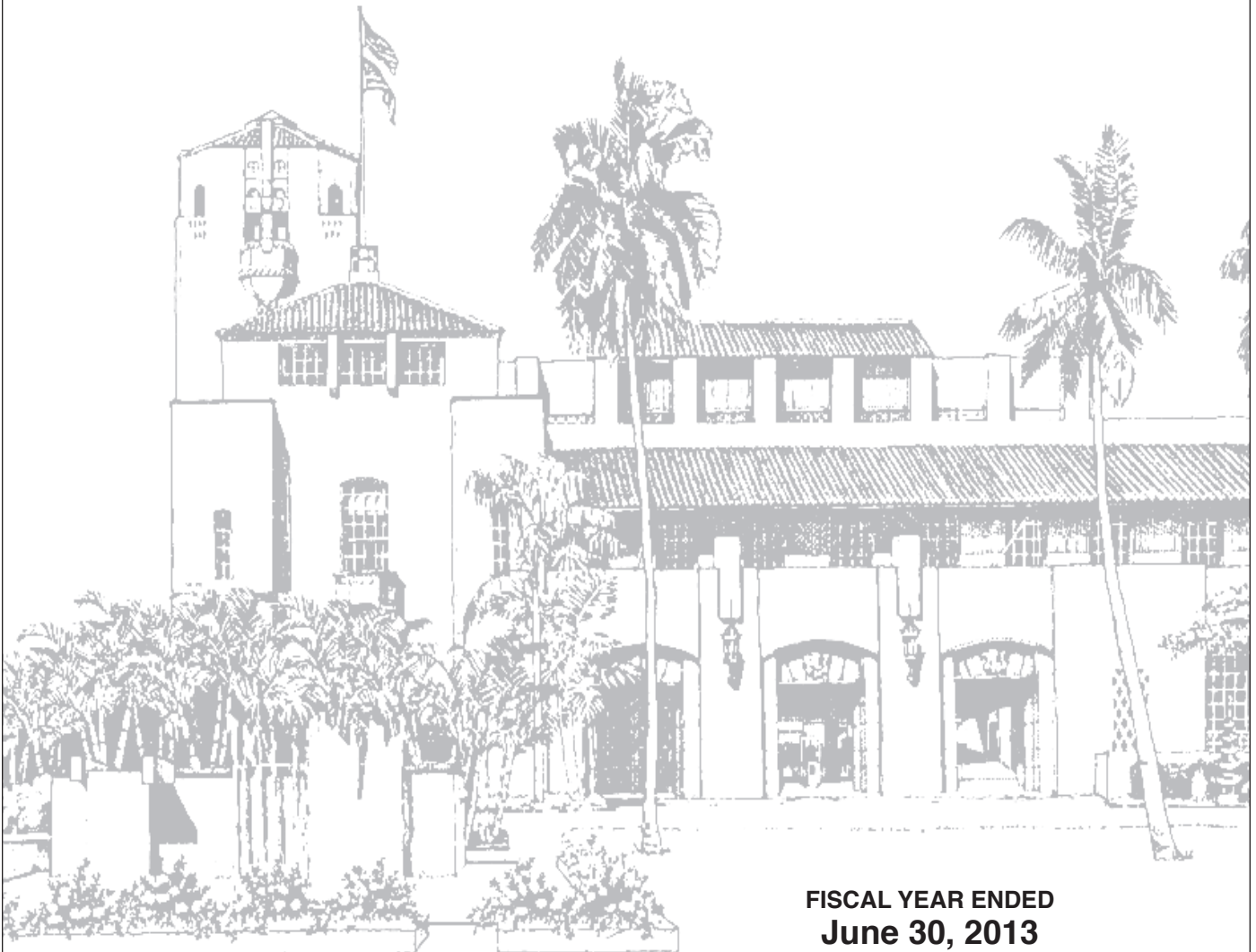
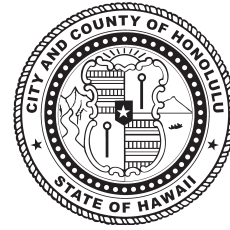


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2013**

EXECUTIVE BRANCH



Kirk Caldwell
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2013

Prepared by:
DEPARTMENT OF BUDGET AND FISCAL SERVICES
NELSON H. KOYANAGI, JR.
DIRECTOR

**CITY AND COUNTY OF HONOLULU
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2013**

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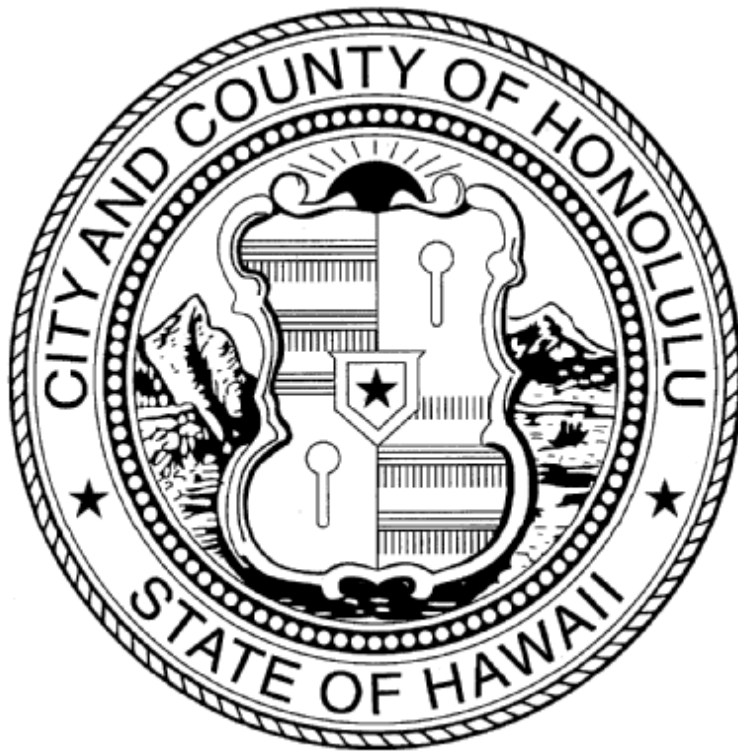
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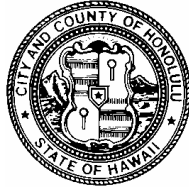
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INTRODUCTORY SECTION

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

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

GARY T. KUROKAWA
DEPUTY DIRECTOR

December 13, 2013

The Honorable Kirk Caldwell, 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 Caldwell, 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, 2013. 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 include 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's economic indicators were relatively positive prior to the 16-day federal government shutdown in October 2013. Many furloughed civilian defense employees returned to work a week into the shutdown and are being granted retroactive pay, lessening the economic impact.

- Hawaii is recognized as a strategic military location with armed services expenditures amounting to 9.6% of the State's gross domestic product. The State's share is the highest in the nation, overwhelmingly concentrated on Oahu.
- Construction jobs rose 7.9% to 24,700 for October 2013 compared to the same month the preceding year. Contracting revenues increased 22.0% to \$6.2 billion for the fiscal year ended June 30, 2013, but decreased a slight 0.4% to \$998.8 million for the two months ended August 31, 2013 compared to the same period in 2012. Although the number of building permits issued decreased by 6.6% to 24,780, the value increased slightly by 0.7% to \$1.97 billion for the first eleven months of calendar year 2013 when compared to the same period last year.
- For September 2013, average daily hotel room rates on Oahu rose 13.2% to \$203.11 while hotel occupancy declined slightly to 84.3% from 84.5% for September 2012. Total visitor arrivals of 388,800 for September 2013 was relatively unchanged compared to the same month a year ago. Daily visitor spending decreased 5.6% to \$219 per person, length of stay shortened 5.3% to 6.57 days, resulting in a 10.5% decrease in total visitor expenditures to \$560.2 million compared to last September. There were more visitors to Oahu from the eastern U.S., Canada, Korea, Australia, Europe and Latin America, but less visitors from the western U.S. and China.
- The November 2013 single family home median resale prices increased 6.9% to \$684,000, and resale volume improved 2.1% to 296 when compared with the same month a year ago. Similarly, the condominium resale median price rose 1.5% to \$330,000 while the resale volume improved 12.1% to 407 for November 2013.

- Retail sales on Oahu increased 2.4% from \$25.3 billion for fiscal year 2012 to \$25.9 billion for fiscal year 2013, but decreased 1.6% to \$4.3 billion for the two months ended August 31, 2013 compared to the same period in 2012.
- Non-agricultural jobs totaled 456,000 for October 2013, a slight 0.9% increase from 451,900 non-farm jobs for the same month the preceding year.
- Honolulu had the lowest unemployment rate among Hawaii's counties in October 2013, with a non-seasonally adjusted unemployment rate of 4.3%, compared to 4.7% statewide, and 7.0% nationally.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 2.8% for the second quarter of 2013 compared to increases of 2.9% for the first quarter, and 3.7% for 2012.
- Proprietors' income increased 6.3% for the second quarter of 2013, compared to increases of 5.7% for the first quarter, and 7.3% for 2012.

Sources:

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

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://dbedt.hawaii.gov>.

State of Hawaii, Department of Labor and Industrial Relations, <https://www.hiwi.org>.

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

UHERO, The Economic Research Organization at the University of Hawaii, <http://www.uhero.hawaii.edu>.

U.S. Bureau of Labor Statistics, <http://bls.gov/opub>.

MAJOR INITIATIVES

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

The City's capital improvement budget of \$620.1 million for fiscal year 2013 represented an increase of 13.3% compared to the preceding fiscal year. Funding for capital improvements in fiscal year 2013 were primarily for sanitation (53.5%), and highways and streets (20.1%).

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$332.0 million was 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 Waiau Area Sewer Rehabilitation/Reconstruction (\$12.8 million).

Highways and Streets

The \$124.4 million capital improvement budget for highways and streets represented a 22.1% increase for fiscal year 2013 in comparison to the previous fiscal year. Major highways and streets projects included 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 amounted to \$46.5 million for fiscal year 2013, representing a 20.5% increase from the previous fiscal year. The major public safety projects included 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 included 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).

General Government

The general government function of the capital improvement budget increased 8.3% 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).

Transportation

Mass transit appropriations of \$30.9 million for fiscal year 2013 represented 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).

Human Services

The capital improvement budget for the human services function was \$19.0 million for fiscal year 2013, representing a 6.7% increase compared to the last fiscal year, and included the Community Development Block Grant Program (\$5.9 million), Koolauloa Affordable Housing Initiative Program (\$5.6 million), and Home Investment Partnerships Program (\$3.8 million).

FOR THE FUTURE

The executive operating budget for fiscal year 2014 is \$2.16 billion net of interfund transfers, representing an increase of \$196.9 million compared to the prior year. The increase is due to escalating costs for debt service, pension and health benefits, the restoration of salary rates that were in effect at June 30, 2009 (5.0% snapback), and \$70.0 million of anticipated proceeds from the sale of the City's affordable housing properties to retire general obligation bonds issued for the Housing Development Special Fund. The City continues to focus on providing core services to Honolulu's residents and visitors while exercising appropriate fiscal discipline.

The City's capital improvement budget of \$635.1 million for fiscal year 2014 represents an increase of 2.4% compared to the preceding fiscal year. Funding continues to focus on sanitation (34.5%), and on highways and streets (26.0%), two of the Mayor's priorities. In addition, sizeable percentage increases were made to culture and recreation and transportation to meet other administrative policy initiatives.

Sanitation

For solid waste and sewage collection and disposal projects, a sum of \$218.8 million is budgeted for fiscal year 2014, representing an decrease of 34.1% compared to the prior fiscal year. Major sanitation projects include Kaneohe/Kailua Sewer Tunnel (\$62.0 million), Honouliuli Wastewater Treatment Plant Energy Improvements (\$15.0 million), Sewer Mainline and Lateral Projects (\$14.3 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$11.1 million), and Kailua Wastewater Treatment Plant Energy Improvement (\$10.0 million).

Highways and Streets

The \$165.3 million capital improvement budget for highways and streets represents a 32.9% increase for fiscal year 2014 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$120.0 million), Waikiki Improvements (\$6.0 million), Bridge Rehabilitation at

Various Locations (\$5.5 million), and Curb Ramps at Various Locations (\$3.3 million).

Public Safety

The appropriations for the public safety function amount to \$49.2 million for fiscal year 2014, representing a 5.8% increase from the previous fiscal year. The major public safety projects include Kuahea Street Area Movement (\$5.6 million), Traffic Engineering Devices at Various Locations (\$5.5 million), Traffic Signals at Various Locations (\$4.9 million), Traffic Improvements at Various Locations (\$4.0 million), and Honolulu Police Department Equipment Acquisition (\$3.9 million).

Culture-Recreation

For fiscal year 2014, \$62.9 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a increase of 81.8% over the prior fiscal year. The major culture-recreation projects include Renovate Recreational Facilities (\$5.5 million), and Department of Enterprise Services National Pollution Discharge Elimination System Small MS4 Permit Program (\$4.3 million).

General Government

The general government function of the capital improvement budget increased 23.8% to \$40.5 million for fiscal year 2014 compared to the prior fiscal year. The following are the major general government projects: Citywide Procurement of Major Equipment (\$18.5 million), Telecommunications Facilities Upgrade (\$7.1 million), Pearl City Corporation Yard Renovations (\$4.3 million), Civic Center Improvements (\$2.0 million), and Public Building Facilities Improvements (\$2.0 million).

Transportation

Mass transit appropriations of \$44.0 million for fiscal year 2014 represents a 42.4% increase compared to the previous fiscal year. Two of the noteworthy public transit projects are the Bus and Handi-Van Acquisition Program (\$24.3 million), and Alapai Transportation Management Center (\$17.1 million).

Human Services

The capital improvement budget for the human services function is \$54.4 million for fiscal year 2014, representing a 186.3% increase compared to the last fiscal year. Appropriations for human services include the following: \$40.6 million for the Community Development Block Grant Program (of which \$34.1 million in program income will be available for expenditure from the anticipated sale of the City's affordable housing properties), \$6.5 million for the Housing Partnership Program, and \$4.7 million for the Home Investment Partnerships Program.

FINANCIAL INFORMATION

The basic financial statements include two government-wide financial statements, the Statement of Net Position 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. The Board of Directors of the Board of Water Supply likewise contracted Accuity LLP 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, 2012. The City has received the award in 26 of the last 27 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 fourteen 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 honored 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, 2013.

Respectfully submitted,



Nelson H. Koyanagi, Jr.
Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City and County of Honolulu
Hawaii**

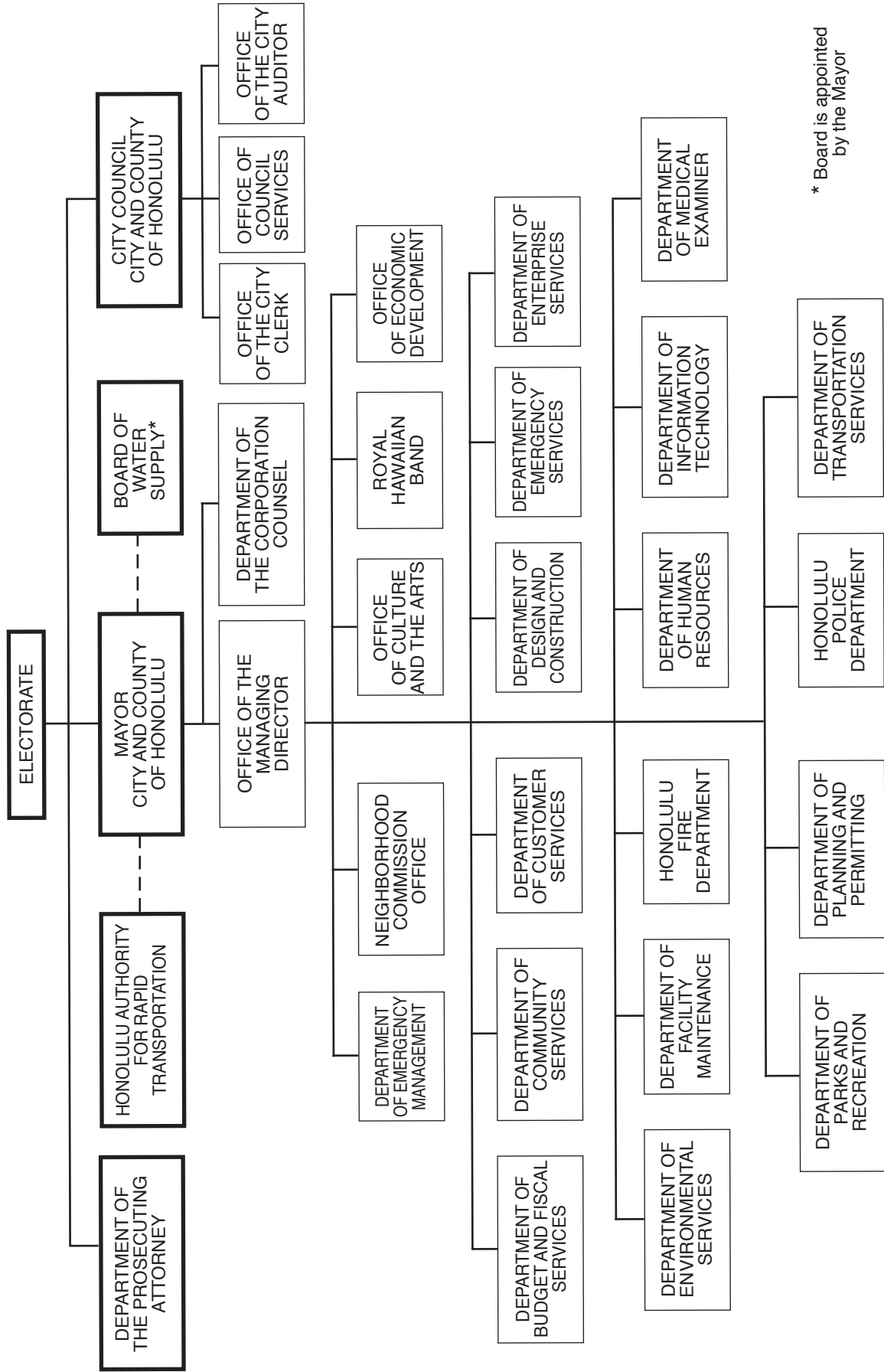
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY AND COUNTY OF HONOLULU ORGANIZATION CHART

FISCAL YEAR 2012 - 2013



* Board is appointed by the Mayor

**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2013**

EXECUTIVE BRANCH

Mayor. Kirk Caldwell

Prosecuting Attorney. Keith M. Kaneshiro

LEGISLATIVE BRANCH

<u>Council District</u>	<u>Councilmember</u>
First	Kymberly Marcos Pine
Second.	Ernest Y. Martin, Chair
Third	Ikaika Anderson
Fourth.	Stanley Chang
Fifth	Ann H. Kobayashi
Sixth.	Carol Fukunaga
Seventh.	Joey Manahan
Eighth.	Breene Harimoto
Ninth	Ron Menor

LEGISLATIVE BRANCH

CITY COUNCIL



Kymberly Marcos Pine
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



Carol Fukunaga
Councilmember, District VI



Joey Manahan
Councilmember, District VII

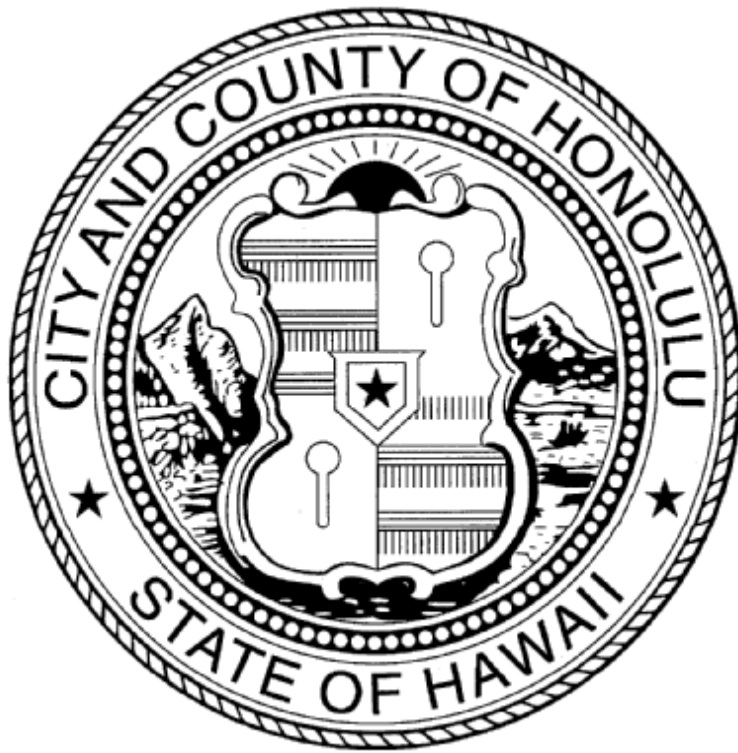


Breene Harimoto
Councilmember, District VIII



Ron Menor
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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited each fiduciary fund type of the City as of and for the year ended June 30, 2013, as displayed in the City's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Honolulu Authority for Rapid Transportation, which is a discretely presented component unit and represents 14 percent, 31 percent and 13 percent, respectively, of the assets, net position and revenues of the City activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Honolulu Authority for Rapid Transportation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information, as well as each fiduciary fund type of the City, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information and schedule of funding progress on pages 17–32, 97–101 and 102, respectively, 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 and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 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* in considering the City's internal control over financial reporting and compliance.

Accuity LLP

Honolulu, Hawaii
December 13, 2013

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013

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, 2013. 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 2013

- Taxes and other revenues for governmental activities totaled \$1.47 billion for fiscal year 2013 compared to \$1.45 billion for the prior fiscal year. Expenses before transfers amounted to \$1.26 billion for the current fiscal year compared to \$1.36 billion before the special item - contribution to component unit and transfers for fiscal year 2012. The governmental activities are summarized on page 22, discussed on pages 23 to 25, and reported on pages 34 and 35.
- The net position for the City's business-type activities increased by \$101.1 million for the current fiscal year compared to \$201.2 million for fiscal year 2012. For the current fiscal year, the increase in net position can be attributed primarily to the 4.0% sewer service charge rate hike as part of a multi-year rate package implemented to address long-term system upgrades mandated by the Environmental Protection Agency. For fiscal year 2012, the improvement in net position resulted from increased sewer service charge rates and HECO electrical energy rates paid to H-POWER. 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, 2013 increased by \$208.9 million (as summarized on page 28) to \$637.6 million (as reported on pages 37 and 38).
- Net capital assets for the governmental activities rose slightly to \$2.19 billion at June 30, 2013, compared to \$2.15 billion at the end of the prior fiscal year. Likewise, net capital assets for the business-type activities increased 3.8% to \$3.16 billion at the close of fiscal year 2013 from \$3.04 billion at June 30, 2012. 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 \$2.2 billion, representing less than 10% of the City's \$23.3 billion statutory debt limit. Additional information on the City's long-term debt may be found on pages 31 and 32, on pages 72 to 78 in the Notes to Financial Statements, and on pages 227 to 230 in the Statistical Section.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013

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 Position 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 Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes).

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

The City's component units, the semi-autonomous operations of the Board of Water Supply (BWS) and Honolulu Authority for Rapid Transportation (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.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013

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, 2013, 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 two other major funds are the Highway Fund, and the General Obligation Bond and Interest Redemption Fund. 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 Balances for the governmental funds. Individual fund data for each of these funds are provided in the form of combining financial statements under Other Supplementary Information of this report.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013

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 116 and 117.

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 Position

As noted earlier, net position 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 \$1.84 billion for the fiscal year ended June 30, 2013 in contrast to \$1.68 billion at the end of last fiscal year. This \$159.9 million (9.5%) improvement in net position resulted in part from concerted efforts to contain costs.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

The largest portion of the primary government's net position (51.0 % and 55.1% at the end of fiscal years 2013 and 2012, respectively) is net investment in capital assets (i.e., land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure). 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 \$725.2 million and \$583.5 million of the net position for the primary government were unrestricted at June 30, 2013 and 2012, respectively. For the City's governmental activities, the unrestricted net position of \$145.4 million at the end of fiscal year 2013 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 position improved to \$579.8 million at June 30, 2013 primarily due to sewer service charge rate increases. A small percentage (9.7%) of the City's net position at June 30, 2013 represents resources that are subject to external restrictions on how they may be used.

The following is a summary of the Statements of Net Position as of June 30, 2013 and 2012:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 827.0	\$ 601.5	\$ 1,262.4	\$ 1,126.0	\$ 2,089.4	\$ 1,727.5
Restricted assets	-	-	10.2	8.8	10.2	8.8
Capital assets, net of accumulated depreciation	2,189.0	2,148.5	3,159.0	3,042.4	5,348.0	5,190.9
Total assets	3,016.0	2,750.0	4,431.6	4,177.2	7,447.6	6,927.2
Noncurrent liabilities	2,663.5	2,454.0	2,685.9	2,551.2	5,349.4	5,005.2
Other liabilities	105.8	108.1	150.6	132.0	256.4	240.1
Total liabilities	2,769.3	2,562.1	2,836.5	2,683.2	5,605.8	5,245.3
Net position:						
Net investment in capital assets	101.1	118.2	837.4	809.0	938.5	927.2
Restricted	0.2	0.2	177.9	171.0	178.1	171.2
Unrestricted	145.4	69.5	579.8	514.0	725.2	583.5
Total net position	\$ 246.7	\$ 187.9	\$ 1,595.1	\$ 1,494.0	\$ 1,841.8	\$ 1,681.9

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

The following is a summary of the Statements of Activities for fiscal years 2013 and 2012:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 264.9	\$ 263.1	\$ 564.1	\$ 564.6	\$ 829.0	\$ 827.7
Operating grants and contributions	116.4	122.1	27.3	21.0	143.7	143.1
Capital grants and contributions	54.2	55.4	26.9	58.7	81.1	114.1
General revenues:						
Property taxes	825.5	799.2	-	-	825.5	799.2
Other taxes	163.8	157.5	-	-	163.8	157.5
Other	48.7	47.7	1.6	1.2	50.3	48.9
Total revenues	<u>1,473.5</u>	<u>1,445.0</u>	<u>619.9</u>	<u>645.5</u>	<u>2,093.4</u>	<u>2,090.5</u>
Expenses						
General government	468.3	497.3	-	-	468.3	497.3
Public safety	393.2	407.3	-	-	393.2	407.3
Highways and streets	38.7	100.9	-	-	38.7	100.9
Sanitation	4.3	4.5	-	-	4.3	4.5
Human services	82.8	94.2	-	-	82.8	94.2
Culture and recreation	106.5	124.9	-	-	106.5	124.9
Utilities or other enterprises	84.8	38.8	-	-	84.8	38.8
Interest	76.9	93.1	-	-	76.9	93.1
Housing	-	-	11.7	12.2	11.7	12.2
Sewer	-	-	260.8	237.7	260.8	237.7
Solid waste	-	-	166.2	166.1	166.2	166.1
Public transportation	-	-	239.3	226.6	239.3	226.6
Total expenses	<u>1,255.5</u>	<u>1,361.0</u>	<u>678.0</u>	<u>642.6</u>	<u>1,933.5</u>	<u>2,003.6</u>
Increase (decrease) before contributions and transfers:	218.0	84.0	(58.1)	2.9	159.9	86.9
Special Item: Contribution to Component Unit	-	(749.3)	-	-	-	(749.3)
Transfers	(159.2)	(198.3)	159.2	198.3	-	-
Change in net position	58.8	(863.6)	101.1	201.2	159.9	(662.4)
Net position - beginning	187.9	1,051.5	1,494.0	1,292.8	1,681.9	2,344.3
Net position - ending	<u>\$ 246.7</u>	<u>\$ 187.9</u>	<u>\$ 1,595.1</u>	<u>\$ 1,494.0</u>	<u>\$ 1,841.8</u>	<u>\$ 1,681.9</u>

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013

Total revenues for the primary government were relatively stable at \$2.09 billion for fiscal years 2013 and 2012.

Expenses for the primary government totaled \$1.93 billion for fiscal year 2013 of which \$1.26 billion applied to governmental activities and \$678.0 million related to business-type activities. For the prior fiscal year, expenses for the primary government totaled \$2.0 billion; \$1.36 billion pertained to governmental activities and \$642.6 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$88.6 million for the governmental activities and \$84.4 million for business-type activities for fiscal year 2013 as disclosed on page 70.

Statement of Activities

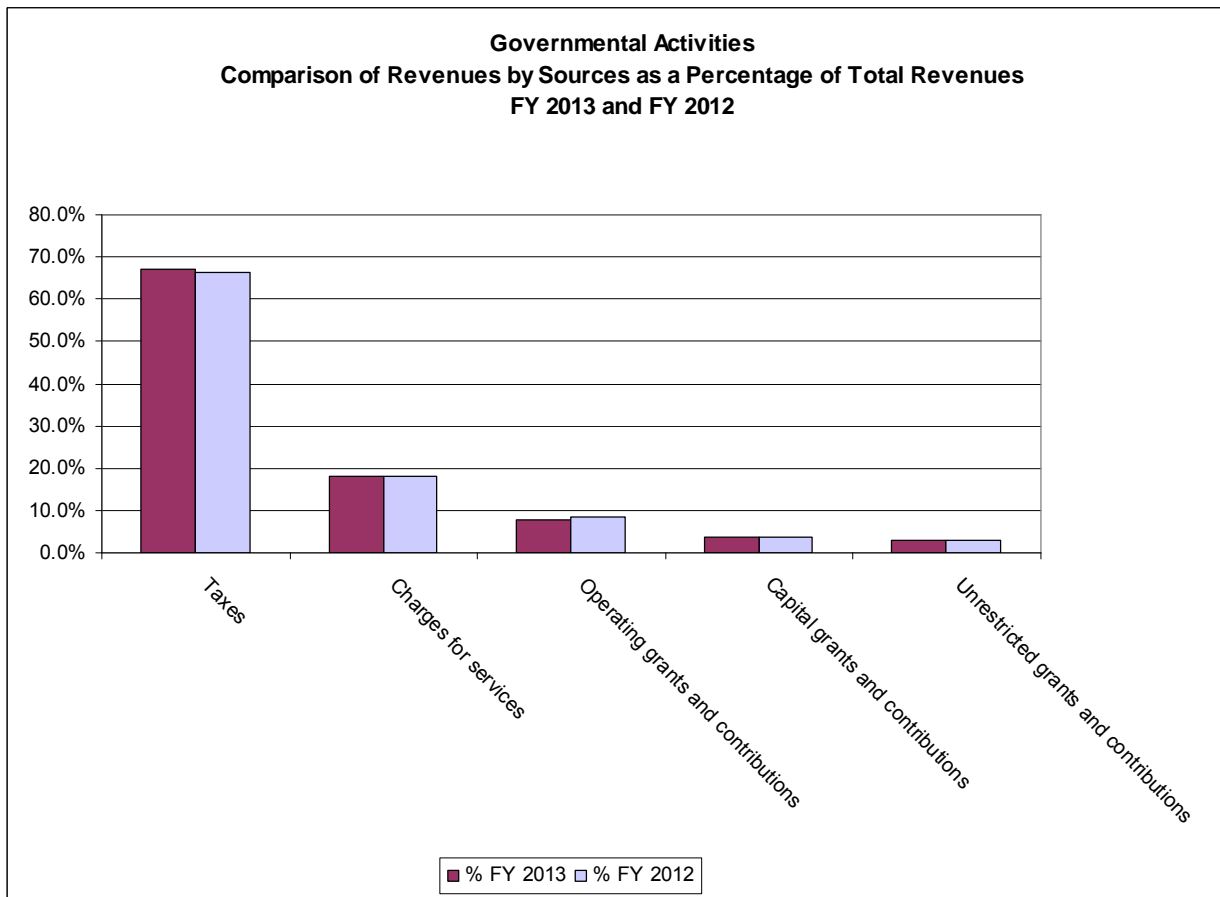
As noted earlier, the Statement of Activities presents how the City's net position changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some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

Governmental Activities

The net position for the City's governmental activities improved by \$58.8 million for fiscal year 2013 compared to a decline of \$863.6 million for fiscal year 2012. The reduction in net position last fiscal year was due largely to the special item - contribution to component unit on July 1, 2011, the beginning of the last fiscal year.

