spending concentrated on Oahu.
- The visitor industry continues to improve. For September 2012 compared to the same month a year ago, the following gains were posted: 11.7% to \$586.8 million for visitor expenditures, 7.3% to 384,801 for visitor arrivals, and 4.6% to \$220.80 per person for average daily visitor spending. Similarly for August 2012, average daily room rates rose 16.5% to \$196.96, and hotel occupancy was 3.7% higher than the year before at 90.0%.
- Non-agricultural jobs totaled 438,100 for August 2012, a 2.0% increase from 429,400 non-farm jobs for the same month the preceding year.

- For September 2012, Honolulu had the lowest unemployment rate among Hawaii's counties, with a non-seasonally adjusted unemployment rate of 5.0%. Oahu's jobless rate is lower than the seasonally adjusted jobless rates of 5.7% statewide and 7.8% nationally.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 3.6% for the first quarter of 2012 compared to an increase of 4.7% for 2011, and an increase of 3.7% for 2010.
- Proprietors' income increased 5.8% for the first quarter of 2012, compared to an increase of 4.3% for 2011 and an increase of 11.2% in 2010.

Sources:

City and County of Honolulu, Department of Planning and Permitting, <http://dev.honoluluodpp.org/ReportsNotices.aspx>.

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 2012 was \$1.92 billion net of interfund transfers, which represented an increase of \$107.2 million compared to the prior year. The increase was due primarily to expenses related to the Asia Pacific Economic Cooperation (APEC) conference in November 2011, 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 represented a decrease of 74.2% compared to the preceding fiscal year. The decrease was due in large part to the creation of a new component unit, the Honolulu Authority for Rapid Transportation (HART), with a budget now separate from the City's executive operating budget. In addition, the City has been working toward reducing future debt service costs by focusing capital improvements on maintaining existing facilities and advancing those projects that are mandated, required or essential. Funding for capital improvements in 2012 were primarily for sanitation (53.1%) and highways and streets (18.6%).

Sanitation

For solid waste and sewage collection and disposal projects, a sum of \$290.7 million was budgeted for fiscal year 2012, which represented a decrease of 41.1% compared to the prior fiscal year. Major sanitation projects included 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).

Highways and Streets

The \$101.9 million capital improvement budget for highways and streets represented a 19.5% reduction for fiscal year 2012 in comparison to the previous fiscal year. Major highways and streets projects included 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).

Public Safety

The appropriations for the public safety function amounted to \$38.6 million for fiscal year 2012, and represented a 30.6% decrease from the previous fiscal year. The major public safety projects included 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).

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 included 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), Waipio Peninsula Recreation Complex (\$2.0 million), Kanewai Community Park (\$1.4 million), Waianae District Park (\$1.4 million), and Ala Moana Regional Park (\$1.4 million).

Transportation

Mass transit appropriations of \$31.4 million for fiscal year 2012 represented a 97.7% decrease compared to the previous fiscal year due to the rail transit project being budgeted separately in HART. Two noteworthy public transit projects were the Bus and Handi-Van Acquisition Program (\$19.5 million), and Alapai Transportation Management Center (\$9.0 million).

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 were the major general government projects: Citywide 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).

Human Services

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

FOR THE FUTURE

The executive operating budget for fiscal year 2013 is \$1.96 billion net of interfund transfers, representing an increase of \$39.3 million compared to the prior year. The increase is due primarily to added fuel, electricity, and costs associated with the new 3rd boiler for H-POWER. Nevertheless, the City's philosophy is to look for ways to trim costs, find cost saving efficiencies, or as much as possible make sure new cost increases are offset by revenue increases.

The City's capital improvement budget of \$620.1 million for fiscal year 2013 represents an increase of 13.3% compared to the preceding fiscal year. Funding continues to focus on sanitation (53.5%), and on highways and streets (20.1%).

Sanitation

For solid waste and sewage collection and disposal projects, a sum of \$332.0 million is budgeted for fiscal year 2013, representing an increase of 14.2% compared to the prior fiscal year. Major sanitation projects include Kaneohe/Kailua Sewer Tunnel (\$148.2 million), Sand Island Wastewater Treatment Plant Solids Handling (\$21.5 million), Solid Waste to Energy Facility Rehabilitation (\$20.0 million), Sewer Mainline and Lateral Projects (\$14.3 million), and Waiiau Area Sewer Rehabilitation/Reconstruction (\$12.8 million).

Highways and Streets

The \$124.4 million capital improvement budget for highways and streets represents a 22.1% increase for fiscal year 2013 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$100.0 million), Makakilo Drive Extension (\$3.0 million), Haleiwa Walkway Improvements (\$2.8 million), Kapolei Parkway Construction (\$2.2 million), and Bridge Rehabilitation at Various Locations (\$2.1 million).

Public Safety

The appropriations for the public safety function amount to \$46.5 million for fiscal year 2013, representing a 20.5% increase from the previous fiscal year. The major public safety projects include Waianae Police Station Replacement (\$5.7 million), Traffic Signal Maintenance Facility (\$5.0 million), Traffic Signals at Various Locations (\$4.2 million), Honolulu Fire Department Equipment Acquisition (\$4.1 million), Computerized Traffic Control System (\$3.4 million), and Honolulu Police Department Equipment Acquisition (\$3.4 million).

Culture-Recreation

For fiscal year 2013, \$34.6 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a decrease of 6.0% over the prior fiscal year. The major culture-recreation projects include Renovate Recreational Facilities (\$4.6 million), Kualoa Regional Park-Reconstruction of Wastewater System (\$3.0 million), Galbraith Estate (\$2.0 million), Patsy T. Mink Central Oahu Regional Park (\$2.0 million), and Waimanalo Bay Beach Park Master Plan (\$2.0 million).

Transportation

Mass transit appropriations of \$30.9 million for fiscal year 2013 represents a 1.6% decrease compared to the previous fiscal year. Two of the noteworthy public transit projects are the Bus and Handi-Van Acquisition Program (\$21.9 million), and Alapai Transportation Management Center (\$4.7 million).

General Government

The general government function of the capital improvement budget increased 8.4% to \$32.7 million for fiscal year 2013 compared to the prior fiscal year. The following are the major general government projects: Citywide Procurement of Major Equipment (\$20.6 million), Kapolei Consolidated Corporation Yard (\$3.4 million), Public Building Facilities Improvements (\$2.5 million), Telecommunications Facilities Upgrade (\$2.5 million), and National Pollutant Discharge Elimination System (\$2.0 million).

Human Services

The capital improvement budget for the human services function is \$19.0 million for fiscal year 2013, representing a 6.7% increase compared to the last fiscal year, and includes Community Development Block Grant Program (\$5.9 million), Koolauloa Affordable Housing Initiative Program (\$5.6 million), and Home Investment Partnerships Program (\$3.8 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 units, the Board of Water Supply and the Honolulu Authority for Rapid Transportation, are reported individually and 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 included in fund balance and are not reappropriated in the following year's budget.

OTHER INFORMATION

Independent Audits

Section 3-114 of the City Charter requires an annual financial audit by independent certified public accountants. The Office of the City Auditor selected the accounting firm of Accuity LLP to perform the audit. The auditor's report is included in the financial section of this report. In addition, the Board of Directors of the Board of Water Supply contracted N&K CPAs, Inc. while the Board of the Honolulu Authority for Rapid Transportation engaged PKF Hawaii to audit their 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, 2011. The City has received the award in 25 of the last 26 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 our current CAFR continues to meet the requirements of GFOA's Certificate of Achievement Program; 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 thirteen 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 of delivering to the citizens of Honolulu the report of the City's financial status for the year ended June 30, 2012.

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, 2011

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.



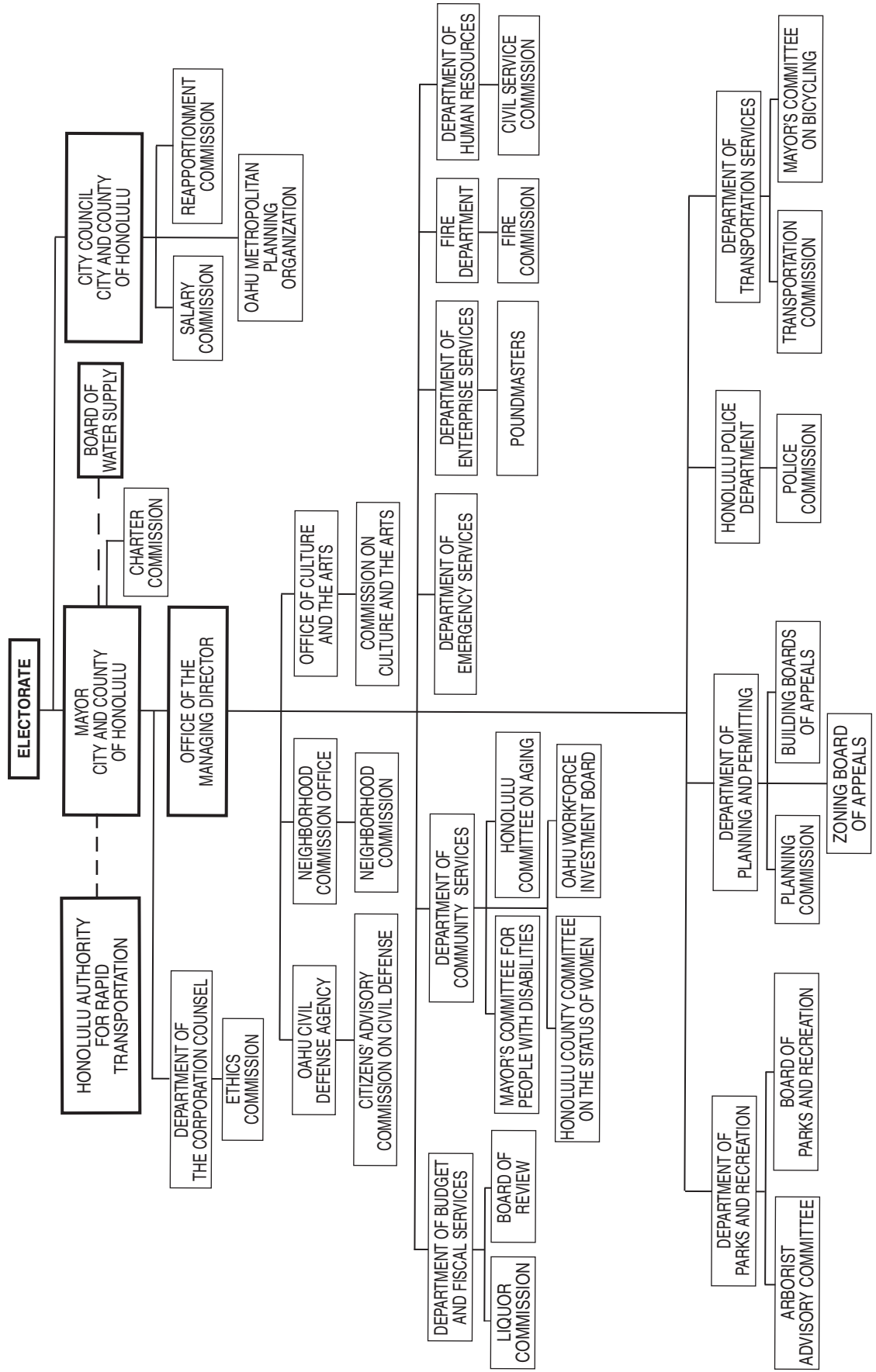
Christopher P. Moynell

President

Jeffrey R. Enos

Executive Director

CITY AND COUNTY OF HONOLULU CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES FISCAL YEAR 2011 - 2012



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2012**

EXECUTIVE BRANCH

Mayor. Peter B. Carlisle

(In the general election on November 6, 2012, Kirk Caldwell was elected Mayor for a four-year term commencing January 2, 2013.)

Prosecuting Attorney. Keith M. Kaneshiro

(Keith M. Kaneshiro was re-elected to a four-year term as Prosecuting Attorney in the general election on November 6, 2012.)

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 (Resigned effective August 16, 2012. Carol Fukunaga was elected in a special election on November 6, 2012 and will serve the remainder of Councilmember Gabbard's term.)
Seventh.	Romy M. Cachola (Resigned effective October 31, 2012. Joey Manahan was appointed November 14, 2012 and will serve the remainder of Councilmember Cachola's term.)
Eighth.	Breene Harimoto
Ninth	Nestor R. Garcia

The following were elected to a four year-term starting on January 2, 2013:

First	Kymerly Marcos Pine
Third.	Ikaika Anderson
Fifth.	Ann H. Kobayashi
Seventh.	Joey Manahan
Ninth.	Ron Menor

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

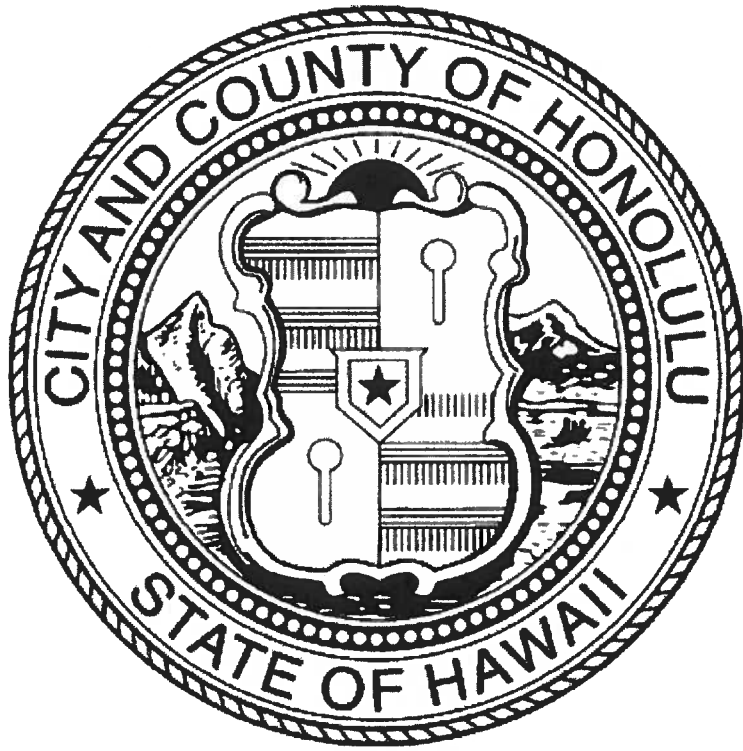


Breene Harimoto
Councilmember, District VIII



Nestor Garcia
Councilmember, District IX

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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 units, 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Water Supply or the Honolulu Authority for Rapid Transportation, which are the City's discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Water Supply and the Honolulu Authority for Rapid Transportation, are based on the reports 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 reports 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 units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, 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 21, 2012, 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.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 17 through 32, budgetary comparison information on pages 93 through 97, and schedule of funding progress on page 98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and fund schedules are fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

Accuity LLP

Honolulu, Hawaii
December 21, 2012

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

The following Management's Discussion and Analysis (MD&A) is designed to provide an overview of the financial performance for the City and County of Honolulu (City) fiscal year ended June 30, 2012. 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 2012

- The creation of a new component unit, Honolulu Authority for Rapid Transportation (HART), was effective on July 1, 2011. Capital costs the City incurred (less a nominal amount of accumulated depreciation for equipment) and the unspent cash received from the State of Hawaii for the general excise and use tax surcharge, offset by any related liabilities, amounted to \$749.3 million as contributions to HART. These amounts were contributed to HART primarily from the Transit Fund and are reported as a special item on the Statement of Activities on pages 34 and 35. In addition, beginning in fiscal year 2012, all monies collected for the county surcharge on state excise and use tax are recorded as general revenues of HART rather than as general revenues of the City immediately transferred to HART.
- Taxes and other revenues for governmental activities totaled \$1.45 billion for fiscal year 2012 compared to \$1.58 billion for the prior fiscal year. Expenses before the special item and transfers amounted to \$1.36 billion compared to \$1.24 billion for fiscal year 2011. The governmental activities are summarized on page 22, discussed on pages 23 to 25, and reported on pages 34 and 35.
- Revenues for the City's business-type activities improved to \$645.5 million for fiscal year 2012 from \$574.3 million for fiscal year 2011, primarily due to rate hikes for sewer service charges and HECO electrical energy rates paid to H-POWER. Likewise, expenses before transfers increased to \$642.6 million for the current fiscal year compared to \$608.8 million for fiscal year 2011, due in part to additional interest expense for recently issued wastewater system revenue bonds. The business-type activities are summarized on page 22, discussed on pages 26 to 27, and reported on pages 34 and 35.
- The combined ending governmental fund balances as of June 30, 2012 amounted to \$428.7 million (as reported on page 37), and excludes the fund balance of \$447.3 million for the Transit Fund which was contributed to HART on July 1, 2011. As summarized on page 28 and reported on page 38, the combined ending governmental fund balances increased by \$18.4 million.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012

- Net capital assets for the governmental activities decreased to \$2.1 billion at the close of fiscal year 2012 from \$2.5 billion at June 30, 2011 due primarily to the contribution of capital assets to HART. In contrast, net capital assets rose to \$3.0 billion at June 30, 2012 for the business-type activities, compared to \$2.8 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 legal debt margin totaled \$2.0 billion, representing less than 10% of the City's \$23.0 billion legal debt margin. Additional information on the City's long-term debt may be found on pages 31 and 32, on pages 72 to 77 in the Notes to Financial Statements, and on pages 229 to 232 in the Statistical Section.

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.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012

The governmental activities and the business-type activities comprise the City's primary government.

The City's component units, the semi-autonomous operations of the Board of Water Supply (BWS) and HART, are reported separately 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 units. Complete financial statements including their MD&A may be obtained from their respective offices: 630 South Beretania Street, Honolulu, Hawaii 96843 for BWS and 1099 Alakea Street, Suite 1700, Honolulu, Hawaii 96813 for HART.

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.

As of June 30, 2012, there were 31 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. The three other major funds are the Highway Fund, the General Obligation Bond and Interest Redemption Fund, and the Transit Fund. Although the Transit Fund did not meet the criteria of a major fund for fiscal year 2012, it was so classified due to its importance to financial statement users. Information for the seven legally separated funds, combined as the General Fund, along with the 22 nonmajor funds are presented in aggregate on the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

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.

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 41 to 44. In addition, the proprietary funds are classified as business-type activities in the government-wide financial statements on pages 33 to 35.

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 45 and 46 of this report while the agency funds are reported on pages 112 and 113.

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 units, the City's assets exceeded liabilities by \$1.68 billion in contrast to \$2.34 billion at the end of last fiscal year. The decrease is primarily due to the contribution to HART as explained in the Financial Highlights for Fiscal Year 2012 on page 17.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

The largest portion of the primary government's net assets (55.1% and 52.3% at the end of fiscal years 2012 and 2011, 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 \$583.5 million and \$959.8 million of the net assets for the primary government were unrestricted at June 30, 2012 and 2011, respectively. For the City's governmental activities, the unrestricted net assets of \$69.5 million at the end of fiscal year 2012 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 \$514.0 million at June 30, 2012 primarily due to sewer service charge rate increases. A small percentage (10.2%) of the City's net assets at June 30, 2012 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, 2012 and 2011:

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

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 601.5	\$ 1,081.6	\$ 1,126.0	\$ 990.8	\$ 1,727.5	\$ 2,072.4
Restricted assets	-	-	8.8	6.2	8.8	6.2
Capital assets, net of accumulated depreciation	2,148.5	2,476.4	3,042.4	2,836.4	5,190.9	5,312.8
Total assets	<u>2,750.0</u>	<u>3,558.0</u>	<u>4,177.2</u>	<u>3,833.4</u>	<u>6,927.2</u>	<u>7,391.4</u>
Noncurrent liabilities	2,454.0	2,360.1	2,551.2	2,383.5	5,005.2	4,743.6
Other liabilities	108.1	146.4	132.0	157.1	240.1	303.5
Total liabilities	<u>2,562.1</u>	<u>2,506.5</u>	<u>2,683.2</u>	<u>2,540.6</u>	<u>5,245.3</u>	<u>5,047.1</u>
Net assets:						
Invested in capital assets, net of debt	118.2	500.1	809.0	725.5	927.2	1,225.6
Restricted	0.2	0.2	171.0	158.7	171.2	158.9
Unrestricted	69.5	551.2	514.0	408.6	583.5	959.8
Total net assets	<u>\$ 187.9</u>	<u>\$ 1,051.5</u>	<u>\$ 1,494.0</u>	<u>\$ 1,292.8</u>	<u>\$ 1,681.9</u>	<u>\$ 2,344.3</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

The following is a summary of the Statements of Activities for fiscal years 2012 and 2011:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 263.1	\$ 233.6	\$ 564.6	\$ 518.6	\$ 827.7	\$ 752.2
Operating grants and contributions	122.1	111.4	21.0	21.4	143.1	132.8
Capital grants and contributions	55.4	65.0	58.7	33.1	114.1	98.1
General revenues:						
Property taxes	799.2	804.3	-	-	799.2	804.3
Other taxes	157.5	135.0	-	-	157.5	135.0
Other	47.7	229.0	1.2	1.2	48.9	230.2
Total revenues	<u>1,445.0</u>	<u>1,578.3</u>	<u>645.5</u>	<u>574.3</u>	<u>2,090.5</u>	<u>2,152.6</u>
Expenses						
General government	497.3	455.9	-	-	497.3	455.9
Public safety	407.3	390.8	-	-	407.3	390.8
Highways and streets	100.9	46.3	-	-	100.9	46.3
Sanitation	4.5	5.3	-	-	4.5	5.3
Human services	94.2	80.6	-	-	94.2	80.6
Culture and recreation	124.9	91.9	-	-	124.9	91.9
Utilities or other enterprises	38.8	80.0	-	-	38.8	80.0
Interest	93.1	91.6	-	-	93.1	91.6
Housing	-	-	12.2	14.5	12.2	14.5
Sewer	-	-	237.7	209.6	237.7	209.6
Solid waste	-	-	166.1	163.5	166.1	163.5
Public transportation	-	-	226.6	221.2	226.6	221.2
Total expenses	<u>1,361.0</u>	<u>1,242.4</u>	<u>642.6</u>	<u>608.8</u>	<u>2,003.6</u>	<u>1,851.2</u>
Increase (decrease) before contributions and transfers:	84.0	335.9	2.9	(34.5)	86.9	301.4
Special Item: Contribution to Component Unit	(749.3)	-	-	-	(749.3)	-
Transfers	(198.3)	(197.1)	198.3	197.1	-	-
Change in net assets	(863.6)	138.8	201.2	162.6	(662.4)	301.4
Net assets - beginning	1,051.5	912.7	1,292.8	1,130.2	2,344.3	2,042.9
Net assets - ending	<u>\$ 187.9</u>	<u>\$ 1,051.5</u>	<u>\$ 1,494.0</u>	<u>\$ 1,292.8</u>	<u>\$ 1,681.9</u>	<u>\$ 2,344.3</u>

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012

Total revenues for the primary government decreased to \$2.09 billion for fiscal year 2012 from \$2.15 billion for fiscal year 2011. The reduction in revenues for fiscal year 2012 resulted from the general excise tax surcharge being reflected as revenues for HART's semi-autonomous operations since July 1, 2011, offset by increased rates for sewer service charges, HECO's electrical energy rates paid to H-POWER, golf course green fees and zoo admission fees.

Expenses for the primary government totaled \$2.0 billion for fiscal year 2012 of which \$1.36 billion applied to governmental activities and \$642.6 million related to business-type activities. For the prior fiscal year, expenses for the primary government totaled \$1.85 billion; \$1.24 billion pertained to governmental activities and \$608.8 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$93.4 million for the governmental activities and \$73.9 million for business-type activities for fiscal year 2012.

Statement of Activities

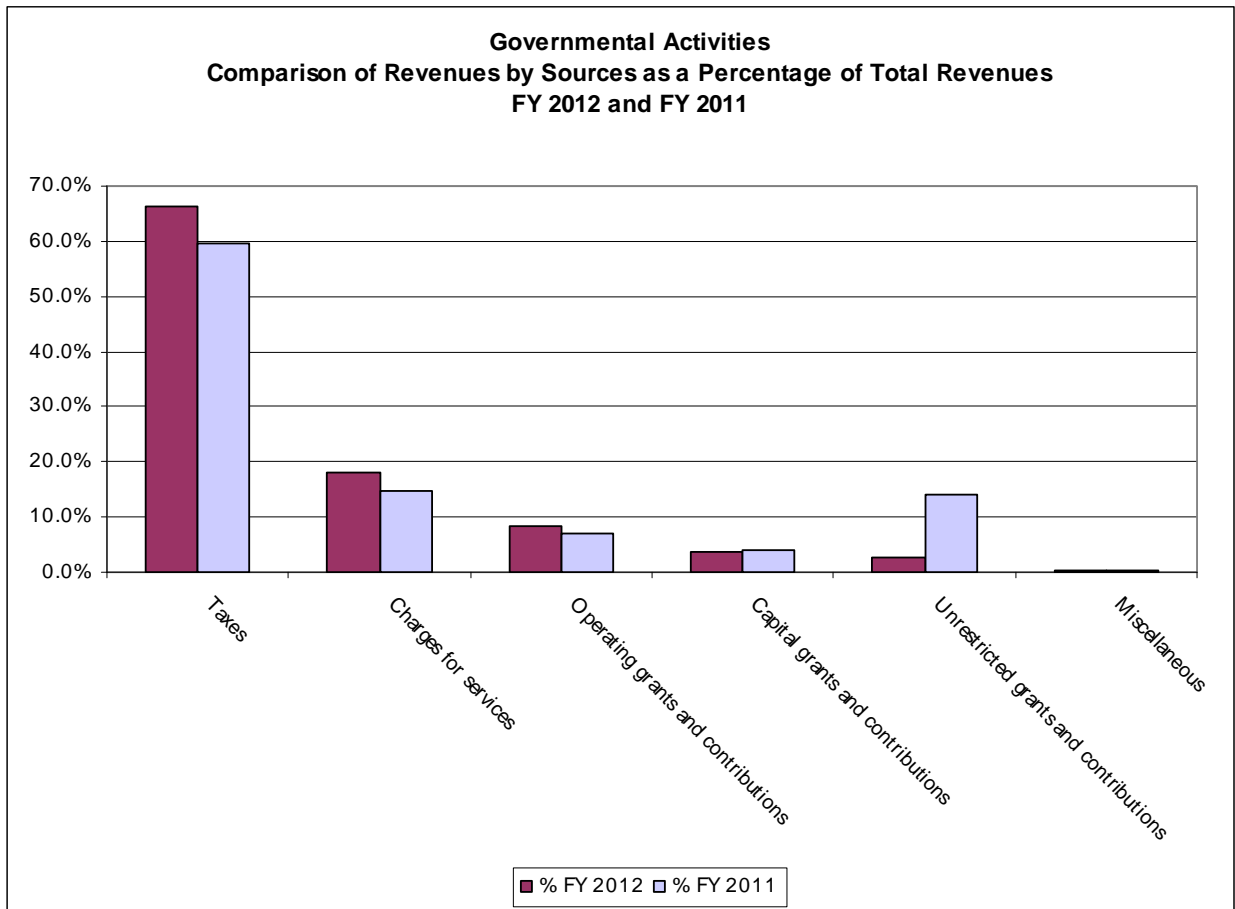
As noted earlier, the Statement of Activities presents how the City's net assets changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some 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 declined by \$863.6 million for fiscal year 2012 compared to an improvement of \$138.8 million for fiscal year 2011. The reduction in net assets this fiscal year was due in large part to the special item - contribution to HART, the new component unit.

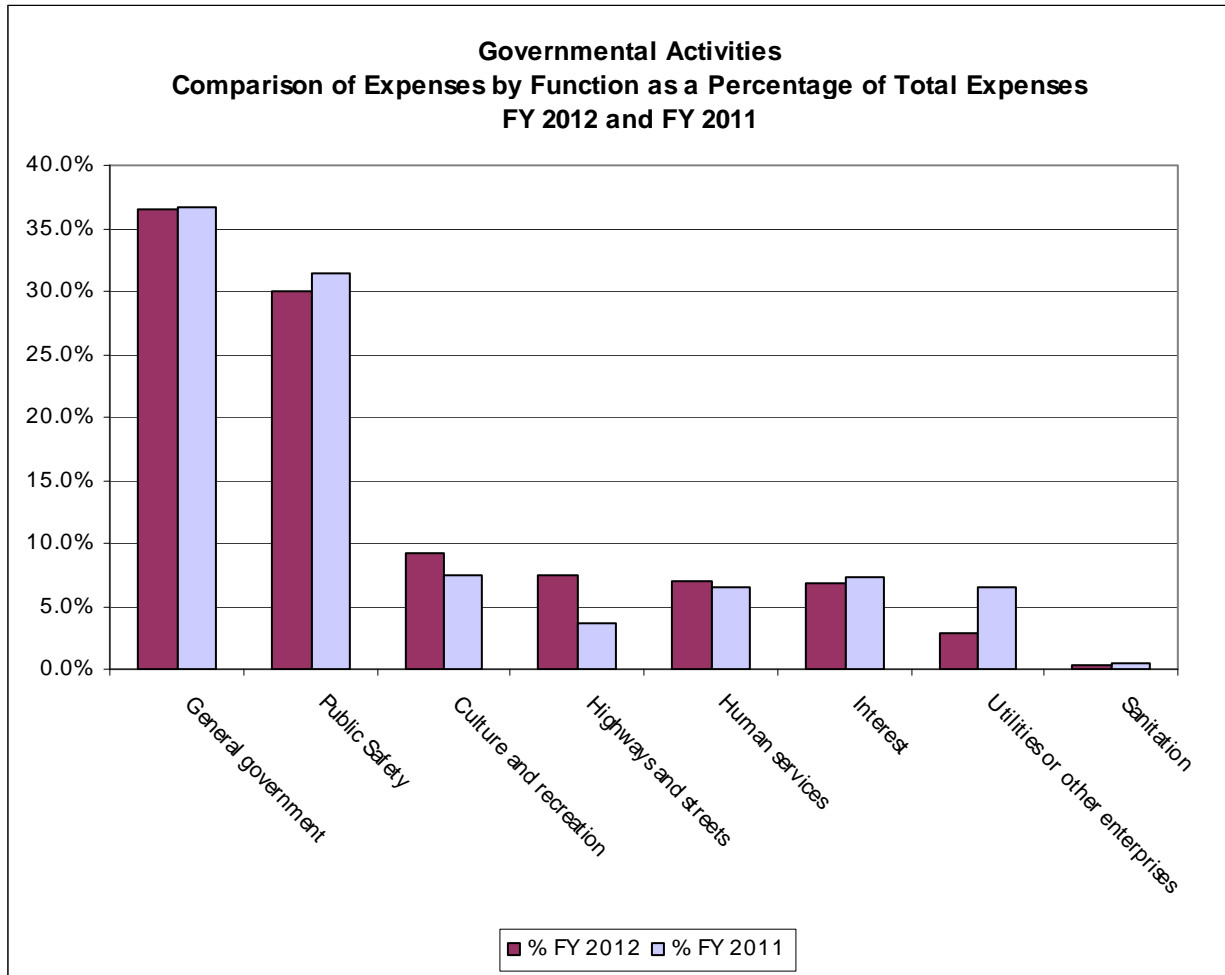
**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

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 2012, taxes increased \$17.4 million to \$956.7 million, representing 66.2% of the revenues from governmental activities. Charges for services rose 12.6% to \$263.1 million, due to such factors as increases to the golf course green fees (with 2012 being the second year of a three-year rate hike plan) and the Honolulu Zoo entrance fees, and the opening of a new elephant exhibit at the zoo. Capital grants and contributions decreased 14.8% from \$65.0 million for fiscal year 2011 to \$55.4 million for fiscal year 2012. Unrestricted grants and contributions decreased from \$224.5 million to \$41.0 million, essentially due to the recording of the general excise tax surcharge as revenue for HART, the City's new component unit, beginning with fiscal year 2012.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

Expenses. As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, expenditures were relatively stable for several functions. However, expenses for culture and recreation increased by 35.9% from \$91.9 million for the previous fiscal year to \$124.9 million for fiscal year 2012. In addition, the City spent 7.4% (\$100.9 million) on highways and streets in the current fiscal year, compared to 3.7% (\$46.3 million) for fiscal year 2011. On the other hand, expenses for utilities or other enterprises decreased by 51.5% from \$80.0 million for the prior fiscal year to \$38.8 million for fiscal year 2012, primarily due to the elimination of the Transit Fund with the creation of HART.

