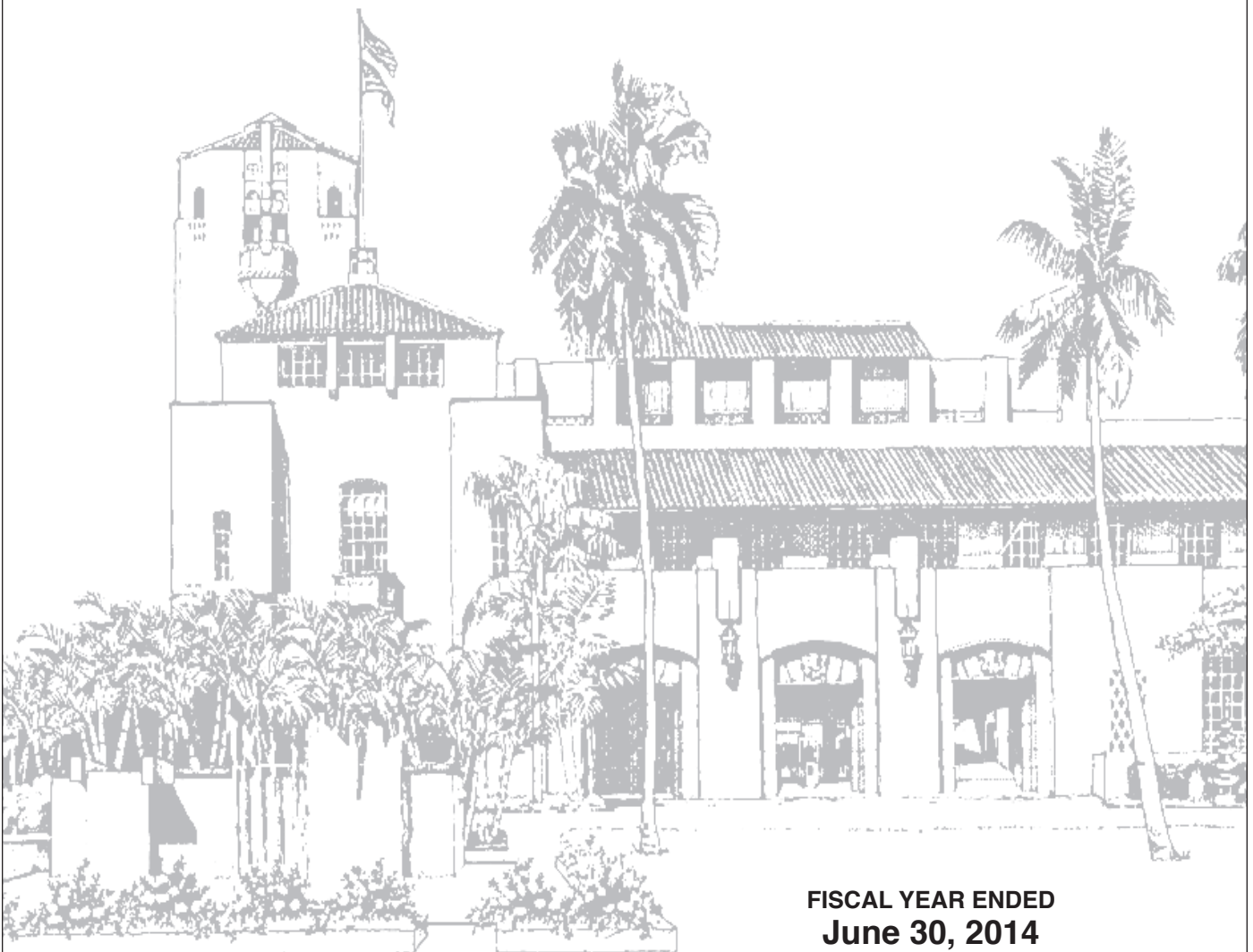
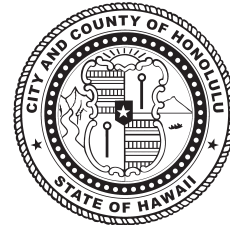


**CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII**

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# **Comprehensive Annual Financial Report**



**FISCAL YEAR ENDED  
June 30, 2014**

# EXECUTIVE BRANCH

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**Kirk Caldwell**  
Mayor

**CITY AND COUNTY OF HONOLULU**  
**Honolulu, Hawaii**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2014**

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

**CITY AND COUNTY OF HONOLULU  
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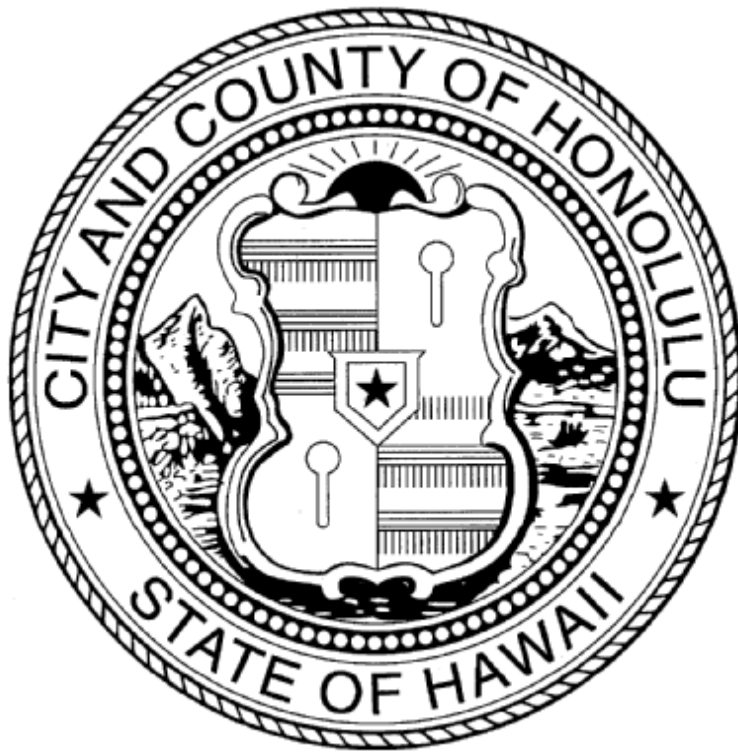
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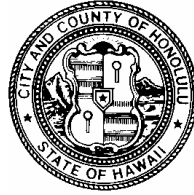
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## **INTRODUCTORY SECTION**

KIRK CALDWELL  
MAYOR



NELSON H. KOYANAGI, JR.  
DIRECTOR

GARY T. KUOKAWA  
DEPUTY DIRECTOR

December 23, 2014

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, 2014. 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 major industry, tourism, has been relatively stable and planned construction projects, such as Honolulu's rail system, is expected to provide growth in the construction industry. Tourism will grow at a moderated pace as there are new visitors from China and Korea. With new single family housing projects and renovations of hotel properties, the construction sector is expected to be on an upswing. However, the military, an important segment of the local economy, has not made a final determination on the future realignment of troops stationed in Hawaii.

- For September 2014, average daily hotel room rates on Oahu rose 5.2% to \$214.25 while hotel occupancy increased to 86.1% from 84.1% compared to the same month last year. Total visitor arrivals rose 4.4% to 419,781 for October 2014 compared to the same month a year ago. However, daily visitor spending decreased 8.8% to \$208 per person, and length of stay shortened 1.2% to 6.42 days, resulting in a 6.0% decrease in total visitor expenditures to \$560.1 million compared to last October.
- Construction jobs remained relatively stable at 22,600 for November 2014 compared to 23,100 for the same month the preceding year. Contracting revenues decreased 8.1% to \$5.7 billion for the fiscal year ended June 30, 2014, and declined 11.3% to \$885.8 million for the two months ended August 31, 2014 compared to the same periods in 2013.
- The November 2014 single family home median resale prices increased 5.2% to \$719,500 although resale volume decreased 24.0% to 225 when compared with the same month a year ago. Similarly, the condominium resale median price rose 3.9% to \$343,000 while the resale volume declined 10.8% to 363 for November 2014.
- Retail sales increased 5.4% to \$27.3 billion for fiscal year 2014, but decreased 7.0% to \$4.0 billion for the two months ended August 31, 2014 compared to the same period in 2013.
- Non-agricultural jobs totaled 464,300 for October 2014, a 0.9% increase from 460,000 non-farm jobs for the same month the preceding year.

- Honolulu had the lowest unemployment rate among Hawaii's counties in November 2014, with a non-seasonally adjusted unemployment rate of 3.8%, compared to 4.0% statewide, and 5.5% nationally.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 3.8% for the second quarter of 2014 compared to increases of 3.5% for the first quarter, and 2.4% for 2013.
- Proprietors' income increased 3.3% for the second quarter of 2014, compared to increases of 2.3% for the first quarter, and 5.4% for 2013.

**Sources:**

City and County of Honolulu, Department of Planning and Permitting, <http://www.honoluludpp.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](http://www6.hawaii.gov/tax/a5_3txcolrptarchive.htm).

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

**MAJOR INITIATIVES**

The executive operating budget for fiscal year 2014 was \$2.16 billion net of interfund transfers, which represented an increase of \$196.9 million compared to the prior year. The increase was in large part due to the intended sale of the City's affordable housing properties, and escalating costs for debt service, pension and health benefits. The City continued 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 represented an increase of 2.4% compared to the preceding fiscal year. Funding continued to focus on sanitation (34.5%) and 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 was budgeted for fiscal year 2014, which represented a decrease of 34.1% compared to the prior fiscal year. Major sanitation projects included 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 represented a 32.9% increase for fiscal year 2014 in comparison to the previous fiscal year. Major highways and streets projects included 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).

## **Culture-Recreation**

For fiscal year 2014, \$62.9 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 81.8% over the prior fiscal year. The major culture-recreation projects included Recreation District Improvements (\$6.3 million), Renovate Recreational Facilities (\$5.5 million), and Department of Enterprise Services National Pollution Discharge Elimination System Small MS4 Permit Program (\$4.3 million).

## **Human Services**

The capital improvement budget for the human services function was \$54.4 million for fiscal year 2014, which represented a 186.3% increase compared to the last fiscal year. Appropriations for human services included the following: \$40.6 million for the Community Development Block Grant Program (of which \$34.1 million in program income was to have been 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.

## **Public Safety**

The appropriations for the public safety function amounted to \$49.2 million for fiscal year 2014, which represented a 5.8% increase from the previous fiscal year. The major public safety projects included 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).



## **Transportation**

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

## **FOR THE FUTURE**

The executive operating budget for fiscal year 2015 is \$2.14 billion net of interfund transfers, representing a decrease of \$19.1 million compared to the prior year. The theme for the fiscal year 2015 budget is “Spending to Make a Difference.” Efforts are being made to begin to right size government and prioritize spending and initiatives to improve core services and plan for the future.

The City’s capital improvement budget of \$708.8 million for fiscal year 2015 represents an increase of 11.6% compared to the preceding fiscal year. Funding continues to focus on core City services: Sanitation (41.3%), highways and streets (22.0%), human services (9.2%), culture and recreation (7.6%), and bus service (7.0%).

### **Sanitation**

For solid waste and sewage collection and disposal projects, a sum of \$292.7 million is budgeted for fiscal year 2015, representing an increase of 33.8% compared to the prior fiscal year. Major sanitation projects include Kailua Wastewater Treatment Tunnel Influent Pump station and Headworks Facility (\$124.2 million), Waimalu Wastewater Pump Station Force Main and Waiiau Area Sewer Improvements (\$27.8 million), Sewer Mainline and Lateral Projects (\$49.5 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$11.6 million), and Kaneohe/Kailua Sewer Tunnels (\$10.8 million).

### **Highways and Streets**

The \$155.7 million capital improvement budget for highways and streets represents a 5.8% increase for fiscal year 2015 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$132.0 million), Rail Station Connectivity-Transit Oriented Development (\$2.0 million), Bridge Rehabilitation at Various Locations (\$1.6 million), Drainage Improvements at Various Locations (\$1.4 million), and Surface Water Discharge (NPDES MS4) Erosion Prone Areas Improvement (\$1.4 million).

### **Human Services**

The capital improvement budget for the human services function is \$64.9 million for fiscal year 2015, representing a 19.3% increase compared to the last fiscal year. Appropriations for human services include the following: \$32.0 million for Homeless Relocation Initiative, \$8.3 million for Housing Partnership Program, and \$6.9 million for the Community Development Block Grant Program.

### **Culture-Recreation**

For fiscal year 2015, \$53.7 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 14.6% over the prior fiscal year. The major culture-recreation projects include Ala Moana Regional Park (\$3.0 million), and Department of Enterprise Services National Pollution Discharge Elimination System Small MS4 Permit Program (\$2.6 million).

### **Transportation**

Mass transit appropriations of \$49.5 million for fiscal year 2015 represents a 12.5% increase compared to the previous fiscal year. Two of the noteworthy public transit projects are the Bus and Handi-Van Acquisition Program (\$20.1 million), and Bus Stop Site Improvements (\$1.8 million).

### **General Government**

The general government function of the capital improvement budget increased 18.3% to \$47.9 million for fiscal year 2015 compared to the prior fiscal year. The following are the major general government projects: Pearlridge Bus Transfer Center and Plaza Transit Oriented Development (\$15.0 million), Kapolei Consolidated Corporation Yard (\$7.5 million), Land Expenses (\$1.3 million), and Civic Center Improvements (\$1.0 million).

### **Public Safety**

The appropriations for the public safety function amount to \$44.4 million for fiscal year 2015, representing a 9.8% decrease from the previous fiscal year. The major public safety projects include Traffic signals at Various Locations (\$3.9 million), Honolulu Police Department Equipment Acquisition (\$3.8 million), Telecommunications Facilities Upgrade (\$3.8 million), Honolulu Fire Department Equipment Acquisition (\$3.2 million), and Kawa Stream and Ditch Improvements (\$3.0 million).

## **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 KMH LLP to perform the audit. The auditor's report is included in the financial section of this report. The Board of Directors of the Honolulu Authority for Rapid Transportation contracted KMH LLP while Accuity LLP was engaged to audit the financial statements of the Board of Water Supply.

### 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, 2013. The City has received the award in 27 of the last 28 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.

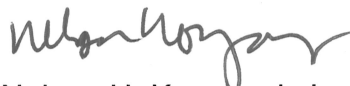
A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the requirements of GFOA's Certificate of Achievement Program; we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City has received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the past fifteen 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, 2014.

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**

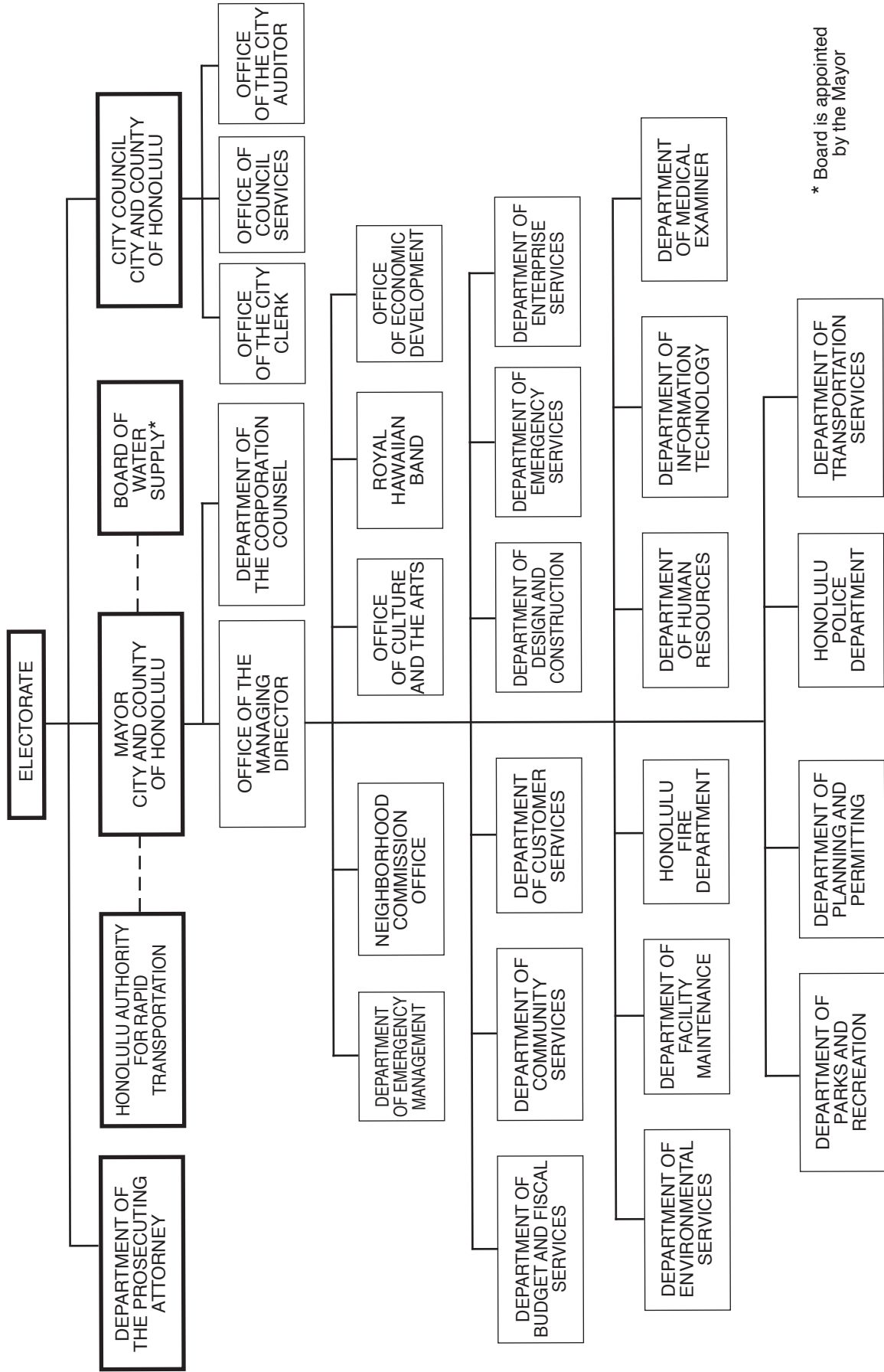
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

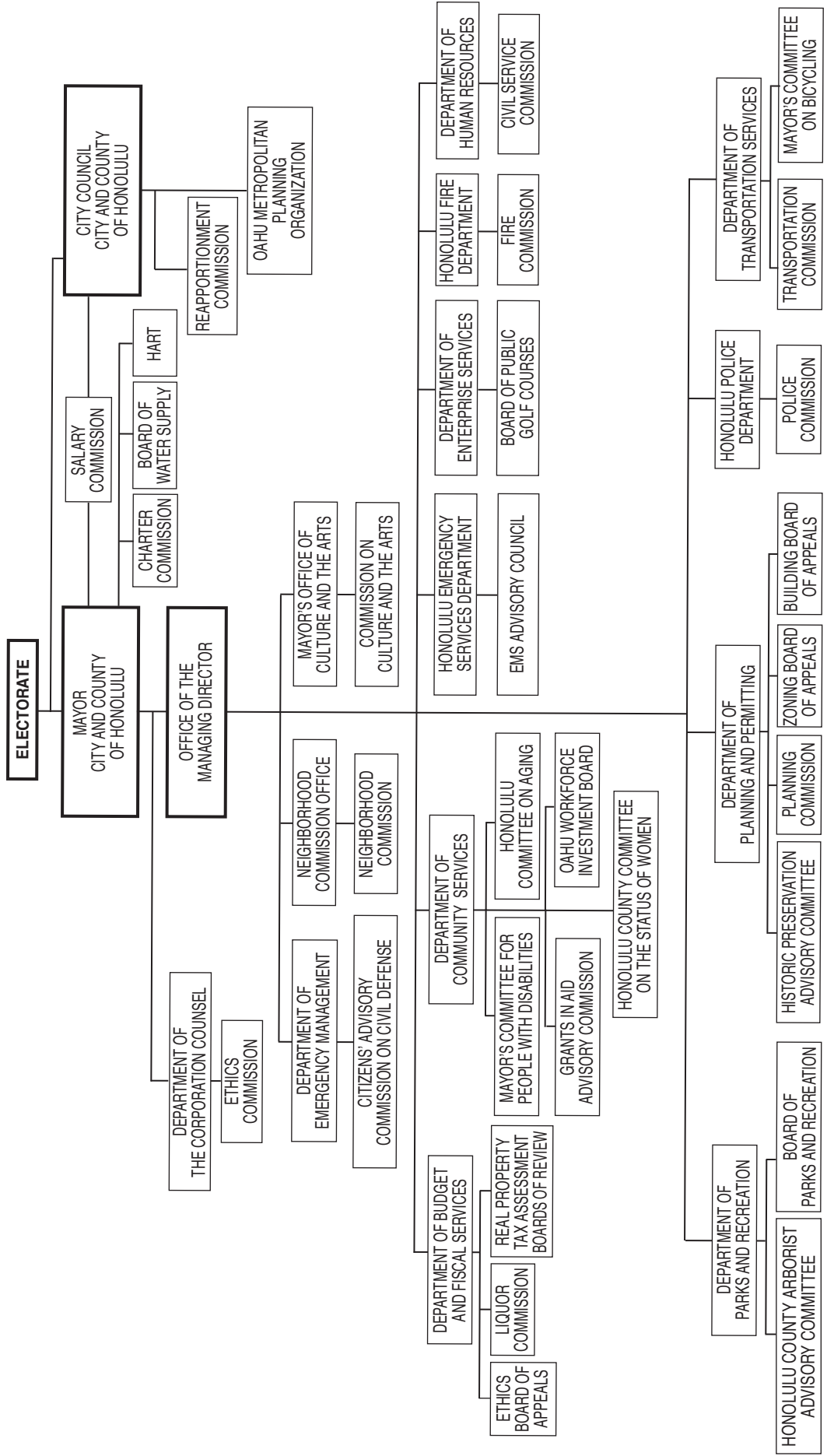
# CITY AND COUNTY OF HONOLULU ORGANIZATION CHART

FISCAL YEAR 2013 - 2014



\* Board is appointed by the Mayor

CITY AND COUNTY OF HONOLULU  
**CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES**  
 FISCAL YEAR 2014



**CITY AND COUNTY OF HONOLULU  
ELECTED OFFICIALS  
June 30, 2014**

**EXECUTIVE BRANCH**

**Mayor. . . . . Kirk Caldwell**  
**Prosecuting Attorney. . . . . Keith M. Kaneshiro**

**LEGISLATIVE BRANCH**

<u><b>Council District</b></u>	<u><b>Councilmember</b></u>
<b>First. . . . .</b>	<b>Kymberly Marcos Pine</b>
<b>Second. . . . .</b>	<b>Ernest Y. Martin, Chair</b>
<b>Third. . . . .</b>	<b>Ikaika Anderson</b>
<b>Fourth. . . . .</b>	<b>Stanley Chang</b>
<b>Fifth. . . . .</b>	<b>Ann H. Kobayashi</b>
<b>Sixth. . . . .</b>	<b>Carol Fukunaga</b>
<b>Seventh. . . . .</b>	<b>Joey Manahan</b>
<b>Eighth. . . . .</b>	<b>Breene Harimoto</b>
<small>(Resigned effective November 4, 2014. Brandon Elefante was appointed November 12, 2014 and will serve the remainder of Councilmember Harimoto's term.)</small>	
<b>Ninth. . . . .</b>	<b>Ron Menor</b>

The following were elected to a four year-term starting on January 2, 2015:

<b>Second. . . . .</b>	<b>Ernest Y. Martin, Chair</b>
<b>Fourth. . . . .</b>	<b>Trevor Ozawa</b>
<small>(A petition was filed challenging the election results for the Fourth Council District.)</small>	
<b>Sixth. . . . .</b>	<b>Carol Fukunaga</b>
<b>Eighth. . . . .</b>	<b>Brandon Elefante</b>



# 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

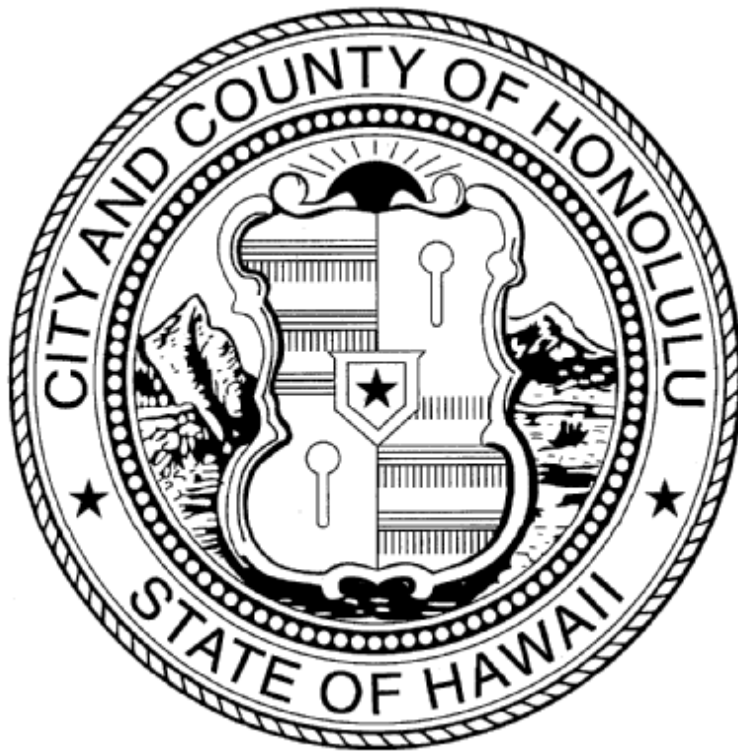


**Breene Harimoto**  
Councilmember, District VIII



**Ron Menor**  
Councilmember, District IX

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# **FINANCIAL SECTION**



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A Hawaii Limited Liability Partnership

## **Independent Auditor's Report**

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Water Supply, which is a discretely presented component unit and represents 13 percent, 23 percent, and 8 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 Board of Water Supply, 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 auditor's 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 auditor considers 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 of the City, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 and Note 11 to the financial statements, in 2014, the City changed its method of accounting for bond issuance costs with the adoption of Governmental Accounting Standards Board Statement 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

As discussed in Note 1 and Note 11 to the financial statements, the 2013 financial statements have been restated to correct misstatements. We also audited the adjustments described in Note 1 and Note 11 that were applied to restate the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *2013 Financial Statements*

The financial statements of the City, as of and for the year ended June 30, 2013, before they were restated for the matters discussed in Note 1 and Note 11 to the financial statements, were audited by other auditors whose report dated December 13, 2013 expressed an unmodified opinion on those statements.

#### *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 19–34, 99-103, and 104, 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 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 fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 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 it.

*KMH LLP*

KMH LLP

Honolulu, Hawaii  
December 23, 2014

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**CITY AND COUNTY OF HONOLULU**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2014**

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, 2014. 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 2014**

- Revenues from governmental activities totaled \$1.49 billion for fiscal year 2014 compared to \$1.47 billion for the prior fiscal year. Expenses before transfers amounted to \$1.27 billion for the current fiscal year compared to \$1.26 billion for fiscal year 2013. The governmental activities are summarized on page 24, discussed on pages 25 to 27, and reported on pages 36 and 37.
- The net position for the City's business-type activities increased by \$136.0 million for the current fiscal year compared to \$68.9 million for fiscal year 2013 as restated. 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, and the gain on the sale of vacant lots in Ewa Villages. For fiscal year 2013, the improvement in net position resulted primarily from increased sewer service charge rates. The business-type activities are summarized on page 24, discussed on pages 28 to 29, and reported on pages 36 and 37.
- The combined ending governmental fund balances as of June 30, 2014 decreased by \$182.3 million (as summarized on page 30) to \$440.8 million (as reported on pages 39 and 40).
- Net capital assets for the governmental activities rose slightly to \$2.3 billion at June 30, 2014, compared to \$2.2 billion at the end of the prior fiscal year. Likewise, net capital assets for the business-type activities increased to \$3.3 billion at the close of fiscal year 2014 from \$3.2 billion at June 30, 2013. Capital assets are discussed on pages 32 and 33, and reported on pages 71 to 73 in the Notes to Financial Statements.
- The debt applicable to the legal debt margin totaled \$2.1 billion, representing less than 10% of the City's \$23.9 billion statutory debt limit. Additional information on the City's long-term debt may be found on page 33, on pages 75 to 79 in the Notes to Financial Statements, and on pages 231 to 234 in the Statistical Section.



**CITY AND COUNTY OF HONOLULU**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2014**

**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 the 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, 2014**

**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, 2014, there were 30 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 21 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, 2014**

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

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The financial statements of the fiduciary funds are reported on pages 47 and 48 of this report while the agency funds are reported on pages 118 and 119.

**Notes to the Financial Statements**

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

**Other Information**

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

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

**Statement of Net 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 \$1.93 billion for the fiscal year ended June 30, 2014 in contrast to \$1.80 billion at the end of last fiscal year as restated.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

The largest portion of the primary government's net position (57.5% and 51.8% at the end of fiscal years 2014 and 2013 as restated, 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 \$642.1 million and \$688.0 million of the net position for the primary government were unrestricted at June 30, 2014 and 2013 as restated, respectively. For the City's governmental activities, the unrestricted net position of \$21.5 million at the end of fiscal year 2014 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 \$620.6 million at June 30, 2014 primarily due to sewer service charge rate increases and the sale of vacant housing lots at Ewa Villages. A small percentage (9.2%) of the City's net position at June 30, 2014 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, 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013		2013		2014	2013
	2014	As Restated	2014	As Restated		
Current and other assets	\$ 669.2	\$ 827.0	\$ 908.0	\$ 950.0	\$ 1,577.2	\$ 1,777.0
Restricted assets	-	-	295.1	296.0	295.1	296.0
Capital assets, net of accumulated depreciation	2,302.8	2,189.0	3,286.3	3,155.3	5,589.1	5,344.3
Total assets	2,972.0	3,016.0	4,489.4	4,401.3	7,461.4	7,417.3
Deferred Outflows	72.7	79.3	29.9	32.4	102.6	111.7
Noncurrent liabilities	2,673.0	2,742.8	2,676.5	2,718.3	5,349.5	5,461.1
Other liabilities	142.0	120.2	143.9	152.5	285.9	272.7
Total liabilities	2,815.0	2,863.0	2,820.4	2,870.8	5,635.4	5,733.8
Net position:						
Net investment in capital assets	208.2	101.1	900.1	828.0	1,108.3	929.1
Restricted	-	0.2	178.2	177.9	178.2	178.1
Unrestricted	21.5	131.0	620.6	557.0	642.1	688.0
Total net position	\$ 229.7	\$ 232.3	\$ 1,698.9	\$ 1,562.9	\$ 1,928.6	\$ 1,795.2

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

The following is a summary of the Statements of Activities for fiscal years 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013		2013		2013	
	2014	As Restated	2014	As Restated	2014	As Restated
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 270.2	\$ 264.9	\$ 601.0	\$ 564.1	\$ 871.2	\$ 829.0
Operating grants and contributions	150.4	116.4	21.5	27.3	171.9	143.7
Capital grants and contributions	13.5	54.2	14.8	26.9	28.3	81.1
General revenues:						
Property taxes	849.4	825.5	-	-	849.4	825.5
Other taxes	159.8	163.8	-	-	159.8	163.8
Other	47.2	48.7	1.4	1.6	48.6	50.3
Total revenues	<u>1,490.5</u>	<u>1,473.5</u>	<u>638.7</u>	<u>619.9</u>	<u>2,129.2</u>	<u>2,093.4</u>
<b>Expenses</b>						
General government	482.3	482.7	-	-	482.3	482.7
Public safety	418.9	393.2	-	-	418.9	393.2
Highways and streets	47.6	38.7	-	-	47.6	38.7
Sanitation	3.8	4.3	-	-	3.8	4.3
Human services	91.5	82.8	-	-	91.5	82.8
Culture and recreation	108.1	106.5	-	-	108.1	106.5
Utilities or other enterprises	35.9	84.8	-	-	35.9	84.8
Interest	85.8	76.9	-	-	85.8	76.9
Housing	-	-	15.9	11.9	15.9	11.9
Sewer	-	-	276.9	290.1	276.9	290.1
Solid waste	-	-	190.3	168.8	190.3	168.8
Public transportation	-	-	238.8	239.4	238.8	239.4
Total expenses	<u>1,273.9</u>	<u>1,269.9</u>	<u>721.9</u>	<u>710.2</u>	<u>1,995.8</u>	<u>1,980.1</u>
Increase (decrease) before transfers	216.6	203.6	(83.2)	(90.3)	133.4	113.3
Transfers	<u>(219.2)</u>	<u>(159.2)</u>	<u>219.2</u>	<u>159.2</u>	<u>-</u>	<u>-</u>
Change in net position	(2.6)	44.4	136.0	68.9	133.4	113.3
Net position - beginning as restated	<u>232.3</u>	<u>187.9</u>	<u>1,562.9</u>	<u>1,494.0</u>	<u>1,795.2</u>	<u>1,681.9</u>
Net position - ending	<u>\$ 229.7</u>	<u>\$ 232.3</u>	<u>\$ 1,698.9</u>	<u>\$ 1,562.9</u>	<u>\$ 1,928.6</u>	<u>\$ 1,795.2</u>

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

Total revenues for the primary government were relatively stable at \$2.1 billion for fiscal years 2014 and 2013.

Expenses for the primary government totaled \$2.0 billion for fiscal year 2014 of which \$1.3 billion applied to governmental activities and \$721.9 million related to business-type activities. For the fiscal year 2013 as restated, expenses for the primary government totaled \$2.0 billion; \$1.3 billion pertained to governmental activities and \$710.2 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$92.4 million for the governmental activities and \$82.0 million for business-type activities for fiscal year 2014 as disclosed on page 73.

**Statement of Activities**

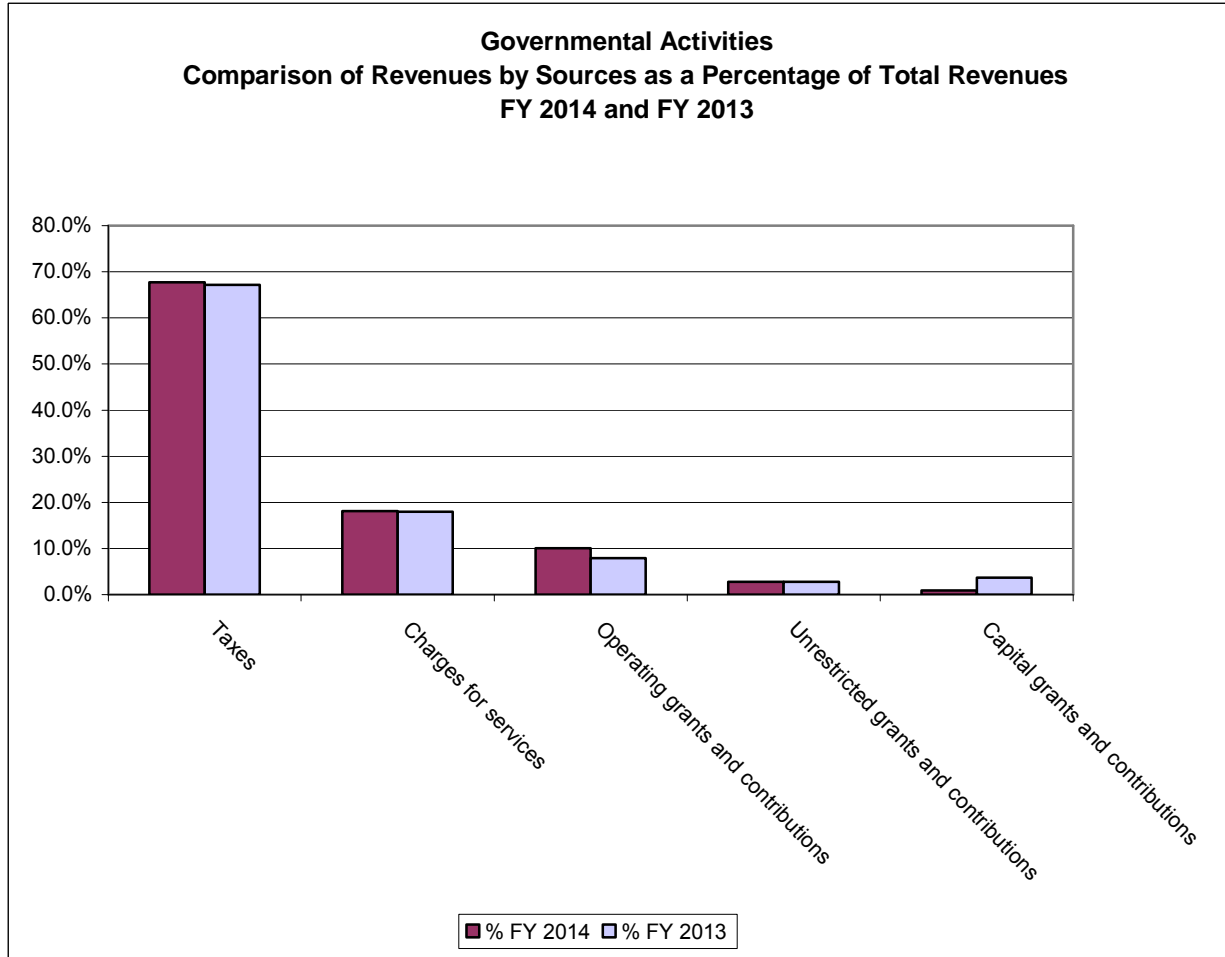
As noted earlier, the Statement of Activities presents how the City's net position changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some 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 declined by \$2.6 million for fiscal year 2014 compared to an improvement of \$44.4 million for fiscal year 2013 as restated.