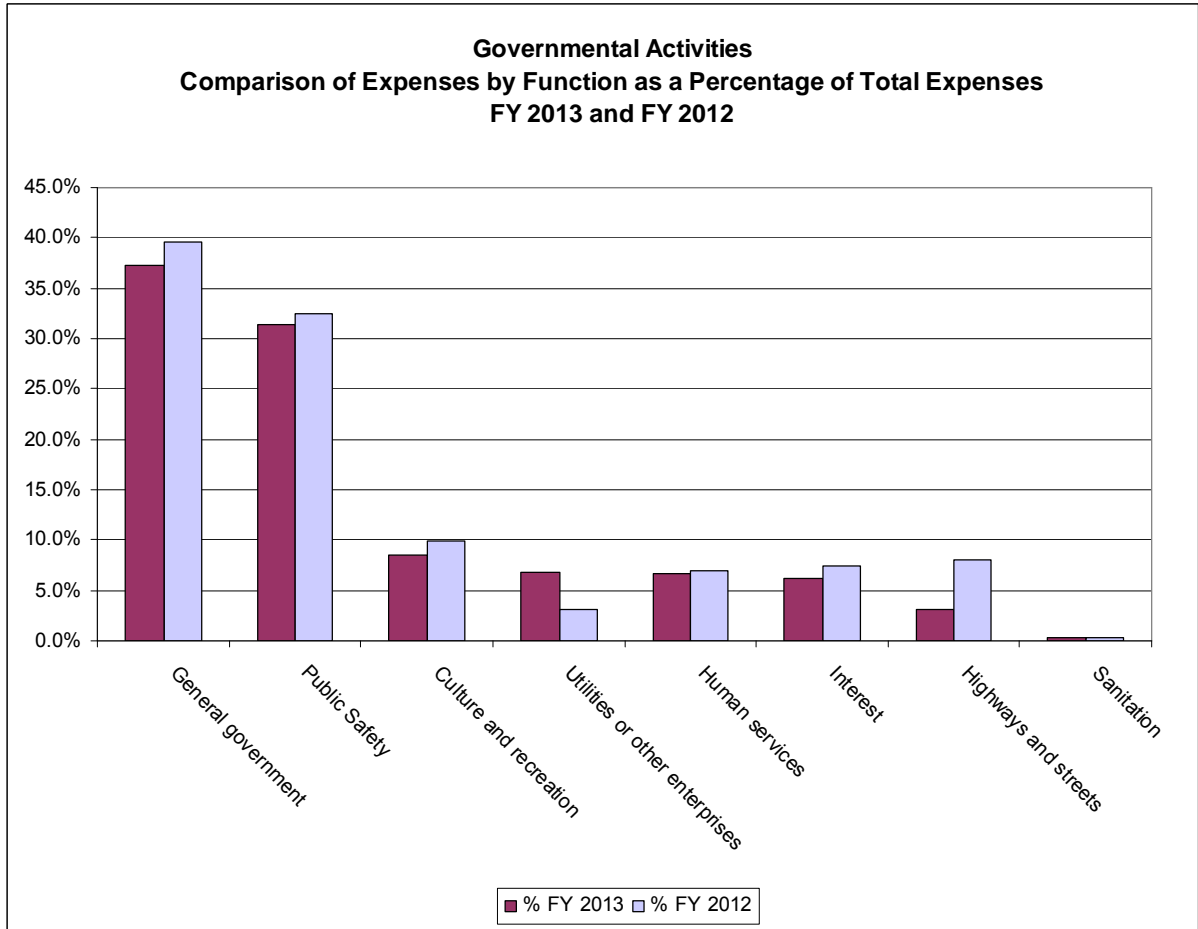
**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

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 2013, taxes increased \$32.6 million to \$989.3 million, representing 67.1% of the revenues from governmental activities. Charges for services rose a slight 0.7% to \$264.9 million. Operating grants and contributions decreased 4.7% from \$122.1 million for fiscal year 2012 to \$116.4 million for fiscal year 2013.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

Expenses. As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, expenditures declined for all functions except utilities or other enterprises which increased 118.8% to \$84.9 million for fiscal year 2013. Expenditures for the highways and street function decreased 61.6% from \$100.9 million for the previous fiscal year to \$38.7 million for fiscal year 2013.

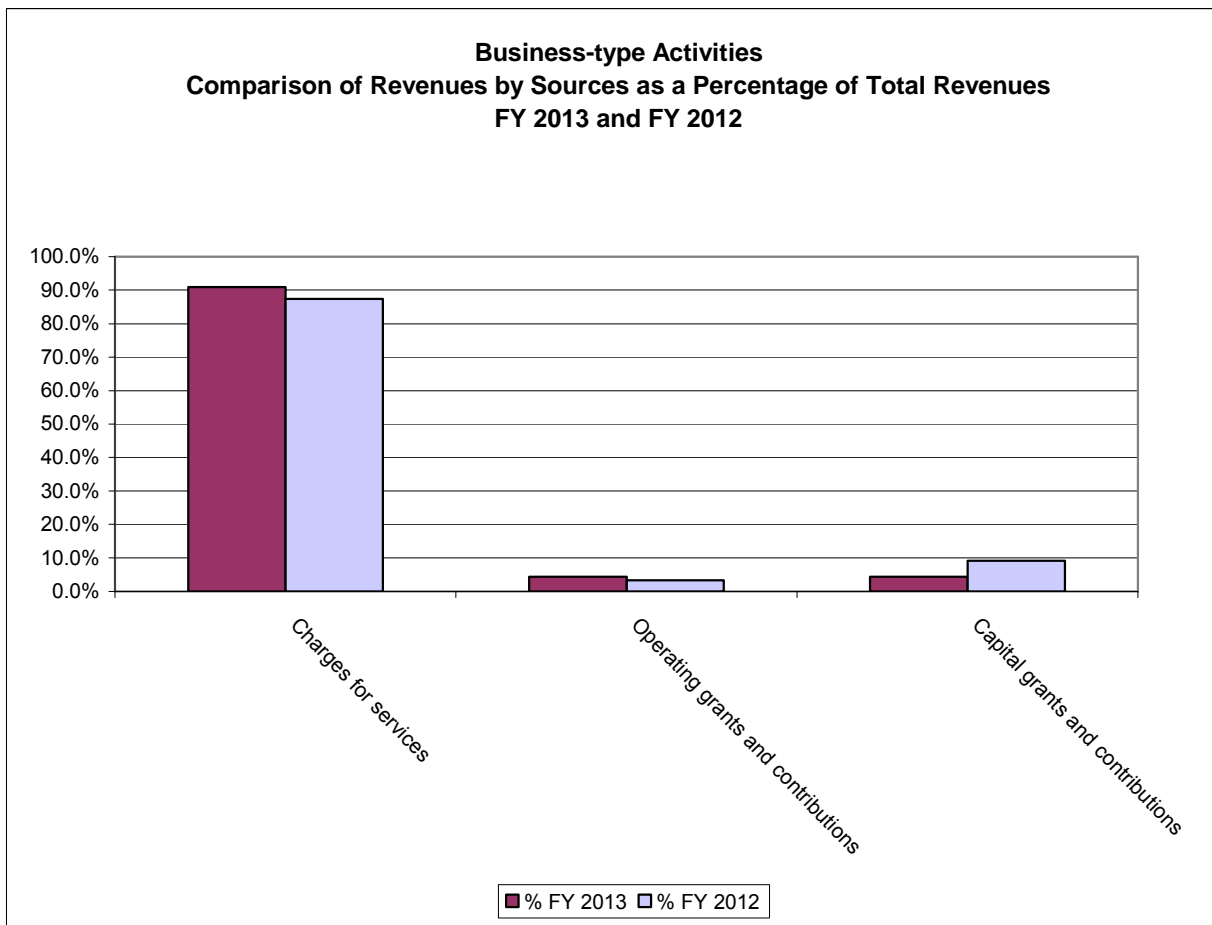


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

Business-type Activities

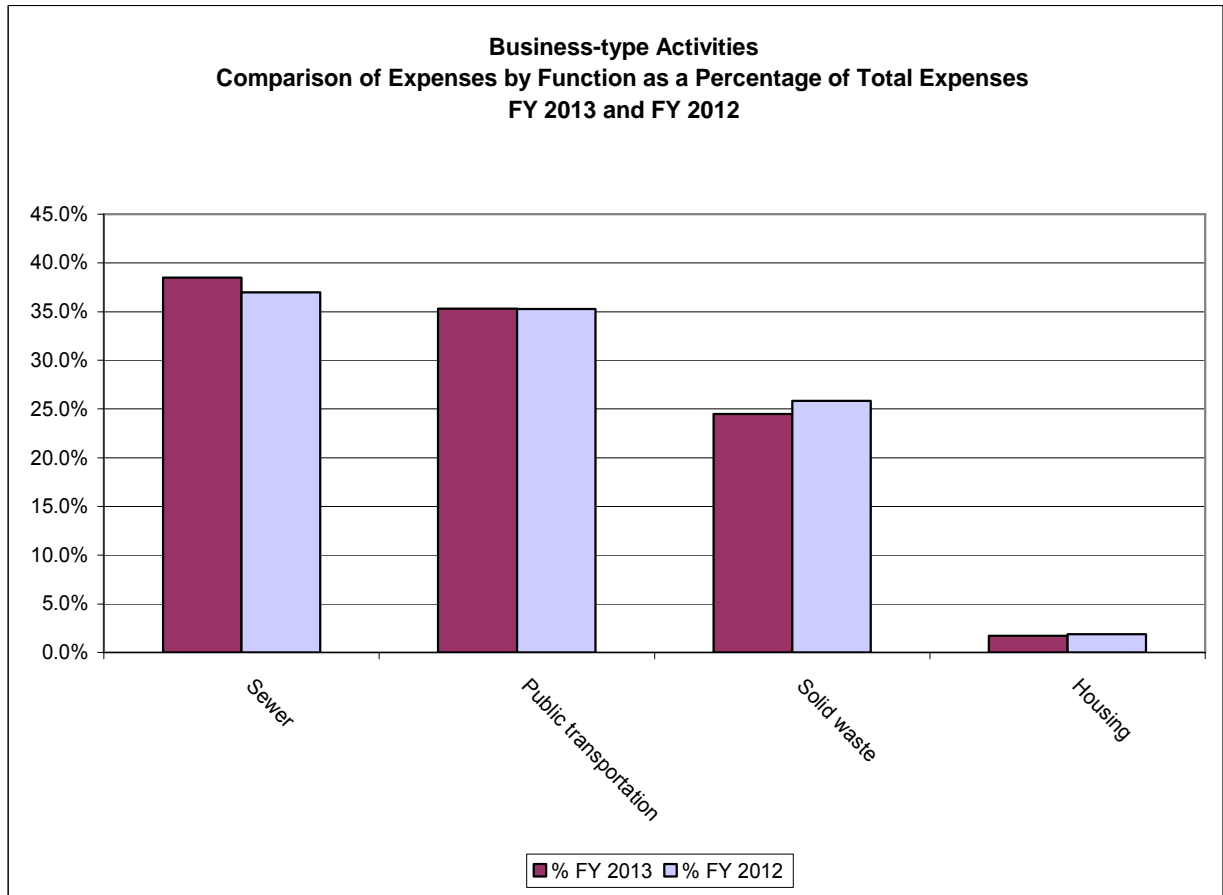
The net position for the City's business-type activities increased by \$101.1 million and \$201.1 million for fiscal years 2013 and 2012, respectively. For the current fiscal year, the improvement in net position can be attributed primarily to the 4.0% sewer service charge rate increase as part of a 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 91.0% and 87.4% of the revenues for fiscal years 2013 and 2012, respectively. Specifically, charges for services totaled \$564.1 million for fiscal year 2013 and can be disaggregated as follows: housing (\$10.4 million), sewer (\$378.0 million), solid waste (\$118.7 million), and public transportation (\$57.0 million). Similarly, charges for services for fiscal year 2012 totaled \$564.6 million, comprised of housing (\$10.6 million), sewer (\$378.2 million), solid waste (\$119.0 million), and public transportation (\$56.8 million).



CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2013 and 2012. Sewer (38.5%) used the most resources, followed by public transportation (35.3%) and solid waste (24.5%) for fiscal year 2013.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

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 2013 fiscal year. Total fund balances increased \$208.9 million for fiscal year 2013 in comparison to a decrease of \$428.9 million as a result of the contribution to HART for the prior fiscal year.

**Changes in Fund Balances
(Amounts in Millions)**

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	All Other Funds	Totals	
					2013	2012
Revenues:						
Taxes	\$ 875.4	\$ 110.6	\$ -	\$ 8.1	\$ 994.1	\$ 964.2
Other	137.0	134.8	-	205.6	477.4	504.2
Total Revenues	1,012.4	245.4	-	213.7	1,471.5	1,468.4
Expenditures	733.5	93.9	187.1	362.7	1,377.2	1,383.7
Subtotal	278.9	151.5	(187.1)	(149.0)	94.3	84.7
Transfers and Other	(194.7)	(151.7)	187.1	273.8	114.5	(66.3)
Special Item: Contribution to HART	-	-	-	-	-	(447.3)
Changes in Fund Balances	\$ 84.2	\$ (0.2)	\$ -	\$ 124.8	\$ 208.8	\$ (428.9)

The above changes in fund balances for the governmental funds differ from the changes in net position 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 position as detailed on page 39.

General Fund. The General Fund is the main operating fund of the City. The unassigned fund balance of the General Fund increased by \$69.4 million to \$228.4 million for the fiscal year ended June 30, 2013; total fund balance increased \$84.2 million to \$334.0 million in comparison to the prior fiscal year.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

Real property tax, the primary General Fund revenue source, rose \$17.6 million, representing a 2.2% increase over the previous year, primarily due to higher assessed values, new inventory, and compliance reviews of exemptions.

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 decreased slightly from \$46.9 million at June 30, 2012 to \$46.8 at the close of the current fiscal year.

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, 2013 remained unchanged at \$321,000 in comparison to the prior fiscal year end.

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 improved by \$124.9 million from \$131.9 million at June 30, 2012 to \$256.8 million at June 30, 2013, primarily due to the issuance of commercial paper and general obligation bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Collections of real property taxes exceeded budgetary estimates by \$19.2 million (2.4%) for fiscal year 2013, primarily due to an increase in assessed values, new inventory, compliance reviews of exemptions, and tax appeal resolutions. Additionally, actual revenues for building permits was \$1.8 million (15.1%) higher than budgeted, given the growth in the construction industry. With the statutory limits on the City's share of the transient accommodation tax (also known as the hotel room tax), \$41.0 million was budgeted and earned. On the other hand, the amounts budgeted exceeded actual revenues for motor vehicle drivers' licenses by \$1.5 million (22.4%) and the reimbursements from the State for Emergency Ambulance Services by \$4.0 million (11.5%).

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, 2013

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 8.6% (\$74.6 million) for fiscal year 2013 and by 7.9% (\$68.5 million) for the previous fiscal year. The net changes in fund balance reflected favorable variances of \$148.3 million for fiscal year 2013 and \$117.3 million for last year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$5.3 billion for the primary government of which \$2.2 billion pertained to governmental activities as of June 30, 2013. 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 2013. Major projects for the governmental activities include Rehabilitation of Streets (\$65.0 million) and Traffic Signal and Control Improvements (\$18.9 million). For the business-type activities, the major projects include Ala Moana Wastewater Pumping Station Force Main (\$42.3 million), Waste Process Disposal – Third Boiler Expansion (\$26.9 million), Honouliuli/Waipahu/Pearl City/Central Oahu Wastewater Facilities Effluent Reuse (\$14.3 million), and Kaneohe/Kailua Sewer Tunnel (\$11.9 million).

Major completed projects during fiscal year 2013 for the governmental activities include Rehabilitation of Streets at various locations (\$29.0 million), Joint Traffic Management Control Center (\$19.1 million), East Kapolei/Ewa Beach Fire Station relocation (\$11.8 million), Ewa Mahiko District Park Gymnasium, Parking Lot and Ball Courts (\$10.6 million), Wahiawa Transit Center Park and Ride (\$7.3 million), and Alapai Transit Center Renovations (\$5.5 million). For the business-type activities, the major projects include Beachwalk Wastewater Pumping Station to Ala Moana Park (\$41.7 million), 41 Gillig Clean Diesel Buses (\$18.0 million), Saint Louis Heights Sewer System Force Main and Lateral (\$12.3 million), Middle Street Intermodal Transit Center (\$13.4 million), Wahiawa Wastewater Pumping Station Upgrade (\$10.6 million), Houghtailing Street Area Sewer Rehabilitation (\$9.4 million), and Refuse Trucks (\$7.9 million).

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, 2013

The following is a summary of the capital assets for the primary government as of June 30, 2013 in comparison to the previous year:

Summary of Capital Assets
(Amounts in millions)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2013	2012	2013	2012	2013	2012
Non-depreciable assets:						
Land	\$ 477.4	\$ 474.2	\$ 156.8	\$ 155.9	\$ 634.2	\$ 630.1
Construction work in progress	190.6	211.8	639.7	650.3	830.3	862.1
Other capital assets:						
Buildings and improvements	1,335.7	1,271.8	1,370.3	1,213.5	2,706.0	2,485.3
Equipment and machinery	346.3	335.0	600.1	571.5	946.4	906.5
Infrastructure	1,294.8	1,229.8	1,494.1	1,490.3	2,788.9	2,720.1
Less: accumulated depreciation	<u>(1,455.8)</u>	<u>(1,374.1)</u>	<u>(1,101.9)</u>	<u>(1,039.1)</u>	<u>(2,557.7)</u>	<u>(2,413.2)</u>
Net	<u>\$ 2,189.0</u>	<u>\$ 2,148.5</u>	<u>\$ 3,159.1</u>	<u>\$ 3,042.4</u>	<u>\$ 5,348.1</u>	<u>\$ 5,190.9</u>

Long-Term Debt

At June 30, 2013, the long-term debt for the primary government amounted to \$4.7 billion, consisting mainly of total bonded debt (\$4.5 billion) and notes payable (\$224.1 million). The total bonded debt is comprised of \$2.8 billion in general obligation bonds and \$1.7 billion in revenue bonds secured by wastewater system revenue sources.

The general obligation bonds, Series 2012 A through G, have ratings of "Aa1/AA+" by Moody's Investors Service and Fitch Ratings, respectively.

The wastewater system revenue bonds, Senior Series 2012A and 2012B, 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 2013:

- On October 4, 2012 \$265.6 million wastewater system revenue bonds, Senior Series 2012A (Tax-Exempt) and Senior Series 2012B (Tax-Exempt), were issued. The bonds were issued to fund the cost of certain additions and improvements to the wastewater system, provide for a reserve and refund certain outstanding wastewater system revenue bonds.
- On November 20, 2012, \$880.3 million of general obligation bonds, Series 2012A (Tax-Exempt), Series 2012B (Tax-Exempt), Series 2012D (Taxable), Series 2012E (Taxable), Series 2012F (Taxable) and Series 2012G (Taxable) were issued. The bonds were issued to fund certain capital improvement projects and to refund certain outstanding general obligation bonds.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2013**

- On December 4, 2012, \$32.1 million of general obligation bonds, Series 2012C (Tax-Exempt) were issued. The bonds were issued to refund certain outstanding general obligation bonds.

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 2013 was \$23.3 billion. The City's outstanding debt applicable to the legal debt margin totaled \$2.2 billion as of June 30, 2013, well below the statutory debt limitation.

Additional information on the City's long-term debt may be found on pages 72 to 78 under note number 8 titled Long-Term Liabilities of the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic indicators such as job counts and personal and proprietors' income growth rates, along with declines in bankruptcy filings for residents and businesses, suggest that the local economy is improving.

The assessed valuation of real property (including new added property inventory) on Oahu increased slightly to \$159.1 billion for fiscal year 2014 from \$155.3 billion for fiscal year 2013.

The rate for sewer service charges was raised 4.0% effective July 1, 2013.

The City continually strives to contain costs while delivering the expected level of public services. The operating budget net of inter-fund transfers increased to \$2.16 billion for fiscal year 2014 from \$1.96 billion for 2013.

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 POSITION
 JUNE 30, 2013
 (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	\$ 306,152	\$ 527,646	\$ 833,798	\$ 20,404	\$ 187,503
Investments	339,033	589,929	928,962	158,596	206,207
Receivables (net)	181,177	78,284	259,461	20,525	134,269
Internal balances	629	(629)	--	--	--
Inventories	--	30,637	30,637	6,460	--
Deferred charges and other	--	36,500	36,500	2,354	3,066
Restricted assets:					
Cash and cash equivalents	--	10,157	10,157	15,197	--
Investments	--	--	--	26,686	--
Other	--	--	--	1,330	--
Capital assets (net of accumulated depreciation):					
Land	477,397	156,803	634,200	32,373	50,164
Buildings and improvements	713,276	1,029,552	1,742,828	90,760	--
Equipment and machinery	107,870	122,805	230,675	91,823	96
Infrastructure	699,854	1,210,256	1,910,110	793,581	--
Construction work in progress	190,619	639,708	830,327	129,927	807,705
Total assets	<u>3,016,007</u>	<u>4,431,648</u>	<u>7,447,655</u>	<u>1,390,016</u>	<u>1,389,010</u>
LIABILITIES					
Accounts payable	74,881	75,066	149,947	15,600	101,428
Matured bonds and interest payable	330	--	330	--	--
Accrued interest payable	30,607	40,374	70,981	6,750	--
Due to fiduciary funds	6	44	50	--	--
Other liabilities	--	35,126	35,126	2,938	--
Noncurrent liabilities:					
Due within one year	151,718	79,373	231,091	10,354	45
Due in more than one year	2,511,778	2,606,544	5,118,322	305,581	2,329
Total liabilities	<u>2,769,320</u>	<u>2,836,527</u>	<u>5,605,847</u>	<u>341,223</u>	<u>103,802</u>
NET POSITION					
Net investment in capital assets	101,107	837,381	938,488	843,770	806,171
Restricted for:					
Capital activity	--	--	--	26,635	--
Debt service	168	177,890	178,058	--	--
Unrestricted	145,412	579,850	725,262	178,388	479,037
Total net position	<u>\$ 246,687</u>	<u>\$ 1,595,121</u>	<u>\$ 1,841,808</u>	<u>\$ 1,048,793</u>	<u>\$ 1,285,208</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, 2013
 (Amounts in thousands)

(Page 1 of 2)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government.....	\$ 468,295	\$ 194,451	\$ 7,179	\$ 228
Public safety.....	393,224	39,729	16,728	9,896
Highways and streets.....	38,683	347	--	6,950
Sanitation.....	4,298	49	--	--
Human services.....	82,806	405	64,019	13,417
Culture and recreation.....	106,457	29,100	458	106
Utilities or other enterprises.....	84,856	863	28,028	23,604
Interest.....	76,914	--	--	--
Total governmental activities....	<u>1,255,533</u>	<u>264,944</u>	<u>116,412</u>	<u>54,201</u>
Business-type activities:				
Housing.....	11,728	10,434	--	2,903
Sewer.....	260,806	377,970	--	1,244
Solid Waste.....	166,160	118,658	--	--
Public Transportation.....	239,351	57,049	27,279	22,747
Total business-type activities....	<u>678,045</u>	<u>564,111</u>	<u>27,279</u>	<u>26,894</u>
Total primary government.....	<u>\$ 1,933,578</u>	<u>\$ 829,055</u>	<u>\$ 143,691</u>	<u>\$ 81,095</u>
Component units:				
Board of Water Supply.....	\$ 186,687	\$ 180,505	\$ --	\$ 23,527
Honolulu Authority for Rapid Transportation.....	15,876	501	--	164,053
Total component units.....	<u>\$ 202,563</u>	<u>\$ 181,006</u>	<u>\$ --</u>	<u>\$ 187,580</u>
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.....				
Transfers.....				
Total general revenues and transfers.....				
Change in net position.....				
Net position - beginning.....				
Net position - 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, 2013
 (Amounts in thousands)

(Page 2 of 2)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Water Supply	Honolulu Authority for Rapid Transportation
\$ (266,437)	\$ --	\$ (266,437)	\$ --	\$ --
(326,871)	--	(326,871)	--	--
(31,386)	--	(31,386)	--	--
(4,249)	--	(4,249)	--	--
(4,965)	--	(4,965)	--	--
(76,793)	--	(76,793)	--	--
(32,361)	--	(32,361)	--	--
(76,914)	--	(76,914)	--	--
<u>(819,976)</u>	<u>--</u>	<u>(819,976)</u>	<u>--</u>	<u>--</u>
--	1,609	1,609	--	--
--	118,408	118,408	--	--
--	(47,502)	(47,502)	--	--
--	<u>(132,276)</u>	<u>(132,276)</u>	<u>--</u>	<u>--</u>
--	<u>(59,761)</u>	<u>(59,761)</u>	<u>--</u>	<u>--</u>
<u>(819,976)</u>	<u>(59,761)</u>	<u>(879,737)</u>	<u>--</u>	<u>--</u>
--	--	--	17,345	--
--	--	--	--	148,678
--	--	--	<u>17,345</u>	<u>148,678</u>
825,518	--	825,518	--	--
52,444	--	52,444	--	--
53,825	--	53,825	--	--
57,514	--	57,514	--	--
539	1,641	2,180	2,528	311
41,062	--	41,062	--	--
--	--	--	--	173,822
7,095	--	7,095	--	--
<u>(159,266)</u>	<u>159,266</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>878,731</u>	<u>160,907</u>	<u>1,039,638</u>	<u>2,528</u>	<u>174,133</u>
58,755	101,146	159,901	19,873	322,811
<u>187,932</u>	<u>1,493,975</u>	<u>1,681,907</u>	<u>1,028,920</u>	<u>962,397</u>
<u>\$ 246,687</u>	<u>\$ 1,595,121</u>	<u>\$ 1,841,808</u>	<u>\$ 1,048,793</u>	<u>\$ 1,285,208</u>

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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.

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.

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.

Governmental Funds Financial Statements (Continued)

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.

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.

Governmental Funds Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Special Revenue Funds (Continued)

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.

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.

