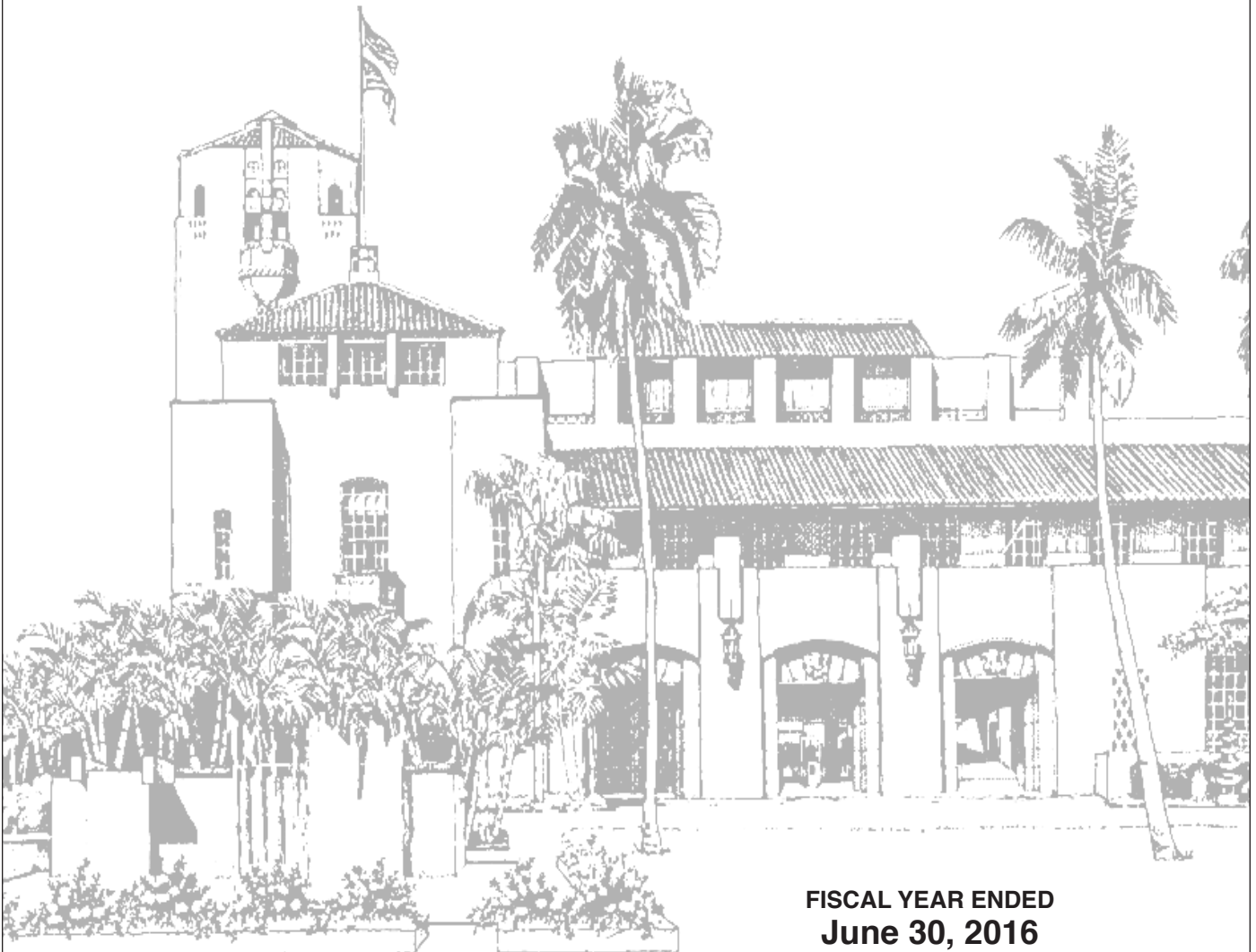
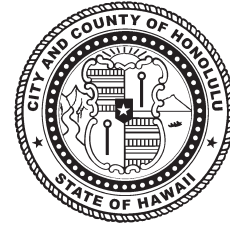


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2016**

EXECUTIVE BRANCH



Kirk Caldwell
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

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

**CITY AND COUNTY OF HONOLULU
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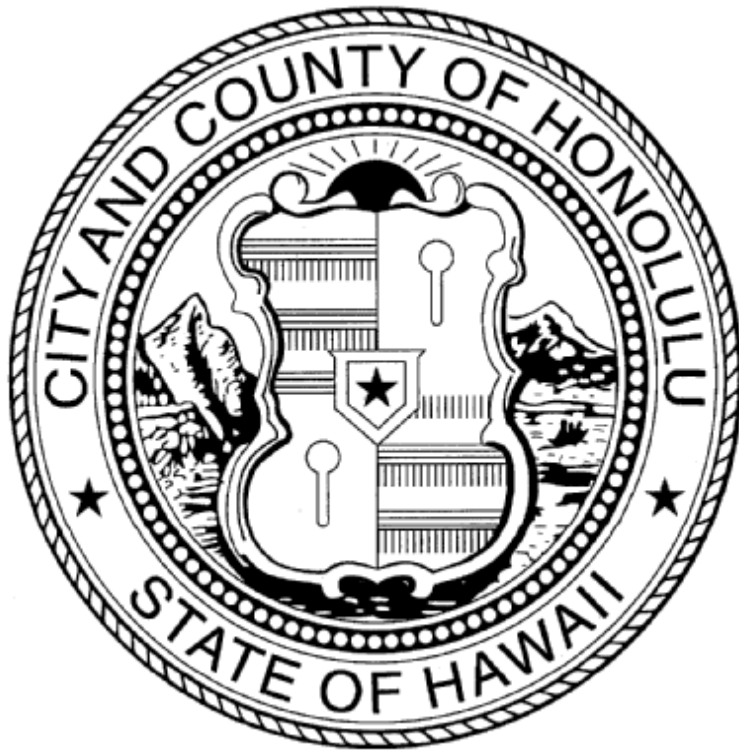
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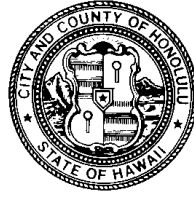
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INTRODUCTORY SECTION

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

GARY T. KUOKAWA
DEPUTY DIRECTOR

December 27, 2016

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, 2016. 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), the Honolulu Authority for Rapid Transportation (HART) and Oahu Transit Services, Inc. (OTS). The financial information for these component units are reported in combining schedules and in the aggregate in a single column 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 economy is expected to continue moderate growth, fueled by the travel and building industries.

- For August 2016, average daily hotel room rates on Oahu rose 5.1% to \$243.51 while hotel occupancy decreased slightly to 86.9% from 88.1% compared to same month last year. Visitor arrivals increased 1.9% to 437,352, total visitor days rose 2.1%, and average length of stay grew 0.2% to 6.47 days for October 2016 compared to the same month a year ago. Total visitor expenditures remained level at \$582.4 million compared to last October. However, average daily visitor spending decreased 2.3% to \$205.80 per person.
- Construction jobs increased 3.9% to 29,000 for November 2016 compared to 27,900 for the same month the preceding year. Contracting revenues increased 12.0% to \$6.5 billion for the fiscal year ended June 30, 2016. However, for the month of July 2016, contracting revenues declined 17.5% to \$491.3 million compared to the same month a year ago. In addition, the number of building permits issued decreased 13.9% to 16,148, and the value dropped by 11.6% to \$2.3 billion for the 11 months ended November 30, 2016 compared to the same period for 2015.
- The November 2016 single family home median resale price increased 4.8% to \$750,000, and resale volume increased 19.5% to 294 when compared with the same month a year ago. The condominium resale median price increased 13.7% to \$395,000, and resale volume rose 17.6% to 421 for November 2016 compared to the same month last year.
- Retail sales decreased 1.8% to \$25.8 billion for the fiscal year ended June 30, 2016, and declined 27.0% to \$1.8 billion for the month of July 2016 compared to the same month in 2015.
- Non-agricultural jobs totaled 486,900 for November 2016, a 2.4% increase from 475,500 non-farm jobs for the same month the preceding year.