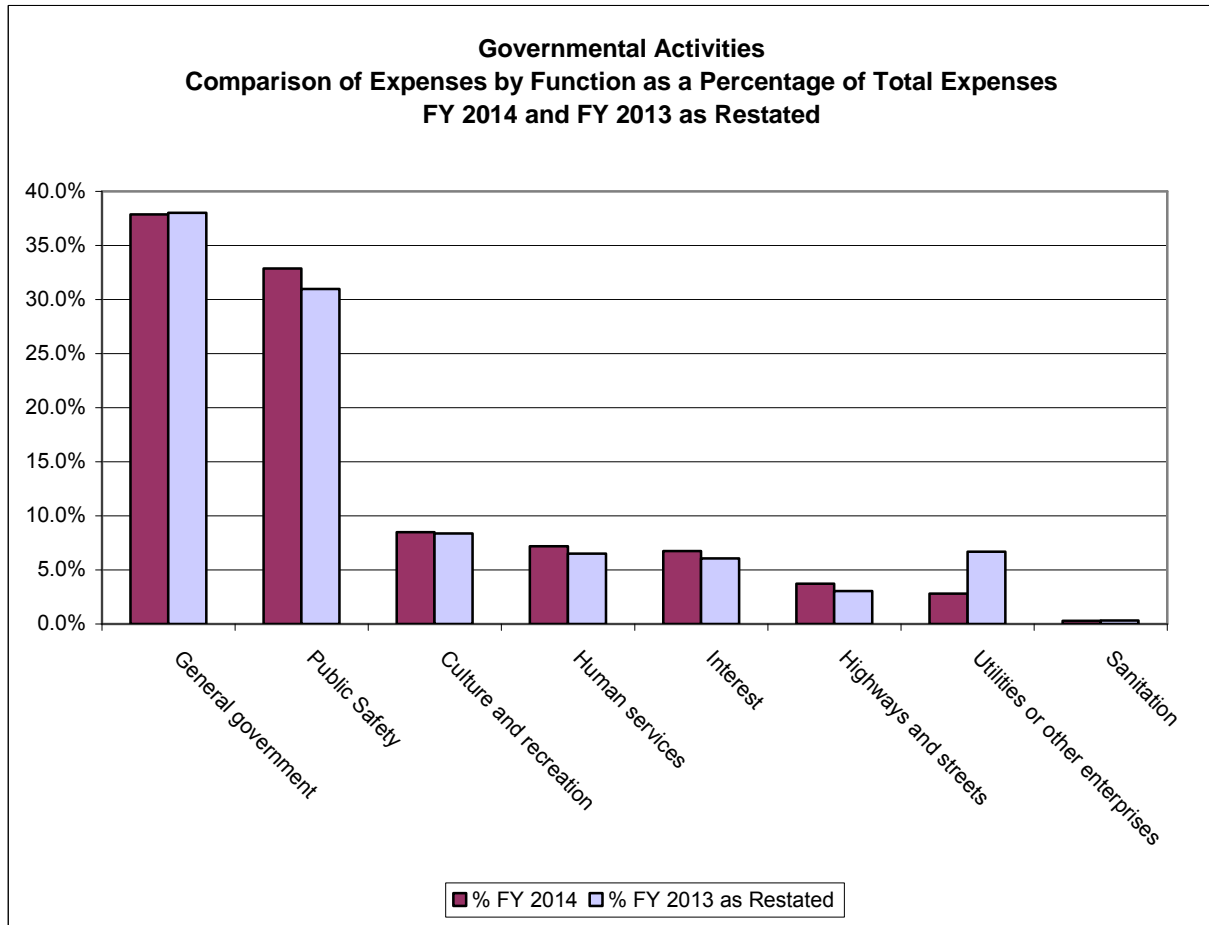
**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

**Revenues.** The following exhibit, Comparison of Revenues by Sources as a Percentage of Total Revenues, indicates revenues from governmental activities improved in fiscal year 2014 compared to the last fiscal year. For fiscal year 2014, taxes increased \$19.9 million to \$1.0 billion, representing 67.7% of the revenues from governmental activities. Charges for services rose 2.0% to \$270.2 million. Likewise, operating grants and contributions increased 29.2% from \$116.4 million for fiscal year 2013 to \$150.4 million for fiscal year 2014.



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

**Expenses.** As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, expenditures increased except for the general government function as restated which declined \$386.0 thousand to \$482.3 million, and utilities or other enterprises which decreased 57.7% to \$35.9 million for fiscal year 2014 primarily due to the higher quantity of buses and paratransit vehicles acquired in the prior fiscal year.



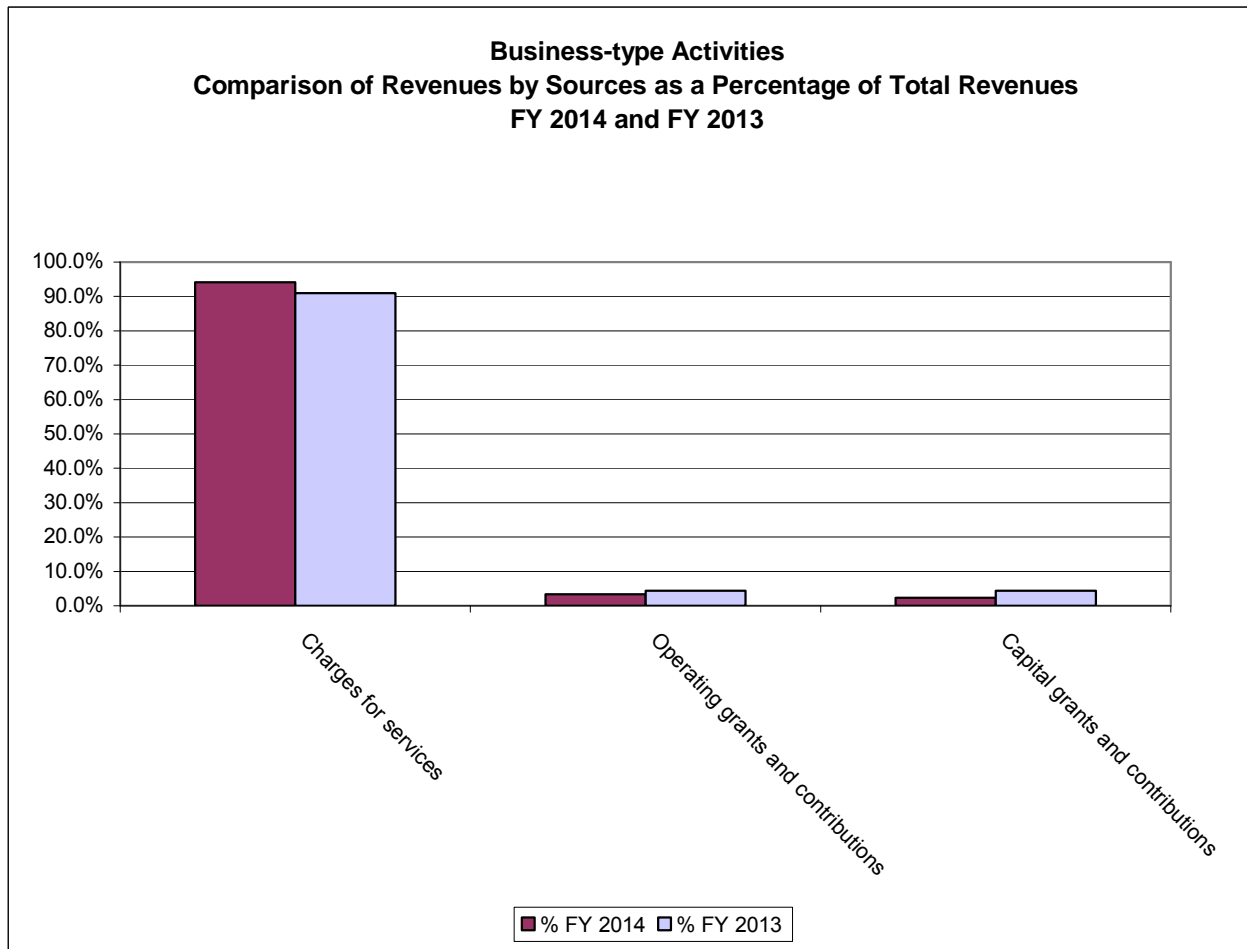


**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

**Business-type Activities**

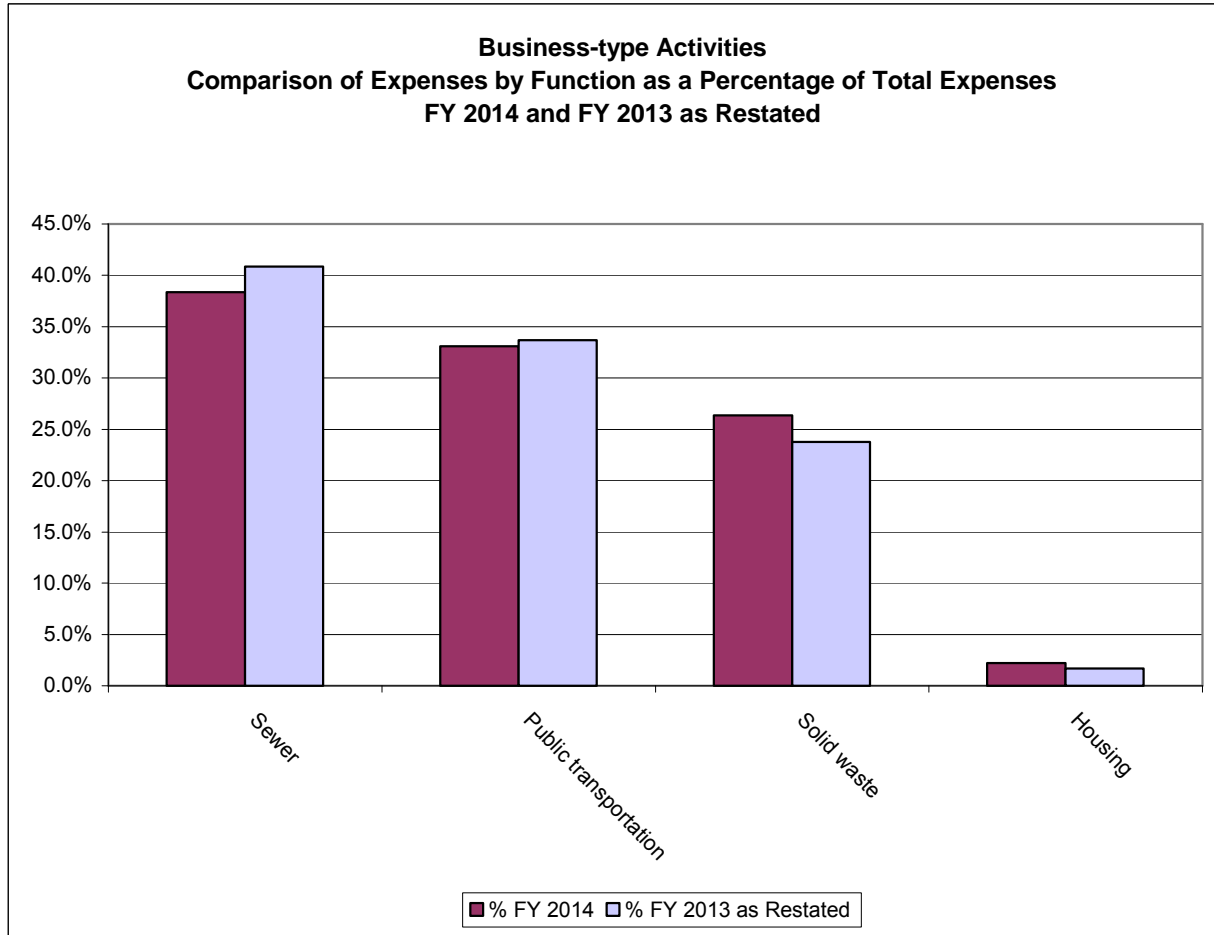
The net position for the City's business-type activities increased by \$136.0 million and \$68.9 million for fiscal years 2014 and 2013 as restated, respectively. For the current fiscal year, the improvement in net position can be attributed primarily to the 4.0% sewer service charge rate increase as part of a multi-year rate package implemented to address long-term system upgrades mandated by the Environmental Protection Agency, and the sale of vacant lots in Ewa Villages.

**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 94.1% and 91.0% of the revenues for fiscal years 2014 and 2013, respectively. Specifically, charges for services totaled \$601.0 million for fiscal year 2014 and can be disaggregated as follows: housing (\$22.2 million), sewer (\$395.3 million), solid waste (\$126.3 million), and public transportation (\$57.2 million). In contrast, charges for services totaled \$564.1 million for fiscal year 2013 as follows: housing (\$10.4 million), sewer (\$378.0 million), solid waste (\$118.7 million), and public transportation (\$57.0 million).



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

**Expenses.** As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2014 and 2013. Sewer (38.4%) used the most resources, followed by public transportation (33.1%) and solid waste (26.3%) for fiscal year 2014.



**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

**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 2014 fiscal year. Total fund balances decreased \$182.3 million for fiscal year 2014 in comparison to \$194.4 million for the prior fiscal year as restated.

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

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	All Other Funds	Totals	
					2014	2013 As Restated
Revenues:						
Taxes	\$ 895.1	\$ 107.7	\$ -	\$ 8.3	\$ 1,011.1	\$ 994.1
Other	144.0	138.0	-	203.9	485.9	477.4
Total Revenues	1,039.1	245.7	-	212.2	1,497.0	1,471.5
Expenditures	762.8	97.4	212.8	398.5	1,471.5	1,391.6
Subtotal	276.3	148.3	(212.8)	(186.3)	25.5	79.9
Transfers and Other	(288.2)	(143.4)	212.8	11.0	(207.8)	114.5
Changes in Fund Balances	\$ (11.9)	\$ 4.9	\$ -	\$ (175.3)	\$ (182.3)	\$ 194.4

The above changes in fund balances for the governmental funds differ from the changes in net position for governmental activities summarized on page 24. 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 41.

**General Fund.** The General Fund is the main operating fund of the City. The unassigned fund balance of the General Fund decreased by \$29.5 million to \$185.6 million as compared to a total fund balance decline of \$11.9 million to \$308.8 million for the fiscal year ended June 30, 2014.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

Real property tax, the primary General Fund revenue source, rose \$18.9 million, representing a 2.3% increase over the previous year, primarily due to higher assessed values, new inventory, compliance reviews of exemptions and tax appeal resolutions.

**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 increased from \$45.7 million at June 30, 2013 to \$50.6 million 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, 2014 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 declined by \$175.4 million from \$256.8 million at June 30, 2013 to \$81.4 million at June 30, 2014, primarily due to the focus on the rehabilitation of streets in the current fiscal year, and the issuance of commercial paper and general obligation bonds in the prior fiscal year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Collections of real property taxes exceeded budgetary estimates by \$15.4 million (1.9%) for fiscal year 2014 primarily due to an increase in assessed values, new inventory, compliance reviews of exemptions, and tax appeal resolutions. 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 notably for the following revenue sources: Plan review use fees by \$2.7 million (62.8%), reimbursements from the State for Fireboat Operations by \$2.3 million (58.2%), motor vehicle drivers' licenses by \$1.2 million (26.3%) resulting from the lengthened number of years for valid drivers' licenses, and the reimbursements from the State for Emergency Ambulance Services by \$6.6 million (16.4%) arising from the difference between the amount requested for funding and the actual contracted amount.

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, 2014**

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 9.0% (\$81.9 million) for fiscal year 2014. The net changes in fund balance reflected favorable variances of \$75.0 million for fiscal year 2014.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, totaled \$5.6 billion for the primary government of which \$2.3 billion pertained to governmental activities as of June 30, 2014. 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 2014. Major projects for the governmental activities include Rehabilitation of Streets (\$120.1 million), Improvements at Various Parks (\$15.0 million), Urban Core Road Construction (\$7.2 million) and Traffic Signal and Control Improvements (\$7.0 million). For the business-type activities, the major projects include Ala Moana Wastewater Pumping Station Force Main (\$51.2 million), Waste Process Disposal – Third Boiler Expansion (\$24.6 million), Kaneohe/Kailua Sewer Tunnel Project (\$18.5 million), In-Vessel Bioconversion Facility at Sand Island Wastewater Treatment Plant (\$11.6 million) and Solid Waste to Energy Facility Rehabilitation (\$11.4 million).

Major completed projects during fiscal year 2014 for the governmental activities include Rehabilitation of Streets at various locations (\$72.8 million), Improvements at Various Parks (\$12.8 million) and Urban Core Road Construction (\$11.1 million). For the business-type activities, the major completed projects include Moiliili-Kapahulu Sewer Rehabilitation/Reconstruction (\$13.2 million), acquisition of 18 diesel buses and 13 paratransit vans (\$9.4 million), Waikiki Sewer Rehabilitation/Reconstruction (\$8.5 million) and Kailua Wastewater Treatment Plant Digester Covers #1 – 4 (\$7.4 million).

Additional information on the City's capital assets may be found in the Notes to Financial Statements on pages 71 to 73.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

The following is a summary of the capital assets for the primary government as of June 30, 2014 in comparison to the previous year:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	2013	<u>2014</u>	2013
				<u>(As Restated)</u>		<u>(As Restated)</u>
Non-depreciable assets:						
Land	\$ 482.4	\$ 477.4	\$ 157.0	\$ 156.8	\$ 639.4	634.2
Construction work in progress	233.3	190.6	769.2	636.0	1,002.5	826.6
Other capital assets:						
Buildings and improvements	1,378.8	1,335.7	1,391.3	1,370.3	2,770.1	2,706.0
Equipment and machinery	364.5	346.3	608.6	600.1	973.1	946.4
Infrastructure	1,386.4	1,294.8	1,528.7	1,494.1	2,915.1	2,788.9
Less: accumulated depreciation	<u>(1,542.6)</u>	<u>(1,455.8)</u>	<u>(1,168.5)</u>	<u>(1,101.9)</u>	<u>(2,711.1)</u>	<u>(2,557.7)</u>
Net	<u>\$ 2,302.8</u>	<u>\$ 2,189.0</u>	<u>\$ 3,286.3</u>	<u>\$ 3,155.4</u>	<u>\$ 5,589.1</u>	<u>\$ 5,344.4</u>

**Long-Term Debt**

At June 30, 2014, the long-term debt for the primary government amounted to \$4.5 billion, consisting mainly of total bonded debt (\$4.3 billion) and notes payable (\$247.8 million). The total bonded debt is comprised of \$2.6 billion in general obligation bonds and \$1.7 billion in revenue bonds secured by wastewater system revenue sources.

There were no General Obligation Bonds or Wastewater System Revenue Bonds issued during fiscal year 2014.

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 2014 was \$23.9 billion. The City's outstanding debt applicable to the legal debt margin totaled \$2.1 billion as of June 30, 2014, well below the statutory debt limitation.

Additional information on the City's long-term debt may be found on pages 75 to 79 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 visitor arrivals, home resale prices, overall job counts, unemployment, personal income growth, and bankruptcy filings suggest that the local economy appears to be relatively stable.

**CITY AND COUNTY OF HONOLULU  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2014**

The assessed valuation of real property (including new added property inventory) on Oahu increased slightly to \$174.3 billion for fiscal year 2015 from \$159.1 billion for fiscal year 2014.

The rate for sewer service charges was raised 4.0% effective July 1, 2014.

The City strives to deliver the expected level of public services while containing costs. As such, the operating budget net of inter-fund transfers decreased to \$2.14 billion for fiscal year 2015 from \$2.16 billion for 2014.

**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, 2014  
 (Amounts in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Board of Water Supply	Honolulu Authority for Rapid Transportation
<b>ASSETS</b>					
Cash and cash equivalents .....	\$ 239,117	\$ 527,242	\$ 766,359	\$ 14,892	\$ 214,712
Investments .....	247,321	279,503	526,824	187,741	226,299
Receivables (net) .....	175,688	69,346	245,034	23,018	129,992
Internal balances .....	7,126	(7,126)	--	--	--
Inventories .....	--	21,723	21,723	5,289	--
Deferred charges and other .....	--	17,319	17,319	7,904	1,217
Restricted assets:					
Cash and cash equivalents .....	--	12,292	12,292	12,623	--
Investments .....	--	282,773	282,773	28,775	--
Capital assets (net of accumulated depreciation):					
Land .....	482,386	156,987	639,373	32,373	65,269
Buildings and improvements .....	713,937	1,018,536	1,732,473	92,849	--
Equipment and machinery .....	109,032	125,463	234,495	94,475	86
Infrastructure .....	764,104	1,216,106	1,980,210	823,230	--
Construction work in progress .....	233,320	769,195	1,002,515	77,551	1,119,282
Total assets .....	<u>2,972,031</u>	<u>4,489,359</u>	<u>7,461,390</u>	<u>1,400,720</u>	<u>1,756,857</u>
<b>DEFERRED OUTFLOWS</b>					
Deferred outflows .....	72,668	29,944	102,612	8,760	--
<b>LIABILITIES</b>					
Accounts payable .....	115,043	70,496	185,539	17,003	161,787
Matured bonds and interest payable .....	330	--	330	--	--
Accrued interest payable .....	26,971	37,414	64,385	6,597	--
Due to fiduciary funds .....	20	36	56	--	--
Other liabilities .....	--	35,927	35,927	873	--
Noncurrent liabilities:					
Due within one year .....	130,745	87,012	217,757	12,062	95
Due in more than one year .....	2,541,905	2,589,540	5,131,445	305,339	2,601
Total liabilities .....	<u>2,815,014</u>	<u>2,820,425</u>	<u>5,635,439</u>	<u>341,874</u>	<u>164,483</u>
<b>NET POSITION</b>					
Net investment in capital assets .....	208,205	900,120	1,108,325	832,296	1,069,158
Restricted for:					
Capital activity .....	--	--	--	22,492	--
Debt service .....	13	178,187	178,200	--	--
Unrestricted .....	<u>21,467</u>	<u>620,571</u>	<u>642,038</u>	<u>212,818</u>	<u>523,216</u>
Total net position .....	<u>\$ 229,685</u>	<u>\$ 1,698,878</u>	<u>\$ 1,928,563</u>	<u>\$ 1,067,606</u>	<u>\$ 1,592,374</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, 2014  
 ( Amounts in thousands )

(Page 1 of 2)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government.....	\$ 482,303	\$ 194,435	\$ 7,648	\$ --
Public safety.....	418,904	41,761	13,634	6,178
Highways and streets.....	47,620	1,541	671	6,640
Sanitation.....	3,773	10	39	--
Human services.....	91,546	837	88,034	--
Culture and recreation.....	108,128	30,586	2,261	--
Utilities or other enterprises.....	35,876	1,066	38,127	675
Interest.....	85,774	--	--	--
Total governmental activities....	<u>1,273,924</u>	<u>270,236</u>	<u>150,414</u>	<u>13,493</u>
Business-type activities:				
Housing.....	15,928	22,146	--	--
Sewer.....	276,958	395,333	--	506
Solid Waste.....	190,254	126,305	--	--
Public Transportation.....	238,832	57,187	21,525	14,304
Total business-type activities....	<u>721,972</u>	<u>600,971</u>	<u>21,525</u>	<u>14,810</u>
Total primary government.....	<u>\$ 1,995,896</u>	<u>\$ 871,207</u>	<u>\$ 171,939</u>	<u>\$ 28,303</u>
<b>Component units:</b>				
Board of Water Supply.....	\$ 191,433	\$ 194,943	\$ --	\$ 14,817
Honolulu Authority for Rapid Transportation.....	19,417	776	--	107,117
Total component units.....	<u>\$ 210,850</u>	<u>\$ 195,719</u>	<u>\$ --</u>	<u>\$ 121,934</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, as previously reported.....				
Prior period adjustments.....				
Net position - beginning, as restated.....				
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, 2014  
 (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
\$ (280,220)	\$ --	\$ (280,220)	\$ --	\$ --
(357,331)	--	(357,331)	--	--
(38,768)	--	(38,768)	--	--
(3,724)	--	(3,724)	--	--
(2,675)	--	(2,675)	--	--
(75,281)	--	(75,281)	--	--
3,992	--	3,992	--	--
(85,774)	--	(85,774)	--	--
<u>(839,781)</u>	<u>--</u>	<u>(839,781)</u>	<u>--</u>	<u>--</u>
--	6,218	6,218	--	--
--	118,881	118,881	--	--
--	(63,949)	(63,949)	--	--
<u>--</u>	<u>(145,816)</u>	<u>(145,816)</u>	<u>--</u>	<u>--</u>
--	(84,666)	(84,666)	--	--
<u>(839,781)</u>	<u>(84,666)</u>	<u>(924,447)</u>	<u>--</u>	<u>--</u>
--	--	--	18,327	--
--	--	--	--	88,476
<u>--</u>	<u>--</u>	<u>--</u>	<u>18,327</u>	<u>88,476</u>
849,401	--	849,401	--	--
53,108	--	53,108	--	--
51,424	--	51,424	--	--
55,259	--	55,259	--	--
553	1,430	1,983	2,149	299
41,060	--	41,060	--	--
--	--	--	--	218,391
5,526	--	5,526	--	--
<u>(219,158)</u>	<u>219,158</u>	<u>--</u>	<u>--</u>	<u>--</u>
837,173	220,588	1,057,761	2,149	218,690
<u>(2,608)</u>	<u>135,922</u>	<u>133,314</u>	<u>20,476</u>	<u>307,166</u>
246,687	1,595,121	1,841,808	1,048,793	1,285,208
<u>(14,394)</u>	<u>(32,165)</u>	<u>(46,559)</u>	<u>(1,663)</u>	<u>--</u>
232,293	1,562,956	1,795,249	1,047,130	1,285,208
<u>\$ 229,685</u>	<u>\$ 1,698,878</u>	<u>\$ 1,928,563</u>	<u>\$ 1,067,606</u>	<u>\$ 1,592,374</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.

#### **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. Effective July 1, 2013, the Zoo Animal Purchase Fund was combined with the General Fund.

#### **Grants in Aid Fund**

This fund is used to award grants in aid to federal income tax exempt non-profit organizations that provide services to economically and/or socially disadvantaged populations or provide services for public benefit in the areas of the arts, culture, economic development or the environment.

#### **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.

### 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.

#### **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.

#### **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.



# Governmental Funds Financial Statements (Continued)

## NONMAJOR FUNDS (CONTINUED)

### Special Revenue Funds (Continued)

#### **Special Projects Fund**

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

#### **Federal Grants Fund**

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

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

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

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

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

#### **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.

# **Governmental Funds Financial Statements (Continued)**

## **NONMAJOR FUNDS (CONTINUED)**

### **Capital Projects Funds (Continued)**

#### **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, 2014  
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments:					
With Treasury .....	\$ 225,390	\$ 51,725	\$ 321	\$ 209,002	\$ 486,438
Receivables .....	27,983	32,015	--	115,690	175,688
Due from other funds .....	131,169	--	--	154	131,323
Total Assets .....	<u>\$ 384,542</u>	<u>\$ 83,740</u>	<u>\$ 321</u>	<u>\$ 324,846</u>	<u>\$ 793,449</u>
<b>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>					
Liabilities:					
Accounts payable .....	\$ 39,470	\$ 2,849	\$ --	\$ 46,486	\$ 88,805
Accrued payroll .....	23,476	1,622	--	1,140	26,238
Due to other funds .....	34	2,072	--	122,111	124,217
Matured bonds and interest payable.....	--	--	321	9	330
Total Liabilities .....	<u>62,980</u>	<u>6,543</u>	<u>321</u>	<u>169,746</u>	<u>239,590</u>
Deferred Inflow:					
Deferred inflow .....	<u>12,713</u>	<u>26,625</u>	<u>--</u>	<u>73,687</u>	<u>113,025</u>
Total Deferred Inflow .....	<u>12,713</u>	<u>26,625</u>	<u>--</u>	<u>73,687</u>	<u>113,025</u>
Fund Balances:					
Restricted .....	--	50,572	--	131,587	182,159
Committed .....	68,401	--	--	16,662	85,063
Assigned .....	54,880	--	--	--	54,880
Unassigned .....	<u>185,568</u>	<u>--</u>	<u>--</u>	<u>(66,836)</u>	<u>118,732</u>
Total Fund Balances .....	<u>308,849</u>	<u>50,572</u>	<u>--</u>	<u>81,413</u>	<u>440,834</u>
Total Liabilities, Deferred Inflow and Fund Balances..	<u>\$ 384,542</u>	<u>\$ 83,740</u>	<u>\$ 321</u>	<u>\$ 324,846</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.	2,302,779
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	113,025
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,626,953)</u>
Net position of governmental activities	<u>\$ 229,685</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, 2014  
(Amounts in thousands )

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes.....	\$ 895,057	\$ 107,697	\$ --	\$ 8,318	\$ 1,011,072
Special assessments.....	--	--	--	5	5
Licenses and permits.....	42,797	126,461	--	3,975	173,233
Intergovernmental.....	41,060	--	--	160,564	201,624
Charges for services.....	7,867	4,739	--	20,544	33,150
Fines and forfeits.....	847	--	--	80	927
<b>Miscellaneous:</b>					
Reimbursements and recoveries.....	43,696	2,572	--	14	46,282
Interest.....	515	--	--	81	596
Other.....	7,229	4,231	--	18,573	30,033
<b>Total Revenues.....</b>	<b>1,039,068</b>	<b>245,700</b>	<b>--</b>	<b>212,154</b>	<b>1,496,922</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government.....	131,740	22,179	--	13,788	167,707
Public safety.....	344,315	29,728	--	16,400	390,443
Highways and streets.....	2,550	16,769	--	3,339	22,658
Sanitation.....	3,841	--	--	66	3,907
Human services.....	5,203	--	--	86,924	92,127
Culture-recreation.....	59,277	--	--	27,260	86,537
Utilities or other enterprises.....	43	1,774	--	35,512	37,329
<b>Miscellaneous:</b>					
Retirement and health benefits.....	184,664	25,162	--	11,050	220,876
Other.....	27,639	1,623	--	425	29,687
<b>Capital Outlay:</b>					
General government.....	972	198	--	15,054	16,224
Public safety.....	1,244	--	--	33,481	34,725
Highways and streets.....	--	--	--	130,613	130,613
Sanitation.....	--	--	--	(95)	(95)
Culture-recreation.....	345	--	--	22,219	22,564
Utilities or other enterprises.....	--	--	--	2,452	2,452
<b>Debt service:</b>					
Principal.....	848	--	115,077	--	115,925
Interest.....	74	--	97,691	--	97,765
<b>Total Expenditures.....</b>	<b>762,755</b>	<b>97,433</b>	<b>212,768</b>	<b>398,488</b>	<b>1,471,444</b>
Revenues over (under) Expenditures.....	276,313	148,267	(212,768)	(186,334)	25,478
<b>Other Financing Sources (Uses):</b>					
Issuance of general obligation bonds .....	--	--	--	11,152	11,152
Sales of capital assets.....	56	147	--	--	203
Transfers in.....	146,673	--	212,768	11,614	371,055
Transfers out.....	(434,975)	(143,543)	--	(11,695)	(590,213)
<b>Total Other Financing Sources (Uses).....</b>	<b>(288,246)</b>	<b>(143,396)</b>	<b>212,768</b>	<b>11,071</b>	<b>(207,803)</b>
Net change in fund balances.....	(11,933)	4,871	--	(175,263)	(182,325)
Fund Balances - July 1 as previously stated.....	334,029	46,753	--	256,771	637,553
Prior period adjustment (Note 1).....	(13,247)	(1,052)	--	(95)	(14,394)
Fund Balance - July 1 as restated .....	320,782	45,701	--	256,676	623,159
<b>Fund Balances - June 30.....</b>	<b>\$ 308,849</b>	<b>\$ 50,572</b>	<b>\$ --</b>	<b>\$ 81,413</b>	<b>\$ 440,834</b>

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

CITY AND COUNTY OF HONOLULU  
**GOVERNMENTAL FUNDS**  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 ( Amounts in thousands )

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

Net change in fund balances--total governmental funds	\$ (182,325)
Governmental funds report capital outlays as expenditures. The Statement of Activities reports depreciation expense on capital assets. This is the difference between the two amounts for this year.	113,763
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(1,196)
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.	113,128
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.	(45,978)
Change in net position of governmental activities	\$ (2,608)

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, 2014  
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents .....	\$ 133	\$ 446,343	\$ 68,648	\$ 12,118	\$ 527,242
Investments .....	137	222,289	44,295	12,782	279,503
Receivables:					
Accounts (net of allowance for uncollectibles of \$12,474) .....	1,328	52,690	12,412	1,094	67,524
Interest .....	--	191	21	--	212
Payroll Advance .....	--	1,012	566	32	1,610
Due from other funds .....	--	337	--	--	337
Inventories of parts, materials and supplies, at cost...	--	13,848	--	7,706	21,554
Inventories of real estate held for sale .....	169	--	--	--	169
Restricted assets:					
Cash and cash equivalents .....	10,071	--	--	2,221	12,292
Prepaid expenses and other assets .....	44	2,438	640	11,418	14,540
<b>Total Current Assets .....</b>	<b>11,882</b>	<b>739,148</b>	<b>126,582</b>	<b>47,371</b>	<b>924,983</b>
<b>Noncurrent Assets:</b>					
Restricted assets:					
Investments .....	--	256,627	26,146	--	282,773
Capital Assets:					
Land .....	14,408	42,284	24,063	76,232	156,987
Buildings and improvements .....	108,621	1,074,477	105,669	102,573	1,391,340
Transmission and distribution system .....	--	1,528,690	--	--	1,528,690
Equipment and machinery .....	431	61,053	281,134	30,816	373,434
Buses and other transit vehicles .....	--	--	--	235,149	235,149
Construction work in progress .....	6,478	353,221	405,457	4,039	769,195
Accumulated depreciation .....	(76,433)	(567,624)	(297,188)	(227,263)	(1,168,508)
Other noncurrent assets .....	1,317	1,462	--	--	2,779
<b>Total Noncurrent Assets .....</b>	<b>54,822</b>	<b>2,750,190</b>	<b>545,281</b>	<b>221,546</b>	<b>3,571,839</b>
<b>Total Assets .....</b>	<b>66,704</b>	<b>3,489,338</b>	<b>671,863</b>	<b>268,917</b>	<b>4,496,822</b>
<b>DEFERRED OUTFLOWS</b>					
Deferred loss on refunding of debt .....	3,191	22,904	3,849	--	29,944
<b>Total Deferred Outflows .....</b>	<b>3,191</b>	<b>22,904</b>	<b>3,849</b>	<b>--</b>	<b>29,944</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable .....	253	38,298	27,496	4,449	70,496
Interest payable .....	562	31,140	5,712	--	37,414
Notes payable .....	--	18,969	--	--	18,969
Bonds payable .....	2,041	39,440	16,998	--	58,479
Due to other funds .....	--	6,024	1,475	--	7,499
Reserve for insurance claims payable .....	--	--	--	7,755	7,755
Accrued payroll .....	--	1,593	1,014	41	2,648
Other current liabilities .....	955	1,385	1,341	1,530	5,211
<b>Total Current Liabilities .....</b>	<b>3,811</b>	<b>136,849</b>	<b>54,036</b>	<b>13,775</b>	<b>208,471</b>
<b>Noncurrent Liabilities:</b>					
Notes payable .....	--	226,376	--	--	226,376
General obligation bonds payable .....	46,368	874	521,658	--	568,900
Revenue bonds payable .....	--	1,717,990	--	--	1,717,990
Estimated liability for landfill closure and postclosure care costs .....	--	--	15,619	--	15,619
Other liabilities .....	7,710	28,529	18,995	35,298	90,532
<b>Total Noncurrent Liabilities .....</b>	<b>54,078</b>	<b>1,973,769</b>	<b>556,272</b>	<b>35,298</b>	<b>2,619,417</b>
<b>Total Liabilities .....</b>	<b>57,889</b>	<b>2,110,618</b>	<b>610,308</b>	<b>49,073</b>	<b>2,827,888</b>
<b>NET POSITION</b>					
Net investment in capital assets .....	8,287	659,812	10,475	221,546	900,120
Restricted for debt service .....	--	178,187	--	--	178,187
Unrestricted .....	3,719	563,625	54,929	(1,702)	620,571
<b>Total Net Position .....</b>	<b>\$ 12,006</b>	<b>\$ 1,401,624</b>	<b>\$ 65,404</b>	<b>\$ 219,844</b>	<b>\$ 1,698,878</b>