Governmental Funds Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Capital Projects Funds (Continued)

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, 2013
(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	\$ 322,538	\$ 45,590	\$ 321	\$ 276,736	\$ 645,185
Receivables	39,299	32,780	--	109,098	181,177
Due from other funds	22,285	--	--	144	22,429
Total Assets	<u>\$ 384,122</u>	<u>\$ 78,370</u>	<u>\$ 321</u>	<u>\$ 385,978</u>	<u>\$ 848,791</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 17,519	\$ 2,481	\$ --	\$ 33,347	\$ 53,347
Accrued payroll	19,006	1,494	--	1,034	21,534
Due to other funds	10	3	--	21,793	21,806
Matured bonds and interest payable.....	--	--	321	9	330
Deferred revenue	13,565	27,639	--	73,017	114,221
Total Liabilities	<u>50,100</u>	<u>31,617</u>	<u>321</u>	<u>129,200</u>	<u>211,238</u>
Fund Balances:					
Restricted	--	46,753	--	118,620	165,373
Committed	50,256	--	--	138,158	188,414
Assigned	55,384	--	--	--	55,384
Unassigned	228,382	--	--	--	228,382
Total Fund Balances	<u>334,022</u>	<u>46,753</u>	<u>--</u>	<u>256,778</u>	<u>637,553</u>
Total Liabilities and Fund Balances	<u>\$ 384,122</u>	<u>\$ 78,370</u>	<u>\$ 321</u>	<u>\$ 385,978</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,189,016
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	114,221
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,694,103)</u>
Net position of governmental activities	<u>\$ 246,687</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, 2013
 (Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes.....	\$ 875,424	\$ 110,593	\$ --	\$ 8,088	\$ 994,105
Special assessments.....	--	--	--	15	15
Licenses and permits.....	38,335	123,375	--	4,425	166,135
Intergovernmental.....	41,062	--	--	164,434	205,496
Charges for services.....	6,318	4,705	--	20,790	31,813
Fines and forfeits.....	590	39	--	202	831
Miscellaneous:					
Reimbursements and recoveries.....	41,766	2,625	--	29	44,420
Interest.....	562	--	--	50	612
Other.....	8,351	4,054	--	15,728	28,133
Total Revenues.....	1,012,408	245,391	--	213,761	1,471,560
Expenditures:					
Current:					
General government.....	124,601	20,129	--	10,574	155,304
Public safety.....	324,357	29,273	--	17,664	371,294
Highways and streets.....	2,818	15,770	--	108	18,696
Sanitation.....	4,193	--	--	10	4,203
Human services.....	3,479	--	--	70,610	74,089
Culture-recreation.....	58,031	--	--	24,633	82,664
Utilities or other enterprises.....	--	1,565	--	27,815	29,380
Miscellaneous:					
Retirement and health benefits.....	161,401	20,753	--	8,312	190,466
Other.....	53,708	5,762	--	1,758	61,228
Capital Outlay:					
General government.....	--	659	--	17,253	17,912
Public safety.....	--	--	--	29,956	29,956
Highways and streets.....	--	--	--	91,720	91,720
Sanitation.....	--	--	--	95	95
Human services.....	--	--	--	8,980	8,980
Culture-recreation.....	--	--	--	21,956	21,956
Utilities or other enterprises.....	--	--	--	31,265	31,265
Debt service:					
Principal.....	833	--	87,443	--	88,276
Interest.....	89	--	97,491	--	97,580
Bond issuance costs	--	--	2,125	--	2,125
Total Expenditures.....	733,510	93,911	187,059	362,709	1,377,189
Revenues over (under) Expenditures.....	278,898	151,480	(187,059)	(148,948)	94,371
Other Financing Sources (Uses):					
Issuance of tax exempt commercial paper	--	--	--	45,000	45,000
Issuance of general obligation bonds	--	--	--	191,296	191,296
Issuance of refunding bonds	--	--	642,942	--	642,942
Bond premium	--	--	52,023	33,714	85,737
Bond discount	--	--	(71,391)	--	(71,391)
Refunding of bonds and commercial paper ...	--	--	(621,449)	--	(621,449)
Sales of capital assets.....	1,493	113	--	--	1,606
Transfers in.....	134,457	--	184,934	20,833	340,224
Transfers out.....	(330,684)	(151,783)	--	(17,023)	(499,490)
Total Other Financing Sources (Uses).....	(194,734)	(151,670)	187,059	273,820	114,475
Net change in fund balances.....	84,164	(190)	--	124,872	208,846
Fund Balances - July 1.....	249,858	46,943	--	131,906	428,707
Fund Balances - June 30.....	\$ 334,022	\$ 46,753	\$ --	\$ 256,778	\$ 637,553

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, 2013
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ 208,846
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.	40,542
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	6,796
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.	(173,120)
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.	(24,309)
Change in net position of governmental activities	\$ 58,755

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 POSITION
 JUNE 30, 2013
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 164	\$ 438,953	\$ 78,095	\$ 10,434	\$ 527,646
Investments	177	492,500	85,886	11,366	589,929
Receivables:					
Accounts (net of allowance for uncollectibles of \$9,022)	1,748	59,170	13,364	1,972	76,254
Interest	--	279	35	--	314
Payroll Advance	--	1,066	613	37	1,716
Due from other funds	--	521	6	--	527
Inventories of parts, materials and supplies, at cost	--	19,028	--	7,390	26,418
Inventories of real estate held for sale	4,219	--	--	--	4,219
Restricted assets:					
Cash and cash equivalents	8,455	--	--	1,702	10,157
Prepaid expenses and other assets	35	11,681	541	9,654	21,911
Total Current Assets	14,798	1,023,198	178,540	42,555	1,259,091
Noncurrent Assets:					
Capital Assets:					
Land	14,408	42,100	24,063	76,232	156,803
Buildings and improvements	108,621	1,059,052	105,153	97,449	1,370,275
Transmission and distribution system	--	1,494,068	--	--	1,494,068
Equipment and machinery	379	57,916	279,519	31,800	369,614
Buses and other transit vehicles	--	--	--	230,537	230,537
Construction work in progress	6,478	256,449	370,864	5,917	639,708
Accumulated depreciation	(72,737)	(512,554)	(294,863)	(221,727)	(1,101,881)
Other noncurrent assets	1,904	10,663	2,022	--	14,589
Total Noncurrent Assets	59,053	2,407,694	486,758	220,208	3,173,713
Total Assets	73,851	3,430,892	665,298	262,763	4,432,804
LIABILITIES					
Current Liabilities:					
Accounts payable	499	50,483	19,341	4,743	75,066
Interest payable	992	33,271	6,111	--	40,374
Notes payable	--	19,044	--	--	19,044
Bonds payable	4,053	35,947	11,790	--	51,790
Due to other funds	--	7	1,192	1	1,200
Reserve for insurance claims payable	--	--	--	7,209	7,209
Accrued payroll	--	1,483	985	31	2,499
Other current liabilities	799	688	911	2,114	4,512
Total Current Liabilities	6,343	140,923	40,330	14,098	201,694
Noncurrent Liabilities:					
Notes payable	--	202,087	--	--	202,087
General obligation bonds payable	56,545	825	537,474	--	594,844
Revenue bonds payable	--	1,739,755	--	--	1,739,755
Estimated liability for landfill closure and postclosure care costs	--	--	14,337	--	14,337
Other liabilities	8,034	26,613	17,103	33,216	84,966
Total Noncurrent Liabilities	64,579	1,969,280	568,914	33,216	2,635,989
Total Liabilities	70,922	2,110,203	609,244	47,314	2,837,683
NET POSITION					
Net investment in capital assets	(3,450)	642,454	(21,831)	220,208	837,381
Restricted for debt service	--	177,890	--	--	177,890
Unrestricted	6,379	500,345	77,885	(4,759)	579,850
Total Net Position	\$ 2,929	\$ 1,320,689	\$ 56,054	\$ 215,449	\$ 1,595,121

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 8,897	\$ --	\$ --	\$ --	\$ 8,897
Sewer service charges	--	368,125	--	--	368,125
Disposal and collection fees	--	--	53,169	--	53,169
Electrical energy fee	--	--	60,935	--	60,935
Passenger fares for transit services	--	--	--	56,647	56,647
Other revenue	--	4,269	4,554	402	9,225
Total Operating Revenues	8,897	372,394	118,658	57,049	556,998
Operating Expenses:					
Administrative and general	725	75,143	28,136	1,399	105,403
Maintenance	655	438	391	11	1,495
Depreciation	3,688	58,262	7,817	14,643	84,410
Contractual services	1,841	21,398	99,433	167,554	290,226
Fringe benefits	141	20,457	15,469	198	36,265
Materials and supplies	98	4,781	3,201	12,451	20,531
Fuel and lubricants	--	1,331	4,114	21,365	26,810
Insurance	151	--	1,678	15,475	17,304
State taxes - fuel	--	--	103	3,186	3,289
Utilities	2,292	27,436	341	2,954	33,023
Total Operating Expenses	9,591	209,246	160,683	239,236	618,756
Operating Income (Loss)	(694)	163,148	(42,025)	(182,187)	(61,758)
Nonoperating Revenues (Expenses):					
Interest revenue	154	1,378	109	--	1,641
Interest expense	(2,023)	(50,489)	(5,289)	--	(57,801)
Loss from disposal of property	(6)	(96)	(6)	(115)	(223)
Amortization expense	(108)	(975)	(182)	--	(1,265)
Other	1,537	5,576	--	27,279	34,392
Total Nonoperating Revenues (Expenses)	(446)	(44,606)	(5,368)	27,164	(23,256)
Income (Loss) before Transfers and Capital Contributions.....	(1,140)	118,542	(47,393)	(155,023)	(85,014)
Transfers In	--	--	40,000	145,538	185,538
Transfers Out	--	(12,885)	(13,387)	--	(26,272)
Capital Contributions	2,903	1,244	--	22,747	26,894
Change in Net Position	1,763	106,901	(20,780)	13,262	101,146
Net Position - July 1	1,166	1,213,788	76,834	202,187	1,493,975
Net Position - June 30	\$ 2,929	\$ 1,320,689	\$ 56,054	\$ 215,449	\$ 1,595,121

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, 2013
 (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.....	\$ 7,414	\$ 359,902	\$ 113,057	\$ 56,573	\$ 536,946
Payments to suppliers.....	(5,317)	(81,295)	(98,152)	(220,986)	(405,750)
Payments to employees.....	(491)	(55,114)	(38,164)	(1,432)	(95,201)
Other receipts	2,850	246	--	--	3,096
Net cash provided by (used in) operating activities	<u>4,456</u>	<u>223,739</u>	<u>(23,259)</u>	<u>(165,845)</u>	<u>39,091</u>
Cash flows from noncapital financing activities:					
Transfers in	--	--	32,000	145,538	177,538
Transfers out	--	(12,885)	(12,224)	--	(25,109)
Grants and contributions	2,903	--	--	27,279	30,182
Net cash provided by (used in) noncapital financing activities	<u>2,903</u>	<u>(12,885)</u>	<u>19,776</u>	<u>172,817</u>	<u>182,611</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(22)	(124,509)	(27,810)	(628)	(152,969)
Proceeds from issuing notes	--	18,267	--	--	18,267
Capital grants and subsidies	--	5,566	--	--	5,566
Proceeds from issuing bonds	--	284,685	30,001	--	314,686
Principal paid on notes	--	(19,645)	--	--	(19,645)
Principal paid on bonds	(3,740)	(164,611)	(9,856)	--	(178,207)
Interest paid on notes	--	(2,729)	--	--	(2,729)
Interest paid on bonds	(2,902)	(83,273)	(24,872)	--	(111,047)
Net cash used in capital and related financing activities	<u>(6,664)</u>	<u>(86,249)</u>	<u>(32,537)</u>	<u>(628)</u>	<u>(126,078)</u>
Cash flows from investing activities:					
Purchase of investments	(1,685)	(1,312,048)	(291,946)	(19,568)	(1,625,247)
Proceeds from maturities of investments	1,508	909,723	225,551	9,560	1,146,342
Interest on investments	3	1,200	92	--	1,295
Net cash used in investing activities	<u>(174)</u>	<u>(401,125)</u>	<u>(66,303)</u>	<u>(10,008)</u>	<u>(477,610)</u>
Net increase (decrease) in cash and cash equivalents	521	(276,520)	(102,323)	(3,664)	(381,986)
Cash and cash equivalents - July 1	8,098	715,473	180,418	15,800	919,789
Cash and cash equivalents - June 30	<u>\$ 8,619</u>	<u>\$ 438,953</u>	<u>\$ 78,095</u>	<u>\$ 12,136</u>	<u>\$ 537,803</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, 2013
 (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)	\$ (694)	\$ 163,148	\$ (42,025)	\$ (182,187)	\$ (61,758)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,688	58,262	7,817	14,643	84,410
Other revenues (expenses)	1,698	--	--	--	1,698
Writeoff of capital assets	--	18,840	--	(115)	18,725
Increase in					
accounts receivable	(92)	(12,209)	(1,232)	(2,624)	(16,157)
(Increase) decrease in due from other funds	--	489	(129)	--	360
Increase in inventory of parts, materials and supplies	--	(8,198)	--	(36)	(8,234)
Increase in prepaid expenses and other assets	(2)	--	(69)	(58)	(129)
Increase in trade accounts payables	120	845	10,588	648	12,201
Increase in reserve for insurance claims payable	--	--	--	3,286	3,286
Increase (decrease) in other liabilities	(262)	2,658	510	597	3,503
Increase (decrease) in due to other funds	--	(96)	1,281	1	1,186
Net cash provided by (used in) operating activities	<u>\$ 4,456</u>	<u>\$ 223,739</u>	<u>\$ (23,259)</u>	<u>\$ (165,845)</u>	<u>\$ 39,091</u>

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

Housing

Amortization of deferred refinancing charges amounted to \$108 for the year ended June 30, 2013. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$362) for the year ended June 30, 2013. Beginning cash balance includes \$6,182 in restricted assets and ending cash balance includes \$8,455 in restricted assets.

Sewer

The Sewer Fund received \$1,244 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, 2013. Amortization of bond discount and bond premium amounted to \$2,067 and (\$7,854) respectively, while amortization for bond issuance cost amounted to \$975 for the year ended June 30, 2013.

Solid Waste

Amortization of bond discount and bond issuance cost amounted to \$205 for the year ended June 30, 2013. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$2,790) for the year ended June 30, 2013.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$22,747 for the year ended June 30, 2013. Beginning cash balance includes \$2,666 in restricted assets and ending cash balance includes \$1,702 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 POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2013
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,866	\$ 30,678
Investments	2,395	19,570
Due from other funds	--	50
Total assets	5,261	50,298
<u>LIABILITIES</u>		
Accounts payable	--	5,428
Other current liabilities	--	44,870
Total liabilities	--	50,298
<u>NET POSITION</u>		
Held in trust for individuals, organizations and other governments	\$ 5,261	\$ --

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

CITY AND COUNTY OF HONOLULU
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITION</u>	
Collections for sundry creditors, contributions, etc.....	\$ 2,282
<u>DEDUCTION</u>	
Payments in accordance with trust agreements	2,844
Change in net position	(562)
Net position - July 1	5,823
Net position - June 30	\$ 5,261

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, 2013

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, 2013

Government-wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position 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. Major revenue source is the real property tax.

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, 2013

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. Major revenue sources include issuance of bonds and transfer of funds from the general fund.

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. Revenue sources include housing and parking rental income. Additional sources include shared appreciation equity from the City's Shared Appreciation Equity Program and capital contributions from the general fund for debt service payments.

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. Revenue sources include monthly user service charges and system facility charges for new customers connecting to the sewer system.

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. Revenue sources include solid waste disposal fees, refuse collection fees, and electrical energy fees received from the sale of electrical energy produced by the combustion of refuse at the City's solid waste disposal facility. Additional sources include subsidies from the general fund to support the refuse collection and disposal operations.

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). Revenue sources include passenger fares for The Bus and The Handi-Van and subsidies from the general and highway funds to support transit operations. Additional sources include City contributions for the purchase of capital assets (primarily buses and vans) and funding from federal grants.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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

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

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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

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

The City has the following fund types:

Governmental Fund Types

The focus of governmental fund measurement (in the fund financial statements) is upon determination of net position and changes in net 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).

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, net 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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to assign 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 assign to 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 included in 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Real Property Taxes

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

Unbilled Receivables

Included in the receivables at June 30, 2013 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$11.0 million and \$22.2 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, 2013

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 position.

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 \$145.5 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 net position.

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, 2013

- *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, 2013

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

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:				
Highways	\$ -	\$ 46,753	\$ 6,741	\$ 53,494
Bikeways	-	-	1,088	1,088
Liquor Commission Office	-	-	3,395	3,395
Land consevation program	-	-	19,706	19,706
Affordable housing programs	-	-	22,074	22,074
Special projects	-	-	8,851	8,851
Federal programs	-	-	30,104	30,104
Rehabilitation loan program	-	-	5,833	5,833
Rental assistance program	-	-	6,297	6,297
Other capital projects	-	-	14,531	14,531
	<u>-</u>	<u>46,753</u>	<u>118,620</u>	<u>165,373</u>
Committed to:				
Parks and recreation	-	-	6,516	6,516
Rental assistance program	-	-	1,191	1,191
Zoo animal acquisition program	-	-	7	7
Hanauma Bay operations	-	-	4,253	4,253
Emergency reserves	47,886	-	-	47,886
Golf operations	-	-	2,101	2,101
Auditorium operations	-	-	4,129	4,129
Leasehold conversion program	183	-	-	183
Improvement districts	1,962	-	168	2,130
Other capital projects	-	-	52,065	52,065
Highway Improvements	-	-	67,728	67,728
Other	225	-	-	225
	<u>50,256</u>	<u>-</u>	<u>138,158</u>	<u>188,414</u>
Assigned to:				
General government	13,664	-	-	13,664
Public safety	10,356	-	-	10,356
Highways	912	-	-	912
Sanitation	6,273	-	-	6,273
Human services	3,904	-	-	3,904
Parks and recreation	5,860	-	-	5,860
Mass transit	75	-	-	75
Other	14,340	-	-	14,340
	<u>55,384</u>	<u>-</u>	<u>-</u>	<u>55,384</u>
Unassigned:	<u>228,382</u>	<u>-</u>	<u>-</u>	<u>228,382</u>
Total	<u>\$ 334,022</u>	<u>\$ 46,753</u>	<u>\$ 256,778</u>	<u>\$ 637,553</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Net position

Net position comprises the various net earnings (losses) from operating and nonoperating revenues, expenses, transfers and contributed capital. Net position is classified in the following three components: Net investment in capital assets; restricted for capital activity and debt service; and unrestricted net position. Net investment in capital assets 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 net investment capital assets. Restricted for capital activity and debt service consists of net position 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 position consists of all other net position not included in the above categories.

The City uses restricted amounts first when both restricted and unrestricted net position 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, 2012, the percentages increased to 22.00% for Police and Fire, and 15.50% 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, 2013

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 \$427.7 million are not reported in the accompanying financial statements at June 30, 2013.

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, 2013, accumulated sick leave amounted to \$364.1 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 14.

Deficit Balances

As of June 30, 2013 there were no deficit balances reported in any fund.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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 improves financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs. The City implemented the provisions of this Statement but determined that none of the applicable SCAs are material to 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, deferred inflows of resources and net position. The City implemented the provisions of this Statement.

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, 2013

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 periods beginning after June 15, 2014. The City has not yet determined the effect this Statement will have on its financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The provisions for this Statement are effective for the City for periods beginning after December 15, 2013. The City has not yet determined the effect this Statement will have on its financial statements.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting of financial guarantees extended or received by the City. The provisions of this Statement are effective for periods beginning after June 15, 2013. The City has not yet determined the effect this Statement will have on its financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68 and are effective for periods 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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, Liquor Commission Fund, Bikeway Fund, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, Special Events Fund, Golf Fund, Zoo Animal Purchase Fund, Hanauma Bay Nature Preserve Fund, Rental Assistance Fund, Leasehold Conversion Fund, Other Post-Employment Benefits Fund, Community Development Fund, Housing and Community Development Rehabilitation Loan Fund, Housing and Community Development Section 8 Contract Fund, Federal Grants Fund, and Special Projects Fund.

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

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

The Mayor is authorized to transfer appropriations between activities within a department and 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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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.

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 Position

The governmental funds balance sheet includes a reconciliation between fund balance of total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. 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 position. The details of this \$2.7 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ 2,663,496
Accrued interest payable and other	30,607
	<u>\$ 2,694,103</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 position 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 \$40.5 million difference are as follows (amounts in thousands):

Capital outlays (net of writeoffs of capital assets of \$25,303)	\$ 129,127
Depreciation expense	(88,585)
Net adjustment	<u>\$ 40,542</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Another element of that reconciliation states that, "Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds." The details of this \$6.8 million difference are as follows (amounts in thousand):

Taxes	\$	3,284
Special assessments		(14)
Intergovernmental		3,217
Other		309
Net adjustment	<u>\$</u>	<u>6,796</u>

Another element of that reconciliation states that, "Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements." The details of this \$173.1 million difference are as follows (amounts in thousands):

Debt Issued:		
General obligation bonds, net	\$ (848,583)	
Tax-exempt commercial paper	<u>(45,000)</u>	\$ (893,583)
Principal Repayments:		
General obligation bonds, net	674,424	
Tax-exempt commercial paper	45,000	
Other long-term debt	<u>1,039</u>	<u>720,463</u>
Net adjustment		<u>\$ (173,120)</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 \$24.3 million difference are as follows (amounts in thousands):

Compensated absences	\$	458
Claims and judgments		(3,739)
Other postemployment benefits		(33,080)
Other		12,052
Net adjustment	<u>\$</u>	<u>(24,309)</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

4. Cash and Investments

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

Cash and Cash Equivalents

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

Investments

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

Credit Risk

	Fair Value	Quality Rating	
		Aaa	Not Rated
Primary Government:			
Repurchase agreement	\$ 269,796	\$ -	\$ 269,796
Certificate of deposits	64,938	-	64,938
Guaranteed investment contracts	12,707	-	12,707
U.S. government securities	581,904	581,904	-
Component Units:			
Board of Water Supply			
U.S. government treasury	129,492	129,492	-
U.S. government securities	55,790	55,790	-
Honolulu Authority for Rapid Transportation			
Repurchase agreement	60,204	-	60,204
Certificate of deposits	16,237	-	16,237
U.S. government securities	129,851	129,851	-
Fiduciary Funds:			
Certificate of deposits	21,965	-	21,965

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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, 2013, the City had no investments in money market mutual funds or external investment pools.

Concentration of Credit Risk

As of June 30, 2013, \$12.7 million in investments were issued by FSA Capital Management Services LLC.

The fair value and maturities of investments as of June 30, 2013 were as follows (amounts in thousands):

	Reported Amount	Fair Value	Investment Maturity in Years			
			Less than One	1 to 5	6 to 10	More than 10
Primary Government:						
Repurchase agreement	\$ 269,796	\$ 269,796	\$ 269,796	\$ -	\$ -	\$ -
Certificate of deposits	64,938	64,938	64,938	-	-	-
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government securities	581,521	581,904	581,904	-	-	-
Total	<u>\$ 928,962</u>	<u>\$ 929,345</u>	<u>\$ 916,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,707</u>
Component Units:						
Board of Water Supply						
U.S. government treasury	\$ 129,492	\$ 129,492	\$ 16,586	\$ 112,906	\$ -	\$ -
U.S. government securities	55,790	55,790	3,682	52,108	-	-
Honolulu Authority for Rapid Transportation						
Repurchase agreement	60,204	60,204	60,204	-	-	-
Certificate of deposits	16,237	16,237	16,237	-	-	-
U.S. government securities	129,766	129,851	129,851	-	-	-
Total	<u>\$ 391,489</u>	<u>\$ 391,574</u>	<u>\$ 226,560</u>	<u>\$ 165,014</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of deposits	<u>\$ 21,965</u>	<u>\$ 21,965</u>	<u>\$ 21,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

5. Receivables

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2013 consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 13,416	\$ -
Accounts	949	85,276
Public utilities franchise tax	27,639	-
Special assessments	24	-
Notes	72,927	-
Intergovernmental	52,674	-
Interest	196	314
Payroll and others	14,336	1,716
Allowance for uncollectible accounts	(984)	(9,022)
	<u>\$ 181,177</u>	<u>\$ 78,284</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred revenue in the government funds. \$114.2 million of the receivables for governmental activities have been deferred at June 30, 2013. Notes receivable include \$5.1 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 \$72.3 million, which are generally due to the City on various dates through 2073.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2013 (amounts in thousands):

	Primary Government			Balance at June 30, 2013
	Balance at July 1, 2012	Additions	Retirements/ Transfers	
Governmental Activities:				
Depreciable Assets –				
Infrastructure	\$ 1,229,832	\$ 65,098	\$ (141)	\$ 1,294,789
Buildings and improvements	1,271,783	64,002	(60)	1,335,725
Equipment and machinery	335,037	20,358	(9,156)	346,239
Total depreciable assets	<u>2,836,652</u>	<u>149,458</u>	<u>(9,357)</u>	<u>2,976,753</u>
Less Accumulated Depreciation –				
Infrastructure	(569,980)	(25,003)	48	(594,935)
Buildings and improvements	(581,613)	(40,836)	-	(622,449)
Equipment and machinery	(222,519)	(22,746)	6,896	(238,369)
Total accumulated depreciation	<u>(1,374,112)</u>	<u>(88,585)</u>	<u>6,944</u>	<u>(1,455,753)</u>
Net depreciable assets	1,462,540	60,873	(2,413)	1,521,000
Land	474,172	3,225	-	477,397
Construction Work in Progress	211,762	110,881	(132,024)	190,619
Governmental activities – capital assets, net	<u>2,148,474</u>	<u>174,979</u>	<u>(134,437)</u>	<u>2,189,016</u>
Business-type Activities:				
Depreciable Assets –				
Infrastructure	1,490,293	117,808	(114,033)	1,494,068
Buildings and improvements	1,213,507	156,768	-	1,370,275
Equipment and machinery	571,505	50,162	(21,516)	600,151
Total depreciable assets	<u>3,275,305</u>	<u>324,738</u>	<u>(135,549)</u>	<u>3,464,494</u>
Less Accumulated Depreciation –				
Infrastructure	(256,136)	(27,921)	245	(283,812)
Buildings and improvements	(308,961)	(31,758)	(4)	(340,723)
Equipment and machinery	(474,040)	(24,731)	21,425	(477,346)
Total accumulated depreciation	<u>(1,039,137)</u>	<u>(84,410)</u>	<u>21,666</u>	<u>(1,101,881)</u>
Net depreciable assets	2,236,168	240,328	(113,883)	2,362,613
Land	155,917	903	(17)	156,803
Construction Work in Progress	650,344	154,544	(165,180)	639,708
Business-type activities – capital assets, net	<u>3,042,429</u>	<u>395,775</u>	<u>(279,080)</u>	<u>3,159,124</u>
Total primary government capital assets, net	<u>\$ 5,190,903</u>	<u>\$ 570,754</u>	<u>\$ (413,517)</u>	<u>\$ 5,348,140</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

	Component Units			Balance at June 30, 2013
	Balance at July 1, 2012	Additions	Retirements/ Transfers	
Board of Water Supply				
Depreciable Assets –				
Infrastructure	\$ 1,323,318	\$ 12,760	\$ 29,772	\$ 1,365,850
Buildings and improvements	149,119	922	2,157	152,198
Equipment and machinery	243,498	3,650	19,707	266,855
Total depreciable assets	<u>1,715,935</u>	<u>17,332</u>	<u>51,636</u>	<u>1,784,903</u>
Less Accumulated Depreciation –				
Infrastructure	(543,467)	(29,043)	241	(572,269)
Buildings and improvements	(57,905)	(3,533)	-	(61,438)
Equipment and machinery	(165,336)	(10,824)	1,128	(175,032)
Total accumulated depreciation	<u>(766,708)</u>	<u>(43,400)</u>	<u>1,369</u>	<u>(808,739)</u>
Net depreciable assets	949,227	(26,068)	53,005	976,164
Land	32,373	-	-	32,373
Construction Work in Progress	164,784	38,364	(73,221)	129,927
BWS capital assets, net	<u>1,146,384</u>	<u>12,296</u>	<u>(20,216)</u>	<u>1,138,464</u>
Honolulu Authority for Rapid Transportation				
Depreciable Assets –				
Equipment and machinery	171	-	(27)	144
Total depreciable assets	<u>171</u>	<u>-</u>	<u>(27)</u>	<u>144</u>
Less Accumulated Depreciation –				
Equipment and machinery	(43)	(19)	14	(48)
Total accumulated depreciation	<u>(43)</u>	<u>(19)</u>	<u>14</u>	<u>(48)</u>
Net depreciable assets	128	(19)	(13)	96
Land	31,882	18,282	-	50,164
Construction Work in Progress	516,622	291,083	-	807,705
HART capital assets, net	<u>548,632</u>	<u>309,346</u>	<u>(13)</u>	<u>857,965</u>
Total component units capital assets, net	<u>\$ 1,695,016</u>	<u>\$ 321,642</u>	<u>\$ (20,229)</u>	<u>\$ 1,996,429</u>

The amount of \$73.2 million in retirements/transfers for construction work in progress for the City's component unit, Board of Water Supply, is greater than the \$17.3 million additions to depreciable assets, due to the expensing of previously capitalized project costs.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

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

Governmental Activities:

General government	\$ 20,366
Public safety	20,066
Highways and streets	23,154
Culture and recreation	21,918
Utilities	2,835
Human Services	<u>246</u>
Total depreciation expense – governmental activities	<u><u>\$ 88,585</u></u>

Business-type Activities:

Sewer	\$ 58,262
Solid waste	7,817
Housing	3,688
Public Transportation System	<u>14,643</u>
Total depreciation expense – business-type activities	<u><u>\$ 84,410</u></u>

Component Units:

Board of Water Supply (\$1,625 was capitalized to projects)	\$ 41,775
Honolulu Authority on Rapid Transportation	<u>19</u>
Total depreciation expense – component units	<u><u>\$ 41,794</u></u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2013 (amounts in thousands):

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 22,285	\$ 10
Highway Fund	-	3
Nonmajor Governmental Funds	144	21,793
Fiduciary Funds	50	-
Enterprise Funds:		
Public Transportation System Fund	-	1
Sewer Fund	521	7
Solid Waste Special Fund	6	1,192
	<u>\$ 23,006</u>	<u>\$ 23,006</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, 2013, all interfund balances are expected to be repaid.

The following is a summary of amounts transferred from and transferred to other funds at June 30, 2013 (amounts in thousands):

	<u>Transferred From Other Funds</u>	<u>Transferred To Other Funds</u>
General Fund	\$ 134,457	\$ 330,684
Highway Fund	-	151,783
G.O. Bond and Interest Redemption Fund	184,934	-
Nonmajor Governmental Funds	20,833	17,023
Enterprise Funds:		
Sewer Fund	-	12,885
Solid Waste Special Fund	40,000	13,387
Public Transportation System Fund	145,538	-
	<u>\$ 525,762</u>	<u>\$ 525,762</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

8. Long-Term Liabilities

The following is a summary of changes in long-term liabilities included in the governmental activities, business-type activities and component units during the fiscal year ended June 30, 2013 (amounts in thousands):

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 1,991,609	\$ 834,238	\$ 663,687	\$ 2,162,160	\$ 114,865
Add: Unamortized premium	68,198	85,737	15,661	138,274	-
Less: Unamortized discount	(1,041)	(59)	(68)	(1,032)	-
Deferred loss on refunding	(29,476)	(71,332)	(4,855)	(95,953)	-
Total bonds payable	2,029,290	848,584	674,425	2,203,449	114,865
Tax-exempt commercial paper	-	45,000	45,000	-	-
Notes payable to federal and state governments	3,497	-	500	2,997	521
Capital lease	1,795	-	539	1,256	539
Compensated absences	104,941	27,982	28,440	104,483	6,090
Other postemployment benefits	244,412	127,355	94,275	277,492	-
Claims and judgments (Note 13)	70,080	27,249	23,510	73,819	29,703
Total	<u>\$ 2,454,015</u>	<u>\$ 1,076,170</u>	<u>\$ 866,689</u>	<u>\$ 2,663,496</u>	<u>\$ 151,718</u>
Business-Type Activities:					
General obligation bonds	\$ 573,906	\$ 78,242	\$ 62,613	\$ 589,535	\$ 15,854
Revenue bonds	1,625,195	265,610	163,218	1,727,587	35,936
Add: Unamortized premium	77,936	46,527	11,610	112,853	-
Less: Unamortized discount	(11,556)	(96)	(2,089)	(9,563)	-
Deferred loss on refunding	(8,775)	(26,415)	(1,167)	(34,023)	-
Total bonds payable	2,256,706	363,868	234,185	2,386,389	51,790
Tax-exempt commercial paper	-	5,000	5,000	-	-
Notes payable to state government	222,509	18,267	19,645	221,131	19,044
Reserve for insurance claims payable	14,452	15,587	12,302	17,737	7,209
Other postemployment benefits	29,668	16,231	12,326	33,573	-
Estimated liability for landfill closure and post closure care costs (Note 14)	16,874	-	1,837	15,037	700
Compensated absences	10,858	3,977	3,096	11,739	630
Arbitrage rebate	217	94	-	311	-
Total	<u>\$ 2,551,284</u>	<u>\$ 423,024</u>	<u>\$ 288,391</u>	<u>\$ 2,685,917</u>	<u>\$ 79,373</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Discretely Presented Component Units:

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Amounts Due Within One Year
Board of Water Supply					
Revenue bonds	\$ 285,165	\$ -	\$ 7,985	\$ 277,180	\$ 7,335
Add: Unamortized premium	15,527	-	1,023	14,504	-
Less: Deferred loss on refunding	(9,837)	-	(539)	(9,298)	-
Total bonds payable	<u>290,855</u>	<u>-</u>	<u>8,469</u>	<u>282,386</u>	<u>7,335</u>
Notes payable to state governments	22,664	85	1,551	21,198	1,554
Compensated absences	6,222	1,750	1,464	6,508	1,465
Other postemployment benefits	12	8,681	8,233	460	-
Customer advances	1,388	-	494	894	-
Accrued workers' compensation	2,393	1,211	1,299	2,305	-
Others	<u>2,379</u>	<u>134</u>	<u>329</u>	<u>2,184</u>	<u>-</u>
Total	<u>\$ 325,913</u>	<u>\$ 11,861</u>	<u>\$ 21,839</u>	<u>\$ 315,935</u>	<u>\$ 10,354</u>
Honolulu Authority for Rapid Transportation					
Compensated absences	\$ 809	\$ 425	\$ 214	\$ 1,020	\$ 45
Other postemployment benefits	<u>1,825</u>	<u>282</u>	<u>754</u>	<u>1,353</u>	<u>-</u>
Total	<u>\$ 2,634</u>	<u>\$ 707</u>	<u>\$ 968</u>	<u>\$ 2,373</u>	<u>\$ 45</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 2013 in the original amount of \$3.8 billion, less discounts of \$1.4 million and adjusted for a premium of \$228.0 million that are being amortized over the related term of the bonds. These bonds bear interest at 0.8% to 6.5%, and mature serially through fiscal year 2038. General obligation debt authorized but not issued yet amounted to \$1.8 billion at June 30, 2013.