- Honolulu had the lowest unemployment rate among Hawaii's counties in November 2016, with a non-seasonally adjusted unemployment rate of 2.7%, compared to 2.8% statewide, and 4.4% nationally.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 4.2% for the second quarter of 2016 compared to a 4.8% increase for both the first quarter of 2016 as well as for 2015 overall.
- Proprietors' income increased 5.4% for the second quarter of 2016, compared to increases of 6.0% for the first quarter, and 6.7% for 2015.

Sources:

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

Hawaii Tourism Authority, <http://www.hawaiitourismauthority.org/research/research/visitor-highlights>

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://tax.hawaii.gov/stats/a5_3txcolrptarchive

MAJOR INITIATIVES

Zero based budgeting was applied in the development of a fiscally prudent and austere executive operating budget of \$2.27 billion for fiscal year 2016. As such, the operating budget was limited to a 6.1% increase compared to the prior fiscal year despite statutorily mandated contributions for post-retirement healthcare costs and increased funding to continue and expand the Housing First program to address chronic homelessness.

The City's capital improvement budget of \$569.2 million for fiscal year 2016 represented a decrease of 19.7% compared to the preceding fiscal year. Funding continued to focus on core City services: Sanitation (41.0%), highways and streets (24.6%), human services (9.8%), bus service (9.2%), and culture and recreation (8.0%)

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$233.4 million was budgeted for fiscal year 2016, representing a decrease of 20.3% compared to the prior fiscal year. Major sanitation projects included Sewer Mainline and Lateral Projects (\$19.5 million), Waianae Wastewater Treatment Plant Improvements/Upgrade (\$19.4 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$16.6 million), Sand Island Wastewater Basin Odor Control (\$16.3 million), and Kahanahou Wastewater Pump Station Upgrade and Sewer Improvements (\$10.9 million).

Highways and Streets

The \$140.0 million capital improvement budget for highways and streets represented a 10.1% decrease for fiscal year 2016 in comparison to the previous fiscal year. Major highways and streets projects included Rehabilitation of Streets (\$125.0 million), Bridge Rehabilitation at Various Locations (\$2.6 million), and Kapiolani Boulevard Double Box Culvert and Drainage Improvements at Various Locations (\$1.5 million each).

Human Services

The capital improvement budget for the human services function was \$55.5 million for fiscal year 2016, which represented a 14.5% decrease compared to the last fiscal year. Appropriations for human services included the following: \$32.0 million for the Homeless Relocation Initiative, \$7.1 million for the Affordable Housing Strategic Development Program, and \$6.9 million for the Community Development Block Grant Program.

Transportation

Mass transit appropriations of \$52.2 million for fiscal year 2016 represented a 5.5% increase compared to the previous fiscal year. The noteworthy public transit projects were the Alapai Transportation Management Center (\$24.9 million), Bus and Handi-Van Acquisition Program (\$20.4 million), and Multimodal Transit Fare Collection System (\$5.0 million).

Culture-Recreation

For fiscal year 2016, \$45.4 million was appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a decrease of 15.5% over the prior fiscal year. The major culture-recreation projects included Ala Moana Regional Park (\$3.3 million), and Renovate Recreational Facilities (\$2.1 million).

Public Safety

The appropriations for the public safety function amounted to \$36.7 million for fiscal year 2016, which represented a 17.3% decrease from the previous fiscal year. The major public safety projects included Telecommunications Facilities Upgrade (\$22.7 million), Traffic Signals at Various Locations (\$3.8 million), Traffic Improvements at Various Locations (\$2.6 million), and Flood Control Improvements at Various Locations (\$2.3 million).

General Government

The general government function of the capital improvement budget decreased 87.5% to \$6.0 million for fiscal year 2016 compared to the prior fiscal year. The following were the major general government projects: Civic Center Improvements (\$1.0 million), Public Building Facilities Improvement (\$1.0 million), and Pearlridge Bus Transfer Center and Plaza (\$500 thousand).

FOR THE FUTURE

The fiscal year 2017 executive operating budget of \$2.33 billion net of interfund transfers focused on staying the course and fulfilling promises made, increasing 2.6% compared to the prior fiscal year.

The City's \$940.0 million capital improvement budget for fiscal year 2017 emphasizes upgrading sewers, repairing roads, restoring parks, reducing homelessness, and developing communities around rail stations, known as transit-oriented development.

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$511.4 million is budgeted for fiscal year 2017, representing an increase of 119.1% compared to the prior fiscal year. Major sanitation projects include Awa Street Wastewater Pump Station, Force Main and Sewer and System Improvements (\$83.5 million), Honouliuli Wastewater Treatment Plant Secondary Treatment (\$62.5 million), Kailua Wastewater Treatment Plant – Tunnel Influent Pump Station and Headworks Facility (\$51.3 million), Dowsett Highlands Relief Sewer (\$32.5 million), Sewer Infiltration/Inflow Relief and Rehabilitation Projects – Hart Street Tributary Basin (\$31.7 million), Ala Moana Wastewater Pump Station No. 3 (\$30.0 million), Sand Island Wastewater Treatment Plant Return Flow Treatment (\$25.0 million), Sewer Mainline and Lateral Projects (\$19.5 million), Sewer Infiltration/Inflow Relief and Rehabilitation Projects – Ala Moana Tributary Basin (\$17.5 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$16.6 million), and Refuse Facilities Energy Savings Project (\$12.0 million).

Highways and Streets

The \$171.6 million capital improvement budget for highways and streets represents a 22.6% increase for fiscal year 2016 in comparison to the previous fiscal year. Major highways and streets projects include Rehabilitation of Streets (\$135.0 million), Drainage Improvements at Various Locations (\$5.0 million), Rail Station Connectivity – Transit Oriented Development (\$3.5 million), Bridge Rehabilitation at Various Locations (\$2.6 million), Curb Ramps at Various Locations (\$2.1 million), National Pollutant Discharge Elimination Program (NPDES) Municipal Separate Storm Sewer System (MS4) Erosion Prone Area Improvements (\$1.7 million), Complete Streets (\$1.4 million), Storm Drainage Best Management Practices in the Vicinity of Kaelepulu Pond (\$1.3 million), Street Light Meter Cabinets, Transformers and Street Lighting Improvements (\$1.3 million), and Bikeway Improvements (\$1.2 million).

Culture-Recreation

For fiscal year 2017, \$75.2 million is appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 65.6% over the prior fiscal year. The major culture-recreation projects include Blaisdell Center Redevelopment (\$6.0 million), Renovate Recreational Facilities (\$5.5 million), Ala Moana Regional Park (\$3.3 million), Department of Enterprise Services Golf Course NPDES Small MS4 Permit Program (\$3.0 million), Recreation District No. 5 Improvements (\$2.3 million), Recreation District No. 2 Improvements (\$2.2 million), and Honolulu Zoo Improvements (\$1.7 million).

Public Safety

The appropriations for the public safety function amount to \$54.4 million for fiscal year 2017, which represents a 48.2% increase from the previous fiscal year. The major public safety projects include Honolulu Police Department Equipment Acquisition (\$10.4 million), Fire Station Buildings and Improvements (\$8.7 million), Telecommunications Facilities Upgrade (\$5.9 million), Traffic Signals at Various Locations (\$4.1 million), Honolulu Fire Department Equipment Acquisition (\$3.7 million), Flood Control Improvements at Various Locations (\$3.6 million), Kawa Stream and Ditch Improvements (\$3.0 million), Traffic Improvements at Various Locations (\$3.0 million), and Police Stations Buildings Improvements (\$2.0 million).