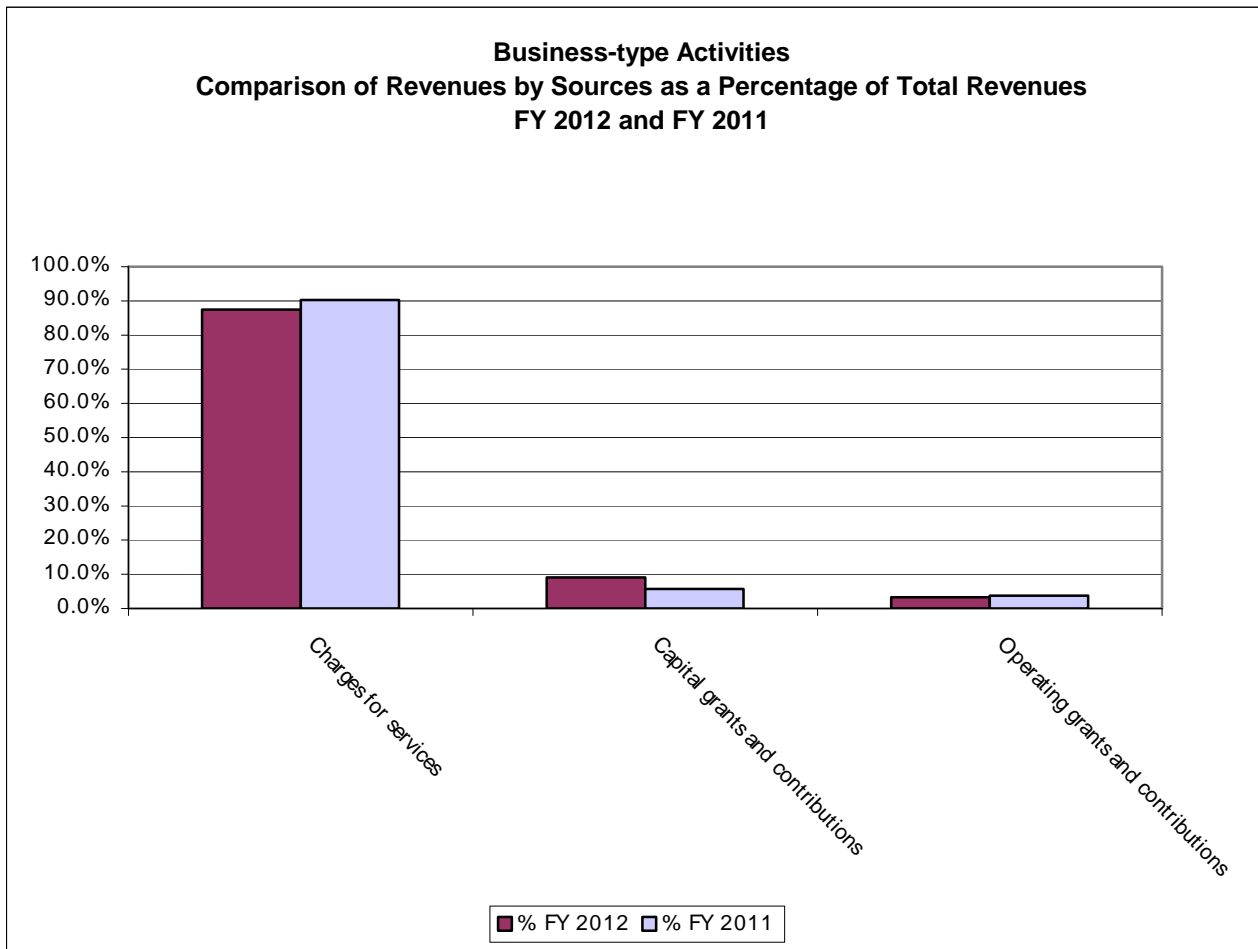


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

Business-type Activities

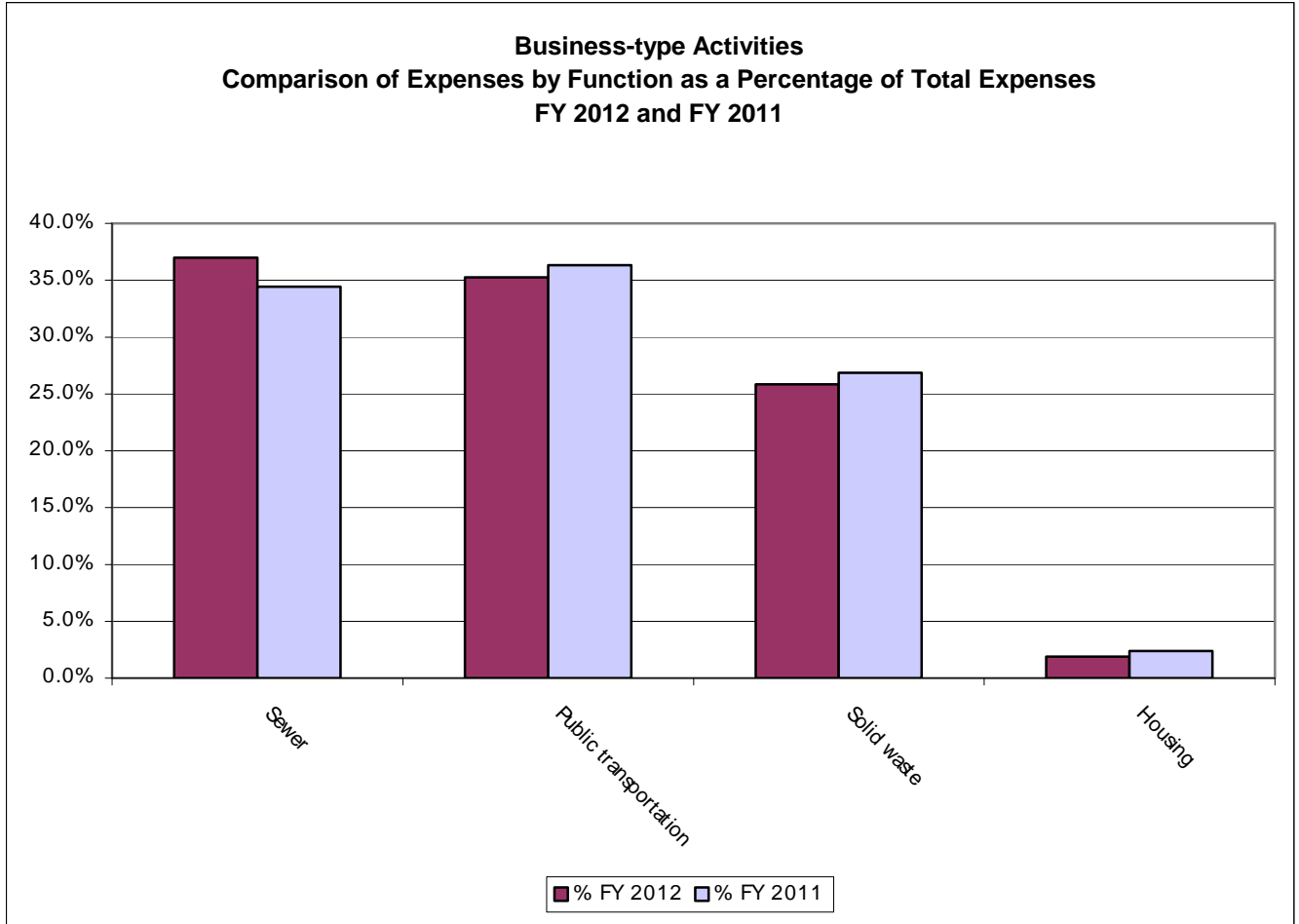
The net assets for the City's business-type activities increased by \$201.1 million and \$162.6 million for fiscal years 2012 and 2011, respectively. For the current fiscal year, the improvement in net assets can be attributed to such factors as H-POWER's 6.6% higher electrical energy fee, and the 4.0% sewer service charge rate increase as 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 87.4% and 90.3% of the revenues for fiscal years 2012 and 2011, respectively. Specifically, charges for services totaled \$564.6 million for fiscal year 2012 and can be disaggregated as follows: housing (\$10.6 million), sewer (\$378.2 million), solid waste (\$119.0 million), and public transportation (\$56.8 million). In contrast, charges for services totaled \$518.6 million for fiscal year 2011: housing (\$9.5 million), sewer (\$347.0 million), solid waste (\$108.4 million), and public transportation (\$53.7 million).



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2012 and 2011. Sewer (37.0%) used the most resources, followed by public transportation (35.3%) and solid waste (25.8%) for fiscal year 2012.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

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 2012 fiscal year. As a result of the contribution to HART, the total fund balances decreased \$428.9 million for fiscal year 2012 in comparison to an increase of \$95.3 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	2012	2011
Revenues:							
Taxes	\$ 853.2	\$ 103.0	\$ -	\$ -	\$ 8.0	\$ 964.2	\$ 934.5
Other	144.0	135.1	-	-	225.1	504.2	655.9
Total Revenues	997.2	238.1	-	-	233.1	1,468.4	1,590.4
Expenditures	743.1	83.7	183.7	-	373.2	1,383.7	1,448.7
Subtotal	254.1	154.4	(183.7)	-	(140.1)	84.7	141.7
Transfers and Other	(247.5)	(139.3)	183.7	-	136.8	(66.3)	(46.4)
Special Item: Contribution	-	-	-	(447.3)	-	(447.3)	-
Changes in Fund Balances	<u>\$ 6.6</u>	<u>\$ 15.1</u>	<u>\$ -</u>	<u>\$ (447.3)</u>	<u>\$ (3.3)</u>	<u>\$ (428.9)</u>	<u>\$ 95.3</u>

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 39.

General Fund. The General Fund is the chief operating fund of the City. The unassigned fund balance of the General Fund remained relatively stable, increasing by \$374,000 to \$159.0 million for the fiscal year ended June 30, 2012; total fund balance increased \$6.6 million to \$249.9 million in comparison to the prior fiscal year.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

Real property tax, the primary General Fund revenue source, was relatively stable, increasing \$4.4 million over the previous year.

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 47.1% to \$46.9 million as of June 30, 2012 from \$31.9 million at the close of the prior fiscal year. The improvement was due to such factors as a higher motor vehicle weight tax rate, and an electrical energy rate increase resulting in the collection of more public utility franchise taxes than the prior fiscal years.

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, 2012 remained unchanged at \$321,000 in comparison to the prior fiscal year end.

Transit Fund. The \$447.3 million committed fund balance for the Transit Fund at the end of the previous fiscal year represented reserves from the general excise and use tax surcharge received from the State of Hawaii. These unspent funds in the Transit Fund, represent a portion of the contribution to HART at July 1, 2011. The City's total contribution to HART also included capital costs incurred less a minimal amount of accumulated depreciation, offset by any related liabilities, is reported as a special item in the Statement of Activities on pages 34 and 35, and is disclosed on page 90 of the Notes to Financial Statements.

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 \$3.3 million from \$135.2 million at June 30, 2011 to \$131.9 million at June 30, 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

Collections of real property taxes, public service company taxes and transient accommodation tax exceeded budget estimates by 1.7% (\$13.3 million), 5.4% (\$2.5 million), and 7.9% (\$3.3 million), respectively. Furthermore, in total, actual revenues including other financing sources exceeded budgetary estimates by 1.5% (\$16.3 million) for fiscal year 2012. However, receipts of building permit fees were 13.2% less than budgeted.

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

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 7.9 % (\$68.5 million) for fiscal year 2012 and by 9.1% (\$70.5 million) for the previous fiscal year. The net changes in fund balance reflected favorable variances of \$117.3 million for fiscal year 2012 and \$81.6 million for last year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$5.2 billion for the primary government of which \$2.1 billion pertained to governmental activities as of June 30, 2012. This investment in capital assets includes land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure.

Capital asset additions can be attributed primarily to costs incurred for various ongoing capital improvement projects during fiscal year 2012. Major projects for the governmental activities include the Traffic Management Center Parking Structure (\$9.4 million), Rehabilitation of Streets, Unit 51 (\$7.9 million), and Design-Build of East Kapolei Fire Station (\$4.9 million). For the business-type activities, the major projects include Waste Process Disposal – Third Boiler Expansion (\$71.6 million), Solid Waste to Energy Facility Rehabilitation (\$6.4 million), and Sand Island Wastewater Treatment Plant and Sewer Basin Facility (\$1.9 million).

In April 2012, the State of Hawaii transferred ownership of the Waimanalo Wastewater Treatment Plant to the City. Total value transferred was \$41.9 million which includes land (\$7.7 million) and structures (\$34.2 million).

Completed projects during fiscal year 2012 for the governmental activities include Rehabilitation of Streets at Various Locations (\$29.7 million), Construction for Urban Core 4 Roads Assignment (\$11.6 million), and Police Headquarters Crime Laboratory Expansion (\$8.4 million). For the business-type activities, the major projects include Sand Island Wastewater Treatment Plant Primary Expansion (\$105.5 million), Waste Process Disposal H-POWER Facility (\$50.6 million), Waimalu Sewer Rehab/Reconstruction Phase I (\$47.7 million), Wilhelmina Rise Sewer Rehabilitation (\$20.1 million), and Kalaniana'ole Highway Sewer System Improvements (\$9.8 million).

Capital asset contributions, net of accumulated depreciation for equipment, to the Honolulu Authority for Rapid Transportation on July 1, 2011 amounted to \$298.4 million of which \$285.2 million pertained to construction work in progress.

Additional information on the City's capital assets may be found in the Notes to Financial Statements on pages 68 to 70.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

The following is a summary of the capital assets for the primary government as of June 30, 2012 in comparison to the previous year:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Non-depreciable assets:						
Land	\$ 474.2	\$ 482.2	\$ 155.9	\$ 147.8	\$ 630.1	\$ 630.0
Construction work in progress	211.8	616.2	650.3	746.4	862.1	1,362.6
Other capital assets:						
Buildings and improvements	1,271.8	1,198.4	1,213.5	1,111.2	2,485.3	2,309.6
Equipment and machinery	335.0	313.2	571.5	561.5	906.5	874.7
Infrastructure	1,229.8	1,160.6	1,490.3	1,245.8	2,720.1	2,406.4
Less: accumulated depreciation	<u>(1,374.1)</u>	<u>(1,294.2)</u>	<u>(1,039.1)</u>	<u>(976.3)</u>	<u>(2,413.2)</u>	<u>(2,270.5)</u>
Net	<u>\$ 2,148.5</u>	<u>\$ 2,476.4</u>	<u>\$ 3,042.4</u>	<u>\$ 2,836.4</u>	<u>\$ 5,190.9</u>	<u>\$ 5,312.8</u>

Long-Term Debt

At June 30, 2012, the long-term debt for the primary government amounted to \$4.4 billion, consisting mainly of total bonded debt (\$4.2 billion) and notes payable (\$226.0 million). The total bonded debt is comprised of \$2.6 billion in general obligation bonds, and \$1.6 billion in revenue bonds secured by wastewater system revenue sources.

The general obligation bonds, Series 2011A and 2011B, have ratings of "Aa1/AA+" by Moody's Investors Service and Fitch Ratings, respectively.

The wastewater system revenue bonds, Senior Series 2011A, have a rating of "Aa2/AA" by Moody's Investors Service and Fitch Ratings, respectively.

The following is a summary of the bonded debt activities during fiscal year 2012:

- On August 4, 2011, \$304.3 million of general obligation bonds, Series 2011A (Tax-Exempt) and Series 2011B (Tax-Exempt) were issued. The bonds were issued to fund certain capital improvement projects and refund certain outstanding general obligation bonds of the City.
- On November 3, 2011, \$169.2 million wastewater system revenue bonds, Senior Series 2011A, were issued. The bonds were issued to fund the cost of certain additions and improvements to the wastewater system and to fund a separate series reserve account.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2012**

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 2012 was \$23.0 billion. The City's outstanding debt applicable to the legal debt margin totaled \$2.0 billion as of June 30, 2012, well below the statutory debt limitation.

Additional information on the City's long-term debt may be found from page 72 to 77 under note number 8 titled 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 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.

The assessed valuation of real property (including new added property inventory) on Oahu increased slightly to \$155.3 billion for fiscal year 2013 from \$153.6 billion for fiscal year 2012.

The rate for sewer service charges was raised 4.0% effective July 1, 2012.

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 \$1.96 billion for fiscal year 2013 from \$1.92 billion for 2012.

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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY AND COUNTY OF HONOLULU
STATEMENT OF NET ASSETS
 JUNE 30, 2012
 (Amounts in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Board of Water Supply	Honolulu Authority for Rapid Transportation
ASSETS					
Cash and cash equivalents	\$ 386,074	\$ 910,941	\$ 1,297,015	\$ 14,354	\$ 376,860
Investments	40,851	111,030	151,881	137,312	41,097
Receivables (net)	167,550	64,734	232,284	22,074	48,614
Internal balances	7,087	(7,087)	--	--	--
Inventories	--	22,404	22,404	4,942	--
Deferred charges and other	--	23,924	23,924	2,547	4,907
Restricted assets:					
Cash and cash equivalents	--	8,848	8,848	15,682	--
Investments	--	--	--	27,681	--
Capital assets (net of accumulated depreciation):					
Land	474,172	155,917	630,089	32,373	31,882
Buildings and improvements	690,170	904,546	1,594,716	91,214	--
Equipment and machinery	112,518	97,465	209,983	78,162	128
Infrastructure	659,852	1,234,157	1,894,009	779,851	--
Construction work in progress	211,762	650,344	862,106	164,784	516,622
Total assets	<u>2,750,036</u>	<u>4,177,223</u>	<u>6,927,259</u>	<u>1,370,976</u>	<u>1,020,110</u>
LIABILITIES					
Accounts payable	65,072	50,596	115,668	9,873	55,079
Matured bonds and interest payable ...	330	--	330	--	--
Accrued interest payable	42,659	46,668	89,327	5,955	--
Due to fiduciary funds	28	40	68	--	--
Other liabilities	--	34,659	34,659	315	--
Noncurrent liabilities:					
Due within one year	116,593	74,639	191,232	11,137	11
Due in more than one year	2,337,422	2,476,646	4,814,068	314,776	2,623
Total liabilities	<u>2,562,104</u>	<u>2,683,248</u>	<u>5,245,352</u>	<u>342,056</u>	<u>57,713</u>
NET ASSETS					
Invested in capital assets, net of related debt	118,289	808,975	927,264	842,391	548,632
Restricted for:					
Capital activity	--	--	--	26,410	--
Debt service	169	171,010	171,179	--	--
Unrestricted	69,474	513,990	583,464	160,119	413,765
Total net assets	<u>\$ 187,932</u>	<u>\$ 1,493,975</u>	<u>\$ 1,681,907</u>	<u>\$ 1,028,920</u>	<u>\$ 962,397</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, 2012
(Amounts in thousands)

(Page 1 of 2)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government.....	\$ 497,328	\$ 191,634	\$ 4,497	\$ 3,201
Public safety.....	407,275	40,188	22,585	4,487
Highways and streets.....	100,883	1,077	--	3,230
Sanitation.....	4,451	51	64	--
Human services.....	94,213	503	72,828	22,978
Culture and recreation.....	124,939	28,730	559	497
Utilities or other enterprises.....	38,847	946	21,533	21,000
Interest.....	93,079	--	--	--
Total governmental activities....	1,361,015	263,129	122,066	55,393
Business-type activities:				
Housing.....	12,221	10,628	--	--
Sewer.....	237,673	378,199	--	42,867
Solid Waste.....	166,078	118,943	--	162
Public Transportation.....	226,614	56,796	21,026	15,614
Total business-type activities....	642,586	564,566	21,026	58,643
Total primary government.....	\$ 2,003,601	\$ 827,695	\$ 143,092	\$ 114,036
Component units:				
Board of Water Supply.....	\$ 168,223	\$ 159,508	\$ --	\$ 25,198
Honolulu Authority for Rapid Transportation.....	15,904	247	--	787,149
Total component units.....	\$ 184,127	\$ 159,755	\$ --	\$ 812,347
General revenues:				
Property taxes.....				
Public service company tax.....				
Fuel tax				
Public utility franchise tax.....				
Investment earnings.....				
Unrestricted grants and contributions.....				
General Excise Tax Surcharge.....				
Other.....				
Special Item:				
Contribution to Component Unit.....				
Transfers.....				
Total general revenues, special item 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, 2012
 (Amounts in thousands)

(Page 2 of 2)

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Water Supply	Honolulu Authority for Rapid Transportation
\$ (297,996)	\$ --	\$ (297,996)	\$ --	\$ --
(340,015)	--	(340,015)	--	--
(96,576)	--	(96,576)	--	--
(4,336)	--	(4,336)	--	--
2,096	--	2,096	--	--
(95,153)	--	(95,153)	--	--
4,632	--	4,632	--	--
(93,079)	--	(93,079)	--	--
(920,427)	--	(920,427)	--	--
--	(1,593)	(1,593)	--	--
--	183,393	183,393	--	--
--	(46,973)	(46,973)	--	--
--	(133,178)	(133,178)	--	--
--	1,649	1,649	--	--
(920,427)	1,649	(918,778)	--	--
--	--	--	16,483	--
--	--	--	--	771,492
--	--	--	16,483	771,492
799,260	--	799,260	--	--
47,842	--	47,842	--	--
49,220	--	49,220	--	--
60,475	--	60,475	--	--
336	1,181	1,517	2,903	240
41,042	--	41,042	--	--
--	--	--	--	190,665
6,287	--	6,287	--	--
(749,306)	--	(749,306)	--	--
(198,316)	198,316	--	--	--
56,840	199,497	256,337	2,903	190,905
(863,587)	201,146	(662,441)	19,386	962,397
1,051,519	1,292,829	2,344,348	1,009,534	--
\$ 187,932	\$ 1,493,975	\$ 1,681,907	\$ 1,028,920	\$ 962,397

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FUND FINANCIAL STATEMENTS

Governmental Funds 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 was closed in fiscal year 2012 and accounted 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 Funds 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.

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 Funds 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 Funds 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, 2012
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments:					
With Treasury	\$ 226,849	\$ 44,006	\$ 321	\$ 155,749	\$ 426,925
Receivables	32,391	31,737	--	103,422	167,550
Due from other funds	29,499	--	--	727	30,226
Total Assets	<u>\$ 288,739</u>	<u>\$ 75,743</u>	<u>\$ 321</u>	<u>\$ 259,898</u>	<u>\$ 624,701</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,602	\$ 356	\$ --	\$ 34,216	\$ 43,174
Accrued payroll	19,218	1,468	--	1,212	21,898
Due to other funds	10	82	--	23,075	23,167
Matured bonds and interest payable.....	--	--	321	9	330
Deferred revenue	11,051	26,894	--	69,480	107,425
Total Liabilities	<u>38,881</u>	<u>28,800</u>	<u>321</u>	<u>127,992</u>	<u>195,994</u>
Fund Balances:					
Restricted	--	46,943	--	114,765	161,708
Committed	32,601	--	--	18,752	51,353
Assigned	58,215	--	--	--	58,215
Unassigned	159,042	--	--	(1,611)	157,431
Total Fund Balances	<u>249,858</u>	<u>46,943</u>	<u>--</u>	<u>131,906</u>	<u>428,707</u>
Total Liabilities and Fund Balances	<u>\$ 288,739</u>	<u>\$ 75,743</u>	<u>\$ 321</u>	<u>\$ 259,898</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.	2,148,474
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	107,425
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,496,674)</u>
Net assets of governmental activities	<u>\$ 187,932</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, 2012
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Transit Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes.....	\$ 853,194	\$ 103,007	\$ --	\$ --	\$ 7,966	\$ 964,167
Special assessments.....	--	--	--	--	17	17
Licenses and permits.....	35,811	121,296	--	--	4,385	161,492
Intergovernmental.....	49,168	--	--	--	184,331	233,499
Charges for services.....	6,215	4,592	--	--	19,872	30,679
Fines and forfeits.....	395	--	--	--	146	541
Miscellaneous:						
Reimbursements and recoveries.....	42,951	3,821	--	--	29	46,801
Interest.....	357	--	--	--	37	394
Other.....	9,172	5,347	--	--	16,271	30,790
Total Revenues.....	997,263	238,063	--	--	233,054	1,468,380
Expenditures:						
Current:						
General government.....	127,084	19,259	--	--	8,701	155,044
Public safety.....	330,766	29,664	--	--	25,715	386,145
Highways and streets.....	1,805	15,229	--	--	302	17,336
Sanitation.....	4,391	--	--	--	123	4,514
Human services.....	3,641	--	--	--	68,903	72,544
Culture-recreation.....	56,921	--	--	--	22,626	79,547
Utilities or other enterprises.....	3	1,562	--	--	21,636	23,201
Miscellaneous:						
Retirement and health benefits.....	192,031	16,438	--	--	6,426	214,895
Other.....	25,608	1,162	--	--	376	27,146
Capital Outlay:						
General government.....	--	395	--	--	21,415	21,810
Public safety.....	--	--	--	--	34,070	34,070
Highways and streets.....	--	--	--	--	68,636	68,636
Human services.....	--	--	--	--	21,991	21,991
Culture-recreation.....	--	--	--	--	22,869	22,869
Utilities or other enterprises.....	--	--	--	--	49,337	49,337
Debt service:						
Principal.....	832	--	84,074	--	--	84,906
Interest.....	66	--	99,647	--	--	99,713
Total Expenditures.....	743,148	83,709	183,721	--	373,126	1,383,704
Revenues over (under) Expenditures.....	254,115	154,354	(183,721)	--	(140,072)	84,676
Other Financing Sources (Uses):						
Issuance of general obligation bonds	--	--	699	--	130,507	131,206
Issuance of refunding bonds	--	--	149,328	--	--	149,328
Bond premium	--	--	19,747	--	--	19,747
Bond discount	--	--	(14,268)	--	--	(14,268)
Refunding of bonds	--	--	(155,506)	--	--	(155,506)
Capital leases	1,302	--	--	--	--	1,302
Sales of capital assets.....	29	152	--	--	--	181
Transfers in.....	113,104	--	183,721	--	23,638	320,463
Transfers out.....	(361,917)	(139,486)	--	--	(17,376)	(518,779)
Total Other Financing Sources (Uses).....	(247,482)	(139,334)	183,721	--	136,769	(66,326)
Special Item:						
Contribution to component unit	--	--	--	(447,284)	--	(447,284)
Net change in fund balances.....	6,633	15,020	--	(447,284)	(3,303)	(428,934)
Fund Balances - July 1.....	243,225	31,923	--	447,284	135,209	857,641
Fund Balances - June 30.....	\$ 249,858	\$ 46,943	\$ --	\$ --	\$ 131,906	\$ 428,707

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, 2012
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ (428,934)
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.	(24,565)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(12,885)
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.	(40,301)
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.	(53,512)
Capital assets acquired in prior fiscal years by the Transit Fund were recorded as a contribution to the new component unit but did not require current financial resources.	(303,390)
Change in net assets of governmental activities	<u>\$ (863,587)</u>

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, 2012
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,916	\$ 715,473	\$ 180,418	\$ 13,134	\$ 910,941
Investments	--	90,181	19,491	1,358	111,030
Receivables:					
Accounts (net of allowance for uncollectibles of \$9,186)	1,656	46,890	12,132	2,033	62,711
Interest	2	102	18	--	122
Payroll Advance	--	1,136	649	116	1,901
Due from other funds	--	1,009	--	--	1,009
Inventories of parts, materials and supplies, at cost	--	10,831	--	7,354	18,185
Inventories of real estate held for sale	4,219	--	--	--	4,219
Restricted assets:					
Cash and cash equivalents	6,182	--	--	2,666	8,848
Prepaid expenses and other assets	32	2,214	437	6,832	9,515
Total Current Assets	14,007	867,836	213,145	33,493	1,128,481
Noncurrent Assets:					
Capital Assets:					
Land	14,408	41,214	24,063	76,232	155,917
Buildings and Improvements	108,621	916,626	105,153	83,107	1,213,507
Transmission and distribution system	--	1,490,293	--	--	1,490,293
Equipment and machinery	373	44,354	277,838	30,494	353,059
Buses and other transit vehicles	--	--	--	218,446	218,446
Construction work in progress	6,478	279,187	340,439	24,240	650,344
Accumulated depreciation	(69,059)	(455,506)	(293,528)	(221,044)	(1,039,137)
Deferred charges and other	1,948	10,394	2,067	--	14,409
Total Noncurrent Assets	62,769	2,326,562	456,032	211,475	3,056,838
Total Assets	76,776	3,194,398	669,177	244,968	4,185,319
LIABILITIES					
Current Liabilities:					
Accounts payable	370	33,197	12,935	4,094	50,596
Interest payable	1,511	38,359	6,798	--	46,668
Notes payable	--	18,623	--	--	18,623
Bonds payable	3,740	34,389	9,856	--	47,985
Due to other funds	--	103	8,033	--	8,136
Reserve for insurance claims payable	--	--	--	5,535	5,535
Accrued payroll	--	1,572	1,004	127	2,703
Other current liabilities	848	368	2,091	2,251	5,558
Total Current Liabilities	6,469	126,611	40,717	12,007	185,804
Noncurrent Liabilities:					
Notes payable	--	203,886	--	--	203,886
General obligation bonds payable, net	60,894	748	521,894	--	583,536
Revenue bonds payable, net	--	1,625,180	--	--	1,625,180
Estimated liability for landfill closure and postclosure care costs	--	--	14,990	--	14,990
Other liabilities	8,247	24,185	14,742	30,774	77,948
Total Noncurrent Liabilities	69,141	1,853,999	551,626	30,774	2,505,540
Total Liabilities	75,610	1,980,610	592,343	42,781	2,691,344
NET ASSETS					
Invested in capital assets, net of related debt	(3,814)	645,433	(44,119)	211,475	808,975
Restricted for debt service	--	171,010	--	--	171,010
Unrestricted	4,980	397,345	120,953	(9,288)	513,990
Total Net Assets (Deficit)	\$ 1,166	\$ 1,213,788	\$ 76,834	\$ 202,187	\$ 1,493,975