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 2013 in the original amount of \$1.0 billion, less a discount of \$475.0 thousand and adjusted for a premium of \$47.1 million, which are being amortized over the related term of the bonds. These bonds bear interest at 0.8% to 6.3%, and mature serially through fiscal year 2038.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

On November 20, 2012, the City issued general obligation bonds Series 2012 in the aggregate amount of \$880.3 million. The bonds were comprised of Series A, B, D, E, F and G.

Series 2012A tax-exempt were issued for \$255.0 million. The bonds mature annually on November 1, 2017 through 2037 and bear interest rates of 3.0% to 5.0%. The proceeds of the bonds were used to fund various current capital improvements of the City and to refund a tax-exempt commercial paper series D. For the bonds maturing on and after November, 2030 through November 1, 2037, except for serial bonds non-bifurcate maturing on November 1, 2030, the City may exercise its option of redemption on or after November 1, 2022, 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 interest accrued to the date fixed for redemption thereof, without premium.

Series 2012B tax-exempt were issued for \$290.7 million. The bonds mature annually on November 1, 2016 through 2029 and bear interest rates of 2.0% to 5.0%. For the bonds maturing on and after November 1, 2023 through November 1, 2029, the City may exercise its option of redemption on or after November 1, 2023, 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 2004A, 2005A and 2005F.

Series 2012D taxable were issued for \$17.9 million. The bonds mature annually on November 1, 2017 through 2028 and bear interest rates at 1.3% to 3.4%. The proceeds of the bonds were used to refund a portion of General Obligation Bond series 2004A.

Series 2012E taxable were issued for \$74.9 million. The bonds mature annually on November 1, 2015 through 2017 and bear interest of 0.8% and 1.3%. The proceeds of the bonds were used to refund a portion of General Obligation Bonds series 2004B.

Series 2012F taxable were issued for \$50.6 million. The bonds mature annually on November 1, 2017 through 2021 and bear interest rate of 1.3% to 2.4%. The proceeds of the bonds were used to refund a portion of General Obligation Bonds series 2005B and 2005C.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Series 2012G taxable were issued for \$191.2 million. The bonds mature annually on November 1, 2017 through 2023 and bear interest rate of 1.3% to 2.8%. The proceeds of the bonds were used to refund a portion of General Obligation Bonds series 2005D and 2005E.

On December 4, 2012, the City issued general obligation bonds series 2012C tax-exempt for \$32.1 million. The bonds mature annually on November 1, 2013 through 2027 and bear interest rate of 1.0% to 4.0%. For the bonds maturing on November 1, 2023 and on or after November 1, 2025 through November 1, 2026, the City may exercise its option of redemption on or after November 1, 2022 for the bonds, 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 Bonds series 2003A.

The 2012 Series B to G advance refunding decreased the total debt service payments by \$75.7 million and resulted in an economic gain of approximately \$69.5 million

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.

The BWS issues long-term bonds to finance part of its capital improvement program. Their debt to equity ratio has remained fairly constant at 29.0% for fiscal year 2013. 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 2013, the net revenue requirements were met.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2013, in the original amount totaling \$2.2 billion, less discounts of \$36.0 million and adjusted for premiums of \$108.7 million, which are being amortized over the related term of the bonds. The bonds bear interest at 2.0% to 6.3%, and mature at various dates through fiscal year 2046. The wastewater system revenues collateralize the revenue bonds.

On October 4, 2012, the City issued tax-exempt wastewater system revenue bonds Senior Lien Series 2012 in the aggregate amount of \$265.6 million. The bonds were comprised of Senior series A & B.

Senior series 2012A were issued for \$134.2 million. The proceeds of the bonds will be used to pay for certain additions and improvements to the wastewater system and to fund a common reserve fund. The bonds mature annually on July 1, 2017 through 2042 and bear interest rates at 2.0% to 5.0%. For the bonds maturing on and after July 1, 2023 through July 1, 2042, the City may exercise its option of redemption on or after July 1, 2022 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.

Senior series 2012B were issued for \$131.4 million. The proceeds of the bonds were used to refund a portion of revenue bonds series 2005A, 2006A, 2006B and 2006C. The bonds mature annually on July 1, 2013 through 2030 and bear interest rates at 2.0% to 5.0%. For the bonds maturing on and after July 1, 2023 through July 1, 2026; July 1, 2028 and July 1, 2030, the City may exercise its option of redemption on or after July 1, 2022 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. This refunding was undertaken to reduce total debt service payments by \$13.4 million and resulted in an economic gain of approximately \$11.0 million.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2013 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
2014	\$ 96,917	\$ 114,865	\$ 110,002	\$ 51,790	\$ 206,919	\$ 166,655	\$ 13,011	\$ 7,335
2015	86,979	94,357	105,888	60,096	192,867	154,453	12,688	7,660
2016	82,829	106,175	103,300	72,839	186,129	179,014	12,346	8,005
2017	78,318	124,858	100,213	81,253	178,531	206,111	11,983	8,365
2018	73,410	142,738	96,871	82,460	170,281	225,198	11,604	8,745
2019-2023	297,495	573,954	430,654	444,255	728,149	1,018,209	51,287	50,640
2024-2028	187,330	476,621	321,297	519,441	508,627	996,062	37,447	65,175
2029-2033	86,637	356,649	193,008	510,159	279,645	866,808	20,163	78,120
2034-2038	16,482	171,943	76,981	364,206	93,463	536,149	3,993	43,135
2039-2043	-	-	13,780	130,209	13,780	130,209	-	-
2044-2048	-	-	33	414	33	414	-	-
Total	<u>\$ 1,006,397</u>	<u>\$ 2,162,160</u>	<u>\$ 1,552,027</u>	<u>\$ 2,317,122</u>	<u>\$ 2,558,424</u>	<u>\$ 4,479,282</u>	<u>\$ 174,522</u>	<u>\$ 277,180</u>

Total interest costs incurred by the business-type activities and BWS for the fiscal year ended June 30, 2013 was \$103.0 million, of which \$33.4 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 \$976.1 thousand at June 30, 2013.

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 \$223.1 million at June 30, 2013, 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).

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

Annual debt service requirements to maturity for the City's primary governmental and component units for other long-term debt at June 30, 2013, including interest of \$15.4 million were as follows (amounts in thousands):

Year Ending June 30:	Primary Government		BWS	
	Interest	Principal	Interest	Principal
2014	\$ 2,470	\$ 20,104	\$ 106	\$ 1,554
2015	2,058	17,746	99	1,571
2016	1,792	17,492	92	1,578
2017	1,536	17,132	85	1,586
2018	1,305	16,963	77	1,593
2019 - 2023	4,019	72,143	258	8,093
2024 - 2028	1,305	55,068	42	5,223
2029 - 2033	138	8,738	-	-
Total	<u>\$ 14,623</u>	<u>\$ 225,386</u>	<u>\$ 759</u>	<u>\$ 21,198</u>

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

Refunded Bonds

The City and the Board of Water Supply defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the assets of the irrevocable trusts and the liability for the defeased bonds are not included in the City's basic financial statements. At June 30, 2013, \$784.4 million of the City's and \$95.0 million of the Board of Water Supply's bonds outstanding were considered defeased.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

9. Net Position

At June 30, 2013, net position of the primary government consisted of the following (amounts in thousands):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Investment in Capital Assets:		
Net property, plant and equipment	\$ 2,189,016	\$ 3,159,124
Add (Less):		
General obligation bonds payable, net	(2,203,449)	(610,698)
Revenue bonds payable, net	-	(1,775,691)
Notes payable and other long-term debt	(2,997)	(221,131)
Installment Purchases	(1,256)	-
Amount of debt related to unspent debt proceeds	119,793	285,777
	<u>101,107</u>	<u>837,381</u>
Restricted for Debt Service	168	177,890
Unrestricted	145,412	579,850
	<u>246,687</u>	<u>1,595,121</u>
Total net position	<u>\$ 246,687</u>	<u>\$ 1,595,121</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

10. Employee Benefit Plans

Defined Benefit Pension Plans

Plan Description – Substantially all eligible employees of the City are members of the Employees' Retirement System of the State of Hawaii (ERS), a cost-sharing multiple-employer defined benefit pension plan. The ERS provides retirement benefits as well as death and disability benefits and is governed by a Board of Trustees. All contributions, benefits and eligibility requirements are established by HRS Chapter 88, and can be amended by legislative action. The ERS is composed of three plans, the contributory, the noncontributory and the hybrid retirement plans. Prior to July 1, 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 were precluded from the noncontributory option. The noncontributory option provides for reduced benefits and covers most eligible employees hired starting July 1, 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. In 2004, legislation was enacted to create a hybrid retirement plan, which took effect July 1, 2006. Employees in the contributory and noncontributory plan were given the option to join the hybrid plan or to remain in their existing plan effective July 1, 2006. Starting July 1, 2006, all new employees covered by Social Security are required to join the hybrid plan.

All benefits vest after five or ten years of credited service. Vesting is determined by the employee's plan and date of hire. The monthly retirement allowance benefit formula is calculated based on the employee's age, years of credited service, average final compensation (AFC) and multiplier.

For employees who became members prior to January 1, 1971 the AFC is the average salary earned during the five highest paid years of service, including the vacation payment or the average salary earned during the three highest paid years of service excluding any lump sum vacation payment. For employees who became members on January 1, 1971 through June 30, 2012, the AFC is based on the three highest paid years of service excluding the vacation payment. For employees who became members after June 30, 2012, the AFC is the highest five years excluding any lump sum vacation payment.

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Most employees covered under the contributory option and hired prior to July 1, 2012, are required to contribute 12.20% (for Police and Fire) or 7.80% (for All Other Employees) of their salary and will receive pensions based on a 2.50% or 2.00% multiplier. Most employees hired after June 30, 2012, are required to contribute 14.20% (for Police and Fire) or 9.80% (for All Other Employees) of their salary with pensions based on a 2.25% or 1.75% multiplier. Most employees covered under the hybrid option prior to July 1, 2012 are required to contribute 6.00% of their salary and will receive pensions based on a 2.00% multiplier. Most employees hired after June 30, 2012, are required to contribute 8.00% of their salary with pensions based on a 1.75% multiplier.

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 22.00% (for Police and Fire) and 15.50% (for All Other Employees). The City's contributions to the ERS, exclusive of its component units, for the fiscal years ended June 30, 2011, 2012 and 2013 were \$90.1 million, \$81.7 million and \$87.8 million, respectively, which were equal to the required contributions for each year. Employees covered under the noncontributory plan will receive pensions based on a 1.25% multiplier.

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.

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

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

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

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

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

Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligation – The City's annual required contribution (ARC) as 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 to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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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>2013</u>	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 140,695	\$ 153,979	\$ 150,711
Interest on net OPEB obligation	19,316	15,274	9,154
Adjustment to annual required contribution	<u>(16,425)</u>	<u>(12,538)</u>	<u>(7,346)</u>
Annual OPEB cost	143,586	156,715	152,519
Contributions made	<u>(106,601)</u>	<u>(103,077)</u>	<u>(62,844)</u>
Increase in net OPEB obligation	36,985	53,638	89,675
Net OPEB obligation at beginning of fiscal year	<u>274,080</u>	<u>220,442</u>	<u>130,767</u>
Net OPEB obligation at end of fiscal year	<u>\$ 311,065</u>	<u>\$ 274,080</u>	<u>\$ 220,442</u>
Percentage of annual OPEB cost contributed	74.2%	65.8%	41.2%

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%

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.

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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 8.88% for 2013, reduced by decrements to an ultimate rate of 5% after 7 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.

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, 2013, the City had \$60.6 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

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Sewer Fund

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

Solid Waste Special Fund

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

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

H-POWER Facility

The City has agreements with Covanta Honolulu Resource Recovery Venture (Covanta) to operate a solid waste disposal and energy recovery project, the Honolulu Program of Waste Energy Recovery (the H-POWER Facility). The H-POWER Facility processes and disposes of solid waste, and together with combustion facilities, produces steam used for the generation of electricity. Revenues are generated from user tip fees and from the sale of energy products and recovered materials. The H-POWER Facility commenced commercial operations on May 21, 1990, and the City has a 20-year contract to sell electricity generated to a utility company.

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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, 2013, the City had \$379.5 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, 2012 to June 30, 2013 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.

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, 2013, these assets held by OTS amounted to \$1.7 million.

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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, 2013, the cost of equipment recorded under capital lease arrangements and included in the capital assets amounted to \$1.3 million.

Future minimum obligations under capital and operating leases at June 30, 2013 were as follows (amounts in thousands):

	Capital Leases	Operating Leases
Year Ending June 30:		
2014	\$ 563	\$ 6,007
2015	563	4,709
2016	188	3,872
2017	-	3,285
2018	-	2,854
2019-2023	-	5,556
2024-2028	-	63
2029-2033	-	50
2034-2036	-	30
Total minimum payments	1,314	\$ 26,426
Less amount representing interest	58	
Present value of future minimum capital lease payments	\$ 1,256	

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 \$8.8 million for the fiscal year ended June 30, 2013.

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The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2058. 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	(28,996)	17,942
Totals	<u>\$ 49,880</u>	<u>\$ (28,996)</u>	<u>\$ 20,884</u>

Future minimum rental incomes under such leases at June 30, 2013 were as follows (amounts in thousands):

Year Ending June 30:	
2014	\$ 6,141
2015	5,000
2016	4,301
2017	1,843
2018	1,577
2019 - 2023	5,561
2024 - 2028	4,052
2029 - 2033	3,789
2034 - 2038	3,178
2039 - 2043	3,282
2044 - 2048	3,054
2049 - 2053	2,657
2054 - 2058	343
Total minimum rental income	<u>\$ 44,778</u>

Other Commitments

Contractual commitments for capital projects, expenses and supplies at June 30, 2013 are encumbered in the governmental and fiduciary funds and are in thousands as follows:

Major Funds

Governmental Funds:	
General Fund	\$ 55,384
Highway Fund	7,260
Total Major Funds - Governmental Funds	<u>62,644</u>
Nonmajor Funds - Other Governmental Funds	561,092
Fiduciary Funds	<u>78</u>
Total	<u>\$ 623,814</u>

CITY AND COUNTY OF HONOLULU
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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, 2013:

Proprietary Funds:

Housing	\$ 423
Sewer	413,501
Solid Waste	81,773
Public Transportation System	7,545
Total Proprietary Funds	<u>503,242</u>

Component Units:

Board of Water Supply	116,900
Honolulu Authority for Rapid Transportation	<u>2,414,397</u>
Total Component Units	<u>2,531,297</u>
Total Business-Type Activities	<u>\$ 3,034,539</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.

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.

CITY AND COUNTY OF HONOLULU
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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, 2013, the estimated total liability of the City for claims and judgments amounted to \$73.8 million, which included claims incurred but not reported by the claimant and settled claims for which funds have not yet been appropriated. The estimated total liability has been determined through case-by-case analysis and from actuary studies performed by independent third parties. Expenditures for claims and judgments are appropriated annually. In the opinion of management, the City has adequately reserved for such claims.

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

	Automobile and General Liability	Workers' Compensation	Total
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	28,882	41,198	70,080
Incurred losses and loss adjustment expenses	3,675	23,574	27,249
Payments:	<u>(4,231)</u>	<u>(19,279)</u>	<u>(23,510)</u>
Balance at June 30, 2013	<u>\$ 28,326</u>	<u>\$ 45,493</u>	<u>\$ 73,819</u>

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

CITY AND COUNTY OF HONOLULU
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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 \$15.0 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2013 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, 2013	Total Estimated Cost
Waipahu incinerator landfill	100.0%	October 1991	\$ 11,382	\$ 27,422
Kapaa sanitary landfill	100.0%	May 1997	3,655	15,897
Total			<u>\$ 15,037</u>	<u>\$ 43,319</u>

For fiscal year 2013, 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, upon completion of the landfill site, the City shall be responsible for providing the requisite post-closure maintenance.

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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 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. In March 2012, the consent decree was modified to allow substitution of the Kaneohe-Kailua gravity tunnel and associated pump station in place of a required force main replacement. 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. Cost for the treatment plant upgrades include approximately \$550.0 million to replace primary treatment facilities at both plants and \$1.15 billion to upgrade the plants to secondary treatment plants.

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 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, 2013. The expenditures related to these fees are included in administrative and general expenses of the Sewer Fund in the accompanying Proprietary Funds statement of revenues, expenses and changes in net position.

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Central Administrative Services Expense (CASE) Fee – BWS has an agreement with the City to pay a 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 BWS to perform its duties. For the fiscal year ended June 30, 2013, CASE fees were \$3.3 million. Any increase for subsequent year is subject to negotiation.

Amount Due to BWS – There were no amounts due to BWS as of June 30, 2013. Amounts due to BWS totaled \$423.9 thousand as of June 30, 2012 and was 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, 2013, a balance of approximately \$861.7 thousand of these funds has not been expended.

Honolulu Authority for Rapid Transportation

Effective July 1, 2011, 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 –

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 fee does not include any direct costs that City charged HART for budget, fiscal, legal, design and construction services, contributions for other postemployment benefits and fringe benefits for services rendered for HART. For the fiscal year ended June 30, 2013, CASE fees amounted to \$1.1 million.

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Litigation -

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

In May 2011, a lawsuit was filed in the United States District Court for the District of Hawaii against the Federal Transit Administration (FTA) and the City alleging violations of federal law in approving the City's rail transit project. Among other claims, the allegations were that the defendants improperly studied only the first 20 miles of the project and not the full route, that alternatives to the project were not properly considered, that potential native Hawaiian burial sites were not studied prior to the approval of the project and that defendants failed to comply with the federal Department of Transportation Act.

On November 1, 2012, the District Court ruled in favor of the plaintiffs with regard to three matters, and ruled in favor of the defendants in all other respects. The three matters were that the defendants did not adequately analyze above ground traditional cultural properties, did not adequately support their rejection of an alternative route involving a tunnel underneath Beretania Street and did not adequately support their determinations regarding the impact of the rail project on Mother Waldron Park.

On December 27, 2012, the court issued a Judgment and Partial Injunction, remanding the matter to the FTA for additional studies and analyses consistent with its findings in the November 2012 order, and enjoining construction and real estate acquisition activities in Section 4 of the project until completion of the additional studies regarding the three matters described above. A study of aboveground traditional cultural properties is complete, and the FTA has obtained the concurrence of the State Historic Preservation Officer (SHPO) that there are no previously unidentified eligible traditional cultural properties that would be adversely affected by the project. With respect to the other two matters, on October 8, 2013, the City defendants filed a Notice of Compliance with the District Court, informing the court and all parties that a Final Supplemental Environmental Impact Statement (FSEIS) and amended Record of Decision had been completed for the Mother Waldron Park and Beretania Street Tunnel alternative issues, and that the TCP studies (which were incorporated into the FSEIS) had been approved by the SHPO. On November 7, 2013 the Plaintiffs filed their objection to the sufficiency of the additional studies for the Beretania Street Tunnel alternative only. The District Court will now have to decide if the Summary Judgment Order has been satisfied, at which point any dissatisfied party could appeal to the Ninth Circuit.

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Separately, the plaintiffs filed an appeal of the District Court's Judgment and Partial Injunction and other prior rulings in the case to the Ninth Circuit Court of Appeals. The appeal was fully briefed, and oral argument was held in San Francisco on August 15, 2013. The parties are awaiting a decision by the court.

Kaleikini v. Formby et. al.

On January 31, 2011, Plaintiff filed a lawsuit in the First Circuit Court of the State of Hawaii, challenging the approval of the Final Environmental Impact Statement (FEIS) as well as other approvals for the City's rail transit project that HART is now responsible for developing, operating, maintaining and expanding. Plaintiff alleged various State law violations but primarily alleged that an archaeological inventory survey (AIS) had not first been completed for the entire 20-mile project alignment. Instead, the project was proposed to be built in four sections, with an AIS to be completed for each section prior to any construction taking place in that section. The case involves both City and State of Hawaii defendants.

The Circuit Court granted the City defendants' Motion to Dismiss Complaint and/or for Summary Judgment, and denied the Plaintiff's Motion for Preliminary Injunction and Motion for Reconsideration. In doing so, the Circuit Court determined that the phased approach for AIS completion proposed for the rail project met applicable State law requirements.

Plaintiff then filed an appeal with the Intermediate Court of Appeals, where the matter was fully briefed by all parties. The case was then transferred to the Hawaii Supreme Court. Shortly after the transfer, the Plaintiff-Appellant filed a motion for injunctive relief pending appeal, which the court denied. Oral argument before the Hawaii Supreme Court occurred on May 24, 2012.

On August 24, 2012, the Supreme Court of the State of Hawaii vacated the Circuit Court's judgment in favor of the City and State, ruling that the administrative rules implementing HRS §§ 6E-8 and 6E-42 do not permit the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources to concur in the rail project absent a complete AIS for the entire project. The project had received SHPD approval to conduct separate AISs for each of the four construction phases, with construction proceeding in each phase after completion of the AIS for that phase. Based on the Hawaii Supreme Court's decision, ground disturbing construction activities related to the project were halted pending completion of all AIS work. HART continued with property acquisitions, AIS work and other non-ground disturbing activities. HART completed the AIS work and received SHPD's determination letter concurring in the project on August 29, 2013.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2013

While the additional AIS work was being undertaken, the Supreme Court ruled that the Plaintiff was entitled to certain fees and costs for the appeal portion of the litigation, and remanded the case to the Circuit Court for further proceedings. The parties entered into a stipulated agreement to resolve remaining issues, and this was approved by the Circuit Court on June 19, 2013. The Circuit's Court's final judgment is pending.

HART estimates that the delay expenses associated with the above litigation and other delays will cost the Project approximately \$64 - \$120 million. The Project's contract contingencies will be sufficient to absorb the additional costs and the Project will remain on budget.

16. Subsequent Events

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 has concluded the due diligence process and is working to finalize the financing necessary to close on the sale. The original closing date of June 30, 2013 has been extended and closing is projected to be on or before March 31, 2014.

On February 25, 2013 and March 22, 2013 the City opened the sealed bids for 57 golf course frontage lots within Lokahi Greens in Ewa Villages. The bids resulted in Purchase and Sale agreements for all of the lots. D.R. Horton – Schuler Homes LLC purchased 54 of the lots and the remaining 3 lots were purchased by various individuals. The total sales price for the 57 lots was \$11.18 million. The sales recorded between July 5, 2013 and July 9, 2013 and the City's net proceeds were \$11.15 million. The funds were deposited in the general trust fund to be held until funds from the HAHP sale are received. The City plans to pay down debt with the proceeds from the sales.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 856,616	\$ 856,616	\$ 875,424	\$ 18,808
Licenses and permits	37,859	37,859	38,335	476
Intergovernmental	41,033	41,033	41,062	29
Charges for services	6,529	6,529	6,318	(211)
Fines and forfeits	619	619	590	(29)
Miscellaneous:				
Reimbursements and recoveries	46,158	46,158	41,766	(4,392)
Interest	379	379	539	160
Other	3,383	3,383	8,338	4,955
Total Revenues	992,576	992,576	1,012,372	19,796
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	16,987	17,177	15,575	1,602
City Clerk	4,019	4,028	3,149	879
City Council	8,113	8,276	7,035	1,241
Corporation Counsel	9,701	9,857	8,218	1,639
Customer Services	20,579	20,707	19,562	1,145
Design and Construction	8,909	9,388	7,860	1,528
Facility Maintenance	22,679	25,390	23,597	1,793
Human Resources	5,802	6,023	5,567	456
Information Technology	19,832	20,021	17,682	2,339
Mayor	4,595	4,821	4,347	474
Planning and Permitting	9,424	9,886	8,969	917
Prosecuting Attorney	18,547	18,546	16,547	1,999
Total General government	149,187	154,120	138,108	16,012
Public safety:				
Emergency Management	1,242	1,286	1,186	100
Emergency Services	36,693	37,466	35,964	1,502
Fire	95,554	98,094	92,908	5,186
Medical Examiner	1,160	1,532	1,509	23
Planning and Permitting	5,017	5,285	4,951	334
Police	196,030	203,352	198,023	5,329
Transportation Services	88	178	171	7
Total Public safety	335,784	347,193	334,712	12,481
Highways and streets:				
Facility Maintenance	4,215	4,961	3,731	1,230
Sanitation:				
Environmental Services	11,229	11,649	10,465	1,184
Human services:				
Community Services	8,821	9,176	7,370	1,806

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Culture-recreation:				
Mayor	1,988	1,988	1,784	204
Enterprise Services	24	37	15	22
Parks and Recreation	64,012	67,786	62,093	5,693
Total Culture-recreation	66,024	69,811	63,892	5,919
Utilities or other enterprises:				
Transportation Services	75	75	75	--
Miscellaneous:				
Retirement and health benefits:				
City Council	2,954	2,954	2,954	--
Provisional	178,609	178,609	158,366	20,243
Total Retirement and health benefits	181,563	181,563	161,320	20,243
Other:				
City Council	340	167	50	117
Provisional	105,464	83,424	67,998	15,426
Total Other	105,804	83,591	68,048	15,543
Total Miscellaneous	287,367	265,154	229,368	35,786
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Information Technology	--	563	563	--
Total Debt service	360	923	922	1
Capital improvements:				
General government	200	200	--	200
Total Capital improvements	200	200	--	200
Total Expenditures	863,262	863,262	788,643	74,619
Revenues over Expenditures	129,314	129,314	223,729	94,415
Other Financing Sources (Uses):				
Transfers in	126,774	126,774	118,080	(8,694)
Transfers out	(393,251)	(393,251)	(330,684)	62,567
Total Other Financing Sources (Uses)	(266,477)	(266,477)	(212,604)	53,873
Net change in Fund Balance	(137,163)	(137,163)	11,125	148,288
Encumbrances	--	--	55,384	55,384
Fund Balance - July 1	137,163	137,163	217,257	80,094
Fund Balance - June 30	\$ --	\$ --	\$ 283,766	\$ 283,766

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 105,681	\$ 105,681	\$ 110,593	\$ 4,912
Licenses and permits	122,277	122,277	123,375	1,098
Charges for services	5,470	5,470	4,705	(765)
Fines and forfeits	--	--	39	39
Miscellaneous:				
Reimbursements and recoveries	2,950	2,950	2,625	(325)
Other	1,802	1,802	4,054	2,252
Total Revenues	238,180	238,180	245,391	7,211
Expenditures:				
Current:				
General government:				
Design and Construction	5,184	5,456	4,755	701
Facility Maintenance	14,666	15,456	14,772	684
Planning and Permitting	2,329	2,329	2,250	79
Total General government	22,179	23,241	21,777	1,464
Public safety:				
Police	24,783	25,173	25,098	75
Transportation Services	5,935	6,289	5,582	707
Total Public safety	30,718	31,462	30,680	782
Highways and streets:				
Facility Maintenance	19,893	21,606	16,947	4,659
Utilities or other enterprises:				
Transportation Services	2,172	1,885	1,728	157
Miscellaneous:				
Retirement and health benefits:				
Provisional	20,912	20,912	20,753	159
Other:				
Provisional	10,860	7,253	5,762	1,491
Total Miscellaneous	31,772	28,165	26,515	1,650
Capital improvements:				
General government	5,383	5,383	2,779	2,604
Public safety	101	101	--	101
Highways and streets	1,275	1,275	745	530
Utilities or other enterprises	750	750	--	750
Total Capital improvements	7,509	7,509	3,524	3,985
Total Expenditures	114,243	113,868	101,171	12,697

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures	123,937	124,312	144,220	19,908
Other Financing Source (Use):				
Sales of capital assets	26	26	113	87
Transfers out	(160,102)	(160,477)	(151,783)	8,694
Total Other Financing Source (Use)	(160,076)	(160,451)	(151,670)	8,781
Net change in Fund Balance	(36,139)	(36,139)	(7,450)	28,689
Encumbrances	--	--	7,260	7,260
Fund Balance - July 1	35,314	35,314	46,943	11,629
Fund Balance - June 30	<u>\$ (825)</u>	<u>\$ (825)</u>	<u>\$ 46,753</u>	<u>\$ 47,578</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, 2013

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.