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, 2014**  
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
				Public	
	Housing	Sewer	Solid Waste	Transportation System	
<b>Operating Revenues:</b>					
Sales of dwelling units and lots .....	\$ 11,175	\$ --	\$ --	\$ --	\$ 11,175
Rental income .....	8,861	--	--	--	8,861
Sewer service charges .....	--	384,096	--	--	384,096
Disposal and collection fees .....	--	--	56,333	--	56,333
Electrical energy fee .....	--	--	65,573	--	65,573
Passenger fares for transit services .....	--	--	--	56,643	56,643
Other revenue .....	--	6,255	3,245	544	10,044
<b>Total Operating Revenues .....</b>	<b>20,036</b>	<b>390,351</b>	<b>125,151</b>	<b>57,187</b>	<b>592,725</b>
<b>Operating Expenses:</b>					
Administrative and general .....	780	68,387	30,702	886	100,755
Maintenance .....	802	533	637	12	1,984
Depreciation .....	3,697	55,991	8,602	13,684	81,974
Contractual services .....	1,806	21,137	115,255	170,910	309,108
Fringe benefits .....	133	24,206	19,409	271	44,019
Materials and supplies .....	123	10,876	3,818	13,558	28,375
Fuel and lubricants .....	--	1,768	4,212	21,053	27,033
Insurance .....	164	--	1,820	12,653	14,637
State taxes - fuel .....	--	--	119	3,277	3,396
Utilities .....	2,327	28,710	368	2,403	33,808
Cost of sales - dwelling units and lots ...	4,072	--	--	--	4,072
<b>Total Operating Expenses .....</b>	<b>13,904</b>	<b>211,608</b>	<b>184,942</b>	<b>238,707</b>	<b>649,161</b>
<b>Operating Income (Loss) .....</b>	<b>6,132</b>	<b>178,743</b>	<b>(59,791)</b>	<b>(181,520)</b>	<b>(56,436)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Interest revenue .....	27	1,323	80	--	1,430
Interest expense .....	(1,982)	(65,162)	(5,021)	--	(72,165)
Loss from disposal of property .....	--	(29)	(275)	(125)	(429)
Amortization expense .....	(42)	(159)	(16)	--	(217)
Other .....	2,110	4,982	1,154	21,525	29,771
<b>Total Nonoperating Revenues (Expenses) .....</b>	<b>113</b>	<b>(59,045)</b>	<b>(4,078)</b>	<b>21,400</b>	<b>(41,610)</b>
<b>Income (Loss) before Transfers and Capital Contributions.....</b>	<b>6,245</b>	<b>119,698</b>	<b>(63,869)</b>	<b>(160,120)</b>	<b>(98,046)</b>
Transfers In .....	2,990	--	88,930	150,211	242,131
Transfers Out .....	--	(9,915)	(13,058)	--	(22,973)
Capital Contributions .....	--	506	--	14,304	14,810
<b>Change in Net Position .....</b>	<b>9,235</b>	<b>110,289</b>	<b>12,003</b>	<b>4,395</b>	<b>135,922</b>
<b>Net Position - July 1 as previously stated ..</b>	<b>2,929</b>	<b>1,320,689</b>	<b>56,054</b>	<b>215,449</b>	<b>1,595,121</b>
<b>Prior period adjustments:</b>					
Inventory Adjustment (overstated)...	--	(6,148)	--	--	(6,148)
Interest Expense Adjustment (understated).....	--	(9,355)	--	--	(9,355)
Pension accruals (understated).....	--	(1,116)	(728)	--	(1,844)
Write off of bond issuance costs .....	(158)	(9,044)	(1,925)	--	(11,127)
Write off of capital assets .....	--	(3,691)	--	--	(3,691)
<b>Net Position - July 1 as restated.....</b>	<b>2,771</b>	<b>1,291,335</b>	<b>53,401</b>	<b>215,449</b>	<b>1,562,956</b>
<b>Net Position - June 30 .....</b>	<b>\$ 12,006</b>	<b>\$ 1,401,624</b>	<b>\$ 65,404</b>	<b>\$ 219,844</b>	<b>\$ 1,698,878</b>

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

CITY AND COUNTY OF HONOLULU  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
<b>Cash flows from operating activities:</b>					
Receipts from customers.....	\$ 18,781	\$ 394,428	\$ 119,573	\$ 56,955	\$ 589,737
Payments to suppliers.....	(5,877)	(86,547)	(123,551)	(223,526)	(439,501)
Payments to employees.....	(496)	(59,427)	(42,014)	(1,079)	(103,016)
Other receipts .....	3,610	290	1,136	252	5,288
Net cash provided by (used in) operating activities .....	<u>16,018</u>	<u>248,744</u>	<u>(44,856)</u>	<u>(167,398)</u>	<u>52,508</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in .....	--	--	88,930	150,211	239,141
Transfers out .....	--	(9,915)	(13,058)	--	(22,973)
Grants and contributions .....	--	--	--	21,525	21,525
Net cash provided by (used in) noncapital financing activities .....	<u>--</u>	<u>(9,915)</u>	<u>75,872</u>	<u>171,736</u>	<u>237,693</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets .....	(52)	(158,894)	(18,819)	(719)	(178,484)
Proceeds from issuing notes .....	--	44,445	--	--	44,445
Capital grants and subsidies .....	--	4,982	--	--	4,982
Principal paid on notes .....	--	(20,231)	--	--	(20,231)
Principal paid on bonds .....	(14,422)	(33,663)	(12,431)	--	(60,516)
Interest paid on notes .....	--	(2,446)	--	--	(2,446)
Interest paid on bonds .....	--	(80,627)	(24,751)	--	(105,378)
Net cash used in capital and related financing activities .....	<u>(14,474)</u>	<u>(246,434)</u>	<u>(56,001)</u>	<u>(719)</u>	<u>(317,628)</u>
<b>Cash flows from investing activities:</b>					
Purchase of investments .....	(899)	(1,271,180)	(180,457)	(21,175)	(1,473,711)
Proceeds from maturities of investments .....	939	1,284,764	195,902	19,759	1,501,364
Interest on investments .....	1	1,411	93	--	1,505
Net cash provided by (used in) investing activities .....	<u>41</u>	<u>14,995</u>	<u>15,538</u>	<u>(1,416)</u>	<u>29,158</u>
Net increase (decrease) in cash and cash equivalents .....	1,585	7,390	(9,447)	2,203	1,731
Cash and cash equivalents - July 1 .....	8,619	438,953	78,095	12,136	537,803
Cash and cash equivalents - June 30 .....	<u>\$ 10,204</u>	<u>\$ 446,343</u>	<u>\$ 68,648</u>	<u>\$ 14,339</u>	<u>\$ 539,534</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, 2014  
 (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) .....	\$ 6,132	\$ 178,743	\$ (59,791)	\$ (181,520)	\$ (56,436)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation .....	3,697	55,991	8,602	13,684	81,974
Other revenues (expenses) .....	2,638	--	1,152	--	3,790
Writeoff of capital assets .....	--	6,581	--	(125)	6,456
(Increase) decrease in accounts receivable .....	(81)	6,533	952	(880)	6,524
Decrease in due from other funds .....	--	183	39	--	222
Increase in inventory of parts, materials and supplies .....	--	(967)	--	(316)	(1,283)
Decrease in real estate held for sale .....	4,050	--	--	--	4,050
(Increase) decrease in prepaid expenses and other assets .....	(5)	--	31	--	26
Increase (decrease) in trade accounts payables .....	(245)	(2,106)	1,003	(293)	(1,641)
Increase in reserve for insurance claims payable .....	--	--	--	1,855	1,855
Increase (decrease) in other liabilities .....	(168)	2,723	3,633	198	6,386
Increase (decrease) in due to other funds .....	--	1,063	(477)	(1)	585
Net cash provided by (used in) operating activities .....	<u>\$ 16,018</u>	<u>\$ 248,744</u>	<u>\$ (44,856)</u>	<u>\$ (167,398)</u>	<u>\$ 52,508</u>

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

Housing

Bond principal payments of \$785 were made by the City and County of Honolulu on behalf of the Housing Fund for the year ended June 30, 2014. Amortization of bond insurance costs amounted to \$42. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$223) for the year ended June 30, 2014. Beginning cash balance includes \$8,455 in restricted assets and ending cash balance includes \$10,071 in restricted assets.

Sewer

The Sewer Fund received \$506 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, 2014. Interest expense for bond discount and bond premium amounted to \$1,841 and (\$8,565) respectively, while amortization for bond insurance cost amounted to \$159 for the year ended June 30, 2014.

Solid Waste

Amortization of bond discount and bond insurance cost amounted to \$38 for the year ended June 30, 2014. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$2,691) for the year ended June 30, 2014.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$14,304 for the year ended June 30, 2014. Beginning cash balance includes \$1,702 in restricted assets and ending cash balance includes \$2,221 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, 2014  
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<b><u>ASSETS</u></b>		
Cash and cash equivalents .....	\$ 2,730	\$ 23,040
Investments .....	2,966	20,100
Due from other funds .....	--	56
Total assets .....	5,696	43,196
<b><u>LIABILITIES</u></b>		
Accounts payable .....	--	8,755
Other current liabilities .....	--	34,441
Total liabilities .....	--	43,196
<b><u>NET POSITION</u></b>		
Held in trust for individuals, organizations and other governments .....	\$ 5,696	\$ --

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, 2014  
 (Amounts in thousands)

	Private-purpose Trust Fund
<b><u>ADDITION</u></b>	
Collections for sundry creditors, contributions, etc.....	\$ 2,273
<b><u>DEDUCTION</u></b>	
Payments in accordance with trust agreements .....	1,838
Change in net position .....	435
Net position - July 1 .....	5,261
Net position - June 30 .....	\$ 5,696

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, 2014**

**1. Summary of Significant Accounting Policies**

**The Financial Reporting Entity**

The City and County of Honolulu (City), located in the State of Hawaii 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.honolulutransit.org>.



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**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 eliminated from these statements except for direct expenses (charges based on actual use) such as charges between the water and wastewater utilities and various other functions. 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. The 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, 2014**

**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, 2014**

**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 unearned 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, 2014**

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, 2014**

**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, 2014**

**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.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

The City values investments in accordance with fair value standards for investments in certain types of financial instruments. The City's investments fall into categories that can be valued by cost-based measures.

**Real Property Taxes**

Real property taxes are assessed and billed annually. The City's real property taxes, which are levied on July 1 and billed on July 20 and January 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 inflow of resources 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, 2014 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$9.1 million and \$24.9 million, respectively.

**Inventories of Parts, Materials and Supplies**

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

**Inventory of Real Estate Held for Sale**

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

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**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.

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

**Deferred Outflows / Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that apply to future periods and therefore will not be recognized as an expense until that time. Specifically, deferred bond refunding costs are deferred and amortized over the shorter of the life of the refunded or refunding debt. The balance as of June 30, 2014 is \$72.7 million and \$29.9 million for governmental activities and business-type activities, respectively.



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

Deferred inflows of resources represent an acquisition of net position that apply to future periods and consequently will not be recognized as revenue until that time. The City has one item which qualifies for reporting in this category, that is, unavailable revenue. Revenues are recognized in the period amounts become available. At June 30, 2014, the balance consisted of the following (amounts in thousands):

Sub-receipt loans	\$ 59,938
Public utilities franchise taxes	26,625
Real property taxes	12,550
Housing assistance loans	13,780
Others	<u>132</u>
Total	<u><u>\$ 113,025</u></u>

**Bond Issue Costs, Original Issue Discount or Premium**

Bond issue costs are recorded as expenditures in the year incurred. Original issue discount or premium is amortized over the terms of the respective issues and is added to or offset against the bonds payable in the statement of net position.

The City identified certain premiums and discounts on refunded bonds that should have been reclassified to deferred loss on refunding debt in the previous fiscal year. These amounts were reclassified to deferred loss on refunding debt in the current year. The reclassification had no impact on 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 \$150.2 million to the Public Transportation System, \$75.9 million to the Solid Waste Fund 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.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**Fund Balance**

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

- *Nonspendable* includes fund balance amounts that cannot be spent because it is not in spendable form, or because of legal or contractual requirements.
- *Restricted* includes fund balance amounts that are constrained for specific purposes which are externally imposed. Sources of these externally enforceable legal restrictions include creditors, grantors, contributors, federal regulations, the State Constitution, State statutes, the City's revised charter, and enabling State legislation for assessments.
- *Committed* includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action (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, 2014**

The financial statements for the governmental funds are reported on pages 39 to 41. The following is a summary (amounts in thousands) of the fund balance classifications for the major and other governmental (nonmajor) funds:

**Summary of Fund Balance Classifications**

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
<b>Restricted for:</b>				
Highways	\$ -	\$ 50,572	\$ 8,499	\$ 59,071
Federal programs	-	-	35,315	35,315
Affordable housing programs	-	-	25,977	25,977
Land conservation program	-	-	22,907	22,907
Special projects	-	-	7,747	7,747
Rental assistance program	-	-	7,136	7,136
Rehabilitation loan program	-	-	6,105	6,105
Liquor Commission Office	-	-	2,326	2,326
Bikeways	-	-	725	725
Other capital projects	-	-	14,850	14,850
	<u>-</u>	<u>50,572</u>	<u>131,587</u>	<u>182,159</u>
<b>Committed to:</b>				
Emergency reserves	61,836	-	-	61,836
Parks and recreation	-	-	6,536	6,536
Hanauma Bay operations	-	-	4,528	4,528
Rental assistance program	-	-	1,336	1,336
Auditorium operations	-	-	729	729
Golf operations	-	-	88	88
Improvement districts	1,962	-	166	2,128
Other capital projects	-	-	3,279	3,279
Other	4,603	-	-	4,603
	<u>68,401</u>	<u>-</u>	<u>16,662</u>	<u>85,063</u>
<b>Assigned to:</b>				
Provisional for Judgement	10,894	-	-	10,894
Recreation	6,654	-	-	6,654
Police	6,364	-	-	6,364
Environmental Services	4,119	-	-	4,119
Data Processing	3,526	-	-	3,526
Fire	2,886	-	-	2,886
Human services	2,833	-	-	2,833
Legal	2,818	-	-	2,818
Provisional for Risk Management	2,725	-	-	2,725
Building Additions and Improvements	2,419	-	-	2,419
Repairs and Maintenance	2,053	-	-	2,053
Customer Services	1,689	-	-	1,689
Planning & Zoning	1,463	-	-	1,463
Finance	1,100	-	-	1,100
Other	3,337	-	-	3,337
	<u>54,880</u>	<u>-</u>	<u>-</u>	<u>54,880</u>
<b>Unassigned:</b>	185,568	-	(66,836)	118,732
<b>Total</b>	<u>\$ 308,849</u>	<u>\$ 50,572</u>	<u>\$ 81,413</u>	<u>\$ 440,834</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**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 is not included in the calculation of 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**

Act 181/2004 established fixed employer contribution rates as a percentage of compensation. Pursuant to Act 163/2011, the City's fiscal year 2014 contribution rates to the Employees' Retirement System of the State of Hawaii were 23.0% for Police and Fire or 16% for general employees.

The City determined that the pension expense was understated for prior fiscal years. As a result fringe benefits and current liabilities were restated resulting in adjustments of \$14.4 million and \$1.8 million to the July 1, 2013 net position for governmental activities and business-type activities, respectively.

**Deferred Compensation Plan**

All full-time employees of the City and its component units 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, 2014**

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 \$492.7 million are not reported in the accompanying financial statements at June 30, 2014.

**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, 2014, accumulated sick leave amounted to \$385.4 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, 2014, there were no deficit balances reported except for \$66.8 thousand in the Highway Improvement Bond Fund. Tax exempt commercial paper was drawn down on October 28, 2014 to remedy the deficit.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**Use of Estimates**

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

**New Accounting Pronouncements**

In March 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 periods beginning after December 15, 2012. The City implemented the provisions of this statement, resulting in a restatement of beginning net position for the write off of bond issuance costs which were recorded as assets in prior years for the business type activities. See Note 11 for additional detail.

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 periods beginning after December 15, 2012. The City implemented the provisions of this statement and determined that there was no significant impact on the financial statements.

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

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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 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 implemented the provisions of this Statement and determined that this Statement has no effect on the 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.

**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.

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All proprietary funds have legally adopted annual budgets as well as the following governmental funds: General Fund, Highway Fund, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, Bikeway Fund, Liquor Commission Fund, Rental Assistance Fund, Grants in Aid Fund, Hanauma Bay Nature Preserve Fund, Community Development Fund, Golf Fund, Special Events Fund, Special Projects Fund, Federal Grants Fund, Housing and Community Development Rehabilitation Loan Fund, Housing and Community Development Section 8 Contract Fund, and Leasehold Conversion Fund.

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.

The Mayor is authorized to transfer appropriations between activities within a department and between characters of expenditure within the same activity subject to certain limitations. City Council approval by resolution is required for 1) any transfer of funds between activities when the cumulative amount of transfers from or to an activity totals in excess of \$100,000 or ten percent of the amount appropriated for that activity, and 2) any transfer of funds between characters of expenditure within the same activity when the cumulative amount of such transfers exceeds the lesser of \$100,000, or the greater of ten percent of the appropriation or \$10,000. To transfer appropriations between departments, the legal level of budgeting, amendments must be made to the enacted budget ordinance. The lowest legal level of budgetary control at which appropriations are adopted is at the department level. Only the Mayor may propose amendments to the enacted budget ordinance.

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



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**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 \$2.6 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ 2,672,650
Deferred outflows	(72,668)
Accrued interest payable and other	<u>26,971</u>
	<u>\$ 2,626,953</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 \$113.8 million difference are as follows (amounts in thousands):

Capital outlays	\$ 206,483
Loss on disposal	(313)
Depreciation expense	<u>(92,407)</u>
Net adjustment	<u>\$ 113,763</u>

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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 \$1.2 million difference are as follows (amounts in thousand):

Taxes	\$	1,880	
Special assessments		5	
Intergovernmental		(1,144)	
Other		455	
Net adjustment	\$	<u>1,196</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 \$113.1 million difference are as follows (amounts in thousands):

Debt Issued*:			
General obligation bonds, net	\$	(11,399)	
Deferred outflows		<u>247</u>	\$ (11,152)
Principal Repayments:			
General obligation bonds, net		130,107	
Deferred outflows amortization		(6,886)	
Other long-term debt		<u>1,059</u>	<u>124,280</u>
	\$		<u>113,128</u>

\*Transfer of bond liability from business-type activities.

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 \$46.0 million difference are as follows (amounts in thousands):

Compensated absences	\$	(3,666)	
Claims and judgments		(9,361)	
Other postemployment benefits		(36,587)	
Accrued interest		<u>3,636</u>	
Net adjustment	\$	<u>(45,978)</u>	

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**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
<b>Primary Government:</b>			
Repurchase agreement	\$ 234,129	\$ -	\$ 234,129
Certificate of deposits	54,977	-	54,977
Guaranteed investment contracts	12,707	-	12,707
U.S. government securities	507,924	507,924	-
<b>Component Units:</b>			
<b>Board of Water Supply</b>			
U.S. government treasury	161,975	161,975	-
U.S. government securities	54,541	54,541	-
<b>Honolulu Authority for Rapid Transportation</b>			
Repurchase agreement	65,871	-	65,871
Certificate of deposits	17,566	-	17,566
U.S. government securities	142,902	142,902	-
<b>Fiduciary Funds:</b>			
Certificate of deposits	23,066	-	23,066

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**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, 2014, the City had no investments in money market mutual funds or external investment pools.

**Concentration of Credit Risk**

As of June 30, 2014, \$12.7 million is invested with FSA Capital Management Services LLC.

The fair value and maturities of investments as of June 30, 2014 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
<b>Primary Government:</b>						
Repurchase agreement	\$ 234,129	\$ 234,129	\$ 234,129	\$ -	\$ -	\$ -
Certificate of deposits	54,977	54,977	54,977	-	-	-
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government securities	507,784	507,924	507,924	-	-	-
Total	<u>\$ 809,597</u>	<u>\$ 809,737</u>	<u>\$ 797,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,707</u>
<b>Component Units:</b>						
<b>Board of Water Supply</b>						
U.S. government treasury	\$ 161,975	\$ 161,975	\$ 12,003	\$ 149,972	\$ -	\$ -
U.S. government securities	54,541	54,541	5,085	49,456	-	-
<b>Honolulu Authority for Rapid Transportation</b>						
Repurchase agreement	65,871	65,871	65,871	-	-	-
Certificate of deposits	17,566	17,566	17,566	-	-	-
U.S. government securities	142,862	142,902	142,902	-	-	-
Total	<u>\$ 442,815</u>	<u>\$ 442,855</u>	<u>\$ 243,427</u>	<u>\$ 199,428</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fiduciary Funds:</b>						
Certificate of deposits	<u>\$ 23,066</u>	<u>\$ 23,066</u>	<u>\$ 23,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**5. Receivables**

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2014 consists of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 13,394	\$ -
Accounts	1,958	79,998
Public utilities franchise taxes	26,625	-
Special assessments	17	-
Notes	73,608	-
Intergovernmental	48,208	-
Interest	99	212
Payroll	12,973	1,610
Allowance for uncollectible accounts	(1,194)	(12,474)
	<u>\$ 175,688</u>	<u>\$ 69,346</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred inflows of resources in the government funds. \$113.0 million of the receivables for governmental activities have been deferred at June 30, 2014.

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable in the amount of \$72.9 million, which are generally due to the City on various dates through 2073.

**CITY AND COUNTY OF HONOLULU**  
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**6. Capital Assets**

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2014 (amounts in thousands):

	Primary Government			Balance at June 30, 2014
	Balance at July 1, 2013 (As Restated)	Additions	Retirements/ Transfers	
<b>Governmental Activities:</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 1,294,789	\$ 91,615	\$ -	\$ 1,386,404
Buildings and improvements	1,335,725	43,081	-	1,378,806
Equipment and machinery	346,239	24,128	(5,879)	364,488
Total depreciable assets	<u>2,976,753</u>	<u>158,824</u>	<u>(5,879)</u>	<u>3,129,698</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(594,935)	(27,365)	-	(622,300)
Buildings and improvements	(622,449)	(42,420)	-	(664,869)
Equipment and machinery	(238,369)	(22,622)	5,535	(255,456)
Total accumulated depreciation	<u>(1,455,753)</u>	<u>(92,407)</u>	<u>5,535</u>	<u>(1,542,625)</u>
Net depreciable assets	1,521,000	66,417	(344)	1,587,073
<b>Land</b>	477,397	4,989	-	482,386
<b>Construction Work in Progress</b>	190,619	193,320	(150,619)	233,320
<b>Governmental activities –</b>				
<b>capital assets, net</b>	<u>2,189,016</u>	<u>264,726</u>	<u>(150,963)</u>	<u>2,302,779</u>
<b>Business-type Activities:</b>				
<b>Depreciable Assets –</b>				
Infrastructure	1,494,068	34,751	(129)	1,528,690
Buildings and improvements	1,370,275	21,065	-	1,391,340
Equipment and machinery	600,151	24,016	(15,584)	608,583
Total depreciable assets	<u>3,464,494</u>	<u>79,832</u>	<u>(15,713)</u>	<u>3,528,613</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(283,812)	(28,844)	72	(312,584)
Buildings and improvements	(340,723)	(32,081)	-	(372,804)
Equipment and machinery	(477,346)	(21,049)	15,275	(483,120)
Total accumulated depreciation	<u>(1,101,881)</u>	<u>(81,974)</u>	<u>15,347</u>	<u>(1,168,508)</u>
Net depreciable assets	2,362,613	(2,142)	(366)	2,360,105
<b>Land</b>	156,803	184	-	156,987
<b>Construction Work in Progress</b>	636,017	187,307	(54,129)	769,195
<b>Business-type activities –</b>				
<b>capital assets, net</b>	<u>3,155,433</u>	<u>185,349</u>	<u>(54,495)</u>	<u>3,286,287</u>
<b>Total primary government capital assets, net</b>	<u>\$ 5,344,449</u>	<u>\$ 450,075</u>	<u>\$ (205,458)</u>	<u>\$ 5,589,066</u>

**CITY AND COUNTY OF HONOLULU**  
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	Component Units			Balance at June 30, 2014
	Balance at July 1, 2013	Additions	Retirements/ Transfers	
<b>Board of Water Supply</b>				
<b>Depreciable Assets –</b>				
Infrastructure	\$ 1,365,850	\$ 60,410	\$ (592)	\$ 1,425,668
Buildings and improvements	152,198	5,801	(342)	157,657
Equipment and machinery	266,855	16,098	(242)	282,711
Total depreciable assets	<u>1,784,903</u>	<u>82,309</u>	<u>(1,176)</u>	<u>1,866,036</u>
<b>Less Accumulated Depreciation –</b>				
Infrastructure	(572,269)	(30,556)	387	(602,438)
Buildings and improvements	(61,438)	(3,567)	197	(64,808)
Equipment and machinery	(175,032)	(13,393)	189	(188,236)
Total accumulated depreciation	<u>(808,739)</u>	<u>(47,516)</u>	<u>773</u>	<u>(855,482)</u>
Net depreciable assets	976,164	34,793	(403)	1,010,554
<b>Land</b>	32,373	-	-	32,373
<b>Construction Work in Progress</b>	129,927	42,299	(94,675)	77,551
<b>BWS capital assets, net</b>	<u>1,138,464</u>	<u>77,092</u>	<u>(95,078)</u>	<u>1,120,478</u>
<b>Honolulu Authority for Rapid Transportation</b>				
<b>Depreciable Assets –</b>				
Equipment and machinery	144	27	-	171
Total depreciable assets	<u>144</u>	<u>27</u>	<u>-</u>	<u>171</u>
<b>Less Accumulated Depreciation –</b>				
Equipment and machinery	(48)	(37)	-	(85)
Total accumulated depreciation	<u>(48)</u>	<u>(37)</u>	<u>-</u>	<u>(85)</u>
Net depreciable assets	96	(10)	-	86
<b>Land</b>	50,164	15,105	-	65,269
<b>Construction Work in Progress</b>	807,705	311,577	-	1,119,282
<b>HART capital assets, net</b>	<u>857,965</u>	<u>326,672</u>	<u>-</u>	<u>1,184,637</u>
<b>Total component units capital assets, net</b>	<u>\$ 1,996,429</u>	<u>\$ 403,764</u>	<u>\$ (95,078)</u>	<u>\$ 2,305,115</u>

The amount of \$94.7 million in retirements/transfers for construction work in progress for the City's component unit, Board of Water Supply, is greater than the \$82.3 million additions to depreciable assets, due to the expensing of previously capitalized project costs.

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

**Governmental Activities:**

General government	\$ 18,709
Public safety	21,124
Highways and streets	26,766
Culture and recreation	23,459
Utilities	2,106
Human Services	243
	<u>92,407</u>
Total depreciation expense – governmental activities	<u>\$ 92,407</u>

**Business-type Activities:**

Housing	\$ 3,697
Sewer	55,991
Solid Waste	8,602
Public Transportation System	13,684
	<u>81,974</u>
Total depreciation expense – business-type activities	<u>\$ 81,974</u>

**Component Units:**

Board of Water Supply (\$1,575 was capitalized to projects)	\$ 45,941
Honolulu Authority on Rapid Transportation	37
	<u>45,978</u>
Total depreciation expense – component units	<u>\$ 45,978</u>



**CITY AND COUNTY OF HONOLULU**  
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**7. Interfund Balances**

The following is a summary of amounts due from and due to other funds at June 30, 2014 (amounts in thousands):

	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 131,169	\$ 34
Highway Fund	-	2,072
Nonmajor Governmental Funds	154	122,111
Fiduciary Funds	56	-
Enterprise Funds:		
Sewer Fund	337	6,024
Solid Waste Special Fund	-	1,475
	<u>\$ 131,716</u>	<u>\$ 131,716</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, 2014, 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, 2014 (amounts in thousands):

	<b>Transferred From Other Funds</b>	<b>Transferred To Other Funds</b>
General Fund	\$ 146,673	\$ 434,975
Highway Fund	-	143,543
G.O. Bond and Interest Redemption Fund	212,768	-
Nonmajor Governmental Funds	11,614	11,695
Enterprise Funds:		
Housing Development Special Fund	2,990	-
Sewer Fund	-	9,915
Solid Waste Special Fund	88,930	13,058
Public Transportation System Fund	150,211	-
	<u>\$ 613,186</u>	<u>\$ 613,186</u>

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**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, 2014 (amounts in thousands):

	Balance at July 1, 2013 (As Restated)	Additions	Reductions	Balance at June 30, 2014	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 2,162,160	\$ 11,105	\$ 114,866	\$ 2,058,399	\$ 95,974
Add: Unamortized premium	121,524	294	15,292	106,526	-
Less: Unamortized discount	(928)	-	(51)	(877)	-
Total bonds payable	<u>2,282,756</u>	<u>11,399</u>	<u>130,107</u>	<u>2,164,048</u>	<u>95,974</u>
Notes payable to federal and state governments	2,997	-	521	2,476	542
Capital lease	1,256	-	538	718	539
Compensated absences	104,483	37,818	34,152	108,149	5,470
Other postemployment benefits	277,492	130,745	94,158	314,079	-
Claims and judgments (Note 13)	73,819	43,771	34,410	83,180	28,220
Total	<u>\$ 2,742,803</u>	<u>\$ 223,733</u>	<u>\$ 293,886</u>	<u>\$ 2,672,650</u>	<u>\$ 130,745</u>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 589,535	\$ -	\$ 26,960	\$ 562,575	\$ 19,046
Revenue bonds	1,727,587	-	35,936	1,691,651	39,433
Add: Unamortized premium	111,222	-	12,382	98,840	-
Less: Unamortized discount	(9,560)	-	(1,863)	(7,697)	-
Total bonds payable	<u>2,418,784</u>	<u>-</u>	<u>73,415</u>	<u>2,345,369</u>	<u>58,479</u>
Notes payable to state government	221,131	44,445	20,231	245,345	18,969
Reserve for insurance claims payable	17,737	12,775	10,920	19,592	7,755
Other postemployment benefits	33,573	16,579	12,785	37,367	-
Estimated liability for landfill closure and post closure care costs (Note 14)	15,037	3,164	1,462	16,739	1,120
Compensated absences	11,739	4,252	4,170	11,821	689
Arbitrage rebate	311	8	-	319	-
Total	<u>\$ 2,718,312</u>	<u>\$ 81,223</u>	<u>\$ 122,983</u>	<u>\$ 2,676,552</u>	<u>\$ 87,012</u>

**CITY AND COUNTY OF HONOLULU**  
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Discretely Presented Component Units:

	Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014	Amounts Due Within One Year
<b>Discretely Presented Component Units</b>					
Board of Water Supply					
Revenue bonds	\$ 277,180	\$ -	\$ 7,335	\$ 269,845	\$ 7,660
Add: Unamortized premium	14,504	-	1,030	13,474	-
Total bonds payable	291,684	-	8,365	283,319	7,660
Notes payable to state governments	21,198	3,428	1,608	23,018	1,735
Compensated absences	6,508	2,831	2,667	6,672	2,667
Other postemployment benefits	460	8,981	9,441	-	-
Customer advances	894	35	-	929	-
Accrued workers' compensation	2,305	887	1,141	2,051	-
Others	2,184	369	1,141	1,412	-
Total	<u>\$ 325,233</u>	<u>\$ 16,531</u>	<u>\$ 24,363</u>	<u>\$ 317,401</u>	<u>\$ 12,062</u>
Honolulu Authority for Rapid Transportation					
Compensated absences	\$ 1,020	\$ 24	\$ -	\$ 1,044	\$ 95
Other postemployment benefits	1,353	299	-	1,652	-
Total	<u>\$ 2,373</u>	<u>\$ 323</u>	<u>\$ -</u>	<u>\$ 2,696</u>	<u>\$ 95</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 \$3.5 billion, less discounts of \$1.4 million and adjusted for a premium of \$226.0 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 \$2.5 billion at June 30, 2014.

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 \$911.9 million less a discount of \$475.1 thousand and adjusted for a premium of \$46.3 million, which are being amortized over the related term of the bonds. These bonds bear interest at 0.8% to 5.4%, and mature serially through fiscal year 2038.

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In July 2013, the City's Housing Fund sold lots in Ewa Villages which were financed by tax-exempt general obligation bonds. The sale was to a private business which could have caused the bonds to become taxable without remedial action. Upon advice from bond counsel, the funds were transferred from the housing fund to the General Improvement Bond Fund to be spent on assets qualifying for tax-exempt financing thus maintaining the tax-exempt status of the bonds. The transfer of the \$11.2 million proceeds from the Housing Fund to the General Improvement Bond Fund included the transfer of the related net bond liability from the business-type activities to governmental activities.

**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 28.7% for fiscal year 2014. 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 2014, the net revenue requirements were met.

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.

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Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2014 including interest of \$2.5 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
2015	\$ 87,520	\$ 95,974	\$ 105,347	\$ 58,479	\$ 192,867	\$ 154,453	\$ 12,688	\$ 7,660
2016	83,283	107,879	102,847	71,135	186,130	179,014	12,346	8,005
2017	78,679	126,653	99,852	79,458	178,531	206,111	11,983	8,365
2018	73,675	144,630	96,606	80,568	170,281	225,198	11,604	8,745
2019	68,879	125,207	93,408	84,652	162,287	209,859	11,200	9,150
2020-2024	275,046	560,157	410,815	452,812	685,861	1,012,969	48,794	53,320
2025-2029	165,766	453,298	296,195	538,723	461,961	992,021	34,269	68,330
2030-2034	69,585	328,523	168,053	480,655	237,638	809,178	16,429	77,600
2035-2039	8,885	116,078	59,372	311,530	68,257	427,608	2,198	28,670
2040-2044	-	-	7,674	95,933	7,674	95,933	-	-
2045-2049	-	-	17	281	17	281	-	-
Total	\$ 911,318	\$ 2,058,399	\$ 1,440,186	\$ 2,254,226	\$ 2,351,504	\$ 4,312,625	\$ 161,511	\$ 269,845

Total interest costs incurred by the business-type activities and BWS for the fiscal year ended June 30, 2014 was \$114.5 million, of which \$30.6 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 \$666.8 thousand at June 30, 2014.

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 \$247.2 million at June 30, 2014, 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 lease (see Note 12).

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Annual debt service requirements to maturity for the City's primary governmental and component units for other long-term debt at June 30, 2014, including interest of \$16.2 million were as follows (amounts in thousands):

Year Ending June 30:	Primary Government		BWS	
	Interest	Principal	Interest	Principal
2015	\$ 2,378	\$ 20,050	\$ 129	\$ 1,735
2016	2,095	19,807	121	1,754
2017	1,821	19,460	112	1,763
2018	1,573	19,302	103	1,772
2019	1,342	18,388	93	1,781
2020-2024	4,368	81,315	312	9,061
2025-2029	1,445	56,387	76	4,459
2030-2034	174	13,830	16	693
Total	<u>\$ 15,196</u>	<u>\$ 248,539</u>	<u>\$ 962</u>	<u>\$ 23,018</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, 2014, \$771.4 million of the City's and \$92.2 million of the Board of Water Supply's bonds outstanding were considered defeased.