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, 2012
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 9,375	\$ --	\$ --	\$ --	\$ 9,375
Sewer service charges	--	357,159	--	--	357,159
Disposal and collection fees	--	--	48,679	--	48,679
Electrical energy fee	--	--	63,536	--	63,536
Passenger fares for transit services	--	--	--	56,383	56,383
Other revenue	--	5,427	6,728	413	12,568
Total Operating Revenues	9,375	362,586	118,943	56,796	547,700
Operating Expenses:					
Administrative and general	888	54,549	30,315	916	86,668
Maintenance	990	438	827	12	2,267
Depreciation	3,697	49,665	7,667	12,884	73,913
Contractual services	1,843	14,927	96,747	160,844	274,361
Fringe benefits	147	19,947	14,109	238	34,441
Materials and supplies	170	12,196	2,834	12,991	28,191
Fuel and lubricants	--	1,555	3,535	22,454	27,544
Insurance	158	--	1,436	9,632	11,226
State taxes - fuel	--	--	92	3,383	3,475
Utilities	2,189	26,464	363	3,003	32,019
Other	--	--	--	71	71
Total Operating Expenses	10,082	179,741	157,925	226,428	574,176
Operating Income (Loss)	(707)	182,845	(38,982)	(169,632)	(26,476)
Nonoperating Revenues (Expenses):					
Interest revenue	63	1,041	77	--	1,181
Interest expense	(2,102)	(57,011)	(7,960)	--	(67,073)
Gain (Loss) from disposal of property ..	--	--	--	(186)	(186)
Amortization expense	(37)	(921)	(193)	--	(1,151)
Other	1,253	15,613	--	21,026	37,892
Total Nonoperating Revenues (Expenses)	(823)	(41,278)	(8,076)	20,840	(29,337)
Income (Loss) before Transfers and Capital Contributions.....	(1,530)	141,567	(47,058)	(148,792)	(55,813)
Transfers In	6,737	--	84,190	127,717	218,644
Transfers Out	--	(9,184)	(11,144)	--	(20,328)
Capital Contributions	--	42,867	162	15,614	58,643
Change in Net Assets	5,207	175,250	26,150	(5,461)	201,146
Net Assets - July 1	(4,041)	1,038,538	50,684	207,648	1,292,829
Net Assets - June 30	\$ 1,166	\$ 1,213,788	\$ 76,834	\$ 202,187	\$ 1,493,975

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, 2012
 (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.....	\$ 7,132	\$ 363,589	\$ 117,439	\$ 56,510	\$ 544,670
Payments to suppliers.....	(5,873)	(75,207)	(114,808)	(212,465)	(408,353)
Payments to employees.....	(482)	(56,598)	(38,910)	(990)	(96,980)
Other receipts (payments).....	2,617	333	(862)	--	2,088
Net cash provided by (used in) operating activities	<u>3,394</u>	<u>232,117</u>	<u>(37,141)</u>	<u>(156,945)</u>	<u>41,425</u>
Cash flows from noncapital financing activities:					
Transfers in	6,737	--	92,190	127,717	226,644
Transfers out	--	(9,184)	(11,144)	--	(20,328)
Grants and contributions	--	--	--	21,026	21,026
Net cash provided by (used in) noncapital financing activities	<u>6,737</u>	<u>(9,184)</u>	<u>81,046</u>	<u>148,743</u>	<u>227,342</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(117)	(106,547)	(97,385)	(535)	(204,584)
Proceeds from issuing notes	--	39,359	--	--	39,359
Capital grants and subsidies	--	5,350	--	--	5,350
Proceeds from issuing bonds	--	182,595	19,500	--	202,095
Principal paid on notes	--	(17,242)	--	--	(17,242)
Principal paid on bonds	(5,161)	(29,652)	(10,505)	--	(45,318)
Interest paid on notes	--	(2,651)	--	--	(2,651)
Interest paid on bonds	(2,614)	(71,209)	(28,763)	--	(102,586)
Net cash provided by (used in) capital and related financing activities	<u>(7,892)</u>	<u>3</u>	<u>(117,153)</u>	<u>(535)</u>	<u>(125,577)</u>
Cash flows from investing activities:					
Purchase of investments	--	(1,249,629)	(378,704)	(19,762)	(1,648,095)
Proceeds from maturities of investments	--	1,212,457	378,633	20,125	1,611,215
Interest on investments	29	1,012	75	--	1,116
Net cash provided by (used in) investing activities	<u>29</u>	<u>(36,160)</u>	<u>4</u>	<u>363</u>	<u>(35,764)</u>
Net increase (decrease) in cash and cash equivalents	2,268	186,776	(73,244)	(8,374)	107,426
Cash and cash equivalents - July 1	5,830	528,697	253,662	24,174	812,363
Cash and cash equivalents - June 30	<u>\$ 8,098</u>	<u>\$ 715,473</u>	<u>\$ 180,418</u>	<u>\$ 15,800</u>	<u>\$ 919,789</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, 2012
 (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)	\$ (707)	\$ 182,845	\$ (38,982)	\$ (169,632)	\$ (26,476)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,697	49,665	7,667	12,884	73,913
Other revenues (expenses)	1,301	--	--	--	1,301
Writeoff of capital assets	--	--	--	(186)	(186)
(Increase) decrease in accounts receivable	(561)	501	2,136	(1,421)	655
Decrease in intergovernmental receivable	--	--	406	--	406
Decrease in due from other funds	--	6	2,171	--	2,177
Decrease in inventory of parts, materials and supplies	--	210	--	636	846
(Increase) decrease in prepaid expenses and other assets	10	(140)	32	857	759
Increase (decrease) in trade accounts payables	(375)	6,777	(8,573)	(108)	(2,279)
Decrease in reserve for insurance claims payable	--	--	--	(176)	(176)
Increase in deferred credits	29	--	--	88	117
Increase (decrease) in other liabilities	--	(3,995)	3,544	113	(338)
Decrease in due to other funds	--	(3,752)	(5,542)	--	(9,294)
Net cash provided by (used in) operating activities	<u>\$ 3,394</u>	<u>\$ 232,117</u>	<u>\$ (37,141)</u>	<u>\$ (156,945)</u>	<u>\$ 41,425</u>

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

Housing

Amortization of deferred refinancing charges amounted to \$37 for the year ended June 30, 2012. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$387) for the year ended June 30, 2012. Beginning cash balance includes \$5,013 in restricted assets and ending cash balance includes \$6,182 in restricted assets.

Sewer

The Sewer Fund received \$42,900 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, 2012. Amortization of bond discount and bond premium amounted to \$2,271 and (\$5,140) respectively, while amortization for bond issuance cost amounted to \$921 for the year ended June 30, 2012.

Solid Waste

Amortization of bond discount and bond issuance cost amounted to \$215 for the year ended June 30, 2012. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$2,608) for the year ended June 30, 2012.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$15,614 for the year ended June 30, 2012. Beginning cash balance includes \$1,218 in restricted assets and ending cash balance includes \$2,666 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, 2012
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,718	\$ 38,675
Investments	1,105	7,956
Accounts receivable	--	2
Due from other funds	--	68
Total assets	5,823	46,701
<u>LIABILITIES</u>		
Accounts payable	--	5,858
Other current liabilities	--	40,843
Total liabilities	--	46,701
<u>NET ASSETS</u>		
Held in trust for individuals, organizations and other governments	\$ 5,823	\$ --

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, 2012
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITIONS</u>	
Interest	\$ 1
Collections for sundry creditors, contributions, etc.....	2,078
Total additions	2,079
 <u>DEDUCTION</u>	
Payments in accordance with trust agreements	878
Change in net assets	1,201
Net assets - July 1	4,622
Net assets - June 30	\$ 5,823

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, 2012

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 2010.

The accompanying financial statements present the operations of the City, as primary government, as well as its discretely presented component units, the Board of Water Supply (BWS) and the Honolulu Authority for Rapid Transportation (HART).

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 is no separate city, county or township government nor any school district, special district, authority or public corporation with overlapping authority presented in the accompanying financial statements.

Discretely Presented Component Units - The component units sections in the financial statements include the financial data of the City's discretely presented component units. They are semi-autonomous proprietary agencies of the City, reported in separate sections to emphasize their legal separation from the City.

A majority of the board members of BWS, the governing body, are appointed by the Mayor and confirmed by the City Council. BWS has been granted corporate powers by the City Charter. The City does not have the authority to modify or approve the BWS budgets. Complete financial statements of the BWS may be obtained from the Board of Water Supply, 630 South Beretania Street, Honolulu, Hawaii 96843 or online at <http://www.hbws.org>.

HART's board of directors consists of ten members, nine voting members and one non-voting member. The City Charter granted HART corporate powers excluding bond sales. The HART board adopts the capital and operating budgets for HART. Complete financial statements of HART may be obtained from their office located at 1099 Alakea Street, Suite 1700, Honolulu, Hawaii, 96813 or online at <http://www.honolulustransit.org>.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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 units, 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 units 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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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.

Housing Development Special Fund

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

Sewer Fund

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

Solid Waste Special Fund

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

Public Transportation System

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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

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

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

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

The City has the following fund types:

Governmental Fund Types

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

The City's governmental fund types are as follows:

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

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

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

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

Proprietary Funds

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

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises:

(a) where the intent of the governing body is that the costs (i.e., expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or

(b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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.

Fiduciary Funds

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

- Community Services
- Design and Construction
- Ewa Highway Master Plan Impact Fees
- Lester McCoy Pavilion
- Liquor Commission
- Payroll Clearance
- Planning and Permitting

Accounting Standards

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Unbilled Receivables

Included in the receivables at June 30, 2012 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$11.8 million and \$27.3 million, respectively.

Inventories of Parts, Materials and Supplies

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

Inventory of Real Estate Held for Sale

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

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 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, 2012

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 \$127.7 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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

- *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 (i.e., ordinance) of the highest level of decision making authority (i.e., City Council) with the consent of the Mayor. In other words, City Council adopts the appropriation budget ordinances, and establishes funds such as the Reserve for Fiscal Stability Fund to accumulate resources for a rainy day with the Mayor's approval. Similarly, an ordinance must be adopted by City Council and approved by the Mayor to modify or rescind a fund balance commitment.
- *Assigned* includes fund balances that have been encumbered for purchasing commitments by the Chief Procurement Officer or delegate in accordance with the Budget and Fiscal Services Policies and Procedures and are considered neither 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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

The financial statements for the governmental funds are reported on pages 37 to 39. The following is a summary (amounts in thousands) of the fund balance classifications for the major and other governmental (nonmajor) funds:

Summary of Fund Balance Classifications:

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:					
Highways	\$ -	\$ 46,943	\$ -	\$ 5,377	\$ 52,320
Bikeways	-	-	-	1,471	1,471
Liquor Commission Office	-	-	-	3,533	3,533
Clean water and natural lands programs	-	-	-	19,650	19,650
Affordable housing programs	-	-	-	16,739	16,739
Special projects	-	-	-	10,304	10,304
Federal programs	-	-	-	17,204	17,204
Rehabilitation loan program	-	-	-	5,620	5,620
Rental assistance programs	-	-	-	10,679	10,679
Other capital projects	-	-	-	24,188	24,188
	<u>-</u>	<u>46,943</u>	<u>-</u>	<u>114,765</u>	<u>161,708</u>
Committed to:					
Parks and recreation	-	-	-	6,661	6,661
Retirement and health benefits	81	-	-	-	81
Rental assistance program	-	-	-	1,119	1,119
Zoo animal acquisition program	-	-	-	8	8
Hanauma Bay operations	-	-	-	3,958	3,958
Emergency reserves	29,993	-	-	-	29,993
Golf operations	-	-	-	2,546	2,546
Auditorium operations	-	-	-	4,291	4,291
Leasehold conversion program	183	-	-	-	183
Improvement districts	1,962	-	-	169	2,131
Other	382	-	-	-	382
	<u>32,601</u>	<u>-</u>	<u>-</u>	<u>18,752</u>	<u>51,353</u>
Assigned to:					
General government	13,445	-	-	-	13,445
Public safety	9,540	-	-	-	9,540
Highways	1,578	-	-	-	1,578
Sanitation	5,954	-	-	-	5,954
Human services	2,346	-	-	-	2,346
Parks and recreation	4,532	-	-	-	4,532
Utilities or other enterprises	75	-	-	-	75
Retirement and health benefits	7,758	-	-	-	7,758
Other	12,987	-	-	-	12,987
	<u>58,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,215</u>
Unassigned:	159,042	-	-	(1,611)	157,431
Total	<u>\$ 249,858</u>	<u>\$ 46,943</u>	<u>\$ -</u>	<u>\$ 131,906</u>	<u>\$ 428,707</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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. Amounts in the plan are not available until termination of employment, retirement, death or an unforeseeable emergency.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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 \$412.8 million are not reported in the accompanying financial statements at June 30, 2012.

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, 2012, accumulated sick leave amounted to \$372.3 million.

Leases

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

Enterprise Funds

The City maintains six enterprise funds, which are included in the proprietary fund type and consist of the Housing Development Special Fund, Sewer Fund, Solid Waste Special Fund and Public Transportation System (PTS). The City's two discretely presented component units are the BWS and HART.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Deficit Balances

As of June 30, 2012, deficit balances are reported in the following funds: Community Development Fund (\$283.0 thousand), General Improvement Bond Fund (\$492.0 thousand) and Highway Improvement Bond Fund (\$836.0 thousand). With the Community Development Fund, additional funds were requested from the federal grantor. For the General Improvement Bond Fund and the Highway Improvement Bond Fund, Tax Exempt Commercial Paper (TECP) was drawn down on August 15, 2012 and was paid off by the bond issuance of Series 2012 A on November 20, 2012.

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 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 executing. 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, by amending the criteria for blending to include the financial accountability test for determining the presence of a financial benefit or burden relationship between the primary government and the related entities. The provisions of this Statement are effective for the City for periods beginning after June 15, 2012. The City is currently evaluating the effect this Statement will have on its financial statements.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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 is currently evaluating 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 and net position. The provisions for this Statement are effective for the City for periods beginning after December 15, 2011. The City is currently evaluating the effect this Statement will have on its financial statements.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resource to ensure consistency in financial reporting. The provisions for this Statement are effective for the City for periods beginning after December 15, 2012. The City has not yet determined the effect this Statement will have on its financial statements.

In March 2012, GASB issued Statement No. 66, *Technical Correction-2012, an amendment of GASB Statements No. 10 and No. 62*. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The provisions for this Statement are effective for the City for periods beginning after December 15, 2012. The City is currently evaluating the effect this Statement will have on its financial statements.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, replacing the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Moreover, this Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The provisions for this Statement are effective for the City for the period beginning after June 15, 2014. 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 to provide a better 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 budget ordinances 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, Rental Assistance Fund, Zoo Animal Purchase Fund, Hanauma Bay Nature Preserve Fund, Community Development Fund, Golf Fund, Special Events Fund, Farmers Home Administration Loan Fund, Special Projects Fund, Federal Grants Fund, Housing and Community Development Rehabilitation Loan Fund, Housing and Community Development Section 8 Contract Fund, and Leasehold Conversion Fund.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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 between characters of expenditure within the same activity subject to certain limitations. City Council approval by resolution is required for 1) any transfer of funds between activities when the cumulative amount of transfers from or to an activity totals in excess of \$100,000 or ten percent of the amount appropriated for that activity, and 2) any transfer of funds between characters of expenditure within the same activity when the cumulative amount of such 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. The lowest legal level of budgetary control at which appropriations are adopted is at the department level. Only the Mayor may propose amendments to the enacted budget ordinance.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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 \$2.5 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ 2,454,015
Accrued interest payable and other	42,659
	<u>\$ 2,496,674</u>

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net change in fund balances of total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that, “Governmental funds report capital outlays as expenditures. The statement of activities reports depreciation expense on capital assets.” The details of this \$24.6 million difference are as follows (amounts in thousands):

Capital outlays	\$ 117,934
Depreciation expense	(93,369)
	<u>\$ 24,565</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.”

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

The details of this \$40.3 million difference are as follows (amounts in thousands):

Debt Issued:			
General obligation bonds, net	\$	(287,064)	
Other long-term debt		<u>(1,302)</u>	\$ (288,366)
Principal Repayments:			
General obligation bonds, net		247,047	
Other long-term debt		<u>1,018</u>	<u>248,065</u>
Net adjustment			<u><u>\$ (40,301)</u></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 \$53.5 million difference are as follows (amounts in thousands):

Compensated absences	\$	553
Claims and judgments		(6,981)
Other postretirement benefits		(47,116)
Other		<u>32</u>
Net adjustment	\$	<u><u>(53,512)</u></u>

4. Cash and Investments

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

Cash and Cash Equivalents

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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	Not Rated
Primary Government:				
Certificate of deposits	\$ 34,320	\$ -	\$ -	\$ 34,320
Guaranteed investment contracts	12,707	-	-	12,707
U.S. government securities	104,881	104,881	-	-
Component Units:				
Board of Water Supply				
U.S. government treasury	67,918	67,918	-	-
U.S. government securities	97,075	96,472	603	-
Honolulu Authority for Rapid Transportation				
Certificate of deposits	12,027	-	-	12,027
U.S. government securities	29,078	29,078	-	-
Fiduciary Funds:				
Certificate of deposits	9,062	-	-	9,062

Interest Rate Risk

The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations avoiding the need to sell securities on the open market prior to maturity. This practice decreases the City's exposure to risk caused by the fluctuation in interest rates. The City may invest operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. As of June 30, 2012, the City had no investments in money market mutual funds or external investment pools.

Concentration of Credit Risk

As of June 30, 2012, \$12.7 million in investments were issued by FSA Capital Management Services LLC.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

The fair value and maturities of investments as of June 30, 2012 were as follows (amount in thousands):

	Reported Amount	Fair Value	Investment Maturity in Years			
			Less than One	1 to 5	6 to 10	More than 10
Primary Government:						
Certificate of deposits	\$ 34,320	\$ 34,320	\$ 34,320	\$ -	\$ -	\$ -
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government securities	104,854	104,881	104,881	-	-	-
Total	<u>\$ 151,881</u>	<u>\$ 151,908</u>	<u>\$ 139,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,707</u>
Component Units:						
Board of Water Supply						
U.S. government treasury	\$ 67,918	\$ 67,918	\$ 10,079	\$ 57,839	\$ -	\$ -
U.S. government securities	97,075	97,075	34,391	62,684	-	-
Honolulu Authority for Rapid Transportation						
Certificate of deposits	12,027	12,027	12,027	-	-	-
U.S. government securities	29,070	29,078	29,078	-	-	-
Total	<u>\$ 206,090</u>	<u>\$ 206,098</u>	<u>\$ 85,575</u>	<u>\$ 120,523</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of deposits	\$ 9,062	\$ 9,062	\$ 9,062	\$ -	\$ -	\$ -

5. Receivables

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2012 consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 12,654	\$ -
Accounts	962	71,897
Public utilities franchise tax	26,894	-
Special assessments	39	-
Notes	69,440	-
Intergovernmental	42,842	-
Interest	52	122
Payroll and others	15,708	1,901
Allowance for uncollectible accounts	(1,041)	(9,186)
	<u>\$ 167,550</u>	<u>\$ 64,734</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred revenue in the government funds. \$107.4 million of the receivables for governmental activities have been deferred at June 30, 2012. 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 \$68.7 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, 2012

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2012 (amounts in thousands):

	Primary Government			Balance at June 30, 2012
	Balance at July 1, 2011	Additions	Retirements/ Transfers	
Governmental Activities:				
Depreciable Assets –				
Infrastructure	\$ 1,160,603	\$ 82,802	\$ (13,573)	\$ 1,229,832
Buildings and improvements	1,198,406	84,201	(10,824)	1,271,783
Equipment and machinery	313,233	31,952	(10,148)	335,037
Total depreciable assets	<u>2,672,242</u>	<u>198,955</u>	<u>(34,545)</u>	<u>2,836,652</u>
Less Accumulated Depreciation –				
Infrastructure	(542,394)	(27,928)	342	(569,980)
Buildings and improvements	(540,350)	(44,680)	3,417	(581,613)
Equipment and machinery	(211,493)	(20,761)	9,735	(222,519)
Total accumulated depreciation	<u>(1,294,237)</u>	<u>(93,369)</u>	<u>13,494</u>	<u>(1,374,112)</u>
Net depreciable assets	1,378,005	105,586	(21,051)	1,462,540
Land	482,185	2,024	(10,037)	474,172
Construction Work in Progress	<u>616,239</u>	<u>172,681</u>	<u>(577,158)</u>	<u>211,762</u>
Governmental activities –				
capital assets, net	<u>2,476,429</u>	<u>280,291</u>	<u>(608,246)</u>	<u>2,148,474</u>
Business-type Activities:				
Depreciable Assets –				
Infrastructure	1,245,825	260,295	(15,827)	1,490,293
Buildings and improvements	1,111,187	102,359	(39)	1,213,507
Equipment and machinery	561,467	20,792	(10,754)	571,505
Total depreciable assets	<u>2,918,479</u>	<u>383,446</u>	<u>(26,620)</u>	<u>3,275,305</u>
Less Accumulated Depreciation –				
Infrastructure	(230,355)	(25,781)	-	(256,136)
Buildings and improvements	(280,087)	(30,001)	1,127	(308,961)
Equipment and machinery	(465,868)	(18,120)	9,948	(474,040)
Total accumulated depreciation	<u>(976,310)</u>	<u>(73,902)</u>	<u>11,075</u>	<u>(1,039,137)</u>
Net depreciable assets	1,942,169	309,544	(15,545)	2,236,168
Land	147,773	8,185	(41)	155,917
Construction Work in Progress	<u>746,497</u>	<u>221,214</u>	<u>(317,367)</u>	<u>650,344</u>
Business-type activities –				
capital assets, net	<u>2,836,439</u>	<u>538,943</u>	<u>(332,953)</u>	<u>3,042,429</u>
Total primary government				
capital assets, net	<u>\$ 5,312,868</u>	<u>\$ 819,234</u>	<u>\$ (941,199)</u>	<u>\$ 5,190,903</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

	Component Units			
	Balance at July 1, 2011	Additions	Retirements/ Transfers	Balance at June 30, 2012
Board of Water Supply				
Depreciable Assets –				
Infrastructure	\$ 1,303,010	\$ 10,097	\$ 10,211	\$ 1,323,318
Buildings and improvements	148,085	-	1,034	149,119
Equipment and machinery	237,113	2,405	3,980	243,498
Total depreciable assets	<u>1,688,208</u>	<u>12,502</u>	<u>15,225</u>	<u>1,715,935</u>
Less Accumulated Depreciation –				
Infrastructure	(515,102)	(28,831)	466	(543,467)
Buildings and improvements	(54,387)	(3,590)	72	(57,905)
Equipment and machinery	(156,152)	(11,546)	2,362	(165,336)
Total accumulated depreciation	<u>(725,641)</u>	<u>(43,967)</u>	<u>2,900</u>	<u>(766,708)</u>
Net depreciable assets	962,567	(31,465)	18,125	949,227
Land	32,373	-	-	32,373
Construction Work in Progress	<u>162,737</u>	<u>30,779</u>	<u>(28,732)</u>	<u>164,784</u>
BWS capital assets, net	<u>1,157,677</u>	<u>(686)</u>	<u>(10,607)</u>	<u>1,146,384</u>
Honolulu Authority for Rapid Transportation				
Depreciable Assets –				
Equipment and machinery	-	171	-	171
Total depreciable assets	<u>-</u>	<u>171</u>	<u>-</u>	<u>171</u>
Less Accumulated Depreciation –				
Equipment and machinery	-	(43)	-	(43)
Total accumulated depreciation	<u>-</u>	<u>(43)</u>	<u>-</u>	<u>(43)</u>
Net depreciable assets	-	128	-	128
Land	-	31,882	-	31,882
Construction Work in Progress	<u>-</u>	<u>516,622</u>	<u>-</u>	<u>516,622</u>
HART capital assets, net	<u>-</u>	<u>548,632</u>	<u>-</u>	<u>548,632</u>
Total component units capital assets, net	<u>\$ 1,157,677</u>	<u>\$ 547,946</u>	<u>\$ (10,607)</u>	<u>\$ 1,695,016</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Depreciation expenses were charged as follows (amounts in thousands):

Governmental Activities:

General government	\$	20,505
Public safety		20,614
Highways and streets		26,954
Culture and recreation		22,980
Utilities		2,045
Human Services		271
Total depreciation expense – governmental activities	\$	93,369

Business-type Activities:

Sewer	\$	49,665
Solid waste		7,667
Housing		3,697
Public Transportation System		12,873
Total depreciation expense – business-type activities	\$	73,902

Component Units:

Board of Water Supply (\$1,590 was capitalized to projects)	\$	42,377
Honolulu Authority on Rapid Transportation		18
Total depreciation expense – component units	\$	42,395

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2012 (amounts in thousands):

	Due From Other Funds	Due to Other Funds
General Fund	\$ 29,499	\$ 10
Highway Fund	-	82
Nonmajor Governmental Funds	727	23,075
Fiduciary Funds	68	-
Enterprise Funds:		
Sewer Fund	1,009	103
Solid Waste Special Fund	-	8,033
	<u>\$ 31,303</u>	<u>\$ 31,303</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, 2012, there are no interfund balances that are not expected to be repaid.

The following is a summary of amounts transferred from and transferred to other funds at June 30, 2012 (amounts in thousands):

	Transferred From Other Funds	Transferred To Other Funds
General Fund	\$ 113,104	\$ 361,917
Highway Fund	-	139,486
G.O. Bond and Interest Redemption Fund	183,721	-
Nonmajor Governmental Funds	23,638	17,376
Enterprise Funds:		
Housing Development Special Fund	6,737	-
Sewer Fund	-	9,184
Solid Waste Special Fund	84,190	11,144
Public Transportation System Fund	127,717	-
	<u>\$ 539,107</u>	<u>\$ 539,107</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

8. Long-Term Liabilities

The following is a summary of changes in long-term liabilities included in the governmental activities and business-type activities and on the following page the component units during the fiscal year ended June 30, 2012 (amounts in thousands):

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 1,958,785	\$ 272,206	\$ 239,382	\$ 1,991,609	\$ 87,238
Notes payable to federal and state governments	3,976	-	479	3,497	500
Capital lease	1,032	1,302	539	1,795	539
Compensated absences	105,494	29,823	30,376	104,941	5,811
Other postemployment benefits	197,296	103,962	56,846	244,412	-
Claims and judgments (Note 13)	63,099	31,717	24,736	70,080	22,505
	<u>2,329,682</u>	<u>439,010</u>	<u>352,358</u>	<u>2,416,334</u>	<u>116,593</u>
Add: Unamortized premium	50,543	28,876	11,221	68,198	-
Less: Unamortized discount	(290)	(814)	(63)	(1,041)	-
Deferred loss on refunding	(19,765)	(13,204)	(3,493)	(29,476)	-
Total	<u>\$ 2,360,170</u>	<u>\$ 453,868</u>	<u>\$ 360,023</u>	<u>\$ 2,454,015</u>	<u>\$ 116,593</u>
Business-Type Activities:					
General obligation bonds	\$ 572,195	\$ 32,139	\$ 30,428	\$ 573,906	\$ 13,607
Revenue bonds	1,484,445	169,190	28,440	1,625,195	34,379
Notes payable to state government	200,392	39,359	17,242	222,509	18,623
Reserve for insurance claims payable	14,628	9,746	9,922	14,452	5,535
Other postemployment benefits	23,146	13,552	7,030	29,668	-
Estimated liability for landfill closure and post closure care costs (Note 14)	17,987	-	1,112	16,874	1,884
Compensated absences	10,886	100	128	10,858	611
Deferred revenue	8,626	-	8,626	-	-
Arbitrage rebate	2,600	-	2,383	217	-
	<u>2,334,905</u>	<u>264,086</u>	<u>105,311</u>	<u>2,493,679</u>	<u>74,639</u>
Add: Unamortized premium	70,635	15,900	8,599	77,936	-
Less: Unamortized discount	(13,615)	(233)	(2,292)	(11,556)	-
Deferred loss on refunding	(8,379)	(1,218)	(822)	(8,775)	-
Total	<u>\$ 2,383,546</u>	<u>\$ 278,535</u>	<u>\$ 110,796</u>	<u>\$ 2,551,284</u>	<u>\$ 74,639</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Discretely Presented Component Units:

	Balance at July 1, 2011	Additions	Reductions	Balance at June 30, 2012	Amounts Due Within One Year
Board of Water Supply					
Revenue bonds	\$ 294,960	\$ 85,195	\$ 94,990	\$ 285,165	\$ 7,985
Notes payable to state governments	33,336	12	10,684	22,664	1,541
Compensated absences	5,849	1,984	1,611	6,222	1,611
Other postemployment benefits	1,008	10,759	11,755	12	-
Customer advances	2,211	6,055	6,878	1,388	-
Accrued workers' compensation	2,235	1,140	982	2,393	-
Others	2,658	1,216	1,495	2,379	-
	<u>342,257</u>	<u>106,361</u>	<u>128,395</u>	<u>320,223</u>	<u>11,137</u>
Add: Unamortized premium	5,391	13,314	3,178	15,527	-
Less: Unamortized discount	(117)	-	(117)	-	-
Deferred loss on refunding	(1,892)	(8,238)	(293)	(9,837)	-
Total	<u>345,639</u>	<u>111,437</u>	<u>131,163</u>	<u>325,913</u>	<u>11,137</u>
Honolulu Authority on					
Rapid Transportation					
Compensated absences	-	809	-	809	11
Other postemployment benefits	-	1,825	-	1,825	-
Total	<u>-</u>	<u>2,634</u>	<u>-</u>	<u>2,634</u>	<u>11</u>
	<u>\$ 345,639</u>	<u>\$ 114,071</u>	<u>\$ 131,163</u>	<u>\$ 328,547</u>	<u>\$ 11,148</u>

General Obligation Bonds

The City issues general obligation bonds for the construction of major capital facilities. General obligation bonds in the governmental activities are direct obligations of the City for which its full faith and credit are pledged. Debt service is paid from the debt service fund. These bonds were issued during the fiscal years 1993 through 2012 in the original amount of \$3.2 billion, less discounts of \$1.3 million and adjusted for a premium of \$142.2 million that are being amortized over the related term of the bonds. These bonds bear interest at 2.0% to 6.5%, and mature serially through fiscal year 2037. General obligation debt authorized but not issued yet amounted to \$1.7 billion at June 30, 2012.

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 1993 through 2012 in the original amount of \$950.3 million, less a discount of \$472.8 thousand and adjusted for a premium of \$39.9 million, which are being amortized over the related term of the bonds. These bonds bear interest at 2.0% to 5.4%, and mature serially through fiscal year 2037.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

On August 4, 2011, the City issued general obligation bonds Series 2011 in the aggregate amount of \$304.3 million. The bonds were comprised of Series A and B.

Series 2011A were issued for \$141.2 million. The bonds mature annually on August 1, 2016 through 2036 and bear interest rates of 4.0% to 5.2%. The proceeds of the bonds were used to currently fund various capital improvements of the City.