Reconciliation	General Fund	Highway Fund
Net change in Fund Balance per Budgetary Comparison Schedule	\$ 11,125	\$ (7,450)
Adjustments to conform with generally accepted accounting principles:		
Encumbrances	55,384	7,260
Changes in Fund Balance for legal separate funds combined with the General Fund per GASB 54	17,655	--
Net change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 84,164	\$ (190)

CITY AND COUNTY OF HONOLULU
 POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
 SCHEDULE OF FUNDING PROGRESS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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, 2013
 (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
<u>ASSETS</u>				
Cash and investments:				
With Treasury and banks.....	\$ 6,740	\$ 1,067	\$ 6,539	\$ 3,486
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	38	8	--	35
Due from other funds	--	30	--	--
Total Assets	\$ 6,778	\$ 1,105	\$ 6,539	\$ 3,521
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1	\$ 11	\$ 23	\$ 31
Interest and bonds payable-matured	--	--	--	--
Due to other funds	--	--	--	--
Accrued payroll	36	6	--	95
Deferred revenue	--	--	--	--
Total Liabilities	37	17	23	126
Fund Balances:				
Restricted	6,741	1,088	--	3,395
Committed	--	--	6,516	--
Total Fund Balances	6,741	1,088	6,516	3,395
Total Liabilities and Fund Balances	\$ 6,778	\$ 1,105	\$ 6,539	\$ 3,521

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2013
 (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>
\$ 1,191	\$ 7	\$ 4,342	\$ 19,706	\$ 20,794	\$ 160	\$ 2,367
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	75	--
--	--	--	--	--	329	--
--	--	33	--	--	13	118
--	--	--	--	--	50	--
<u>\$ 1,191</u>	<u>\$ 7</u>	<u>\$ 4,375</u>	<u>\$ 19,706</u>	<u>\$ 20,794</u>	<u>\$ 627</u>	<u>\$ 2,485</u>
\$ --	\$ --	\$ 79	\$ --	\$ --	\$ 135	\$ 208
--	--	--	--	--	--	--
--	--	--	--	--	64	--
--	--	43	--	--	32	176
--	--	--	--	--	75	--
--	--	122	--	--	306	384
--	--	--	19,706	20,794	321	--
<u>1,191</u>	<u>7</u>	<u>4,253</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,101</u>
<u>1,191</u>	<u>7</u>	<u>4,253</u>	<u>19,706</u>	<u>20,794</u>	<u>321</u>	<u>2,101</u>
<u>\$ 1,191</u>	<u>\$ 7</u>	<u>\$ 4,375</u>	<u>\$ 19,706</u>	<u>\$ 20,794</u>	<u>\$ 627</u>	<u>\$ 2,485</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2013
 (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.....	\$ 4,439	\$ 9,459	\$ 15,806
Receivables:			
Accounts	--	--	--
Special Assessments	--	--	--
Loans	--	--	4,703
Intergovernmental	--	185	23,144
Payroll Advance	191	32	152
Due from other funds	1	--	42
Total Assets	\$ 4,631	\$ 9,676	\$ 43,847
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 207	\$ 705	\$ 1,312
Interest and bonds payable-matured	--	--	--
Due to other funds	--	55	20,928
Accrued payroll	295	65	183
Deferred revenue	--	--	4,703
Total Liabilities	502	825	27,126
Fund Balances:			
Restricted	--	8,851	16,721
Committed	4,129	--	--
Total Fund Balances	4,129	8,851	16,721
Total Liabilities and Fund Balances	\$ 4,631	\$ 9,676	\$ 43,847

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2013
 (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
\$ 5,841	\$ 959	\$ 6,531	\$ 189	\$ 57,695	\$ 86,300
--	--	59	--	--	--
--	--	--	24	--	--
10,017	--	3,648	--	--	--
--	--	108	--	--	--
--	--	84	--	18	--
--	--	--	--	3	--
<u>\$ 15,858</u>	<u>\$ 959</u>	<u>\$ 10,430</u>	<u>\$ 213</u>	<u>\$ 57,716</u>	<u>\$ 86,300</u>
\$ 8	\$ --	\$ 101	\$ --	\$ 5,122	\$ 18,565
--	--	--	9	--	--
--	--	130	18	520	--
--	--	87	--	9	7
10,017	--	3,815	18	--	--
<u>10,025</u>	<u>--</u>	<u>4,133</u>	<u>45</u>	<u>5,651</u>	<u>18,572</u>
5,833	959	6,297	--	--	--
--	--	--	168	52,065	67,728
<u>5,833</u>	<u>959</u>	<u>6,297</u>	<u>168</u>	<u>52,065</u>	<u>67,728</u>
<u>\$ 15,858</u>	<u>\$ 959</u>	<u>\$ 10,430</u>	<u>\$ 213</u>	<u>\$ 57,716</u>	<u>\$ 86,300</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2013
 (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.....	\$ 8,421	\$ 14,697	\$ 276,736
Receivables:			
Accounts	--	--	59
Special Assessments	--	--	24
Loans	54,389	--	72,832
Intergovernmental	11,695	--	35,461
Payroll Advance	--	--	722
Due from other funds	--	18	144
Total Assets	\$ 74,505	\$ 14,715	\$ 385,978
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 6,685	\$ 154	\$ 33,347
Interest and bonds payable-matured	--	--	9
Due to other funds	48	30	21,793
Accrued payroll	--	--	1,034
Deferred revenue	54,389	--	73,017
Total Liabilities	61,122	184	129,200
Fund Balances:			
Restricted	13,383	14,531	118,620
Committed	--	--	138,158
Total Fund Balances	13,383	14,531	256,778
Total Liabilities and Fund Balances	\$ 74,505	\$ 14,715	\$ 385,978

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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, 2013
(Amounts in thousands)

(Page 1 of 5)

	Special Revenue Funds			
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund	Liquor Commission Fund
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits.....	--	518	--	3,907
Intergovernmental.....	--	--	--	--
Charges for services.....	4,369	--	--	136
Fines and forfeits.....	--	--	--	202
Miscellaneous:				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	4	371	76
Total Revenues.....	4,369	522	371	4,321
Expenditures:				
Current:				
General government.....	1,125	19	--	2,812
Public safety.....	--	387	--	--
Highways and streets.....	99	9	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	1,032	--	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	530	15	--	1,126
Other.....	--	--	--	237
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	465	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	516	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	2,786	895	516	4,175
Revenues over (under) Expenditures.....	1,583	(373)	(145)	146
Other Financing Sources (Uses):				
Issuance of commercial paper	--	--	--	--
Issuance of general obligation bonds	--	--	--	--
Bond premium	--	--	--	--
Transfers in.....	--	30	--	--
Transfers out.....	(219)	(40)	--	(284)
Total Other Financing Sources (Uses).....	(219)	(10)	--	(284)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	1,364	(383)	(145)	(138)
Fund Balances - July 1.....	5,377	1,471	6,661	3,533
Fund Balances - June 30.....	\$ 6,741	\$ 1,088	\$ 6,516	\$ 3,395

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, 2013
(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
\$ --	\$ --	\$ --	\$ 4,044	\$ 4,044	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	6,483	--
--	--	4,592	--	--	--	6,773
--	--	--	--	--	--	--
--	--	--	--	--	--	--
215	--	1,587	12	11	--	--
<u>215</u>	<u>--</u>	<u>1,587</u>	<u>12</u>	<u>11</u>	<u>6</u>	<u>2,987</u>
<u>215</u>	<u>--</u>	<u>6,179</u>	<u>4,056</u>	<u>4,055</u>	<u>6,489</u>	<u>9,760</u>
--	--	--	--	--	92	--
--	--	808	--	--	--	--
--	--	--	--	--	--	--
131	--	--	--	--	1,055	--
--	1	2,391	--	--	--	9,369
--	--	--	--	--	--	--
--	--	867	--	--	--	2,376
--	--	169	--	--	--	452
--	--	--	--	--	--	525
--	--	--	--	--	114	--
--	--	--	--	--	--	--
--	--	--	--	--	4,624	--
--	--	--	4,000	--	--	--
--	--	--	--	--	--	--
<u>131</u>	<u>1</u>	<u>4,235</u>	<u>4,000</u>	<u>--</u>	<u>5,885</u>	<u>12,722</u>
<u>84</u>	<u>(1)</u>	<u>1,944</u>	<u>56</u>	<u>4,055</u>	<u>604</u>	<u>(2,962)</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	9,520
(12)	--	(1,649)	--	--	--	(7,003)
<u>(12)</u>	<u>--</u>	<u>(1,649)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,517</u>
72	(1)	295	56	4,055	604	(445)
1,119	8	3,958	19,650	16,739	(283)	2,546
<u>\$ 1,191</u>	<u>\$ 7</u>	<u>\$ 4,253</u>	<u>\$ 19,706</u>	<u>\$ 20,794</u>	<u>\$ 321</u>	<u>\$ 2,101</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, 2013
(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.....	--	8,392	60,196
Charges for services.....	4,920	--	--
Fines and forfeits.....	--	--	--
Miscellaneous:			
Reimbursements and recoveries.....	29	--	--
Interest.....	4	--	2
Other.....	7,342	956	768
Total Revenues.....	12,295	9,348	60,966
Expenditures:			
Current:			
General government.....	43	4,514	1,845
Public safety.....	--	1,996	14,473
Highways and streets.....	--	--	--
Sanitation.....	--	--	10
Human services.....	--	3,952	17,098
Culture-recreation.....	11,293	339	208
Utilities or other enterprises.....	--	--	27,815
Miscellaneous:			
Retirement and health benefits.....	3,398	--	--
Other.....	900	--	--
Capital Outlay:			
General government.....	320	--	--
Public safety.....	--	--	--
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Human services.....	--	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
Total Expenditures.....	15,954	10,801	61,449
Revenues over (under) Expenditures.....	(3,659)	(1,453)	(483)
Other Financing Sources (Uses):			
Issuance of commercial paper	--	--	--
Issuance of general obligation bonds	--	--	--
Bond premium	--	--	--
Transfers in.....	11,265	--	--
Transfers out.....	(7,768)	--	--
Total Other Financing Sources (Uses).....	3,497	--	--
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(162)	(1,453)	(483)
Fund Balances - July 1.....	4,291	10,304	17,204
Fund Balances - June 30.....	\$ 4,129	\$ 8,851	\$ 16,721

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, 2013

(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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	15	--	--
--	--	--	--	--	--
--	--	43,906	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2	--	17	2	--	--
1,344	--	19	--	--	--
<u>1,346</u>	<u>--</u>	<u>43,942</u>	<u>17</u>	<u>--</u>	<u>--</u>
--	--	124	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,133	--	47,241	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	9,222	6,685
--	--	--	--	15,741	4,708
--	--	--	--	83	83,536
--	--	--	--	95	--
--	--	--	--	--	--
--	--	--	--	17,308	--
--	--	--	--	--	11,511
<u>1,133</u>	<u>--</u>	<u>47,365</u>	<u>--</u>	<u>42,449</u>	<u>106,440</u>
<u>213</u>	<u>--</u>	<u>(3,423)</u>	<u>17</u>	<u>(42,449)</u>	<u>(106,440)</u>
--	--	--	--	15,000	30,000
--	--	--	--	68,018	123,278
--	--	--	--	11,988	21,726
--	--	--	--	--	--
--	--	--	(18)	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>(18)</u>	<u>95,006</u>	<u>175,004</u>
213	--	(3,423)	(1)	52,557	68,564
5,620	959	9,720	169	(492)	(836)
<u>\$ 5,833</u>	<u>\$ 959</u>	<u>\$ 6,297</u>	<u>\$ 168</u>	<u>\$ 52,065</u>	<u>\$ 67,728</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, 2013
(Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Federal Grants Capital Projects Fund	Capital Projects Fund	
Revenues:			
Taxes	\$ --	\$ --	\$ 8,088
Special assessments	--	--	15
Licenses and permits.....	--	--	4,425
Intergovernmental.....	45,457	--	164,434
Charges for services.....	--	--	20,790
Fines and forfeits.....	--	--	202
Miscellaneous:			
Reimbursements and recoveries.....	--	--	29
Interest.....	--	--	50
Other.....	--	53	15,728
Total Revenues.....	<u>45,457</u>	<u>53</u>	<u>213,761</u>
Expenditures:			
Current:			
General government.....	--	--	10,574
Public safety.....	--	--	17,664
Highways and streets.....	--	--	108
Sanitation.....	--	--	10
Human services.....	--	--	70,610
Culture-recreation.....	--	--	24,633
Utilities or other enterprises.....	--	--	27,815
Miscellaneous:			
Retirement and health benefits.....	--	--	8,312
Other.....	--	--	1,758
Capital Outlay:			
General government.....	501	--	17,253
Public safety.....	9,240	153	29,956
Highways and streets.....	7,588	48	91,720
Sanitation.....	--	--	95
Human services.....	4,356	--	8,980
Culture-recreation.....	82	50	21,956
Utilities or other enterprises.....	19,754	--	31,265
Total Expenditures.....	<u>41,521</u>	<u>251</u>	<u>362,709</u>
Revenues over (under) Expenditures.....	<u>3,936</u>	<u>(198)</u>	<u>(148,948)</u>
Other Financing Sources (Uses):			
Issuance of commercial paper	--	--	45,000
Issuance of general obligation bonds	--	--	191,296
Bond premium	--	--	33,714
Transfers in.....	--	18	20,833
Transfers out.....	--	(30)	(17,023)
Total Other Financing Sources (Uses).....	<u>--</u>	<u>(12)</u>	<u>273,820</u>
Revenues and Other Sources over (under) Expenditures and Other Uses.....	<u>3,936</u>	<u>(210)</u>	<u>124,872</u>
Fund Balances - July 1.....	<u>9,447</u>	<u>14,741</u>	<u>131,906</u>
Fund Balances - June 30.....	<u>\$ 13,383</u>	<u>\$ 14,531</u>	<u>\$ 256,778</u>

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2013
 (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	\$ 30,604	\$ 3,017	\$ 16,487	\$ --	\$ 50,108
Imprest and change funds	74	66	--	--	140
Due from other funds:					
General Fund	--	--	--	3	3
Highway Fund	--	--	--	3	3
Sewer Fund	--	--	--	7	7
Federal Grants Capital Fund	18	--	--	--	18
Solid Waste Fund	3	--	--	16	19
Total Assets	<u>30,699</u>	<u>3,083</u>	<u>16,487</u>	<u>29</u>	<u>50,298</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	5,427	--	1	--	5,428
Other current liabilities	<u>25,272</u>	<u>3,083</u>	<u>16,486</u>	<u>29</u>	<u>44,870</u>
Total Liabilities	<u>30,699</u>	<u>3,083</u>	<u>16,487</u>	<u>29</u>	<u>50,298</u>
<u>NET POSITION</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, 2013
 (Amounts in thousands)

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>GENERAL TRUST FUND</u>				
<u>ASSETS</u>				
Cash	\$ 30,206	\$ 105,710	\$ 105,238	\$ 30,678
Due from other funds	38	21	38	21
Total Assets	<u>\$ 30,244</u>	<u>\$ 105,731</u>	<u>\$ 105,276</u>	<u>\$ 30,699</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 5,828	\$ 104,854	\$ 105,255	\$ 5,427
Other current liabilities	24,416	877	21	25,272
Total Liabilities	<u>\$ 30,244</u>	<u>\$ 105,731</u>	<u>\$ 105,276</u>	<u>\$ 30,699</u>
<u>TREASURY TRUST FUND</u>				
<u>ASSET</u>				
Cash	<u>\$ 5,730</u>	<u>\$ 20,122</u>	<u>\$ 22,769</u>	<u>\$ 3,083</u>
<u>LIABILITY</u>				
Other current liabilities	<u>\$ 5,730</u>	<u>\$ 20,122</u>	<u>\$ 22,769</u>	<u>\$ 3,083</u>
<u>REAL PROPERTY TAX TRUST FUND</u>				
<u>ASSETS</u>				
Cash	\$ 10,695	\$ 31,164	\$ 25,372	\$ 16,487
Accounts receivable	2	--	2	--
Total Assets	<u>\$ 10,697</u>	<u>\$ 31,164</u>	<u>\$ 25,374</u>	<u>\$ 16,487</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 6,776	\$ 6,775	\$ 1
Other current liabilities	10,697	24,388	18,599	16,486
Total Liabilities	<u>\$ 10,697</u>	<u>\$ 31,164</u>	<u>\$ 25,374</u>	<u>\$ 16,487</u>
<u>PAYROLL CLEARANCE FUND</u>				
<u>ASSETS</u>				
Cash	\$ --	\$ 573,563	\$ 573,563	\$ --
Due from other funds	30	41	42	29
Total Assets	<u>\$ 30</u>	<u>\$ 573,604</u>	<u>\$ 573,605</u>	<u>\$ 29</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 30	\$ 40,716	\$ 40,746	\$ --
Other current liabilities	--	624,067	624,038	29
Total Liabilities	<u>\$ 30</u>	<u>\$ 664,783</u>	<u>\$ 664,784</u>	<u>\$ 29</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 46,631	\$ 730,559	\$ 726,942	\$ 50,248
Accounts receivable	2	--	2	--
Due from other funds	68	62	80	50
Total Assets	<u>\$ 46,701</u>	<u>\$ 730,621</u>	<u>\$ 727,024</u>	<u>\$ 50,298</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 5,858	\$ 152,346	\$ 152,776	\$ 5,428
Other current liabilities	40,843	669,454	665,427	44,870
Total Liabilities	<u>\$ 46,701</u>	<u>\$ 821,800</u>	<u>\$ 818,203</u>	<u>\$ 50,298</u>

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FUND SCHEDULES

For a brief explanation of the individual funds, please refer to the divider page for the Governmental Fund Financial Statements preceding page 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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds	
	General Fund	Reserve for Fiscal Stability Fund
<u>ASSETS</u>		
Cash and investments:		
With Treasury and banks.....	\$ 272,133	\$ 47,886
Receivables:		
Real property taxes	13,416	--
Accounts	694	--
Interest	196	--
Intergovernmental	13,076	--
Payroll Advance	11,917	--
Due from other funds	22,285	--
Total Assets	\$ 333,717	\$ 47,886
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 17,519	\$ --
Due to other funds	10	--
Accrued payroll	19,006	--
Deferred revenue	13,416	--
Total Liabilities	49,951	--
Fund Balances:		
Committed	--	47,886
Assigned	55,384	--
Unassigned	228,382	--
Total Fund Balances	283,766	47,886
Total Liabilities and Fund Balances	\$ 333,717	\$ 47,886

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2013
 (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	Total General Fund
\$ 332	\$ 1,962	\$ 225	\$ 322,538
--	--	--	13,416
--	--	--	694
--	--	--	196
--	--	--	13,076
--	--	--	11,917
--	--	--	22,285
\$ 332	\$ 1,962	\$ 225	\$ 384,122
\$ --	\$ --	\$ --	\$ 17,519
--	--	--	10
--	--	--	19,006
149	--	--	13,565
149	--	--	50,100
183	1,962	225	50,256
--	--	--	55,384
--	--	--	228,382
183	1,962	225	334,022
\$ 332	\$ 1,962	\$ 225	\$ 384,122

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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	\$ 875,424	\$ --	\$ --
Licenses and permits.....	38,335	--	--
Intergovernmental.....	41,062	--	--
Charges for services.....	6,318	--	--
Fines and forfeits.....	590	--	--
Miscellaneous:			
Reimbursements and recoveries.....	41,766	--	--
Interest.....	539	--	23
Other.....	8,338	--	--
Total Revenues.....	1,012,372	--	23
Expenditures:			
Current:			
General government.....	124,444	--	--
Public safety.....	324,357	--	--
Highways and streets.....	2,818	--	--
Sanitation.....	4,193	--	--
Human services.....	3,466	--	--
Culture-recreation.....	58,031	--	--
Miscellaneous:			
Retirement and health benefits.....	161,320	81	--
Other.....	53,708	--	--
Debt service:			
Principal.....	833	--	--
Interest.....	89	--	--
Total Expenditures.....	733,259	81	--
Revenues over (under) Expenditures.....	279,113	(81)	23
Other Financing Sources (Uses):			
Sales of capital assets.....	--	--	1,493
Transfers in.....	118,080	--	16,377
Transfers out.....	(330,684)	--	--
Total Other Financing Sources (Uses)....	(212,604)	--	17,870
Revenues and Other Sources over (under) Expenditures and Other Uses.....	66,509	(81)	17,893
Fund Balances - July 1.....	217,257	81	29,993
Fund Balances - June 30.....	\$ 283,766	\$ --	\$ 47,886

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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
\$ --	\$ --	\$ --	\$ --	\$ 875,424
--	--	--	--	38,335
--	--	--	--	41,062
--	--	--	--	6,318
--	--	--	--	590
--	--	--	--	41,766
--	--	--	--	562
13	--	--	--	8,351
<u>13</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,012,408</u>
--	--	--	157	124,601
--	--	--	--	324,357
--	--	--	--	2,818
--	--	--	--	4,193
13	--	--	--	3,479
--	--	--	--	58,031
--	--	--	--	161,401
--	--	--	--	53,708
--	--	--	--	833
--	--	--	--	89
<u>13</u>	<u>--</u>	<u>--</u>	<u>157</u>	<u>733,510</u>
--	--	--	(157)	278,898
--	--	--	--	1,493
--	--	--	--	134,457
--	--	--	--	(330,684)
--	--	--	--	(194,734)
--	--	--	(157)	84,164
183	1,962	225	157	249,858
<u>\$ 183</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ --</u>	<u>\$ 334,022</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 272,133	\$ 194,075
Receivables:		
Real property taxes	13,416	12,654
Accounts	694	1,214
Interest	196	52
Intergovernmental	13,076	5,814
Payroll Advance	11,917	12,657
Due from other funds	22,285	29,499
Total Assets	\$ 333,717	\$ 255,965
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 17,519	\$ 8,602
Due to other funds	10	10
Accrued payroll	19,006	19,218
Deferred revenue	13,416	10,878
Total Liabilities	49,951	38,708
Fund Balance:		
Assigned	55,384	58,215
Unassigned	228,382	159,042
Total Fund Balance	283,766	217,257
Total Liabilities and Fund Balance	\$ 333,717	\$ 255,965

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Amounts in thousands)

	2013	2012
Revenues:		
Taxes	\$ 875,424	\$ 853,194
Licenses and permits	38,335	35,811
Intergovernmental	41,062	49,168
Charges for services	6,318	6,215
Fines and forfeits	590	395
Miscellaneous:		
Reimbursements and recoveries	41,766	42,951
Interest	539	336
Other	8,338	9,153
Total Revenues	1,012,372	997,223
Expenditures:		
Current:		
General government	124,444	127,084
Public safety	324,357	330,766
Highways and streets	2,818	1,805
Sanitation	4,193	4,391
Human services	3,466	3,623
Culture-recreation	58,031	56,921
Utilities or other enterprises	--	3
Miscellaneous:		
Retirement and health benefits	161,320	192,031
Other	53,708	25,608
Debt Service:		
Principal retirement	833	832
Interest charges	89	66
Total Expenditures	733,259	743,130
Revenues over Expenditures	279,113	254,093
Other Financing Sources (Uses):		
Capital leases	--	1,302
Transfers in	118,080	113,150
Transfers out	(330,684)	(361,917)
Total Other Financing Sources (Uses)	(212,604)	(247,465)
Revenues and Other Sources over Expenditures and Other Uses	66,509	6,628
Fund Balance - July 1	217,257	210,629
Fund Balance - June 30	\$ 283,766	\$ 217,257

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, 2013
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 856,616	\$ 856,616	\$ 875,424	\$ 18,808
Licenses and permits	37,859	37,859	38,335	476
Intergovernmental	41,033	41,033	41,062	29
Charges for services	6,529	6,529	6,318	(211)
Fines and forfeits	619	619	590	(29)
Miscellaneous:				
Reimbursements and recoveries	46,158	46,158	41,766	(4,392)
Interest	379	379	539	160
Other	3,383	3,383	8,338	4,955
Total Revenues	992,576	992,576	1,012,372	19,796
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	15,767	15,956	14,393	1,563
City Clerk	3,841	3,850	2,975	875
City Council	7,812	7,976	6,748	1,228
Corporation Counsel	7,726	7,882	6,499	1,383
Customer Services	19,045	19,173	18,218	955
Design and Construction	7,862	8,341	7,020	1,321
Facility Maintenance	20,829	23,539	22,019	1,520
Human Resources	5,611	5,832	5,418	414
Information Technology	16,992	17,180	14,922	2,258
Mayor	4,188	4,415	3,996	419
Planning and Permitting	7,888	8,350	7,435	915
Prosecuting Attorney	18,181	18,181	16,200	1,981
Total General government	135,742	140,675	125,843	14,832
Public safety:				
Emergency Management	1,006	1,050	952	98
Emergency Services	34,114	34,887	33,430	1,457
Fire	93,140	95,680	90,878	4,802
Medical Examiner	1,140	1,512	1,494	18
Planning and Permitting	5,006	5,274	4,940	334
Police	191,798	199,120	194,336	4,784
Transportation Services	40	130	123	7
Total Public safety	326,244	337,653	326,153	11,500

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, 2013
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance	2,636	3,383	2,566	817
Sanitation:				
Environmental Services	5,275	5,695	4,634	1,061
Human services:				
Community Services	6,476	6,830	5,056	1,774
Culture-recreation:				
Enterprise Services	--	13	13	--
Mayor	1,976	1,976	1,772	204
Parks and Recreation	59,516	63,290	57,734	5,556
Total Culture-recreation	61,492	65,279	59,519	5,760
Miscellaneous:				
Retirement and health benefits:				
City Council	2,954	2,954	2,954	--
Provisional	170,851	170,851	150,607	20,244
Total Retirement and health benefits	173,805	173,805	153,561	20,244
Other:				
City Council	340	167	50	117
Provisional	92,477	70,437	55,011	15,426
Total Other	92,817	70,604	55,061	15,543
Total Miscellaneous	266,622	244,409	208,622	35,787
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Information Technology	--	563	563	--
Total Debt service	360	923	922	1
Capital improvements:				
Design and Construction	200	200	200	--

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, 2013
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	805,047	805,047	733,515	71,532
Revenues over Expenditures	187,529	187,529	278,857	91,328
Other Financing Sources (Uses):				
Transfers in:				
Central administrative service expenses	41,290	41,290	41,290	--
Debt service	84,713	84,713	76,019	(8,694)
Other	771	771	771	--
Transfers out:				
Debt service	(198,168)	(198,168)	(184,934)	13,234
Bus subsidy	(68,588)	(68,588)	(68,588)	--
Other	(126,495)	(126,495)	(77,162)	49,333
Total Other Financing Sources (Uses)	(266,477)	(266,477)	(212,604)	53,873
Revenues and Other Sources over (under) Expenditures and Other Uses	(78,948)	(78,948)	66,253	145,201
Unreserved - Undesignated Fund				
Balance - July 1	78,948	78,948	159,042	80,094
Unreserved - Undesignated Fund				
Balance - June 30 (Budgetary Basis)	\$ --	\$ --	225,295	\$ 225,295
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			32,820	
Expenditures - prior year encumbrances			(32,564)	
Decrease in reserved for encumbrances			2,831	
Unreserved - Undesignated Fund				
Balance - June 30			228,382	
Reserved for Encumbrances - June 30			55,384	
Fund Balance - June 30 (GAAP Basis)			\$ 283,766	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 803,732	\$ 822,980	\$ 19,248
PUBLIC SERVICE COMPANY TAX:			
Public Service Company Tax	52,884	52,444	(440)
TOTAL TAXES	856,616	875,424	18,808
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Police and Protective:			
Second-Hand and Junk Dealers	16	22	6
Alarm Permits	195	212	17
Other	17	18	1
Professional and Occupational:			
Other	1	2	1
Total Business Licenses and Permits	229	254	25
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits:			
Building	12,000	13,809	1,809
Signs	28	22	(6)
Other	--	7	7
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees	1,739	1,695	(44)
Motor Vehicle Transfer Fees and Penalty	2,431	2,518	87
Duplicate Registration & Ownership Certificates	190	190	--
Motor Vehicle Registration Annual Fee	13,667	13,783	116
Other	24	25	1
Other Vehicle Licenses and Fees:			
Passenger and Freight Vehicle Permit Fees	98	100	2
Nonresident Vehicle Permit	27	28	1
Motor Vehicle Drivers' Licenses	6,546	5,078	(1,468)
Animal Licenses:			
Dog Licenses and Tag Fees	220	212	(8)
Street, Sidewalk and Curb Permits:			
Easement Grants	65	97	32
Newsstands	21	19	(2)
Dispensing Rack	10	6	(4)
Fire Code Permits and License Fees	364	388	24
Camping Permits	200	104	(96)
Total Non-Business Licenses and Permits	37,630	38,081	451
TOTAL LICENSES AND PERMITS	37,859	38,335	476

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
STATE GRANTS:			
Transient Accommodation Tax	41,013	41,013	--
INTERGOVERNMENTAL PAYMENTS			
IN LIEU OF TAXES:			
Fish and Wildlife Service	<u>20</u>	<u>49</u>	<u>29</u>
Total Intergovernmental Payments in Lieu of Taxes	<u>20</u>	<u>49</u>	<u>29</u>
TOTAL INTERGOVERNMENTAL	<u>41,033</u>	<u>41,062</u>	<u>29</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Data Processing Services:			
Duplication of Master Tapes	43	60	17
Data Processing Service - State	800	898	98
Data Processing Service - U.S. Government	3	2	(1)
Data Processing Service - Other Counties	350	487	137
Legal Services (BWS)	30	30	--
Service Fee for Dishonored Checks	21	25	4
Band Collections	4	10	6
Automotive Equipment Service Charges	200	205	5
Subdivision Fees	50	58	8
Application Fees for Zoning Regulations	150	120	(30)
Nonconforming Use Renewal Fees	308	276	(32)
Plan Review Use Fees	575	627	52
Administrative Fee--Multi-Family Housing Program.....	30	20	(10)
Military Housing Fee in Lieu of Property Tax	850	895	45
Zoning/Flood Clearance Fee	25	23	(2)
Fees for Certificates, Copies & Extracts of Records	115	166	51
Fees for Services	102	76	(26)
Custodial and Attendant Services	372	26	(346)
Spay-Neuter Service	570	512	(58)
Other	<u>8</u>	<u>14</u>	<u>6</u>
Total General Government	<u>4,606</u>	<u>4,530</u>	<u>(76)</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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 ...	15	23	8
HPD Special Duty Fees	300	272	(28)
Miscellaneous:			
Other	--	2	2
Total Public Safety	315	297	(18)
HIGHWAYS AND STREETS:			
Parking:			
City Employees	702	677	(25)
HPD Parking Lot	136	120	(16)
Total Highways and Streets	838	797	(41)
CULTURE-RECREATION:			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing	25	20	(5)
Commercial Filming	36	40	4
Summer Fun Program	235	176	(59)
Fall and Spring Program	59	55	(4)
Fees for Use of Parks	250	248	(2)
Foster Botanic Garden	117	116	(1)
Fees for Community Garden	48	39	(9)
Total Culture-Recreation	770	694	(76)
TOTAL CHARGES FOR SERVICES	6,529	6,318	(211)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	524	478	(46)
Liquidated Contract Damages	--	112	112
Total Fines	524	590	66
FORFEITS:			
Forfeiture of Seized Property	95	--	(95)
TOTAL FINES AND FORFEITS	619	590	(29)