General Government

The general government function of the capital improvement budget increased from \$6.0 million in the prior fiscal year to \$51.7 million for fiscal year 2017. The following are the major general government projects: Procurement of Major Equipment (\$14.3 million), Ala Moana Transit Plaza – Transit Oriented Development (\$14.1 million), Kapolei Consolidated Corporation Yard (\$11.0 million), Pearlridge Bus Transfer Center and Plaza – Transit Oriented Development (\$3.0 million), Civic Center Improvements (\$2.3 million), and Public Building Facilities Improvements (\$2.0 million).

Human Services

The capital improvement budget for the human services function of \$45.6 million for fiscal year 2017 represents a 17.8% decrease compared to the last fiscal year, and includes an appropriation of \$8.8 million for the Community Development Block Grant Program.

Transportation

Mass transit appropriations of \$30.0 million for fiscal year 2017 represents a 42.5% decrease compared to the previous fiscal year. The noteworthy public transit projects were the Bus and Handi-Van Acquisition Program (\$21.3 million), and Multimodal Transit Fare Collection System (\$7.0 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, the Honolulu Authority for Rapid Transportation and Oahu Transit Services, Inc. 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 also contracted KMH LLP. N&K CPAs, Inc. and Accuity LLP were engaged to audit the financial statements of the Board of Water Supply and Oahu Transit Services, Inc., respectively.

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, 2015. The City has received the award for 29 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 seventeen years. To qualify for the award, the government must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, 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, 2016.

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**

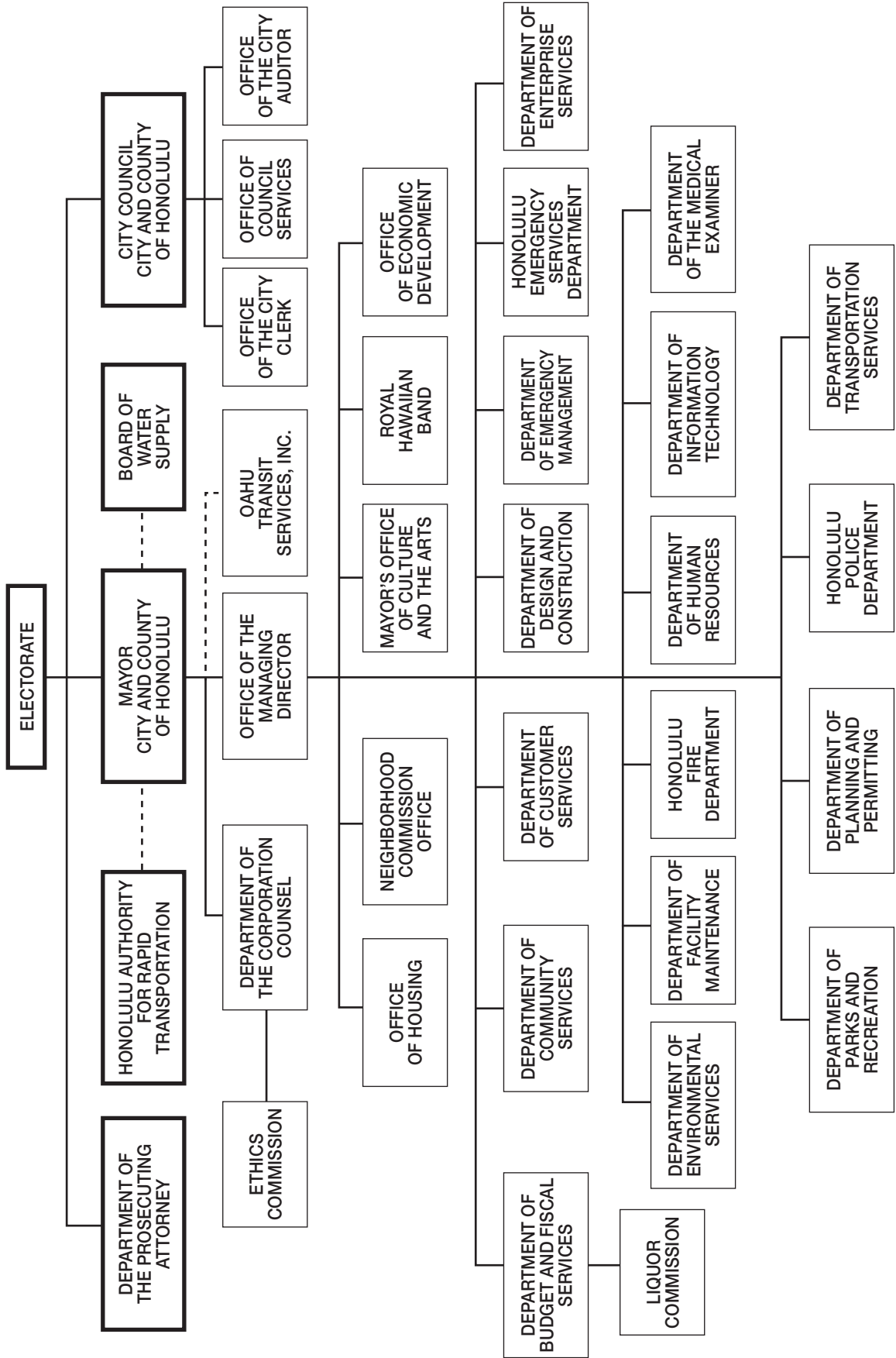
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