Series 2011B were issued for \$163.1 million. The bonds mature annually on August 1, 2016 through 2027 and bear interest rates of 2.0% to 5.0%. For the bonds maturing on and after August 1, 2022 through August 1, 2027, the City may exercise its option of redemption on or after August 1, 2021 in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus the interest accrued to the date fixed for redemption thereof, without premium. The proceeds of the bonds were used to refund a portion of General Obligation Bond series 1993A, 1993B, 1993C, 2001A, 2003A, 2004A, 2005A, 2005F and 2007A. The net present value savings from cash flow on refunding is \$10.5 million. The refunding was structured for upfront cash flow savings of \$25.5 million in fiscal year 2012 and \$25.6 million in fiscal year 2013. The refunding resulted in a \$328.0 thousand net decrease on the aggregate debt service total.

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

Revenue Bonds

Water system revenue bonds in BWS were issued during fiscal years 2004, 2007 and 2012 in the original amount of \$399.0 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 2.0% to 5.3%. The revenue bonds are collateralized by the component unit's revenues.

On March 14, 2012, BWS issued water system revenue bonds Series 2012A in the aggregate amount of \$85.2 million. Net present value savings of \$7.1 million will be realized with the refunding.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

The BWS issues long-term bonds to finance part of its capital improvement program. Their debt to equity ratio has remained fairly constant at 30.5% for fiscal year 2012. 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 2012, the net revenue requirements were met.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2012, in the original amount totaling \$2.1 billion, less discounts of \$36.0 million and adjusted for premiums of \$69.4 million, which are being amortized over the related term of the bonds. The bonds bear interest at 2.3% to 6.3%, and mature at various dates through fiscal year 2046. The wastewater system revenues collateralize the revenue bonds.

On November 3, 2011 the City issued wastewater system revenue bonds Senior Lien Series 2011 A for \$169.2 million. The bonds mature annually on July 1, 2016 through 2041 and bear interest rates of 2.0% to 5.2%. There are some bonds maturing on and after July 1, 2022 through July 1, 2041, the City may exercise its option of redemption on or after July 1, 2021 in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus the interest accrued to the date fixed for redemption thereof, without premium. The proceeds for Senior Lien Series A will be used to pay for certain additions and improvements to the wastewater system and to fund a common reserve account.

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2012 including interest of \$2.7 billion were as follows (amounts in thousands):

Year Ending June 30:	Governmental Activities		Business-Type Activities		Primary Government Total		BWS	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2013	\$ 100,485	\$ 87,238	\$ 106,205	\$ 47,986	\$ 206,690	\$ 135,224	\$ 12,361	\$ 7,985
2014	92,507	114,813	102,657	51,302	195,164	166,115	13,011	7,335
2015	87,270	93,877	100,591	59,590	187,861	153,467	12,688	7,660
2016	82,663	102,798	98,000	72,176	180,663	174,974	12,346	8,005
2017	77,314	120,939	94,867	80,167	172,181	201,106	11,984	8,365
2018-2022	302,608	541,962	422,268	405,582	724,876	947,544	53,634	48,110
2023-2027	184,420	440,509	318,728	478,321	503,148	918,830	40,503	62,135
2028-2032	80,236	354,812	194,336	499,921	274,572	854,733	23,863	78,675
2033-2037	14,917	134,661	80,107	376,700	95,024	511,361	6,494	56,895
2038-2042	-	-	14,565	126,816	14,565	126,816	-	-
2043-2047	-	-	55	540	55	540	-	-
Total	<u>\$ 1,022,420</u>	<u>\$ 1,991,609</u>	<u>\$ 1,532,379</u>	<u>\$ 2,199,101</u>	<u>\$ 2,554,799</u>	<u>\$ 4,190,710</u>	<u>\$ 186,884</u>	<u>\$ 285,165</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Total interest costs incurred by the business-type activities and BWS for the fiscal year ended June 30, 2012 was \$111.5 million, of which \$35.8 million was capitalized.

Other Long-Term Debt

The note payable to federal government is for the City's share of costs for a federal project to develop recreational facilities and fish and wildlife resources at the Kaneohe Reservoir. The note bears interest at 5.1% and requires annual principal and interest payments through fiscal year 2016. The note amounted to \$1.3 million at June 30, 2012.

The notes payable to state government are for the construction of necessary treatment works and for other projects intended for wastewater reclamation or waste management. The notes amounted to \$224.7 million at June 30, 2012, bear interest at 0.50% to 3.02%, and require annual principal and interest payments through fiscal year 2032.

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 primary governmental and component units for other long-term debt at June 30, 2012, including interest of \$17.1 million were as follows (amounts in thousands):

	Primary Government Notes and Leases		BWS	
	Interest	Principal	Interest	Principal
Year Ending June 30:				
2013	\$ 2,843	\$ 19,662	\$ 112	\$ 1,541
2014	2,338	19,707	106	1,557
2015	1,933	16,801	99	1,564
2016	1,675	16,543	92	1,571
2017	1,425	16,178	85	1,579
2018–2022	4,327	70,961	301	8,014
2023–2027	1,514	59,285	75	6,533
2028–2032	137	8,664	1	305
Total	<u>\$ 16,192</u>	<u>\$ 227,801</u>	<u>\$ 871</u>	<u>\$ 22,664</u>

Primarily the City's general and highway funds will liquidate the compensated absences liability attributable to the governmental activities.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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, 2012, \$278.5 million of the City's and \$97.7 million of the Board of Water Supply's bonds outstanding were considered defeased.

9. Net Assets

At June 30, 2012, net assets of the primary government consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Invested in Capital Assets, Net of Related Debt:		
Net property, plant and equipment	\$ 2,148,474	\$ 3,042,429
Less:		
General obligation bonds payable, net	(2,029,290)	(597,133)
Revenue bonds payable, net	-	(1,659,569)
Notes payable and other long-term debt	(3,497)	(222,509)
Installment Purchases	(1,795)	-
Amount of debt related to unspent debt proceeds	4,397	245,757
	<u>118,289</u>	<u>808,975</u>
Restricted for Debt Service	169	171,010
Unrestricted	69,474	513,990
Total net assets	<u>\$ 187,932</u>	<u>\$ 1,493,975</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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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

All benefits vest after five and ten years of credited service under the contributory and noncontributory options, respectively. Both options provide a monthly retirement allowance based on the employee's age, years of credited service, and average final compensation (AFC).

The AFC is the average salary earned during the five highest paid years of service, including the vacation payment, if the employee became a member prior to January 1, 1971.

The AFC for members hired on or after that date and prior to January 1, 2003 is based on the three highest paid years of service, excluding the vacation payment. Effective January 1, 2003, the AFC is the highest three calendar years or highest five calendar years plus lump sum vacation payment, or last 36 credited months or last 60 credited months plus lump sum vacation payment.

Most covered employees of the contributing option are required to contribute 7.8% or 12.2% of their salary. The City is required to contribute the remaining amounts necessary to pay contributory plan benefits and all amounts necessary to pay noncontributory benefits when due. The funding method used to calculate the total employer contribution requirement is the Entry Age Normal Actuarial Cost Method. Under this method, employer contributions to the ERS are comprised of normal cost plus level annual payments required to amortize the unfunded actuarial accrued liability over the remaining period of 29 years from July 1, 2000. Effective July 1, 2005, a dollar contribution is not determined under the provisions of Act 181/2004. Instead, a fixed percentage of payroll is contributed (19.7% for Police and Fire and 15.0% for All Other Employees). The City's contributions to the ERS, exclusive of its component units, for the fiscal years ended June 30, 2010, 2011 and 2012 were \$96.7 million, \$90.1 million and \$81.7 million, respectively, which were equal to the required contributions for each year.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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.

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.

CITY AND COUNTY OF HONOLULU
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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’s annual required contribution (ARC) of the employer is an actuarially determined amount. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table (with amounts in thousands) displays the components of the annual OPEB cost, the amount contributed to the plan, the changes to the net OPEB obligation, and the percentage of annual OPEB cost contributed:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual required contribution	\$ 153,979	\$ 150,711	\$ 116,616
Interest on net OPEB obligation	15,274	9,154	5,887
Adjustment to annual required contribution	<u>(12,538)</u>	<u>(7,346)</u>	<u>(4,790)</u>
Annual OPEB cost	156,715	152,519	117,713
Contribution made	<u>(103,077)</u>	<u>(62,844)</u>	<u>(57,108)</u>
Increase in net OPEB obligation	53,638	89,675	60,605
Net OPEB obligation at beginning of fiscal year	<u>220,442</u>	<u>130,767</u>	<u>70,162</u>
Net OPEB obligation at end of fiscal year	<u>\$ 274,080</u>	<u>\$ 220,442</u>	<u>\$ 130,767</u>
Percentage of annual OPEB cost contributed	<u>65.8%</u>	<u>41.2%</u>	<u>48.5%</u>

Funded 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, 2011:

Actuarial accrued liability	\$ 1,776,061
Actuarial value of plan assets	<u>40,177</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,735,884</u>
Funded ratio	2.3%
Covered payroll (active plan members)	\$ 548,355
UAAL as a percentage of covered payroll	316.6%

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2012

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the most recent actuarial valuation, dated as of July 1, 2011, the entry age normal actuarial cost method was used. The actuarial assumptions included a discount rate of 7.0%, 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 2012, reduced by decrements to an ultimate rate of 5% after 8 years, expected payroll increases of 3.5% to amortize unfunded liabilities, projected salary increases based on the ERS July 1, 2011 assumptions to determine the actuarial accrued liability, 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

11. Enterprise Funds

The City maintains six 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 and the Honolulu Authority for Rapid Transportation, which are discretely presented component units.

Housing Development Special Fund

The City created the Housing Development Special Fund to develop affordable housing for sale or for rental. At June 30, 2012, the City had \$64.6 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

Sewer Fund

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

Solid Waste Special Fund

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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 began commercial operations in the summer of 2012. The current operating contract with Covanta has been amended and restated to extend the term to another 20-year period to operate both the original and the expansion facilities.

As of June 30, 2012, the City had \$386.8 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, 2011 to June 30, 2012 was approximately \$469.0 thousand. In July 2010, the agreement between OTS and the City was extended. The extension provides for the City to pay OTS approximately \$117.0 thousand 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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, 2012, these assets held by OTS amounted to \$2.7 million.

Reserve for Insurance Claims Payable – The City sponsors an automotive and general liability self-insurance program for OTS. The self-insurance program is for claims up to \$2.0 million effective July 1, 2006. The City also has a workers’ compensation self-insurance program, which covers OTS claims up to \$1.0 million per occurrence effective July 1, 2002. OTS has obtained excess insurance coverage for general liability, automotive claims and workers’ compensation through various insurance companies for amounts in excess of claims covered under the two self-insurance programs.

12. Commitments

Leases

The City leases equipment and office space under capital and operating leases, which expire at various dates through fiscal 2036. At June 30, 2012, the cost of equipment recorded under capital lease arrangements and included in the capital assets amounted to \$1.8 million.

Future minimum obligations under capital and operating leases at June 30, 2012 were as follows (amounts in thousands):

	Capital Leases	Operating Leases
Year Ending June 30:		
2013	\$ 563	\$ 5,999
2014	563	5,235
2015	563	4,317
2016	188	3,543
2017	-	3,059
2018-2022	-	7,871
2023-2027	-	67
2028-2032	-	50
2033-2036	-	38
Total minimum payments	1,877	\$ 30,179
Less amount representing interest	82	
Present value of future minimum capital lease payments	\$ 1,795	

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 \$10.4 million for the fiscal year ended June 30, 2012.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2052. Certain leases provide for periodic renegotiation of rents. The cost, accumulated depreciation and net book value of these leased assets are as follows (amount in thousands):

<u>Asset Class</u>	<u>Cost at Date of Acquisition</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 2,942	\$ -	\$ 2,942
Buildings and Improvements	46,938	(27,395)	19,543
Totals	<u>\$ 49,880</u>	<u>\$ (27,395)</u>	<u>\$ 22,485</u>

Future minimum rental incomes under such leases at June 30, 2012 were as follows (amounts in thousands):

Year Ending June 30:	
2013	\$ 6,830
2014	5,221
2015	4,379
2016	3,649
2017	1,683
2018 - 2022	6,055
2023 - 2027	3,069
2028 - 2032	2,963
2033 - 2037	2,173
2038 - 2042	2,226
2043 - 2047	2,075
2048 - 2052	1,645
Total minimum rental income	<u>\$ 41,968</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Other Commitments

Contractual commitments for capital projects, expenses and supplies at June 30, 2012 are encumbered in the governmental funds and are in thousands as follows:

Major Funds

Governmental Funds:	
General Fund	\$ 58,215
Highway Fund	4,498
Total Major Funds - Governmental Funds	<u>62,713</u>
Nonmajor Funds - Other Governmental Funds	522,492
Fiduciary Funds	<u>141</u>
Total	<u><u>\$ 585,346</u></u>

Contractual commitments of the business-type activities including the component units, which do not employ encumbrance accounting, are primarily for construction contracts and are as follows in thousands at June 30, 2012:

Proprietary Funds:

Housing	\$ 398
Sewer	371,075
Solid Waste	67,973
Public Transportation System	7,067
Total Proprietary Funds	<u>446,513</u>

Component Units:

Board of Water Supply	89,590
Honolulu Authority for Rapid Transportation	1,346,012
Total Component Units	<u>1,435,602</u>
Total Business-Type Activities	<u><u>\$ 1,882,115</u></u>

Litigation

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

13. Contingent Liabilities

The City is exposed to various risks arising out of its diverse activities and operations, resulting in claims and lawsuits against the City for personal injury, property and other damages. The City's Corporation Counsel reported that these cases are set for pretrial conferences, awaiting actions from plaintiffs, being investigated, ready for trial calendar, or on appeal.

The City is fully self-insured for workers' compensation claims, and uses a combination of self-insurance and commercial insurance for automobile liability and most general liability claims, with certain exceptions. The City purchases excess liability insurance through insurance companies for claims in excess of self-insured amounts as well as primary liability insurance when required by contract or law.

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, 2012, the estimated total liability of the City for claims and judgments amounted to \$70.1 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 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):

	Automobile and General Liability	Workers' Compensation	Total
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	22,875	40,224	63,099
Incurred losses and loss adjustment expenses	12,974	18,743	31,717
Payments:	<u>(6,967)</u>	<u>(17,769)</u>	<u>(24,736)</u>
Balance at June 30, 2012	<u>\$ 28,882</u>	<u>\$ 41,198</u>	<u>\$ 70,080</u>

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

14. Environmental Issues

Solid Waste Landfill Costs

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

Federal and state laws and regulations require the City to place final covers on certain landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Annual additions to the liability for closure and postclosure care costs are based on landfill capacity used as of each balance sheet date. The \$16.9 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2012 represents the cumulative amount reported to date based on the percentage of the estimated capacity used for the following landfills (amounts in thousands). Actual costs may differ from estimates if additional postclosure care requirements are determined (due to inflation or deflation, changes in technology, or changes in applicable laws or regulations).

	Capacity Used	Closure Date	Liability at June 30, 2012	Total Estimated Cost
Waipahu incinerator landfill	100.0%	October 1991	\$ 11,699	\$ 27,422
Kapaa sanitary landfill	100.0%	May 1997	5,176	15,897
Total			<u>\$ 16,875</u>	<u>\$ 43,319</u>

For fiscal year 2012, the City has provided the financial resources that will be available to provide for closure, postclosure care and remediation or containment of environmental hazards at the above landfills.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

Sewer Fund – Litigation

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

The City is complying with the terms of a consent decree entered on December 17, 2010 by the United States District Court to resolve the claims of the United States Environmental Protection Agency (“EPA”), the State of Hawaii Department of Health (“DOH”), and various non-governmental entities related to the City’s compliance with the federal Clean Water Act and State law. The consent decree allows 10 years for completion of work on the collection system, 14 years for the upgrade of the Honouliuli Wastewater Treatment Plant (WWTP) to secondary treatment, and up to 25 years, with the possibility of a three-year extension, for the upgrade of the Sand Island WWTP to secondary treatment.

The City is expected to incur approximately \$3.5 billion in capital costs through fiscal year 2020, which coincides with the term of the collection system portion of the consent decree. This amount will largely be spent on the collection system, and much of it will go toward work that was already required or planned. This amount also includes a portion of the costs of treatment plant upgrades at Sand Island and Honouliuli. In addition to the \$3.5 billion, the City expects to incur upgrades include approximately \$550.0 million to replace primary treatment facilities at both plants and \$1.2 billion to upgrade the plants to secondary treatment plants.

In March 2012, after providing an opportunity for public comment, the court approved an order at the request of all parties to modify the consent decree to substitute construction of a Kaneohe-Kailua gravity tunnel and an associated influent pump station for the construction of a new force main between the City’s Kaneohe pump station and its Kailua treatment plant and to eliminate requirements to proceed with and maintain storage projects in Kaneohe and Kailua. The court order was the culmination of a year of negotiations among the parties after the EPA and DOH determined that the tunnel proposal offered potential environmental benefits.

15. Component Units

Board of Water Supply

Board of Water Supply (BWS), a semi-autonomous agency of the City, has full and complete authority to manage, control and operate the City’s water system and related properties.

Major Transactions with the City –

Billing and Collection Services – BWS has an agreement with the City’s Department of Environmental Services to provide certain services relating to the

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

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, 2012. The expenditures related to these fees are included in administrative and general expenses under Sewer Fund in the accompanying Proprietary Funds statement of revenues, expenses and changes in net assets.

Central Administrative Services Expense (CASE) Fee – BWS 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, 2012, CASE fees were \$3.3 million. Any increase for subsequent year is subject to negotiation.

Amount Due to BWS – Amounts due to BWS approximated \$423.9 thousand as of June 30, 2012 and is included in other payables.

Joint Construction Projects – The City has entered into an agreement with BWS for a joint water and sewer system upgrade that is administered by BWS. The agreement requires the City to make advance payments to BWS. At June 30, 2012, a balance of approximately \$1.2 million of these funds has not been expended.

Honolulu Authority for Rapid Transportation

Effective July 1, 2010, pursuant to a 2010 amendment to the Revised Charter of the City, the Honolulu Authority for Rapid Transportation (HART) was created to develop, operate, maintain and expand the city fixed guideway system.

Major Transactions with the City –

Contribution to HART – in fiscal year ended June 30, 2012, the City transferred resources to HART totaling \$749.3 million that included capital assets acquired in prior fiscal years of \$303.4 million (inclusive of a nominal amount of accumulated depreciation for equipment) and the transit fund balance as of June 30, 2011 of \$447.3 million offset by certain related liabilities of \$1.4 million.

Central Administrative Services Expense (CASE) Fee – HART executed a Memorandum of Understanding with the City to pay a CASE fee equal to five (5%) percent of HART's actual operating expenditures for treasury, personnel, purchasing and other services that the City provides to the HART on an on-going basis. The CASE does not include any direct costs that City charged HART for budget, fiscal, legal, design and construction services, contributions for OPEB and fringe benefits for services rendered for HART. For the fiscal year ended June 30, 2012, CASE fees amounted to \$602.2 thousand.

Litigation -

HonoluluTraffic.com, et.at. v. Federal Transit Administration, et. al.

In May 2011, a lawsuit was filed against the Federal Transit Administration, the U.S. Department of Transportation and certain federal officials, as well as City

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

defendants, alleging violations of federal law in approving the City's rail transit project. The U.S. District Court for the District of Hawaii ruled in favor of the plaintiffs with regard to three matters and in favor of the defendants in all other respects. At a hearing this month on remedies, the Court took the matter under submission, and the parties are awaiting a ruling by the Court.

Bombardier v. Department of Budget and Fiscal Services, et. al.

The City's Chief Procurement Officer denied Bombardier's bid protest over disqualification of its Core Systems Design-Build-Operate-Maintain Contract proposal as nonresponsive. Bombardier then filed an appeal with the Office of Administrative Hearings, State Department of Commerce and Consumer Affairs, followed by an appeal to the First Circuit Court. In October 2012, the Intermediate Court of Appeals (ICA) affirmed the decisions of the Circuit Court and the Hearings Officer in their entirety. Judgment on Appeal was entered in November 2012.

Kaleikini v. Yoshioka et. al.

In January 2011, a lawsuit was filed in the First Circuit Court, challenging the approval of the Final Environmental Impact Statement (FEIS) as well as other approvals for the rail transit project. This case involves both City and State defendants. The Circuit Court ruled in favor of the defendants' proposal to build the rail project in four sections with an archaeological inventory survey (AIS) to be completed for each section prior to any construction taking place in the section. The plaintiff filed an appeal to the ICA, and in January 2012, the case was transferred to the Hawaii Supreme Court. In August 2012 the Hawaii Supreme Court ruled that applicable administrative rules did not permit the State Historic Preservation Division to concur in the rail project absent a complete AIS for the entire project. In October 2012, the plaintiff filed a request with the Hawaii Supreme Court for attorney's fees and costs with the defendants filing oppositions to this request; a court decision on this request is pending. After the ruling on fees and costs, the case is expected to be remanded to the Circuit Court for further proceedings. Based on the Hawaii Supreme Court decision, construction activities related to the project have been halted pending completion of all AIS work or further court rulings. HART is continuing with property acquisitions, AIS work and other project activities. All planned AIS field work has been completed, and the necessary analyses and reports are being prepared. HART estimates that the overall time to complete the AIS work for the entire 20-mile guideway will be 9 to 12 months, with associated delay costs estimated to be approximately \$63.0 to \$84.0 million.

16. Subsequent Events

On October 4, 2012, the City issued wastewater system revenue bonds, Senior Series 2012A and 2012B in the aggregate amount of \$265.6 million. The bonds mature annually on July 1, 2013 through July 1, 2042 and bear interest rates of 2.0%

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2012

to 5.0%. The bonds maturing on July 1, 2023 through July 1, 2042 except for the Senior Series 2012 bonds maturing on July 1, 2027 and 2029 are subject to redemption at the option of the City on or after July 1, 2022, in whole or in part at any time, from any maturity. The proceeds from the bonds will be used to refund a portion of outstanding wastewater system revenue bonds, to pay for the costs of certain additions and improvements to the wastewater system, and to fund a common reserve account.

On October 18, 2012, the City signed a Purchase and Sale Agreement with Honolulu Affordable Housing Partners, LLC (HAHP) for the leasehold sale of certain City rental housing complexes under the Honolulu Affordable Housing Preservation Initiative. The HAHP will pay the City \$142.0 million with a further commitment to invest up to \$42.0 million for capital improvements to the rental housing complexes. The leasehold sale is designed to improve the rental-housing portfolio and keep it affordable for low-income residents of the island, while relieving Honolulu taxpayers of approximately \$500.0 thousand per month in debt service. HAHP is currently performing its due diligence process.

On November 6, 2012, Oahu voters approved two amendments to the City Charter.

One amendment mandated that a minimum of one-half of one percent of annual general fund revenues be appropriated for grants in aid to be awarded by the City to federal income tax exempt non-profit organizations to provide services to economically and/or socially disadvantaged populations or provide services for public benefit in the areas of the arts, culture, economic development or the environment.

The second amendment authorized the City Council to establish funds to ensure that, when appropriate, moneys collected by the City from licenses, fees, taxes and other revenue sources are set aside and expended for their intended public purposes.

On November 20, 2012, the City issued general obligation bonds, Series 2012 A, B, D, E, F, G and on December 4, 2012 issued the Series C, with all series totaling an aggregate amount of \$912.5 million. The bonds mature annually on November 1, 2013 through November 1, 2037 and bear interest rates of 0.8% to 5.0%. The Series A, B and C bonds maturing on November 1, 2023 and after, except for Series A maturing November 1, 2030 and Series C maturing on November 1, 2024 and November 1, 2027, are subject to redemption at the option of the City on or after November 1, 2022. The proceeds from Series A will fund various capital improvement projects of the City and Series B, C, D, E, F and G will be used to refund a portion of outstanding general obligation bonds.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 837,451	\$ 837,451	\$ 853,194	\$ 15,743
Licenses and permits	39,048	39,048	35,811	(3,237)
Intergovernmental	41,069	41,069	49,168	8,099
Charges for services	6,239	6,239	6,215	(24)
Fines and forfeits	655	655	395	(260)
Miscellaneous:				
Reimbursements and recoveries	44,305	44,305	42,951	(1,354)
Interest	220	220	336	116
Other	4,214	4,214	9,153	4,939
Total Revenues	973,201	973,201	997,223	24,022
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	16,764	16,764	15,621	1,143
City Clerk	2,726	2,726	2,603	123
City Council	7,123	7,155	6,392	763
Corporation Counsel	9,834	9,834	8,943	891
Customer Services	20,440	20,439	18,998	1,441
Design and Construction	16,175	17,775	16,521	1,254
Facility Maintenance	16,097	19,032	17,345	1,687
Human Resources	5,998	5,999	5,357	642
Information Technology	20,833	20,833	19,042	1,791
Mayor	4,460	4,460	4,103	357
Planning and Permitting	10,509	10,469	9,232	1,237
Prosecuting Attorney	16,964	16,964	15,610	1,354
Total General government	147,923	152,450	139,767	12,683
Public safety:				
Emergency Management	1,521	1,621	1,218	403
Emergency Services	34,946	34,946	33,569	1,377
Fire	102,384	102,821	96,520	6,301
Medical Examiner	1,403	1,503	1,358	145
Planning and Permitting	5,067	5,107	5,004	103
Police	211,365	211,261	202,588	8,673
Transportation Services	--	58	48	10
Total Public safety	356,686	357,317	340,305	17,012
Highways and streets:				
Facility Maintenance	4,087	4,087	3,383	704
Sanitation:				
Environmental Services	10,919	10,919	10,345	574
Human services:				
Community Services	6,419	6,419	5,969	450

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Culture-recreation:				
Mayor	1,986	1,986	1,802	184
Enterprise Services	--	292	217	75
Parks and Recreation	64,683	65,449	59,434	6,015
Total Culture-recreation	66,669	67,727	61,453	6,274
Utilities or other enterprises:				
Transportation Services	47	79	78	1
Miscellaneous:				
Retirement and health benefits:				
City Council	2,749	2,749	2,520	229
Provisional	213,435	213,435	197,269	16,166
Total Retirement and health benefits	216,184	216,184	199,789	16,395
Other:				
City Council	383	351	153	198
Provisional	59,378	52,654	38,442	14,212
Total Other	59,761	53,005	38,595	14,410
Total Miscellaneous	275,945	269,189	238,384	30,805
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Total Expenditures	869,055	868,547	800,043	68,504
Revenues over Expenditures	104,146	104,654	197,180	92,526
Other Financing Sources (Uses):				
Transfers in	122,179	122,179	113,150	(9,029)
Transfers out	(395,171)	(395,679)	(361,917)	33,762
Total Other Financing Sources (Uses)	(272,992)	(273,500)	(248,767)	24,733
Net change in Fund Balance	(168,846)	(168,846)	(51,587)	117,259
Encumbrances	--	--	58,215	58,215
Fund Balance - July 1	168,852	168,852	210,629	41,777
Fund Balance - June 30	\$ 6	\$ 6	\$ 217,257	\$ 217,251

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 97,036	\$ 97,036	\$ 103,007	\$ 5,971
Licenses and permits	122,518	122,518	121,296	(1,222)
Charges for services	4,995	4,995	4,592	(403)
Miscellaneous:				
Reimbursements and recoveries	3,499	3,499	3,821	322
Other	1,562	1,562	5,347	3,785
Total Revenues	<u>229,610</u>	<u>229,610</u>	<u>238,063</u>	<u>8,453</u>
Expenditures:				
Current:				
General government:				
Design and Construction	5,459	5,459	4,942	517
Facility Maintenance	13,094	13,094	12,634	460
Planning and Permitting	2,328	2,328	2,290	38
Total General government	<u>20,881</u>	<u>20,881</u>	<u>19,866</u>	<u>1,015</u>
Public safety:				
Police	25,763	25,763	25,325	438
Transportation Services	6,194	6,188	5,641	547
Total Public safety	<u>31,957</u>	<u>31,951</u>	<u>30,966</u>	<u>985</u>
Highways and streets:				
Facility Maintenance	21,324	21,324	17,570	3,754
Utilities or other enterprises:				
Transportation Services	1,832	1,838	1,415	423
Miscellaneous:				
Retirement and health benefits:				
Provisional	24,288	24,288	16,438	7,850
Other:				
Provisional	1,482	1,482	1,162	320
Total Miscellaneous	<u>25,770</u>	<u>25,770</u>	<u>17,600</u>	<u>8,170</u>
Capital improvements:				
Highways and streets	1,220	1,220	790	430
Total Expenditures	<u>102,984</u>	<u>102,984</u>	<u>88,207</u>	<u>14,777</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts In thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues over Expenditures	126,626	126,626	149,856	23,230
Other Financing Source (Use):				
Sales of capital assets	64	64	152	88
Transfers out	(147,815)	(147,815)	(139,486)	8,329
Total Other Financing Source (Use)	<u>(147,751)</u>	<u>(147,751)</u>	<u>(139,334)</u>	<u>8,417</u>
Net change in Fund Balance	(21,125)	(21,125)	10,522	31,647
Encumbrances	--	--	4,498	4,498
Fund Balance - July 1	<u>21,125</u>	<u>21,125</u>	<u>31,923</u>	<u>10,798</u>
Fund Balance - June 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 46,943</u>	<u>\$ 46,943</u>

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012
 (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, 2011	\$ 40,177	\$ 1,776,061	\$ 1,735,884	2.3%	\$ 548,355	316.6%
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 37.