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	2,242	2,132	(110)
HPD Civil Defense Coordinator	29	36	7
Motor Vehicle Inspection Program	630	669	39
Administration Cost - Ewa Highway Impact Fee	30	13	(17)
Hawaii State ID Program	224	66	(158)
Emergency Ambulance Services	35,320	31,275	(4,045)
Collection Cost - State Motor Vehicle			
Weight Tax, etc.	845	772	(73)
Commercial Drivers' License Program	518	434	(84)
Other	95	165	70
Recoveries:			
Workers' Compensation Payment	400	320	(80)
Real Property Tax Services	82	108	26
Central Administrative Service Expenses:			
Board of Water Supply	3,300	3,300	--
Honolulu Authority for Rapid Transportation	1,014	884	(130)
Recovery-Interest-Federal Subsidy	1,346	1,305	(41)
Workers' Compensation Claims (Third Party)	75	245	170
Recoveries - Other	8	42	34
Total Reimbursements and Recoveries	46,158	41,766	(4,392)
INTEREST:			
Interest Earnings:			
Investments	379	533	154
Other Sources	--	6	6
Total Interest	379	539	160

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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)	55	208	153
Rental Units (HCD Property)	--	225	225
Rental - Ambulance Facilities	64	64	--
Rental of Parks and Recreational Facilities:			
Perquisite Housing	37	29	(8)
Other	5	3	(2)
Rental of Equipment	2	6	4
Rental for Use of Land	117	175	58
Total Rents	280	710	430
Contributions from Private Sources:			
Developers' Premium	48	35	(13)
Unclaimed Monies:			
Police Department	--	43	43
Other Escheats	100	148	48
Total Contributions from Private Sources	148	226	78
Other:			
Towing Service Premiums	427	681	254
Vacation Accumulation Deposits	2	348	346
Miscellaneous Sales	397	1,192	795
Sundry Refunds	1,064	4,835	3,771
Sundry Realizations	1,065	346	(719)
Total Other	2,955	7,402	4,447
Total Other Miscellaneous	3,383	8,338	4,955
TOTAL MISCELLANEOUS	49,920	50,643	723
TOTAL REVENUES	992,576	1,012,372	19,796

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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>
OTHER FINANCING SOURCES			
TRANSFERS FROM OTHER FUNDS:			
Recovery of Central Administrative Service Expenses:			
Highway Fund	12,829	12,829	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	219	219	--
Bikeway Fund	40	40	--
Sewer Fund	12,377	12,377	--
Liquor Commission Fund	284	284	--
Rental Assistance Fund	12	12	--
Hanauma Bay Nature Preserve Fund	311	311	--
Golf Fund	961	961	--
Special Events Fund	1,133	1,133	--
Solid Waste Special Fund	13,124	13,124	--
Recovery of Debt Service Charges:			
Highway Fund	70,698	62,004	(8,694)
Hanauma Bay Nature Preserve Fund	1,338	1,338	--
Golf Fund	6,042	6,042	--
Special Events Fund	6,635	6,635	--
Other Transfers:			
Sewer Fund	508	508	--
Solid Waste Special Fund	263	263	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	<u>126,774</u>	<u>118,080</u>	<u>(8,694)</u>
TOTAL OTHER FINANCING SOURCES	<u>126,774</u>	<u>118,080</u>	<u>(8,694)</u>
TOTAL GENERAL FUND	<u>\$ 1,119,350</u>	<u>\$ 1,130,452</u>	<u>\$ 11,102</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 45,590	\$ 44,006
Receivables:		
Public Utilities	27,639	26,894
Intergovernmental	4,137	3,774
Payroll advance	1,004	1,069
Total Assets	\$ 78,370	\$ 75,743
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,481	\$ 356
Due to other funds:		
General Fund	--	80
Payroll Clearance Fund	3	2
Accrued payroll	1,494	1,468
Deferred revenue	27,639	26,894
Total Liabilities	31,617	28,800
Fund Balance:		
Restricted	46,753	46,943
Total Fund Balance	46,753	46,943
Total Liabilities and Fund Balance	\$ 78,370	\$ 75,743

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Amounts in thousands)

	2013	2012
Revenues:		
Taxes	\$ 110,593	\$ 103,007
Licenses and permits	123,375	121,296
Charges for services	4,705	4,592
Fines and forfeits	39	--
Miscellaneous:		
Reimbursements and recoveries	2,625	3,821
Other	4,054	5,347
Total Revenues	245,391	238,063
Expenditures:		
Current:		
General government	20,129	19,259
Public safety	29,273	29,664
Highways and streets	15,770	15,229
Utilities or other enterprises	1,565	1,562
Miscellaneous:		
Retirement and health benefits	20,753	16,438
Other	5,762	1,162
Capital improvements:		
Capital outlay	659	395
Total Expenditures	93,911	83,709
Revenues over Expenditures	151,480	154,354
Other Financing Sources (Uses):		
Sales of capital assets	113	152
Transfers out	(151,783)	(139,486)
Total Other Financing Sources (Uses)	(151,670)	(139,334)
Revenues and Other Sources over (under) Expenditures and Other Uses	(190)	15,020
Fund Balance - July 1	46,943	31,923
Fund Balance - June 30	\$ 46,753	\$ 46,943

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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 105,681	\$ 105,681	\$ 110,593	\$ 4,912
Licenses and permits	122,277	122,277	123,375	1,098
Charges for services	5,470	5,470	4,705	(765)
Fines and forfeits	--	--	39	39
Miscellaneous:				
Reimbursements and recoveries	2,950	2,950	2,625	(325)
Other	1,802	1,802	4,054	2,252
Total Revenues	238,180	238,180	245,391	7,211
Expenditures:				
Current:				
General government:				
Design and Construction	4,806	5,078	4,385	693
Facility Maintenance	14,464	15,254	14,572	682
Planning and Permitting	2,301	2,301	2,223	78
Total General government	21,571	22,633	21,180	1,453
Public safety:				
Police	24,737	25,127	25,068	59
Transportation Services	4,863	5,217	4,511	706
Total Public safety	29,600	30,344	29,579	765
Highways and streets:				
Facility Maintenance	17,552	19,265	15,812	3,453
Utilities or other enterprises:				
Transportation Services	2,136	1,849	1,692	157
Miscellaneous:				
Retirement and health benefits:				
Provisional	20,912	20,912	20,753	159
Other:				
Provisional	10,860	7,253	5,762	1,491
Total Miscellaneous	31,772	28,165	26,515	1,650
Capital improvements:				
Budget and Fiscal Services	5,383	5,383	5,383	--
Design and Construction	450	450	450	--
Transportation Services	851	851	851	--
Total Capital improvements	6,684	6,684	6,684	--
Total Expenditures	109,315	108,940	101,462	7,478
Revenues over Expenditures	128,865	129,240	143,929	14,689

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, 2013
 (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	26	26	113	87
Transfers out:				
Debt service	(70,698)	(70,698)	(62,004)	8,694
Reimbursement for central administrative service expenses	(12,829)	(12,829)	(12,829)	--
Bus subsidy	(76,575)	(76,950)	(76,950)	--
Total Transfers out.....	(160,102)	(160,477)	(151,783)	8,694
Total Other Financing Source (Uses)	(160,076)	(160,451)	(151,670)	8,781
Revenues and Other Source under Expenditures and Other Uses	(31,211)	(31,211)	(7,741)	23,470
Unreserved - Undesignated Fund Balance - July 1	31,211	31,211	42,445	11,234
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	34,704	\$ 34,704
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			9,418	
Expenditures - prior year encumbrances			(1,867)	
Increase in reserved for encumbrances			(2,762)	
Unreserved - Undesignated Fund Balance - June 30			39,493	
Reserved for Encumbrances - June 30			7,260	
Fund Balance - June 30 (GAAP Basis)			\$ 46,753	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>TAXES</u>			
GROSS RECEIPTS BUSINESS TAXES:			
Public Utility Franchise Tax	\$ 53,787	\$ 56,768	\$ 2,981
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	<u>51,894</u>	<u>53,825</u>	<u>1,931</u>
TOTAL TAXES	<u>105,681</u>	<u>110,593</u>	<u>4,912</u>
<u>LICENSES AND PERMITS</u>			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	240	216	(24)
Other Permits	7	8	1
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	117,933	118,865	932
Other Vehicle Licenses and Fees	3,745	3,940	195
Street and Sidewalk Use	8	19	11
Freight Curb and Passenger Loading Zone Permits	264	256	(8)
Excavation and Repair of Streets and Sidewalks	<u>80</u>	<u>71</u>	<u>(9)</u>
TOTAL LICENSES AND PERMITS	<u>122,277</u>	<u>123,375</u>	<u>1,098</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	14	15	1
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	102	70	(32)
Street Parking Meter Collections	4,000	3,437	(563)
Other Parking Meter Collections	1,308	1,128	(180)
Other	<u>46</u>	<u>55</u>	<u>9</u>
Total Highways and Streets	<u>5,456</u>	<u>4,690</u>	<u>(766)</u>
TOTAL CHARGES FOR SERVICES	<u>5,470</u>	<u>4,705</u>	<u>(765)</u>
<u>FINES AND FORFEITS</u>			
FINES:			
Liquidated Contract Damages	<u>--</u>	<u>39</u>	<u>39</u>
TOTAL FINES AND FORFEITS	<u>--</u>	<u>39</u>	<u>39</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursement from State for			
Traffic Signal Maintenance	446	215	(231)
Recovery of Overhead Charges	9	--	(9)
Recovery of Overtime Inspection	3	--	(3)
Recovery - Federal Interest Subsidy	2,492	2,410	(82)
Total Reimbursements and Recoveries	<u>2,950</u>	<u>2,625</u>	<u>(325)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	85	68	(17)
Total Rents	<u>85</u>	<u>68</u>	<u>(17)</u>
Concessions:			
Kekaulike Parking Lot	24	--	(24)
Marin Towers Garage	--	243	243
Harbor Court Garage	456	455	(1)
Kaimuki Parking Lot	480	445	(35)
Kukui Plaza Garage	669	669	--
Smith-Beretania Garage	71	71	--
Total Concessions	<u>1,700</u>	<u>1,883</u>	<u>183</u>
Other:			
Vacation Accumulation Deposits	14	6	(8)
Miscellaneous Sales	2	5	3
Sundry Refunds	1	2,092	2,091
Total Other	<u>17</u>	<u>2,103</u>	<u>2,086</u>
Total Other Miscellaneous	<u>1,802</u>	<u>4,054</u>	<u>2,252</u>
TOTAL MISCELLANEOUS	<u>4,752</u>	<u>6,679</u>	<u>1,927</u>
TOTAL REVENUES	<u>238,180</u>	<u>245,391</u>	<u>7,211</u>
OTHER FINANCING SOURCES			
SALES OF CAPITAL ASSETS:			
Compensation for Loss of Capital Assets	26	113	87
TOTAL OTHER FINANCING SOURCES	<u>26</u>	<u>113</u>	<u>87</u>
TOTAL HIGHWAY FUND	<u>\$ 238,206</u>	<u>\$ 245,504</u>	<u>\$ 7,298</u>

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

BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,740	\$ 5,481
Receivable:		
Payroll advance	38	40
Total Assets	\$ 6,778	\$ 5,521
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1	\$ 102
Accrued payroll	36	42
Total Liabilities	37	144
Fund Balance:		
Restricted	6,741	5,377
Total Fund Balance	6,741	5,377
Total Liabilities and Fund Balance	\$ 6,778	\$ 5,521

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, 2013
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ 4,250	\$ 4,369	\$ 119
Total Revenue	4,250	4,369	119
Expenditures:			
Current:			
General government:			
Customer Services	2,707	1,100	1,607
Highways and streets:			
Facility Maintenance	154	106	48
Culture-recreation:			
Parks and Recreation	994	993	1
Miscellaneous:			
Retirement and health benefits:			
Provisional	530	530	--
Total Expenditures	4,385	2,729	1,656
Revenue over (under) Expenditures	(135)	1,640	1,775
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(219)	(219)	--
Revenue over (under) Expenditures and Other Use	(354)	1,421	1,775
Unreserved - Undesignated Fund Balance - July 1	3,134	4,657	1,523
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,780	6,078	\$ 3,298
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		98	
Expenditures - prior year encumbrances		(155)	
Decrease in reserved for encumbrances		58	
Unreserved - Undesignated Fund Balance - June 30		6,079	
Reserved for Encumbrances - June 30		662	
Fund Balance - June 30 (GAAP Basis)		\$ 6,741	

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, 2013
(Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
HIGHWAYS AND STREETS:			
Highway Beautification Fees	\$ 4,250	\$ 4,369	\$ 119
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUE	<u>\$ 4,250</u>	<u>\$ 4,369</u>	<u>\$ 119</u>

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 1,067	\$ 1,473
Receivable:		
Payroll advance	8	8
Due from other fund:		
Capital Projects Fund	30	--
Total Assets	\$ 1,105	\$ 1,481
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 11	\$ 2
Accrued payroll	6	8
Total Liabilities	17	10
Fund Balance:		
Restricted	1,088	1,471
Total Fund Balance	1,088	1,471
Total Liabilities and Fund Balance	\$ 1,105	\$ 1,481

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 544	\$ 518	\$ (26)
Miscellaneous:			
Other	--	4	4
Total Revenues	<u>544</u>	<u>522</u>	<u>(22)</u>
Expenditures:			
Current:			
General government:			
Facility Maintenance	19	19	--
Public safety:			
Transportation Services	474	456	18
Highways and streets:			
Facility Maintenance	10	3	7
Culture-recreation:			
Parks and Recreation	5	--	5
Capital improvements:			
Highways and streets:			
Transportation Services	342	342	--
Miscellaneous:			
Retirement and health benefits:			
Provisional	15	15	--
Total Expenditures	<u>865</u>	<u>835</u>	<u>30</u>
Revenues under Expenditures	<u>(321)</u>	<u>(313)</u>	<u>8</u>
Other Financing Source (Use):			
Transfer in	--	30	30
Transfer out:			
Reimbursement for central administrative service expenses	(40)	(40)	--
Total Other Financing Source (Use)	<u>(40)</u>	<u>(10)</u>	<u>30</u>
Revenues and Other Source under Expenditures and Other Use	(361)	(323)	38
Unreserved - Undesignated Fund Balance - July 1	<u>1,104</u>	<u>941</u>	<u>(163)</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 743</u>	618	<u>\$ (125)</u>
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		397	
Expenditures - prior year encumbrances		(457)	
Increase in reserved for encumbrances		<u>(10)</u>	
Unreserved - Undesignated Fund Balance - June 30		548	
Reserved for Encumbrances - June 30		<u>540</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 1,088</u>	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>LICENSES AND PERMITS</u>			
<u>NON-BUSINESS LICENSES AND PERMITS:</u>			
Other Vehicle Licenses and Fees -			
Bicycle Licenses	\$ 544	\$ 518	\$ (26)
 <u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Other:			
Sundry Refunds	--	4	4
TOTAL REVENUES	<u>544</u>	<u>522</u>	<u>(22)</u>
 <u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
Capital Projects Fund	--	30	30
TOTAL OTHER FINANCING SOURCE	<u>--</u>	<u>30</u>	<u>30</u>
TOTAL BIKEWAY FUND	<u>\$ 544</u>	<u>\$ 552</u>	<u>\$ 8</u>

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,539	\$ 6,176
Due from other fund:		
Capital Projects Fund	--	681
Total Assets	\$ 6,539	\$ 6,857
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 23	\$ 196
Total Liability	23	196
Fund Balance:		
Committed	6,516	6,661
Total Fund Balance	6,516	6,661
Total Liability and Fund Balance	\$ 6,539	\$ 6,857

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 371	\$ 371
Total Revenue	--	371	371
Expenditures:			
Capital improvements:			
Budget and Fiscal Services	1	1	--
Design and Construction	628	628	--
Total Expenditures	629	629	--
Revenue under Expenditures	(629)	(258)	371
Unreserved - Undesignated Fund Balance - July 1	1,172	6,075	4,903
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 543	5,817	\$ 5,274
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		625	
Expenditures - prior year encumbrances		(512)	
Increase in reserved for encumbrances		(544)	
Unreserved - Undesignated Fund Balance - June 30		5,386	
Reserved for Encumbrances - June 30		1,130	
Fund Balance - June 30 (GAAP Basis)		\$ 6,516	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ --	\$ 371	\$ 371
TOTAL PARKS AND PLAYGROUNDS FUND	\$ --	\$ 371	\$ 371

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 3,486	\$ 3,608
Receivable:		
Payroll advance	35	35
Total Assets	\$ 3,521	\$ 3,643
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 31	\$ 24
Accrued payroll	95	84
Due to other fund:		
General Fund	--	2
Total Liabilities	126	110
Fund Balance:		
Restricted	3,395	3,533
Total Fund Balance	3,395	3,533
Total Liabilities and Fund Balance	\$ 3,521	\$ 3,643

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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Licenses and permits	\$ 4,228	\$ 4,228	\$ 3,907	\$ (321)
Charges for services	129	129	136	7
Fines and forfeits	225	225	202	(23)
Miscellaneous:				
Other	--	--	76	76
Total Revenues	4,582	4,582	4,321	(261)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	3,755	3,824	2,764	1,060
Corporation Counsel	126	126	112	14
Information Technology	51	51	51	--
Total General government	3,932	4,001	2,927	1,074
Miscellaneous:				
Retirement and health benefits:				
Provisional	1,126	1,126	1,126	--
Other:				
Provisional	617	548	237	311
Total Miscellaneous	1,743	1,674	1,363	311
Total Expenditures	5,675	5,675	4,290	1,385
Revenues over (under) Expenditures	(1,093)	(1,093)	31	1,124
Other Financing Use:				
Transfers out:				
Reimbursement for central administrative service expenses	(284)	(284)	(284)	--
Revenues under Expenditures and Other Use	(1,377)	(1,377)	(253)	1,124
Unreserved - Undesignated Fund Balance - July 1	2,572	2,572	3,468	896
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,195	\$ 1,195	3,215	\$ 2,020

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, 2013
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			126	
Expenditures - prior year encumbrances			(11)	
Increase in reserved for encumbrances			<u>(88)</u>	
Unreserved - Undesignated Fund				
Balance - June 30			3,242	
Reserved for Encumbrances - June 30			<u>153</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 3,395</u>	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 4,228	\$ 3,907	\$ (321)
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	6	6	--
Fees:			
Charge for Photo I.D.	120	127	7
Other	3	3	--
	<u>129</u>	<u>136</u>	<u>7</u>
TOTAL CHARGES FOR SERVICES	<u>129</u>	<u>136</u>	<u>7</u>
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	225	202	(23)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	10	10
Sundry Refunds	--	66	66
	<u>--</u>	<u>76</u>	<u>76</u>
TOTAL MISCELLANEOUS	<u>--</u>	<u>76</u>	<u>76</u>
TOTAL LIQUOR COMMISSION FUND REVENUES	<u>\$ 4,582</u>	<u>\$ 4,321</u>	<u>\$ (261)</u>

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ --	\$ 81
Total Asset	\$ --	\$ 81
 <u>FUND BALANCE</u>		
Fund Balance:		
Committed	--	81
Total Fund Balance	--	81
Total Fund Balance	\$ --	\$ 81

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ 10	\$ --	\$ (10)
Total Revenue	10	--	(10)
Expenditure:			
Current:			
Miscellaneous:			
Retirement and health benefits:			
Provisional	96	81	15
Total Expenditure	96	81	15
Revenue under Expenditure	(86)	(81)	5
Unreserved - Undesignated Fund Balance - July 1	86	81	(5)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	--	\$ --
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		--	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ --	

CITY AND COUNTY OF HONOLULU
OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 10	\$ --	\$ (10)
TOTAL OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND REVENUE	<u>\$ 10</u>	<u>\$ --</u>	<u>\$ (10)</u>

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 1,191	\$ 1,119
Total Asset	\$ 1,191	\$ 1,119
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 1,191	\$ 1,119
Total Fund Balance	\$ 1,191	\$ 1,119

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 233	\$ 215	\$ (18)
Total Revenue	233	215	(18)
Expenditure:			
Current:			
Human services:			
Community Services	233	131	102
Total Expenditure	233	131	102
Revenue over Expenditure	--	84	84
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(12)	(12)	--
Revenue over (under) Expenditure and Other Use	(12)	72	84
Unreserved - Undesignated Fund Balance - July 1	958	1,119	161
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 946	1,191	\$ 245
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		1,191	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 1,191	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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>OTHER MISCELLANEOUS:</u>			
Rents:			
Rental of Parking Stalls	\$ 233	\$ 215	\$ (18)
TOTAL RENTAL ASSISTANCE FUND REVENUE	<u>\$ 233</u>	<u>\$ 215</u>	<u>\$ (18)</u>

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 7	\$ 8
Total Asset	\$ 7	\$ 8
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 7	\$ 8
Total Fund Balance	\$ 7	\$ 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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Expenditure:			
Current:			
Culture-recreation:			
Enterprise Services	\$ 2	\$ 1	\$ 1
Unreserved - Undesignated Fund Balance - July 1	2	3	1
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	2	\$ 2
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		2	
Reserved for Encumbrances - June 30		5	
Fund Balance - June 30 (GAAP Basis)		\$ 7	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 4,342	\$ 4,034
Receivables:		
Payroll advance	33	33
Total Asset	\$ 4,375	\$ 4,067
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 79	\$ 64
Accrued payroll	43	45
Total Liabilities	122	109
Fund Balance:		
Committed	4,253	3,958
Total Fund Balance	4,253	3,958
Total Liabilities and Fund Balance	\$ 4,375	\$ 4,067

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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 4,193	\$ 4,193	\$ 4,592	\$ 399
Miscellaneous:				
Other	1,642	1,642	1,587	(55)
Total Revenues	5,835	5,835	6,179	344
Expenditures:				
Current:				
Public safety:				
Emergency Services	835	835	808	27
Culture-recreation:				
Enterprise Services	5	5	2	3
Parks and Recreation	2,673	2,931	2,598	333
Total Culture-recreation	2,678	2,936	2,600	336
Miscellaneous:				
Retirement and health benefits:				
Provisional	867	867	867	--
Other:				
Provisional	503	245	169	76
Total Miscellaneous	1,370	1,112	1,036	76
Total Expenditures	4,883	4,883	4,444	439
Revenues over Expenditures	952	952	1,735	783
Other Financing Uses:				
Transfers out:				
Debt service	(1,338)	(1,338)	(1,338)	--
Reimbursement for central administrative service expenses	(311)	(311)	(311)	--
Total Other Financing Uses	(1,649)	(1,649)	(1,649)	--
Revenues over (under) Expenditures and Other Uses ..	(697)	(697)	86	783
Unreserved - Undesignated Fund Balance - July 1	2,448	2,448	3,786	1,338
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 1,751</u>	<u>\$ 1,751</u>	3,872	<u>\$ 2,121</u>

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, 2013
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			340	
Expenditures - prior year encumbrances			(131)	
Increase in reserved for encumbrances			(191)	
Unreserved - Undesignated Fund				
Balance - June 30			3,890	
Reserved for Encumbrances - June 30			363	
Fund Balance - June 30 (GAAP Basis)			\$ 4,253	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 193	\$ 203	\$ 10
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	<u>4,000</u>	<u>4,389</u>	<u>389</u>
TOTAL CHARGES FOR SERVICES	<u>4,193</u>	<u>4,592</u>	<u>399</u>
<u>MISCELLANEOUS</u>			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	65	84	19
Hanauma Beach Park Concession	291	291	--
Hanauma Shuttle Bus Service	38	63	25
Hanauma Snorkeling Rental	1,248	1,144	(104)
Vacation Accumulation Deposits	<u>--</u>	<u>5</u>	<u>5</u>
TOTAL MISCELLANEOUS	<u>1,642</u>	<u>1,587</u>	<u>(55)</u>
TOTAL REVENUES	<u>5,835</u>	<u>6,179</u>	<u>344</u>
TOTAL HANAUMA BAY NATURE PRESERVE FUND REVENUE	<u>\$ 5,835</u>	<u>\$ 6,179</u>	<u>\$ 344</u>

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 47,886	\$ 29,993
Total Asset	\$ 47,886	\$ 29,993
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 47,886	\$ 29,993
Total Fund Balance	\$ 47,886	\$ 29,993

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, 2013
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenue:			
Miscellaneous:			
Interest	\$ 16	\$ 23	\$ 7
Other Financing Sources:			
Sales of capital assets	100	1,493	1,393
Transfer in	<u>16,377</u>	<u>16,377</u>	<u>--</u>
Total Other Financing Sources	<u>16,477</u>	<u>17,870</u>	<u>1,393</u>
Revenue and Other Sources	16,493	17,893	1,400
Unreserved - Undesignated Fund Balance - July 1	<u>30,017</u>	<u>29,993</u>	<u>(24)</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u><u>\$ 46,510</u></u>	47,886	<u><u>\$ 1,376</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		47,886	
Reserved for Encumbrances - June 30		<u>--</u>	
Fund Balance - June 30 (GAAP Basis)		<u><u>\$ 47,886</u></u>	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 16	\$ 23	\$ 7
	<u>16</u>	<u>23</u>	<u>7</u>
TOTAL REVENUE	<u>16</u>	<u>23</u>	<u>7</u>
<u>OTHER FINANCING SOURCES</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Sale of Capital Assets	100	1,493	1,393
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	16,377	16,377	--
	<u>16,477</u>	<u>17,870</u>	<u>1,393</u>
TOTAL OTHER FINANCING SOURCES	<u>16,477</u>	<u>17,870</u>	<u>1,393</u>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 16,493</u>	<u>\$ 17,893</u>	<u>\$ 1,400</u>

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 19,706	\$ 19,650
Total Asset	\$ 19,706	\$ 19,650
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 19,706	\$ 19,650
Total Fund Balance	\$ 19,706	\$ 19,650

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 4,044	\$ 4,044	\$ --
Miscellaneous:			
Interest	9	12	3
Total Revenue	4,053	4,056	3
Expenditure:			
Capital improvements:			
Design and Construction	5,828	5,828	--
Revenues under Expenditure	(1,775)	(1,772)	3
Unreserved - Undesignated Fund Balance - July 1	15,825	19,650	3,825
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 14,050	17,878	\$ 3,828
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		3,828	
Expenditures - prior year encumbrances		(2,000)	
Increase in reserved for encumbrances		(325)	
Unreserved - Undesignated Fund Balance - June 30		19,381	
Reserved for Encumbrances - June 30		325	
Fund Balance - June 30 (GAAP Basis)		\$ 19,706	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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>			
<u>GENERAL PROPERTY TAXES:</u>			
Real Property Tax	\$ 4,044	\$ 4,044	\$ --
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	<u>9</u>	<u>12</u>	<u>3</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND	 <u>\$ 4,053</u>	 <u>\$ 4,056</u>	 <u>\$ 3</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 20,794	\$ 16,739
Total Asset	\$ 20,794	\$ 16,739
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 20,794	\$ 16,739
Total Fund Balance	\$ 20,794	\$ 16,739

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 4,044	\$ 4,044	\$ --
Miscellaneous:			
Interest	7	11	4
Total Revenues	4,051	4,055	4
Expenditure:			
Capital improvements:			
Community Services	7,600	7,600	--
Total Expenditure	7,600	7,600	--
Revenues under Expenditure	(3,549)	(3,545)	4
Unreserved - Undesignated Fund Balance - July 1	10,238	16,739	6,501
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 6,689	13,194	\$ 6,505
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		7,600	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		--	
Unreserved - Undesignated Fund Balance - June 30		20,794	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 20,794	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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>			
<u>GENERAL PROPERTY TAXES:</u>			
Real Property Tax	\$ 4,044	4,044	\$ --
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	<u>7</u>	<u>11</u>	<u>4</u>
 TOTAL AFFORDABLE HOUSING FUND	 <u>\$ 4,051</u>	 <u>\$ 4,055</u>	 <u>\$ 4</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 160	\$ 122
Receivables:		
Loans	75	81
Intergovernmental	329	1,171
Payroll advance	13	15
Due from other funds:		
Housing and Community Development Section 8 Contract Fund	2	--
Federal Grants Capital Projects Fund	48	--
	\$ 627	\$ 1,389
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 135	\$ 1,503
Due to other funds:		
General Fund	56	38
Federal Grants Fund	8	26
Accrued payroll	32	24
Deferred revenue	75	81
	306	1,672
Fund Balance:		
Restricted	321	--
Unassigned	--	(283)
	321	(283)
	\$ 627	\$ 1,389

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 9,565	\$ 6,483	\$ (3,082)
Miscellaneous:			
Other	--	6	6
Total Revenues	9,565	6,489	(3,076)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	114	113	1
Human services:			
Community Services	1,497	1,164	333
Capital improvements:			
Community Services	7,954	7,954	--
Total Expenditures	9,565	9,231	334
Revenues over (under) Expenditures	--	(2,742)	(2,742)
Unreserved - Undesignated Fund Balance - July 1	--	(9,674)	(9,674)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	(12,416)	\$ (12,416)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		7,516	
Expenditures - prior year encumbrances		(4,170)	
Decrease in reserved for encumbrances		1,474	
Unreserved - Undesignated Fund Balance - June 30		(7,596)	
Reserved for Encumbrances - June 30		7,917	
Fund Balance - June 30 (GAAP Basis)		\$ 321	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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>			
<u>FEDERAL GRANTS:</u>			
Community Development Block Grant	\$ 9,565	\$ 6,483	\$ (3,082)
TOTAL INTERGOVERNMENTAL	9,565	6,483	(3,082)
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Other:			
Sundry Refunds	--	6	6
TOTAL COMMUNITY DEVELOPMENT FUND	\$ 9,565	\$ 6,489	\$ (3,076)

CITY AND COUNTY OF HONOLULU
GOLF FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,367	\$ 2,786
Receivable:		
Payroll advance	118	122
Total Assets	\$ 2,485	\$ 2,908
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 208	\$ 181
Due to other fund:		
General Fund	--	1
Accrued payroll	176	180
Total Liabilities	384	362
Fund Balance:		
Committed	2,101	2,546
Total Fund Balance	2,101	2,546
Total Liabilities and Fund Balance	\$ 2,485	\$ 2,908