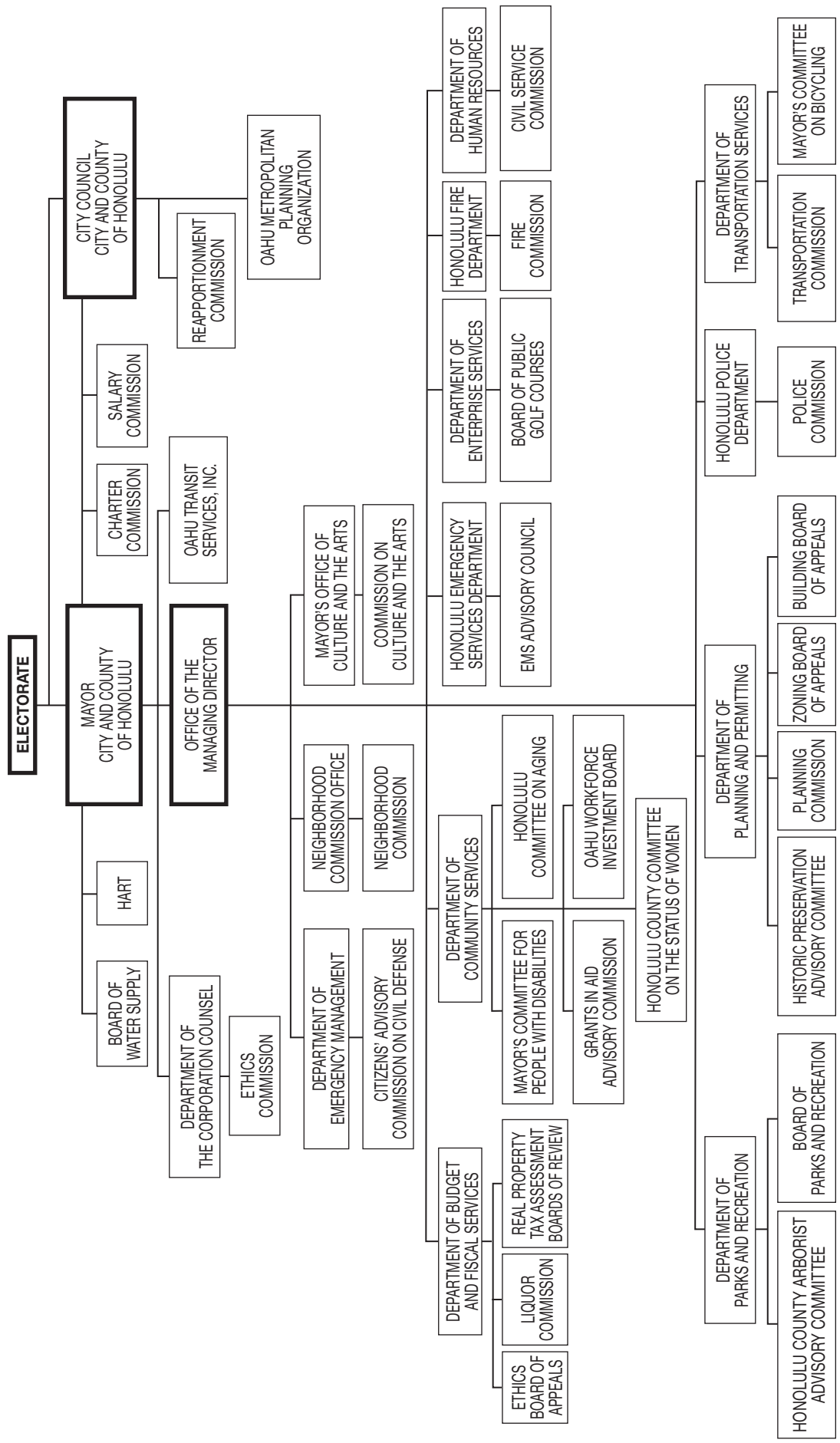
Executive Director/CEO

CITY AND COUNTY OF HONOLULU ORGANIZATIONAL CHART

FISCAL YEAR 2016



CITY AND COUNTY OF HONOLULU CHART OF BOARDS, COMMISSIONS AND ADVISORY BODIES FISCAL YEAR 2016



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2016**

EXECUTIVE BRANCH

Mayor. Kirk Caldwell
(In the general election on November 8, 2016, Kirk Caldwell was re-elected Mayor for a four-year term)

Prosecuting Attorney. Keith M. Kaneshiro
(In the general election on November 8, 2016, Keith M. Kaneshiro was re-elected Prosecuting Attorney for a four-year term)

LEGISLATIVE BRANCH

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

The following were elected to a four year-term starting on January 2, 2017:

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

LEGISLATIVE BRANCH

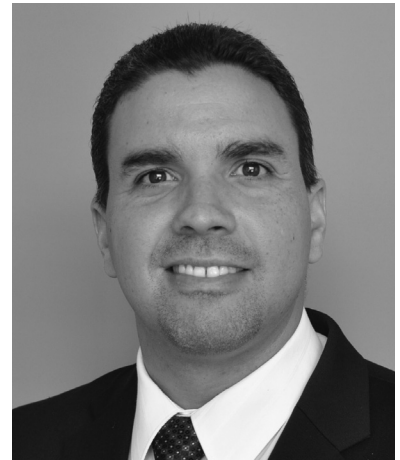
CITY COUNCIL



Kymberly Marcos Pine
Councilmember, District I



Ernest Y. Martin
Chair, District II



Ikaika Anderson
Councilmember, District III



Trevor Ozawa
Councilmember, District IV



Ann H. Kobayashi
Councilmember, District V



Carol Fukunaga
Councilmember, District VI



Joey Manahan
Councilmember, District VII

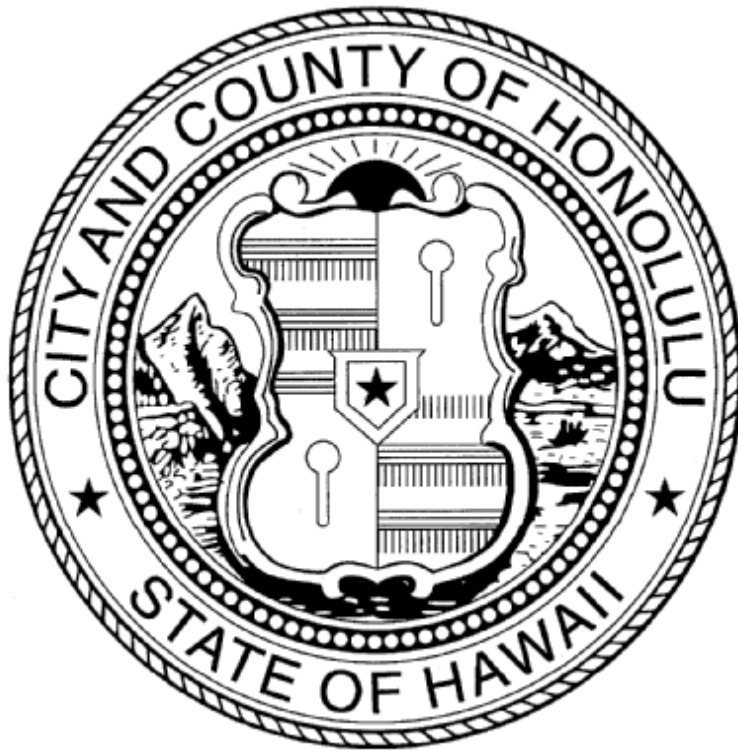


Brandon J.C. Elefante
Councilmember, District VIII



Ron Menor
Councilmember, District IX

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FINANCIAL SECTION



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 aggregate 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, 2016, 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 and Oahu Transit Services, Inc., which are discretely presented component units and represent 12 percent, 24 percent, and 14 percent of the assets, net position, and revenues of the City activities, respectively. Those statements were audited by other auditors whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Water Supply and Oahu Transit Services, Inc., are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016 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 P of the Board of Water Supply financial statements, which was audited by other auditors whose report has been furnished to us, the 2015 financial statements have been restated to correct errors in accounting for the deferred loss on refunding of debt and state revolving fund notes payable. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of contributions, notes to the schedule of proportionate share of the net pension liability and contributions, and schedule of funding progress, on pages 19–34, 115-119, 120, 121, 122 and 123, 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 (including budgetary schedules) that are presented as other supplementary information 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 and schedules (including budgetary schedules) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KMH LLP

KMH LLP

Honolulu, Hawaii
December 27, 2016

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CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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) for the fiscal year ended June 30, 2016. 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 2016

- Revenues from governmental activities totaled \$1.65 billion for fiscal year 2016 compared to \$1.59 billion for the prior fiscal year. Expenses before transfers amounted to \$1.47 billion for the current fiscal year compared to \$1.33 billion for fiscal year 2015. 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 \$230.5 million for the current fiscal year compared to \$192.2 million for fiscal year 2015. For the current fiscal year, the increase in net position can be attributed primarily to the 5% 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, higher transfers from the governmental activities to the business-type activities and an increase in capital grants. For fiscal year 2015, 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, 2016 decreased by \$216.7 million (as summarized on page 30) to \$539.9 million (as reported on pages 39 and 40).
- Net capital assets for the governmental activities rose slightly to \$2.47 billion at June 30, 2016, compared to \$2.37 billion at the end of the prior fiscal year. Likewise, net capital assets for the business-type activities increased to \$3.68 billion at the close of fiscal year 2016 from \$3.49 billion at June 30, 2015. Capital assets are discussed on pages 32 and 33, and reported on pages 78 to 80 in the Notes to Financial Statements.
- The debt applicable to the legal debt margin totaled \$2.20 billion, representing less than 10% of the City's \$28.16 billion statutory debt limit. Additional information on the City's long-term debt may be found on page 33, on pages 82 to 87 in the Notes to Financial Statements, and on pages 256 to 259 in the Statistical Section.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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), the Honolulu Authority for Rapid Transportation (HART), and Oahu Transit Services, Inc. (OTS) are combined 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, 1099 Alakea Street, Suite 1700, Honolulu, Hawaii 96813 for HART, and 811 Middle Street, Honolulu, Hawaii 96819 for OTS.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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, 2016, there were 32 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 23 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, 2016

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 138 and 139.