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2012
 (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.....	\$ 5,481	\$ 1,473	\$ 6,176	\$ 3,608
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	40	8	--	35
Due from other funds	--	--	681	--
Total Assets	<u>\$ 5,521</u>	<u>\$ 1,481</u>	<u>\$ 6,857</u>	<u>\$ 3,643</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 102	\$ 2	\$ 196	\$ 24
Interest and bonds payable-matured	--	--	--	--
Due to other funds	--	--	--	2
Accrued payroll	42	8	--	84
Deferred revenue	--	--	--	--
Total Liabilities	<u>144</u>	<u>10</u>	<u>196</u>	<u>110</u>
Fund Balances:				
Restricted	5,377	1,471	--	3,533
Committed	--	--	6,661	--
Unassigned	--	--	--	--
Total Fund Balances	<u>5,377</u>	<u>1,471</u>	<u>6,661</u>	<u>3,533</u>
Total Liabilities and Fund Balances	<u>\$ 5,521</u>	<u>\$ 1,481</u>	<u>\$ 6,857</u>	<u>\$ 3,643</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2012
 (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>
\$ 1,119	\$ 8	\$ 4,034	\$ 19,650	\$ 16,739	\$ 122	\$ 2,786
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	81	--
--	--	--	--	--	1,171	--
--	--	33	--	--	15	122
--	--	--	--	--	--	--
<u>\$ 1,119</u>	<u>\$ 8</u>	<u>\$ 4,067</u>	<u>\$ 19,650</u>	<u>\$ 16,739</u>	<u>\$ 1,389</u>	<u>\$ 2,908</u>
\$ --	\$ --	\$ 64	\$ --	\$ --	\$ 1,503	\$ 181
--	--	--	--	--	--	--
--	--	--	--	--	64	1
--	--	45	--	--	24	180
--	--	--	--	--	81	--
--	--	109	--	--	1,672	362
--	--	--	19,650	16,739	--	--
1,119	8	3,958	--	--	--	2,546
--	--	--	--	--	(283)	--
<u>1,119</u>	<u>8</u>	<u>3,958</u>	<u>19,650</u>	<u>16,739</u>	<u>(283)</u>	<u>2,546</u>
<u>\$ 1,119</u>	<u>\$ 8</u>	<u>\$ 4,067</u>	<u>\$ 19,650</u>	<u>\$ 16,739</u>	<u>\$ 1,389</u>	<u>\$ 2,908</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2012
 (Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds		
	Special Events Fund	Special Projects Fund	Federal Grants Fund
<u>ASSETS</u>			
Cash and investments:			
With Treasury and banks.....	\$ 4,638	\$ 10,667	\$ 17,717
Receivables:			
Accounts	--	--	--
Special Assessments	--	--	--
Loans	--	--	5,140
Intergovernmental	--	245	22,489
Payroll Advance	201	40	166
Due from other funds	--	--	42
Total Assets	\$ 4,839	\$ 10,952	\$ 45,554
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 238	\$ 421	\$ 1,853
Interest and bonds payable-matured	--	--	--
Due to other funds	33	27	21,140
Accrued payroll	277	200	217
Deferred revenue	--	--	5,140
Total Liabilities	548	648	28,350
Fund Balances:			
Restricted	--	10,304	17,204
Committed	4,291	--	--
Unassigned	--	--	--
Total Fund Balances	4,291	10,304	17,204
Total Liabilities and Fund Balances	\$ 4,839	\$ 10,952	\$ 45,554

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2012
 (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
\$ 5,618	\$ 959	\$ 10,000	\$ 171	\$ 9,203	\$ 13,546
--	--	16	--	--	--
--	--	--	39	--	--
9,684	--	3,648	--	--	--
--	--	52	--	--	--
2	--	86	--	22	--
--	--	--	--	4	--
<u>\$ 15,304</u>	<u>\$ 959</u>	<u>\$ 13,802</u>	<u>\$ 210</u>	<u>\$ 9,229</u>	<u>\$ 13,546</u>
\$ --	\$ --	\$ 125	\$ --	\$ 8,692	\$ 14,372
--	--	--	9	--	--
--	--	100	--	1,009	--
--	--	105	--	20	10
9,684	--	3,752	32	--	--
<u>9,684</u>	<u>--</u>	<u>4,082</u>	<u>41</u>	<u>9,721</u>	<u>14,382</u>
5,620	959	9,720	--	--	--
--	--	--	169	--	--
--	--	--	--	(492)	(836)
<u>5,620</u>	<u>959</u>	<u>9,720</u>	<u>169</u>	<u>(492)</u>	<u>(836)</u>
<u>\$ 15,304</u>	<u>\$ 959</u>	<u>\$ 13,802</u>	<u>\$ 210</u>	<u>\$ 9,229</u>	<u>\$ 13,546</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2012
 (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.....	\$ 6,519	\$ 15,515	\$ 155,749
Receivables:			
Accounts	--	--	16
Special Assessments	--	--	39
Loans	50,791	--	69,344
Intergovernmental	9,296	--	33,253
Payroll Advance	--	--	770
Due from other funds	--	--	727
Total Assets	\$ 66,606	\$ 15,515	\$ 259,898
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 6,350	\$ 93	\$ 34,216
Interest and bonds payable-matured	--	--	9
Due to other funds	18	681	23,075
Accrued payroll	--	--	1,212
Deferred revenue	50,791	--	69,480
Total Liabilities	57,159	774	127,992
Fund Balances:			
Restricted	9,447	14,741	114,765
Committed	--	--	18,752
Unassigned	--	--	(1,611)
Total Fund Balances	9,447	14,741	131,906
Total Liabilities and Fund Balances	\$ 66,606	\$ 15,515	\$ 259,898

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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, 2012
(Amounts in thousands)

(Page 1 of 5)

	Special Revenue Funds			
	Highway Beautifcation and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund	Liquor Commission Fund
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits.....	--	566	--	3,819
Intergovernmental.....	--	--	--	--
Charges for services.....	4,327	--	--	139
Fines and forfeits.....	--	--	--	146
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	--	135	15
Total Revenues.....	4,327	566	135	4,119
Expenditures:				
Current:				
General government.....	1,278	--	--	2,470
Public safety.....	--	346	--	--
Highways and streets.....	302	--	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	683	7	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	464	11	--	962
Other.....	--	--	--	40
Capital Outlay:				
General government.....	--	--	--	21
Public safety.....	--	--	--	--
Highways and streets.....	--	6	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	243	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	2,727	370	243	3,493
Revenues over (under) Expenditures.....	1,600	196	(108)	626
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Transfers in.....	--	--	681	--
Transfers out.....	(223)	(36)	--	(256)
Total Other Financing Sources (Uses).....	(223)	(36)	681	(256)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	1,377	160	573	370
Fund Balances - July 1.....	4,000	1,311	6,088	3,163
Fund Balances - June 30.....	\$ 5,377	\$ 1,471	\$ 6,661	\$ 3,533

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, 2012
(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
\$ --	\$ --	\$ --	\$ 3,983	\$ 3,983	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	12,244	--
--	--	4,281	--	--	--	6,417
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	9	7	--	--
324	--	1,753	--	--	--	3,019
<u>324</u>	<u>--</u>	<u>6,034</u>	<u>3,992</u>	<u>3,990</u>	<u>12,244</u>	<u>9,436</u>
--	--	--	--	--	214	--
--	--	835	--	--	--	--
--	--	--	--	--	--	--
164	--	--	--	--	1,493	--
--	--	2,306	--	--	--	8,823
--	--	--	--	--	--	--
--	--	396	--	--	--	1,816
--	--	--	--	--	--	84
--	--	--	--	--	70	405
--	--	--	--	--	186	--
--	--	--	--	--	--	--
--	--	--	--	--	10,574	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>164</u>	<u>--</u>	<u>3,537</u>	<u>--</u>	<u>--</u>	<u>12,537</u>	<u>11,128</u>
<u>160</u>	<u>--</u>	<u>2,497</u>	<u>3,992</u>	<u>3,990</u>	<u>(293)</u>	<u>(1,692)</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	9,828
(10)	--	(1,666)	--	--	--	(6,599)
<u>(10)</u>	<u>--</u>	<u>(1,666)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,229</u>
150	--	831	3,992	3,990	(293)	1,537
969	8	3,127	15,658	12,749	10	1,009
<u>\$ 1,119</u>	<u>\$ 8</u>	<u>\$ 3,958</u>	<u>\$ 19,650</u>	<u>\$ 16,739</u>	<u>\$ (283)</u>	<u>\$ 2,546</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, 2012
(Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds		
	Special Events Fund	Special Projects Fund	Federal Grants Fund
Revenues:			
Taxes	\$ --	\$ --	\$ --
Special assessments	--	--	--
Licenses and permits.....	--	--	--
Intergovernmental.....	--	12,036	60,842
Charges for services.....	4,708	--	--
Fines and forfeits.....	--	--	--
Miscellaneous:			
Reimbursements and recoveries.....	29	--	--
Interest.....	2	--	2
Other.....	7,151	2,047	570
Total Revenues.....	11,890	14,083	61,414
Expenditures:			
Current:			
General government.....	114	2,612	1,876
Public safety.....	--	3,836	20,698
Highways and streets.....	--	--	--
Sanitation.....	--	--	123
Human services.....	--	4,324	17,847
Culture-recreation.....	10,392	307	108
Utilities or other enterprises.....	--	--	21,636
Miscellaneous:			
Retirement and health benefits.....	2,777	--	--
Other.....	252	--	--
Capital Outlay:			
General government.....	320	--	--
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Human services.....	--	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
Total Expenditures.....	13,855	11,079	62,288
Revenues over (under) Expenditures.....	(1,965)	3,004	(874)
Other Financing Sources (Uses):			
Issuance of general obligation bonds	--	--	--
Transfers in.....	13,108	--	--
Transfers out.....	(7,884)	--	--
Total Other Financing Sources (Uses).....	5,224	--	--
Revenues and Other Sources over (under) Expenditures and Other Uses.....	3,259	3,004	(874)
Fund Balances - July 1.....	1,032	7,300	18,078
Fund Balances - June 30.....	\$ 4,291	\$ 10,304	\$ 17,204

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, 2012
(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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	17	--	--
2,112	--	45,210	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2	1	10	3	--	1
1,154	--	20	--	1	--
<u>3,268</u>	<u>1</u>	<u>45,240</u>	<u>20</u>	<u>1</u>	<u>1</u>
--	--	137	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
707	--	44,368	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	10,819	6,920
--	--	--	--	23,745	3,905
--	--	--	--	14	62,946
--	--	--	--	--	--
--	--	--	--	21,294	--
--	--	--	--	--	20,215
<u>707</u>	<u>--</u>	<u>44,505</u>	<u>--</u>	<u>55,872</u>	<u>93,986</u>
<u>2,561</u>	<u>1</u>	<u>735</u>	<u>20</u>	<u>(55,871)</u>	<u>(93,985)</u>
--	--	--	--	32,503	98,004
--	--	--	--	--	--
--	--	--	(21)	--	--
--	--	--	(21)	32,503	98,004
2,561	1	735	(1)	(23,368)	4,019
3,059	958	8,985	170	22,876	(4,855)
<u>\$ 5,620</u>	<u>\$ 959</u>	<u>\$ 9,720</u>	<u>\$ 169</u>	<u>\$ (492)</u>	<u>\$ (836)</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, 2012
(Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Federal Grants Capital Projects Fund	Capital Projects Fund	
Revenues:			
Taxes	\$ --	\$ --	\$ 7,966
Special assessments	--	--	17
Licenses and permits.....	--	--	4,385
Intergovernmental.....	51,887	--	184,331
Charges for services.....	--	--	19,872
Fines and forfeits.....	--	--	146
Miscellaneous:			
Reimbursements and recoveries.....	--	--	29
Interest.....	--	--	37
Other.....	--	82	16,271
Total Revenues.....	51,887	82	233,054
Expenditures:			
Current:			
General government.....	--	--	8,701
Public safety.....	--	--	25,715
Highways and streets.....	--	--	302
Sanitation.....	--	--	123
Human services.....	--	--	68,903
Culture-recreation.....	--	--	22,626
Utilities or other enterprises.....	--	--	21,636
Miscellaneous:			
Retirement and health benefits.....	--	--	6,426
Other.....	--	--	376
Capital Outlay:			
General government.....	2,860	--	21,415
Public safety.....	6,234	--	34,070
Highways and streets.....	5,670	--	68,636
Human services.....	11,417	--	21,991
Culture-recreation.....	1,236	96	22,869
Utilities or other enterprises.....	29,122	--	49,337
Total Expenditures.....	56,539	96	373,126
Revenues over (under) Expenditures.....	(4,652)	(14)	(140,072)
Other Financing Sources (Uses):			
Issuance of general obligation bonds	--	--	130,507
Transfers in.....	--	21	23,638
Transfers out.....	--	(681)	(17,376)
Total Other Financing Sources (Uses).....	--	(660)	136,769
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(4,652)	(674)	(3,303)
Fund Balances - July 1.....	14,099	15,415	135,209
Fund Balances - June 30.....	\$ 9,447	\$ 14,741	\$ 131,906

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2012
 (Amounts in thousands)

	Agency Funds				Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Payroll Clearance Fund	
<u>ASSETS</u>					
Cash and investments:					
With Treasury	\$ 30,133	\$ 5,664	\$ 10,695	\$ --	\$ 46,492
Imprest and change funds	73	66	--	--	139
Receivable:					
Account	--	--	2	--	2
Due from other funds:					
General Fund	--	--	--	6	6
Highway Fund	--	--	--	2	2
Sewer Fund	--	--	--	7	7
Special Events Fund	--	--	--	2	2
Federal Grants Capital Fund	18	--	--	--	18
Solid Waste Fund	20	--	--	13	33
Total Assets	<u>30,244</u>	<u>5,730</u>	<u>10,697</u>	<u>30</u>	<u>46,701</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	5,828	--	--	30	5,858
Other current liabilities	<u>24,416</u>	<u>5,730</u>	<u>10,697</u>	<u>--</u>	<u>40,843</u>
Total Liabilities	<u>30,244</u>	<u>5,730</u>	<u>10,697</u>	<u>30</u>	<u>46,701</u>
<u>NET ASSETS</u>					
Held in trust for individuals, organizations and other governments	<u>\$ --</u>	<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, 2012
 (Amounts in thousands)

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
GENERAL TRUST FUND				
ASSETS				
Cash	\$ 25,883	\$ 214,493	\$ 210,170	\$ 30,206
Due from other funds	29	38	29	38
Total Assets	\$ 25,912	\$ 214,531	\$ 210,199	\$ 30,244
LIABILITIES				
Accounts payable	\$ 3,442	\$ 212,549	\$ 210,163	\$ 5,828
Other current liabilities	22,470	1,982	36	24,416
Total Liabilities	\$ 25,912	\$ 214,531	\$ 210,199	\$ 30,244
TREASURY TRUST FUND				
ASSET				
Cash	\$ 1,309	\$ 16,688	\$ 12,267	\$ 5,730
LIABILITY				
Other current liabilities	\$ 1,309	\$ 16,688	\$ 12,267	\$ 5,730
REAL PROPERTY TAX TRUST FUND				
ASSETS				
Cash	\$ 12,399	\$ 22,210	\$ 23,914	\$ 10,695
Accounts receivable	--	2	--	2
Total Assets	\$ 12,399	\$ 22,212	\$ 23,914	\$ 10,697
LIABILITIES				
Accounts payable	\$ 1	\$ 8,702	\$ 8,703	\$ --
Other current liabilities	12,398	13,510	15,211	10,697
Total Liabilities	\$ 12,399	\$ 22,212	\$ 23,914	\$ 10,697
PAYROLL CLEARANCE FUND				
ASSETS				
Cash	\$ --	\$ 576,253	\$ 576,253	\$ --
Due from other funds	--	41	11	30
Total Assets	\$ --	\$ 576,294	\$ 576,264	\$ 30
LIABILITIES				
Accounts payable	\$ --	\$ 40,258	\$ 40,228	\$ 30
Other current liabilities	--	536,036	536,036	--
Total Liabilities	\$ --	\$ 576,294	\$ 576,264	\$ 30
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 39,591	\$ 829,644	\$ 822,604	\$ 46,631
Accounts receivable	--	2	--	2
Due from other funds	29	79	40	68
Total Assets	\$ 39,620	\$ 829,725	\$ 822,644	\$ 46,701
LIABILITIES				
Accounts payable	\$ 3,443	\$ 261,509	\$ 259,094	\$ 5,858
Other current liabilities	36,177	568,216	563,550	40,843
Total Liabilities	\$ 39,620	\$ 829,725	\$ 822,644	\$ 46,701

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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 37.

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Other Post- Employment Benefits Reserve Fund	Reserve for Fiscal Stability Fund
<u>ASSETS</u>			
Cash and investments:			
With Treasury and banks.....	\$ 194,075	\$ 81	\$ 29,993
Receivables:			
Real property taxes	12,654	--	--
Accounts	1,214	--	--
Interest	52	--	--
Intergovernmental	5,814	--	--
Payroll Advance	12,657	--	--
Due from other funds	29,499	--	--
Total Assets	\$ 255,965	\$ 81	\$ 29,993
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 8,602	\$ --	\$ --
Due to other funds	10	--	--
Accrued payroll	19,218	--	--
Deferred revenue	10,878	--	--
Total Liabilities	38,708	--	--
Fund Balances:			
Committed	--	81	29,993
Assigned	58,215	--	--
Unassigned	159,042	--	--
Total Fund Balances	217,257	81	29,993
Total Liabilities and Fund Balances	\$ 255,965	\$ 81	\$ 29,993

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2012
 (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	Total General Fund
\$ 356	\$ 1,962	\$ 225	\$ 157	\$ 226,849
--	--	--	--	12,654
--	--	--	--	1,214
--	--	--	--	52
--	--	--	--	5,814
--	--	--	--	12,657
--	--	--	--	29,499
<u>\$ 356</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 157</u>	<u>\$ 288,739</u>
\$ --	\$ --	\$ --	\$ --	\$ 8,602
--	--	--	--	10
--	--	--	--	19,218
173	--	--	--	11,051
<u>173</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>38,881</u>
183	1,962	225	157	32,601
--	--	--	--	58,215
--	--	--	--	159,042
<u>183</u>	<u>1,962</u>	<u>225</u>	<u>157</u>	<u>249,858</u>
<u>\$ 356</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 157</u>	<u>\$ 288,739</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(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	\$ 853,194	\$ --	\$ --
Licenses and permits.....	35,811	--	--
Intergovernmental.....	49,168	--	--
Charges for services.....	6,215	--	--
Fines and forfeits.....	395	--	--
Miscellaneous:			
Reimbursements and recoveries.....	42,951	--	--
Interest.....	336	5	16
Other.....	9,153	--	--
Total Revenues.....	997,223	5	16
Expenditures:			
Current:			
General government.....	127,084	--	--
Public safety.....	330,766	--	--
Highways and streets.....	1,805	--	--
Sanitation.....	4,391	--	--
Human services.....	3,623	--	--
Culture-recreation.....	56,921	--	--
Utilities or other enterprises.....	3	--	--
Miscellaneous:			
Retirement and health benefits.....	192,031	--	--
Other.....	25,608	--	--
Debt service:			
Principal.....	832	--	--
Interest.....	66	--	--
Total Expenditures.....	743,130	--	--
Revenues over (under) Expenditures.....	254,093	5	16
Other Financing Sources (Uses):			
Inception of Capital Lease	1,302	--	--
Sales of capital assets.....	--	--	29
Transfers in.....	113,150	--	--
Transfers out.....	(361,917)	--	--
Total Other Financing Sources (Uses).....	(247,465)	--	29
Revenues and Other Sources over (under) Expenditures and Other Uses.....	6,628	5	45
Fund Balances - July 1.....	210,629	76	29,948
Fund Balances - June 30.....	\$ 217,257	\$ 81	\$ 29,993

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(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	Elimination	Total General Fund
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 853,194
--	--	--	--	--	--	35,811
--	--	--	--	--	--	49,168
--	--	--	--	--	--	6,215
--	--	--	--	--	--	395
--	--	--	--	--	--	42,951
--	--	--	--	--	--	357
--	18	--	1	--	--	9,172
--	18	--	1	--	--	997,263
--	--	--	--	--	--	127,084
--	--	--	--	--	--	330,766
--	--	--	--	--	--	1,805
--	--	--	--	--	--	4,391
--	18	--	--	--	--	3,641
--	--	--	--	--	--	56,921
--	--	--	--	--	--	3
--	--	--	--	--	--	192,031
--	--	--	--	--	--	25,608
--	--	--	--	--	--	832
--	--	--	--	--	--	66
--	18	--	--	--	--	743,148
--	--	--	1	--	--	254,115
--	--	--	--	--	--	1,302
--	--	--	--	--	--	29
--	--	--	--	--	(46)	113,104
(46)	--	--	--	--	46	(361,917)
(46)	--	--	--	--	--	(247,482)
(46)	--	--	1	--	--	6,633
46	183	1,962	224	157	--	243,225
\$ --	\$ 183	\$ 1,962	\$ 225	\$ 157	\$ --	\$ 249,858

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 194,075	\$ 182,093
Receivables:		
Real property taxes	12,654	19,054
Accounts	1,214	565
Interest	52	57
Intergovernmental	5,814	59,406
Payroll Advance	12,657	13,378
Due from other funds	29,499	43,918
Total Assets	\$ 255,965	\$ 318,471
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 8,602	\$ 17,089
Due to other funds	10	49,856
Accrued payroll	19,218	19,555
Deferred revenue	10,878	21,342
Total Liabilities	38,708	107,842
Fund Balance:		
Assigned	58,215	51,961
Unassigned	159,042	158,668
Total Fund Balance	217,257	210,629
Total Liabilities and Fund Balance	\$ 255,965	\$ 318,471

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Amounts in thousands)

	2012	2011
Revenues:		
Taxes	\$ 853,194	\$ 838,912
Licenses and permits	35,811	34,258
Intergovernmental	49,168	224,526
Charges for services	6,215	6,008
Fines and forfeits	395	551
Miscellaneous:		
Reimbursements and recoveries	42,951	41,462
Interest	336	492
Other	9,153	5,430
Total Revenues	997,223	1,151,639
Expenditures:		
Current:		
General government	126,321	121,698
Public safety	330,766	325,480
Highways and streets	1,805	1,930
Sanitation	4,391	3,863
Human services	3,623	2,427
Culture-recreation	56,921	51,000
Utilities or other enterprises	3	5
Miscellaneous:		
Retirement and health benefits	192,031	122,644
Other	25,608	22,240
Debt Service:		
Principal retirement	293	266
Interest charges	66	93
Total Expenditures	741,828	651,646
Revenues over Expenditures	255,395	499,993
Other Financing Sources (Uses):		
Sales of capital assets	--	9
Transfers in	113,150	103,572
Transfers out	(361,917)	(542,963)
Total Other Financing Sources (Uses)	(248,767)	(439,382)
Revenues and Other Sources over Expenditures and Other Uses	6,628	60,611
Fund Balance - July 1	210,629	150,018
Fund Balance - June 30	\$ 217,257	\$ 210,629

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, 2012
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 837,451	\$ 837,451	\$ 853,194	\$ 15,743
Licenses and permits	39,048	39,048	35,811	(3,237)
Intergovernmental	41,069	41,069	49,168	8,099
Charges for services	6,239	6,239	6,215	(24)
Fines and forfeits	655	655	395	(260)
Miscellaneous:				
Reimbursements and recoveries	44,305	44,305	42,951	(1,354)
Interest	220	220	336	116
Other	4,214	4,214	9,153	4,939
Total Revenues	973,201	973,201	997,223	24,022
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	15,732	15,732	14,594	1,138
City Clerk	2,588	2,588	2,466	122
City Council	6,848	6,881	6,164	717
Corporation Counsel	8,522	8,522	7,663	859
Customer Services	18,775	18,775	17,338	1,437
Design and Construction	15,154	16,754	15,536	1,218
Facility Maintenance	14,765	17,700	16,106	1,594
Human Resources	5,896	5,896	5,316	580
Information Technology	18,168	18,168	16,417	1,751
Mayor	4,063	4,063	3,737	326
Planning and Permitting	9,354	9,314	8,084	1,230
Prosecuting Attorney	16,677	16,677	15,429	1,248
Total General government	136,542	141,070	128,850	12,220
Public safety:				
Emergency Management	1,163	1,263	871	392
Emergency Services	33,148	33,148	31,940	1,208
Fire	99,116	99,552	93,481	6,071
Medical Examiner	1,400	1,500	1,358	142
Planning and Permitting	5,056	5,096	4,993	103
Police	206,853	206,749	198,171	8,578
Transportation Services	--	58	48	10
Total Public safety	346,736	347,366	330,862	16,504

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, 2012
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance	3,610	3,610	2,947	663
Sanitation:				
Environmental Services	5,336	5,336	4,762	574
Human services:				
Community Services	3,996	3,996	3,756	240
Culture-recreation:				
Enterprise Services	--	292	216	76
Mayor	1,975	1,975	1,795	180
Parks and Recreation	59,792	60,558	55,824	4,734
Total Culture-recreation	61,767	62,825	57,835	4,990
Utilities or other enterprises:				
Transportation Services	--	32	32	--
Miscellaneous:				
Retirement and health benefits:				
City Council	2,749	2,749	2,520	229
Provisional	205,610	205,610	189,443	16,167
Total Retirement and health benefits	208,359	208,359	191,963	16,396
Other:				
City Council	383	351	153	198
Provisional	50,005	43,281	29,069	14,212
Total Other	50,388	43,632	29,222	14,410
Total Miscellaneous	258,747	251,991	221,185	30,806
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, 2012
 (Amounts In thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	817,094	816,586	750,588	65,998
Revenues over Expenditures	156,107	156,615	246,635	90,020
Other Financing Sources (Uses):				
Transfers in:				
Central administrative service expenses	34,426	34,426	33,726	(700)
Debt service	86,982	86,982	78,653	(8,329)
Other	771	771	771	--
Transfers out:				
Debt service	(209,484)	(209,484)	(183,722)	25,762
Bus subsidy	(63,825)	(63,825)	(63,825)	--
Other	(121,862)	(122,370)	(114,370)	8,000
Total Other Financing Sources (Uses)	(272,992)	(273,500)	(248,767)	24,733
Revenues and Other Sources under Expenditures and Other Uses	(116,885)	(116,885)	(2,132)	114,753
Unreserved - Undesignated Fund Balance - July 1	116,891	116,891	158,668	41,777
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 6	\$ 6	156,536	\$ 156,530
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			41,648	
Expenditures - prior year encumbrances			(32,888)	
Increase in reserved for encumbrances			(6,254)	
Unreserved - Undesignated Fund Balance - June 30			159,042	
Reserved for Encumbrances - June 30			58,215	
Fund Balance - June 30 (GAAP Basis)			\$ 217,257	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
TAXES			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 792,061	\$ 805,352	\$ 13,291
PUBLIC SERVICE COMPANY TAX:			
Public Service Company Tax	45,390	47,842	2,452
TOTAL TAXES	837,451	853,194	15,743
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Police and Protective:			
Second-Hand and Junk Dealers	14	22	8
Alarm Permits	199	231	32
Other	17	19	2
Professional and Occupational:			
Other	1	--	(1)
Total Business Licenses and Permits	231	272	41
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits:			
Building	13,500	11,724	(1,776)
Signs	30	30	--
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees	1,664	1,632	(32)
Motor Vehicle Transfer Fees and Penalty	2,451	2,431	(20)
Duplicate Registration & Ownership Certificates	208	191	(17)
Motor Vehicle Registration Annual Fee	13,760	13,574	(186)
Other	25	29	4
Other Vehicle Licenses and Fees:			
Passenger and Freight Vehicle Permit Fees	80	94	14
Nonresident Vehicle Permit	27	28	1
Motor Vehicle Drivers' Licenses	6,064	5,156	(908)
Animal Licenses:			
Dog Licenses and Tag Fees	233	212	(21)
Street, Sidewalk and Curb Permits:			
Easement Grants	100	85	(15)
Newsstands	29	21	(8)
Telephone Enclosures	--	1	1
Dispensing Rack	7	16	9
Fire Code Permits and License Fees	639	315	(324)
Total Non-Business Licenses and Permits	38,817	35,539	(3,278)
TOTAL LICENSES AND PERMITS	39,048	35,811	(3,237)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
INTERGOVERNMENTAL			
FEDERAL GRANTS:			
Homeland Security Grants	--	4,833	4,833
STATE GRANTS:			
Transient Accommodation Tax	41,049	44,305	3,256
INTERGOVERNMENTAL PAYMENTS			
IN LIEU OF TAXES:			
Fish and Wildlife Service	20	30	10
Total Intergovernmental Payments in Lieu of Taxes	20	30	10
TOTAL INTERGOVERNMENTAL	41,069	49,168	8,099
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Data Processing Services:			
Duplication of Master Tapes	21	70	49
Data Processing Service - State	700	856	156
Data Processing Service - U.S. Government	2	3	1
Data Processing Service - Other Counties	300	414	114
Legal Services (BWS)	30	30	--
Service Fee for Dishonored Checks	22	27	5
Band Collections	4	1	(3)
Automotive Equipment Service Charges	210	330	120
Subdivision Fees	100	45	(55)
Application Fees for Zoning Regulations	180	119	(61)
Nonconforming Use Renewal Fees	--	61	61
Plan Review Use Fees	650	570	(80)
Administrative Fee--Multi-Family Housing Program.....	45	39	(6)
Military Housing Fee in Lieu of Property Tax	850	876	26
Zoning/Flood Clearance Fee	25	21	(4)
Surcharge on Tickets	105	--	(105)
Fees for Certificates, Copies & Extracts of Records	110	151	41
Fees for Services	111	91	(20)
Custodial and Attendant Services	365	376	11
Spay-Neuter Service	360	303	(57)
Other	1	15	14
Total General Government	4,191	4,398	207

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
PUBLIC SAFETY:			
Police Charges:			
Taxicab Drivers' & Pedicab Operators' Certificates ...	35	34	(1)
HPD Special Duty Fees	300	291	(9)
Total Public Safety	335	325	(10)
HIGHWAYS AND STREETS:			
Parking:			
City Employees	612	558	(54)
HPD Parking Lot	110	112	2
Total Highways and Streets	722	670	(52)
CULTURE-RECREATION:			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing	32	29	(3)
Commercial Filming	22	40	18
Summer Fun Program	205	281	76
Fall and Spring Program	58	54	(4)
Fees for Use of Parks	500	255	(245)
Foster Botanic Garden	126	122	(4)
Fees for Community Garden	48	41	(7)
Total Culture-Recreation	991	822	(169)
TOTAL CHARGES FOR SERVICES	6,239	6,215	(24)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	555	367	(188)
Liquidated Contract Damages	--	28	28
Total Fines	555	395	(160)
FORFEITS:			
Forfeiture of Seized Property	100	--	(100)
TOTAL FINES AND FORFEITS	655	395	(260)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursements from State:			
Fireboat Operations	3,282	1,942	(1,340)
HPD Civil Defense Coordinator	29	36	7
Motor Vehicle Inspection Program	507	654	147
Administration Cost - Ewa Highway Impact Fee	30	9	(21)
Emergency Ambulance Services	32,323	32,640	317
Collection Cost - State Motor Vehicle			
Weight Tax, etc.	748	788	40
Commercial Drivers' License Program	518	418	(100)
Recoveries:			
Workers' Compensation Payment	400	443	43
Real Property Tax Services	58	89	31
Central Administrative Service Expenses:			
Board of Water Supply	3,300	3,300	--
Honolulu Authority for Rapid Transportation	943	602	(341)
Recovery-Interest-Federal Subsidy	2,059	1,782	(277)
Workers' Compensation Claims (Third Party)	100	188	88
Recoveries - Other	8	60	52
Total Reimbursements and Recoveries	44,305	42,951	(1,354)
INTEREST:			
Interest Earnings:			
Investments	220	329	109
Other Sources	--	7	7
Total Interest	220	336	116

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental Units:			
Rental Units (City Property)	186	183	(3)
Rental Units (HCD Property)	206	225	19
Rental - Ambulance Facilities	64	59	(5)
Rental of Parks and Recreational Facilities:			
Perquisite Housing	19	30	11
Other	--	2	2
Rental of Equipment	4	14	10
Rental for Use of Land	81	162	81
Rental of Other Properties:			
Other City Facilities	--	4	4
Total Rents	560	679	119
Concessions:			
Public Pay Phones	--	1	1
Total Concessions	--	1	1
Contributions from Private Sources:			
Developers' Premium	46	46	--
Other Escheats	100	--	(100)
Total Contributions from Private Sources	146	46	(100)
Other:			
Towing Service Premiums	430	593	163
Vacation Accumulation Deposits	3	220	217
Miscellaneous Sales	173	1,112	939
Sundry Refunds	647	4,768	4,121
Sundry Realizations	2,255	1,734	(521)
Total Other	3,508	8,427	4,919
Total Other Miscellaneous	4,214	9,153	4,939
TOTAL MISCELLANEOUS	48,739	52,440	3,701
TOTAL REVENUES	973,201	997,223	24,022