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**9. Net Position**

At June 30, 2014, 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	\$ 2,302,779	\$ 3,286,287
Add (Less):		
General obligation bonds payable, net	(2,091,380)	(580,844)
Revenue bonds payable, net	-	(1,734,581)
Notes payable and other long-term debt	(2,476)	(245,345)
Capital lease	(718)	-
Amount of debt related to unspent debt proceeds	-	174,603
	<u>208,205</u>	<u>900,120</u>
Restricted for Debt Service	13	178,187
Unrestricted	<u>21,467</u>	<u>620,571</u>
Total net position	<u>\$ 229,685</u>	<u>\$ 1,698,878</u>

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**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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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 general employees of their salary and will receive pensions based on a 2.50% or 2.00% multiplier. Employees hired after June 30, 2012, are required to contribute 14.20% for police and fire or 9.80% for general employees of their salary with pensions based on a 2.25% or 1.75% multiplier. General 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. General employees hired after June 30, 2012, are required to contribute 8.00% of their salary with pensions based on a 1.75% multiplier. Employees covered under the noncontributory plan will receive pensions based on a 1.25% 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.

Act 181/2004 established the following fixed employer contribution rates as a percentage of compensation: 15.75% for police and fire or 13.75% for general employees effective July 1, 2005. Pursuant to Act 256/2007, employer contributions beginning July 1, 2008 increased to 19.70% for police and fire or 15.00% for general employees.

Act 163/2011, effective July 1, 2012, established new employer contribution rates which will gradually increase as follows:

<u>Effective Starting</u>	<u>Police and Fire (% of total payroll)</u>	<u>General Employees (%of total payroll)</u>
July 1, 2012	22.00%	15.50%
July 1, 2013	23.00%	16.00%
July 1, 2014	24.00%	16.50%
July 1, 2015	25.00%	17.00%

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The City's contributions to the ERS, exclusive of its component units, for the last three fiscal years are as follows (with amounts in thousands):

Fiscal Year Ended	Actuary Required % of Contributions	Actuary Required Contributions	Statutory - Required Contributions	City's Contributions	Deficiency - Statutory Required Versus City's Contributions
2012	21.36%	\$ 110,724	\$ 89,275	\$ 81,690	\$ 7,585
2013	21.45%	\$ 108,978	\$ 93,503	\$ 87,840	\$ 5,663
2014	21.80%	\$ 117,408	\$ 102,885	\$ 87,979	\$ 14,906

As of June 30, 2014 the total deficiency is \$31.1 million, which includes \$3.0 million for periods prior to fiscal year 2012. The total deficiency is reflected as a current liability in the financial statements.

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

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

**Plan Description** - In addition to providing pension benefits, the City is required by state statute to contribute to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). The EUTF is an agent, multiple-employer defined benefit plan providing certain health care (medical, prescription, vision and dental) and life insurance benefits to retired City employees. Act 88 established the EUTF during the 2001 legislative session and is codified in Chapter 87A, Hawaii Revised Statutes.

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

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

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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.

**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.

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:

	2014	2013	2012
Annual required contribution	\$ 144,624	\$ 140,695	\$ 153,979
Interest on net OPEB obligation	21,775	19,316	15,274
Adjustment to annual required contribution	(18,967)	(16,425)	(12,538)
Annual OPEB cost	147,432	143,586	156,715
Contributions made	(107,051)	(106,601)	(103,077)
Increase in net OPEB obligation	40,381	36,985	53,638
Net OPEB obligation at beginning of fiscal year	311,065	274,080	220,442
Net OPEB obligation at end of fiscal year	\$ 351,446	\$ 311,065	\$ 274,080
Percentage of annual OPEB cost contributed	72.6%	74.2%	65.8%

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**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, 2013:

Actuarial accrued liability	\$ 1,795,635
Actuarial value of plan assets	<u>123,406</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,672,229</u>
Funded ratio	6.9%
Covered payroll (active plan members)	\$ 551,642
UAAL as a percentage of covered payroll	303.1%

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

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

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In the most recent actuarial valuation, dated as of July 1, 2013, the entry age normal actuarial cost method was used. For EUTF, the significant methods and assumptions were as follows:

Amortization method	Level percentage, closed
Amortization period	30 years
Asset valuation method	Fair value
Actuarial assumptions	
Investment rate of return	7.0%
Projected salary increase	3.5%
Healthcare inflation rates	
PPO	9.0% initial, 5.0% after 10 years
HMO	7.5% initial, 5.0% after 10 years
Dental	4.0%
Vision	3.0%
Medicare Part B	5.0%

On July 3, 2013, the Governor signed into law Act 268, SLH of 2013. The Act requires EUTF to establish and administer separate trust accounts for each public employer for the purpose of receiving irrevocable employer contributions to prefund post-employment health and other benefit costs for retirees and their beneficiaries. It establishes the Hawaii EUTF Trust Fund Task Force to examine further steps to address the unfunded liability and requires all public employers to make annual required public employer contributions effective fiscal year 2014. Commencing fiscal year 2019, the City's annual contribution shall be equal to the annual required contribution, as determined by an actuary retained by the EUTF board. In any fiscal year, should the City's contribution be less than the annual required contribution, the difference shall be transferred to the appropriate trust account from transient accommodations tax revenues and from any revenues collected on behalf of the City or held by the State.

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.

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**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.

The City implemented GASB 65 in fiscal year ended June 30, 2014 which required restatement of bond issuance costs. GASB 65 requires that all bond issuance costs, other than bond insurance costs, be expensed in the fiscal year they are incurred. Previously, bond issuance costs had been amortized over the life of the bond. Therefore the remaining bond issuance costs were written off to unrestricted net position. The resulting adjustment to net position for each fund is noted below.

**Housing Development Special Fund**

The City created the Housing Development Special Fund to develop affordable housing for sale or for rental. At June 30, 2014, the City had \$48.4 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

Implementation of GASB 65 resulted in an adjustment of approximately \$158.0 thousand to the July 1, 2013 net position.

The City identified certain premiums on refunded bonds that should have been reclassified to deferred loss on refunding debt in the previous fiscal year. These amounts were reclassified to deferred loss on refunding debt in the current year. The reclassification has no impact on net position.

Restricted Assets – Certain cash balances held in separate accounts are classified as restricted assets. Restricted cash includes security deposit reserves, insurance reserves and replacement reserves for the rental properties operated by the housing fund. At June 30, 2014 these assets amounted to \$10.1 million.

**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.

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The City determined that the inventories of material and supplies and related expense were overstated at June 30, 2013. As a result the materials and supplies expense and the inventory balance were restated resulting in an adjustment of approximately \$6.1 million to the July 1, 2013 net position.

The City determined that prepaid expenses were overstated at June 30, 2013. As a result, bond interest expense and prepaid expenses were restated resulting in an adjustment of approximately \$9.4 million to the July 1, 2013 net position.

Implementation of GASB 65 resulted in an adjustment of approximately \$9.0 million to the July 1, 2013 net position.

Certain capital assets were identified that should have been written off in prior years. As a result capital assets were restated to reflect the write off resulting in an adjustment of \$3.7 million to the July 1, 2013 net position.

The City determined that the pension expense was understated for the year ended June 30, 2013. As a result, fringe benefits and due to other funds were restated resulting in an adjustment of \$1.1 million to the July 1, 2013 net position.

Restricted Assets – Certain investments are classified as restricted assets since their use is limited by certain agreements. Restricted investments include amounts reserved for debt service and unspent bond proceeds reserved for future wastewater construction projects. At June 30, 2014, these assets amounted to \$256.6 million.

**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).

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**H-POWER Facility**

The City executed 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 through April 30, 2033.

In January 2009, the City contracted with Covanta to design, build, operate, and maintain the third boiler expansion project, to add another 900 tons per day of waste processing capacity in addition to 27 megawatts of electrical generation to the previous 46-megawatt electrical generation. The expansion began commercial operations in the summer of 2012. The operating contract with Covanta was amended and restated in December 2009 to extend the term to operate both the original and the expansion facilities to another 20-year period effective August 4, 2012.

As of June 30, 2014, the City had \$372.0 million of general obligation bonds outstanding, which were used to finance the construction and purchase of the H-POWER Facility.

Implementation of GASB 65 resulted in an adjustment of approximately \$1.9 million to the July 1, 2013 position.

The City determined that the pension expense was understated for the year ended June 30, 2013. As a result fringe benefits and due to other funds were restated resulting in an adjustment of \$728.0 thousand to the July 1, 2013 net position.

The City identified certain premiums and discounts on refunded bonds that should have been reclassified to deferred loss on refunding debt in the previous fiscal year. These amounts were reclassified to deferred loss on refunding debt in the current year. The reclassification has no impact on net position.

Restricted Assets – Certain investments are classified as restricted assets since their use is limited by certain agreements. Restricted investments include unspent bond proceeds reserved for future solid waste construction projects. At June 30, 2014 these assets amounted to \$26.1 million.



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**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 contracted 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, 2013 to June 30, 2014 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 contract includes a provision that the City furnishes, but retains 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.

Restricted 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, 2014, these assets held by OTS amounted to \$2.2 million.

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

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**12. Commitments**

**Leases**

The City leases equipment and office space under capital and operating leases, which expire at various dates through fiscal 2044. At June 30, 2014, the cost of equipment recorded under capital lease arrangements and included in the capital assets amounted to \$718.0 thousand.

Future minimum obligations under capital and operating leases at June 30, 2014 were as follows (amounts in thousands):

	<u>Capital Lease</u>	<u>Operating Leases</u>
<b>Year Ending June 30:</b>		
2015	\$ 563	\$ 5,068
2016	188	3,821
2017	-	3,327
2018	-	3,277
2019	-	3,056
2020-2024	-	2,632
2025-2029	-	108
2030-2034	-	100
2035-2039	-	70
2040-2044	-	50
Total minimum payments	<u>751</u>	<u>\$ 21,509</u>
Less amount representing interest	<u>33</u>	
Present value of future minimum capital lease payments	<u>\$ 718</u>	

Certain leases provide for payment of common area charges and for periodic renegotiation of rents. Rent expense under operating leases, principally recorded in the General Fund, amounted to \$8.7 million for the fiscal year ended June 30, 2014.

**CITY AND COUNTY OF HONOLULU**  
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The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2059. 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	(30,597)	16,341
Totals	<u>\$ 49,880</u>	<u>\$ (30,597)</u>	<u>\$ 19,283</u>

Future minimum rental incomes under such leases at June 30, 2014 were as follows (amounts in thousands):

Year Ending June 30:	
2015	\$ 7,093
2016	3,929
2017	1,429
2018	1,162
2019	897
2020 - 2024	4,155
2025 - 2029	4,093
2030 - 2034	3,652
2035 - 2039	3,175
2040 - 2044	3,296
2045 - 2049	2,910
2050 - 2054	2,671
2055 - 2059	137
Total minimum rental income	<u>\$ 38,599</u>

**Other Commitments**

Contractual commitments for capital projects, expenses and supplies at June 30, 2014 are encumbered in the governmental and fiduciary funds and are in thousands as follows:

**Major Funds**

Governmental Funds:	
General Fund	\$ 54,880
Highway Fund	13,478
Total Major Funds - Governmental Funds	<u>68,358</u>
<b>Nonmajor Funds - Other Governmental Funds</b>	500,016
<b>Fiduciary Funds</b>	<u>95</u>
Total	<u>\$ 568,469</u>

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

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, 2014:

**Proprietary Funds:**

Housing	\$	426
Sewer		514,600
Solid Waste		75,125
Public Transportation System		9,854
Total Proprietary Funds		<u>600,005</u>

**Component Units:**

Board of Water Supply		156,680
Honolulu Authority for Rapid Transportation		2,872,529
Total Component Units		<u>3,029,209</u>
Total Business-Type Activities	\$	<u>3,629,214</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**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

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, 2014, the estimated total liability of the City for claims and judgments amounted to \$83.2 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, 2012	\$ 28,882	\$ 41,198	\$ 70,080
Incurring 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	28,326	45,493	73,819
Incurring losses and loss adjustment expenses	15,654	28,117	43,771
Payments:	<u>(14,253)</u>	<u>(20,157)</u>	<u>(34,410)</u>
Balance at June 30, 2014	<u>\$ 29,727</u>	<u>\$ 53,453</u>	<u>\$ 83,180</u>

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

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**14. Environmental Issues**

**Solid Waste Landfill Costs**

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

Federal and state laws and regulations require the City to place final covers on certain landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Annual additions to the liability for closure and postclosure care costs are based on landfill capacity used as of each balance sheet date. The \$16.7 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2014 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, 2014	Total Estimated Cost
Waipahu incinerator landfill	100.0%	October 1991	\$ 7,566	\$ 24,491
Kapaa sanitary landfill	100.0%	May 1997	9,173	21,992
Total			<u>\$ 16,739</u>	<u>\$ 46,483</u>

The Proprietary Funds Statement of Net Position records the landfill liability as current and noncurrent liabilities. The current portion of \$1.1 million is included in other current liabilities and the noncurrent portion of \$15.6 million is included in estimated liability for landfill closure and postclosure care costs.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

For the Waimanalo Gulch Landfill, the current operator is legally responsible for all closure and postclosure care costs through 2024. At June 30, 2014 the estimated remaining life of the landfill is 27 years.

For fiscal year 2014, the City has provided assurances that financial resources will be available to provide for closure, postclosure care and remediation or containment of environmental hazards at the above landfills.

**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. Costs for the treatment plan 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.

**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**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.

Implementation of GASB 65 resulted in an adjustment of approximately \$1.7 million to the July 1, 2013 position.

**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 as well as capital recovery charges related to the implementation of the new billing and collection system were negotiated at approximately \$2.6 million for the fiscal year ended June 30, 2014. 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.

**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 ongoing 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, 2014, CASE fees were \$3.3 million. Any increase for subsequent year is subject to negotiation.

**Joint Construction Projects** – During the year ended June 30, 2013, the City has entered into an agreement with BWS for a joint water and sewer system upgrade that is administered by BWS. The agreement required the City to make advance payments to BWS for \$928.3 thousand. At June 30, 2014, 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.



**CITY AND COUNTY OF HONOLULU**  
**NOTES TO FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2014**

**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, and contributions for other postemployment benefits and fringe benefits for services rendered for HART. For the fiscal year ended June 30, 2014, CASE fees amounted to \$923.6 thousand.

**16. Subsequent Events**

On October 28, 2014 and on December 16, 2014, the City drew \$20.0 million and \$80.0 million, respectively, against the short-term general obligation tax exempt commercial paper Issue D. The proceeds will fund various capital improvement projects of the City. The commercial paper Issue D program matures on October 14, 2015.

On December 9, 2014, one of the City's discretely presented component units, the Board of Water Supply (BWS), issued water system revenue bonds, Series 2014A and 2014B in the aggregate amount of \$157.6 million. The bonds mature annually on July 1, 2015 through July 1, 2036 and bear interest rates of 0.4% to 5.0%. The Series 2014A bonds maturing on July 1, 2025 through July 1, 2036, except for the bonds maturing on July 1, 2028 and 2031 with face values of \$930.0 thousand and \$4.5 million, respectively, are subject to redemption at the option of the BWS on or after July 1, 2024, in whole or in part at any time, from any maturity. The proceeds from the bonds together with a \$26.4 million drawdown against the State of Hawaii Department of Health Revolving Funds will be used to refund a portion of outstanding water system revenue bonds.

On December 18, 2014 the Honolulu Authority for Rapid Transportation (HART) released a Project Risks Update for the fixed rail guideway system, indicating the estimated cost for the project could exceed projections by \$550.0 million to \$700.0 million due to costs resulting from project delays and litigation, higher construction and less than expected collections of the general excise tax surcharge. The HART is currently developing an action plan to address these issues. Any financial impact on the City is yet to be determined.

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

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 880,169	\$ 880,169	\$ 895,057	\$ 14,888
Licenses and permits .....	43,131	43,131	42,699	(432)
Intergovernmental .....	41,033	41,033	41,060	27
Charges for services .....	10,283	10,283	7,867	(2,416)
Fines and forfeits .....	605	605	847	242
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	54,422	54,422	43,696	(10,726)
Interest .....	290	290	473	183
Other .....	5,180	5,180	7,215	2,035
Total Revenues .....	<u>1,035,113</u>	<u>1,035,113</u>	<u>1,038,914</u>	<u>3,801</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	16,660	17,590	16,558	1,032
City Clerk .....	3,595	3,601	3,277	324
City Council .....	9,162	9,162	7,597	1,565
Corporation Counsel .....	9,306	9,854	9,271	583
Customer Services .....	20,589	21,370	19,924	1,446
Design and Construction .....	10,006	10,441	9,735	706
Emergency Services .....	533	670	651	19
Facility Maintenance .....	24,987	26,042	24,176	1,866
Human Resources .....	5,280	5,501	5,242	259
Information Technology .....	21,553	21,515	20,876	639
Mayor .....	4,213	4,657	3,875	782
Planning and Permitting .....	9,430	10,611	9,620	991
Prosecuting Attorney .....	18,326	18,828	17,910	918
Total General government .....	<u>153,640</u>	<u>159,842</u>	<u>148,712</u>	<u>11,130</u>
<b>Public safety:</b>				
Emergency Management .....	1,260	1,304	1,104	200
Emergency Services .....	36,575	37,814	34,501	3,313
Fire .....	94,492	100,103	97,420	2,683
Medical Examiner .....	1,340	1,708	1,649	59
Planning and Permitting .....	5,579	5,691	5,368	323
Police .....	200,321	219,501	215,685	3,816
Transportation Services .....	281	381	201	180
Total Public safety .....	<u>339,848</u>	<u>366,502</u>	<u>355,928</u>	<u>10,574</u>
<b>Highways and streets:</b>				
Facility Maintenance .....	4,174	4,214	3,435	779
<b>Sanitation:</b>				
Environmental Services .....	11,303	11,485	7,960	3,525
<b>Human services:</b>				
Community Services .....	14,638	15,508	6,670	8,838

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Culture-recreation:</b>				
Mayor .....	1,906	2,014	1,988	26
Parks and Recreation .....	65,863	67,699	64,295	3,404
<b>Total Culture-recreation .....</b>	<b>67,769</b>	<b>69,713</b>	<b>66,283</b>	<b>3,430</b>
<b>Utilities or other enterprises:</b>				
Transportation Services .....	100	100	43	57
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
City Council .....	3,451	3,451	2,928	523
Provisional .....	208,098	208,098	194,983	13,115
<b>Total Retirement and health benefits .....</b>	<b>211,549</b>	<b>211,549</b>	<b>197,911</b>	<b>13,638</b>
<b>Other:</b>				
City Council .....	348	342	75	267
Provisional .....	107,146	70,698	41,346	29,352
<b>Total Other .....</b>	<b>107,494</b>	<b>71,040</b>	<b>41,421</b>	<b>29,619</b>
<b>Total Miscellaneous .....</b>	<b>319,043</b>	<b>282,589</b>	<b>239,332</b>	<b>43,257</b>
<b>Debt Service:</b>				
Budget and Fiscal Services .....	360	360	359	1
Information Technology .....	--	563	563	--
<b>Total Debt service .....</b>	<b>360</b>	<b>923</b>	<b>922</b>	<b>1</b>
<b>Capital improvements:</b>				
Capital improvements .....	520	520	226	294
<b>Total Expenditures .....</b>	<b>911,395</b>	<b>911,396</b>	<b>829,511</b>	<b>81,885</b>
Revenues over Expenditures .....	123,718	123,717	209,403	85,686
<b>Other Financing Sources (Uses):</b>				
Transfers in .....	138,701	138,701	127,374	(11,327)
Transfers out .....	(435,632)	(435,631)	(434,975)	656
<b>Total Other Financing Sources (Uses) .....</b>	<b>(296,931)</b>	<b>(296,930)</b>	<b>(307,601)</b>	<b>(10,671)</b>
<b>Net change in Fund Balance .....</b>	<b>(173,213)</b>	<b>(173,213)</b>	<b>(98,198)</b>	<b>75,015</b>
Encumbrances .....	--	--	54,880	54,880
Fund Balance - July 1 .....	173,213	173,213	283,766	110,553
Fund Balance - June 30 .....	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 240,448</b>	<b>\$ 240,448</b>

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 109,537	\$ 109,537	\$ 107,697	\$ (1,840)
Licenses and permits .....	121,140	121,140	126,461	5,321
Charges for services .....	5,362	5,362	4,739	(623)
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	5,424	5,424	2,572	(2,852)
Other .....	2,182	2,182	4,231	2,049
<b>Total Revenues .....</b>	<b>243,645</b>	<b>243,645</b>	<b>245,700</b>	<b>2,055</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Design and Construction .....	5,116	5,518	5,070	448
Facility Maintenance .....	16,000	16,095	15,418	677
Planning and Permitting .....	2,429	2,466	2,424	42
<b>Total General government .....</b>	<b>23,545</b>	<b>24,079</b>	<b>22,912</b>	<b>1,167</b>
<b>Public safety:</b>				
Police .....	24,497	25,325	24,997	328
Transportation Services .....	6,428	6,669	6,452	217
<b>Total Public safety .....</b>	<b>30,925</b>	<b>31,994</b>	<b>31,449</b>	<b>545</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	21,625	22,984	21,724	1,260
<b>Utilities or other enterprises:</b>				
Transportation Services .....	2,267	2,416	1,926	490
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	28,690	28,690	26,213	2,477
<b>Other:</b>				
Provisional .....	7,162	4,051	1,623	2,428
<b>Total Miscellaneous .....</b>	<b>35,852</b>	<b>32,741</b>	<b>27,836</b>	<b>4,905</b>
<b>Capital improvements:</b>				
General government .....	5,020	5,020	4,689	331
Public safety .....	101	101	--	101
Highways and streets .....	899	899	879	20
Utilities or other enterprises .....	750	750	548	202
<b>Total Capital improvements .....</b>	<b>6,770</b>	<b>6,770</b>	<b>6,116</b>	<b>654</b>
<b>Total Expenditures .....</b>	<b>120,984</b>	<b>120,984</b>	<b>111,963</b>	<b>9,021</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures .....	122,661	122,661	133,737	11,076
Other Financing Source (Use):				
Sales of capital assets .....	107	107	147	40
Transfers out .....	(154,670)	(154,670)	(143,543)	11,127
Total Other Financing Source (Use) .....	(154,563)	(154,563)	(143,396)	11,167
Net change in Fund Balance .....	(31,902)	(31,902)	(9,659)	22,243
Encumbrances .....	--	--	13,478	13,478
Fund Balance - July 1 .....	31,902	31,902	46,753	14,851
Fund Balance - June 30 .....	\$ --	\$ --	\$ 50,572	\$ 50,572

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU  
 NOTES TO BUDGETARY COMPARISON SCHEDULES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**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 and prior period restatement adjustments.

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 .....	\$ (98,198)	\$ (9,659)
Adjustments to conform with generally accepted accounting principles:		
Prior Period Adjustment on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds charged against current budget on the Budgetary Comparison Schedule .....	13,247	1,052
Encumbrances .....	54,880	13,478
Changes in Fund Balance for legal separate funds combined with the General Fund per GASB 54 .....	18,138	--
Net change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	\$ (11,933)	\$ 4,871

CITY AND COUNTY OF HONOLULU  
 POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
 SCHEDULE OF FUNDING PROGRESS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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, 2013	\$ 123,406	\$ 1,795,635	\$ 1,672,229	6.9%	\$ 551,642	303.1%
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 39.

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 5)

	<u>Special Revenue Funds</u>			
	<u>Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund</u>	<u>Bikeway Fund</u>	<u>Parks and Playgrounds Fund</u>	<u>Liquor Commission Fund</u>
<b>ASSETS</b>				
Cash and investments:				
With Treasury and banks.....	\$ 8,590	\$ 738	\$ 6,586	\$ 2,519
Receivables:				
Accounts .....	--	--	--	--
Special Assessments .....	--	--	--	--
Loans .....	--	--	--	--
Intergovernmental .....	--	--	--	--
Payroll Advance .....	31	8	--	35
Due from other funds .....	--	20	17	--
Total Assets .....	<u>\$ 8,621</u>	<u>\$ 766</u>	<u>\$ 6,603</u>	<u>\$ 2,554</u>
<b>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>				
Liabilities:				
Accounts payable .....	\$ 59	\$ 36	\$ 67	\$ 24
Interest and bonds payable-matured .....	--	--	--	--
Due to other funds .....	31	--	--	106
Accrued payroll .....	32	5	--	98
Total Liabilities .....	<u>122</u>	<u>41</u>	<u>67</u>	<u>228</u>
Deferred Inflow:				
Deferred inflow .....	--	--	--	--
Total Deferred Inflow .....	--	--	--	--
Fund Balances:				
Restricted .....	8,499	725	--	2,326
Committed .....	--	--	6,536	--
Unassigned .....	--	--	--	--
Total Fund Balances .....	<u>8,499</u>	<u>725</u>	<u>6,536</u>	<u>2,326</u>
Total Liabilities, Deferred Inflow and Fund Balances .....	<u>\$ 8,621</u>	<u>\$ 766</u>	<u>\$ 6,603</u>	<u>\$ 2,554</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (Amounts in thousands)

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Special Revenue Funds

<u>Rental Assistance 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>
\$ 1,336	\$ 4,780	\$ 22,907	\$ 24,971	\$ 37	\$ 408
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	44	--
--	--	--	--	385	--
--	29	--	--	13	111
--	--	--	--	1	--
<u>\$ 1,336</u>	<u>\$ 4,809</u>	<u>\$ 22,907</u>	<u>\$ 24,971</u>	<u>\$ 480</u>	<u>\$ 519</u>
\$ --	\$ 172	\$ --	\$ 2	\$ 310	\$ 135
--	--	--	--	--	--
--	62	--	--	37	98
--	47	--	--	41	198
--	<u>281</u>	--	<u>2</u>	<u>388</u>	<u>431</u>
--	--	--	--	44	--
--	--	--	--	44	--
--	--	22,907	24,969	48	--
1,336	4,528	--	--	--	88
--	--	--	--	--	--
<u>1,336</u>	<u>4,528</u>	<u>22,907</u>	<u>24,969</u>	<u>48</u>	<u>88</u>
<u>\$ 1,336</u>	<u>\$ 4,809</u>	<u>\$ 22,907</u>	<u>\$ 24,971</u>	<u>\$ 480</u>	<u>\$ 519</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds		
	Special Events Fund	Special Projects Fund	Federal Grants Fund
<b><u>ASSETS</u></b>			
Cash and investments:			
With Treasury and banks.....	\$ 1,311	\$ 7,561	\$ 13,265
Receivables:			
Accounts .....	--	--	--
Special Assessments .....	--	--	--
Loans .....	--	--	4,144
Intergovernmental .....	--	1,427	33,595
Payroll Advance .....	168	32	140
Due from other funds .....	--	114	2
Total Assets .....	\$ 1,479	\$ 9,134	\$ 51,146
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable .....	\$ 314	\$ 1,192	\$ 2,556
Interest and bonds payable-matured .....	--	--	--
Due to other funds .....	127	109	21,073
Accrued payroll .....	309	86	209
Total Liabilities .....	750	1,387	23,838
Deferred Inflow:			
Deferred inflow .....	--	--	4,144
Total Deferred Inflow .....	--	--	4,144
Fund Balances:			
Restricted .....	--	7,747	23,164
Committed .....	729	--	--
Unassigned .....	--	--	--
Total Fund Balances .....	729	7,747	23,164
Total Liabilities, Deferred Inflow and Fund Balances .....	\$ 1,479	\$ 9,134	\$ 51,146

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (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
\$ 6,105	\$ 960	\$ 7,376	\$ 171	\$ 21,534	\$ 53,834
--	--	73	--	--	--
--	--	--	17	--	--
9,548	--	3,648	--	--	--
--	--	131	--	--	--
--	--	79	--	18	--
--	--	--	--	--	--
<u>\$ 15,653</u>	<u>\$ 960</u>	<u>\$ 11,307</u>	<u>\$ 188</u>	<u>\$ 21,552</u>	<u>\$ 53,834</u>
\$ --	\$ --	\$ 112	\$ --	\$ 7,950	\$ 30,657
--	--	--	9	--	--
--	--	107	--	10,321	90,000
--	--	100	--	2	13
--	--	319	9	18,273	120,670
<u>9,548</u>	<u>--</u>	<u>3,852</u>	<u>13</u>	<u>--</u>	<u>--</u>
<u>9,548</u>	<u>--</u>	<u>3,852</u>	<u>13</u>	<u>--</u>	<u>--</u>
6,105	960	7,136	--	--	--
--	--	--	166	3,279	--
--	--	--	--	--	(66,836)
<u>6,105</u>	<u>960</u>	<u>7,136</u>	<u>166</u>	<u>3,279</u>	<u>(66,836)</u>
<u>\$ 15,653</u>	<u>\$ 960</u>	<u>\$ 11,307</u>	<u>\$ 188</u>	<u>\$ 21,552</u>	<u>\$ 53,834</u>

CITY AND COUNTY OF HONOLULU  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (Amounts in thousands)

(Page 5 of 5)

	<u>Capital Projects Funds</u>		
	Federal Grants Capital Projects Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments:			
With Treasury and banks.....	\$ 9,110	\$ 14,903	\$ 209,002
Receivables:			
Accounts .....	175	271	519
Special Assessments .....	--	--	17
Loans .....	56,086	--	73,470
Intergovernmental .....	5,482	--	41,020
Payroll Advance .....	--	--	664
Due from other funds .....	--	--	154
Total Assets .....	<u>\$ 70,853</u>	<u>\$ 15,174</u>	<u>\$ 324,846</u>
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable .....	\$ 2,613	\$ 287	\$ 46,486
Interest and bonds payable-matured .....	--	--	9
Due to other funds .....	3	37	122,111
Accrued payroll .....	--	--	1,140
Total Liabilities .....	<u>2,616</u>	<u>324</u>	<u>169,746</u>
Deferred Inflow:			
Deferred inflow .....	<u>56,086</u>	<u>--</u>	<u>73,687</u>
Total Deferred Inflow .....	<u>56,086</u>	<u>--</u>	<u>73,687</u>
Fund Balances:			
Restricted .....	12,151	14,850	131,587
Committed .....	--	--	16,662
Unassigned .....	--	--	(66,836)
Total Fund Balances .....	<u>12,151</u>	<u>14,850</u>	<u>81,413</u>
Total Liabilities, Deferred Inflow and Fund Balances .....	<u>\$ 70,853</u>	<u>\$ 15,174</u>	<u>\$ 324,846</u>

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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, 2014  
(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
<b>Revenues:</b>				
Taxes .....	\$ --	\$ --	\$ --	\$ --
Special assessments .....	--	--	--	--
Licenses and permits.....	--	492	--	3,483
Intergovernmental.....	--	--	--	--
Charges for services.....	4,460	--	--	123
Fines and forfeits.....	--	--	--	80
<b>Miscellaneous:</b>				
Reimbursements and recoveries.....	--	--	--	--
Interest.....	--	--	--	--
Other.....	--	5	619	2
<b>Total Revenues.....</b>	<b>4,460</b>	<b>497</b>	<b>619</b>	<b>3,688</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government.....	956	9	--	2,980
Public safety.....	--	411	--	--
Highways and streets.....	96	7	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	848	--	--	--
Utilities or other enterprises.....	--	--	--	--
<b>Miscellaneous:</b>				
Retirement and health benefits.....	567	21	--	1,406
Other.....	--	--	--	28
<b>Capital Outlay:</b>				
General government.....	--	--	--	--
Public safety.....	--	--	--	--
Highways and streets.....	--	385	--	--
Sanitation.....	--	--	--	--
Culture-recreation.....	--	--	616	--
Utilities or other enterprises.....	--	--	--	--
<b>Total Expenditures.....</b>	<b>2,467</b>	<b>833</b>	<b>616</b>	<b>4,414</b>
Revenues over (under) Expenditures.....	1,993	(336)	3	(726)
<b>Other Financing Sources (Uses):</b>				
Issuance of general obligation bonds .....	--	--	--	--
Transfers in.....	--	20	17	--
Transfers out.....	(226)	(47)	--	(288)
<b>Total Other Financing Sources (Uses).....</b>	<b>(226)</b>	<b>(27)</b>	<b>17</b>	<b>(288)</b>
<b>Revenues and Other Sources over (under) Expenditures and Other Uses.....</b>	<b>1,767</b>	<b>(363)</b>	<b>20</b>	<b>(1,014)</b>
Fund Balances - July 1 as previously stated .....	6,741	1,088	6,516	3,395
Prior period adjustment .....	(9)	--	--	(55)
Fund Balance - July 1 as restated .....	6,732	1,088	6,516	3,340
<b>Fund Balances - June 30.....</b>	<b>\$ 8,499</b>	<b>\$ 725</b>	<b>\$ 6,536</b>	<b>\$ 2,326</b>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

( Amounts in thousands )

( Page 2 of 5 )

Special Revenue Funds

Rental Assistance Fund	Hanauma Bay Nature Preserve Fund	Clean Water and Natural Lands Fund	Affordable Housing Fund	Community Development Fund	Golf Fund
\$ --	\$ --	\$ 4,159	\$ 4,159	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	14,382	--
--	4,604	--	--	--	6,843
--	--	--	--	--	--
--	--	--	--	--	--
--	--	17	18	--	--
273	1,916	--	--	--	2,810
<u>273</u>	<u>6,520</u>	<u>4,176</u>	<u>4,177</u>	<u>14,382</u>	<u>9,653</u>
--	--	--	--	615	--
--	824	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
128	--	--	2	13,071	--
--	2,525	--	--	--	9,231
--	--	--	--	--	--
--	1,066	--	--	--	3,580
--	--	--	--	--	55
--	30	--	--	--	96
--	--	--	--	969	--
--	--	--	--	--	--
--	70	975	--	--	195
--	--	--	--	--	--
<u>128</u>	<u>4,515</u>	<u>975</u>	<u>2</u>	<u>14,655</u>	<u>13,157</u>
<u>145</u>	<u>2,005</u>	<u>3,201</u>	<u>4,175</u>	<u>(273)</u>	<u>(3,504)</u>
--	--	--	--	--	--
--	--	--	--	--	4,978
--	(1,699)	--	--	--	(3,487)
--	<u>(1,699)</u>	--	--	--	<u>1,491</u>
145	306	3,201	4,175	(273)	(2,013)
1,191	4,253	19,706	20,794	321	2,101
--	(31)	--	--	--	--
<u>1,191</u>	<u>4,222</u>	<u>19,706</u>	<u>20,794</u>	<u>321</u>	<u>2,101</u>
<u>\$ 1,336</u>	<u>\$ 4,528</u>	<u>\$ 22,907</u>	<u>\$ 24,969</u>	<u>\$ 48</u>	<u>\$ 88</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, 2014  
( Amounts in thousands )

( Page 3 of 5 )

	Special Revenue Funds		
	Special Events Fund	Special Projects Fund	Federal Grants Fund
<b>Revenues:</b>			
Taxes .....	\$ --	\$ --	\$ --
Special assessments .....	--	--	--
Licenses and permits.....	--	--	--
Intergovernmental.....	--	10,419	61,898
Charges for services.....	4,514	--	--
Fines and forfeits.....	--	--	--
Miscellaneous:			
Reimbursements and recoveries.....	14	--	--
Interest.....	4	--	4
Other.....	7,725	657	787
<b>Total Revenues.....</b>	<b>12,257</b>	<b>11,076</b>	<b>62,689</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government.....	93	3,627	4,225
Public safety.....	--	1,946	11,813
Highways and streets.....	--	--	--
Sanitation.....	--	--	39
Human services.....	--	6,068	16,641
Culture-recreation.....	11,445	195	197
Utilities or other enterprises.....	--	--	22,355
Miscellaneous:			
Retirement and health benefits.....	4,410	--	--
Other.....	342	--	--
<b>Capital Outlay:</b>			
General government.....	55	156	9
Public safety.....	--	188	967
Highways and streets.....	--	--	--
Sanitation.....	--	--	--
Culture-recreation.....	--	--	--
Utilities or other enterprises.....	--	--	--
<b>Total Expenditures.....</b>	<b>16,345</b>	<b>12,180</b>	<b>56,246</b>
<b>Revenues over (under) Expenditures.....</b>	<b>(4,088)</b>	<b>(1,104)</b>	<b>6,443</b>
<b>Other Financing Sources (Uses):</b>			
Issuance of general obligation bonds .....	--	--	--
Transfers in.....	6,591	--	--
Transfers out.....	(5,903)	--	--
<b>Total Other Financing Sources (Uses).....</b>	<b>688</b>	<b>--</b>	<b>--</b>
<b>Revenues and Other Sources over     (under) Expenditures and Other Uses.....</b>	<b>(3,400)</b>	<b>(1,104)</b>	<b>6,443</b>
Fund Balances - July 1 as previously stated .....	4,129	8,851	16,721
Prior period adjustment .....	--	--	--
Fund Balance - July 1 as restated .....	4,129	8,851	16,721
Fund Balances - June 30.....	<b>\$ 729</b>	<b>\$ 7,747</b>	<b>\$ 23,164</b>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