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 net position improved to \$991.8 million for the fiscal year ended June 30, 2016 in contrast to \$821.9 million for the last fiscal year end.

Net investment in capital assets (i.e., land, construction work in progress, buildings and improvements, equipment and machinery, and infrastructure) represent the largest portion of the primary government's net position, amounting to a positive balance of \$1.30 billion, an increase of 10.4% compared to the prior fiscal year. 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

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Resources that are subject to external restrictions on how they may be used reflected positive balances as shown on the following page. For the fiscal year ended June 30, 2016, restricted net position remained at \$165,000 for the governmental activities and decreased 3.6% to \$174.5 million for the business-type activities

The net pension obligation for the governmental activities amounted to \$1.37 billion, resulting in a negative unrestricted net position of \$1.17 billion for the fiscal year ended June 30, 2016. The unrestricted net position of the business-type activities improved 23.4% to \$693.7 million as of June 30, 2016 despite a net pension obligation of \$148.4 million, primarily due to a 5.0% sewer service charge increase effective July 1, 2015.

The following is a summary of the Statements of Net Position as of June 30, 2016 and 2015:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 753.1	\$ 961.2	\$ 1,142.2	\$ 997.0	\$ 1,895.3	\$ 1,958.2
Restricted assets	-	-	203.1	178.7	203.1	178.7
Capital assets, net of accumulated depreciation	2,466.8	2,365.1	3,676.6	3,485.6	6,143.4	5,850.7
Total assets	<u>3,219.9</u>	<u>3,326.3</u>	<u>5,021.9</u>	<u>4,661.3</u>	<u>8,241.8</u>	<u>7,987.6</u>
Deferred Outflows	379.7	279.4	75.9	50.5	455.6	329.9
Noncurrent liabilities	4,372.1	4,237.8	2,948.8	2,808.4	7,320.9	7,046.2
Other liabilities	129.9	118.6	131.9	124.8	261.8	243.4
Total liabilities	<u>4,502.0</u>	<u>4,356.4</u>	<u>3,080.7</u>	<u>2,933.2</u>	<u>7,582.7</u>	<u>7,289.6</u>
Deferred inflow of resources	91.5	182.6	31.4	23.4	122.9	206.0
Net position:						
Net investment in capital assets	177.8	161.1	1,117.5	1,012.0	1,295.3	1,173.1
Restricted	0.2	0.2	174.5	181.0	174.7	181.2
Unrestricted	(1,171.9)	(1,094.6)	693.7	562.2	(478.2)	(532.4)
Total net position	<u>\$ (993.9)</u>	<u>\$ (933.3)</u>	<u>\$ 1,985.7</u>	<u>\$ 1,755.2</u>	<u>\$ 991.8</u>	<u>\$ 821.9</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

The following is a summary of the Statements of Activities for fiscal years 2016 and 2015:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 275.5	\$ 271.8	\$ 618.1	\$ 597.9	\$ 893.6	\$ 869.7
Operating grants and contributions	121.9	141.9	21.0	26.9	142.9	168.8
Capital grants and contributions	41.3	9.8	39.9	25.8	81.2	35.6
General revenues:						
Property taxes	1,015.9	950.4	-	-	1,015.9	950.4
Other taxes	142.0	159.0	-	-	142.0	159.0
Other	55.7	52.3	3.8	1.3	59.5	53.6
Total revenues	<u>1,652.3</u>	<u>1,585.2</u>	<u>682.8</u>	<u>651.9</u>	<u>2,335.1</u>	<u>2,237.1</u>
Expenses						
General government	571.5	487.8	-	-	571.5	487.8
Public safety	455.9	442.8	-	-	455.9	442.8
Highways and streets	68.1	50.9	-	-	68.1	50.9
Sanitation	3.7	3.8	-	-	3.7	3.8
Human services	97.6	91.0	-	-	97.6	91.0
Culture and recreation	124.9	109.1	-	-	124.9	109.1
Utilities or other enterprises	55.3	60.0	-	-	55.3	60.0
Interest	90.2	80.1	-	-	90.2	80.1
Housing	-	-	11.6	11.6	11.6	11.6
Sewer	-	-	239.7	252.4	239.7	252.4
Solid waste	-	-	191.0	174.7	191.0	174.7
Public transportation	-	-	255.7	250.9	255.7	250.9
Total expenses	<u>1,467.2</u>	<u>1,325.5</u>	<u>698.0</u>	<u>689.6</u>	<u>2,165.2</u>	<u>2,015.1</u>
Increase (decrease) before transfers	185.1	259.7	(15.2)	(37.7)	169.9	222.0
Transfers	<u>(245.7)</u>	<u>(229.9)</u>	<u>245.7</u>	<u>229.9</u>	<u>-</u>	<u>-</u>
Change in net position	(60.6)	29.8	230.5	192.2	169.9	222.0
Net position - beginning	<u>(933.3)</u>	<u>(963.1)</u>	<u>1,755.2</u>	<u>1,563.0</u>	<u>821.9</u>	<u>599.9</u>
Net position - ending	<u>\$ (993.9)</u>	<u>\$ (933.3)</u>	<u>\$ 1,985.7</u>	<u>\$ 1,755.2</u>	<u>\$ 991.8</u>	<u>\$ 821.9</u>

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

Total revenues for the primary government increased slightly from \$2.24 billion for fiscal year 2015 to \$2.33 billion for the current fiscal year.

Expenses for the primary government totaled \$2.17 billion for fiscal year 2016 of which \$1.47 billion applied to governmental activities and \$698.0 million related to business-type activities. For the fiscal year 2015, expenses for the primary government totaled \$2.02 billion; \$1.33 billion pertained to governmental activities and \$689.6 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$107.6 million for the governmental activities and \$100.6 million for business-type activities for fiscal year 2016 as disclosed on page 80.