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
TRANSFERS FROM OTHER FUNDS:			
Recovery of Central Administrative Service Expenses:			
Highway Fund	11,908	11,908	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	223	223	--
Bikeway Fund	36	36	--
Sewer Fund	8,676	8,676	--
Liquor Commission Fund	256	256	--
Rental Assistance Fund	10	10	--
Hanauma Bay Nature Preserve Fund	308	308	--
Golf Fund	976	276	(700)
Special Events Fund	1,152	1,152	--
Solid Waste Special Fund	10,881	10,881	--
Recovery of Debt Service Charges:			
Highway Fund	72,523	64,194	(8,329)
Hanauma Bay Nature Preserve Fund	1,358	1,358	--
Golf Fund	6,323	6,323	--
Special Events Fund	6,732	6,732	--
Farmers Home Administration Loan Fund	46	46	--
Other Transfers:			
Sewer Fund	508	508	--
Solid Waste Special Fund	263	263	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	122,179	113,150	(9,029)
TOTAL OTHER FINANCING SOURCES	122,179	113,150	(9,029)
TOTAL GENERAL FUND	\$ 1,095,380	\$ 1,110,373	\$ 14,993

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 44,006	\$ 31,270
Receivables:		
Public Utilities	26,894	20,205
Intergovernmental	3,774	3,440
Payroll advance	1,069	1,132
Due from other fund:		
General Obligation Bond and Interest Redemption Fund	--	301
Total Assets	\$ 75,743	\$ 56,348
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 356	\$ 1,175
Due to other funds:		
General Fund	80	1,646
Solid Waste Fund	--	1
Payroll Clearance Fund	2	--
Accrued payroll	1,468	1,398
Deferred revenue	26,894	20,205
Total Liabilities	28,800	24,425
Fund Balance:		
Restricted	46,943	31,923
Total Fund Balance	46,943	31,923
Total Liabilities and Fund Balance	\$ 75,743	\$ 56,348

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Amounts in thousands)

	2012	2011
Revenues:		
Taxes	\$ 103,007	\$ 95,645
Licenses and permits	121,296	112,769
Charges for services	4,592	4,552
Miscellaneous:		
Reimbursements and recoveries	3,821	672
Other	5,347	3,875
Total Revenues	238,063	217,513
Expenditures:		
Current:		
General government	19,259	18,429
Public safety	29,664	29,413
Highways and streets	15,229	14,622
Utilities or other enterprises	1,562	1,456
Miscellaneous:		
Retirement and health benefits	16,438	11,765
Other	1,162	1,113
Capital improvements:		
Capital outlay	395	--
Total Expenditures	83,709	76,798
Revenues over Expenditures	154,354	140,715
Other Financing Sources (Uses):		
Sales of capital assets	152	224
Transfers out	(139,486)	(132,537)
Total Other Financing Sources (Uses)	(139,334)	(132,313)
Revenues and Other Sources over Expenditures and Other Uses	15,020	8,402
Fund Balance - July 1	31,923	23,521
Fund Balance - June 30	\$ 46,943	\$ 31,923

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 97,036	\$ 97,036	\$ 103,007	\$ 5,971
Licenses and permits	122,518	122,518	121,296	(1,222)
Charges for services	4,995	4,995	4,592	(403)
Miscellaneous:				
Reimbursements and recoveries	3,499	3,499	3,821	322
Other	1,562	1,562	5,347	3,785
Total Revenues	229,610	229,610	238,063	8,453
Expenditures:				
Current:				
General government:				
Design and Construction	5,115	5,115	4,613	502
Facility Maintenance	12,885	12,885	12,426	459
Planning and Permitting	2,301	2,301	2,263	38
Total General government	20,301	20,301	19,302	999
Public safety:				
Police	25,729	25,729	25,291	438
Transportation Services	5,170	5,164	4,438	726
Total Public safety	30,899	30,893	29,729	1,164
Highways and streets:				
Facility Maintenance	19,945	19,945	16,262	3,683
Utilities or other enterprises:				
Transportation Services	1,742	1,748	1,509	239
Miscellaneous:				
Retirement and health benefits:				
Provisional	24,288	24,288	16,438	7,850
Other:				
Provisional	1,482	1,482	1,162	320
Total Miscellaneous	25,770	25,770	17,600	8,170
Capital improvements:				
Design and Construction	610	610	610	--
Total Expenditures	99,267	99,267	85,012	14,255
Revenues over Expenditures	130,343	130,343	153,051	22,708

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, 2012
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Other Financing Source (Uses):				
Sales of capital assets	64	64	152	88
Transfers out:				
Debt service	(72,523)	(72,523)	(64,194)	8,329
Reimbursement for central administrative service expenses	(11,908)	(11,908)	(11,908)	--
Bus subsidy	(63,384)	(63,384)	(63,384)	--
Total Transfers out.....	(147,815)	(147,815)	(139,486)	8,329
Total Other Financing Source (Uses)	(147,751)	(147,751)	(139,334)	8,417
Revenues and Other Source over (under) Expenditures and Other Uses	(17,408)	(17,408)	13,717	31,125
Unreserved - Undesignated Fund Balance - July 1	17,408	17,408	28,790	11,382
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	42,507	\$ 42,507
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			3,189	
Expenditures - prior year encumbrances			(1,886)	
Increase in reserved for encumbrances			(1,365)	
Unreserved - Undesignated Fund Balance - June 30			42,445	
Reserved for Encumbrances - June 30			4,498	
Fund Balance - June 30 (GAAP Basis)			\$ 46,943	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 45,120	\$ 53,787	\$ 8,667
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	<u>51,916</u>	<u>49,220</u>	<u>(2,696)</u>
TOTAL TAXES	<u>97,036</u>	<u>103,007</u>	<u>5,971</u>
LICENSES AND PERMITS			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	240	216	(24)
Other Permits	6	5	(1)
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	118,159	116,749	(1,410)
Other Vehicle Licenses and Fees	3,766	3,993	227
Street and Sidewalk Use	9	12	3
Freight Curb and Passenger Loading Zone Permits	258	249	(9)
Excavation and Repair of Streets and Sidewalks	<u>80</u>	<u>72</u>	<u>(8)</u>
TOTAL LICENSES AND PERMITS	<u>122,518</u>	<u>121,296</u>	<u>(1,222)</u>
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	14	9	(5)
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	102	22	(80)
Street Parking Meter Collections	3,399	3,325	(74)
Other Parking Meter Collections	1,420	1,172	(248)
Other	<u>60</u>	<u>64</u>	<u>4</u>
Total Highways and Streets	<u>4,981</u>	<u>4,583</u>	<u>(398)</u>
TOTAL CHARGES FOR SERVICES	<u>4,995</u>	<u>4,592</u>	<u>(403)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursement from State for			
Traffic Signal Maintenance	400	447	47
Recovery of Overhead Charges	9	10	1
Recovery of Overtime Inspection	2	--	(2)
Recovery - Federal Interest Subsidy	<u>3,088</u>	<u>3,364</u>	<u>276</u>
Total Reimbursements and Recoveries	<u>3,499</u>	<u>3,821</u>	<u>322</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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 for Use of Land	70	22	(48)
Total Rents	70	22	(48)
Concessions:			
Kekaulike Parking Lot	60	3	(57)
Marin Towers Garage	240	316	76
Harbor Court Garage	350	459	109
Kaimuki Parking Lot	24	480	456
Kukui Plaza Garage	700	695	(5)
Smith-Beretania Garage	80	66	(14)
Total Concessions	1,454	2,019	565
Other:			
Vacation Accumulation Deposits	14	82	68
Miscellaneous Sales	4	11	7
Sundry Realization	--	206	206
Sundry Refunds	20	3,007	2,987
Total Other	38	3,306	3,268
Total Other Miscellaneous	1,562	5,347	3,785
TOTAL MISCELLANEOUS	5,061	9,168	4,107
TOTAL REVENUES	229,610	238,063	8,453
OTHER FINANCING SOURCES			
SALES OF CAPITAL ASSETS:			
Compensation for Loss of Capital Assets	64	152	88
TOTAL OTHER FINANCING SOURCES	64	152	88
TOTAL HIGHWAY FUND	\$ 229,674	\$ 238,215	\$ 8,541

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

BALANCE SHEET
JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
(Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,481	\$ 4,141
Receivable:		
Payroll advance	40	40
Total Assets	\$ 5,521	\$ 4,181
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 102	\$ 39
Due to other fund:		
General Fund	--	103
Accrued payroll	42	39
Total Liabilities	144	181
Fund Balance:		
Restricted	5,377	4,000
Total Fund Balance	5,377	4,000
Total Liabilities and Fund Balance	\$ 5,521	\$ 4,181

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, 2012
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ 4,342	\$ 4,327	\$ (15)
Total Revenue	4,342	4,327	(15)
Expenditures:			
Current:			
General government:			
Customer Services	2,716	1,549	1,167
Highways and streets:			
Facility Maintenance	600	319	281
Culture-recreation:			
Parks and Recreation	600	569	31
Miscellaneous:			
Retirement and health benefits:			
Provisional	546	464	82
Total Expenditures	4,462	2,901	1,561
Revenue over (under) Expenditures	(120)	1,426	1,546
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(223)	(223)	--
Revenue over (under) Expenditures and Other Use	(343)	1,203	1,546
Unreserved - Undesignated Fund Balance - July 1	2,660	3,455	795
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,317	4,658	\$ 2,341
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		377	
Expenditures - prior year encumbrances		(203)	
Increase in reserved for encumbrances		(175)	
Unreserved - Undesignated Fund Balance - June 30		4,657	
Reserved for Encumbrances - June 30		720	
Fund Balance - June 30 (GAAP Basis)		\$ 5,377	

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, 2012
(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	\$ 4,342	\$ 4,327	\$ (15)
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUE	<u>\$ 4,342</u>	<u>\$ 4,327</u>	<u>\$ (15)</u>

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 1,473	\$ 1,300
Receivable:		
Payroll advance	8	8
Due from other fund:		
Capital Projects Fund	--	10
Total Assets	\$ 1,481	\$ 1,318
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2	\$ 1
Accrued payroll	8	6
Total Liabilities	10	7
Fund Balance:		
Restricted	1,471	1,311
Total Fund Balance	1,471	1,311
Total Liabilities and Fund Balance	\$ 1,481	\$ 1,318

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Licenses and permits	\$ 498	\$ 566	\$ 68
Total Revenue	498	566	68
Expenditures:			
Current:			
Public safety:			
Transportation Services	457	347	110
Highways and streets:			
Facility Maintenance	10	6	4
Culture-recreation:			
Parks and Recreation	29	7	22
Capital improvements:			
Highways and streets:			
Transportation Services	200	200	--
Miscellaneous:			
Retirement and health benefits:			
Provisional	11	11	--
Total Expenditures	707	571	136
Revenue under Expenditures	(209)	(5)	204
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(36)	(36)	--
Total Other Financing Source (Use)	(36)	(36)	--
Revenue and Other Source under Expenditures and Other Use	(245)	(41)	204
Unreserved - Undesignated Fund Balance - July 1	250	1,303	1,053
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 5	1,262	\$ 1,257
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		207	
Expenditures - prior year encumbrances		(6)	
Increase in reserved for encumbrances		(522)	
Unreserved - Undesignated Fund Balance - June 30		941	
Reserved for Encumbrances - June 30		530	
Fund Balance - June 30 (GAAP Basis)		\$ 1,471	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 498	\$ 566	\$ 68
TOTAL BIKEWAY FUND	<u>\$ 498</u>	<u>\$ 566</u>	<u>\$ 68</u>

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 6,176	\$ 5,459
Receivables:		
Accounts	--	639
Due from other fund:		
Capital Projects Fund	681	--
Total Assets	\$ 6,857	\$ 6,098
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 196	\$ 10
Total Liability	196	10
Fund Balance:		
Committed	6,661	6,088
Total Fund Balance	6,661	6,088
Total Liability and Fund Balance	\$ 6,857	\$ 6,098

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 135	\$ 135
Total Revenue	--	135	135
Expenditures:			
Capital Improvements:			
Budget and Fiscal Services	1	1	--
Design and Construction	4,085	4,085	--
Total Expenditures	4,086	4,086	--
Revenue under Expenditures	(4,086)	(3,951)	135
Other Financing Source:			
Transfer in	--	681	681
Revenue and Other Source under Expenditures	(4,086)	(3,270)	816
Unreserved - Undesignated Fund Balance - July 1.....	4,417	5,259	842
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 331	1,989	\$ 1,658
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		4,086	
Expenditures - prior year encumbrances		(243)	
Decrease in reserved for encumbrances		243	
Unreserved - Undesignated Fund Balance - June 30		6,075	
Reserved for Encumbrances - June 30		586	
Fund Balance - June 30 (GAAP Basis)		\$ 6,661	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ --	\$ 135	\$ 135
TOTAL REVENUE	-----	-----	-----
	--	135	135
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Capital Projects Fund	-----	-----	-----
	--	681	681
TOTAL OTHER FINANCING SOURCE	-----	-----	-----
	--	681	681
TOTAL PARKS AND PLAYGROUNDS FUND	-----	-----	-----
	\$ --	\$ 816	\$ 816

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 3,608	\$ 3,319
Receivable:		
Payroll advance	35	39
Due from other fund:		
Golf Fund	--	3
	\$ 3,643	\$ 3,361
Total Assets	\$ 3,643	\$ 3,361
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 24	\$ 24
Accrued payroll	84	74
Due to other fund:		
General Fund	2	100
	110	198
Total Liabilities	110	198
Fund Balance:		
Restricted	3,533	3,163
	3,533	3,163
Total Fund Balance	3,533	3,163
Total Liabilities and Fund Balance	\$ 3,643	\$ 3,361

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 4,051	\$ 3,819	\$ (232)
Charges for services	127	139	12
Fines and forfeits	285	146	(139)
Miscellaneous:			
Other	--	15	15
Total Revenues	4,463	4,119	(344)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	3,416	2,321	1,095
Corporation Counsel	128	126	2
Information Technology	51	51	--
Total General government	3,595	2,498	1,097
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,343	962	381
Other:			
Provisional	189	40	149
Total Miscellaneous	1,532	1,002	530
Total Expenditures	5,127	3,500	1,627
Revenues over (under) Expenditures	(664)	619	1,283
Other Financing Use:			
Transfers out:			
Reimbursement for central administrative service expenses	(256)	(256)	--
Revenues over (under) Expenditures and Other Use ..	(920)	363	1,283
Unreserved - Undesignated Fund Balance - July 1	2,505	3,104	599
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,585	3,467	\$ 1,882

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, 2012
 (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		37	
Expenditures - prior year encumbrances		(30)	
Increase in reserved for encumbrances		(6)	
Unreserved - Undesignated Fund			
Balance - June 30		3,468	
Reserved for Encumbrances - June 30		65	
Fund Balance - June 30 (GAAP Basis)		\$ 3,533	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 4,051	\$ 3,819	\$ (232)
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	3	5	2
Fees:			
Charge for Photo I.D.	118	127	9
Other	<u>6</u>	<u>7</u>	<u>1</u>
TOTAL CHARGES FOR SERVICES	<u>127</u>	<u>139</u>	<u>12</u>
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	285	146	(139)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	<u>--</u>	<u>15</u>	<u>15</u>
TOTAL LIQUOR COMMISSION FUND REVENUES	<u>\$ 4,463</u>	<u>\$ 4,119</u>	<u>\$ (344)</u>

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 81	\$ 13,370
Total Asset	\$ 81	\$ 13,370
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Due to other fund:		
General Fund	\$ --	\$ 13,294
Total Liability	--	13,294
Fund Balance:		
Committed	81	76
Total Fund Balance	81	76
Total Liability and Fund Balance	\$ 81	\$ 13,370

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 26	\$ 5	\$ (21)
Total Revenue	26	5	(21)
Unreserved - Undesignated Fund Balance - July 1	69	76	7
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 95	81	\$ (14)
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		81	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 81	

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 26	\$ 5	\$ (21)
TOTAL OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND REVENUE	<u>\$ 26</u>	<u>\$ 5</u>	<u>\$ (21)</u>

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 1,119	\$ 969
Total Asset	\$ 1,119	\$ 969
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 1,119	\$ 969
Total Fund Balance	\$ 1,119	\$ 969

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 195	\$ 324	\$ 129
Total Revenue	195	324	129
Expenditure:			
Current:			
Human services:			
Community Services	195	164	31
Total Expenditure	195	164	31
Revenue over Expenditure	--	160	160
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(10)	(10)	--
Revenue over (under) Expenditure and Other Use	(10)	150	160
Unreserved - Undesignated Fund Balance - July 1	672	969	297
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 662	1,119	\$ 457
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		1,119	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 1,119	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 195	\$ 279	\$ 84
Other:			
Sundry Realizations	--	45	45
TOTAL RENTAL ASSISTANCE FUND REVENUE	<u>\$ 195</u>	<u>\$ 324</u>	<u>\$ 129</u>

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Expenditure:			
Current:			
Culture-recreation:			
Enterprise Services	\$ 6	\$ 5	\$ 1
Unreserved - Undesignated Fund Balance - July 1	6	8	2
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	3	\$ 3
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		5	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(5)	
Unreserved - Undesignated Fund Balance - June 30		3	
Reserved for Encumbrances - June 30		5	
Fund Balance - June 30 (GAAP Basis)		\$ 8	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 4,034	\$ 3,296
Receivables:		
Payroll advance	33	33
Due from other fund:		
General Fund	--	8
Total Asset	\$ 4,067	\$ 3,337
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 64	\$ 172
Accrued payroll	45	38
Total Liabilities	109	210
Fund Balance:		
Committed	3,958	3,127
Total Fund Balance	3,958	3,127
Total Liabilities and Fund Balance	\$ 4,067	\$ 3,337

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,295	\$ 4,281	\$ (14)
Miscellaneous:			
Other	1,645	1,753	108
Total Revenues	5,940	6,034	94
Expenditures:			
Current:			
Public safety:			
Emergency Services	835	821	14
Culture-recreation:			
Enterprise Services	5	1	4
Parks and Recreation	2,829	2,374	455
Total Culture-recreation	2,834	2,375	459
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,015	396	619
Other:			
Provisional	6	--	6
Total Miscellaneous	1,021	396	625
Capital Improvements:			
Design and Construction	100	100	--
Total Expenditures	4,790	3,692	1,098
Revenues over Expenditures	1,150	2,342	1,192
Other Financing Uses:			
Transfers out:			
Debt service	(1,358)	(1,358)	--
Reimbursement for central administrative service expenses	(308)	(308)	--
Total Other Financing Uses	(1,666)	(1,666)	--
Revenues over (under) Expenditures and Other Uses	(516)	676	1,192
Unreserved - Undesignated Fund Balance - July 1	2,875	2,963	88
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,359	3,639	\$ 1,280

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, 2012
 (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		269	
Expenditures - prior year encumbrances		(114)	
Increase in reserved for encumbrances		(8)	
Unreserved - Undesignated Fund			
Balance - June 30		3,786	
Reserved for Encumbrances - June 30		172	
Fund Balance - June 30 (GAAP Basis)		\$ 3,958	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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>			
HIGHWAYS AND STREETS:			
Hanauma Bay Parking	\$ 195	\$ 189	\$ (6)
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	<u>4,100</u>	<u>4,092</u>	<u>(8)</u>
TOTAL CHARGES FOR SERVICES	<u>4,295</u>	<u>4,281</u>	<u>(14)</u>
<u>MISCELLANEOUS</u>			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	68	70	2
Hanauma Beach Park Concession	291	291	--
Hanauma Shuttle Bus Service	38	42	4
Hanauma Snorkling Rental	<u>1,248</u>	<u>1,350</u>	<u>102</u>
TOTAL MISCELLANEOUS	<u>1,645</u>	<u>1,753</u>	<u>108</u>
TOTAL HANAUMA BAY NATURE PRESERVE FUND REVENUE	<u>\$ 5,940</u>	<u>\$ 6,034</u>	<u>\$ 94</u>

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 29,993	\$ 29,948
Total Asset	\$ 29,993	\$ 29,948
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 29,993	\$ 29,948
Total Fund Balance	\$ 29,993	\$ 29,948

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, 2012
 (Amounts In thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 13	\$ 16	\$ 3
Other Financing Source:			
Sales of capital assets	--	29	29
Total Other Financing Sources	--	29	29
Revenue and Other Sources	13	45	32
Unreserved - Undesignated Fund Balance - July 1	29,511	29,948	437
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 29,524	29,993	\$ 469
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		29,993	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 29,993	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 13	\$ 16	\$ 3
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	13	16	3
OTHER FINANCING SOURCE			
SALES OF CAPITAL ASSETS:			
Sale of Capital Assets	--	29	29
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES	--	29	29
	<hr/>	<hr/>	<hr/>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 13</u>	<u>\$ 45</u>	<u>\$ 32</u>

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 19,650	\$ 15,658
Total Asset	\$ 19,650	\$ 15,658
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 19,650	\$ 15,658
Total Fund Balance	\$ 19,650	\$ 15,658

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 3,983	\$ 3,983	\$ --
Miscellaneous:			
Interest	6	9	3
Total Revenue	3,989	3,992	3
Expenditure:			
Capital improvements:			
Design and Construction	3,825	3,825	--
Revenues over Expenditure	164	167	3
Unreserved - Undesignated Fund Balance - July 1	8,653	15,658	7,005
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 8,817	15,825	\$ 7,008
Adjustments to conform with generally accepted accounting principles:			
Encumbrances Included above		3,825	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		--	
Unreserved - Undesignated Fund Balance - June 30		19,650	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 19,650	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>TAXES</u>			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 3,983	\$ 3,983	\$ --
 <u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>6</u>	<u>9</u>	<u>3</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND	 <u>\$ 3,989</u>	 <u>\$ 3,992</u>	 <u>\$ 3</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 16,739	\$ 12,749
Total Asset	\$ 16,739	\$ 12,749
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 16,739	\$ 12,749
Total Fund Balance	\$ 16,739	\$ 12,749

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 3,983	\$ 3,983	\$ --
Miscellaneous:			
Interest	4	7	3
Total Revenue	3,987	3,990	3
Expenditure:			
Capital improvements:			
Community Services	6,500	6,500	--
Total Expenditure	6,500	6,500	--
Revenues under Expenditure	(2,513)	(2,510)	3
Unreserved - Undesignated Fund Balance - July 1	2,544	12,749	10,205
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 31	10,239	\$ 10,208
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		6,500	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		--	
Unreserved - Undesignated Fund Balance - June 30		16,739	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 16,739	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>TAXES</u>			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 3,983	3,983	\$ --
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>4</u>	<u>7</u>	<u>3</u>
TOTAL AFFORDABLE HOUSING FUND	<u>\$ 3,987</u>	<u>\$ 3,990</u>	<u>\$ 3</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
(Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 122	\$ 45
Receivables:		
Loans	81	133
Intergovernmental	1,171	802
Payroll advance	15	19
Due from other fund:		
Federal Grants Fund	--	6
	\$ 1,389	\$ 1,005
Total Assets		
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,503	\$ 829
Due to other funds:		
General Fund	38	13
Federal Grants Fund	26	--
Accrued payroll	24	20
Deferred revenue	81	133
	1,672	995
Total Liabilities		
Fund Balance:		
Restricted	--	10
Unassigned	(283)	--
	(283)	10
Total Fund Balance		
Total Liabilities and Fund Balance	\$ 1,389	\$ 1,005

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, 2012
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:				
Intergovernmental	\$ 11,958	\$ 12,221	\$ 12,244	\$ 23
Total Revenue	11,958	12,221	12,244	23
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	159	422	181	241
Human services:				
Community Services	2,105	2,105	1,461	644
Miscellaneous:				
Provisional	113	113	--	113
Capital Improvements:				
Community Services	6,831	6,831	6,831	--
Total Expenditures	9,208	9,471	8,473	998
Revenue over Expenditures	2,750	2,750	3,771	1,021
Other Financing Use:				
Transfer out	(2,750)	(2,750)	--	2,750
Revenues over (under) Expenditures and Other Use	--	--	3,771	3,771
Unreserved - Undesignated Fund Balance - July 1	--	--	(9,325)	(9,325)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	(5,554)	\$ (5,554)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			2,690	
Expenditures - prior year encumbrances			(6,754)	
Increase in reserved for encumbrances			(56)	
Unreserved - Undesignated Fund Balance - June 30			(9,674)	
Reserved for Encumbrances - June 30			9,391	
Fund Balance - June 30 (GAAP Basis)			\$ (283)	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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:				
Community Development Block Grant	\$ 11,958	\$ 12,221	\$ 12,244	\$ 23
TOTAL COMMUNITY DEVELOPMENT FUND	<u>\$ 11,958</u>	<u>\$ 12,221</u>	<u>\$ 12,244</u>	<u>\$ 23</u>

CITY AND COUNTY OF HONOLULU
GOLF FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and Investments:		
With Treasury	\$ 2,786	\$ 1,674
Receivable:		
Payroll advance	122	130
	\$ 2,908	\$ 1,804
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 181	\$ 171
Due to other fund:		
General Fund	1	450
Accrued payroll	180	174
	362	795
Fund Balance:		
Committed	2,546	1,009
	2,546	1,009
	\$ 2,908	\$ 1,804

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 7,555	\$ 6,417	\$ (1,138)
Miscellaneous:			
Other	3,520	3,019	(501)
Total Revenues	11,075	9,436	(1,639)
Expenditures:			
Current:			
Culture-recreation:			
Enterprise Services	10,414	9,339	1,075
Miscellaneous:			
Retirement and health benefits:			
Provisional	2,574	1,816	758
Other:			
Provisional	282	84	198
Total Miscellaneous	2,856	1,900	956
Capital Improvements:			
Budget and Fiscal Services	505	505	--
Total Expenditures	13,775	11,744	2,031
Revenues under Expenditures	(2,700)	(2,308)	392
Other Finance Source (Uses):			
Transfer in	9,828	9,828	--
Transfers out:			
Debt service	(6,323)	(6,323)	--
Reimbursement for central administrative service expenses	(975)	(276)	699
Total Other Financing Sources (Uses)	2,530	3,229	699
Revenues and Other Source over (under) Expenditures and Other Uses	(170)	921	1,091
Unreserved - Undesignated Fund Balance - July 1	170	342	172
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	1,263	\$ 1,263

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, 2012
 (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		987	
Expenditures - prior year encumbrances		(371)	
Increase in reserved for encumbrances		<u>(447)</u>	
Unreserved - Undesignated Fund			
Balance - June 30		1,432	
Reserved for Encumbrances - June 30		<u>1,114</u>	
Fund Balance - June 30 (GAAP Basis)		<u><u>\$ 2,546</u></u>	

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 7,555	\$ 6,417	\$ (1,138)
TOTAL CHARGES FOR SERVICES	<u>7,555</u>	<u>6,417</u>	<u>(1,138)</u>
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	2,917	2,466	(451)
Total Rents	<u>2,917</u>	<u>2,466</u>	<u>(451)</u>
Concessions:			
Food Concession - Golf Courses	102	29	(73)
Golf Course - Pro Shops	6	1	(5)
Golf Course - Driving Range	495	522	27
Total Concessions	<u>603</u>	<u>552</u>	<u>(51)</u>
Other:			
Sundry Refunds	--	1	1
TOTAL MISCELLANEOUS	<u>3,520</u>	<u>3,019</u>	<u>(501)</u>
TOTAL REVENUES	<u>11,075</u>	<u>9,436</u>	<u>(1,639)</u>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	9,828	9,828	--
TOTAL OTHER FINANCING SOURCE	<u>9,828</u>	<u>9,828</u>	<u>--</u>
TOTAL GOLF FUND	<u>\$ 20,903</u>	<u>\$ 19,264</u>	<u>\$ (1,639)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 4,638	\$ 2,200
Receivable:		
Payroll advance	201	213
Total Assets	\$ 4,839	\$ 2,413
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 238	\$ 252
Due to other funds:		
General Fund	31	746
Bus Transportation Fund	--	106
Payroll Clearance Fund	2	--
Accrued payroll	277	277
Total Liabilities	548	1,381
Fund Balance:		
Committed	4,291	1,032
Total Fund Balance	4,291	1,032
Total Liabilities and Fund Balance	\$ 4,839	\$ 2,413

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,022	\$ 4,708	\$ 686
Miscellaneous:			
Reimbursements and recoveries	10	29	19
Interest	7	2	(5)
Other	6,964	7,151	187
Total Revenues	11,003	11,890	887
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	114	114	--
Culture-recreation:			
Enterprise Services	11,333	10,674	659
Miscellaneous:			
Retirement and health benefits:			
Provisional	4,173	2,777	1,396
Other:			
Provisional	426	252	174
Total Miscellaneous	4,599	3,029	1,570
Capital improvements:			
Budget and Fiscal Services	234	234	--
Total Expenditures	16,280	14,051	2,229
Revenues under Expenditures	(5,277)	(2,161)	3,116
Other Finance Source (Uses):			
Transfer in	13,108	13,108	--
Transfers out:			
Debt service	(6,732)	(6,732)	--
Reimbursement for central administrative service expenses	(1,152)	(1,152)	--
Total Other Financing Source (Uses)	5,224	5,224	--

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, 2012
 (Amounts In thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source over (under) Expenditures and Other Uses	(53)	3,063	3,116
Unreserved - Undesignated Fund Balance - July 1	55	492	437
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2	3,555	\$ 3,553
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		544	
Expenditures - prior year encumbrances		(348)	
Increase in reserved for encumbrances		(311)	
Unreserved - Undesignated Fund Balance - June 30		3,440	
Reserved for Encumbrances - June 30		851	
Fund Balance - June 30 (GAAP Basis)		\$ 4,291	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 105	\$ 64	\$ (41)
HIGHWAYS AND STREETS:			
Zoo Parking Lot	540	654	114
CULTURE-RECREATION:			
Honolulu Zoo	<u>3,377</u>	<u>3,990</u>	<u>613</u>
TOTAL CHARGES FOR SERVICES	<u>4,022</u>	<u>4,708</u>	<u>686</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Recovery of Utility Charges	10	29	19
INTEREST:			
Interest Earnings:			
Investments	7	2	(5)
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	40	45	5
Rental of Auditorium Facilities	1,960	1,810	(150)
Auditorium Equipment Rental	<u>1,061</u>	<u>1,184</u>	<u>123</u>
Total Rents	<u>3,061</u>	<u>3,039</u>	<u>(22)</u>
Concessions:			
Food Concession - Auditoriums	880	646	(234)
Food Concession - Honolulu Zoo	120	324	204
Food Concession - Parks	195	252	57
Parking - Auditoriums	1,700	1,728	28
Novelty Sales Concession - Auditoriums	80	39	(41)
Other - Auditoriums	2	8	6
Beach Concession - Parks	798	871	73
Pouring Rights	50	133	83
Other Concessions	<u>78</u>	<u>77</u>	<u>(1)</u>
Total Concessions	<u>3,903</u>	<u>4,078</u>	<u>175</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	--	31	31
Other	--	3	3
Total Other	--	34	34
Total Other Miscellaneous	6,964	7,151	187
TOTAL MISCELLANEOUS	6,981	7,182	201
TOTAL REVENUES	11,003	11,890	887
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer - General Fund	13,108	13,108	--
TOTAL SPECIAL EVENTS FUND	\$ 24,111	\$ 24,998	\$ 887