( 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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	5	--	--
--	--	--	--	--	--
--	--	47,171	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2	1	34	1	--	--
1,682	--	19	--	--	--
<u>1,684</u>	<u>1</u>	<u>47,224</u>	<u>6</u>	<u>--</u>	<u>--</u>
--	--	122	--	1,161	--
--	--	--	--	1,019	387
--	--	--	--	10	2,546
--	--	--	--	--	--
1,412	--	46,263	--	--	--
--	--	--	--	1,625	--
--	--	--	--	--	4,364
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	12,640	2,068
--	--	--	--	23,232	2,689
--	--	--	--	39	121,907
--	--	--	--	(95)	--
--	--	--	--	20,307	--
--	--	--	--	--	603
<u>1,412</u>	<u>--</u>	<u>46,385</u>	<u>--</u>	<u>59,938</u>	<u>134,564</u>
<u>272</u>	<u>1</u>	<u>839</u>	<u>6</u>	<u>(59,938)</u>	<u>(134,564)</u>
--	--	--	--	11,152	--
--	--	--	--	--	--
--	--	--	(8)	--	--
--	--	--	(8)	11,152	--
<u>272</u>	<u>1</u>	<u>839</u>	<u>(2)</u>	<u>(48,786)</u>	<u>(134,564)</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>\$ 6,105</u>	<u>\$ 960</u>	<u>\$ 7,136</u>	<u>\$ 166</u>	<u>\$ 3,279</u>	<u>\$ (66,836)</u>

CITY AND COUNTY OF HONOLULU  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
( Amounts in thousands )

( Page 5 of 5 )

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Federal Grants Capital Projects Fund	Capital Projects Fund	
Revenues:			
Taxes .....	\$ --	\$ --	\$ 8,318
Special assessments .....	--	--	5
Licenses and permits.....	--	--	3,975
Intergovernmental.....	26,694	--	160,564
Charges for services.....	--	--	20,544
Fines and forfeits.....	--	--	80
Miscellaneous:			
Reimbursements and recoveries.....	--	--	14
Interest.....	--	--	81
Other.....	--	2,078	18,573
Total Revenues.....	<u>26,694</u>	<u>2,078</u>	<u>212,154</u>
Expenditures:			
Current:			
General government.....	--	--	13,788
Public safety.....	--	--	16,400
Highways and streets.....	671	9	3,339
Sanitation.....	27	--	66
Human services.....	3,339	--	86,924
Culture-recreation.....	584	610	27,260
Utilities or other enterprises.....	8,793	--	35,512
Miscellaneous:			
Retirement and health benefits.....	--	--	11,050
Other.....	--	--	425
Capital Outlay:			
General government.....	--	--	15,054
Public safety.....	5,436	--	33,481
Highways and streets.....	7,227	1,055	130,613
Sanitation.....	--	--	(95)
Culture-recreation.....	--	56	22,219
Utilities or other enterprises.....	1,849	--	2,452
Total Expenditures.....	<u>27,926</u>	<u>1,730</u>	<u>398,488</u>
Revenues over (under) Expenditures.....	<u>(1,232)</u>	<u>348</u>	<u>(186,334)</u>
Other Financing Sources (Uses):			
Issuance of general obligation bonds .....	--	--	11,152
Transfers in.....	--	8	11,614
Transfers out.....	--	(37)	(11,695)
Total Other Financing Sources (Uses).....	<u>--</u>	<u>(29)</u>	<u>11,071</u>
Revenues and Other Sources over (under) Expenditures and Other Uses.....	<u>(1,232)</u>	<u>319</u>	<u>(175,263)</u>
Fund Balances - July 1 as previously stated .....	13,383	14,531	256,771
Prior period adjustment .....	--	--	(95)
Fund Balance - July 1 as restated .....	<u>13,383</u>	<u>14,531</u>	<u>256,676</u>
Fund Balances - June 30.....	<u>\$ 12,151</u>	<u>\$ 14,850</u>	<u>\$ 81,413</u>

**AGENCY FUNDS  
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU  
**AGENCY FUNDS**  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2014  
 (Amounts in thousands)

	Agency Funds				Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Payroll Clearance Fund	
<b>ASSETS</b>					
Cash and investments:					
With Treasury .....	\$ 27,695	\$ 2,734	\$ 12,577	\$ --	\$ 43,006
Imprest and change funds .....	67	67	--	--	134
Due from other funds:					
General Fund .....	--	--	--	14	14
Highway Fund .....	--	--	--	4	4
Sewer Fund .....	--	--	--	6	6
Hanauma Bay Nature Preserve Fund .....				1	1
Special Events Fund .....	--	--	--	1	1
Solid Waste Fund .....	21	--	--	9	30
Total Assets .....	<u>27,783</u>	<u>2,801</u>	<u>12,577</u>	<u>35</u>	<u>43,196</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts payable .....	7,108	--	1,647	--	8,755
Other current liabilities .....	<u>20,675</u>	<u>2,801</u>	<u>10,930</u>	<u>35</u>	<u>34,441</u>
Total Liabilities .....	<u>27,783</u>	<u>2,801</u>	<u>12,577</u>	<u>35</u>	<u>43,196</u>
<b>NET POSITION</b>					
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, 2014  
 (Amounts in thousands)

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>GENERAL TRUST FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash .....	\$ 30,678	\$ 104,165	\$ 107,081	\$ 27,762
Due from other funds .....	21	21	21	21
Total Assets .....	<u>\$ 30,699</u>	<u>\$ 104,186</u>	<u>\$ 107,102</u>	<u>\$ 27,783</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ 5,427	\$ 108,755	\$ 107,074	\$ 7,108
Other current liabilities .....	25,272	104,158	108,755	20,675
Total Liabilities .....	<u>\$ 30,699</u>	<u>\$ 212,913</u>	<u>\$ 215,829</u>	<u>\$ 27,783</u>
<b><u>TREASURY TRUST FUND</u></b>				
<b><u>ASSET</u></b>				
Cash .....	\$ 3,083	\$ 21,875	\$ 22,157	\$ 2,801
<b><u>LIABILITY</u></b>				
Other current liabilities .....	\$ 3,083	\$ 21,875	\$ 22,157	\$ 2,801
<b><u>REAL PROPERTY TAX TRUST FUND</u></b>				
<b><u>ASSET</u></b>				
Cash .....	\$ 16,487	\$ 45,558	\$ 49,468	\$ 12,577
Total Asset .....	<u>\$ 16,487</u>	<u>\$ 45,558</u>	<u>\$ 49,468</u>	<u>\$ 12,577</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ 1	\$ 23,008	\$ 21,362	\$ 1,647
Other current liabilities .....	16,486	22,550	28,106	10,930
Total Liabilities .....	<u>\$ 16,487</u>	<u>\$ 45,558</u>	<u>\$ 49,468</u>	<u>\$ 12,577</u>
<b><u>PAYROLL CLEARANCE FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash .....	\$ --	\$ 603,163	\$ 603,163	\$ --
Due from other funds .....	29	37	31	35
Total Assets .....	<u>\$ 29</u>	<u>\$ 603,200</u>	<u>\$ 603,194</u>	<u>\$ 35</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ --	\$ 41,857	\$ 41,857	\$ --
Other current liabilities .....	29	644,984	644,978	35
Total Liabilities .....	<u>\$ 29</u>	<u>\$ 686,841</u>	<u>\$ 686,835</u>	<u>\$ 35</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash .....	\$ 50,248	\$ 774,761	\$ 781,869	\$ 43,140
Due from other funds .....	50	58	52	56
Total Assets .....	<u>\$ 50,298</u>	<u>\$ 774,819</u>	<u>\$ 781,921</u>	<u>\$ 43,196</u>
<b><u>LIABILITIES</u></b>				
Accounts payable .....	\$ 5,428	\$ 173,620	\$ 170,293	\$ 8,755
Other current liabilities .....	44,870	793,567	803,996	34,441
Total Liabilities .....	<u>\$ 50,298</u>	<u>\$ 967,187</u>	<u>\$ 974,289</u>	<u>\$ 43,196</u>



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## **FUND SCHEDULES**

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

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

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Zoo Animal Purchase Fund	Grants In Aid Fund
<b><u>ASSETS</u></b>			
Cash and investments:			
With Treasury and banks.....	\$ 156,569	\$ 2	\$ 4,493
Receivables:			
Real property taxes .....	13,394	--	--
Accounts .....	340	--	--
Interest .....	99	--	--
Loans .....	43	--	--
Intergovernmental .....	2,764	--	--
Payroll Advance .....	11,343	--	--
Due from other funds .....	131,169	--	--
Total Assets .....	\$ 315,721	\$ 2	\$ 4,493
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u></b>			
Liabilities:			
Accounts payable .....	\$ 39,176	\$ --	\$ 294
Due to other funds .....	30	--	4
Accrued payroll .....	23,474	--	2
Total Liabilities .....	62,680	--	300
Deferred Inflow:			
Deferred inflow .....	12,593	--	--
Total Deferred Inflow .....	12,593	--	--
Fund Balances:			
Committed .....	--	2	4,193
Assigned .....	54,880	--	--
Unassigned .....	185,568	--	--
Total Fund Balances .....	240,448	2	4,193
Total Liabilities, Deferred Inflow and Fund Balance ....	\$ 315,721	\$ 2	\$ 4,493

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
 JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

Legally Separate Funds				Reporting Fund Per GASB 54
Reserve for Fiscal Stability Fund	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Total General Fund
\$ 61,836	\$ 303	\$ 1,962	\$ 225	\$ 225,390
--	--	--	--	13,394
--	--	--	--	340
--	--	--	--	99
--	--	--	--	43
--	--	--	--	2,764
--	--	--	--	11,343
--	--	--	--	131,169
<u>\$ 61,836</u>	<u>\$ 303</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 384,542</u>
\$ --	\$ --	\$ --	\$ --	\$ 39,470
--	--	--	--	34
--	--	--	--	23,476
--	--	--	--	62,980
--	120	--	--	12,713
--	120	--	--	12,713
61,836	183	1,962	225	68,401
--	--	--	--	54,880
--	--	--	--	185,568
<u>61,836</u>	<u>183</u>	<u>1,962</u>	<u>225</u>	<u>308,849</u>
<u>\$ 61,836</u>	<u>\$ 303</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 384,542</u>

CITY AND COUNTY OF HONOLULU  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Zoo Animal Purchase Fund	Grants In Aid Fund
<b>Revenues:</b>			
Taxes .....	\$ 895,057	\$ --	\$ --
Licenses and permits.....	42,699	--	--
Intergovernmental.....	41,060	--	--
Charges for services.....	7,867	--	--
Fines and forfeits.....	847	--	--
<b>Miscellaneous:</b>			
Reimbursements and recoveries.....	43,696	--	--
Interest.....	473	--	--
Other.....	7,215	--	--
Total Revenues.....	1,038,914	--	--
<b>Expenditures:</b>			
<b>Current:</b>			
General government.....	131,740	--	--
Public safety.....	344,315	--	--
Highways and streets.....	2,550	--	--
Sanitation.....	3,841	--	--
Human services.....	3,837	--	1,352
Culture-recreation.....	59,272	5	--
Utilities or other enterprises.....	43	--	--
<b>Miscellaneous:</b>			
Retirement and health benefits.....	184,664	--	--
Other.....	27,639	--	--
<b>Capital Outlay:</b>			
General government.....	972	--	--
Public safety.....	1,244	--	--
Culture-recreation.....	345	--	--
<b>Debt service:</b>			
Principal.....	848	--	--
Interest.....	74	--	--
Total Expenditures.....	761,384	5	1,352
Revenues over (under) Expenditures.....	277,530	(5)	(1,352)
<b>Other Financing Sources (Uses):</b>			
Transfers in.....	127,374	--	5,545
Transfers out.....	(434,975)	--	--
Total Other Financing Sources (Uses)....	(307,601)	--	5,545
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(30,071)	(5)	4,193
Fund Balances - July 1 as previously stated .....	283,766	7	--
Prior period adjustment.....	(13,247)	--	--
Fund Balances - July 1 as restated .....	270,519	7	--
Fund Balances - June 30.....	\$ 240,448	\$ 2	\$ 4,193

CITY AND COUNTY OF HONOLULU  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Amounts in thousands)

(Page 2 of 2)

Legally Separate Funds				Reporting Fund Per GASB 54
Reserve for Fiscal Stability Fund	Leasehold Conversion Fund	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Total General Fund
\$ --	\$ --	\$ --	\$ --	\$ 895,057
98	--	--	--	42,797
--	--	--	--	41,060
--	--	--	--	7,867
--	--	--	--	847
--	--	--	--	43,696
42	--	--	--	515
--	14	--	--	7,229
<u>140</u>	<u>14</u>	<u>--</u>	<u>--</u>	<u>1,039,068</u>
--	--	--	--	131,740
--	--	--	--	344,315
--	--	--	--	2,550
--	--	--	--	3,841
--	14	--	--	5,203
--	--	--	--	59,277
--	--	--	--	43
--	--	--	--	184,664
--	--	--	--	27,639
--	--	--	--	972
--	--	--	--	1,244
--	--	--	--	345
--	--	--	--	848
--	--	--	--	74
--	14	--	--	762,755
<u>140</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>276,313</u>
--	--	--	--	--
13,754	--	--	--	146,673
--	--	--	--	(434,975)
<u>13,810</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(288,246)</u>
13,950	--	--	--	(11,933)
<u>47,886</u>	<u>183</u>	<u>1,962</u>	<u>225</u>	<u>334,029</u>
--	--	--	--	(13,247)
<u>47,886</u>	<u>183</u>	<u>1,962</u>	<u>225</u>	<u>320,782</u>
<u>\$ 61,836</u>	<u>\$ 183</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 308,849</u>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013 (As Restated)
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 156,569	\$ 272,133
Receivables:		
Real property taxes .....	13,394	13,416
Accounts .....	340	694
Interest .....	99	196
Loans .....	43	--
Intergovernmental .....	2,764	13,076
Payroll Advance .....	11,343	11,917
Due from other funds .....	131,169	25,276
Total Assets .....	\$ 315,721	\$ 336,708
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 39,176	\$ 33,757
Due to other funds .....	30	10
Accrued payroll .....	23,474	19,006
Total Liabilities .....	62,680	52,773
Deferred Inflow:		
Deferred inflow .....	12,593	13,416
Total Deferred Inflow .....	12,593	13,416
Fund Balance:		
Assigned .....	54,880	55,384
Unassigned .....	185,568	215,135
Total Fund Balance .....	240,448	270,519
Total Liabilities, Deferred Inflow and Fund Balance .....	\$ 315,721	\$ 336,708

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Amounts in thousands)

	<u>2014</u>	<u>2013</u> (As Restated)
<b>Revenues:</b>		
Taxes .....	\$ 895,057	\$ 875,424
Licenses and permits .....	42,699	38,335
Intergovernmental .....	41,060	41,062
Charges for services .....	7,867	6,318
Fines and forfeits .....	847	590
<b>Miscellaneous:</b>		
Reimbursements and recoveries .....	43,696	41,766
Interest .....	473	539
Other .....	7,215	8,338
<b>Total Revenues .....</b>	<b><u>1,038,914</u></b>	<b><u>1,012,372</u></b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government .....	131,740	124,444
Public safety .....	344,315	324,357
Highways and streets .....	2,550	2,818
Sanitation .....	3,841	4,193
Human services .....	3,837	3,466
Culture-recreation .....	59,272	58,031
Utilities or other enterprises .....	43	--
<b>Miscellaneous:</b>		
Retirement and health benefits .....	184,664	165,934
Other .....	27,639	53,708
<b>Capital outlay:</b>		
General government .....	972	--
Public safety .....	1,244	--
Culture-recreation .....	345	--
<b>Debt Service:</b>		
Principal retirement .....	848	833
Interest charges .....	74	89
<b>Total Expenditures .....</b>	<b><u>761,384</u></b>	<b><u>737,873</u></b>
<b>Revenues over Expenditures .....</b>	<b><u>277,530</u></b>	<b><u>274,499</u></b>
<b>Other Financing Sources (Uses):</b>		
Transfers in .....	127,374	118,080
Transfers out .....	(434,975)	(330,684)
<b>Total Other Financing Sources (Uses) .....</b>	<b><u>(307,601)</u></b>	<b><u>(212,604)</u></b>
<b>Revenues and Other Sources over (under) Expenditures and Other Uses .....</b>	<b><u>(30,071)</u></b>	<b><u>61,895</u></b>
Fund Balance - July 1 as previously stated/restated .....	270,519	217,257
Prior period adjustment .....	--	(8,633)
<b>Fund Balance - July 1 as restated .....</b>	<b><u>270,519</u></b>	<b><u>208,624</u></b>
<b>Fund Balance - June 30 .....</b>	<b><u>\$ 240,448</u></b>	<b><u>\$ 270,519</u></b>



CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 880,169	\$ 880,169	\$ 895,057	\$ 14,888
Licenses and permits .....	43,131	43,131	42,699	(432)
Intergovernmental .....	41,033	41,033	41,060	27
Charges for services .....	10,283	10,283	7,867	(2,416)
Fines and forfeits .....	605	605	847	242
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	54,422	54,422	43,696	(10,726)
Interest .....	290	290	473	183
Other .....	5,180	5,180	7,215	2,035
<b>Total Revenues .....</b>	<b>1,035,113</b>	<b>1,035,113</b>	<b>1,038,914</b>	<b>3,801</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	15,308	16,238	15,509	729
City Clerk .....	3,412	3,418	3,105	313
City Council .....	8,694	8,694	7,174	1,520
Corporation Counsel .....	6,903	7,451	6,924	527
Customer Services .....	18,780	19,561	18,506	1,055
Design and Construction .....	9,309	9,744	9,101	643
Emergency Services .....	533	670	651	19
Facility Maintenance .....	22,894	23,949	22,943	1,006
Human Resources .....	5,158	5,379	5,162	217
Information Technology .....	19,349	19,311	18,863	448
Mayor .....	3,874	4,318	3,601	717
Planning and Permitting .....	8,334	9,515	8,552	963
Prosecuting Attorney .....	17,428	17,930	17,058	872
<b>Total General government .....</b>	<b>139,976</b>	<b>146,178</b>	<b>137,149</b>	<b>9,029</b>
<b>Public safety:</b>				
Emergency Management .....	948	993	898	95
Emergency Services .....	34,842	36,080	33,255	2,825
Fire .....	92,050	97,661	95,345	2,316
Medical Examiner .....	1,298	1,666	1,612	54
Planning and Permitting .....	5,568	5,680	5,357	323
Police .....	194,616	213,796	210,138	3,658
Transportation Services .....	170	270	90	180
<b>Total Public safety .....</b>	<b>329,492</b>	<b>356,146</b>	<b>346,695</b>	<b>9,451</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Highways and streets:</b>				
Facility Maintenance .....	3,262	3,302	2,524	778
<b>Sanitation:</b>				
Environmental Services .....	5,030	5,212	1,695	3,517
<b>Human services:</b>				
Community Services .....	10,734	11,604	3,061	8,543
<b>Culture-recreation:</b>				
Mayor .....	1,885	1,993	1,967	26
Parks and Recreation .....	60,024	61,860	59,175	2,685
Total Culture-recreation .....	<u>61,909</u>	<u>63,853</u>	<u>61,142</u>	<u>2,711</u>
<b>Utilities or other enterprises:</b>				
Transportation Services .....	25	25	12	13
<b>Miscellaneous:</b>				
Retirement and health benefits:				
City Council .....	3,451	3,451	2,928	523
Provisional .....	208,098	208,098	194,983	13,115
Total Retirement and health benefits .....	<u>211,549</u>	<u>211,549</u>	<u>197,911</u>	<u>13,638</u>
Other:				
City Council .....	348	342	75	267
Provisional .....	92,806	56,358	27,042	29,316
Total Other .....	<u>93,154</u>	<u>56,700</u>	<u>27,117</u>	<u>29,583</u>
Total Miscellaneous .....	<u>304,703</u>	<u>268,249</u>	<u>225,028</u>	<u>43,221</u>
<b>Debt Service:</b>				
Budget and Fiscal Services .....	360	360	359	1
Information Technology .....	--	563	563	--
Total Debt service .....	<u>360</u>	<u>923</u>	<u>922</u>	<u>1</u>
<b>Capital improvements:</b>				
Community Services .....	300	300	300	--
Design and Construction .....	220	220	220	--
Total Capital improvements .....	<u>520</u>	<u>520</u>	<u>520</u>	<u>--</u>

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, 2014  
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures .....	856,011	856,012	778,748	77,264
Revenues over Expenditures .....	179,102	179,101	260,166	81,065
Other Financing Sources (Uses):				
Transfers in:				
Central administrative service expenses .....	38,399	38,399	38,399	--
Debt service .....	99,531	99,531	88,204	(11,327)
Other .....	771	771	771	--
Transfers out:				
Debt service .....	(216,414)	(213,424)	(212,768)	656
Bus subsidy .....	(99,419)	(99,419)	(99,419)	--
Other .....	(119,799)	(122,788)	(122,788)	--
Total Other Financing Sources (Uses) .....	(296,931)	(296,930)	(307,601)	(10,671)
Revenues and Other Sources under Expenditures and Other Uses .....	(117,829)	(117,829)	(47,435)	70,394
Unreserved - Undesignated Fund Balance - July 1 .....	117,829	117,829	228,382	110,553
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	\$ --	180,947	\$ 180,947
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			27,617	
Expenditures - prior year encumbrances .....			(23,500)	
Decrease in reserved for encumbrances .....			504	
Unreserved - Undesignated Fund Balance - June 30 .....			185,568	
Reserved for Encumbrances - June 30 .....			54,880	
Fund Balance - June 30 (GAAP Basis) .....			\$ 240,448	

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>
<b>TAXES</b>			
<b>GENERAL PROPERTY TAXES:</b>			
Real Property Tax .....	\$ 826,530	\$ 841,949	\$ 15,419
<b>PUBLIC SERVICE COMPANY TAX:</b>			
Public Service Company Tax .....	53,639	53,108	(531)
<b>TOTAL TAXES .....</b>	<b>880,169</b>	<b>895,057</b>	<b>14,888</b>
<b>LICENSES AND PERMITS</b>			
<b>BUSINESS LICENSES AND PERMITS:</b>			
Police and Protective:			
Second-Hand and Junk Dealers .....	22	21	(1)
Alarm Permits .....	201	233	32
Other .....	18	20	2
Professional and Occupational:			
Other .....	1	--	(1)
<b>Total Business Licenses and Permits .....</b>	<b>242</b>	<b>274</b>	<b>32</b>
<b>NON-BUSINESS LICENSES AND PERMITS:</b>			
Building Structures and Equipment Permits:			
Building .....	19,000	19,047	47
Signs .....	30	24	(6)
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees .....	1,666	1,733	67
Motor Vehicle Transfer Fees and Penalty .....	2,455	2,607	152
Duplicate Registration & Ownership Certificates .....	193	195	2
Motor Vehicle Registration Annual Fee .....	13,928	14,059	131
Other .....	26	56	30
Other Vehicle Licenses and Fees:			
Passenger and Freight Vehicle Permit Fees .....	94	109	15
Nonresident Vehicle Permit .....	28	26	(2)
Motor Vehicle Drivers' Licenses .....	4,445	3,274	(1,171)
Animal Licenses:			
Dog Licenses and Tag Fees .....	212	200	(12)
Street, Sidewalk and Curb Permits:			
Easement Grants .....	99	88	(11)
Newsstands .....	21	14	(7)
Dispensing Rack .....	139	208	69
Fire Code Permits and License Fees .....	320	432	112
Fireworks License Fees .....	50	34	(16)
Camping Permits .....	183	319	136
<b>Total Non-Business Licenses and Permits .....</b>	<b>42,889</b>	<b>42,425</b>	<b>(464)</b>
<b>TOTAL LICENSES AND PERMITS .....</b>	<b>43,131</b>	<b>42,699</b>	<b>(432)</b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>
<b><u>INTERGOVERNMENTAL</u></b>			
<b>STATE GRANTS:</b>			
Transient Accommodation Tax .....	41,013	41,013	--
<b>INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:</b>			
Fish and Wildlife Service .....	<u>20</u>	<u>47</u>	<u>27</u>
Total Intergovernmental Payments in Lieu of Taxes .....	<u>20</u>	<u>47</u>	<u>27</u>
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>41,033</u></b>	<b><u>41,060</u></b>	<b><u>27</u></b>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>GENERAL GOVERNMENT:</b>			
Data Processing Services:			
Duplication of Master Tapes .....	52	62	10
Data Processing Service - State .....	800	939	139
Data Processing Service - U.S. Government .....	3	2	(1)
Data Processing Service - Other Counties .....	350	482	132
Legal Services (BWS) .....	155	30	(125)
Service Fee for Dishonored Checks .....	26	24	(2)
Band Collections .....	3	--	(3)
Automotive Equipment Service Charges .....	340	224	(116)
Subdivision Fees .....	45	66	21
Application Fees for Zoning Regulations .....	125	134	9
Nonconforming Use Renewal Fees .....	--	99	99
Plan Review Use Fees .....	4,375	1,629	(2,746)
Administrative Fee--Multi-Family Housing Program.....	40	45	5
Military Housing Fee in Lieu of Property Tax .....	870	947	77
Zoning/Flood Clearance Fee .....	42	78	36
Fees for Certificates, Copies & Extracts of Records ....	141	164	23
Fees for Services .....	102	135	33
Custodial and Attendant Services .....	375	381	6
Spay-Neuter Service .....	309	432	123
Other .....	<u>198</u>	<u>54</u>	<u>(144)</u>
Total General Government .....	<b><u>8,351</u></b>	<b><u>5,927</u></b>	<b><u>(2,424)</u></b>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>
<b>PUBLIC SAFETY:</b>			
Police Charges:			
Taxicab Drivers' & Pedicab Operators' Certificates ...	34	44	10
HPD Special Duty Fees .....	290	337	47
Miscellaneous:			
Other .....	1	1	--
Total Public Safety .....	325	382	57
<b>HIGHWAYS AND STREETS:</b>			
Parking:			
City Employees .....	701	702	1
HPD Parking Lot .....	120	116	(4)
Other .....	--	1	1
Total Highways and Streets .....	821	819	(2)
<b>CULTURE-RECREATION:</b>			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing .....	30	30	--
Commercial Filming .....	40	43	3
Summer Fun Program .....	287	191	(96)
Fall and Spring Program .....	1	34	33
Fees for Use of Parks .....	261	262	1
Foster Botanic Garden .....	126	134	8
Fees for Community Garden .....	41	45	4
Total Culture-Recreation .....	786	739	(47)
TOTAL CHARGES FOR SERVICES .....	10,283	7,867	(2,416)
<b><u>FINES AND FORFEITS</u></b>			
<b>FINES:</b>			
Fines .....	525	791	266
Liquidated Contract Damages .....	--	7	7
Total Fines .....	525	798	273
<b>FORFEITS:</b>			
Forfeiture of Seized Property .....	80	49	(31)
TOTAL FINES AND FORFEITS .....	605	847	242

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Reimbursements from State:			
Fireboat Operations .....	3,919	1,637	(2,282)
HPD Civil Defense Coordinator .....	29	--	(29)
Motor Vehicle Inspection Program .....	633	706	73
Administration Cost - Ewa Highway Impact Fee .....	10	5	(5)
Hawaii State ID Program .....	655	460	(195)
Emergency Ambulance Services .....	40,072	33,496	(6,576)
Collection Cost - State Motor Vehicle			
Weight Tax, etc. ....	849	826	(23)
Commercial Drivers' License Program .....	519	469	(50)
Other .....	177	143	(34)
Recoveries:			
Workers' Compensation Payment .....	400	261	(139)
Real Property Tax Services .....	81	66	(15)
Central Administrative Service Expenses:			
Board of Water Supply .....	3,300	3,300	--
Honolulu Authority for Rapid Transportation .....	996	924	(72)
Recovery-Interest-Federal Subsidy .....	2,693	1,246	(1,447)
Workers' Compensation Claims (Third Party) .....	75	122	47
Recoveries - Other .....	14	35	21
Total Reimbursements and Recoveries .....	<u>54,422</u>	<u>43,696</u>	<u>(10,726)</u>
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	290	470	180
Other Sources .....	--	3	3
Total Interest .....	<u>290</u>	<u>473</u>	<u>183</u>

CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Rental Units:			
Rental Units (City Property) .....	35	226	191
Rental Units (HCD Property) .....	--	223	223
Rental - Ambulance Facilities .....	64	64	--
Rental of Parks and Recreational Facilities:			
Perquisite Housing .....	27	31	4
Other .....	--	4	4
Rental of Equipment .....	5	14	9
Rental for Use of Land .....	160	211	51
<b>Total Rents .....</b>	<b>291</b>	<b>773</b>	<b>482</b>
Contributions from Private Sources:			
Developers' Premium .....	48	38	(10)
Unclaimed Monies:			
Police Department .....	--	16	16
Other Escheats .....	100	161	61
<b>Total Contributions from Private Sources .....</b>	<b>148</b>	<b>215</b>	<b>67</b>
Other:			
Towing Service Premiums .....	720	360	(360)
Vacation Accumulation Deposits .....	55	299	244
Miscellaneous Sales .....	635	1,309	674
Sundry Refunds .....	2,188	3,734	1,546
Sundry Realizations .....	1,143	525	(618)
<b>Total Other .....</b>	<b>4,741</b>	<b>6,227</b>	<b>1,486</b>
<b>Total Other Miscellaneous .....</b>	<b>5,180</b>	<b>7,215</b>	<b>2,035</b>
<b>TOTAL MISCELLANEOUS .....</b>	<b>59,892</b>	<b>51,384</b>	<b>(8,508)</b>
<b>TOTAL REVENUES .....</b>	<b>1,035,113</b>	<b>1,038,914</b>	<b>3,801</b>



CITY AND COUNTY OF HONOLULU  
**GENERAL FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>
<b>OTHER FINANCING SOURCES</b>			
<b>TRANSFERS FROM OTHER FUNDS:</b>			
Recovery of Central Administrative Service Expenses:			
Highway Fund .....	13,335	13,335	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund .....	226	226	--
Bikeway Fund .....	47	47	--
Sewer Fund .....	9,407	9,407	--
Liquor Commission Fund .....	288	288	--
Rental Assistance Fund .....			--
Hanauma Bay Nature Preserve Fund .....	369	369	--
Golf Fund .....	856	856	--
Special Events Fund .....	1,076	1,076	--
Solid Waste Special Fund .....	12,795	12,795	--
Recovery of Debt Service Charges:			
Highway Fund .....	90,543	79,416	(11,127)
Hanauma Bay Nature Preserve Fund .....	1,330	1,330	--
Golf Fund .....	2,831	2,631	(200)
Special Events Fund .....	4,827	4,827	--
Other Transfers:			
Sewer Fund .....	508	508	--
Solid Waste Special Fund .....	263	263	--
<b>TOTAL TRANSFERS FROM OTHER FUNDS ...</b>	<b><u>138,701</u></b>	<b><u>127,374</u></b>	<b><u>(11,327)</u></b>
<b>TOTAL OTHER FINANCING SOURCES .....</b>	<b><u>138,701</u></b>	<b><u>127,374</u></b>	<b><u>(11,327)</u></b>
<b>TOTAL GENERAL FUND .....</b>	<b><u>\$ 1,173,814</u></b>	<b><u>\$ 1,166,288</u></b>	<b><u>\$ (7,526)</u></b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	<u>2014</u>	<u>2013</u> (As Restated)
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 51,725	\$ 45,590
Receivables:		
Public Utilities .....	26,625	27,639
Intergovernmental .....	4,424	4,137
Payroll advance .....	966	1,004
	<u>          </u>	<u>          </u>
Total Assets .....	<u>\$ 83,740</u>	<u>\$ 78,370</u>
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 2,849	\$ 2,481
Due to other funds:		
General Fund .....	2,068	1,052
Payroll Clearance Fund .....	4	3
Accrued payroll .....	1,622	1,494
	<u>          </u>	<u>          </u>
Total Liabilities .....	<u>6,543</u>	<u>5,030</u>
Deferred Inflow:		
Deferred inflow .....	26,625	27,639
	<u>          </u>	<u>          </u>
Total Deferred Inflow .....	<u>26,625</u>	<u>27,639</u>
Fund Balance:		
Restricted .....	50,572	45,701
	<u>          </u>	<u>          </u>
Total Fund Balance .....	<u>50,572</u>	<u>45,701</u>
	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflow and Fund Balance .....	<u>\$ 83,740</u>	<u>\$ 78,370</u>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Amounts in thousands)

	<u>2014</u>	<u>2013</u> (As Restated)
Revenues:		
Taxes .....	\$ 107,697	\$ 110,593
Licenses and permits .....	126,461	123,375
Charges for services .....	4,739	4,705
Fines and forfeits .....	--	39
Miscellaneous:		
Reimbursements and recoveries .....	2,572	2,625
Other .....	4,231	4,054
<b>Total Revenues .....</b>	<b><u>245,700</u></b>	<b><u>245,391</u></b>
Expenditures:		
Current:		
General government .....	22,179	20,129
Public safety .....	29,728	29,273
Highways and streets .....	16,769	15,770
Utilities or other enterprises .....	1,774	1,565
Miscellaneous:		
Retirement and health benefits .....	25,162	21,120
Other .....	1,623	5,762
Capital improvements:		
Capital outlay .....	198	659
<b>Total Expenditures .....</b>	<b><u>97,433</u></b>	<b><u>94,278</u></b>
<b>Revenues over Expenditures .....</b>	<b><u>148,267</u></b>	<b><u>151,113</u></b>
Other Financing Sources (Uses):		
Sales of capital assets .....	147	113
Transfers out .....	(143,543)	(151,783)
<b>Total Other Financing Sources (Uses) .....</b>	<b><u>(143,396)</u></b>	<b><u>(151,670)</u></b>
<b>Revenues and Other Sources over (under) Expenditures and Other Uses .....</b>	<b><u>4,871</u></b>	<b><u>(557)</u></b>
Fund Balance - July 1 as previously stated/restated .....	45,701	46,943
Prior period adjustment .....	--	(685)
<b>Fund Balance - July 1 as restated .....</b>	<b><u>45,701</u></b>	<b><u>46,258</u></b>
<b>Fund Balance - June 30 .....</b>	<b><u>\$ 50,572</u></b>	<b><u>\$ 45,701</u></b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes .....	\$ 109,537	\$ 109,537	\$ 107,697	\$ (1,840)
Licenses and permits .....	121,140	121,140	126,461	5,321
Charges for services .....	5,362	5,362	4,739	(623)
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	5,424	5,424	2,572	(2,852)
Other .....	2,182	2,182	4,231	2,049
<b>Total Revenues .....</b>	<b>243,645</b>	<b>243,645</b>	<b>245,700</b>	<b>2,055</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Design and Construction .....	4,675	5,077	4,632	445
Facility Maintenance .....	14,846	14,940	14,883	57
Planning and Permitting .....	2,375	2,413	2,371	42
<b>Total General government .....</b>	<b>21,896</b>	<b>22,430</b>	<b>21,886</b>	<b>544</b>
<b>Public safety:</b>				
Police .....	24,489	25,318	24,989	329
Transportation Services .....	5,029	5,269	5,055	214
<b>Total Public safety .....</b>	<b>29,518</b>	<b>30,587</b>	<b>30,044</b>	<b>543</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	20,449	21,808	20,568	1,240
<b>Utilities or other enterprises:</b>				
Transportation Services .....	2,104	2,253	1,764	489
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	28,690	28,690	26,214	2,476
<b>Other:</b>				
Provisional .....	7,162	4,051	1,623	2,428
<b>Total Miscellaneous .....</b>	<b>35,852</b>	<b>32,741</b>	<b>27,837</b>	<b>4,904</b>
<b>Total Expenditures .....</b>	<b>109,819</b>	<b>109,819</b>	<b>102,099</b>	<b>7,720</b>
<b>Revenues over Expenditures .....</b>	<b>133,826</b>	<b>133,826</b>	<b>143,601</b>	<b>9,775</b>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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 .....	107	107	147	40
Transfers out:				
Debt service .....	(90,543)	(90,543)	(79,416)	11,127
Reimbursement for central administrative service expenses .....	(13,335)	(13,335)	(13,335)	--
Bus subsidy .....	(50,792)	(50,792)	(50,792)	--
Total Transfers out.....	(154,670)	(154,670)	(143,543)	11,127
Total Other Financing Source (Uses) .....	(154,563)	(154,563)	(143,396)	11,167
Revenues and Other Source over (under) Expenditures and Other Uses .....	(20,737)	(20,737)	205	20,942
Unreserved - Undesignated Fund Balance - July 1 .....	20,737	20,737	39,493	18,756
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	39,698	\$ 39,698
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			6,155	
Expenditures - prior year encumbrances .....			(2,541)	
Increase in reserved for encumbrances .....			(6,218)	
Unreserved - Undesignated Fund Balance - June 30 .....			37,094	
Reserved for Encumbrances - June 30 .....			13,478	
Fund Balance - June 30 (GAAP Basis) .....			\$ 50,572	