Statement of Activities

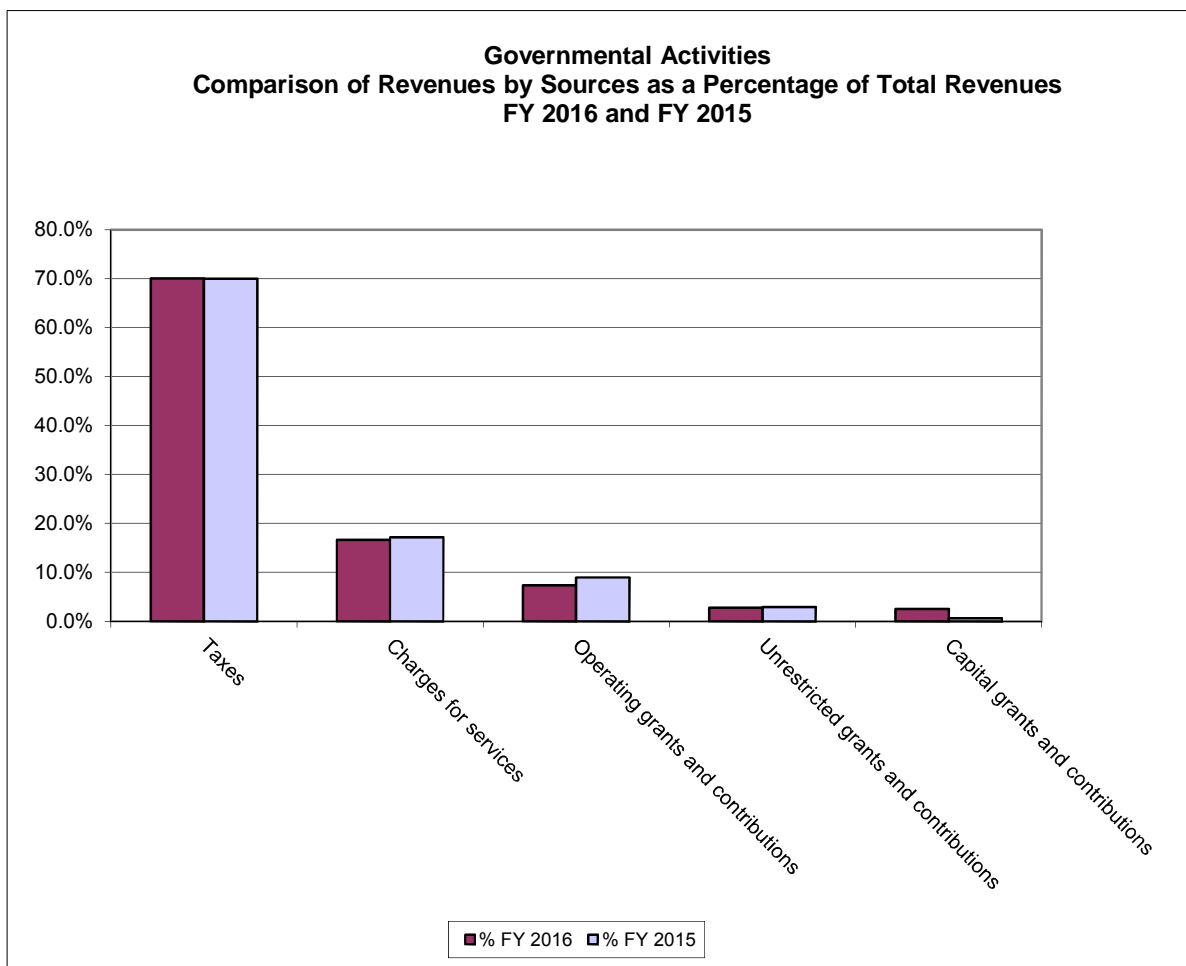
As noted earlier, the Statement of Activities presents how the City's net position changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some 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 \$60.6 million for fiscal year 2016 compared to an improvement of \$29.8 million for fiscal year 2015 as reflected in the preceding page. The decline in net position can be attributed primarily to increases in the net pension liability and the net other postemployment benefits obligation (OPEB) for the current fiscal year compared to fiscal year 2015.

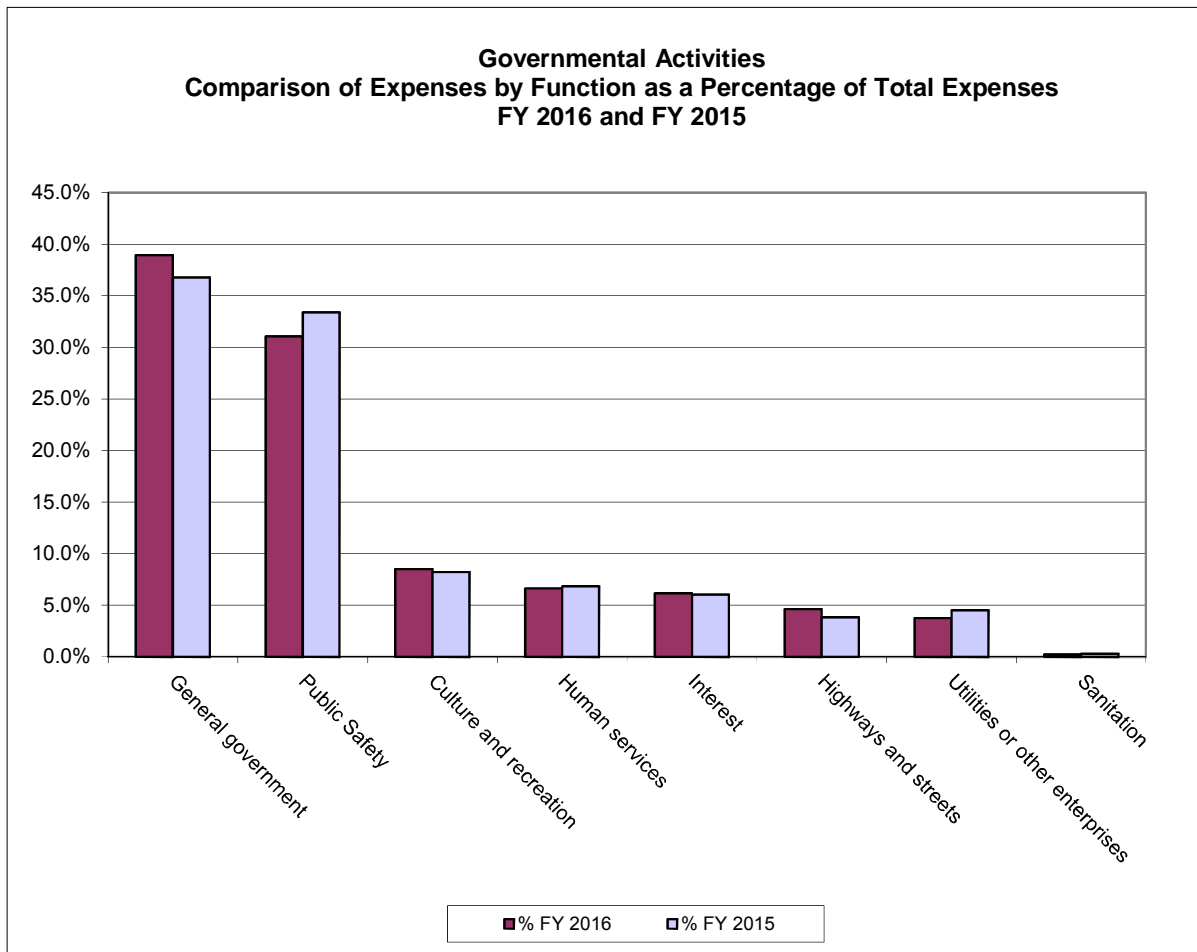
**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

Revenues. The following exhibit, Comparison of Revenues by Sources as a Percentage of Total Revenues, indicates revenues from governmental activities remained relatively level for fiscal year 2016 compared to the preceding fiscal year. Taxes representing 70.1% of the revenues from governmental activities increased \$48.5 million (4.4%) to \$1.16 billion compared to fiscal year 2015. Charges for services, representing 16.7% of the revenues from governmental activities increased 1.4% in the current fiscal year to \$275.5 million. On the other hand, operating grants and contributions decreased 14.1% to \$121.9 million for fiscal year 2016 from \$141.9 million in fiscal year 2015.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

Expenses. As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, expenditures were relatively stable except for the highways and streets function which increased 33.8% to \$68.1 million for fiscal year 2016 primarily due to street rehabilitation projects.