CITY AND COUNTY OF HONOLULU
FARMERS HOME ADMINISTRATION LOAN FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ --	\$ 46
Total Asset	\$ --	\$ 46
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ --	\$ 46
Total Fund Balance	\$ --	\$ 46

CITY AND COUNTY OF HONOLULU
FARMERS HOME ADMINISTRATION LOAN FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Other Finance Use:			
Transfers out:			
Debt service	\$ 46	\$ 46	\$ --
Unreserved - Undesignated Fund Balance - July 1	<u>46</u>	<u>46</u>	<u>--</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	--	<u>\$ --</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 (GAAP Basis)		--	
Reserved for Encumbrances - June 30		<u>--</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ --</u>	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 10,667	\$ 8,452
Receivables:		
Intergovernmental	245	44
Payroll advance	40	44
Due from other fund:		
General Fund	--	2
Total Assets	\$ 10,952	\$ 8,542
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 421	\$ 352
Accrued payroll	200	33
Due to other funds:		
General Fund	11	--
Federal Grants Fund	16	--
Deferred revenue	--	857
Total Liabilities	648	1,242
Fund Balance:		
Restricted	10,304	7,300
Total Fund Balance	10,304	7,300
Total Liabilities and Fund Balance	\$ 10,952	\$ 8,542

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, 2012
(Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 5,334	\$ 18,573	\$ 12,036	\$ (6,537)
Miscellaneous:				
Other	56	1,389	2,047	658
Total Revenues	5,390	19,962	14,083	(5,879)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	94	3	91
City Council	30	30	16	14
Customer Services	40	40	38	2
Information Technology	--	4,743	3,114	1,629
Mayor	6	441	415	26
Planning and Permitting	--	350	350	--
Prosecuting Attorney	710	877	740	137
Total General government	786	6,575	4,676	1,899
Public safety:				
Emergency Management	31	80	71	9
Emergency Services	651	716	584	132
Fire	30	240	175	65
Police	--	2,583	3,187	(604)
Total Public safety	712	3,619	4,017	(398)
Human services:				
Community Services	3,780	9,371	8,984	387
Culture-recreation:				
Mayor	1	2	--	2
Parks and Recreation	198	635	322	313
Total Culture-recreation	199	637	322	315
Miscellaneous:				
Provisional	67	67	--	67
Total Expenditures	5,544	20,269	17,999	2,270
Revenues under Expenditures	(154)	(307)	(3,916)	(3,609)
Unreserved - Undesignated Fund Balance - July 1	--	--	3,681	3,681
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ (154)</u>	<u>\$ (307)</u>	(235)	<u>\$ 72</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			7,866	
Expenditures - prior year encumbrances			(946)	
Increase in reserved for encumbrances			<u>(7,056)</u>	
Unreserved - Undesignated Fund Balance - June 30			(371)	
Reserved for Encumbrances - June 30			<u>10,675</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 10,304</u>	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 748	\$ 915	\$ 561	\$ (354)
Department of Defense	31	71	40	(31)
Department of Hawaiian Home Lands	99	121	105	(16)
Department of Health	3,676	8,097	5,350	(2,747)
Department of Human Services	23	267	90	(177)
Department of Labor and Industrial Relations	35	141	106	(35)
Department of Land and Natural Resources	654	654	584	(70)
Hawaii Public Housing Authority	--	881	881	--
Hawaii Tourism Authority	--	450	425	(25)
Wireless Enhanced 911 Board	--	6,908	3,885	(3,023)
Grants from Other Agencies	68	68	9	(59)
TOTAL INTERGOVERNMENTAL	<u>5,334</u>	<u>18,573</u>	<u>12,036</u>	<u>(6,537)</u>
<u>MISCELLANEOUS</u>				
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Sprint/Nextel 800MHz Rebanding	--	343	343	--
Community Programing	56	56	36	(20)
Contributions to the City	--	490	730	240
Total Contributions from Private Sources	<u>56</u>	<u>889</u>	<u>1,109</u>	<u>220</u>
Other:				
Other	--	500	938	438
TOTAL MISCELLANEOUS	<u>56</u>	<u>1,389</u>	<u>2,047</u>	<u>658</u>
TOTAL SPECIAL PROJECTS FUND REVENUES	<u>\$ 5,390</u>	<u>\$ 19,962</u>	<u>\$ 14,083</u>	<u>\$ (5,879)</u>

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 17,717	\$ 18,367
Receivables:		
Loans	5,140	5,501
Intergovernmental	22,489	22,294
Payroll advance	166	171
Due from other funds:		
Community Development Fund	26	--
Special Projects Fund	16	--
Total Assets	\$ 45,554	\$ 46,333
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,853	\$ 1,162
Accrued payroll	217	188
Due to other funds:		
General Fund	21,140	20,999
Community Development Fund	--	6
Deferred revenue	5,140	5,900
Total Liabilities	28,350	28,255
Fund Balance:		
Restricted	17,204	18,078
Total Fund Balance	17,204	18,078
Total Liabilities and Fund Balance	\$ 45,554	\$ 46,333

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, 2012
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 44,422	\$ 83,044	\$ 60,842	\$ (22,202)
Miscellaneous:				
Interest	--	--	2	2
Other	56	56	570	514
Total Revenues	44,478	83,100	61,414	(21,686)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	579	674	63	611
City Council	56	56	--	56
Design and Construction	--	311	85	226
Information Technology	47	47	--	47
Planning and Permitting	--	2,384	121	2,263
Prosecuting Attorney	574	1,370	999	371
Total General government	1,256	4,842	1,268	3,574
Public safety:				
Emergency Management	156	21,414	10,781	10,633
Fire	--	1,654	1,438	216
Police	--	20,090	5,820	14,270
Transportation Services	94	380	240	140
Total Public safety	250	43,538	18,279	25,259
Sanitation:				
Environmental Services	25	35	10	25
Human services:				
Community Services	20,009	23,226	17,657	5,569
Culture-recreation:				
Parks and Recreation	260	285	143	142
Utilities or other enterprises:				
Transportation Services	22,268	23,460	22,727	733
Miscellaneous:				
Provisional	396	396	--	396
Total Expenditures	44,464	95,782	60,084	35,698

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, 2012
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over (under) Expenditures	14	(12,682)	1,330	14,012
Unreserved - Undesignated Fund Balance - July 1	--	--	(3,205)	(3,205)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 14	\$ (12,682)	(1,875)	\$ 10,807
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			11,025	
Expenditures - prior year encumbrances			(13,229)	
Decrease in reserved for encumbrances			2,766	
Unreserved - Undesignated Fund Balance - June 30			(1,313)	
Reserved for Encumbrances - June 30			18,517	
Fund Balance - June 30 (GAAP Basis)			\$ 17,204	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (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	\$ 235	\$ 513	\$ 306	\$ (207)
Department of Commerce	--	38	--	(38)
Department of Education	25	565	178	(387)
Department of Health and Human Services	6,640	6,784	5,411	(1,373)
Department of Homeland Security	164	22,842	13,877	(8,965)
Department of Housing and Urban Development	8,131	12,500	7,589	(4,911)
Department of Justice	1,025	6,348	4,040	(2,308)
Department of Labor	5,815	6,627	4,891	(1,736)
Department of The Interior	--	--	89	89
Department of Transportation	22,362	25,267	23,115	(2,152)
Environmental Protection Agency	25	35	343	308
Office of National Drug Control Policy	--	1,525	1,003	(522)
TOTAL INTERGOVERNMENTAL	<u>44,422</u>	<u>83,044</u>	<u>60,842</u>	<u>(22,202)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	2	2
OTHER MISCELLANEOUS:				
Other:				
Other	56	56	570	514
TOTAL MISCELLANEOUS	<u>56</u>	<u>56</u>	<u>572</u>	<u>516</u>
TOTAL FEDERAL GRANTS FUND	<u>\$ 44,478</u>	<u>\$ 83,100</u>	<u>\$ 61,414</u>	<u>\$ (21,686)</u>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND
BALANCE SHEET
JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
(Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,618	\$ 2,990
Receivables:		
Intergovernmental	--	67
Loans	9,684	9,776
Payroll advance	2	2
Total Assets	\$ 15,304	\$ 12,835
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue	\$ 9,684	\$ 9,776
Total Liability	9,684	9,776
Fund Balance:		
Restricted	5,620	3,059
Total Fund Balance	5,620	3,059
Total Liability and Fund Balance	\$ 15,304	\$ 12,835

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, 2012
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ --	\$ 2,112	\$ 2,112
Miscellaneous:			
Interest	505	2	(503)
Other	1,616	1,154	(462)
Total Revenues	2,121	3,268	1,147
Expenditure:			
Current:			
Human services:			
Community Services	3,355	3,268	87
Total Expenditure	3,355	3,268	87
Revenues over (under) Expenditure	(1,234)	--	1,234
Other Financing Source:			
Transfer in:			
Other	2,750	--	(2,750)
Revenues and Other Source over Expenditure	1,516	--	(1,516)
Unreserved - Undesignated Fund Balance - July 1	(684)	--	684
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 832	--	\$ (832)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		2,639	
Expenditures - prior year encumbrances		(78)	
Increase in reserved for encumbrances		(2,561)	
Unreserved - Undesignated Fund Balance - June 30		--	
Reserved for Encumbrances - June 30		5,620	
Fund Balance - June 30 (GAAP Basis)		\$ 5,620	

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, 2012
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
FEDERAL GRANTS:			
Community Development Block Grant	\$ --	\$ 2,112	\$ 2,112
TOTAL INTERGOVERNMENTAL	--	2,112	2,112
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	500	2	(498)
Other Sources	5	--	(5)
Total Interest	505	2	(503)
OTHER MISCELLANEOUS:			
Repayments of Department of Housing and Community Development Loans:			
Principal	1,500	1,075	(425)
Interest	115	77	(38)
Late Charge	1	2	1
Total Other Miscellaneous	1,616	1,154	(462)
TOTAL REVENUES	2,121	3,268	1,147
<u>OTHER FINANCING SOURCE</u>			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
Community Development Fund	2,750	--	(2,750)
TOTAL OTHER FINANCING SOURCE	2,750	--	(2,750)
TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES	\$ 4,871	\$ 3,268	\$ (1,603)

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 959	\$ 958
Total Asset	\$ 959	\$ 958
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 959	\$ 958
Total Fund Balance	\$ 959	\$ 958

CITY AND COUNTY OF HONOLULU
PAUAHI 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, 2012
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 1	\$ 1
Total Revenue	--	1	1
Unreserved - Undesignated Fund Balance - July 1	<u>957</u>	<u>958</u>	<u>1</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 957</u>	959	<u>\$ 2</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		--	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30		959	
Reserved for Encumbrances - June 30		<u>--</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 959</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, 2012
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	\$ --	\$ 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, 2012
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
(Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 10,000	\$ 9,208
Receivables:		
Accounts (net of allowance for uncollectibles)	16	78
Loans	3,648	3,692
Intergovernmental	52	25
Payroll advance	86	89
Total Assets	\$ 13,802	\$ 13,092
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 125	\$ 139
Due to other fund:		
General Fund	100	--
Accrued payroll	105	83
Deferred revenue	3,752	3,885
Total Liabilities	4,082	4,107
Fund Balance:		
Restricted	9,720	8,985
Total Fund Balance	9,720	8,985
Total Liabilities and Fund Balance	\$ 13,802	\$ 13,092

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, 2012
(Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 48,046	\$ 45,210	\$ (2,836)
Miscellaneous:			
Interest	--	10	10
Other	--	20	20
Total Revenues	<u>48,046</u>	<u>45,240</u>	<u>(2,806)</u>
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	147	104	43
Human services:			
Community Services	47,710	45,158	2,552
Miscellaneous:			
Other:			
Provisional	187	--	187
Total Expenditures	<u>48,044</u>	<u>45,262</u>	<u>2,782</u>
Revenues over (under) Expenditures	2	(22)	(24)
Unreserved - Undesignated Fund Balance - July 1	--	(252)	(252)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 2</u>	(274)	<u>\$ (276)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,076	
Expenditures - prior year encumbrances		(319)	
Increase in reserved for encumbrances		(756)	
Unreserved - Undesignated Fund Balance - June 30		(273)	
Reserved for Encumbrances - June 30		<u>9,993</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 9,720</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, 2012
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
FEDERAL GRANTS:			
Section 8 Grants:			
Moderate Rehabilitation Program, (001)	\$ 170	\$ 156	\$ (14)
Existing Housing Voucher Program	46,276	43,717	(2,559)
Mainstream Voucher	1,600	1,337	(263)
	<u>48,046</u>	<u>45,210</u>	<u>(2,836)</u>
TOTAL INTERGOVERNMENTAL	48,046	45,210	(2,836)
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	--	5	5
Other Sources	--	5	5
	<u>--</u>	<u>10</u>	<u>10</u>
Total Interest	--	10	10
OTHER MISCELLANEOUS:			
Other:			
Escheats	--	17	17
Sundry Refunds	--	3	3
	<u>--</u>	<u>30</u>	<u>30</u>
TOTAL MISCELLANEOUS	--	30	30
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....	\$ 48,046	\$ 45,240	\$ (2,806)

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 356	\$ 405
Total Asset	\$ 356	\$ 405
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue	\$ 173	\$ 222
Total Liability	173	222
Fund Balance:		
Committed	183	183
Total Fund Balance	183	183
Total Liability and Fund Balance	\$ 356	\$ 405

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, 2012
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 18	\$ 18
Total Revenue	 --	 18	 18
Expenditure:			
Current:			
Human services:			
Community Services	\$ 90	\$ 18	\$ 72
Total Expenditure	 90	 18	 72
Revenue over (under) Expenditure	(90)	--	90
Unreserved - Undesignated Fund Balance - July 1	96	183	87
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 6	183	\$ 177
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
LEASEHOLD CONVERSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Sundry Realizations	\$ --	\$ 18	\$ 18
TOTAL LEASEHOLD CONVERSION FUND REVENUE	\$ --	\$ 18	\$ 18

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	<u>Improvement District Revolving Fund</u>	<u>Housing and Community Development Revolving Fund</u>	<u>Municipal Stores Revolving Fund</u>	<u>Totals</u>	
				<u>2012</u>	<u>2011</u>
<u>ASSET</u>					
Cash and Investments:					
With Treasury	\$ 1,962	\$ 225	\$ 157	\$ 2,344	\$ 2,343
Total Asset	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 157</u>	<u>\$ 2,344</u>	<u>\$ 2,343</u>
<u>FUND BALANCES</u>					
Fund Balances:					
Committed	\$ 1,962	\$ 225	\$ 157	\$ 2,344	\$ 2,343
Total Fund Balances	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 157</u>	<u>\$ 2,344</u>	<u>\$ 2,343</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, 2012
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2012	2011
Revenue:					
Miscellaneous:					
Other	\$ --	\$ 1	\$ --	\$ 1	\$ 6
Total Revenue	--	1	--	1	6
Expenditure:					
Current:					
General government	--	--	--	--	35
Total Expenditure	--	--	--	--	35
Revenue over (under) Expenditure	--	1	--	1	(29)
Fund Balances - July 1	1,962	224	157	2,343	2,372
Fund Balances - June 30	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 157</u>	<u>\$ 2,344</u>	<u>\$ 2,343</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

<u>ASSET</u>	<u>2012</u>	<u>2011</u>
Cash and investments:		
With Treasury	\$ 321	\$ 822
Total Asset	<u>\$ 321</u>	<u>\$ 822</u>
 <u>LIABILITIES</u>		
Liabilities:		
Interest payable - matured	\$ 137	\$ 137
Bonds payable - matured	184	184
Due to other funds:		
General Fund	--	200
Highway Fund	<u>--</u>	<u>301</u>
Total Liabilities	<u>\$ 321</u>	<u>\$ 822</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Expenditures:		
Tax exempt commercial paper:		
Interest charges	\$ 1,943	\$ 1,527
Notes payable:		
Principal	199	194
Interest	93	101
General obligation bonds:		
Principal	83,875	89,155
Interest	97,611	93,828
Total Expenditures	183,721	184,805
Other Financing Sources (Uses):		
Issuance of general obligation bonds	699	730
Issuance of refunding bonds	149,328	50,366
Bond premium	19,747	--
Bond discount	(14,268)	(1,096)
Transfers from other funds:		
General Fund - Principal	84,074	89,349
General Fund - Interest	99,647	95,456
Refunding of tax exempt commercial paper	--	(50,000)
Refunding of general obligation bonds	(155,506)	--
Total Other Financing Sources (Uses)	183,721	184,805
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, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 171	\$ 171
Receivables:		
Special assessments - current	7	8
Special assessments - deferred	32	49
Total Assets	\$ 210	\$ 228
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 4	\$ 4
Bonds payable - matured	5	5
Deferred revenue	32	49
Total Liabilities	41	58
Fund Balance:		
Committed	169	170
Total Fund Balance	169	170
Total Liabilities and Fund Balance	\$ 210	\$ 228

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, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Revenues:		
Special assessments	\$ 17	\$ 8
Miscellaneous:		
Interest	3	4
Other	--	1
Total Revenues	20	13
Other Financing Use:		
Transfers to other fund:		
Capital Projects Fund	(21)	(16)
Revenues under Other Use	(1)	(3)
Fund Balances - July 1	170	173
Fund Balances - June 30	\$ 169	\$ 170

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 9,203	\$ 30,419
Receivable:		
Payroll advance	22	26
Due from other fund:		
Solid Waste Fund	4	862
Total Assets	\$ 9,229	\$ 31,307
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 8,692	\$ 7,405
Accrued payroll	20	17
Due to other fund:		
Sewer Fund	1,009	1,009
Total Liabilities	9,721	8,431
Fund Balance:		
Committed	--	22,876
Unassigned	(492)	--
Total Fund Balance	(492)	22,876
Total Liabilities and Fund Balance	\$ 9,229	\$ 31,307

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, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Revenue:		
Miscellaneous:		
Other	\$ 1	\$ --
Total Revenue	1	--
Expenditures:		
Capital outlay:		
General government	10,819	13,085
Public safety	23,745	21,807
Highways and streets	14	123
Culture-recreation	21,294	22,921
Total Expenditures	55,872	57,936
Revenues under Expenditures	(55,871)	(57,936)
Other Financing Source:		
Issuance of general obligation bonds	32,503	50,003
Total Other Financing Source	32,503	50,003
Revenue and Other Source under Expenditures	(23,368)	(7,933)
Fund Balance - July 1	22,876	30,809
Fund Balance - June 30	\$ (492)	\$ 22,876

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 13,546	\$ 14,654
Total Asset	\$ 13,546	\$ 14,654
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 14,372	\$ 19,496
Due to other funds:		
General Fund	--	4
Accrued payroll	10	9
Total Liabilities	14,382	19,509
Fund Balance:		
Unassigned	(836)	(4,855)
Total Fund Balance	(836)	(4,855)
Total Liabilities and Fund Balance	\$ 13,546	\$ 14,654

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, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Revenue:		
Miscellaneous:		
Other	\$ 1	\$ --
Total Revenue	1	--
Expenditures:		
Capital outlay:		
General government	6,920	4,424
Public safety	3,905	2,941
Highways and streets	62,946	64,257
Utilities or other enterprises	20,215	38,245
Total Expenditures	93,986	109,867
Revenue under Expenditures	(93,985)	(109,867)
Other Financing Sources:		
Sales of capital assets	--	1
Issuance of general obligation bonds	98,004	50,001
Issuance of tax exempt commercial paper	--	50,000
Total Other Financing Sources	98,004	100,002
Revenue and Other Sources over (under) Expenditures	4,019	(9,865)
Fund Balance - July 1	(4,855)	5,010
Fund Balance - June 30	\$ (836)	\$ (4,855)

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,519	\$ 16,214
Receivables:		
Loans (net of allowance for uncollectibles)	50,791	49,212
Intergovernmental	9,296	16,461
Total Assets	\$ 66,606	\$ 81,887
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 6,350	\$ 9,929
Due to other fund:		
General Trust Fund	18	--
Deferred revenue	50,791	57,859
Total Liabilities	57,159	67,788
Fund Balance:		
Restricted	9,447	14,099
Total Fund Balance	9,447	14,099
Total Liabilities and Fund Balance	\$ 66,606	\$ 81,887

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, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Revenue:		
Intergovernmental	\$ 51,887	\$ 50,706
Total Revenue	51,887	50,706
Expenditures:		
Capital outlay:		
General government	2,860	219
Public safety	6,234	3,584
Highways and streets	5,670	1,082
Sanitation	--	5
Human services	11,417	5,578
Culture-recreation	1,236	651
Utilities or other enterprises	29,122	39,804
Total Expenditures	56,539	50,923
Revenue under Expenditures	(4,652)	(217)
Fund Balance - July 1	14,099	14,316
Fund Balance - June 30	\$ 9,447	\$ 14,099

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 15,515	\$ 15,719
Receivables:		
Intergovernmental	--	25
Total Assets	\$ 15,515	\$ 15,744
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 93	\$ 237
Due to other fund:		
Bikeway Fund	681	10
Deferred revenue	--	82
Total Liabilities	774	329
Fund Balance:		
Restricted	14,741	15,415
Total Fund Balance	14,741	15,415
Total Liabilities and Fund Balance	\$ 15,515	\$ 15,744

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Revenue:		
Intergovernmental	\$ --	\$ 1,279
Miscellaneous:		
Other	82	35
Total Revenue	82	1,314
Expenditures:		
Capital outlay:		
Public safety	--	350
Highways and streets	--	72
Sanitation	--	822
Culture-recreation	96	975
Total Expenditures	96	2,219
Revenue under Expenditures	(14)	(905)
Other Financing Source (Uses):		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	21	16
Transfers to other funds:		
Bikeway Fund	--	(10)
Parks and Playgrounds Fund	(681)	--
Total Other Financing Source (Uses)	(660)	6
Revenue and Other Source under Expenditures and Other Uses	(674)	(899)
Fund Balance - July 1	15,415	16,314
Fund Balance - June 30	\$ 14,741	\$ 15,415

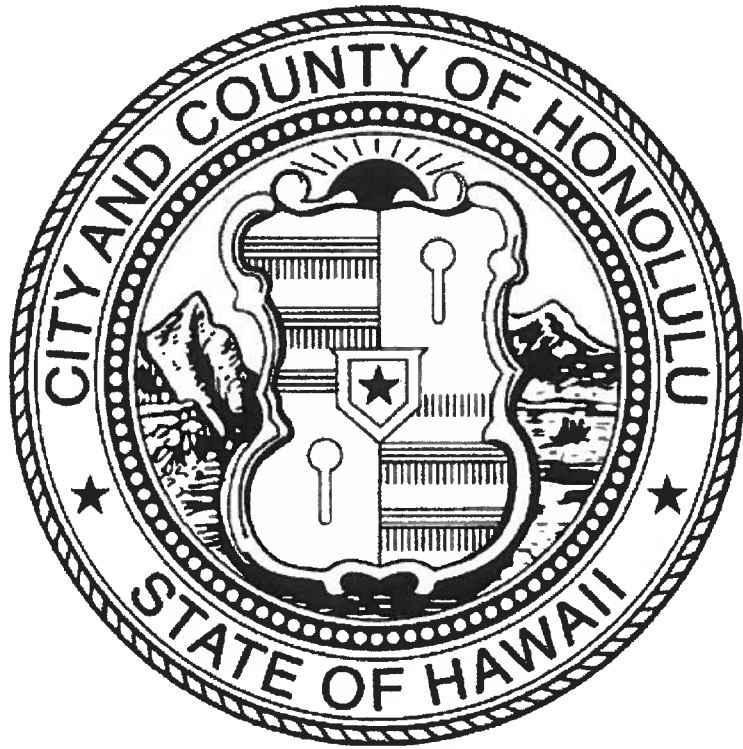
CITY AND COUNTY OF HONOLULU
TRANSIT FUND
BALANCE SHEET
JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2011
(Amounts in thousands)

	2012	2011
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ --	\$ 420,320
Receivables:		
Interest	--	44
Payroll advance	--	26
Due from other fund:		
General Fund	--	49,845
Total Assets	\$ --	\$ 470,235
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ --	\$ 22,797
Accrued payroll	--	154
Total Liabilities	--	22,951
Fund Balance:		
Committed	--	447,284
Total Fund Balance	--	447,284
Total Liabilities and Fund Balance	\$ --	\$ 470,235

CITY AND COUNTY OF HONOLULU
TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Amounts in thousands)

	2012	2011
Revenues:		
Miscellaneous:		
Interest	\$ --	\$ 330
Other	--	13,020
Total Revenues	--	13,350
Expenditures:		
Current:		
General government	--	1,172
Utilities or other enterprises	--	4,211
Miscellaneous:		
Retirement and health benefits	--	1,370
Other	--	2
Capital outlay:		
Utilities or other enterprises	--	102,309
Total Expenditures	--	109,064
Revenues under Expenditures	--	(95,714)
Other Financing Source:		
Transfers in:		
General Fund	--	179,108
Special Item:		
Contribution to component unit	(447,284)	
Revenues and Other Source over (under) Expenditures and Special Item	(447,284)	83,394
Fund Balance - July 1	447,284	363,890
Fund Balance - June 30	\$ --	\$ 447,284

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**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.

CONTENTS:	<u>Page</u>
Financial Trends	221
<p>Tables 1 to 4 contain trend information to help the reader understand how the financial performance and well-being of the City have changed over time.</p>	
Revenue Capacity	225
<p>Tables 5 to 7 contain trend information to help the reader review real property tax, the most significant local revenue source of the City.</p>	
Debt Capacity	229
<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>	
Operating Information	236
<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 2003 - 2012
(Amounts in thousands)
(Unaudited)

	Fiscal Year											
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003		
Governmental activities												
Invested in capital assets, net of related debt	\$ 118,289	\$ 500,169	\$ 389,308	\$ 214,214	\$ 165,257	\$ 113,778	\$ 151,597	\$ 155,932	\$ 211,083	\$ 262,817		
Restricted	169	170	173	969	976	1,085	1,052	1,053	1,056	1,412		
Unrestricted	69,474	551,180	523,206	474,354	399,180	233,339	97,865	95,024	84,837	47,330		
Total governmental activities net assets	187,932	1,051,519	912,687	689,537	565,413	348,202	250,514	252,009	296,976	311,559		
Business-type activities												
Invested in capital assets, net of related debt	808,975	725,532	690,697	714,543	681,690	711,150	694,775	759,186	747,875	702,785		
Restricted	171,010	158,662	144,307	131,469	84,981	59,409	35,425	26,882	22,584	20,603		
Unrestricted	513,990	408,635	295,240	145,665	76,007	16,751	549	(62,557)	(52,186)	20,841		
Total business-type activities net assets	1,493,975	1,292,829	1,130,244	991,677	842,678	787,310	730,749	723,511	718,273	744,229		
Primary government												
Invested in capital assets, net of related debt	927,264	1,225,701	1,080,005	928,757	846,947	824,928	846,372	915,118	958,958	965,602		
Restricted	171,179	158,832	144,480	132,438	85,957	60,494	36,477	27,935	23,640	22,015		
Unrestricted	583,464	959,815	818,446	620,019	475,187	250,090	98,414	32,467	32,651	68,171		
Total primary government net assets	\$ 1,681,907	\$ 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		

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET ASSETS
FISCAL YEARS 2003-2012
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government.....	\$ 497,328	\$ 455,874	\$ 392,893	\$ 444,701	\$ 371,354	\$ 314,667	\$ 319,455	\$ 276,458	\$ 275,549	\$ 252,351
Public safety.....	407,275	390,780	374,791	372,843	354,427	337,052	300,245	302,231	259,067	264,427
Highways and streets.....	100,883	46,315	30,418	51,916	16,095	39,126	35,795	23,263	19,667	45,049
Sanitation.....	4,451	5,292	3,244	5,130	5,758	6,742	3,125	902	699	648
Human services.....	94,213	80,647	95,437	83,647	82,966	73,725	79,880	75,943	70,165	74,463
Culture and recreation.....	124,939	91,944	106,081	110,390	96,299	95,655	86,197	81,447	61,158	68,323
Utilities or other enterprises.....	38,847	79,969	52,700	52,166	75,506	68,406	33,579	65,974	93,954	44,261
Interest.....	93,079	91,583	88,959	83,048	84,670	79,176	81,454	65,525	64,558	60,203
Total governmental activities expenses	1,361,015	1,242,404	1,144,523	1,203,841	1,087,075	1,014,549	939,730	891,743	844,817	809,725
Business-type activities:										
Housing.....	12,221	14,481	13,220	13,711	13,841	12,905	12,296	10,418	16,247	24,151
Sewer.....	237,673	209,625	197,643	178,944	194,061	157,724	140,242	131,452	123,653	130,186
Solid Waste.....	166,078	163,534	159,187	154,158	170,781	153,736	145,181	138,443	136,623	140,060
Public Transportation.....	226,614	221,211	209,847	209,645	198,823	184,304	175,347	162,429	150,267	150,523
Total business-type activities expenses	642,586	608,851	579,897	556,458	577,506	508,669	473,066	442,742	426,790	444,920
Total primary government expenses	\$ 2,003,601	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 191,634	\$ 165,620	\$ 139,925	\$ 130,688	\$ 128,620	\$ 135,587	\$ 113,459	\$ 98,217	\$ 90,126	\$ 74,512
Public safety.....	40,188	38,582	40,089	42,163	37,772	35,663	30,502	31,017	26,058	26,239
Highways and streets.....	1,077	2,205	2,447	2,738	599	2,149	2,152	2,236	2,232	2,115
Sanitation.....	51	161	21	47	48	77	14	36	5	2
Human services.....	503	1,008	180	1,064	719	636	442	2,010	2,033	2,208
Culture and recreation.....	28,730	25,803	26,714	22,318	23,879	22,128	21,646	21,698	20,012	19,914
Utilities.....	946	201	17	--	--	--	--	--	--	--
Operating grants and contributions.....	122,066	111,419	123,389	118,970	106,930	104,397	100,838	106,383	93,590	85,512
Capital grants and contributions.....	55,393	64,988	48,461	38,292	48,736	50,078	35,200	19,723	67,675	33,736
Total governmental activities program revenues	440,588	409,987	381,243	356,280	347,303	350,715	304,253	281,320	301,731	244,238
Business-type activities:										
Charges for services:										
Housing.....	10,628	9,483	10,275	9,766	9,694	8,306	8,367	8,092	7,948	18,540
Sewer.....	378,199	347,038	308,407	251,953	225,104	165,914	151,200	118,893	115,032	115,773
Solid Waste.....	118,943	108,402	97,351	145,507	108,323	107,682	100,452	96,021	94,321	88,429
Public Transportation.....	56,796	53,657	47,638	44,245	43,767	43,598	43,502	41,958	35,333	31,776
Operating grants and contributions.....	21,026	21,441	21,017	21,108	21,674	17,840	23,516	27,630	25,093	21,212
Capital grants and contributions.....	58,643	33,067	32,329	25,307	18,514	32,704	4,255	18,461	50,565	24,023
Total business-type activities program revenues	644,235	573,088	517,017	497,886	427,076	376,044	331,292	311,055	328,292	299,753
Total primary government program revenues	\$ 1,084,823	\$ 983,075	\$ 898,260	\$ 854,166	\$ 774,379	\$ 726,759	\$ 635,545	\$ 592,375	\$ 630,023	\$ 543,991
Net Revenue (Expense)										
Governmental activities.....	\$ (920,427)	\$ (832,417)	\$ (763,280)	\$ (847,561)	\$ (739,772)	\$ (663,834)	\$ (635,477)	\$ (610,423)	\$ (543,086)	\$ (565,487)
Business-type activities.....	1,649	(35,763)	(62,880)	(58,572)	(150,430)	(132,625)	(141,774)	(131,687)	(98,498)	(145,167)
Total primary government net expense	\$ (918,778)	\$ (868,180)	\$ (826,160)	\$ (906,133)	\$ (890,202)	\$ (796,459)	\$ (777,251)	\$ (742,110)	\$ (641,584)	\$ (710,654)
General Revenues and Other Changes In Net Assets										
Governmental activities:										
General revenues:										
Property taxes.....	\$ 799,260	\$ 804,311	\$ 853,426	\$ 802,571	\$ 775,971	\$ 685,868	\$ 595,041	\$ 497,935	\$ 438,964	\$ 385,107
Public service company tax.....	47,642	37,999	49,393	49,596	35,823	37,640	29,815	29,665	22,819	25,171
Fuel tax.....	49,220	52,298	47,639	50,316	50,633	52,221	52,385	51,354	49,271	47,156
Public utility franchise tax.....	60,475	44,801	34,312	54,804	36,239	38,356	33,450	28,382	26,800	22,104
Investment earnings.....	336	492	457	7,170	21,269	19,676	11,621	4,194	1,907	3,099
Unrestricted grants and contributions.....	41,042	224,506	197,519	202,598	216,274	92,884	43,269	39,402	36,127	38,771
Harbor Court lease to fee conversion.....	--	--	--	--	--	--	--	33,271	--	31,781
Other.....	6,287	3,960	4,053	3,162	2,362	2,329	3,940	7,627	14,120	--
Special Item:										
Contribution to Component Unit.....	(749,306)	--	--	--	--	--	--	--	--	--
Transfers.....	(198,316)	(197,118)	(200,369)	(198,532)	(181,588)	(167,452)	(135,539)	(126,374)	(61,505)	(32,522)
Total governmental activities	56,840	971,249	986,430	971,685	956,983	761,522	633,982	565,456	528,503	520,667
Business-type activities:										
General revenues:										
Investment earnings.....	1,181	1,230	1,078	9,039	24,210	21,734	13,473	10,551	11,037	12,981
Transfers.....	198,316	197,118	200,369	198,532	181,588	167,452	135,539	126,374	61,505	32,522
Total business-type activities	199,497	198,348	201,447	207,571	205,798	189,186	149,012	136,825	72,542	45,503
Total primary government	\$ 256,337	\$ 1,169,597	\$ 1,187,877	\$ 1,179,256	\$ 1,162,781	\$ 950,708	\$ 782,994	\$ 702,381	\$ 601,045	\$ 566,170
Changes In Net Assets										
Governmental activities.....	\$ (863,587)	\$ 138,832	\$ 223,150	\$ 124,124	\$ 217,211	\$ 97,688	\$ (1,495)	\$ (44,967)	\$ (14,583)	\$ (44,820)
Business-type activities.....	201,146	162,585	138,567	148,999	55,368	56,561	7,238	5,238	(25,956)	(99,664)
Total primary government changes in net assets	\$ (662,441)	\$ 301,417	\$ 361,717	\$ 273,123	\$ 272,579	\$ 154,249	\$ 5,743	\$ (39,729)	\$ (40,539)	\$ (144,484)

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2003 - 2012
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Post-GASB 54 Fiscal Year	
	2011	2010
General Fund		
Nonspendable	\$ --	\$ 25
Restricted		
Committed	32,601	82,697
Assigned	58,215	45,965
Unassigned	159,042	104,053
Total General Fund	<u>\$ 249,858</u>	<u>\$ 232,740</u>
All other Governmental Funds		
Restricted	\$ 161,708	\$ 115,936
Committed	18,752	413,640
Unassigned	(1,611)	--
Total all other Governmental Funds	<u>\$ 178,849</u>	<u>\$ 529,576</u>

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 2010 - 2012 for comparison purposes.