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>TAXES</u></b>			
<b>GROSS RECEIPTS BUSINESS TAXES:</b>			
Public Utility Franchise Tax .....	\$ 58,234	\$ 56,273	\$ (1,961)
<b>SELECTIVE SALES AND USE TAXES:</b>			
Fuel Tax .....	<u>51,303</u>	<u>51,424</u>	<u>121</u>
TOTAL TAXES .....	<u>109,537</u>	<u>107,697</u>	<u>(1,840)</u>
<b><u>LICENSES AND PERMITS</u></b>			
<b>NON-BUSINESS LICENSES AND PERMITS:</b>			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills .....	240	222	(18)
Other Permits .....	7	7	--
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax .....	116,565	122,127	5,562
Other Vehicle Licenses and Fees .....	3,992	3,722	(270)
Street and Sidewalk Use .....	12	26	14
Freight Curb and Passenger Loading Zone Permits .....	249	261	12
Excavation and Repair of Streets and Sidewalks .....	<u>75</u>	<u>96</u>	<u>21</u>
TOTAL LICENSES AND PERMITS .....	<u>121,140</u>	<u>126,461</u>	<u>5,321</u>
<b><u>CHARGES FOR SERVICES</u></b>			
<b>GENERAL GOVERNMENT:</b>			
Sidewalk and Driveway Specifications Filing Fees .....	11	18	7
<b>HIGHWAYS AND STREETS:</b>			
Street and Sidewalk Charges .....	44	72	28
Street Parking Meter Collections .....	4,000	3,456	(544)
Other Parking Meter Collections .....	1,261	1,146	(115)
Other .....	<u>46</u>	<u>47</u>	<u>1</u>
Total Highways and Streets .....	<u>5,351</u>	<u>4,721</u>	<u>(630)</u>
TOTAL CHARGES FOR SERVICES .....	<u>5,362</u>	<u>4,739</u>	<u>(623)</u>

CITY AND COUNTY OF HONOLULU  
**HIGHWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Reimbursement from State for			
Traffic Signal Maintenance .....	440	251	(189)
Recovery of Overhead Charges .....	--	13	13
Recovery - Federal Interest Subsidy .....	4,984	2,308	(2,676)
Total Reimbursements and Recoveries .....	<u>5,424</u>	<u>2,572</u>	<u>(2,852)</u>
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Rental for Use of Land .....	85	92	7
Total Rents .....	<u>85</u>	<u>92</u>	<u>7</u>
Concessions:			
Kekaulike Parking Lot .....	12	--	(12)
Marin Towers Garage .....	--	224	224
Harbor Court Garage .....	455	506	51
Kaimuki Parking Lot .....	480	540	60
Kukui Plaza Garage .....	669	301	(368)
Smith-Beretania Garage .....	71	331	260
Total Concessions .....	<u>1,687</u>	<u>1,902</u>	<u>215</u>
Other:			
Vacation Accumulation Deposits .....	--	65	65
Miscellaneous Sales .....	2	6	4
Housing Sale .....	408	--	(408)
Sundry Refunds .....	--	2,166	2,166
Total Other .....	<u>410</u>	<u>2,237</u>	<u>1,827</u>
Total Other Miscellaneous .....	<u>2,182</u>	<u>4,231</u>	<u>2,049</u>
TOTAL MISCELLANEOUS .....	<u>7,606</u>	<u>6,803</u>	<u>(803)</u>
TOTAL REVENUES .....	<u>243,645</u>	<u>245,700</u>	<u>2,055</u>
<b>OTHER FINANCING SOURCES</b>			
<b>SALES OF CAPITAL ASSETS:</b>			
Compensation for Loss of Capital Assets .....	107	147	40
TOTAL OTHER FINANCING SOURCES .....	<u>107</u>	<u>147</u>	<u>40</u>
TOTAL HIGHWAY FUND .....	<u>\$ 243,752</u>	<u>\$ 245,847</u>	<u>\$ 2,095</u>

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

BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 8,590	\$ 6,740
Receivable:		
Payroll advance .....	31	38
Total Assets .....	\$ 8,621	\$ 6,778
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 59	\$ 1
Due to other fund:		
General Fund .....	31	--
Accrued payroll .....	32	36
Total Liabilities .....	122	37
Fund Balance:		
Restricted .....	8,499	6,741
Total Fund Balance .....	8,499	6,741
Total Liabilities and Fund Balance .....	\$ 8,621	\$ 6,778



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, 2014  
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services .....	\$ 4,307	\$ 4,460	\$ 153
Total Revenue .....	4,307	4,460	153
Expenditures:			
Current:			
General government:			
Customer Services .....	2,571	1,080	1,491
Highways and streets:			
Facility Maintenance .....	213	95	118
Culture-recreation:			
Parks and Recreation .....	979	979	--
Miscellaneous:			
Retirement and health benefits:			
Provisional .....	576	576	--
Other:			
Provisional .....	245	--	245
Total Miscellaneous .....	821	576	245
Total Expenditures .....	4,584	2,730	1,854
Revenue over (under) Expenditures .....	(277)	1,730	2,007
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses .....	(226)	(226)	--
Revenue over (under) Expenditures and Other Use .....	(503)	1,504	2,007
Unreserved - Undesignated Fund Balance - July 1 .....	4,502	6,079	1,577
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 3,999	7,583	\$ 3,584
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		284	
Expenditures - prior year encumbrances .....		(30)	
Decrease in reserved for encumbrances .....		364	
Unreserved - Undesignated Fund Balance - June 30 .....		8,201	
Reserved for Encumbrances - June 30 .....		298	
Fund Balance - June 30 (GAAP Basis) .....		\$ 8,499	

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, 2014  
(Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>HIGHWAYS AND STREETS:</b>			
Highway Beautification Fees .....	\$ 4,307	\$ 4,460	\$ 153
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUE .....	<u>\$ 4,307</u>	<u>\$ 4,460</u>	<u>\$ 153</u>

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 738	\$ 1,067
Receivable:		
Payroll advance .....	8	8
Due from other fund:		
Capital Projects Fund .....	20	30
Total Assets .....	\$ 766	\$ 1,105
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 36	\$ 11
Accrued payroll .....	5	6
Total Liabilities .....	41	17
Fund Balance:		
Restricted .....	725	1,088
Total Fund Balance .....	725	1,088
Total Liabilities and Fund Balance .....	\$ 766	\$ 1,105

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Licenses and permits .....	\$ 566	\$ 492	\$ (74)
<b>Miscellaneous:</b>			
Other .....	--	5	5
Total Revenues .....	566	497	(69)
<b>Expenditures:</b>			
<b>Current:</b>			
General government:			
Facility Maintenance .....	19	9	10
Public safety:			
Transportation Services .....	542	342	200
Highways and streets:			
Facility Maintenance .....	10	9	1
Culture-recreation:			
Parks and Recreation .....	6	5	1
<b>Capital improvements:</b>			
Highways and streets:			
Transportation Services .....	334	334	--
<b>Miscellaneous:</b>			
Retirement and health benefits:			
Provisional .....	21	21	--
Total Expenditures .....	932	720	212
Revenues under Expenditures .....	(366)	(223)	143
<b>Other Financing Source (Use):</b>			
Transfer in .....	--	20	20
Transfer out:			
Reimbursement for central administrative service expenses .....	(47)	(47)	--
Total Other Financing Source (Use) .....	(47)	(27)	20
Revenues and Other Source under Expenditures and Other Use .....	(413)	(250)	163
Unreserved - Undesignated Fund Balance - July 1 .....	417	548	131
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 4	298	\$ 294
<b>Adjustments to conform with generally accepted accepted accounting principles:</b>			
Encumbrances included above .....		341	
Expenditures - prior year encumbrances .....		(454)	
Decrease in reserved for encumbrances .....		360	
Unreserved - Undesignated Fund Balance - June 30 .....		545	
Reserved for Encumbrances - June 30 .....		180	
Fund Balance - June 30 (GAAP Basis) .....		\$ 725	

CITY AND COUNTY OF HONOLULU  
**BIKEWAY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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 .....	\$ 566	\$ 492	\$ (74)
 <u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Other:			
Sundry Refunds .....	--	5	5
TOTAL REVENUES .....	<u>566</u>	<u>497</u>	<u>(69)</u>
 <u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
Capital Projects Fund .....	--	20	20
TOTAL OTHER FINANCING SOURCE .....	<u>--</u>	<u>20</u>	<u>20</u>
TOTAL BIKEWAY FUND .....	<u>\$ 566</u>	<u>\$ 517</u>	<u>\$ (49)</u>

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 6,586	\$ 6,539
Due from other fund:		
Capital Projects Fund .....	17	--
Total Assets .....	\$ 6,603	\$ 6,539
<b><u>LIABILITY AND FUND BALANCE</u></b>		
Liability:		
Accounts payable .....	\$ 67	\$ 23
Total Liability .....	67	23
Fund Balance:		
Committed .....	6,536	6,516
Total Fund Balance .....	6,536	6,516
Total Liability and Fund Balance .....	\$ 6,603	\$ 6,539

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other .....	\$ --	\$ 619	\$ 619
Total Revenue .....	--	619	619
Expenditures:			
Capital improvements:			
Budget and Fiscal Services .....	1	1	--
Design and Construction .....	1,360	1,360	--
Total Expenditures .....	1,361	1,361	--
Revenue under Expenditures .....	(1,361)	(742)	619
Other Financing Source:			
Transfer in .....	--	17	17
Revenue and Other Source under Expenditures .....	(1,361)	(725)	636
Unreserved - Undesignated Fund Balance - July 1.....	1,361	5,386	4,025
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	4,661	\$ 4,661
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		1,361	
Expenditures - prior year encumbrances .....		(616)	
Decrease in reserved for encumbrances .....		585	
Unreserved - Undesignated Fund Balance - June 30 .....		5,991	
Reserved for Encumbrances - June 30 .....		545	
Fund Balance - June 30 (GAAP Basis) .....		\$ 6,536	

CITY AND COUNTY OF HONOLULU  
**PARKS AND PLAYGROUNDS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>			
<u>OTHER MISCELLANEOUS:</u>			
Contributions from Private Sources:			
Subdividers' Contributions for			
Parks and Playgrounds .....	\$       --	\$     619	\$     619
TOTAL REVENUE .....	<u>          --</u>	<u>      619</u>	<u>      619</u>
 <u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
Capital Projects Fund .....	<u>          --</u>	<u>       17</u>	<u>       17</u>
TOTAL OTHER FINANCING SOURCE .....	<u>          --</u>	<u>       17</u>	<u>       17</u>
 TOTAL PARKS AND PLAYGROUNDS FUND .....	 <u>\$       --</u>	 <u>\$     636</u>	 <u>\$     636</u>



CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 2,519	\$ 3,486
Receivable:		
Payroll advance .....	35	35
Total Assets .....	\$ 2,554	\$ 3,521
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 24	\$ 31
Accrued payroll .....	98	95
Due to other fund:		
General Fund .....	106	--
Total Liabilities .....	228	126
Fund Balance:		
Restricted .....	2,326	3,395
Total Fund Balance .....	2,326	3,395
Total Liabilities and Fund Balance .....	\$ 2,554	\$ 3,521

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, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Licenses and permits .....	\$ 4,434	\$ 4,434	\$ 3,483	\$ (951)
Charges for services .....	129	129	123	(6)
Fines and forfeits .....	285	285	80	(205)
<b>Miscellaneous:</b>				
Other .....	--	--	2	2
Total Revenues .....	<u>4,848</u>	<u>4,848</u>	<u>3,688</u>	<u>(1,160)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	4,002	4,002	2,760	1,242
Corporation Counsel .....	133	142	142	--
Information Technology .....	54	56	56	--
Total General government .....	<u>4,189</u>	<u>4,200</u>	<u>2,958</u>	<u>1,242</u>
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	1,496	1,496	1,461	35
<b>Other:</b>				
Provisional .....	160	149	28	121
Total Miscellaneous .....	<u>1,656</u>	<u>1,645</u>	<u>1,489</u>	<u>156</u>
Total Expenditures .....	<u>5,845</u>	<u>5,845</u>	<u>4,447</u>	<u>1,398</u>
Revenues under Expenditures .....	(997)	(997)	(759)	238
<b>Other Financing Use:</b>				
<b>Transfers out:</b>				
Reimbursement for central administrative service expenses .....	(288)	(288)	(288)	--
Revenues under Expenditures and Other Use .....	(1,285)	(1,285)	(1,047)	238
Unreserved - Undesignated Fund Balance - July 1 .....	<u>2,142</u>	<u>2,142</u>	<u>3,242</u>	<u>1,100</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 857</u>	<u>\$ 857</u>	2,195	<u>\$ 1,338</u>

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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 .....			95	
Expenditures - prior year encumbrances .....			(117)	
Decrease in reserved for encumbrances .....			<u>29</u>	
Unreserved - Undesignated Fund				
Balance - June 30 .....			2,202	
Reserved for Encumbrances - June 30 .....			<u>124</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 2,326</u>	

CITY AND COUNTY OF HONOLULU  
**LIQUOR COMMISSION FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>LICENSES AND PERMITS</b>			
<b>BUSINESS LICENSES AND PERMITS:</b>			
Alcoholic Licenses and Permits .....	\$ 4,434	\$ 3,483	\$ (951)
<b>CHARGES FOR SERVICES</b>			
<b>GENERAL GOVERNMENT:</b>			
Charges for Publications, Reports, Copies, etc. ....	6	5	(1)
Fees:			
Charge for Photo I.D. ....	120	116	(4)
Other .....	3	2	(1)
	<u>129</u>	<u>123</u>	<u>(6)</u>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b><u>129</u></b>	<b><u>123</u></b>	<b><u>(6)</u></b>
<b>FINES AND FORFEITS</b>			
<b>FINES:</b>			
Fines - Liquor Commission .....	285	80	(205)
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Other:			
Sundry Refunds .....	--	2	2
	<u>--</u>	<u>2</u>	<u>2</u>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>--</u></b>	<b><u>2</u></b>	<b><u>2</u></b>
<b>TOTAL LIQUOR COMMISSION FUND REVENUES .....</b>	<b><u>\$ 4,848</u></b>	<b><u>\$ 3,688</u></b>	<b><u>\$ (1,160)</u></b>

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 1,336	\$ 1,191
Total Asset .....	\$ 1,336	\$ 1,191
<u>FUND BALANCE</u>		
Fund Balance:		
Committed .....	\$ 1,336	\$ 1,191
Total Fund Balance .....	\$ 1,336	\$ 1,191

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other .....	\$ 5,233	\$ 273	\$ (4,960)
Total Revenue .....	5,233	273	(4,960)
Expenditure:			
Current:			
Human services:			
Community Services .....	5,233	128	5,105
Total Expenditure .....	5,233	128	5,105
Revenue over Expenditure .....	--	145	145
Unreserved - Undesignated Fund Balance - July 1 .....	1,108	1,191	83
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 1,108	1,336	\$ 228
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 .....		1,336	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		\$ 1,336	

CITY AND COUNTY OF HONOLULU  
**RENTAL ASSISTANCE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Rental of Parking Stalls .....	\$ 233	\$ 273	\$ 40
Other:			
Miscellaneous Sales .....	<u>5,000</u>	<u>--</u>	<u>(5,000)</u>
 TOTAL RENTAL ASSISTANCE FUND REVENUES .....	 <u>\$ 5,233</u>	 <u>\$ 273</u>	 <u>\$ (4,960)</u>

CITY AND COUNTY OF HONOLULU  
**ZOO ANIMAL PURCHASE FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 2	\$ 7
Total Asset .....	\$ 2	\$ 7
<u>FUND BALANCE</u>		
Fund Balance:		
Committed .....	\$ 2	\$ 7
Total Fund Balance .....	\$ 2	\$ 7



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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Unreserved - Undesignated Fund Balance - July 1 .....	\$ 2	\$ 2	\$ --
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 .....		(5)	
Decrease in reserved for encumbrances .....		5	
Unreserved - Undesignated Fund Balance - June 30 .....		2	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		\$ 2	

CITY AND COUNTY OF HONOLULU  
**GRANTS IN AID FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 4,493	\$ --
Total Asset .....	\$ 4,493	\$ --
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable .....	\$ 294	\$ --
Accrued payroll .....	2	--
Due to other fund:		
General Fund .....	4	--
Total Liabilities .....	300	--
Fund Balance:		
Committed .....	4,193	--
Total Fund Balance .....	4,193	--
Total Liabilities and Fund Balance .....	\$ 4,493	\$ --

CITY AND COUNTY OF HONOLULU  
**GRANTS IN AID FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Expenditures:			
Current:			
General government:			
City Council .....	\$ 25	\$ --	\$ 25
Human services:			
Community Services .....	5,520	5,308	212
Total Expenditures .....	5,545	5,308	237
Other Financing Source:			
Transfer in .....	5,545	5,545	--
Other Source over Expenditures .....	--	237	237
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	237	\$ 237
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		3,956	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		(3,956)	
Unreserved - Undesignated Fund Balance - June 30 .....		237	
Reserved for Encumbrances - June 30 .....		3,956	
Fund Balance - June 30 (GAAP Basis) .....		\$ 4,193	

CITY AND COUNTY OF HONOLULU  
**GRANTS IN AID FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	\$ 5,545	\$ 5,545	\$ --
<b>TOTAL GRANTS IN AID FUND .....</b>	<b>\$ 5,545</b>	<b>\$ 5,545</b>	<b>\$ --</b>

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 4,780	\$ 4,342
Receivables:		
Payroll advance .....	29	33
Total Assets .....	\$ 4,809	\$ 4,375
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 172	\$ 79
Accrued payroll .....	47	43
Due to other funds:		
General Fund .....	61	--
Payroll Clearance Fund .....	1	--
Total Liabilities .....	281	122
Fund Balance:		
Committed .....	4,528	4,253
Total Fund Balance .....	4,528	4,253
Total Liabilities and Fund Balance .....	\$ 4,809	\$ 4,375

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, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for services .....	\$ 4,293	\$ 4,604	\$ 311
<b>Miscellaneous:</b>			
Other .....	1,712	1,916	204
Total Revenues .....	<u>6,005</u>	<u>6,520</u>	<u>515</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public safety:</b>			
Emergency Services .....	862	824	38
<b>Culture-recreation:</b>			
Enterprise Services .....	5	5	--
Parks and Recreation .....	2,979	2,578	401
Total Culture-recreation .....	2,984	2,583	401
<b>Miscellaneous:</b>			
<b>Retirement and health benefits:</b>			
Provisional .....	1,103	1,097	6
<b>Other:</b>			
Provisional .....	59	--	59
Total Miscellaneous .....	<u>1,162</u>	<u>1,097</u>	<u>65</u>
<b>Capital improvements:</b>			
Budget and Fiscal Services .....	87	87	--
Design and Construction .....	1,000	1,000	--
Total Expenditures .....	<u>6,095</u>	<u>5,591</u>	<u>504</u>
Revenues over (under) Expenditures .....	<u>(90)</u>	<u>929</u>	<u>1,019</u>
<b>Other Financing Uses:</b>			
<b>Transfers out:</b>			
Debt service .....	(1,330)	(1,330)	--
Reimbursement for central administrative service expenses .....	(369)	(369)	--
Total Other Financing Uses .....	<u>(1,699)</u>	<u>(1,699)</u>	<u>--</u>
Revenues under Expenditures and Other Uses .....	(1,789)	(770)	1,019
Unreserved - Undesignated Fund Balance - July 1 .....	<u>3,330</u>	<u>3,890</u>	<u>560</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 1,541</u>	3,120	<u>\$ 1,579</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, 2014  
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		1,276	
Expenditures - prior year encumbrances .....		(231)	
Decrease in reserved for encumbrances .....		13	
Unreserved - Undesignated Fund			
Balance - June 30 .....		4,178	
Reserved for Encumbrances - June 30 .....		350	
Fund Balance - June 30 (GAAP Basis) .....		\$ 4,528	

CITY AND COUNTY OF HONOLULU  
**HANAUMA BAY NATURE PRESERVE FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>HIGHWAYS AND STREETS:</b>			
Hanauma Bay Parking .....	\$ 193	\$ 200	\$ 7
<b>CULTURE-RECREATION:</b>			
Miscellaneous:			
Hanauma Bay Admission Fee .....	<u>4,100</u>	<u>4,404</u>	<u>304</u>
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b><u>4,293</u></b>	<b><u>4,604</u></b>	<b><u>311</u></b>
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession .....	70	206	136
Hanauma Beach Park Concession .....	291	291	--
Hanauma Shuttle Bus Service .....	67	67	--
Hanauma Snorkeling Rental .....	<u>1,284</u>	<u>1,352</u>	<u>68</u>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>1,712</u></b>	<b><u>1,916</u></b>	<b><u>204</u></b>
<b>TOTAL REVENUES .....</b>	<b><u>6,005</u></b>	<b><u>6,520</u></b>	<b><u>515</u></b>
<b>TOTAL HANAUMA BAY NATURE PRESERVE FUND REVENUES .....</b>	<b><u>\$ 6,005</u></b>	<b><u>\$ 6,520</u></b>	<b><u>\$ 515</u></b>



CITY AND COUNTY OF HONOLULU  
**RESERVE FOR FISCAL STABILITY FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 61,836	\$ 47,886
Total Asset .....	\$ 61,836	\$ 47,886
<u>FUND BALANCE</u>		
Fund Balance:		
Committed .....	\$ 61,836	\$ 47,886
Total Fund Balance .....	\$ 61,836	\$ 47,886

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, 2014  
 (Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Licenses and permits .....	\$ 2,719	\$ 98	\$ (2,621)
<b>Miscellaneous:</b>			
Interest .....	<u>16</u>	<u>42</u>	<u>26</u>
Total Revenues .....	<u>2,735</u>	<u>140</u>	<u>(2,595)</u>
<b>Other Financing Sources:</b>			
Sales of capital assets .....	100	56	(44)
Transfer in .....	<u>13,754</u>	<u>13,754</u>	<u>--</u>
Total Other Financing Sources .....	<u>13,854</u>	<u>13,810</u>	<u>(44)</u>
Revenues and Other Sources .....	16,589	13,950	(2,639)
Unreserved - Undesignated Fund Balance - July 1 .....	<u>47,988</u>	<u>47,886</u>	<u>(102)</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 64,577</u>	61,836	<u>\$ (2,741)</u>
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		--	
Expenditures - prior year encumbrances .....		--	
Increase in reserved for encumbrances .....		<u>--</u>	
Unreserved - Undesignated Fund Balance - June 30 .....		61,836	
Reserved for Encumbrances - June 30 .....		<u>--</u>	
Fund Balance - June 30 (GAAP Basis) .....		<u>\$ 61,836</u>	

CITY AND COUNTY OF HONOLULU  
**RESERVE FOR FISCAL STABILITY FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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>			
Easement Grants .....	\$ 2,719	\$ 98	\$ (2,621)
<u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments .....	<u>16</u>	<u>42</u>	<u>26</u>
TOTAL REVENUES .....	<u>2,735</u>	<u>140</u>	<u>(2,595)</u>
<u>OTHER FINANCING SOURCES</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Sale of Capital Assets .....	100	56	(44)
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund .....	<u>13,754</u>	<u>13,754</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCES .....	<u>13,854</u>	<u>13,810</u>	<u>(44)</u>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 16,589</u>	<u>\$ 13,950</u>	<u>\$ (2,639)</u>

CITY AND COUNTY OF HONOLULU  
**CLEAN WATER AND NATURAL LANDS FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 22,907	\$ 19,706
Total Asset .....	\$ 22,907	\$ 19,706
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted .....	\$ 22,907	\$ 19,706
Total Fund Balance .....	\$ 22,907	\$ 19,706

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes .....	\$ 4,159	\$ 4,159	\$ --
<b>Miscellaneous:</b>			
Interest .....	10	17	7
Total Revenue .....	4,169	4,176	7
<b>Expenditure:</b>			
<b>Current:</b>			
<b>General government:</b>			
City Council .....	\$ 25	\$ --	\$ 25
<b>Capital improvements:</b>			
Design and Construction .....	11,750	11,750	--
Total Expenditures .....	11,775	11,750	25
Revenues under Expenditures .....	(7,606)	(7,574)	32
Unreserved - Undesignated Fund Balance - July 1 .....	14,051	19,381	5,330
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 6,445	11,807	\$ 5,362
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		11,750	
Expenditures - prior year encumbrances .....		(975)	
Decrease in reserved for encumbrances .....		325	
Unreserved - Undesignated Fund Balance - June 30 .....		22,907	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		\$ 22,907	

CITY AND COUNTY OF HONOLULU  
**CLEAN WATER AND NATURAL LANDS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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 .....	\$ 4,159	\$ 4,159	\$ --
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments .....	<u>10</u>	<u>17</u>	<u>7</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND .....	 <u>\$ 4,169</u>	 <u>\$ 4,176</u>	 <u>\$ 7</u>

CITY AND COUNTY OF HONOLULU  
**AFFORDABLE HOUSING FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 24,971	\$ 20,794
Total Asset .....	\$ 24,971	\$ 20,794
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable .....	\$ 2	\$ --
Total Liability .....	2	--
Fund Balance:		
Restricted .....	24,969	20,794
Total Liability and Fund Balance .....	\$ 24,971	\$ 20,794

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes .....	\$ 4,159	\$ 4,159	\$ --
<b>Miscellaneous:</b>			
Interest .....	9	18	9
Total Revenues .....	4,168	4,177	9
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General government:</b>			
City Council .....	\$ 25	\$ --	\$ 25
<b>Capital improvements:</b>			
Community Services .....	7,601	7,601	--
Total Expenditures .....	7,626	7,601	25
Revenues under Expenditure .....	(3,458)	(3,424)	34
Unreserved - Undesignated Fund Balance - July 1 .....	6,692	20,794	14,102
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 3,234	17,370	\$ 14,136
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		7,601	
Expenditures - prior year encumbrances .....		(2)	
Increase in reserved for encumbrances .....		(5)	
Unreserved - Undesignated Fund Balance - June 30 .....		24,964	
Reserved for Encumbrances - June 30 .....		5	
Fund Balance - June 30 (GAAP Basis) .....		\$ 24,969	



CITY AND COUNTY OF HONOLULU  
**AFFORDABLE HOUSING FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (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 .....	\$ 4,159	\$ 4,159	\$ --
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments .....	<u>9</u>	<u>18</u>	<u>9</u>
 TOTAL AFFORDABLE HOUSING FUND .....	 <u>\$ 4,168</u>	 <u>\$ 4,177</u>	 <u>\$ 9</u>

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 37	\$ 160
Receivables:		
Loans .....	44	75
Intergovernmental .....	385	329
Payroll advance .....	13	13
Due from other funds:		
Housing and Community Development Section 8 Contract Fund .....	--	2
Federal Grants Capital Projects Fund .....	1	48
	\$ 480	\$ 627
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 310	\$ 135
Due to other funds:		
General Fund .....	35	56
Federal Grants Fund .....	2	8
Accrued payroll .....	41	32
	388	231
Deferred Inflow:		
Deferred inflow .....	44	75
	44	75
Fund Balance:		
Restricted .....	48	321
	48	321
	\$ 480	\$ 627

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenue:</b>			
Intergovernmental .....	\$ 43,055	\$ 14,382	\$ (28,673)
Total Revenue .....	43,055	14,382	(28,673)
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General government:</b>			
Budget and Fiscal Services .....	666	653	13
<b>Human services:</b>			
Community Services .....	1,656	618	1,038
<b>Miscellaneous:</b>			
<b>Retirement and health benefits:</b>			
Provisional .....	137	--	137
<b>Capital improvements:</b>			
Community Services .....	40,585	40,585	--
Total Expenditures .....	43,044	41,856	1,188
Revenue over (under) Expenditures .....	11	(27,474)	(27,485)
Unreserved - Undesignated Fund Balance - July 1 .....	--	(7,596)	(7,596)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 11	(35,070)	\$ (35,081)
<b>Adjustments to conform with generally accepted accounting principles:</b>			
Encumbrances included above .....		29,400	
Expenditures - prior year encumbrances .....		(2,199)	
Decrease in reserved for encumbrances .....		1,306	
Unreserved - Undesignated Fund Balance - June 30 .....		(6,563)	
Reserved for Encumbrances - June 30 .....		6,611	
Fund Balance - June 30 (GAAP Basis) .....		\$ 48	

CITY AND COUNTY OF HONOLULU  
**COMMUNITY DEVELOPMENT FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
FEDERAL GRANTS:			
Community Development Block Grant .....	\$ 43,055	\$ 14,382	\$ (28,673)
 TOTAL COMMUNITY DEVELOPMENT FUND .....	 <u>\$ 43,055</u>	 <u>\$ 14,382</u>	 <u>\$ (28,673)</u>

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 408	\$ 2,367
Receivable:		
Payroll advance .....	111	118
	\$ 519	\$ 2,485
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable .....	\$ 135	\$ 208
Due to other fund:		
General Fund .....	98	--
Accrued payroll .....	198	176
	431	384
Fund Balance:		
Committed .....	88	2,101
	88	2,101
	\$ 519	\$ 2,485

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, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Charges for services .....	\$ 8,049	\$ 8,049	\$ 6,843	\$ (1,206)
<b>Miscellaneous:</b>				
Other .....	3,069	3,069	2,810	(259)
<b>Total Revenues .....</b>	<b>11,118</b>	<b>11,118</b>	<b>9,653</b>	<b>(1,465)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Culture-recreation:</b>				
Enterprise Services .....	9,793	9,890	9,285	605
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	3,580	3,580	3,580	--
<b>Other:</b>				
Provisional .....	456	359	55	304
<b>Total Miscellaneous .....</b>	<b>4,036</b>	<b>3,939</b>	<b>3,635</b>	<b>304</b>
<b>Capital improvements:</b>				
Budget and Fiscal Services .....				--
<b>Total Expenditures .....</b>	<b>13,829</b>	<b>13,829</b>	<b>12,920</b>	<b>909</b>
Revenues under Expenditures .....	(2,711)	(2,711)	(3,267)	(556)
<b>Other Finance Source (Uses):</b>				
Transfer in .....	4,978	4,978	4,978	--
<b>Transfers out:</b>				
Debt service .....	(2,831)	(2,831)	(2,631)	200
Reimbursement for central administrative service expenses .....	(856)	(856)	(856)	--
<b>Total Other Financing Sources (Uses) .....</b>	<b>1,291</b>	<b>1,291</b>	<b>1,491</b>	<b>200</b>
Revenues and Other Source under Expenditures and Other Uses .....	(1,420)	(1,420)	(1,776)	(356)
Unreserved - Undesignated Fund Balance - July 1 .....	1,420	1,420	1,506	86
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ --</u>	<u>\$ --</u>	(270)	<u>\$ (270)</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, 2014  
 (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 .....			239	
Expenditures - prior year encumbrances .....			(476)	
Decrease in reserved for encumbrances .....			302	
Unreserved - Undesignated Fund Balance - June 30 .....			(205)	
Reserved for Encumbrances - June 30 .....			293	
Fund Balance - June 30 (GAAP Basis) .....			\$ 88	

CITY AND COUNTY OF HONOLULU  
**GOLF FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>CULTURE-RECREATION:</b>			
Golf Course Fees .....	\$ 8,049	\$ 6,843	\$ (1,206)
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>8,049</b>	<b>6,843</b>	<b>(1,206)</b>
<b>MISCELLANEOUS</b>			
<b>OTHER MISCELLANEOUS:</b>			
Rents:			
Golf Cart Rentals .....	2,465	2,182	(283)
Rental for Use of Land .....	--	6	6
<b>Total Rents .....</b>	<b>2,465</b>	<b>2,188</b>	<b>(277)</b>
Concessions:			
Food Concession - Golf Courses .....	98	95	(3)
Golf Course - Pro Shops .....	6	3	(3)
Golf Course - Driving Range .....	500	522	22
<b>Total Concessions .....</b>	<b>604</b>	<b>620</b>	<b>16</b>
Other:			
Sundry Refunds .....	--	2	2
<b>Total Other .....</b>	<b>--</b>	<b>2</b>	<b>2</b>
<b>Total Other Miscellaneous .....</b>	<b>3,069</b>	<b>2,810</b>	<b>(259)</b>
<b>TOTAL MISCELLANEOUS .....</b>	<b>3,069</b>	<b>2,810</b>	<b>(259)</b>
<b>TOTAL REVENUES .....</b>	<b>11,118</b>	<b>9,653</b>	<b>(1,465)</b>
<b>OTHER FINANCING SOURCE</b>			
<b>TRANSFER FROM OTHER FUND:</b>			
Other Transfer -			
General Fund .....	4,978	4,978	--
<b>TOTAL OTHER FINANCING SOURCE .....</b>	<b>4,978</b>	<b>4,978</b>	<b>--</b>
<b>TOTAL GOLF FUND .....</b>	<b>\$ 16,096</b>	<b>\$ 14,631</b>	<b>\$ (1,465)</b>



CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 1,311	\$ 4,439
Receivable:		
Payroll advance .....	168	191
Due from other fund:		
Bus Transportation Fund .....	--	1
	\$ 1,479	\$ 4,631
Total Assets .....		
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 314	\$ 207
Due to other funds:		
General Fund .....	126	--
Payroll Clearance Fund .....	1	--
Accrued payroll .....	309	295
	750	502
Total Liabilities .....		
Fund Balance:		
Committed .....	729	4,129
	729	4,129
Total Fund Balance .....		
	\$ 1,479	\$ 4,631
Total Liabilities and Fund Balance .....		