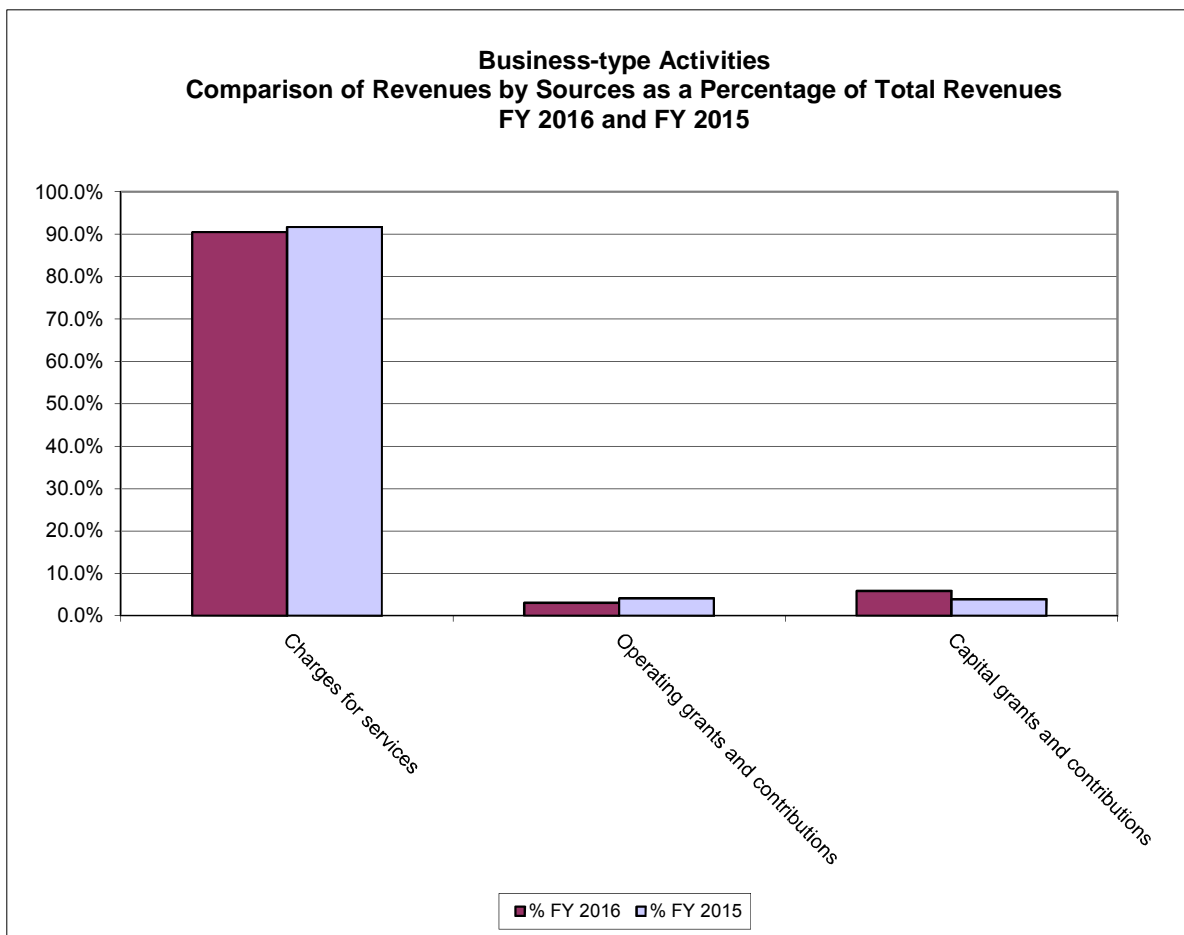


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

Business-type Activities

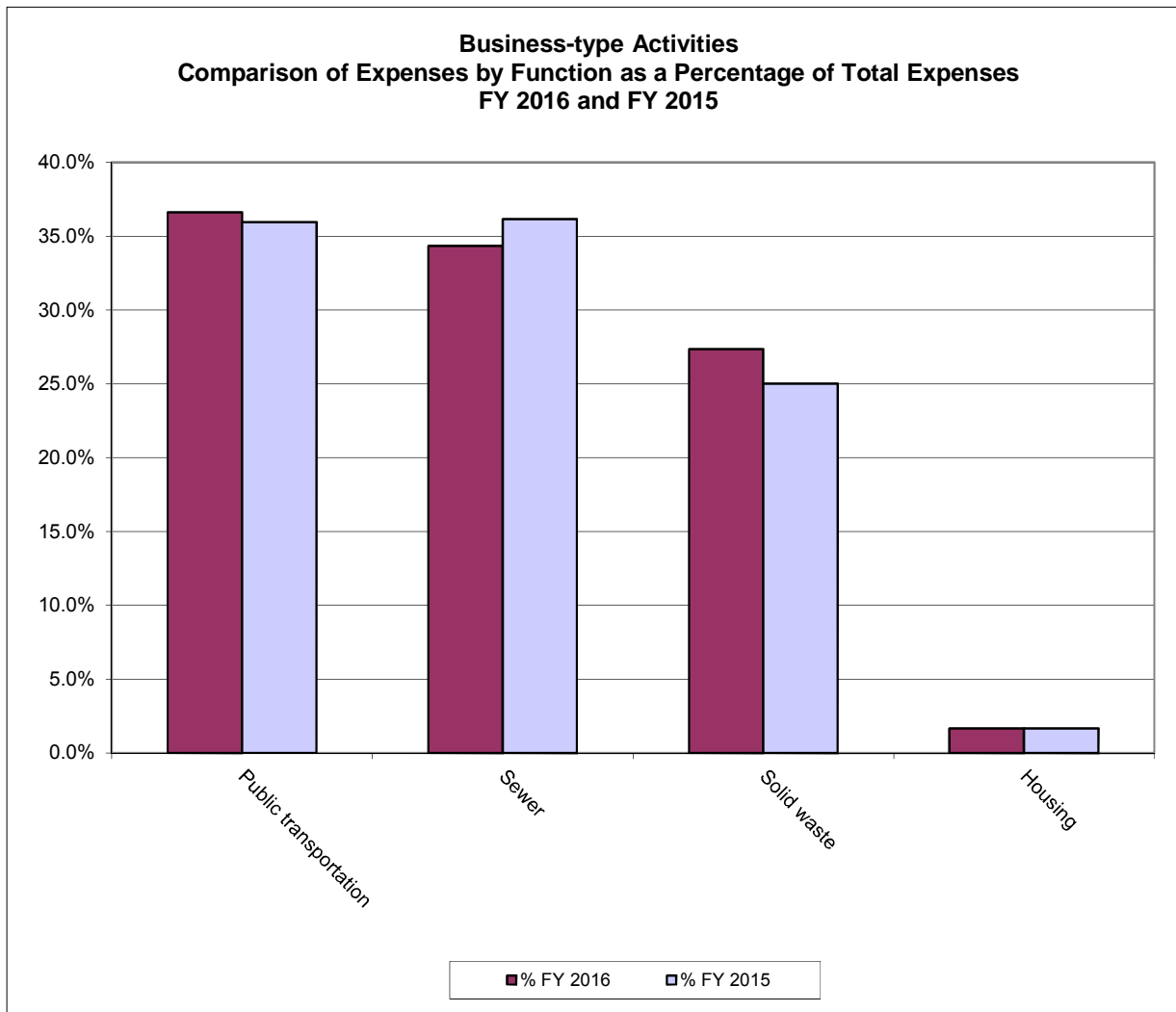
The net position of the City's business-type activities increased by \$230.5 million and \$192.2 million for fiscal years 2016 and 2015, respectively. For the current fiscal year the improvement in net position can be attributed primarily to the 5.0% sewer service charge rate increase as part of a multi-year rate package implemented to address long-term system upgrades mandated by the Environmental Protection Agency as well as increases in transfers from general government and capital grants.

Revenues. The Comparison of Revenues by Sources as a Percentage of Total Revenues for business-type activities in the exhibit below indicates that revenues from the business type activities were relatively stable for the last two fiscal years. For example, charges for services provided 90.5% and 91.7% of the revenues for fiscal years 2016 and 2015, respectively. Specifically, charges for services totaled \$618.1 million for fiscal year 2016 and can be disaggregated as follows: housing (\$11.1 million), sewer (\$426.5 million), solid waste (\$125.0 million), and public transportation (\$55.5 million), while charges for services totaled \$597.9 million for fiscal year 2015 as follows: housing (\$11.2 million), sewer (\$402.5 million), solid waste (\$127.0 million), and public transportation (\$57.2 million).