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

TABLE 4
CITY AND COUNTY OF HONOLULU
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2003 - 2012
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Taxes.....	\$ 964,167	\$ 934,557	\$ 986,828	\$ 952,531	\$ 891,982	\$ 815,284	\$ 705,557	\$ 607,541	\$ 532,804	\$ 480,851
Special assessments.....	17	8	18	17	28	354	387	419	56	520
Licenses and permits.....	161,492	151,581	126,208	112,397	115,657	120,802	100,938	86,649	74,138	61,220
Intergovernmental.....	233,499	395,316	362,399	355,530	358,552	238,926	169,515	159,612	180,846	144,482
Charges for services.....	30,679	28,007	27,714	23,924	23,766	24,754	23,991	24,346	22,145	20,703
Fines and forfeits.....	541	766	755	932	1,183	868	698	391	657	646
Miscellaneous:										
Reimbursements and recoveries.....	46,801	42,136	41,397	96,435	88,731	87,113	78,993	86,776	77,676	78,908
Interest.....	394	935	855	13,291	24,638	20,959	12,506	4,620	2,473	3,646
Other.....	30,790	37,064	26,029	29,576	23,065	27,403	28,854	24,981	30,710	31,165
Total Revenues.....	1,468,380	1,590,370	1,572,203	1,584,633	1,527,602	1,336,463	1,121,439	995,335	921,505	822,141
Expenditures:										
Current:										
General government.....	155,044	149,994	159,713	163,280	153,759	141,459	129,387	122,306	115,975	115,067
Public safety.....	386,145	371,627	357,148	359,277	329,108	306,161	287,592	277,867	256,231	246,109
Highways and streets.....	17,336	16,781	21,774	28,271	24,066	21,000	17,114	15,731	14,964	13,831
Sanitation.....	4,514	3,863	2,959	4,828	5,537	2,674	1,251	734	692	648
Human services.....	72,544	71,606	78,391	73,401	65,144	60,883	57,673	55,877	56,994	52,007
Culture and recreation.....	79,547	73,087	81,859	87,888	82,328	71,084	68,285	62,971	59,512	62,260
Utilities or other enterprises.....	23,201	27,758	27,122	28,857	27,818	22,917	23,330	29,645	24,336	22,557
Miscellaneous:										
Retirement and health benefits.....	214,895	194,338	182,644	208,354	140,461	137,615	134,657	120,111	99,128	82,791
Other.....	27,146	23,792	23,806	27,493	21,226	22,832	18,765	17,481	22,213	18,864
Capital Outlay:										
General government.....	21,810	18,894	23,853	36,247	39,784	25,869	17,290	18,263	30,554	32,696
Public safety.....	34,070	28,966	20,987	25,903	21,035	25,824	25,473	17,833	11,554	9,802
Highways and streets.....	68,636	65,534	89,857	55,985	48,871	45,163	45,963	62,237	34,895	57,092
Sanitation.....	--	827	121	302	235	4,068	1,874	196	7	196
Human services.....	21,991	10,645	14,906	11,591	18,214	12,978	22,655	19,142	17,636	23,308
Culture and recreation.....	22,869	24,703	19,090	22,038	21,576	27,477	29,050	44,277	36,621	48,924
Utilities or other enterprises.....	49,337	181,012	127,681	73,597	47,695	45,622	10,297	36,350	14,388	21,704
Debt service:										
Principal.....	84,906	89,615	93,015	122,273	260,680	102,794	249,164	272,856	258,584	73,900
Interest.....	99,713	95,549	93,225	104,980	100,362	103,869	89,630	83,825	80,774	83,164
Total Expenditures.....	1,383,704	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
Revenues over (under) Expenditures.....	84,676	141,779	154,052	150,068	119,703	156,174	(108,011)	(262,367)	(213,553)	(142,779)
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	131,206	100,734	30,254	150,089	109,000	--	--	165,313	258,793	80,066
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.....	1,302	--	--	189	865	1,674	--	--	--	--
Issuance of long-term notes.....	--	--	--	--	--	--	--	--	13	2,781
Issuance of refunding bonds.....	149,328	50,366	61,192	350,749	132,826	--	387,324	145,077	275,444	--
Bond premium.....	19,747	--	5,122	18,071	7,334	--	17,054	26,501	--	--
Bond discount.....	(14,268)	(1,096)	(1,996)	(78)	(30)	--	(115)	(14)	--	--
Refunding of bonds.....	(155,506)	(50,000)	(64,318)	(367,178)	--	--	(243,000)	(145,077)	(275,444)	--
Sales of capital assets.....	181	660	581	661	362	430	640	36,369	10,820	887
Transfers in.....	320,463	495,790	477,351	573,642	559,299	377,590	268,137	254,927	274,723	238,353
Transfers out.....	(518,779)	(692,908)	(677,720)	(772,174)	(740,887)	(545,042)	(403,676)	(381,301)	(391,513)	(266,021)
Total Other Financing Sources (Uses).....	(66,326)	(46,454)	(149,534)	(1,029)	143,769	(71,348)	194,386	267,595	252,100	92,798
Special Item:										
Contribution to component unit.....	(447,284)	--	--	--	--	--	--	--	--	--
Net change in fund balances.....	\$ (428,934)	\$ 95,325	\$ 4,518	\$ 149,039	\$ 263,472	\$ 84,826	\$ 86,375	\$ 5,228	\$ 38,547	\$ (49,981)
Debt service as a percentage of noncapital expenditures.....	19.2%	15.6%	16.8%	18.2%	28.8%	19.0%	30.6%	31.8%	34.2%	19.3%

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2003 - 2012
(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
2012	Residential	\$ 3.50	\$ 123,324,298
	Hotel/Resort	12.40	7,102,340
	Commercial	12.40	13,938,863
	Industrial	12.40	7,685,514
	Agricultural	5.70	1,004,164
	Vacant Agricultural	8.50	112,245
	Preservation.....	5.70	421,553
	Public Service.....	0.00	<u>3,644</u>
	Total		<u>\$ 153,592,621</u>
	Fiscal year 2012 total direct tax rate	\$ 5.20	
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	<u>3,307</u>
	Total		<u>\$ 153,109,105</u>
	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
	Total		<u>\$ 165,782,078</u>
	Fiscal year 2010 total direct tax rate	\$ 5.05	
2009	Residential	\$ 3.29	\$ 136,983,348
	Hotel/Resort	12.40	6,979,025
	Commercial	12.40	13,505,161
	Industrial	12.40	7,249,188
	Agricultural	5.70	1,133,318
	Vacant Agricultural	8.50	110,808
	Preservation.....	5.70	377,099
		Total	
	Fiscal year 2009 total direct tax rate	\$ 4.83	
2008	Improved Residential	\$ 3.29	\$ 100,858,035
	Unimproved Residential	5.70	431,258
	Apartment	3.29	38,352,746
	Hotel/Resort	12.40	6,872,417
	Commercial	12.40	12,282,509
	Industrial	12.40	6,711,928
	Agricultural	5.70	1,054,884
	Vacant Agricultural	8.50	111,524
	Preservation.....	5.70	<u>349,430</u>
	Total		<u>\$ 167,024,731</u>
	Fiscal year 2008 total direct tax rate	\$ 4.73	

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 2003 - 2012
(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	
2007	Improved Residential	\$ 3.59	\$ 89,283,029	
	Unimproved Residential	5.72	754,815	
	Apartment	3.59	32,642,928	
	Hotel/Resort	11.97	5,787,719	
	Commercial	11.97	10,814,805	
	Industrial	11.97	5,513,282	
	Agricultural	8.57	875,793	
	Vacant Agricultural	8.57	38,547	
	Preservation	9.57	365,292	
	Public Service	0.00	(1,300)	
	Total		<u>\$ 146,074,910</u>	
	Fiscal year 2007 total direct tax rate	\$ 4.92		
	2006	Improved Residential	\$ 3.75	\$ 68,475,274
Unimproved Residential		5.72	524,508	
Apartment		3.75	24,671,194	
Hotel/Resort		11.37	4,708,327	
Commercial		11.37	9,618,183	
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		

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 2003 - 2012
(Amounts in thousands)
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied		Adjustments (a)	Adjusted Taxes Levied	Collections within the fiscal year of the levy		Collections in Subsequent Years (b)	Total Collections to Date	
	Amount	Percentage of Levy			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 811,505		\$ (2,707)	\$ 808,798	99.0 %	\$ -	\$ 800,667	99.0 %	
2011	812,604		(8,332)	804,272	98.9	5,038	800,494	99.5	
2010	853,767		(4,713)	849,054	99.0	3,503	843,737	99.4	
2009	798,703		(676)	798,027	98.8	6,899	795,208	99.6	
2008	777,151		(3,706)	773,445	99.0	5,010	770,901	99.7	
2007	703,777		(5,500)	698,277	99.2	3,645	696,066	99.7	
2006	590,398		(1,065)	589,333	98.7	2,972	584,424	99.2	
2005	511,011		(10,476)	500,535	99.1	1,995	498,225	99.5	
2004	435,318		(3,539)	431,779	99.0	2,849	430,227	99.6	
2003	392,606		(4,884)	387,722	98.7	1,878	384,516	99.2	

Notes: Format displays taxes collected by fiscal year of levy.

(a) Adjustments include mostly appeals.

(b) Revised from the previous CAFR.

TABLE 8
CITY AND COUNTY OF HONOLULU
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2003 - 2012
(Amounts in thousands, except per capita)
(Unaudited)

Fiscal Year	Primary Government											Total	Percentage of Personal Income (a)	Per Capita (a)
	Governmental Activities					Business-Type Activities								
	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					
2012	\$ 1,991,609	\$ --	\$ --	\$ 3,497	\$ 1,795	\$ 573,906	\$ 1,625,195	\$ --	\$ 222,509	\$ 4,418,511	10.23 %	\$ 4,585		
2011	1,958,785	--	--	3,976	1,032	572,195	1,484,445	--	200,392	4,220,825	9.77 (b)(c)	4,380		
2010	1,896,840	--	--	4,436	1,032	389,726	1,300,990	--	193,103	3,786,127	8.76 (c)	3,962		
2009	1,941,715	--	--	4,878	1,602	272,001	1,211,500	--	157,310	3,589,006	8.61 (c)	3,805		
2008	1,758,535	76,863	--	5,302	1,898	248,860	1,219,065	837	114,847	3,426,207	8.26 (c)	3,670		
2007	1,598,488	144,063	--	5,709	1,497	252,601	1,048,775	17,837	112,746	3,181,716	8.07 (c)	3,438		
2006	1,662,329	52,763	290	6,100	--	291,688	861,050	11,837	68,338	2,944,395	7.95 (c)	3,176		
2005	1,579,217	37,942	645	6,476	--	326,734	701,785	11,858	74,123	2,738,780	7.99 (c)	2,983		
2004	1,438,194	63,942	1,010	6,836	103	354,231	702,925	10,858	79,880	2,657,979	8.28 (c)	2,927		
2003	1,254,315	128,100	1,375	7,173	694	385,264	704,020	--	85,494	2,566,435	8.64 (c)	2,870		

NOTES:

- (a) See TABLE 12 for personal income and population data.
 - (b) 2012 and 2011 Personal Income is not available. 2010 Personal Income was used instead.
 - (c) Revised from previous CAFR.
 - (d) 2012 Population is not available. 2011 Population was used instead.
- 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 2003 - 2012
(Amounts in thousands, except per capita)
(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2012	\$ 2,565,515	1.67 %	\$ 2,662 (c)
2011	2,530,980	1.65	2,627
2010	2,286,566	1.38	2,393
2009	2,213,716	1.33	2,347
2008	2,007,395	1.20	2,150
2007	1,851,089	1.27	2,000
2006	1,954,017	1.71	2,108
2005	1,905,951	2.06	2,076
2004	1,792,425	2.26	1,974
2003	1,639,579	2.23	1,833

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2012 Population not available. 2011 Population was used instead.

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 2003 - 2012
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit (a)	\$ 23,038,893	\$ 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
Debt applicable to limit	1,995,105	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
Legal debt margin (b)	\$ 21,043,788	\$ 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
Debt applicable to the limit as a percentage of debt limit	8.66%	8.55%	7.65%	7.80%	7.35%	7.98%	10.06%	11.71%	12.71%	12.59%

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 2012

Net assessed value	\$ 153,592,621
Debt limit (15% of assessed value)	23,038,893
Debt applicable to limit	1,995,105
Legal debt margin	<u>\$ 21,043,788</u>

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEGDED REVENUE COVERAGE
FISCAL YEARS 2003-2012
(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		
2012	\$ 162,858	\$ 114,757	\$ 48,101	\$ 7,985	\$ 12,741	\$ 20,726	2.32
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

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2012	\$ 357,823	\$ 134,092	\$ 223,731	\$ 28,530	\$ 70,910	\$ 99,440	2.25
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

SPECIAL ASSESSMENT BONDS (e)

Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2012	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
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

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 2003 - 2012
(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)
2012	NA	NA	NA	119,477	NA
2011	963,607 (c)	NA	NA	117,880	5.7 (c)
2010	955,636 (c)	\$ 43,210 (c)	\$ 45,216 (c)	118,534	5.8
2009	943,177 (c)	41,664 (c)	44,174 (c)	117,990	5.8 (c)
2008	933,680 (c)	41,475 (c)	44,421 (c)	119,005	3.7 (c)
2007	925,335 (c)	39,430 (c)	42,611 (c)	120,889	2.5 (c)
2006	926,954 (c)	37,020 (c)	39,938 (c)	122,673	2.4 (c)
2005	918,181 (c)	34,264 (c)	37,317 (c)	122,950	2.7 (c)
2004	907,997 (c)	32,101 (c)	35,354 (c)	123,387	3.1 (c)
2003	894,311 (c)	29,705 (c)	33,215 (c)	123,658	3.7 (c)

NOTES:

(a) Per *The State of Hawaii Data Book 2011*.

(b) Enrollment figures for 2003-2012 obtained from *The State of Hawaii Data Book*, various years.
Enrollment includes 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 2002 - 2011
(Unaudited)

Employer (a)	2011			2010			2009			2008			2007		
	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	71,400	1	11.58%	71,700	1	12.21%	73,700	1	12.52%	74,300	1	12.10%	72,400	1	11.72%
Federal Government	34,800	2	5.65%	34,800	2	5.92%	33,300	2	5.66%	32,200	2	5.25%	31,750	2	5.14%
Local Governments	18,500	3	3.00%	18,700	3	3.18%	18,650	3	3.17%	18,550	3	3.02%	17,950	3	2.91%
Hawaii Pacific Health	5,724	4	0.93%	5,490	4	0.93%	5,300	5	0.90%	5,200	6	0.85%	5,200	7	0.84%
Hilton Hotels Hawaii Region	5,400	5	0.88%	5,400	5	0.92%	--	--	--	--	--	--	--	--	--
Starwood Hotels and Resorts Hawaii	5,300	6	0.86%	5,092	7	0.87%	--	--	--	--	--	--	--	--	--
The Queen's Health Systems	5,134	7	0.83%	5,147	6	0.88%	5,059	6	0.86%	4,903	7	0.80%	4,834	8	0.78%
Kaiser Permanente Medical Care Program	4,478	8	0.73%	4,400	8	0.75%	--	--	--	4,403	8	0.72%	4,017	9	0.65%
Hawaiian Airlines Inc.	4,314	9	0.70%	4,019	9	0.68%	3,700	9	0.63%	--	--	--	--	--	--
Hawaiian Electric Industries Inc.	3,654	10	0.59%	3,400	10	0.58%	3,560	10	0.60%	3,639	10	0.59%	3,764	10	0.61%
Kyo-ya Co. Ltd.	--	--	--	--	--	--	3,851	7	0.65%	3,752	9	0.61%	--	--	--
Hawaii Health Systems Corp.	--	--	--	--	--	--	3,839	8	0.65%	9,869	4	1.61%	8,311	4	1.35%
ALTRES Inc.	--	--	--	--	--	--	--	--	--	--	--	--	5,910	5	0.96%
NCL America	--	--	--	--	--	--	9,000	4	1.53%	8,000	5	1.30%	5,500	6	0.89%
Proservice Hawaii Business Development Corp.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	158,704		25.75%	158,148		26.92%	159,959		27.17%	164,816		26.85%	159,636		25.85%

Employer (a)	2006			2005			2004			2003			2002		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
State of Hawaii	71,950	1	11.65%	71,150	1	11.67%	71,500	1	11.95%	70,550	1	11.91%	70,150	1	12.00%
Federal Government	31,850	2	5.16%	31,300	2	5.13%	31,450	2	5.26%	31,650	2	5.34%	30,650	2	5.25%
Local Governments	17,450	3	2.82%	17,200	3	2.82%	17,100	3	2.86%	16,950	3	2.86%	17,150	3	2.93%
ALTRES Inc.	7,438	4	1.20%	7,574	4	1.24%	7,238	4	1.21%	6,958	4	1.17%	6,588	4	1.13%
Hawaii Pacific Health	5,500	5	0.89%	5,449	6	0.89%	5,434	5	0.91%	5,449	5	0.92%	5,468	5	0.94%
Proservice Hawaii Business Development Corp.	4,800	6	0.78%	--	--	--	--	--	--	--	--	--	--	--	--
The Queen's Health Systems	4,351	7	0.70%	3,673	9	0.60%	3,689	8	0.62%	3,400	9	0.57%	4,055	6	0.69%
Kaiser Permanente Medical Care Program	3,969	8	0.64%	3,918	7	0.64%	3,790	6	0.63%	3,663	6	0.62%	3,385	8	0.58%
Kyo-ya Co. Ltd.	3,807	9	0.62%	3,574	10	0.59%	3,753	7	0.63%	3,638	7	0.61%	3,762	7	0.64%
NCL America	3,582	10	0.58%	--	--	--	--	--	--	--	--	--	--	--	--
Alpha Airgroup, Inc.	--	--	--	3,701	8	0.61%	3,558	9	0.59%	--	--	--	--	--	--
Bancorp Hawaii Inc./Pacific Century Financial Corp./	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Bank of Hawaii Corp.	--	--	--	--	--	--	--	--	--	--	--	--	3,175	10	0.54%
Hawaii Health Systems Corp.	--	--	--	--	--	--	3,400	10	0.57%	3,400	9	0.57%	3,205	9	0.55%
Hawaiian Airlines Inc.	--	--	--	--	--	--	--	--	--	3,491	8	0.59%	--	--	--
Starwood Hotels and Resorts Hawaii	--	--	--	5,500	5	0.90%	--	--	--	--	--	--	--	--	--
Total	154,697		25.04%	153,039		25.09%	150,912		25.23%	149,149		25.16%	147,588		25.25%

SOURCES:
The State of Hawaii Data Book (<http://www.hawaii.gov/dbedt/>).
Hawaii Business, magazine various years.
Pacific Business News - 2011 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 2003 - 2012
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Administration	480	478	491	547	538	532	531	523	480	517
Finance	405	398	419	475	439	425	414	416	403	415
Legal	308	304	314	314	318	307	310	321	316	315
Planning & Permitting	245	248	259	270	250	257	251	234	225	238
Design & Construction	228	227	226	228	216	209	204	203	217	223
Public Safety										
Police	2,519	2,551	2,570	2,625	2,601	2,569	2,537	2,490	2,507	2,466
Fire	1,114	1,099	1,083	1,092	1,098	1,091	1,076	1,061	1,077	1,084
Emergency Medical Services	151	147	145	144	136	129	134	127	173	126
Highways and Streets	596	585	604	651	631	631	616	614	624	625
Sanitation										
Solid Waste	622	585	302	145	363	348	336	333	333	324
Sewer	254	253	559	542	530	520	508	498	512	536
Health and Human Resources	397	403	411	404	397	391	416	411	390	387
Culture and Recreation	1,005	982	1,026	984	962	932	855	871	911	959
Total	8,324	8,260	8,409	8,421	8,479	8,341	8,188	8,102	8,168	8,215

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 2003 - 2012
(Unaudited)

Function	Fiscal Year										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Public Safety											
Police											
Part I number of arrests (a)	5,517	5,120	5,430	4,011	4,453	4,039	4,484	3,554	4,649	5,401	
Part II number of arrests (a)	34,695	31,930	33,940	35,315	37,295	35,006	31,145	26,095	33,350	31,120	
Parking violations	111,342 (e)	115,171 (e)	124,897 (e)	133,216 (e)	154,323 (e)	97,366 (e)	105,871 (d)	106,304 (d)	92,066 (d)	92,115 (d)	
Traffic violations	189,591 (e)	203,052 (e)	197,820 (e)	198,746 (e)	173,762 (e)	240,220 (e)	183,205 (d)	180,941 (d)	168,491 (d)	158,304 (d)	
Fire											
Fire department responses	19,923	18,436	16,254	16,152	15,728	16,021	15,859	13,900	10,766	10,468	
Emergency medical responses	28,871	27,953	24,808	24,930	23,760	21,722	19,346	20,268	22,178	19,549	
Inspections	63,424 (i)	73,302 (h)	67,542 (h)	70,268 (h)	66,947 (h)	190,536	191,333	213,538	218,083	175,744 (c)	
Emergency Medical Services											
Ambulance responses	75,500	67,477	69,253	60,412	73,902	74,887	72,807	66,162	67,762	60,976	
Refuse Collection											
Refuse collected (tons per year)	255,400	273,040	290,064	312,360	340,781	359,801	373,462	368,288	350,298	335,622	
Recyclables collected (tons per year)	118,400	121,442	84,046	69,188	55,700	57,900	67,966	67,713	80,624	82,721	
Other Public Works											
Street resurfacing in-house (miles)	8	19	57	60	51	38	43	31 (g)	--	--	
Street resurfacing contract (miles)	180	149	319	76	91	75	120	122 (g)	27	91	
First aid (tons of asphalt)	2,314	753	4,277	2,560	3,007	12,528	13,079	13,785 (g)	9,354	1,829	
Potholes repaired	52,071	67,714	41,505	68,816	82,850	73,013	55,192	47,660 (g)	68,872	40,195	
Parks and Recreation											
Park facility permits issued	12,029	16,549	15,520	18,611	15,136	21,522	18,912 (b)	36,124	24,114	21,550	
Other Enterprise											
Rounds of golf	464,708	475,663	534,508	563,589	563,669	563,858	538,451	530,606	560,921	611,979	
Zoo attendance	665,940	603,677	580,265	623,034	599,442	601,510	588,952	513,931	499,767	495,184	
Water											
New connections	1,069	962	1,075	1,262	1,370	1,926	1,925	2,269	2,182	2,766	
Water main breaks	312	333	388	325	285	342	358	388	399	338	
Average daily pumpage (millions of gallons)	139	130	148	145	148	152 (d)	148	148	150	159	
Peak daily pumpage (millions of gallons)	151	157	171	179	179	175	187	184	182	185	
Wastewater											
Average daily sewage treatment (millions of gallons)	100	105	104	108	107	105	112	112	112	111	
Transit											
Total bus directional route miles	947	945 (j)	945	943	927	927	922	919	915	912	
Total bus revenue miles	18,225,506	18,356,893	18,343,673	18,462,001	18,272,697	17,923,724	18,019,030	18,388,911	16,530,804 (f)	18,331,577	
Bus passengers	76,296,482	73,765,232	73,158,620	77,329,670	69,759,895	71,749,456	70,384,355	67,406,827	61,297,980 (f)	69,100,627	
Total paratransit revenue miles	5,150,671	4,955,876	4,960,022	4,999,735	4,833,262	4,608,289	4,322,045	4,035,752	4,171,202	4,252,570	
Paratransit passengers	845,903	825,680	790,357	840,763	833,835	807,851	784,058	733,777	731,083	730,651	

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) Incomplete reporting from operations (company inspections) decreased the count in the fiscal year ended June 30, 2003.
- (d) The count is based on tickets issued.
- (e) The count is based on number of violations.
- (f) The bus system experienced a 34 day strike during fiscal year 2004 that had minimal impact on paratransit operations.
- (g) The increase in street resurfacing and first aid reduced the number of pothole repairs.
- (h) 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.
- (i) The decrease is due to the workload for APEC preparation.
- (j) Correction from prior CAFR.

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 2003 - 2012
(Unaudited)

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety										
Police										
Stations	12	11	12	12	12	11	11	11	11	11
Patrol units - City owned	346	473	328	331	300 (a)	363	332	288	288	295
Patrol units - privately owned (b)	1,334	1,312	1,357	1,276	1,428	1,293	1,313	1,325	1,332	1,295
Fire stations (c)	45	44	44	44	44	44	44	44	44	44
Emergency medical services stations	22	21	21	21	21	20	20	20	19	19
Refuse collection trucks	168	174	206	206	191	191	192	186 (d)	205	197
Other Public Works										
Streets (paved mile)	1,415	1,410	1,407	1,398	1,398	1,398	1,393	1,391	1,389	1,386
Streetlights	47,819	47,544	47,283	47,160	46,756	46,605	46,236	45,937	45,922	45,285
Storm sewers (miles)	723	718	715	706	706	706	702	701	699	696
Parks and Recreation										
Parks and recreational areas	283	288	288	287	284	282	277	288	280	283
Beach access/right of ways	90	90	90	90	90	90	83	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	93	91
Gymnasiums	24	24	24	24	24	24	24	24	26	25
Swimming pools	21	21	21	21	21	21	21	20	20	20
Baseball/softball fields	200	200	200	193	193	194	194	194	194	200
Basketball courts	200	200	200	200	200	200	200	200	200	200
Tennis courts	203	203	200	200	200	200	200	179	179	179
Volleyball courts	169	169	169	169	169	169	169	169	169	170
Soccer fields	80	80	80	80	80	80	80	80	80	80
Traffic related landscaped areas	149	149	149	149	149 (e)	90	86	86	86	86
Other Enterprise										
Golf courses	6	6	6	6	6	6	6	6	6	6
Zoological parks	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	2,101	2,095	2,079	2,043	2,067	2,060	2,055	2,037	1,997	1,977
Fire hydrants	21,130	21,045	21,006	20,950	20,760	20,381	20,073	19,832	19,711	19,526
Storage capacity (millions of gallons)	184	182	182	182	182	183	182	182	182	182
Wastewater										
Sanitary sewers (miles)	2,087	2,100	2,143	2,152	2,113	2,191	2,191	2,191	2,205	2,304
Treatment capacity (millions of gallons)	152	152	152	152	152	152	151	151	151	151
Transit										
Buses	540	553	552	549	540	525	525	525	536	525
Paratransit vehicles	158	181	166	166	148	129	119	123	121	154
Traffic signal intersections (g)	827	825	823	819	799	790	787	772	760	760

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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