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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 7,480	\$ 7,480	\$ 6,773	\$ (707)
Miscellaneous:				
Other	3,135	3,135	2,987	(148)
Total Revenues	10,615	10,615	9,760	(855)
Expenditures:				
Current:				
Culture-recreation:				
Enterprise Services	9,580	9,702	9,238	464
Miscellaneous:				
Retirement and health benefits:				
Provisional	2,376	2,376	2,376	--
Other:				
Provisional	723	601	452	149
Total Miscellaneous	3,099	2,977	2,828	149
Capital improvements:				
Budget and Fiscal Services	505	505	505	--
Total Expenditures	13,184	13,184	12,571	613
Revenues under Expenditures	(2,569)	(2,569)	(2,811)	(242)
Other Finance Source (Uses):				
Transfer in	9,520	9,520	9,520	--
Transfers out:				
Debt service	(6,042)	(6,042)	(6,042)	--
Reimbursement for central administrative service expenses	(961)	(961)	(961)	--
Total Other Financing Sources (Uses)	2,517	2,517	2,517	--
Revenues and Other Source under Expenditures and Other Uses	(52)	(52)	(294)	(242)
Unreserved - Undesignated Fund Balance - July 1	52	52	1,432	1,380
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>\$ --</u>	1,138	<u>\$ 1,138</u>

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, 2013
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			464	
Expenditures - prior year encumbrances			(615)	
Decrease in reserved for encumbrances			<u>519</u>	
Unreserved - Undesignated Fund Balance - June 30			1,506	
Reserved for Encumbrances - June 30			<u>595</u>	
Fund Balance - June 30 (GAAP Basis)			<u><u>\$ 2,101</u></u>	

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 7,480	\$ 6,773	\$ (707)
TOTAL CHARGES FOR SERVICES	<u>7,480</u>	<u>6,773</u>	<u>(707)</u>
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	2,556	2,367	(189)
Rental for Use of Land	--	6	6
Total Rents	<u>2,556</u>	<u>2,373</u>	<u>(183)</u>
Concessions:			
Food Concession - Golf Courses	72	102	30
Golf Course - Pro Shops	7	3	(4)
Golf Course - Driving Range	500	509	9
Total Concessions	<u>579</u>	<u>614</u>	<u>35</u>
TOTAL MISCELLANEOUS	<u>3,135</u>	<u>2,987</u>	<u>(148)</u>
TOTAL REVENUES	<u>10,615</u>	<u>9,760</u>	<u>(855)</u>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	9,520	9,520	--
TOTAL OTHER FINANCING SOURCE	<u>9,520</u>	<u>9,520</u>	<u>--</u>
TOTAL GOLF FUND	<u>\$ 20,135</u>	<u>\$ 19,280</u>	<u>\$ (855)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 4,439	\$ 4,638
Receivable:		
Payroll advance	191	201
Due from other fund:		
Bus Transportation Fund	1	--
Total Assets	\$ 4,631	\$ 4,839
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 207	\$ 238
Due to other funds:		
General Fund	--	31
Payroll Clearance Fund	--	2
Accrued payroll	295	277
Total Liabilities	502	548
Fund Balance:		
Committed	4,129	4,291
Total Fund Balance	4,129	4,291
Total Liabilities and Fund Balance	\$ 4,631	\$ 4,839

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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 4,010	\$ 4,010	\$ 4,920	\$ 910
Miscellaneous:				
Reimbursements and recoveries	29	29	29	--
Interest	4	4	4	--
Other	7,612	7,612	7,342	(270)
Total Revenues	11,655	11,655	12,295	640
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	43	43	43	--
Culture-recreation:				
Enterprise Services	10,755	11,417	11,068	349
Miscellaneous:				
Retirement and health benefits:				
Provisional	3,398	3,398	3,398	--
Other:				
Provisional	1,635	973	900	73
Total Miscellaneous	5,033	4,371	4,298	73
Capital improvements:				
Budget and Fiscal Services	195	195	195	--
Total Expenditures	16,026	16,026	15,604	422
Revenues under Expenditures	(4,371)	(4,371)	(3,309)	1,062
Other Finance Source (Uses):				
Transfer in	11,265	11,265	11,265	--
Transfers out:				
Debt service	(6,635)	(6,635)	(6,635)	--
Reimbursement for central administrative service expenses	(1,133)	(1,133)	(1,133)	--
Total Other Financing Source (Uses)	3,497	3,497	3,497	--

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, 2013
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source over (under) Expenditures and Other Uses	(874)	(874)	188	1,062
Unreserved - Undesignated Fund Balance - July 1	874	874	3,440	2,566
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	3,628	\$ 3,628
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			279	
Expenditures - prior year encumbrances			(629)	
Decrease in reserved for encumbrances			567	
Unreserved - Undesignated Fund Balance - June 30			3,845	
Reserved for Encumbrances - June 30			284	
Fund Balance - June 30 (GAAP Basis)			\$ 4,129	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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	\$ 36	\$ 133	\$ 97
HIGHWAYS AND STREETS:			
Zoo Parking Lot	540	593	53
CULTURE-RECREATION:			
Honolulu Zoo	3,434	4,194	760
TOTAL CHARGES FOR SERVICES	4,010	4,920	910
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Recovery of Utility Charges	29	29	--
INTEREST:			
Interest Earnings:			
Investments	4	4	--
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	42	44	2
Rental of Auditorium Facilities	2,306	1,991	(315)
Auditorium Equipment Rental	1,129	1,140	11
Total Rents	3,477	3,175	(302)
Concessions:			
Food Concession - Auditoriums	655	667	12
Food Concession - Honolulu Zoo	120	325	205
Food Concession - Parks	214	152	(62)
Parking - Auditoriums	2,050	1,960	(90)
Novelty Sales Concession - Auditoriums	95	104	9
Other - Auditoriums	6	7	1
Beach Concession - Parks	855	806	(49)
Pouring Rights	65	64	(1)
Other Concessions	75	80	5
Total Concessions	4,135	4,165	30

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (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:			
Other	--	2	2
Total Other	--	2	2
Total Other Miscellaneous	7,612	7,342	(270)
TOTAL MISCELLANEOUS	7,645	7,375	(270)
TOTAL REVENUES	11,655	12,295	640
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	11,265	11,265	--
TOTAL SPECIAL EVENTS FUND	<u>\$ 22,920</u>	<u>\$ 23,560</u>	<u>\$ 640</u>

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 9,459	\$ 10,667
Receivables:		
Intergovernmental	185	245
Payroll advance	32	40
Total Assets	\$ 9,676	\$ 10,952
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 705	\$ 421
Accrued payroll	65	200
Due to other funds:		
General Fund	21	11
Federal Grants Fund	34	16
Total Liabilities	825	648
Fund Balance:		
Restricted	8,851	10,304
Total Fund Balance	8,851	10,304
Total Liabilities and Fund Balance	\$ 9,676	\$ 10,952

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, 2013
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 5,531	\$ 11,979	\$ 8,392	\$ (3,587)
Miscellaneous:				
Other	43	648	956	308
Total Revenues	5,574	12,627	9,348	(3,279)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	94	3	91
City Council				--
Customer Services	43	43	6	37
Information Technology	--	3,025	1,441	1,584
Mayor	--	402	388	14
Prosecuting Attorney	457	2,688	2,340	348
Total General government	500	6,252	4,178	2,074
Public safety:				
Emergency Management	32	40	17	23
Emergency Services	636	701	584	117
Fire	--	380	333	47
Police	--	3,050	1,071	1,979
Total Public safety	668	4,171	2,005	2,166
Human services:				
Community Services	4,341	4,718	3,388	1,330
Culture-recreation:				
Mayor	--	3	--	3
Parks and Recreation	30	976	215	761
Total Culture-recreation	30	979	215	764
Total Expenditures	5,539	16,120	9,786	6,334
Revenues over (under) Expenditures	35	(3,493)	(438)	3,055
Unreserved - Undesignated Fund Balance - July 1	--	--	(371)	(371)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 35	\$ (3,493)	(809)	\$ 2,684
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			5,296	
Expenditures - prior year encumbrances			(6,311)	
Decrease in reserved for encumbrances			1,496	
Unreserved - Undesignated Fund Balance - June 30			(328)	
Reserved for Encumbrances - June 30			9,179	
Fund Balance - June 30 (GAAP Basis)			\$ 8,851	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
INTERGOVERNMENTAL				
STATE GRANTS:				
Department of the Attorney General	\$ 457	\$ 823	\$ 765	\$ (58)
Department of Defense	32	32	8	(24)
Department of Hawaiian Home Lands	100	100	--	(100)
Department of Health	4,218	4,451	1,647	(2,804)
Department of Human Services	23	197	147	(50)
Department of Labor and Industrial Relations	35	343	306	(37)
Department of Land and Natural Resources	636	636	584	(52)
Hawaii Tourism Authority	15	412	397	(15)
Wireless Enhanced 911 Board	--	3,524	3,076	(448)
Grants from Other Agencies	15	1,461	1,462	1
	<u>5,531</u>	<u>11,979</u>	<u>8,392</u>	<u>(3,587)</u>
TOTAL INTERGOVERNMENTAL				
MISCELLANEOUS				
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Contributions to the City	<u>43</u>	<u>148</u>	<u>219</u>	<u>71</u>
Total Contributions from Private Sources	<u>43</u>	<u>148</u>	<u>219</u>	<u>71</u>
Other:				
Other	<u>--</u>	<u>500</u>	<u>737</u>	<u>237</u>
TOTAL MISCELLANEOUS	<u>43</u>	<u>648</u>	<u>956</u>	<u>308</u>
TOTAL SPECIAL PROJECTS FUND REVENUES	<u>\$ 5,574</u>	<u>\$ 12,627</u>	<u>\$ 9,348</u>	<u>\$ (3,279)</u>

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 15,806	\$ 17,717
Receivables:		
Loans	4,703	5,140
Intergovernmental	23,144	22,489
Payroll advance	152	166
Due from other funds:		
Community Development Fund	8	26
Special Projects Fund	34	16
	\$ 43,847	\$ 45,554
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,312	\$ 1,853
Accrued payroll	183	217
Due to other funds:		
General Fund	20,925	21,140
General Improvement Bond Fund	3	--
Deferred revenue	4,703	5,140
	27,126	28,350
Fund Balance:		
Restricted	16,721	17,204
	16,721	17,204
	\$ 43,847	\$ 45,554

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, 2013
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 49,776	\$ 83,535	\$ 60,196	\$ (23,339)
Miscellaneous:				
Interest	--	1	2	1
Other	--	53	768	715
Total Revenues	49,776	83,589	60,966	(22,623)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	388	396	60	336
City Council	55	55	--	55
Facility Maintenance	--	181	19	162
Information Technology	48	48	--	48
Planning and Permitting	--	2,263	74	2,189
Prosecuting Attorney	1,074	2,505	1,597	908
Total General government	1,565	5,448	1,750	3,698
Public safety:				
Emergency Management	182	11,875	5,469	6,406
Fire	--	298	136	162
Police	--	22,077	6,788	15,289
Transportation Services	48	290	205	85
Total Public safety	230	34,540	12,598	21,942
Highways and streets:				
Facility Maintenance	--	1,050	489	561
Human services:				
Community Services	20,712	26,232	16,302	9,930
Culture-recreation:				
Parks and Recreation	90	245	245	--
Utilities or other enterprises:				
Transportation Services	27,161	28,414	28,186	228
Total Expenditures	49,758	95,929	59,570	36,359

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, 2013
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over (under) Expenditures	18	(12,340)	1,396	13,736
Unreserved - Undesignated Fund Balance - July 1	--	--	(1,313)	(1,313)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 18	\$ (12,340)	83	\$ 12,423
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			8,860	
Expenditures - prior year encumbrances			(10,739)	
Decrease in reserved for encumbrances			3,213	
Unreserved - Undesignated Fund Balance - June 30			1,417	
Reserved for Encumbrances - June 30			15,304	
Fund Balance - June 30 (GAAP Basis)			\$ 16,721	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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	\$ 107	\$ 371	\$ 208	\$ (163)
Department of Commerce	--	65	37	(28)
Department of Education	--	547	617	70
Department of Health and Human Services	7,087	8,897	4,074	(4,823)
Department of Homeland Security	182	12,581	7,964	(4,617)
Department of Housing and Urban Development	7,725	12,632	7,053	(5,579)
Department of Justice	1,220	6,326	4,050	(2,276)
Department of Labor	6,246	6,846	4,189	(2,657)
Department of Transportation	27,209	31,323	29,642	(1,681)
Environmental Protection Agency	--	181	268	87
Office of National Drug Control Policy	--	3,766	2,094	(1,672)
TOTAL INTERGOVERNMENTAL	<u>49,776</u>	<u>83,535</u>	<u>60,196</u>	<u>(23,339)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	1	2	1
OTHER MISCELLANEOUS:				
Other:				
Other	--	53	768	715
TOTAL MISCELLANEOUS	<u>--</u>	<u>54</u>	<u>770</u>	<u>716</u>
TOTAL FEDERAL GRANTS FUND	<u>\$ 49,776</u>	<u>\$ 83,589</u>	<u>\$ 60,966</u>	<u>\$ (22,623)</u>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,841	\$ 5,618
Receivables:		
Loans	10,017	9,684
Payroll advance	--	2
Total Assets	\$ 15,858	\$ 15,304
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 8	\$ --
Deferred revenue	10,017	9,684
Total Liabilities	10,025	9,684
Fund Balance:		
Restricted	5,833	5,620
Total Fund Balance	5,833	5,620
Total Liabilities and Fund Balance	\$ 15,858	\$ 15,304

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, 2013
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous:			
Interest	\$ 1	\$ 2	\$ 1
Other	2,592	1,344	(1,248)
Total Revenues	2,593	1,346	(1,247)
Expenditure:			
Current:			
Human services:			
Community Services	3,205	1,766	1,439
Total Expenditure	3,205	1,766	1,439
Revenues under Expenditure	(612)	(420)	192
Unreserved - Undesignated Fund Balance - July 1	2,088	--	(2,088)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,476	(420)	\$ (1,896)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		952	
Expenditures - prior year encumbrances		(319)	
Increase in reserved for encumbrances		(634)	
Unreserved - Undesignated Fund Balance - June 30		(421)	
Reserved for Encumbrances - June 30		6,254	
Fund Balance - June 30 (GAAP Basis)		\$ 5,833	

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, 2013
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	\$ 1	\$ 2	\$ 1
	<u>1</u>	<u>2</u>	<u>1</u>
Total Interest	<u>1</u>	<u>2</u>	<u>1</u>
OTHER MISCELLANEOUS:			
Other:			
Sundry Refunds	--	35	35
Repayments of Department of Housing and Community Development Loans:			
Principal	2,500	1,241	(1,259)
Interest	90	67	(23)
Late Charge	2	1	(1)
	<u>2,592</u>	<u>1,344</u>	<u>(1,248)</u>
Total Other Miscellaneous	<u>2,592</u>	<u>1,344</u>	<u>(1,248)</u>
TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES			
	<u>\$ 2,593</u>	<u>\$ 1,346</u>	<u>\$ (1,247)</u>

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 959	\$ 959
Total Asset	\$ 959	\$ 959
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 959	\$ 959
Total Fund Balance	\$ 959	\$ 959

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
SECTION 8 CONTRACT FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,531	\$ 10,000
Receivables:		
Accounts (net of allowance for uncollectibles)	59	16
Loans	3,648	3,648
Intergovernmental	108	52
Payroll advance	84	86
Total Assets	\$ 10,430	\$ 13,802
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 101	\$ 125
Due to other funds:		
General Fund	128	100
Community Development Fund	2	--
Accrued payroll	87	105
Deferred revenue	3,815	3,752
Total Liabilities	4,133	4,082
Fund Balance:		
Restricted	6,297	9,720
Total Fund Balance	6,297	9,720
Total Liabilities and Fund Balance	\$ 10,430	\$ 13,802

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, 2013
(Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 47,769	\$ 43,906	\$ (3,863)
Miscellaneous:			
Interest	--	17	17
Other	--	19	19
Total Revenues	<u>47,769</u>	<u>43,942</u>	<u>(3,827)</u>
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	156	124	32
Human services:			
Community Services	<u>47,613</u>	<u>43,817</u>	<u>3,796</u>
Total Expenditures	<u>47,769</u>	<u>43,941</u>	<u>3,828</u>
Revenues over Expenditures	--	1	1
Unreserved - Undesignated Fund Balance - July 1	--	<u>(273)</u>	<u>(273)</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>(272)</u>	<u>\$ (272)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		741	
Expenditures - prior year encumbrances		(4,165)	
Decrease in reserved for encumbrances		<u>3,435</u>	
Unreserved - Undesignated Fund Balance - June 30		(261)	
Reserved for Encumbrances - June 30		<u>6,558</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 6,297</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, 2013
(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>			
<u>FEDERAL GRANTS:</u>			
Section 8 Grants:			
Moderate Rehabilitation Program, (001)	\$ 170	\$ 149	\$ (21)
Existing Housing Voucher Program	45,999	41,900	(4,099)
Mainstream Voucher	<u>1,600</u>	<u>1,857</u>	<u>257</u>
 TOTAL INTERGOVERNMENTAL	 <u>47,769</u>	 <u>43,906</u>	 <u>(3,863)</u>
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	--	3	3
Other Sources	<u>--</u>	<u>14</u>	<u>14</u>
 Total Interest	 <u>--</u>	 <u>17</u>	 <u>17</u>
 <u>OTHER MISCELLANEOUS:</u>			
Other:			
Escheats	--	15	15
Sundry Refunds	<u>--</u>	<u>4</u>	<u>4</u>
 TOTAL MISCELLANEOUS	 <u>--</u>	 <u>36</u>	 <u>36</u>
 TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....	 <u><u>\$ 47,769</u></u>	 <u><u>\$ 43,942</u></u>	 <u><u>\$ (3,827)</u></u>

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 332	\$ 356
Total Asset	\$ 332	\$ 356
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Deferred revenue	\$ 149	\$ 173
Total Liability	149	173
Fund Balance:		
Committed	183	183
Total Fund Balance	183	183
Total Liability and Fund Balance	\$ 332	\$ 356

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, 2013
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 13	\$ 13
Total Revenue	--	13	13
Expenditure:			
Current:			
Human services:			
Community Services	\$ 16	\$ 13	\$ 3
Total Expenditure	16	13	3
Revenue over (under) Expenditure	(16)	--	16
Unreserved - Undesignated Fund Balance - July 1	93	183	90
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 77	183	\$ 106
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, 2013
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
OTHER MISCELLANEOUS:			
Other:			
Sundry Realizations	\$ --	\$ 13	\$ 13
 TOTAL LEASEHOLD CONVERSION FUND REVENUE	 <u>\$ --</u>	 <u>\$ 13</u>	 <u>\$ 13</u>

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (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>2013</u>	<u>2012</u>
<u>ASSET</u>					
Cash and investments:					
With Treasury	\$ 1,962	\$ 225	\$ --	\$ 2,187	\$ 2,344
Total Asset	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ --</u>	<u>\$ 2,187</u>	<u>\$ 2,344</u>
 <u>FUND BALANCES</u>					
Fund Balances:					
Committed	\$ 1,962	\$ 225	\$ --	\$ 2,187	\$ 2,344
Total Fund Balances	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ --</u>	<u>\$ 2,187</u>	<u>\$ 2,344</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, 2013
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Municipal Stores Revolving Fund	Totals	
				2013	2012
Revenue:					
Miscellaneous:					
Other	\$ --	\$ --	\$ --	\$ --	\$ 1
Total Revenue	--	--	--	--	1
Expenditure:					
Current:					
General government	--	--	157	157	--
Total Expenditure	--	--	157	157	--
Revenue over (under) Expenditure	--	--	(157)	(157)	1
Fund Balances - July 1	1,962	225	157	2,344	2,343
Fund Balances - June 30	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ --</u>	<u>\$ 2,187</u>	<u>\$ 2,344</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 321	\$ 321
Total Asset	\$ 321	\$ 321
<u>LIABILITIES</u>		
Liabilities:		
Interest payable - matured	\$ 137	\$ 137
Bonds payable - matured	184	184
Total Liabilities	\$ 321	\$ 321

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, 2013
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
Expenditures:		
Tax exempt commercial paper:		
Interest charges	\$ 452	\$ 1,943
Notes payable:		
Principal	205	199
Interest	85	93
General obligation bonds:		
Principal	87,238	83,875
Interest	96,954	97,611
Bond issuance costs	2,125	--
Total Expenditures	187,059	183,721
Other Financing Sources (Uses):		
Issuance of general obligation bonds	--	699
Issuance of refunding bonds	642,942	149,328
Bond premium	52,023	19,747
Bond discount	(71,391)	(14,268)
Transfers from other funds:		
General Fund - Principal	87,443	84,074
General Fund - Interest	97,491	99,647
Refunding of tax exempt commercial paper	(45,000)	--
Refunding of general obligation bonds	(576,449)	(155,506)
Total Other Financing Sources (Uses)	187,059	183,721
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, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash and investments:		
With Treasury	\$ 189	\$ 171
Receivables:		
Special assessments - current	6	7
Special assessments - deferred	18	32
Total Assets	<u>\$ 213</u>	<u>\$ 210</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 4	\$ 4
Bonds payable - matured	5	5
Due to other fund:		
Capital Projects Fund	18	--
Deferred revenue	18	32
Total Liabilities	<u>45</u>	<u>41</u>
Fund Balance:		
Committed	<u>168</u>	<u>169</u>
Total Fund Balance	<u>168</u>	<u>169</u>
Total Liabilities and Fund Balance	<u>\$ 213</u>	<u>\$ 210</u>

CITY AND COUNTY OF HONOLULU
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
Revenues:		
Special assessments	\$ 15	\$ 17
Miscellaneous:		
Interest	2	3
Total Revenues	17	20
Other Financing Use:		
Transfers to other fund:		
Capital Projects Fund	(18)	(21)
Revenues under Other Use	(1)	(1)
Fund Balances - July 1	169	170
Fund Balances - June 30	\$ 168	\$ 169

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 57,695	\$ 9,203
Receivable:		
Payroll advance	18	22
Due from other funds:		
Federal Grants Fund	3	--
Solid Waste Fund	--	4
	\$ 57,716	\$ 9,229
Total Assets		
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 5,122	\$ 8,692
Accrued payroll	9	20
Due to other fund:		
Sewer Fund	520	1,009
	5,651	9,721
Total Liabilities		
Fund Balance:		
Committed	52,065	--
Unassigned	--	(492)
	52,065	(492)
Total Fund Balance		
Total Liabilities and Fund Balance	\$ 57,716	\$ 9,229

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, 2013
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
Revenue:		
Miscellaneous:		
Other	\$ --	\$ 1
Total Revenue	--	1
Expenditures:		
Capital outlay:		
General government	9,222	10,819
Public safety	15,741	23,745
Highways and streets	83	14
Sanitation	95	--
Culture-recreation	17,308	21,294
Total Expenditures	42,449	55,872
Revenue under Expenditures	(42,449)	(55,871)
Other Financing Sources:		
Issuance of tax exempt commercial paper	15,000	--
Issuance of general obligation bonds	68,018	32,503
Bond premium	11,988	--
Total Other Financing Source	95,006	32,503
Revenue and Other Sources over (under) Expenditures	52,557	(23,368)
Fund Balance - July 1	(492)	22,876
Fund Balance - June 30	\$ 52,065	\$ (492)

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 86,300	\$ 13,546
Total Asset	\$ 86,300	\$ 13,546
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 18,565	\$ 14,372
Accrued payroll	7	10
Total Liabilities	18,572	14,382
Fund Balance:		
Committed	67,728	--
Unassigned	--	(836)
Total Fund Balance	67,728	(836)
Total Liabilities and Fund Balance	\$ 86,300	\$ 13,546

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, 2013
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
Revenue:		
Miscellaneous:		
Other	\$ --	\$ 1
Total Revenue	--	1
Expenditures:		
Capital outlay:		
General government	6,685	6,920
Public safety	4,708	3,905
Highways and streets	83,536	62,946
Utilities or other enterprises	11,511	20,215
Total Expenditures	106,440	93,986
Revenue under Expenditures	(106,440)	(93,985)
Other Financing Sources:		
Issuance of tax exempt commercial paper	30,000	--
Issuance of general obligation bonds	123,278	98,004
Bond premium	21,726	--
Total Other Financing Sources	175,004	98,004
Revenue and Other Sources over Expenditures	68,564	4,019
Fund Balance - July 1	(836)	(4,855)
Fund Balance - June 30	\$ 67,728	\$ (836)

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 8,421	\$ 6,519
Receivables:		
Loans (net of allowance for uncollectibles)	54,389	50,791
Intergovernmental	11,695	9,296
Total Assets	\$ 74,505	\$ 66,606
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 6,685	\$ 6,350
Due to other fund:		
Community Development Fund	48	--
General Trust Fund	--	18
Deferred revenue	54,389	50,791
Total Liabilities	61,122	57,159
Fund Balance:		
Restricted	13,383	9,447
Total Fund Balance	13,383	9,447
Total Liabilities and Fund Balance	\$ 74,505	\$ 66,606

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, 2013
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
Revenue:		
Intergovernmental	\$ 45,457	\$ 51,887
Total Revenue	45,457	51,887
Expenditures:		
Capital outlay:		
General government	501	2,860
Public safety	9,240	6,234
Highways and streets	7,588	5,670
Human services	4,356	11,417
Culture-recreation	82	1,236
Utilities or other enterprises	19,754	29,122
Total Expenditures	41,521	56,539
Revenue over (under) Expenditures	3,936	(4,652)
Fund Balance - July 1	9,447	14,099
Fund Balance - June 30	\$ 13,383	\$ 9,447

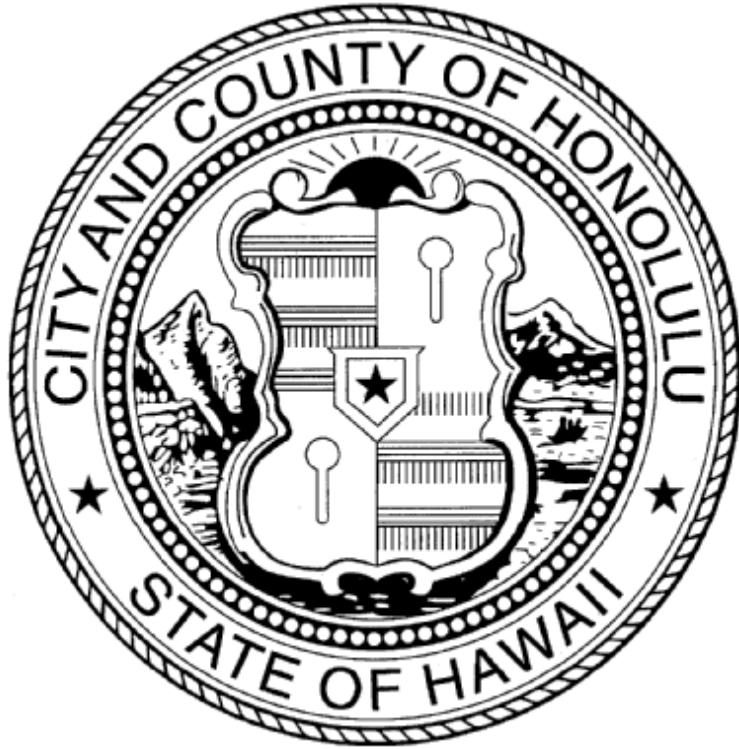
CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2013
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2012
(Amounts in thousands)

	2013	2012
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 14,697	\$ 15,515
Due from other fund:		
Improvement District Bond and Interest Redemption Fund	18	--
Total Assets	\$ 14,715	\$ 15,515
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 154	\$ 93
Due to other funds:		
Bikeway Fund	30	--
Parks and Playground Fund	--	681
Total Liabilities	184	774
Fund Balance:		
Restricted	14,531	14,741
Total Fund Balance	14,531	14,741
Total Liabilities and Fund Balance	\$ 14,715	\$ 15,515

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Amounts in thousands)

	2013	2012
Revenue:		
Miscellaneous:		
Other	\$ 53	\$ 82
Total Revenue	53	82
Expenditures:		
Capital outlay:		
Public safety	153	--
Highways and streets	48	--
Culture-recreation	50	96
Total Expenditures	251	96
Revenue under Expenditures	(198)	(14)
Other Financing Source (Uses):		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	18	21
Transfers to other funds:		
Bikeway Fund	(30)	--
Parks and Playgrounds Fund	--	(681)
Total Other Financing Source (Uses)	(12)	(660)
Revenue and Other Source under Expenditures and Other Uses	(210)	(674)
Fund Balance - July 1	14,741	15,415
Fund Balance - June 30	\$ 14,531	\$ 14,741

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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	219
<p>Tables 1 to 4 contain trend information to help the reader understand how the financial performance and well-being of the City have changed over time.</p>	
Revenue Capacity	223
<p>Tables 5 to 7 contain trend information to help the reader review real property tax, the most significant local revenue source of the City.</p>	
Debt Capacity	227
<p>Tables 8 to 11 present information to help the reader assess the affordability of the current levels of outstanding debt of the City and its ability to issue additional debt in the future.</p>	
Demographic and Economic Information	231
<p>Tables 12 to 14 offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information	234
<p>Tables 15 to 16 contain service and infrastructure data to help the reader understand how the information in the financial report of the City relates to the services the City provides and the activities it performs.</p>	

TABLE 1
CITY AND COUNTY OF HONOLULU
NET POSITION BY COMPONENT
FISCAL YEARS 2004 - 2013
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 101,107	\$ 118,289	\$ 500,169	\$ 389,308	\$ 214,214	\$ 165,257	\$ 113,778	\$ 151,597	\$ 155,932	\$ 211,083
Restricted	168	169	170	173	969	976	1,085	1,052	1,053	1,056
Unrestricted	145,412	69,474	551,180	523,206	474,354	399,180	233,339	97,865	95,024	84,837
Total governmental activities net position	246,687	187,932	1,051,519	912,687	689,537	565,413	348,202	250,514	252,009	296,976
Business-type activities										
Net investment in capital assets	837,381	808,975	725,532	690,697	714,543	681,690	711,150	694,775	759,186	747,875
Restricted	177,890	171,010	158,662	144,307	131,469	84,981	59,409	35,425	26,882	22,584
Unrestricted	579,850	513,990	408,635	295,240	145,665	76,007	16,751	549	(62,557)	(52,186)
Total business-type activities net position	1,595,121	1,493,975	1,292,829	1,130,244	991,677	842,678	787,310	730,749	723,511	718,273
Primary government										
Net investment in capital assets	938,488	927,264	1,225,701	1,080,005	928,757	846,947	824,928	846,372	915,118	958,958
Restricted	178,058	171,179	158,832	144,480	132,438	85,957	60,494	36,477	27,935	23,640
Unrestricted	725,262	583,464	959,815	818,446	620,019	475,187	250,090	98,414	32,467	32,651
Total primary government net position	\$ 1,841,808	\$ 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