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, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Charges for services .....	\$ 4,575	\$ 4,575	\$ 4,514	\$ (61)
<b>Miscellaneous:</b>				
Reimbursements and recoveries .....	29	29	14	(15)
Interest .....	3	3	4	1
Other .....	7,857	7,857	7,725	(132)
<b>Total Revenues .....</b>	<b>12,464</b>	<b>12,464</b>	<b>12,257</b>	<b>(207)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	44	46	46	--
<b>Culture-recreation:</b>				
Enterprise Services .....	11,187	11,622	11,572	50
<b>Miscellaneous:</b>				
<b>Retirement and health benefits:</b>				
Provisional .....	4,410	4,410	4,410	--
<b>Other:</b>				
Provisional .....	1,140	703	342	361
<b>Total Miscellaneous .....</b>	<b>5,550</b>	<b>5,113</b>	<b>4,752</b>	<b>361</b>
<b>Capital improvements:</b>				
Budget and Fiscal Services .....				--
<b>Total Expenditures .....</b>	<b>16,781</b>	<b>16,781</b>	<b>16,370</b>	<b>411</b>
Revenues under Expenditures .....	(4,317)	(4,317)	(4,113)	204
<b>Other Finance Source (Uses):</b>				
Transfer in .....	6,591	6,591	6,591	--
<b>Transfers out:</b>				
Debt service .....	(4,827)	(4,827)	(4,827)	--
Reimbursement for central administrative service expenses .....	(1,076)	(1,076)	(1,076)	--
<b>Total Other Financing Source (Uses) .....</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>--</b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source under Expenditures and Other Uses .....	(3,629)	(3,629)	(3,425)	204
Unreserved - Undesignated Fund Balance - July 1 .....	3,629	3,629	3,845	216
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	\$ --	420	\$ 420
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			236	
Expenditures - prior year encumbrances .....			(211)	
Increase in reserved for encumbrances .....			(5)	
Unreserved - Undesignated Fund Balance - June 30 .....			440	
Reserved for Encumbrances - June 30 .....			289	
Fund Balance - June 30 (GAAP Basis) .....			\$ 729	

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>CHARGES FOR SERVICES</b>			
<b>GENERAL GOVERNMENT:</b>			
Surcharge on Auditorium Tickets .....	\$ 37	\$ 98	\$ 61
<b>HIGHWAYS AND STREETS:</b>			
Zoo Parking Lot .....	540	616	76
<b>CULTURE-RECREATION:</b>			
Honolulu Zoo .....	3,998	3,800	(198)
<b>TOTAL CHARGES FOR SERVICES .....</b>	<b>4,575</b>	<b>4,514</b>	<b>(61)</b>
<b>MISCELLANEOUS</b>			
<b>REIMBURSEMENTS AND RECOVERIES:</b>			
Recovery of Utility Charges .....	29	14	(15)
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	3	4	1
<b>OTHER MISCELLANEOUS:</b>			
<b>Rents:</b>			
Rental for Use of Land .....	21	21	--
Rental of Auditorium Facilities .....	2,295	2,128	(167)
Auditorium Equipment Rental .....	1,159	1,466	307
<b>Total Rents .....</b>	<b>3,475</b>	<b>3,615</b>	<b>140</b>
<b>Concessions:</b>			
Food Concession - Auditoriums .....	680	247	(433)
Food Concession - Honolulu Zoo .....	300	343	43
Food Concession - Parks .....	129	189	60
Parking - Auditoriums .....	2,100	2,105	5
Novelty Sales Concession - Auditoriums .....	91	91	--
Other - Auditoriums .....	7	6	(1)
Beach Concession - Parks .....	835	903	68
Pouring Rights .....	140	29	(111)
Other Concessions .....	100	147	47
<b>Total Concessions .....</b>	<b>4,382</b>	<b>4,060</b>	<b>(322)</b>

CITY AND COUNTY OF HONOLULU  
**SPECIAL EVENTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
Other:			
Vacation Accumulation Deposits .....	--	49	49
Other .....	--	1	1
	<hr/>	<hr/>	<hr/>
Total Other .....	--	50	50
	<hr/>	<hr/>	<hr/>
Total Other Miscellaneous .....	7,857	7,725	(132)
	<hr/>	<hr/>	<hr/>
TOTAL MISCELLANEOUS .....	7,889	7,743	(146)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES .....	12,464	12,257	(207)
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund .....	6,591	6,591	--
	<hr/>	<hr/>	<hr/>
TOTAL SPECIAL EVENTS FUND .....	<u>\$ 19,055</u>	<u>\$ 18,848</u>	<u>\$ (207)</u>

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 7,561	\$ 9,459
Receivables:		
Intergovernmental .....	1,427	185
Payroll advance .....	32	32
Due from other fund:		
Federal Grants Fund .....	114	--
Total Assets .....	\$ 9,134	\$ 9,676
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 1,192	\$ 705
Accrued payroll .....	86	65
Due to other funds:		
General Fund .....	109	21
Federal Grants Fund .....	--	34
Total Liabilities .....	1,387	825
Fund Balance:		
Restricted .....	7,747	8,851
Total Fund Balance .....	7,747	8,851
Total Liabilities and Fund Balance .....	\$ 9,134	\$ 9,676

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, 2014  
 (Amounts in thousands)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental .....	\$ 8,962	\$ 13,987	\$ 10,419	\$ (3,568)
Miscellaneous:				
Other .....	48	123	657	534
Total Revenues .....	<u>9,010</u>	<u>14,110</u>	<u>11,076</u>	<u>(3,034)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services .....	--	93	--	93
Customer Services .....	48	48	48	--
Information Technology .....	--	3,000	1,299	1,701
Mayor .....	--	432	404	28
Planning and Permitting .....	--	18	13	5
Prosecuting Attorney .....	2,059	2,430	1,134	1,296
Total General government .....	<u>2,107</u>	<u>6,021</u>	<u>2,898</u>	<u>3,123</u>
Public safety:				
Emergency Management .....	28	56	56	--
Emergency Services .....	643	814	695	119
Fire .....	--	174	132	42
Police .....	--	3,220	1,252	1,968
Total Public safety .....	<u>671</u>	<u>4,264</u>	<u>2,135</u>	<u>2,129</u>
Human services:				
Community Services .....	8,327	9,031	7,259	1,772
Culture-recreation:				
Mayor .....	--	3	--	3
Parks and Recreation .....	12	964	179	785
Total Culture-recreation .....	<u>12</u>	<u>967</u>	<u>179</u>	<u>788</u>
Utilities or other enterprises:				
Transportation Services .....	--	24	--	24
Total Expenditures .....	<u>11,117</u>	<u>20,307</u>	<u>12,471</u>	<u>7,836</u>
Revenues over (under) Expenditures .....	(2,107)	(6,197)	(1,395)	4,802
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	(328)	(328)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ (2,107)</u>	<u>\$ (6,197)</u>	(1,723)	<u>\$ 4,474</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			3,670	
Expenditures - prior year encumbrances .....			(3,379)	
Decrease in reserved for encumbrances .....			<u>86</u>	
Unreserved - Undesignated Fund Balance - June 30 .....			(1,346)	
Reserved for Encumbrances - June 30 .....			<u>9,093</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 7,747</u>	

CITY AND COUNTY OF HONOLULU  
**SPECIAL PROJECTS FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>				
<b>STATE GRANTS:</b>				
Department of the Attorney General .....	\$ 2,059	\$ 2,059	\$ 921	\$ (1,138)
Department of Defense .....	28	56	56	--
Department of Health .....	6,090	6,331	4,222	(2,109)
Department of Human Services .....	23	536	1,910	1,374
Department of Labor and Industrial Relations .....	106	106	106	--
Department of Land and Natural Resources .....	643	643	584	(59)
Hawaii Tourism Authority .....	13	438	400	(38)
Wireless Enhanced 911 Board .....	--	3,818	2,209	(1,609)
Grants from Other Agencies .....	--	--	11	11
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>8,962</u></b>	<b><u>13,987</u></b>	<b><u>10,419</u></b>	<b><u>(3,568)</u></b>
<b><u>MISCELLANEOUS</u></b>				
<b>OTHER MISCELLANEOUS:</b>				
Contributions from Private Sources:				
Contributions to the City .....	48	48	61	13
Other:				
Other .....	--	75	596	521
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>48</u></b>	<b><u>123</u></b>	<b><u>657</u></b>	<b><u>534</u></b>
<b>TOTAL SPECIAL PROJECTS FUND REVENUES .....</b>	<b><u>\$ 9,010</u></b>	<b><u>\$ 14,110</u></b>	<b><u>\$ 11,076</u></b>	<b><u>\$ (3,034)</u></b>



CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 13,265	\$ 15,806
Receivables:		
Loans .....	4,144	4,703
Intergovernmental .....	33,595	23,144
Payroll advance .....	140	152
Due from other funds:		
Community Development Fund .....	2	8
Special Projects Fund .....	--	34
	<u>\$ 51,146</u>	<u>\$ 43,847</u>
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 2,556	\$ 1,312
Accrued payroll .....	209	183
Due to other funds:		
General Fund .....	20,959	20,925
Special Projects Fund .....	114	--
General Improvement Bond Fund .....	--	3
	<u>23,838</u>	<u>22,423</u>
Deferred Inflow:		
Deferred inflow .....	4,144	4,703
	<u>4,144</u>	<u>4,703</u>
Fund Balance:		
Restricted .....	23,164	16,721
	<u>23,164</u>	<u>16,721</u>
	<u>\$ 51,146</u>	<u>\$ 43,847</u>

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, 2014  
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Intergovernmental .....	\$ 46,163	\$ 72,036	\$ 61,898	\$ (10,138)
<b>Miscellaneous:</b>				
Interest .....	--	--	4	4
Other .....	--	--	787	787
<b>Total Revenues .....</b>	<b>46,163</b>	<b>72,036</b>	<b>62,689</b>	<b>(9,347)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Budget and Fiscal Services .....	407	407	10	397
Facility Maintenance .....	--	133	131	2
Information Technology .....	51	51	--	51
Planning and Permitting .....	--	2,189	2,189	--
Prosecuting Attorney .....	1,315	2,521	1,865	656
<b>Total General government .....</b>	<b>1,773</b>	<b>5,301</b>	<b>4,195</b>	<b>1,106</b>
<b>Public safety:</b>				
Emergency Management .....	119	8,008	5,674	2,334
Fire .....	--	235	121	114
Police .....	--	19,702	5,612	14,090
Transportation Services .....	60	581	453	128
<b>Total Public safety .....</b>	<b>179</b>	<b>28,526</b>	<b>11,860</b>	<b>16,666</b>
<b>Highways and streets:</b>				
Facility Maintenance .....	--	561	--	561
<b>Sanitation:</b>				
Environmental Services .....	210	250	39	211
<b>Human services:</b>				
Community Services .....	19,617	25,225	22,406	2,819
<b>Culture-recreation:</b>				
Parks and Recreation .....	213	213	173	40
<b>Utilities or other enterprises:</b>				
Transportation Services .....	21,957	22,360	22,004	356
<b>Total Expenditures .....</b>	<b>43,949</b>	<b>82,436</b>	<b>60,677</b>	<b>21,759</b>

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over (under) Expenditures .....	2,214	(10,400)	2,012	12,412
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	1,417	1,417
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ 2,214	\$ (10,400)	3,429	\$ 13,829
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			12,144	
Expenditures - prior year encumbrances .....			(7,713)	
Increase in reserved for encumbrances .....			(3,125)	
Unreserved - Undesignated Fund Balance - June 30 .....			4,735	
Reserved for Encumbrances - June 30 .....			18,429	
Fund Balance - June 30 (GAAP Basis) .....			\$ 23,164	

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS FUND**  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>				
<b>FEDERAL GRANTS:</b>				
Department of Agriculture .....	\$ 200	\$ 412	\$ 274	\$ (138)
Department of Commerce .....	--	52	39	(13)
Department of Education .....	13	13	571	558
Department of Health and Human Services .....	6,287	7,246	2,826	(4,420)
Department of Homeland Security .....	119	8,155	5,310	(2,845)
Department of Housing and Urban Development .....	8,328	15,740	10,885	(4,855)
Department of Justice .....	1,500	5,180	3,486	(1,694)
Department of Labor .....	7,489	7,489	4,983	(2,506)
Department of Transportation .....	22,017	24,631	31,419	6,788
Environmental Protection Agency .....	210	383	189	(194)
Office of National Drug Control Policy .....	--	2,735	1,916	(819)
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>46,163</u></b>	<b><u>72,036</u></b>	<b><u>61,898</u></b>	<b><u>(10,138)</u></b>
<b><u>MISCELLANEOUS</u></b>				
<b>INTEREST:</b>				
Interest Earnings:				
Investments .....	--	--	4	4
<b>OTHER MISCELLANEOUS:</b>				
Other:				
Other .....	--	--	787	787
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>791</u></b>	<b><u>791</u></b>
<b>TOTAL FEDERAL GRANTS FUND .....</b>	<b><u>\$ 46,163</u></b>	<b><u>\$ 72,036</u></b>	<b><u>\$ 62,689</u></b>	<b><u>\$ (9,347)</u></b>

CITY AND COUNTY OF HONOLULU  
HOUSING AND COMMUNITY DEVELOPMENT  
REHABILITATION LOAN FUND  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 6,105	\$ 5,841
Receivables:		
Loans .....	9,548	10,017
Total Assets .....	\$ 15,653	\$ 15,858
<u>LIABILITY, DEFERRED INFLOW AND FUND BALANCE</u>		
Liability:		
Accounts payable .....	\$ --	\$ 8
Total Liability .....	--	8
Deferred Inflow:		
Deferred inflow .....	9,548	10,017
Total Deferred Inflow .....	9,548	10,017
Fund Balance:		
Restricted .....	6,105	5,833
Total Fund Balance .....	6,105	5,833
Total Liability, Deferred Inflow and Fund Balance .....	\$ 15,653	\$ 15,858

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, 2014  
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous:			
Interest .....	\$ 1	\$ 2	\$ 1
Other .....	3,204	1,682	(1,522)
Total Revenues .....	3,205	1,684	(1,521)
Expenditure:			
Current:			
Human services:			
Community Services .....	3,205	1,683	1,522
Total Expenditure .....	3,205	1,683	1,522
Revenues over Expenditure .....	--	1	1
Unreserved - Undesignated Fund Balance - July 1 .....	--	(421)	(421)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$ --	(420)	\$ (420)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above .....		1,681	
Expenditures - prior year encumbrances .....		(1,410)	
Decrease in reserved for encumbrances .....		149	
Unreserved - Undesignated Fund Balance - June 30 .....		--	
Reserved for Encumbrances - June 30 .....		6,105	
Fund Balance - June 30 (GAAP Basis) .....		\$ 6,105	

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, 2014  
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
<b>INTEREST:</b>			
Interest Earnings:			
Investments .....	\$ 1	\$ 2	\$ 1
Total Interest .....	<u>1</u>	<u>2</u>	<u>1</u>
<b>OTHER MISCELLANEOUS:</b>			
Repayments of Department of Housing and Community Development Loans:			
Principal .....	3,112	1,624	(1,488)
Interest .....	90	56	(34)
Late Charge .....	<u>2</u>	<u>2</u>	<u>--</u>
Total Other Miscellaneous .....	<u>3,204</u>	<u>1,682</u>	<u>(1,522)</u>
<b>TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND REVENUES .....</b>	<b><u>\$ 3,205</u></b>	<b><u>\$ 1,684</u></b>	<b><u>\$ (1,521)</u></b>

CITY AND COUNTY OF HONOLULU  
**PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 960	\$ 959
Total Asset .....	\$ 960	\$ 959
 <u>FUND BALANCE</u>		
Fund Balance:		
Restricted .....	\$ 960	\$ 959
Total Fund Balance .....	\$ 960	\$ 959



CITY AND COUNTY OF HONOLULU  
**PAUAAHI PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest .....	\$       --	\$        1	\$        1
Total Revenue .....	--	1	1
Unreserved - Undesignated Fund Balance - July 1 .....	959	959	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$     959	960	\$     1
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 .....		960	
Reserved for Encumbrances - June 30 .....		--	
Fund Balance - June 30 (GAAP Basis) .....		\$     960	

CITY AND COUNTY OF HONOLULU  
**PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND**  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 (Amounts in thousands)

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

CITY AND COUNTY OF HONOLULU  
HOUSING AND COMMUNITY DEVELOPMENT  
SECTION 8 CONTRACT FUND  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<u>ASSETS</u>		
Cash and investments:		
With Treasury .....	\$ 7,376	\$ 6,531
Receivables:		
Accounts (net of allowance for uncollectibles) .....	73	59
Loans .....	3,648	3,648
Intergovernmental .....	131	108
Payroll advance .....	79	84
Total Assets .....	\$ 11,307	\$ 10,430
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable .....	\$ 112	\$ 101
Due to other funds:		
General Fund .....	107	128
Community Development Fund .....	--	2
Accrued payroll .....	100	87
Total Liabilities .....	319	318
Deferred Inflow:		
Deferred inflow .....	3,852	3,815
Total Deferred Inflow .....	3,852	3,815
Fund Balance:		
Restricted .....	7,136	6,297
Total Fund Balance .....	7,136	6,297
Total Liabilities, Deferred Inflow and Fund Balance .....	\$ 11,307	\$ 10,430

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, 2014  
(Amounts in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental .....	\$ 47,164	\$ 47,334	\$ 47,171	\$ (163)
Miscellaneous:				
Interest .....	--	--	34	34
Other .....	--	--	19	19
Total Revenues .....	<u>47,164</u>	<u>47,334</u>	<u>47,224</u>	<u>(110)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services .....	136	136	122	14
Human services:				
Community Services .....	<u>47,018</u>	<u>47,188</u>	<u>47,190</u>	<u>(2)</u>
Total Expenditures .....	<u>47,154</u>	<u>47,324</u>	<u>47,312</u>	<u>12</u>
Revenues over (under) Expenditures .....	10	10	(88)	(98)
Unreserved - Undesignated Fund Balance - July 1 .....	--	--	(261)	(261)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	<u>\$ 10</u>	<u>\$ 10</u>	(349)	<u>\$ (359)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above .....			2,619	
Expenditures - prior year encumbrances .....			(1,692)	
Increase in reserved for encumbrances .....			<u>(906)</u>	
Unreserved - Undesignated Fund Balance - June 30 .....			(328)	
Reserved for Encumbrances - June 30 .....			<u>7,464</u>	
Fund Balance - June 30 (GAAP Basis) .....			<u>\$ 7,136</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, 2014  
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<b><u>INTERGOVERNMENTAL</u></b>				
<b>FEDERAL GRANTS:</b>				
Section 8 Grants:				
Moderate Rehabilitation Program, (001) .....	\$ 125	\$ 125	\$ 204	\$ 79
Existing Housing Voucher Program .....	45,433	45,603	45,193	(410)
Mainstream Voucher .....	<u>1,606</u>	<u>1,606</u>	<u>1,774</u>	<u>168</u>
<b>TOTAL INTERGOVERNMENTAL .....</b>	<b><u>47,164</u></b>	<b><u>47,334</u></b>	<b><u>47,171</u></b>	<b><u>(163)</u></b>
<b><u>MISCELLANEOUS</u></b>				
<b>INTEREST:</b>				
Interest Earnings:				
Investments .....	--	--	2	2
Other Sources .....	<u>--</u>	<u>--</u>	<u>32</u>	<u>32</u>
<b>Total Interest .....</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>34</u></b>	<b><u>34</u></b>
<b>OTHER MISCELLANEOUS:</b>				
Other:				
Escheats .....	--	--	18	18
Sundry Refunds .....	<u>--</u>	<u>--</u>	<u>1</u>	<u>1</u>
<b>TOTAL MISCELLANEOUS .....</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>53</u></b>	<b><u>53</u></b>
<b>TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....</b>	<b><u>\$ 47,164</u></b>	<b><u>\$ 47,334</u></b>	<b><u>\$ 47,224</u></b>	<b><u>\$ (110)</u></b>

CITY AND COUNTY OF HONOLULU  
**LEASEHOLD CONVERSION FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<u>ASSET</u>		
Cash and investments:		
With Treasury .....	\$ 303	\$ 332
Total Asset .....	\$ 303	\$ 332
<u>DEFERRED INFLOW AND FUND BALANCE</u>		
Deferred Inflow:		
Deferred inflow .....	\$ 120	\$ 149
Total Deferred Inflow .....	120	149
Fund Balance:		
Committed .....	183	183
Total Fund Balance .....	183	183
Total Deferred Inflow and Fund Balance .....	\$ 303	\$ 332

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, 2014  
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other .....	\$       --	\$       14	\$       14
Total Revenue .....	--	14	14
Expenditure:			
Current:			
Human services:			
Community Services .....	16	14	2
Total Expenditure .....	16	14	2
Revenue over (under) Expenditure .....	(16)	--	16
Unreserved - Undesignated Fund Balance - July 1 .....	167	183	16
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) .....	\$    151	183	\$    32
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, 2014  
 (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 .....	\$           --	\$           14	\$           14
 TOTAL LEASEHOLD CONVERSION FUND REVENUE .....	 <u>\$           --</u>	 <u>\$           14</u>	 <u>\$           14</u>



CITY AND COUNTY OF HONOLULU  
 REVOLVING FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Totals	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>ASSET</u>				
Cash and investments:				
With Treasury .....	\$ 1,962	\$ 225	\$ 2,187	\$ 2,187
Total Asset .....	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 2,187</u>	<u>\$ 2,187</u>
 <u>FUND BALANCES</u>				
Fund Balances:				
Committed .....	\$ 1,962	\$ 225	\$ 2,187	\$ 2,187
Total Fund Balances .....	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 2,187</u>	<u>\$ 2,187</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, 2014  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
Expenditure:				
Current:				
General government .....	\$       --	\$       --	\$       --	\$     157
Total Expenditure .....	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>        157</u>
Fund Balances - July 1 .....	<u>      1,962</u>	<u>        225</u>	<u>      2,187</u>	<u>      2,344</u>
Fund Balances - June 30 .....	<u><u>      1,962</u></u>	<u><u>        225</u></u>	<u><u>      2,187</u></u>	<u><u>      2,187</u></u>

CITY AND COUNTY OF HONOLULU  
**GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND**  
 BALANCE SHEET  
 JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<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, 2014  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b>Expenditures:</b>		
Tax exempt commercial paper:		
Interest charges .....	\$ 419	\$ 452
Notes payable:		
Principal .....	211	205
Interest .....	77	85
General obligation bonds:		
Principal .....	114,866	87,238
Interest .....	97,195	96,954
Bond issuance costs .....	--	2,125
	<b>212,768</b>	<b>187,059</b>
<b>Other Financing Sources (Uses):</b>		
Issuance of refunding bonds .....	--	642,942
Bond premium .....	--	52,023
Bond discount .....	--	(71,391)
Transfers from other funds:		
General Fund - Principal .....	115,077	87,443
General Fund - Interest .....	97,691	97,491
Refunding of tax exempt commercial paper .....	--	(45,000)
Refunding of general obligation bonds .....	--	(576,449)
	<b>212,768</b>	<b>187,059</b>
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, 2014  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
 (Amounts in thousands)

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash and investments:		
With Treasury .....	\$ 171	\$ 189
Receivables:		
Special assessments - current .....	4	6
Special assessments - non-current .....	13	18
Total Assets .....	<u>\$ 188</u>	<u>\$ 213</u>
 <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured .....	\$ 4	\$ 4
Bonds payable - matured .....	5	5
Due to other fund:		
Capital Projects Fund .....	--	18
Total Liabilities .....	<u>9</u>	<u>27</u>
Deferred Inflow:		
Deferred inflow .....	13	18
Total Deferred Inflow .....	<u>13</u>	<u>18</u>
Fund Balance:		
Committed .....	<u>166</u>	<u>168</u>
Total Fund Balance .....	<u>166</u>	<u>168</u>
Total Liabilities, Deferred Inflow and Fund Balance .....	<u>\$ 188</u>	<u>\$ 213</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, 2014  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
Revenues:		
Special assessments .....	\$ 5	\$ 15
Miscellaneous:		
Interest .....	1	2
Total Revenues .....	6	17
Other Financing Use:		
Transfers to other fund:		
Capital Projects Fund .....	(8)	(18)
Revenues under Other Use .....	(2)	(1)
Fund Balances - July 1 .....	168	169
Fund Balances - June 30 .....	\$ 166	\$ 168

CITY AND COUNTY OF HONOLULU  
**GENERAL IMPROVEMENT BOND FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 21,534	\$ 57,695
Receivable:		
Payroll advance .....	18	18
Due from other fund:		
Federal Grants Fund .....	--	3
Total Assets .....	\$ 21,552	\$ 57,716
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 7,950	\$ 5,122
Accrued payroll .....	2	9
Due to other funds:		
General Fund .....	10,000	--
Sewer Fund .....	321	520
Total Liabilities .....	18,273	5,651
Fund Balance:		
Committed .....	3,279	52,065
Total Fund Balance .....	3,279	52,065
Total Liabilities and Fund Balance .....	\$ 21,552	\$ 57,716

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, 2014  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
Expenditures:		
Current:		
General government .....	\$ 1,161	\$ --
Public safety .....	1,019	--
Highways and streets .....	10	--
Culture-recreation .....	1,625	--
Capital outlay:		
General government .....	12,640	9,222
Public safety .....	23,232	15,741
Highways and streets .....	39	83
Sanitation .....	(95)	95
Culture-recreation .....	20,307	17,308
Total Expenditures .....	<u>59,938</u>	<u>42,449</u>
Revenue under Expenditures .....	<u>(59,938)</u>	<u>(42,449)</u>
Other Financing Sources:		
Issuance of tax exempt commercial paper .....	--	15,000
Issuance of general obligation bonds .....	11,152	68,018
Bond premium .....	--	11,988
Total Other Financing Source .....	<u>11,152</u>	<u>95,006</u>
Revenue and Other Sources over (under) Expenditures .....	<u>(48,786)</u>	<u>52,557</u>
Fund Balance - July 1 .....	<u>52,065</u>	<u>(492)</u>
Fund Balance - June 30 .....	<u>\$ 3,279</u>	<u>\$ 52,065</u>



CITY AND COUNTY OF HONOLULU  
**HIGHWAY IMPROVEMENT BOND FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSET</u></b>		
Cash and investments:		
With Treasury .....	\$ 53,834	\$ 86,300
Total Asset .....	\$ 53,834	\$ 86,300
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 30,657	\$ 18,565
Due to other fund:		
General Fund .....	90,000	--
Accrued payroll .....	13	7
Total Liabilities .....	120,670	18,572
Fund Balance:		
Committed .....	--	67,728
Unassigned .....	(66,836)	--
Total Fund Balance .....	(66,836)	67,728
Total Liabilities and Fund Balance .....	\$ 53,834	\$ 86,300

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, 2014  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b>Expenditures:</b>		
<b>Current:</b>		
Public safety .....	\$ 387	\$ --
Highways and streets .....	2,546	--
Utilities or other enterprises .....	4,364	--
<b>Capital outlay:</b>		
General government .....	2,068	6,685
Public safety .....	2,689	4,708
Highways and streets .....	121,907	83,536
Utilities or other enterprises .....	603	11,511
<b>Total Expenditures .....</b>	<b>134,564</b>	<b>106,440</b>
Revenue under Expenditures .....	(134,564)	(106,440)
<b>Other Financing Sources:</b>		
Issuance of tax exempt commercial paper .....	--	30,000
Issuance of general obligation bonds .....	--	123,278
Bond premium .....	--	21,726
<b>Total Other Financing Sources .....</b>	<b>--</b>	<b>175,004</b>
Revenue and Other Sources over (under) Expenditures .....	(134,564)	68,564
Fund Balance - July 1 .....	67,728	(836)
Fund Balance - June 30 .....	\$ (66,836)	\$ 67,728

CITY AND COUNTY OF HONOLULU  
**FEDERAL GRANTS CAPITAL PROJECTS FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 9,110	\$ 8,421
Receivables:		
Accounts .....	175	--
Loans (net of allowance for uncollectibles) .....	56,086	54,389
Intergovernmental .....	5,482	11,695
Total Assets .....	\$ 70,853	\$ 74,505
<b><u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 2,613	\$ 6,685
Due to other funds:		
General Fund .....	2	--
Community Development Fund .....	1	48
Total Liabilities .....	2,616	6,733
Deferred Inflow:		
Deferred inflow .....	56,086	54,389
Total Deferred Inflow .....	56,086	54,389
Fund Balance:		
Restricted .....	12,151	13,383
Total Fund Balance .....	12,151	13,383
Total Liabilities, Deferred Inflow and Fund Balance .....	\$ 70,853	\$ 74,505

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, 2014  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
<b>Revenue:</b>		
Intergovernmental .....	\$ 26,694	\$ 45,457
Total Revenue .....	26,694	45,457
<b>Expenditures:</b>		
<b>Current:</b>		
Highways and streets .....	671	--
Sanitation .....	27	--
Human services .....	3,339	--
Culture-recreation .....	584	--
Utilities or other enterprises .....	8,793	--
<b>Capital outlay:</b>		
General government .....	--	501
Public safety .....	5,436	9,240
Highways and streets .....	7,227	7,588
Human services .....	--	4,356
Culture-recreation .....	--	82
Utilities or other enterprises .....	1,849	19,754
Total Expenditures .....	27,926	41,521
Revenue over (under) Expenditures .....	(1,232)	3,936
Fund Balance - July 1 .....	13,383	9,447
Fund Balance - June 30 .....	\$ 12,151	\$ 13,383

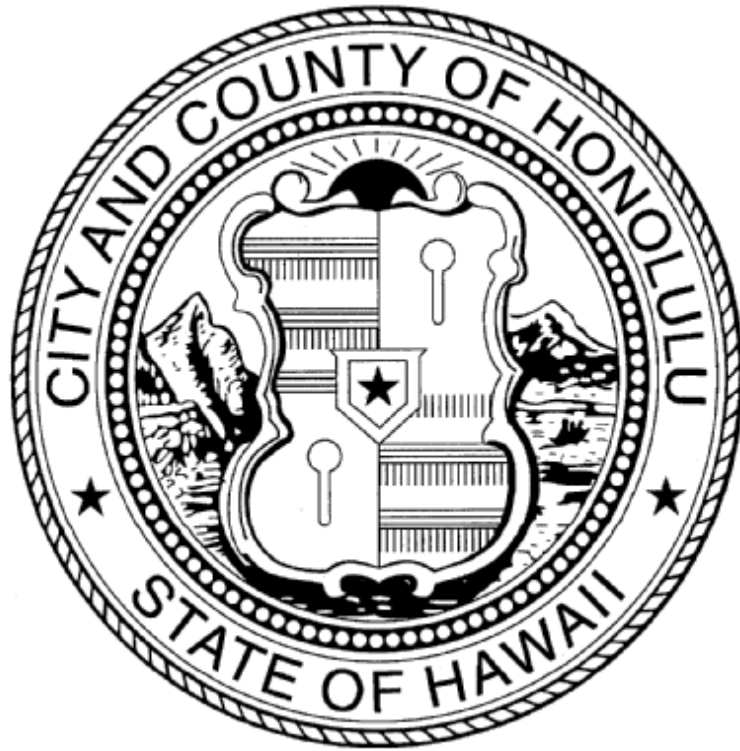
CITY AND COUNTY OF HONOLULU  
**CAPITAL PROJECTS FUND**  
BALANCE SHEET  
JUNE 30, 2014  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2013  
(Amounts in thousands)

	2014	2013
<b><u>ASSETS</u></b>		
Cash and investments:		
With Treasury .....	\$ 14,903	\$ 14,697
Receivable:		
Other .....	271	--
Due from other fund:		
Improvement District Bond and Interest Redemption Fund .....	--	18
Total Assets .....	\$ 15,174	\$ 14,715
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities:		
Accounts payable .....	\$ 287	\$ 154
Due to other funds:		
Bikeway Fund .....	20	30
Parks and Playground Fund .....	17	--
Total Liabilities .....	324	184
Fund Balance:		
Restricted .....	14,850	14,531
Total Fund Balance .....	14,850	14,531
Total Liabilities and Fund Balance .....	\$ 15,174	\$ 14,715

CITY AND COUNTY OF HONOLULU  
**CAPITAL PROJECTS FUND**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Amounts in thousands)

	2014	2013
Revenue:		
Miscellaneous:		
Other .....	\$ 2,078	\$ 53
Total Revenue .....	2,078	53
Expenditures:		
Current:		
Highways and streets .....	9	--
Culture-recreation .....	610	--
Capital outlay:		
Public safety .....	--	153
Highways and streets .....	1,055	48
Culture-recreation .....	56	50
Total Expenditures .....	1,730	251
Revenue over (under) Expenditures .....	348	(198)
Other Financing Source (Uses):		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund .....	8	18
Transfers to other funds:		
Bikeway Fund .....	(20)	(30)
Parks and Playgrounds Fund .....	(17)	--
Total Other Financing Source (Uses) .....	(29)	(12)
Revenue and Other Source over (under) Expenditures and Other Uses .....	319	(210)
Fund Balance - July 1 .....	14,531	14,741
Fund Balance - June 30 .....	\$ 14,850	\$ 14,531

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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.

<b>CONTENTS:</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	223
<p>Tables 1 to 4 contain trend information to help the reader understand how the financial performance and well-being of the City have changed over time.</p>	
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TABLE 1  
CITY AND COUNTY OF HONOLULU  
NET POSITION BY COMPONENT  
FISCAL YEARS 2005 - 2014  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	2014	2013 (a)	2012 (a)	2011	2010	2009	2008	2007	2006	2005
<b>Governmental activities</b>										
Net investment in capital assets	\$ 208,205	\$ 101,107	\$ 118,289	\$ 500,169	\$ 389,308	\$ 214,214	\$ 165,257	\$ 113,778	\$ 151,597	\$ 155,932
Restricted	13	168	169	170	173	969	976	1,085	1,052	1,053
Unrestricted	21,467	145,412	69,474	551,180	523,206	474,354	399,180	233,339	97,865	95,024
<b>Total governmental activities net position</b>	<b>229,685</b>	<b>246,687</b>	<b>187,932</b>	<b>1,051,519</b>	<b>912,687</b>	<b>689,537</b>	<b>565,413</b>	<b>348,202</b>	<b>250,514</b>	<b>252,009</b>
<b>Business-type activities</b>										
Net investment in capital assets	900,120	837,381	808,975	725,532	690,697	714,543	681,690	711,150	694,775	759,186
Restricted	178,187	177,890	171,010	158,662	144,307	131,469	84,981	59,409	35,425	26,882
Unrestricted	620,571	579,850	513,990	408,635	295,240	145,665	76,007	16,751	549	(62,557)
<b>Total business-type activities net position</b>	<b>1,698,878</b>	<b>1,595,121</b>	<b>1,493,975</b>	<b>1,292,829</b>	<b>1,130,244</b>	<b>991,677</b>	<b>842,678</b>	<b>787,310</b>	<b>730,749</b>	<b>723,511</b>
<b>Primary government</b>										
Net investment in capital assets	1,108,325	938,488	927,264	1,225,701	1,080,005	928,757	846,947	824,928	846,372	915,118
Restricted	178,200	178,058	171,179	158,832	144,480	132,438	85,957	60,494	36,477	27,935
Unrestricted	642,038	725,262	583,464	959,815	818,446	620,019	475,187	250,090	98,414	32,467
<b>Total primary government net position</b>	<b>\$ 1,928,563</b>	<b>\$ 1,841,808</b>	<b>\$ 1,681,907</b>	<b>\$ 2,344,348</b>	<b>\$ 2,042,931</b>	<b>\$ 1,681,214</b>	<b>\$ 1,408,091</b>	<b>\$ 1,135,512</b>	<b>\$ 981,263</b>	<b>\$ 975,520</b>

Notes:

(a) The restatements disclosed in the Notes to the Financial Statements 1 and 11 are not reflected in the above table for 2013 and 2012.