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2004-2013
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government.....	\$ 468,295	\$ 497,328	\$ 455,874	\$ 392,893	\$ 444,701	\$ 371,354	\$ 314,667	\$ 319,455	\$ 276,458	\$ 275,549
Public safety.....	393,224	407,275	390,780	374,791	372,843	354,427	337,052	300,245	302,231	259,067
Highways and streets.....	38,683	100,883	46,315	30,418	51,916	16,095	39,126	35,795	23,263	19,667
Sanitation.....	4,298	4,451	5,292	3,244	5,130	5,758	6,742	3,125	902	699
Human services.....	82,806	94,213	80,647	95,437	83,647	82,966	73,725	79,880	75,943	70,165
Culture and recreation.....	106,457	124,939	91,944	106,081	110,390	96,299	95,655	86,197	81,447	61,158
Utilities or other enterprises.....	84,856	38,847	79,969	52,700	52,166	75,506	68,406	33,579	65,974	93,954
Interest.....	76,914	93,079	91,583	88,959	83,048	84,670	79,176	81,454	65,525	64,558
Total governmental activities expenses	1,255,533	1,361,015	1,242,404	1,144,523	1,203,841	1,087,075	1,014,549	939,730	891,743	844,817
Business-type activities:										
Housing.....	11,728	12,221	14,481	13,220	13,711	13,841	12,905	12,296	10,418	16,247
Sewer.....	260,806	237,673	209,625	197,643	178,944	194,061	157,724	140,242	131,452	123,653
Solid Waste.....	166,160	166,078	163,534	159,187	154,158	170,781	153,736	145,181	138,443	136,623
Public Transportation.....	239,351	226,614	221,211	209,847	209,645	198,823	184,304	175,347	162,429	150,267
Total business-type activities expenses	678,045	642,586	608,851	579,897	556,458	577,506	508,669	473,066	442,742	426,790
Total primary government expenses	\$ 1,933,578	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 194,451	\$ 191,634	\$ 165,620	\$ 139,925	\$ 130,688	\$ 128,620	\$ 135,587	\$ 113,459	\$ 98,217	\$ 90,126
Public safety.....	39,729	40,188	38,582	40,089	42,163	37,772	35,663	30,502	31,017	26,058
Highways and streets.....	347	1,077	2,205	2,447	2,738	599	2,149	2,152	2,236	2,232
Sanitation.....	49	51	161	21	47	48	77	14	36	5
Human services.....	405	503	1,008	180	1,064	719	636	442	2,010	2,033
Culture and recreation.....	29,100	28,730	25,803	26,714	22,318	23,879	22,128	21,646	21,698	20,012
Utilities.....	863	946	201	17	--	--	--	--	--	--
Operating grants and contributions.....	116,412	122,066	111,419	123,389	118,970	106,930	104,397	100,838	106,383	93,590
Capital grants and contributions.....	54,201	55,393	64,988	48,461	38,292	48,736	50,078	35,200	19,723	67,675
Total governmental activities program revenues	435,557	440,588	409,987	381,243	356,280	347,303	350,715	304,253	281,320	301,731
Business-type activities:										
Charges for services:										
Housing.....	10,434	10,628	9,483	10,275	9,766	9,694	8,306	8,367	8,092	7,948
Sewer.....	377,970	378,199	347,038	308,407	251,953	225,104	165,914	151,200	118,893	115,032
Solid Waste.....	118,658	118,943	108,402	97,351	145,507	108,323	107,682	100,452	96,021	94,321
Public Transportation.....	57,049	56,796	53,657	47,638	44,245	43,767	43,598	43,502	41,958	35,333
Operating grants and contributions.....	27,279	21,026	21,441	21,017	21,108	21,674	17,840	23,516	27,630	25,093
Capital grants and contributions.....	26,894	58,643	33,067	32,329	25,307	18,514	32,704	4,255	18,461	50,565
Total business-type activities program revenues	618,284	644,235	573,088	517,017	497,886	427,076	376,044	331,292	311,055	328,292
Total primary government program revenues	\$ 1,053,841	\$ 1,084,823	\$ 983,075	\$ 898,260	\$ 854,166	\$ 774,379	\$ 726,759	\$ 635,545	\$ 592,375	\$ 630,023
Net Revenue (Expense)										
Governmental activities.....	\$ (819,976)	\$ (920,427)	\$ (832,417)	\$ (763,280)	\$ (847,561)	\$ (739,772)	\$ (663,834)	\$ (635,477)	\$ (610,423)	\$ (543,086)
Business-type activities.....	(59,761)	1,649	(35,763)	(62,880)	(58,572)	(150,430)	(132,625)	(141,774)	(131,687)	(98,498)
Total primary government net expense	\$ (879,737)	\$ (918,778)	\$ (868,180)	\$ (826,160)	\$ (906,133)	\$ (890,202)	\$ (796,459)	\$ (777,251)	\$ (742,110)	\$ (641,584)
General Revenues and Other Changes in Net Position										
Governmental activities:										
General revenues:										
Property taxes.....	\$ 825,518	\$ 799,260	\$ 804,311	\$ 853,426	\$ 802,571	\$ 775,971	\$ 685,868	\$ 595,041	\$ 497,935	\$ 438,964
Public service company tax.....	52,444	47,842	37,999	49,393	49,596	35,823	37,640	29,815	29,665	22,819
Fuel tax.....	53,825	49,220	52,298	47,639	50,316	50,633	52,221	52,385	51,354	49,271
Public utility franchise tax.....	57,514	60,475	44,801	34,312	54,804	36,239	38,556	33,450	28,382	26,800
Investment earnings.....	539	336	492	457	7,170	21,269	19,676	11,621	4,194	1,907
Unrestricted grants and contributions.....	41,062	41,042	224,506	197,519	202,598	216,274	92,884	43,269	39,402	36,127
Harbor Court lease to fee conversion.....	--	--	--	--	--	--	--	--	33,271	--
Other.....	7,095	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.....	(159,266)	(198,316)	(197,118)	(200,369)	(198,532)	(181,588)	(167,452)	(135,539)	(126,374)	(61,505)
Total governmental activities	878,731	56,840	971,249	986,430	971,685	956,983	761,522	633,982	565,456	528,503
Business-type activities:										
General revenues:										
Investment earnings.....	1,641	1,181	1,230	1,078	9,039	24,210	21,734	13,473	10,551	11,037
Transfers.....	159,266	198,316	197,118	200,369	198,532	181,588	167,452	135,539	126,374	61,505
Total business-type activities	160,907	199,497	198,348	201,447	207,571	205,798	189,186	149,012	136,925	72,542
Total primary government	\$ 1,039,638	\$ 256,337	\$ 1,169,597	\$ 1,187,877	\$ 1,179,256	\$ 1,162,781	\$ 950,708	\$ 782,994	\$ 702,381	\$ 601,045
Changes in Net Position										
Governmental activities.....	\$ 58,755	\$ (863,587)	\$ 138,832	\$ 223,150	\$ 124,124	\$ 217,211	\$ 97,688	\$ (1,495)	\$ (44,967)	\$ (14,583)
Business-type activities.....	101,146	201,146	162,585	138,567	148,999	55,368	56,561	7,238	5,238	(25,956)
Total primary government changes in net position	\$ 159,901	\$ (662,441)	\$ 301,417	\$ 361,717	\$ 273,123	\$ 272,579	\$ 154,249	\$ 5,743	\$ (39,729)	\$ (40,539)

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2004 - 2013
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Post-GASB 54 Fiscal Year			
	2013	2012	2011	2010
General Fund				
Nonspendable	\$ --	\$ --	\$ --	\$ 25
Restricted				
Committed	50,256	32,601	32,596	82,697
Assigned	55,384	58,215	51,961	45,965
Unassigned	228,382	159,042	158,668	104,053
Total General Fund	<u>\$ 334,022</u>	<u>\$ 249,858</u>	<u>\$ 243,225</u>	<u>\$ 232,740</u>
All other Governmental Funds				
Restricted	\$ 165,373	\$ 161,708	\$ 136,708	\$ 115,936
Committed	138,158	18,752	482,563	413,640
Unassigned	--	(1,611)	(4,855)	--
Total all other Governmental Funds	<u>\$ 303,531</u>	<u>\$ 178,849</u>	<u>\$ 614,416</u>	<u>\$ 529,576</u>
Note: In accordance with GASB Statement No. 54, <i>Fund Balance Reporting and Governmental Fund Type Definitions</i> , governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned only for fiscal years 2010 - 2013 for comparison purposes.				
	Pre-GASB 54 Fiscal Year			
	2010	2009	2008	2007
	2006	2005	2004	
General Fund				
Reserved	\$ 45,965	\$ 48,868	\$ 58,794	\$ 27,767
Unreserved	104,053	67,824	107,281	128,035
Total General Fund	<u>150,018</u>	<u>116,692</u>	<u>166,075</u>	<u>155,802</u>
	22,004	\$ 19,802	\$ 57,364	\$ 20,838
	76,604	57,364	77,166	41,479
	98,608	77,166		62,317
All Other Governmental Funds				
Reserved	1,980,381	991,499	721,374	594,951
Unreserved, reported in:				
Special revenue funds	122,166	112,164	89,692	45,054
Capital projects funds	(1,490,249)	(462,557)	(368,382)	(450,520)
Total all other Governmental Funds	<u>612,298</u>	<u>641,106</u>	<u>442,684</u>	<u>189,485</u>
	543,455	\$ 260,461	\$ 174,086	\$ 168,858
	522,483	14,988	(440,551)	23,071
	96,920	(520,834)	106,541	
TOTAL FUND BALANCES	<u>\$ 762,316</u>	<u>\$ 757,798</u>	<u>\$ 608,759</u>	<u>\$ 345,287</u>

TABLE 4
CITY AND COUNTY OF HONOLULU
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2004 - 2013
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Taxes.....	\$ 994,105	\$ 964,167	\$ 934,557	\$ 986,828	\$ 952,531	\$ 891,982	\$ 815,284	\$ 705,557	\$ 607,541	\$ 532,804
Special assessments.....	15	17	8	18	17	28	354	387	419	56
Licenses and permits.....	166,135	161,492	151,581	126,208	112,397	115,657	120,802	100,938	86,649	74,138
Intergovernmental.....	205,496	233,499	395,316	362,399	355,530	358,552	238,926	169,515	159,612	180,846
Charges for services.....	31,813	30,679	28,007	27,714	23,924	23,766	24,754	23,991	24,346	22,145
Fines and forfeits.....	831	541	766	755	932	1,183	868	698	391	657
Miscellaneous:										
Reimbursements and recoveries.....	44,420	46,801	42,136	41,397	96,435	88,731	87,113	78,993	86,776	77,676
Interest.....	612	394	935	855	13,291	24,638	20,959	12,506	4,620	2,473
Other.....	28,133	30,790	37,064	26,029	29,576	23,065	27,403	28,854	24,981	30,710
Total Revenues.....	1,471,560	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
Expenditures:										
Current:										
General government.....	155,304	155,044	149,994	159,713	163,280	153,759	141,459	129,387	122,306	115,975
Public safety.....	371,294	386,145	371,627	357,148	359,277	329,108	306,161	287,592	277,867	256,231
Highways and streets.....	18,696	17,336	16,781	21,774	28,271	24,066	21,000	17,114	15,731	14,964
Sanitation.....	4,203	4,514	3,863	2,959	4,828	5,537	2,674	1,251	734	692
Human services.....	74,089	72,544	71,606	78,391	73,401	65,144	60,883	57,673	55,877	56,994
Culture and recreation.....	82,664	79,547	73,087	81,859	87,888	82,328	71,084	68,285	62,971	59,512
Utilities or other enterprises.....	29,380	23,201	27,758	27,122	28,857	27,818	22,917	23,330	29,645	24,336
Miscellaneous:										
Retirement and health benefits.....	190,466	214,895	194,338	182,644	208,354	140,461	137,615	134,657	120,111	99,128
Other.....	61,228	27,146	23,792	23,806	27,493	21,226	22,832	18,765	17,481	22,213
Capital Outlay:										
General government.....	17,912	21,810	18,894	23,853	36,247	39,784	25,869	17,290	18,263	30,554
Public safety.....	29,956	34,070	28,966	20,987	25,903	21,035	25,824	25,473	17,833	11,554
Highways and streets.....	91,720	68,636	65,534	89,857	55,985	48,871	45,163	45,963	62,237	34,895
Sanitation.....	95	--	827	121	302	235	4,068	1,874	196	7
Human services.....	8,980	21,991	10,645	14,906	11,591	18,214	12,978	22,655	19,142	17,636
Culture and recreation.....	21,956	22,869	24,703	19,090	22,038	21,576	27,477	29,050	44,277	36,621
Utilities or other enterprises.....	31,265	49,337	181,012	127,681	73,597	47,695	45,622	10,297	36,350	14,388
Debt service:										
Principal.....	88,276	84,906	89,615	93,015	122,273	260,680	102,794	249,164	272,856	258,584
Interest.....	97,580	99,713	95,549	93,225	104,980	100,362	103,869	89,630	83,825	80,774
Bond issuance costs.....	2,125	--	--	--	--	--	--	--	--	--
Total Expenditures.....	1,377,189	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
Revenues over (under) Expenditures.....	94,371	84,676	141,779	154,052	150,068	119,703	156,174	(108,011)	(262,367)	(213,553)
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	191,296	131,206	100,734	30,254	150,089	109,000	--	--	165,313	258,793
Issuance of tax exempt commercial paper (TECP)	45,000	--	50,000	20,000	45,000	75,000	94,000	168,022	165,800	99,264
Capital leases.....	--	1,302	--	--	189	865	1,674	--	--	--
Issuance of long-term notes.....	--	--	--	--	--	--	--	--	--	13
Issuance of refunding bonds.....	642,942	149,328	50,366	61,192	350,749	132,826	--	387,324	145,077	275,444
Bond premium.....	85,737	19,747	--	5,122	18,071	7,334	--	17,054	26,501	--
Bond discount.....	(71,391)	(14,268)	(1,096)	(1,996)	(78)	(30)	--	(115)	(14)	--
Refunding of bonds.....	(621,449)	(155,506)	(50,000)	(64,318)	(367,178)	--	--	(243,000)	(145,077)	(275,444)
Sales of capital assets.....	1,606	181	660	581	661	362	430	640	36,369	10,820
Transfers in.....	340,224	320,463	495,790	477,351	573,642	559,299	377,590	268,137	254,927	274,723
Transfers out.....	(499,490)	(518,779)	(692,908)	(677,720)	(772,174)	(740,887)	(545,042)	(403,676)	(381,301)	(391,513)
Total Other Financing Sources (Uses).....	114,475	(66,326)	(46,454)	(149,534)	(1,029)	143,769	(71,348)	194,386	267,595	252,100
Special Item:										
Contribution to component unit.....	--	(447,284)	--	--	--	--	--	--	--	--
Net change in fund balances.....	\$ 208,846	\$ (428,934)	\$ 95,325	\$ 4,518	\$ 149,039	\$ 263,472	\$ 84,826	\$ 86,375	\$ 5,228	\$ 38,547
Debt service as a percentage of noncapital expenditures (a).....										
	16.0%	15.8%	16.6%	16.6%	18.8%	29.8%	20.8%	31.5%	33.7%	34.3%

(a) The ratio for total debt service expenditures to noncapital expenditures were adjusted based on the capital outlay used to match the statement of revenues, expenditures, and changes in fund balances.

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2004 - 2013
(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
2013	Residential	\$ 3.50	\$ 124,425,238
	Hotel/Resort	12.40	7,354,672
	Commercial	12.40	14,336,675
	Industrial	12.40	7,757,462
	Agricultural	5.70	929,717
	Vacant Agricultural	8.50	92,350
	Preservation.....	5.70	435,354
	Public Service.....	0.00	<u>2,284</u>
	Total		<u>\$ 155,333,752</u>
	Fiscal year 2013 total direct tax rate	\$ 5.27	
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	<u>3,938</u>
	Total		<u>\$ 165,782,078</u>
	Fiscal year 2010 total direct tax rate	\$ 5.05	
2009	Residential	\$ 3.29	\$ 136,983,348
	Hotel/Resort	12.40	6,979,025
	Commercial	12.40	13,505,161
	Industrial	12.40	7,249,188
	Agricultural	5.70	1,133,318
	Vacant Agricultural	8.50	110,808
	Preservation.....	5.70	<u>377,099</u>
	Total		<u>\$ 166,337,947</u>
		Fiscal year 2009 total direct tax rate	\$ 4.83

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 2004 - 2013
(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
2008	Improved Residential	\$ 3.29	\$ 100,858,035
	Unimproved Residential	5.70	431,258
	Apartment	3.29	38,352,746
	Hotel/Resort	12.40	6,872,417
	Commercial	12.40	12,282,509
	Industrial	12.40	6,711,928
	Agricultural	5.70	1,054,884
	Vacant Agricultural	8.50	111,524
	Preservation.....	5.70	349,430
		Total	
	Fiscal year 2008 total direct tax rate	\$ 4.73	
2007	Improved Residential	\$ 3.59	\$ 89,283,029
	Unimproved Residential	5.72	754,815
	Apartment	3.59	32,642,928
	Hotel/Resort	11.97	5,787,719
	Commercial	11.97	10,814,805
	Industrial	11.97	5,513,282
	Agricultural	8.57	875,793
	Vacant Agricultural	8.57	38,547
	Preservation.....	9.57	365,292
	Public Service.....	0.00	(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	
	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	
	Fiscal year 2004 total direct tax rate	\$ 5.40	

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 2004 - 2013
(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	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2013	\$ 824,798		\$ (2,517)		\$ 822,281	99.0 %	\$ 813,708	99.0 %	\$ -		\$ 813,708	99.0 %
2012	811,505		(2,707)		808,798	99.0	800,699 (b)	99.0	5,193		805,892	99.6
2011	812,604		(8,332)		804,272	98.9	795,456	98.9	5,038		800,494	99.5
2010	853,767		(4,713)		849,054	99.0	840,234	99.0	8,130		848,364	99.9
2009	798,703		(676)		798,027	98.8	788,309	98.8	8,494		796,803	99.8
2008	777,151		(3,706)		773,445	99.0	765,891	99.0	4,850		770,741	99.7
2007	703,777		(5,500)		698,277	99.2	692,421	99.2	3,453		695,874	99.7
2006	590,398		(1,065)		589,333	98.7	581,452	98.7	2,847		584,299	99.1
2005	511,011		(10,476)		500,535	99.1	496,230	99.1	1,993		498,223	99.5
2004	435,318		(3,539)		431,779	99.0	427,378	99.0	2,867		430,245	99.6

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 2004 - 2013
(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	Special Assessment Bonds	Tax Exempt Commercial Paper	Notes Payable	Capital Lease	General Obligation Bonds	Revenue Bonds	Tax Exempt Commercial Paper	Notes Payable	Notes Payable				
2013	\$ 2,203,449	(e)\$ --	(e)\$ --	2,997	\$ 1,256	\$ 610,698	(e)\$ 1,775,691	(e)\$ --	221,131	\$ 4,815,222	10.72 %	(b)\$ 4,932	(d)	
2012	2,029,290	(e) --	(e) --	3,497	1,795	597,233	(e) 1,659,468	(e) --	222,509	4,513,792	10.05 (b)	(c) 4,623	(c)	
2011	1,989,273	(e) --	(e) --	3,976	1,032	596,663	(e) 1,508,618	(e) --	200,392	4,299,954	9.57 (c)	4,450	(c)	
2010	1,934,191	(e) --	(e) --	4,436	1,032	402,095	(e) 1,320,950	(e) --	193,103	3,855,807	9.09 (c)	4,031	(c)	
2009	1,982,805	(e) --	(e) --	4,878	1,602	276,072	(e) 1,222,519	(e) --	157,310	3,645,186	8.82 (c)	3,865	(c)	
2008	1,791,003	(e) --	(e) --	5,302	1,898	251,447	(e) 1,230,245	(e) 837	114,847	3,472,442	8.37 (c)	3,719	(c)	
2007	1,629,900	(e) --	(e) --	5,709	1,497	254,649	(e) 1,055,613	(e) 17,837	112,746	3,222,014	8.17 (c)	3,482	(c)	
2006	1,699,611	(e) 290	(e) 290	6,100	--	294,199	(e) 838,168	(e) 11,837	68,338	2,971,306	8.03 (c)	3,205	(c)	
2005	1,604,609	(e) 645	(e) 645	6,476	--	329,261	(e) 679,367	(e) 11,858	74,123	2,744,281	8.01 (c)	2,989	(c)	
2004	1,453,105	(e) 1,010	(e) 1,010	6,836	103	356,446	(e) 678,792	(e) 10,858	79,880	2,650,972	8.26 (c)	2,920	(c)	

NOTES:

- (a) See TABLE 12 for personal income and population data.
- (b) 2013 and 2012 Personal Income is not available. 2011 Personal Income was used instead.
- (c) Revised from previous CAFR.
- (d) 2013 Population is not available. 2012 Population was used instead.
- (e) The amount of obligations for governmental and business-type activities include unamortized bond discount, bond premium, and bond refunding loss. The amount of obligations for both activities from fiscal years 2004 to 2012 have been adjusted accordingly. 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 2004 - 2013
(Amounts in thousands, except per capita)
(Unaudited)

Fiscal Year	General Obligation Bonds (d)	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2013	\$ 2,814,147	1.81 %	\$ 2,882 (c)
2012	2,626,523	1.71	2,690
2011	2,585,936	1.69	2,676
2010	2,336,286	1.41	2,443
2009	2,258,877	1.36	2,395
2008	2,042,450	1.22	2,188
2007	1,884,549	1.29	2,037
2006	1,993,810	1.75	2,151
2005	1,933,870	2.09	2,106
2004	1,809,551	2.29	1,993

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2013 Population not available. 2012 Population was used instead.

(d) The amount of obligations include unamortized bond discount, bond premium, and bond refunding loss. The amount of obligations from fiscal years 2004 to 2012 have been adjusted accordingly.

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 2004 - 2013
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit (a)	\$ 23,300,063	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
Debt applicable to limit	2,165,157	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
Legal debt margin (b)	\$ 21,134,906	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
Debt applicable to the limit as a percentage of debt limit	9.29%	8.66%	8.55%	7.65%	7.80%	7.35%	7.98%	10.06%	11.71%	12.71%

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 2013

Net assessed value	\$ 155,333,754
Debt limit (15% of assessed value)	23,300,063
Debt applicable to limit	2,165,157
Legal debt margin	\$ 21,134,906

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEGDED REVENUE COVERAGE
FISCAL YEARS 2004-2013
(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		
2013	\$ 184,372	\$ 130,092	\$ 54,280	\$ 7,335	\$ 13,169	\$ 20,504	2.65
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

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2013	\$ 368,860	\$ 157,473	\$ 211,387	\$ 34,450	\$ 77,654	\$ 112,104	1.89
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

SPECIAL ASSESSMENT BONDS (e)

Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2013	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
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

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 2004 - 2013
(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)
2013	NA	NA	NA	120,932	NA
2012	976,372 (c)	NA	NA	119,477	5.2 (c)
2011	966,363 (c)	\$ 44,927 (c)	\$ 46,624 (c)	117,880	5.6 (c)
2010	956,481 (c)	42,397 (c)	44,365 (c)	118,534	5.7 (c)
2009	943,177	41,309 (c)	43,798 (c)	117,990	5.8
2008	933,680	41,475	44,421	119,005	3.6 (c)
2007	925,335	39,430	42,611	120,889	2.5
2006	926,954	37,020	39,938	122,673	2.4
2005	918,181	34,264	37,317	122,950	2.7
2004	907,997	32,101	35,354	123,387	3.1

NOTES:

(a) Per *The State of Hawaii Data Book 2012*.

(b) Enrollment figures for 2004-2013 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 14
CITY AND COUNTY OF HONOLULU
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEARS 2004 - 2013
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Administration	461	480	478	491	547	538	532	531	523	480
Finance	410	405	398	419	475	439	425	414	416	403
Legal	325	308	304	314	314	318	307	310	321	316
Planning & Permitting	258	245	248	259	270	250	257	251	234	225
Design & Construction	226	228	227	226	228	216	209	204	203	217
Public Safety										
Police	2574	2,519	2,551	2,570	2,625	2,601	2,569	2,537	2,490	2,507
Fire	1089	1,114	1,099	1,083	1,092	1,098	1,091	1,076	1,061	1,077
Emergency Medical Services	146	151	147	145	144	136	129	134	127	173
Highways and Streets	598	596	585	604	651	631	631	616	614	624
Sanitation										
Solid Waste	572	622	585	302	145	363	348	336	333	333
Sewer	263	254	253	559	542	530	520	508	498	512
Health and Human Resources	403	397	403	411	404	397	391	416	411	390
Culture and Recreation	1036	1,005	982	1,026	984	962	932	855	871	911
Total	8,361	8,324	8,260	8,409	8,421	8,479	8,341	8,188	8,102	8,168

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 2004 - 2013
(Unaudited)

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety										
Police										
Part I number of arrests (a)	5,870	5,517	5,120	5,430	4,011	4,453	4,039	4,484	3,554	4,649
Part II number of arrests (a)	36,060	34,695	31,930	33,940	35,315	37,295	35,006	31,145	26,095	33,350
Parking violations	105,164 (e)	111,342 (e)	115,171 (e)	124,997 (e)	133,216 (e)	154,323 (e)	97,366 (e)	105,871 (d)	106,304 (d)	92,066 (d)
Traffic violations	187,376 (e)	189,591 (e)	203,052 (e)	197,820 (e)	198,746 (e)	173,762 (e)	240,220 (e)	183,205 (e)	180,941 (d)	168,491 (d)
Fire										
Fire department responses	19,830	19,923	18,436	16,254	16,152	15,728	16,021	15,859	13,900	10,766
Emergency medical responses	29,608	28,871	27,953	24,808	24,930	23,760	21,722	19,346	20,268	22,178
Inspections	68,888	63,424 (i)	73,302 (h)	67,542 (h)	70,268 (h)	66,947 (h)	190,536	191,333	213,538	218,083
Emergency Medical Services										
Ambulance responses	78,872	75,500	67,477	69,253	60,412	73,902	74,887	72,807	66,162	67,762
Refuse Collection										
Refuse collected (tons per year)	284,070	255,400	273,040	290,064	312,360	340,781	359,801	373,462	388,288	350,298
Recyclables collected (tons per year)	116,200	118,400	121,442	84,046	69,188	55,700	57,900	67,966	67,713	80,624
Other Public Works										
Street resurfacing in-house (lane miles)	18 (j)	8	19	57	60	51	38	43	31 (g)	--
Street resurfacing contract (miles)	315 (k)	180	149	319	76	75	75	120	122 (g)	27
First aid (tons of asphalt)	1,258	2,314	753	4,277	2,560	3,007	12,528	13,079	13,785 (g)	9,354
Potholes repaired	51,647	52,071	67,714	41,505	68,816	82,850	73,013	55,192	47,660 (g)	68,872
Parks and Recreation										
Park facility permits issued	16,696	12,029	16,549	15,520	18,611	15,136	21,522	18,912 (b)	36,124	24,114
Other Enterprise										
Rounds of golf	442,362	464,708	475,663	534,508	563,589	563,669	563,858	538,451	530,606	560,921
Zoo attendance	663,699	665,940	603,677	580,265	623,034	599,442	601,510	568,952	513,931	499,767
Water										
New connections	1,035	1,069	962	1,075	1,262	1,370	1,926	1,925	2,269	2,182
Water main breaks	350	312	333	388	325	285	342	358	388	399
Average daily pumpage (millions of gallons)	141	139	130	148	145	148	152	148	148	150
Peak daily pumpage (millions of gallons)	168	151	157	171	179	179	175	187	184	182
Wastewater										
Average daily sewage treatment (millions of gallons)	100	100	105	104	108	107	105	112	112	112
Transit										
Total bus directional route miles	1,023	947	945	945	943	927	927	922	919	915
Total bus revenue miles	17,198,231	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)
Bus passengers	69,242,214	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)
Total paratransit revenue miles	5,082,596	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
Paratransit passengers	841,447	845,903	825,680	790,357	840,763	833,835	807,851	784,058	733,777	731,083

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) This method accounts for the decrease in number of inspections in 2008.
- (j) The decrease is due to the workload for APEC preparation.
- (k) The in-house resurfacing is measured in lane miles not linear miles of roadway. A lane mile is one mile of roadway 10 feet wide.
- (l) The increase resulted in the rehabilitation of local streets and the reporting has changed from a completion of a project to more of a real time recording of street resurfacing miles.

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 2004 - 2013
(Unaudited)

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety										
Police										
Stations	12	12	11	12	12	12	11	11	11	11
Patrol units - City owned	333	346	473	328	331	300 (a)	363	332	288	288
Patrol units - privately owned (b)	1,311	1,334	1,312	1,357	1,276	1,428	1,293	1,313	1,325	1,332
Fire stations (c)	45	45	44	44	44	44	44	44	44	44
Emergency medical services stations	22	22	21	21	21	21	20	20	20	19
Refuse collection trucks	166	168	174	206	206	191	191	192	186 (d)	205
Other Public Works										
Streets (paved mile)	1,417	1,415	1,410	1,407	1,398	1,398	1,398	1,393	1,391	1,389
Streetlights	47,999	47,819	47,544	47,283	47,160	46,756	46,605	46,236	45,937	45,922
Storm sewers (miles)	725	723	718	715	706	706	706	702	701	699
Parks and Recreation										
Parks and recreational areas	284	283	288	288	287	284	282	277	288	280
Beach access/right of ways	90	90	90	90	90	90	90	83	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	93
Gymnasiums	25	24	24	24	24	24	24	24	24	26
Swimming pools	21	21	21	21	21	21	21	21	20	20
Baseball/softball fields	200	200	200	200	193	193	194	194	194	194
Basketball courts	205	200	200	200	200	200	200	200	200	220
Tennis courts	207	203	203	200	200	200	200	179	179	179
Volleyball courts	171	169	169	169	169	169	169	169	169	169
Soccer fields	80	80	80	80	80	80	80	80	80	80
Traffic related landscaped areas	149	149	149	149	149	149 (e)	90	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)	2,106	2,101	2,095	2,079	2,043	2,067	2,060	2,055	2,037	1,997
Fire hydrants	21,290	21,130	21,045	21,006	20,950	20,760	20,381	20,073	19,832	19,711
Storage capacity (millions of gallons)	190	184	182	182	182	182	183	182	182	182
Wastewater										
Sanitary sewers (miles)	2,010	2,087	2,100	2,143	2,152	2,113	2,191	2,191	2,191	2,205
Treatment capacity (millions of gallons)	152	152	152	152	152	152	152	151	151	151
Transit										
Buses	524	540	553	552	549	540	525	525	525	536
Paratransit vehicles	157	158	181	166	166	148	129	119	123	121
Traffic signal intersections (f)	830	827	825	823	819	799	790	787	772	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) Includes State traffic signals on Oahu that the City maintains.

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