TABLE 2  
CITY AND COUNTY OF HONOLULU  
CHANGES IN NET POSITION  
FISCAL YEARS 2005-2014  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	2014	2013 (a)	2012 (a)	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 482,303	\$ 468,295	\$ 497,328	\$ 455,874	\$ 392,893	\$ 444,701	\$ 371,354	\$ 314,667	\$ 319,455	\$ 276,458
Public safety.....	418,904	393,224	407,275	390,780	374,791	372,843	354,427	337,052	300,245	302,231
Highways and streets.....	47,620	38,683	100,883	46,315	30,418	51,916	16,095	39,126	35,795	23,263
Sanitation.....	3,773	4,298	4,451	5,292	3,244	5,130	5,758	6,742	3,125	902
Human services.....	91,546	82,806	94,213	80,647	95,437	83,647	82,966	73,725	79,880	75,943
Culture and recreation.....	108,128	106,457	124,939	91,944	106,081	110,390	96,299	95,655	86,197	81,447
Utilities or other enterprises.....	35,876	84,856	38,847	79,969	52,700	52,166	75,506	68,406	33,579	65,974
Interest.....	85,774	76,914	93,079	91,583	88,959	83,048	84,670	79,176	81,454	65,525
Total governmental activities expenses	1,273,924	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
Business-type activities:										
Housing.....	15,928	11,728	12,221	14,481	13,220	13,711	13,841	12,905	12,296	10,418
Sewer.....	276,958	260,806	237,673	209,625	197,643	178,944	194,061	157,724	140,242	131,452
Solid Waste.....	190,254	166,160	166,078	163,534	159,187	154,158	170,781	153,736	145,181	138,443
Public Transportation.....	238,832	239,351	226,614	221,211	209,847	209,645	198,823	184,304	175,347	162,429
Total business-type activities expenses	721,972	678,045	642,586	608,851	579,897	556,458	577,506	508,669	473,066	442,742
Total primary government expenses	\$ 1,995,896	\$ 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
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government.....	\$ 194,435	\$ 194,451	\$ 191,634	\$ 165,620	\$ 139,925	\$ 130,688	\$ 128,620	\$ 135,587	\$ 113,459	\$ 98,217
Public safety.....	41,761	39,729	40,188	38,582	40,089	42,163	37,772	35,663	30,502	31,017
Highways and streets.....	1,541	347	1,077	2,205	2,447	2,738	599	2,149	2,152	2,236
Sanitation.....	10	49	51	161	21	47	48	77	14	36
Human services.....	837	405	503	1,008	180	1,064	719	636	442	2,010
Culture and recreation.....	30,586	29,100	28,730	25,803	26,714	22,318	23,879	22,128	21,646	21,698
Utilities.....	1,066	863	946	201	17	--	--	--	--	--
Operating grants and contributions.....	150,414	116,412	122,066	111,419	123,389	118,970	106,930	104,397	100,838	106,383
Capital grants and contributions.....	13,493	54,201	55,393	64,988	48,461	38,292	48,736	50,078	35,200	19,723
Total governmental activities program revenues	434,143	435,557	440,588	409,987	381,243	356,280	347,303	350,715	304,253	281,320
Business-type activities:										
Charges for services:										
Housing.....	22,146	10,434	10,628	9,483	10,275	9,766	9,694	8,306	8,367	8,092
Sewer.....	395,333	377,970	378,199	347,038	308,407	251,953	225,104	165,914	151,200	118,893
Solid Waste.....	126,305	118,658	118,943	108,402	97,351	145,507	108,323	107,682	100,452	96,021
Public Transportation.....	57,187	57,049	56,796	53,657	47,638	44,245	43,767	43,598	43,502	41,958
Operating grants and contributions.....	21,525	27,279	21,026	21,441	21,017	21,108	21,674	17,840	23,516	27,630
Capital grants and contributions.....	14,810	26,894	58,643	33,067	32,329	25,307	18,514	32,704	4,255	18,461
Total business-type activities program revenues	637,306	618,284	644,235	573,088	517,017	497,886	427,076	376,044	331,292	311,055
Total primary government program revenues	\$ 1,071,449	\$ 1,053,841	\$ 1,084,823	\$ 983,075	\$ 898,260	\$ 854,166	\$ 774,379	\$ 726,759	\$ 635,545	\$ 592,375
<b>Net Revenue (Expense)</b>										
Governmental activities.....	\$ (839,781)	\$ (819,976)	\$ (920,427)	\$ (832,417)	\$ (763,280)	\$ (847,561)	\$ (739,772)	\$ (663,834)	\$ (635,477)	\$ (610,423)
Business-type activities.....	(84,666)	(59,761)	1,649	(35,763)	(62,880)	(58,572)	(150,430)	(132,625)	(141,774)	(131,687)
Total primary government net expense	\$ (924,447)	\$ (879,737)	\$ (918,778)	\$ (868,180)	\$ (826,160)	\$ (906,133)	\$ (890,202)	\$ (796,459)	\$ (777,251)	\$ (742,110)
<b>General Revenues and Other Changes In Net Position</b>										
Governmental activities:										
General revenues:										
Property taxes.....	\$ 849,401	\$ 825,518	\$ 799,260	\$ 804,311	\$ 853,426	\$ 802,571	\$ 775,971	\$ 685,868	\$ 595,041	\$ 497,935
Public service company tax.....	53,108	52,444	47,842	37,999	49,393	49,596	35,823	37,640	29,815	29,665
Fuel tax.....	51,424	53,825	49,220	52,298	47,639	50,316	50,633	52,221	52,385	51,354
Public utility franchise tax.....	55,259	57,514	60,475	44,801	34,312	54,804	36,239	38,356	33,450	28,382
Investment earnings.....	553	539	336	492	457	7,170	21,269	19,676	11,621	4,194
Unrestricted grants and contributions.....	41,060	41,062	41,042	224,506	197,519	202,598	216,274	92,884	43,269	39,402
Harbor Court lease to fee conversion.....	--	--	--	--	--	--	--	--	--	33,271
Other.....	5,526	7,095	6,287	3,960	4,053	3,162	2,362	2,329	3,940	7,627
Special Item:										
Contribution to component unit.....	--	--	(749,306)	--	--	--	--	--	--	--
Transfers.....	(219,158)	(159,266)	(198,316)	(197,118)	(200,369)	(198,532)	(181,588)	(167,452)	(135,539)	(126,374)
Total governmental activities	837,173	878,731	56,840	971,249	986,430	971,685	956,983	761,522	633,982	565,456
Business-type activities:										
General revenues:										
Investment earnings.....	1,430	1,641	1,181	1,230	1,078	9,039	24,210	21,734	13,473	10,551
Transfers.....	219,158	159,266	198,316	197,118	200,369	198,532	181,588	167,452	135,539	126,374
Total business-type activities	220,588	160,907	199,497	198,348	201,447	207,571	205,798	189,186	149,012	136,925
Total primary government	\$ 1,057,761	\$ 1,039,638	\$ 256,337	\$ 1,169,597	\$ 1,187,877	\$ 1,179,256	\$ 1,162,781	\$ 950,708	\$ 782,994	\$ 702,381
<b>Changes In Net Position</b>										
Governmental activities:										
Prior period adjustments:										
General government.....	(13,247)	--	--	--	--	--	--	--	--	--
Highways and streets.....	(1,052)	--	--	--	--	--	--	--	--	--
Other governmental.....	(95)	--	--	--	--	--	--	--	--	--
Total governmental activities	(17,002)	58,755	(863,587)	138,832	223,150	124,124	217,211	97,688	(1,495)	(44,967)
Business-type activities:										
Prior period adjustments:										
Housing.....	(158)	--	--	--	--	--	--	--	--	--
Sewer.....	(29,354)	--	--	--	--	--	--	--	--	--
Solid Waste.....	(2,653)	--	--	--	--	--	--	--	--	--
Total business-type activities	103,757	101,146	201,146	162,585	138,567	148,999	55,368	56,561	7,238	5,238
Total primary government changes in net position	\$ 86,755	\$ 159,901	\$ (662,441)	\$ 301,417	\$ 361,717	\$ 273,123	\$ 272,579	\$ 154,249	\$ 5,743	\$ (39,729)

Notes:  
(a) The restatements disclosed in the Notes to the Financial Statements 1 and 11 are not reflected in the above table for 2013 and 2012.

TABLE 3  
CITY AND COUNTY OF HONOLULU  
FUND BALANCES, GOVERNMENTAL FUNDS  
FISCAL YEARS 2005 - 2014  
(Modified accrual basis of accounting)  
(Amounts in thousands)  
(Unaudited)

	Post-GASB 54 Fiscal Year				
	2014	2013 (a)	2012 (a)	2011	2010
<b>General Fund</b>					
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ 25
Restricted					
Committed	68,401	50,256	32,601	32,596	82,697
Assigned	54,880	55,384	58,215	51,961	45,965
Unassigned	185,568	228,382	159,042	158,668	104,053
Total General Fund	<u>\$ 308,849</u>	<u>\$ 334,022</u>	<u>\$ 249,858</u>	<u>\$ 243,225</u>	<u>\$ 232,740</u>
<b>All other Governmental Funds</b>					
Restricted	\$ 182,159	\$ 165,373	\$ 161,708	\$ 136,708	\$ 115,936
Committed	16,662	138,158	18,752	482,563	413,640
Unassigned	(66,836)		(1,611)	(4,855)	--
Total all other Governmental Funds	<u>\$ 131,985</u>	<u>\$ 303,531</u>	<u>\$ 178,849</u>	<u>\$ 614,416</u>	<u>\$ 529,576</u>
<b>Note:</b> 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 - 2014 for comparison purposes.					
	Pre-GASB 54 Fiscal Year				
	2010	2009	2008	2007	2006
<b>General Fund</b>					
Reserved	\$ 45,965	\$ 48,868	\$ 58,794	\$ 27,767	\$ 22,004
Unreserved	104,053	67,824	107,281	128,035	76,604
Total General Fund	<u>150,018</u>	<u>116,692</u>	<u>166,075</u>	<u>155,802</u>	<u>98,608</u>
<b>All Other Governmental Funds</b>					
Reserved	1,980,381	991,499	721,374	594,951	543,455
Unreserved, reported in:					
Special revenue funds	122,166	112,164	89,692	45,054	28,815
Capital projects funds	(1,490,249)	(462,557)	(368,382)	(450,520)	(410,417)
Total all other Governmental Funds	<u>612,298</u>	<u>641,106</u>	<u>442,684</u>	<u>189,485</u>	<u>161,853</u>
TOTAL FUND BALANCES	<u>\$ 762,316</u>	<u>\$ 757,798</u>	<u>\$ 608,759</u>	<u>\$ 345,287</u>	<u>\$ 260,461</u>

Notes:

(a) The restatements disclosed in the Notes to the Financial Statements 1 and 11 are not reflected in the above table for 2013 and 2012.

TABLE 4  
CITY AND COUNTY OF HONOLULU  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
FISCAL YEARS 2005 - 2014  
(Modified accrual basis of accounting)  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	2014	2013 (b)	2012 (b)	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Taxes.....	\$ 1,011,072	\$ 994,105	\$ 964,167	\$ 934,557	\$ 986,828	\$ 952,531	\$ 891,982	\$ 815,284	\$ 705,557	\$ 607,541
Special assessments.....	5	15	17	8	18	17	28	354	387	419
Licenses and permits.....	173,233	166,135	161,492	151,581	126,208	112,397	115,657	120,802	100,938	86,649
Intergovernmental.....	201,624	205,496	233,499	395,316	362,399	355,530	358,552	238,926	169,515	159,612
Charges for services.....	33,150	31,813	30,679	28,007	27,714	23,924	23,766	24,754	23,991	24,346
Fines and forfeits.....	927	831	541	766	755	932	1,183	868	698	391
Miscellaneous:										
Reimbursements and recoveries.....	46,282	44,420	46,801	42,136	41,397	96,435	88,731	87,113	78,993	86,776
Interest.....	596	612	394	935	855	13,291	24,638	20,959	12,506	4,620
Other.....	30,033	28,133	30,790	37,064	26,029	29,576	23,065	27,403	28,854	24,981
<b>Total Revenues.....</b>	<b>1,496,922</b>	<b>1,471,560</b>	<b>1,468,380</b>	<b>1,590,370</b>	<b>1,572,203</b>	<b>1,584,633</b>	<b>1,527,602</b>	<b>1,336,463</b>	<b>1,121,439</b>	<b>995,335</b>
<b>Expenditures:</b>										
Current:										
General government.....	167,707	155,304	155,044	149,994	159,713	163,280	153,759	141,459	129,387	122,306
Public safety.....	390,443	371,294	386,145	371,627	357,148	359,277	329,108	306,161	287,592	277,867
Highways and streets.....	22,658	18,696	17,336	16,781	21,774	28,271	24,066	21,000	17,114	15,731
Sanitation.....	3,907	4,203	4,514	3,863	2,959	4,828	5,537	2,674	1,251	734
Human services.....	92,127	74,089	72,544	71,606	78,391	73,401	65,144	60,883	57,673	55,877
Culture and recreation.....	86,537	82,664	79,547	73,087	81,859	87,888	82,328	71,084	68,285	62,971
Utilities or other enterprises.....	37,329	29,380	23,201	27,758	27,122	28,857	27,818	22,917	23,330	29,645
Miscellaneous:										
Retirement and health benefits.....	220,876	190,466	214,895	194,338	182,644	208,354	140,461	137,615	134,657	120,111
Other.....	29,687	61,228	27,146	23,792	23,806	27,493	21,226	22,832	18,765	17,481
Capital Outlay:										
General government.....	16,224	17,912	21,810	18,894	23,853	36,247	39,784	25,869	17,290	18,263
Public safety.....	34,725	29,956	34,070	28,966	20,987	25,903	21,035	25,824	25,473	17,833
Highways and streets.....	130,613	91,720	68,636	65,534	89,857	55,985	48,871	45,163	45,963	62,237
Sanitation.....	(95)	95	--	827	121	302	235	4,068	1,874	196
Human services.....	--	8,980	21,991	10,645	14,906	11,591	18,214	12,978	22,655	19,142
Culture-recreation.....	22,564	21,956	22,869	24,703	19,090	22,038	21,576	27,477	29,050	44,277
Utilities or other enterprises.....	2,452	31,265	49,337	181,012	127,681	73,597	47,695	45,622	10,297	36,350
Debt service:										
Principal.....	115,925	88,276	84,906	89,615	93,015	122,273	260,680	102,794	249,164	272,856
Interest.....	97,765	97,580	99,713	95,549	93,225	104,980	100,362	103,869	89,630	83,825
Bond issuance costs.....	--	2,125	--	--	--	--	--	--	--	--
<b>Total Expenditures.....</b>	<b>1,471,444</b>	<b>1,377,189</b>	<b>1,383,704</b>	<b>1,448,591</b>	<b>1,418,151</b>	<b>1,434,565</b>	<b>1,407,899</b>	<b>1,180,289</b>	<b>1,229,450</b>	<b>1,257,702</b>
Revenues over (under) Expenditures.....	25,478	94,371	84,676	141,779	154,052	150,068	119,703	156,174	(108,011)	(262,367)
<b>Other Financing Sources (Uses):</b>										
Issuance of general obligation bonds.....	11,152	191,296	131,206	100,734	30,254	150,089	109,000	--	--	165,313
Issuance of tax exempt commercial paper (TECP).....	--	45,000	--	50,000	20,000	45,000	75,000	94,000	168,022	165,800
Capital leases.....	--	--	1,302	--	--	189	865	1,674	--	--
Issuance of long-term notes.....	--	--	--	--	--	--	--	--	--	--
Issuance of refunding bonds.....	--	642,942	149,328	50,366	61,192	350,749	132,826	--	387,324	145,077
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)
Sales of capital assets.....	203	1,606	181	660	581	661	362	430	640	36,369
Transfers in.....	371,055	340,224	320,463	495,790	477,351	573,642	559,299	377,590	268,137	254,927
Transfers out.....	(590,213)	(499,490)	(518,779)	(692,908)	(677,720)	(772,174)	(740,887)	(545,042)	(403,676)	(381,301)
<b>Total Other Financing Sources (Uses).....</b>	<b>(207,803)</b>	<b>114,475</b>	<b>(66,326)</b>	<b>(46,454)</b>	<b>(149,534)</b>	<b>(1,029)</b>	<b>143,769</b>	<b>(71,348)</b>	<b>194,386</b>	<b>267,595</b>
<b>Special Item:</b>										
Contribution to component unit.....	--	--	(447,284)	--	--	--	--	--	--	--
<b>Net change in fund balances.....</b>	<b>\$ (182,325)</b>	<b>\$ 208,846</b>	<b>\$ (428,934)</b>	<b>\$ 95,325</b>	<b>\$ 4,518</b>	<b>\$ 149,039</b>	<b>\$ 263,472</b>	<b>\$ 84,826</b>	<b>\$ 86,375</b>	<b>\$ 5,228</b>
<b>Debt service as a percentage of noncapital expenditures (a).....</b>										
	16.9%	16.0%	15.8%	16.6%	16.6%	18.8%	29.8%	20.8%	31.5%	33.7%

(a) The ratio for total debt service expenditures to noncapital expenditures is calculated based on the capital outlay used to match the statement of revenues, expenditures, and changes in fund balances.  
(b) The restatements disclosed in the Notes to the Financial Statements 1 and 11 are not reflected in the above tables for 2013 and 2012.

TABLE 5  
CITY AND COUNTY OF HONOLULU  
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES  
FISCAL YEARS 2005 - 2014  
(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
2014	Residential .....	\$ 3.50	\$ 127,060,389
	Hotel/Resort .....	12.40	7,848,202
	Commercial .....	12.40	14,696,801
	Industrial .....	12.40	8,005,590
	Agricultural .....	5.70	932,333
	Vacant Agricultural .....	8.50	92,805
	Preservation.....	5.70	457,307
	Public Service.....	0.00	<u>2,300</u>
	Total .....		<u>\$ 159,095,727</u>
	Fiscal year 2014 total direct tax rate	\$ 5.23	
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	\$ 5.21 (b)	
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	

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.  
(b) Revised from previous CAFR

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 2005 - 2014  
(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
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	
2008	Improved Residential .....	\$ 3.29	\$ 100,858,035
	Unimproved Residential .....	5.70	431,258
	Apartment .....	3.29	38,352,746
	Hotel/Resort .....	12.40	6,872,417
	Commercial .....	12.40	12,282,509
	Industrial .....	12.40	6,711,928
	Agricultural .....	5.70	1,054,884
	Vacant Agricultural .....	8.50	111,524
Preservation.....	5.70	<u>349,430</u>	
Total .....		<u>\$ 167,024,731</u>	
	Fiscal year 2008 total direct tax rate	\$ 4.73	
2007	Improved Residential .....	\$ 3.59	\$ 89,283,029
	Unimproved Residential .....	5.72	754,815
	Apartment .....	3.59	32,642,928
	Hotel/Resort .....	11.97	5,787,719
	Commercial .....	11.97	10,814,805
	Industrial .....	11.97	5,513,282
	Agricultural .....	8.57	875,793
	Vacant Agricultural .....	8.57	38,547
	Preservation.....	9.57	365,292
	Public Service.....	0.00	<u>(1,300)</u>
Total .....		<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	<u>(10)</u>
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	<u>15,114</u>
	Total .....		<u>\$ 92,421,382</u>
	Fiscal year 2004 total direct tax rate	\$ 5.37	

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 2005 - 2014  
(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
2014	\$ 850,176		(3,960)	\$ 846,216	99.1 %	\$ 838,733	99.1 %	-	\$ 838,733	99.1 %
2013	824,798		(2,522)	822,276	99.0	813,704 (b)	99.0	4,046	817,750	99.4
2012	811,505		(2,983)	808,522	99.0	800,424 (b)	99.0	9,331	809,755	100.2
2011	812,604		(8,572)	804,032	98.9	795,313 (b)	98.9	9,664	804,977	100.1
2010	853,767		(4,747)	849,020	99.0	840,209 (b)	99.0	6,982	847,191	99.8
2009	798,703		(683)	798,020	98.8	788,301 (b)	98.8	8,205	796,506	99.8
2008	777,151		(3,711)	773,440	99.0	765,885 (b)	99.0	5,166	771,051	99.7
2007	703,777		(5,500)	698,277	99.2	692,420 (b)	99.2	3,658	696,078	99.7
2006	590,398		(1,079)	589,319	98.7	581,439 (b)	98.7	2,828	584,267	99.1
2005	511,011		(10,477)	500,534	99.1	496,229 (b)	99.1	2,000	498,229	99.5

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 2005 - 2014  
(Amounts in thousands, except per capita)  
(Unaudited)

Fiscal Year	Primary Government											Total	Percentage of Personal Income (a)	Per Capita (a)
	Governmental Activities					Business-Type Activities								
	General Obligation Bonds	Tax Exempt Commercial Paper	Special Assessment Bonds	Notes Payable	Capital Lease	General Obligation Bonds	Revenue Bonds	Tax Exempt Commercial Paper	Notes Payable	Commercial Paper	Notes Payable			
2014	\$ 2,164,048 (e)	\$ --	\$ --	\$ 2,476	\$ 718	\$ 587,947 (e)	\$ 1,757,422 (e)	\$ --	\$ 245,345	\$ 4,757,956	10.04 % (b)	\$ 4,838 (d)		
2013	2,282,756 (e)	--	--	2,997	1,256	618,713 (e)	1,800,072 (e)	--	221,131	4,926,925	10.40 (b)	5,010 (c)		
2012	2,058,766 (e)	--	--	3,497	1,795	601,245 (e)	1,664,206 (e)	--	222,509	4,552,018	9.61 (c)	4,669 (c)		
2011	2,009,038 (e)	--	--	3,976	1,032	599,909 (e)	1,513,751 (e)	--	200,392	4,328,098	9.48 (c)	4,482 (c)		
2010	1,956,660 (e)	--	--	4,436	1,032	405,784 (e)	1,324,666 (e)	--	193,103	3,865,681	8.99 (c)	4,064 (c)		
2009	2,006,567 (e)	--	--	4,878	1,602	279,848 (e)	1,222,519	--	157,310	3,672,724	8.67 (c)	3,894 (c)		
2008	1,810,946 (e)	76,863	--	5,302	1,898	254,172 (e)	1,230,245	837	114,847	3,495,110	8.42 (c)	3,743 (c)		
2007	1,651,870 (e)	144,063	--	5,709	1,497	257,605 (e)	1,055,613	17,837	112,746	3,246,940	8.19 (c)	3,509 (c)		
2006	1,723,608 (e)	52,763	290	6,100	--	297,384 (e)	838,168	11,837	68,338	2,998,488	8.00 (c)	3,235 (c)		
2005	1,630,634 (e)	37,942	645	6,476	--	332,674 (e)	679,367	11,858	74,123	2,773,719	7.92 (c)	3,021 (c)		

NOTES:

- (a) See TABLE 12 for personal income and population data.
- (b) 2014 and 2013 Personal Income is not available. 2012 Personal Income was used instead.
- (c) Revised from previous CAFR.
- (d) 2014 Population is not available. 2013 Population was used instead.
- (e) The amount of obligations for governmental and business-type activities include unamortized bond discount and unamortized bond premium. The amount of obligations for both activities from fiscal years 2005 to 2013 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 2005 - 2014  
(Amounts in thousands, except per capita)  
(Unaudited)

Fiscal Year	General Obligation Bonds (d)	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2014	\$ 2,751,994	1.73 %	\$ 2,798 (c)
2013	2,901,469	1.87	2,950
2012	2,660,011	1.73	2,728
2011	2,608,947	1.70	2,702
2010	2,362,444	1.43	2,471
2009	2,286,415	1.37	2,424
2008	2,065,118	1.24	2,212
2007	1,909,475	1.31	2,064
2006	2,020,992	1.77	2,180
2005	1,963,308	2.12	2,138

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2014 Population not available. 2013 Population was used instead.

(d) The amount of obligations include unamortized bond discount and unamortized bond premium. The amount of obligations from fiscal years 2005 to 2013 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 2005 - 2014  
(Amounts in thousands)  
(Unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limit (a)	\$ 23,864,359	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
Debt applicable to limit	<u>2,060,876</u>	<u>2,165,157</u>	<u>1,995,105</u>	<u>1,962,761</u>	<u>1,901,277</u>	<u>1,946,593</u>	<u>1,840,700</u>	<u>1,748,261</u>	<u>1,721,099</u>	<u>1,623,635</u>
Legal debt margin (b)	\$ <u>21,803,483</u>	<u>21,134,906</u>	<u>21,043,788</u>	\$ <u>21,003,605</u>	\$ <u>22,966,035</u>	\$ <u>23,004,102</u>	\$ <u>23,213,010</u>	\$ <u>20,162,976</u>	\$ <u>15,394,333</u>	\$ <u>12,239,557</u>
Debt applicable to the limit as a percentage of debt limit	8.64%	9.29%	8.66%	8.55%	7.65%	7.80%	7.35%	7.98%	10.06%	11.71%

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 2014

Net assessed value	<u>\$ 159,095,727</u>
Debt limit (15% of assessed value)	23,864,359
Debt applicable to limit	<u>2,060,876</u>
Legal debt margin	<u>\$ 21,803,483</u>

TABLE 11  
CITY AND COUNTY OF HONOLULU  
PLEGGED REVENUE COVERAGE  
FISCAL YEARS 2005-2014  
(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		
2014	\$ 197,520	\$ 132,064	\$ 65,456	\$ 7,660	\$ 12,853	\$ 20,513	3.19
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

DEPARTMENT OF ENVIRONMENTAL SERVICES							
Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2014	\$ 385,118	\$ 158,633	\$ 226,485	\$ 36,005	\$ 81,927	\$ 117,932	1.92
2013	368,860	164,487	(f) 204,373	(f) 34,450	77,654	112,104	1.82 (f)
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

SPECIAL ASSESSMENT BONDS (e)							
Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2014	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
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

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.
- (f) Revised from previous CAFR.

TABLE 12  
CITY AND COUNTY OF HONOLULU  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
FISCAL YEARS 2005 - 2014  
(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)
2014	NA	NA	NA	122,195	NA
2013	983,429	NA	NA	120,932	4.3
2012	974,990 (c)	\$ 47,382	\$ 48,529	119,477	5.1 (c)
2011	965,629 (c)	45,663 (c)	47,252 (c)	117,880	5.5 (c)
2010	956,166 (c)	43,244 (c)	45,211 (c)	118,534	5.7
2009	943,177	42,363 (c)	44,916 (c)	117,990	5.8
2008	933,680	41,523 (c)	44,473 (c)	119,005	3.6
2007	925,335	39,669 (c)	42,869 (c)	120,889	2.5
2006	926,954	37,497 (c)	40,452 (c)	122,673	2.4
2005	918,181	35,006 (c)	38,126 (c)	122,950	2.7

NOTES:

(a) Per *The State of Hawaii Data Book 2013*.

(b) Enrollment figures for 2005-2014 obtained from *The State of Hawaii Data Book*, various years.  
Enrollment includes grade kindergarten to Grade 12, special education schools, nurseries  
and upgraded students in special schools. Only public schools are reported.

(c) Revised from previous CAFR.

NA - Not available

TABLE 13  
CITY AND COUNTY OF HONOLULU  
PRINCIPAL EMPLOYERS, STATE OF HAWAII  
FISCAL YEARS 2004 - 2013  
(Unaudited)

Employer (a)	2013			2012			2011			2010			2009		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment
State of Hawaii	72,200	1	11.69%	72,900	1	11.91%	71,400	1	11.63%	71,700	1	11.88%	73,700	1	12.42%
Federal Government	33,900	2	5.49%	34,900	2	5.70%	34,800	2	5.67%	34,800	2	5.76%	33,300	2	5.61%
Local Governments	18,700	3	3.03%	18,500	3	3.02%	18,500	3	3.01%	18,700	3	3.10%	18,650	3	3.14%
Hawaii Pacific Health	6,307	4	1.02%	5,809	4	0.95%	5,724	4	0.93%	5,490	4	0.91%	5,300	5	0.89%
Starwood Hotels and Resorts Hawaii	6,150	5	1.00%	5,500	5	0.90%	5,300	6	0.86%	5,092	7	0.84%	--	--	--
The Queen's Health Systems	5,587	6	0.90%	5,281	7	0.86%	5,134	7	0.84%	5,147	6	0.85%	5,059	6	0.85%
Hilton Hotels Hawaii Region	5,400	7	0.87%	5,400	6	0.88%	5,400	5	0.88%	5,400	5	0.89%	--	--	--
Hawaiian Airlines Inc.	5,249	8	0.85%	4,906	8	0.80%	4,314	9	0.70%	4,019	9	0.67%	--	--	--
Kaiser Foundation Health Plan & Hospitals	4,371	9	0.71%	4,570	9	0.75%	4,478	8	0.73%	4,400	8	0.73%	3,700	9	0.62%
Hawaiian Electric Industries Inc.	3,966	10	0.64%	3,870	10	0.63%	3,654	10	0.60%	3,400	10	0.56%	3,560	10	0.60%
Kyo-ya Co. Ltd.	--	--	--	--	--	--	--	--	--	--	--	--	3,851	7	0.65%
Hawaii Health Systems Corp.	--	--	--	--	--	--	--	--	--	--	--	--	3,839	8	0.65%
Proservice Hawaii Business Development Corp.	--	--	--	--	--	--	--	--	--	--	--	--	9,000	4	1.52%
<b>Total</b>	<b>161,830</b>		<b>26.20%</b>	<b>161,636</b>		<b>26.40%</b>	<b>158,704</b>		<b>25.85%</b>	<b>158,148</b>		<b>26.19%</b>	<b>159,959</b>		<b>26.95%</b>
Employer (a)	2008			2007			2006			2005			2004		
	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
State of Hawaii	74,300	1	12.03%	72,400	1	11.68%	71,950	1	11.65%	71,150	1	11.67%	71,500	1	11.95%
Federal Government	32,200	2	5.21%	31,750	2	5.12%	31,850	2	5.16%	31,300	2	5.13%	31,450	2	5.26%
Local Governments	18,550	3	3.00%	17,950	3	2.89%	17,450	3	2.82%	17,200	3	2.82%	17,100	3	2.86%
ALTRES Inc.	9,869	4	1.60%	8,311	4	1.34%	7,438	4	1.20%	7,574	4	1.24%	7,238	4	1.21%
Proservice Hawaii Business Development Corp.	8,000	5	1.30%	5,500	6	0.89%	4,800	6	0.78%	--	--	--	--	--	--
Hawaii Pacific Health	5,200	6	0.84%	5,200	7	0.84%	5,500	5	0.89%	5,449	6	0.89%	5,434	5	0.91%
The Queen's Health Systems	4,903	7	0.79%	4,834	8	0.78%	4,351	7	0.70%	3,673	9	0.60%	3,689	8	0.62%
Kaiser Permanente Medical Care Program	4,403	8	0.71%	4,017	9	0.65%	3,969	8	0.64%	3,918	7	0.64%	3,790	6	0.63%
Hawaii Health Systems Corp.	3,752	9	0.61%	--	--	--	--	--	--	--	--	--	3,400	10	0.57%
Kyo-ya Co. Ltd.	3,639	10	0.59%	3,764	10	0.61%	3,807	9	0.62%	3,574	10	0.59%	3,753	7	0.63%
NCL America	--	--	--	5,910	5	0.95%	3,582	10	0.58%	--	--	--	--	--	--
Starwood Hotels and Resorts Hawaii	--	--	--	--	--	--	--	--	--	5,500	5	0.90%	--	--	--
Aloha Airgroup, Inc.	--	--	--	--	--	--	--	--	--	3,701	8	0.61%	3,558	9	0.59%
<b>Total</b>	<b>164,816</b>		<b>26.68%</b>	<b>159,636</b>		<b>25.75%</b>	<b>154,697</b>		<b>25.04%</b>	<b>153,039</b>		<b>25.09%</b>	<b>150,912</b>		<b>25.23%</b>

SOURCES:

The State of Hawaii Data Book (<http://www.hawaii.gov/dbedt/>).

Hawaii Business, magazine various years.

Pacific Business News - 2013 data

NOTES:

(a) State of Hawaii employees only.

(b) Total State employment count revised from prior CAFR.

TABLE 14  
CITY AND COUNTY OF HONOLULU  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
FISCAL YEARS 2005 - 2014  
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Administration	472	461	480	478	491	547	538	532	531	523
Finance	431	410	405	398	419	475	439	425	414	416
Legal	327	325	308	304	314	314	318	307	310	321
Planning & Permitting	258	258	245	248	259	270	250	257	251	234
Design & Construction	221	226	228	227	226	228	216	209	204	203
Public Safety										
Police	2,556	2,574	2,519	2,551	2,570	2,625	2,601	2,569	2,537	2,490
Fire	1,074	1,089	1,114	1,099	1,083	1,092	1,098	1,091	1,076	1,061
Emergency Medical Services	155	146	151	147	145	144	136	129	134	127
Highways and Streets	622	598	596	585	604	651	631	631	616	614
Sanitation										
Solid Waste	600	572	622	585	302	145	363	348	336	333
Sewer	274	263	254	253	559	542	530	520	508	498
Health and Human Resources	394	403	397	403	411	404	397	391	416	411
Culture and Recreation	1,005	1,036	1,005	982	1,026	984	962	932	855	871
<b>Total</b>	<b>8,389</b>	<b>8,361</b>	<b>8,324</b>	<b>8,260</b>	<b>8,409</b>	<b>8,421</b>	<b>8,479</b>	<b>8,341</b>	<b>8,188</b>	<b>8,102</b>

**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 2005 - 2014  
(Unaudited)

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety										
Police										
Part I number of arrests (a)	5,820	5,870	5,517	5,120	5,430	4,011	4,453	4,039	4,484	3,554
Part II number of arrests (a)	34,860	36,060	34,895	31,930	33,940	35,315	37,295	35,006	31,145	26,095
Parking violations	111,720 (d)	105,164 (d)	111,342 (d)	115,171 (d)	124,997 (d)	133,216 (d)	154,323 (d)	97,366 (c)	105,871 (c)	106,304 (c)
Traffic violations	181,750 (d)	187,376 (d)	189,591 (d)	203,052 (d)	197,820 (d)	198,746 (d)	173,762 (d)	240,220 (d)	183,205 (c)	180,941 (c)
Fire										
Fire department responses	20,334	19,830	19,923	18,436	16,254	16,152	15,728	16,021	15,859	13,900
Emergency medical responses	30,355	29,608	28,871	27,953	24,808	24,930	23,760	21,722	19,346	20,268
Inspections	77,492	68,888	63,424 (g)	73,302 (f)	67,542 (f)	70,268 (f)	66,947 (f)	190,536	191,333	213,538
Emergency Medical Services										
Ambulance responses	82,227	78,872	75,500	67,477	69,253	60,412	73,902	74,887	72,807	66,162
Refuse Collection										
Refuse collected (tons per year)	264,500	284,070	255,400	273,040	290,064	312,360	340,781	359,801	373,462	368,288
Recyclables collected (tons per year)	128,615	116,200	118,400	121,442	84,046	69,188	55,700	57,900	67,966	67,713
Other Public Works										
Street resurfacing in-house (lane miles)	4 (i)	18 (h)	8	19	57	60	51	38	43	31 (e)
Street resurfacing contract (miles)	270	315 (i)	180	149	319	76	91	75	120	122 (e)
First aid (tons of asphalt)	2,122	1,258	2,314	753	4,277	2,560	3,007	12,528	13,079	13,785 (e)
Potholes repaired	39,951	51,647	52,071	67,714	41,505	68,816	82,850	73,013	55,192	47,660 (e)
Parks and Recreation										
Park facility permits issued	15,494	16,696	12,029	16,549	15,520	18,611	15,136	21,522	18,912 (b)	36,124
Other Enterprise										
Rounds of golf	416,356	442,362	464,708	475,663	534,508	563,589	563,669	563,858	538,451	530,606
Zoo attendance	606,566	663,699	665,940	603,677	580,265	623,034	599,442	601,510	568,952	513,931
Water										
New connections	540 (l)	875 (k)(l)	1,069	962	1,075	1,262	1,370	1,926	1,925	2,269
Water main breaks	303	350	312	333	388	325	285	342	358	388
Average daily pumpage (millions of gallons)	136	141	139	130	148	145	148	152	148	148
Peak daily pumpage (millions of gallons)	161	168	151	157	171	179	179	175	187	184
Wastewater										
Average daily sewage treatment (millions of gallons)	105	100	100	105	104	108	107	105	112	112
Transit										
Total bus directional route miles	1,030	1,023	947	945	943	943	927	927	922	919
Total bus revenue miles	17,422,265	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
Bus passengers	66,285,449	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
Total paratransit revenue miles	5,193,703	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
Paratransit passengers	882,084	841,447	845,903	825,680	790,357	840,763	833,835	807,851	784,058	733,777

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) The count is based on tickets issued.
- (d) The count is based on number of violations.
- (e) The increase in street resurfacing and first aid reduced the number of pothole repairs.
- (f) Beginning in FY 2007, the Honolulu Fire Department (HFD) changed methods of data collection to count fire prevention inspections. Inspection may now be completed over a two year period instead of one year. This method accounts for the decrease in number of inspections in 2008.
- (g) The decrease is due to the workload for APEC preparation.
- (h) 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
- (i) 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.
- (j) The decrease resulted from the increased contract resurfacing work being performed by the Department of Design and Construction which there were less roadways that required in-house resurfacing work. Crews were diverted to perform other tasks such as Stored Property Enforcement, and storm drain cleaning work in order to ensure compliance with teh NPDES permit requirements.
- (k) Corrected from the prior year CAFR.
- (l) The decrease was due to the completion of new sub divisions.

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 2005 - 2014  
(Unaudited)

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety										
Police										
Stations	12	12	12	11	12	12	12	11	11	11
Patrol units - City owned	325	333	346	473	328	331	300 (a)	363	332	288
Patrol units - privately owned (b)	1,329	1,311	1,334	1,312	1,357	1,276	1,428	1,293	1,313	1,325
Fire stations (c)	45	45	45	44	44	44	44	44	44	44
Emergency medical services stations	22	22	22	21	21	21	21	20	20	20
Refuse collection trucks	168	166	168	174	206	206	191	191	192	186 (d)
Other Public Works										
Streets (paved mile)	1,420	1,417	1,415	1,410	1,407	1,398	1,398	1,398	1,393	1,391
Streetlights	51,300	47,999	47,819	47,544	47,283	47,160	46,756	46,605	46,236	45,937
Storm sewers (miles)	728	725	723	718	715	706	706	706	702	701
Parks and Recreation										
Parks and recreational areas	284	284	283	288	288	287	284	282	277	288
Beach access/right of ways	70	90	90	90	90	90	90	90	83	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	25	24	24	24	24	24	24	24	24
Swimming pools	21	21	21	21	21	21	21	21	21	20
Baseball/softball fields	200	200	200	200	200	193	193	194	194	194
Basketball courts	202	205	200	200	220	220	220	220	220	220
Tennis courts	208	207	203	203	200	200	200	200	179	179
Volleyball courts	171	171	169	169	169	169	169	169	169	169
Soccer fields	80	80	80	80	80	80	80	80	80	80
Traffic related landscaped areas	150	149	149	149	149	149	149 (e)	90	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)	2,114	2,106	2,101	2,095	2,079	2,043	2,067	2,060	2,055	2,037
Fire hydrants	21,384	21,290	21,130	21,045	21,006	20,950	20,760	20,381	20,073	19,832
Storage capacity (millions of gallons)	190	190	184	182	182	182	182	183	182	182
Wastewater										
Sanitary sewers (miles)	2,010	2,010	2,087	2,100	2,143	2,152	2,113	2,191	2,191	2,191
Treatment capacity (millions of gallons)	152	152	152	152	152	152	152	152	151	151
Transit										
Buses	519	524	540	553	552	549	540	525	525	525
Paratransit vehicles	160	157	158	181	166	166	148	129	119	123
Traffic signal intersections (f)	834	830	827	825	823	819	799	790	787	772

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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