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2016 and 2015. Public transportation (36.6%) used the most resources, followed by sewer (34.3%) and solid waste (27.4%) for fiscal year 2016.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

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 for the fiscal year 2016. Total fund balances decreased \$216.7 million for fiscal year 2016 in comparison to an increase of \$315.8 million for the prior fiscal year.

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

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	All Other Funds	Totals	
					2016	2015
Revenues:						
Taxes	\$ 1,054.4	\$ 97.5	\$ -	\$ 10.1	\$ 1,162.0	\$ 1,109.8
Other	149.2	142.6	-	203.7	495.5	477.5
Total Revenues	1,203.6	240.1	-	213.8	1,657.5	1,587.3
Expenditures	885.1	105.5	214.9	423.9	1,629.4	1,474.0
Subtotal	318.5	134.6	(214.9)	(210.1)	28.1	113.3
Transfers and Other	(326.6)	(141.7)	214.9	8.6	(244.8)	202.5
Changes in Fund Balances	<u>\$ (8.1)</u>	<u>\$ (7.1)</u>	<u>\$ -</u>	<u>\$ (201.5)</u>	<u>\$ (216.7)</u>	<u>\$ 315.8</u>

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. Total fund balance decreased \$8.1 million to \$315.5 million for the current fiscal year. As a result of a \$30.0 million addition to fiscal security reserves, committed fund balance for the General Fund increased by \$30.0 million and unassigned fund balance decreased accordingly.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

Real property tax, the primary General Fund revenue source rose \$63.7 million, representing an 6.8% 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 decreased from \$66.2 million at June 30, 2015 to \$59.1 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, notes payable due to federal and state government agencies and general obligation commercial paper notes. The matured bonds and interest payable balance as of June 30, 2016 amounted to \$309,000, a decrease of 3.7% 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 \$201.6 million, compared to an increase of \$285.4 million for the preceding fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Collections of real property taxes of \$1.01 billion were close to budgetary estimates of \$998.4 million for fiscal year 2016. Similarly, collections for building permits amounted to \$20.1 million, compared to a budget of \$20.0 million. With the statutory limits on the City's share of the transient accommodation tax (also known as the hotel room tax), \$45.4 million was budgeted and earned. On the other hand, the amounts budgeted exceeded actual revenues for public service company taxes (\$2.8 million) due to a decrease in their gross income which resulted in a decrease in taxes, and reimbursements from the State for its identification program (\$4.0 million).

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, 2016

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 0.9% (\$96.7 million) for fiscal year 2016. The net change in fund balance for the General Fund reflected a favorable variance of \$108.5 million for fiscal year 2016.

CAPITAL ASSET AND DEBT ADMINISTRATION
Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$6.14 billion for the primary government of which \$2.47 billion pertained to governmental activities as of June 30, 2016. 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 2016. Major projects for the governmental activities include Rehabilitation of Streets (\$87.0 million), Improvements at Various Parks (\$18.7 million), Alapai Transportation Management Center (\$17.8 million), Waianae Police Station Replacement (\$4.9 million), and Traffic Signal and Control Improvements (\$3.4 million). For the business-type activities, the major projects include Kaneohe/Kailua Sewer Tunnel Project (\$82.4 million), Sand Island Wastewater Treatment Plant Expansion (\$21.4 million), Kailua Wastewater Tunnel Influent Pump Station (\$19.8 million), Kailua Wastewater Odor Control Improvements (\$17.0 million), and Solid Waste to Energy Facility Rehabilitation (\$8.5 million).

Major completed projects during fiscal year 2016 for the governmental activities include Rehabilitation of Streets at Various Locations (\$68.9 million), Waianae Police Station Replacement (\$19.4 million), acquisition of two housing properties (\$11.9 million), Improvements at Various Parks (\$10.0 million), Puu Manawahua Building Renovation and Improvement (\$7.5 million), and Traffic Signal and Control Improvements (\$6.2 million). For the business-type activities, the major completed projects include acquisition of 53 diesel and eight hybrid buses (\$38.4 million), Ala Moana Wastewater Pump Station Force Main (\$134.1 million), and acquisition of 10 side loaders, two rear loaders and 14 tractor trucks (\$6.2 million).

Additional information on the City's capital assets may be found in the Notes to Financial Statements on pages 78 to 80.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

The following is a summary of the capital assets for the primary government as of June 30, 2016 in comparison to the previous year:

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

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
Non-depreciable assets:						
Land	\$ 511.9	\$ 492.2	\$ 160.7	\$ 160.1	\$ 672.6	\$ 652.3
Construction work in progress	188.5	160.8	537.1	498.6	725.6	659.4
Other capital assets:						
Buildings and improvements	1,462.3	1,409.8	1,871.9	1,856.9	3,334.2	3,266.7
Equipment and machinery	386.9	375.6	677.2	642.4	1,064.1	1,018.0
Infrastructure	1,645.5	1,553.5	1,749.5	1,563.6	3,395.0	3,117.1
Less: accumulated depreciation	<u>(1,728.3)</u>	<u>(1,626.8)</u>	<u>(1,319.8)</u>	<u>(1,236.0)</u>	<u>(3,048.1)</u>	<u>(2,862.8)</u>
Net	<u>\$ 2,466.8</u>	<u>\$ 2,365.1</u>	<u>\$ 3,676.6</u>	<u>\$ 3,485.6</u>	<u>\$ 6,143.4</u>	<u>\$ 5,850.7</u>

Long-Term Debt

At June 30, 2016, the long-term debt for the primary government amounted to \$4.76 billion, consisting mainly of total bonded debt (\$4.51 billion) and notes payable (\$253.5 million). The total bonded debt is comprised of \$2.75 billion in general obligation bonds, and \$1.76 billion in revenue bonds secured by wastewater system revenue sources.

Pertaining to bonded debt activity during the fiscal year, wastewater system revenue bonds of \$698.9 million were issued on August 12, 2015. Senior Series 2015B, 2015C, Junior Series 2015A and 2015B were issued to refund portions of outstanding wastewater system revenue bonds 2003A, 2003B, 2005A, 2006A, 2006B, 2006C, 2007A, 2008A, 2009A and 2010 USDA Series. Senior Series 2015A was issued to fund additions and improvements to the wastewater system.

The wastewater system revenue bonds Senior Series 2015A, B and C were assigned ratings of Aa2 and AA, and the Junior Series 2015A and B with Aa3 and AA- by Moody's Investors Services and Fitch Ratings, respectively.

The Hawaii Revised Statutes limit the amount of general obligation debt the City may issue to 15.0% of its net assessed valuation. The statutory debt limit for fiscal year 2016 was \$28.16 billion. The City's outstanding debt applicable to the legal debt margin totaled \$2.20 billion as of June 30, 2016, well below the statutory debt limitation.

Additional information on the City's long term debt may be found on pages 82 to 87 under note number 8 titled Long-Term Liabilities, in the Notes to Financial Statements section.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic indicators such as visitor industry statistics, new construction, home resale prices, overall job counts, unemployment, personal income growth, and proprietors' income suggest that the local economy appears to be relatively stable.

The assessed valuation of real property (including new added property inventory) on Oahu increased 6.3% to \$199.63 billion for fiscal year 2017 from \$187.72 billion for fiscal year 2016.

The rate for sewer service charges was raised 8.0% effective July 1, 2016.

The operating budget net of inter-fund transfers increased 2.6% to \$2.33 billion for fiscal year 2017 compared to \$2.27 billion for 2016, primarily due to state mandated increases in contributions for retirement and other postemployment (healthcare) costs and increases related to collective bargaining agreements.

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, 2016
(Amounts in thousands)

Primary Government

	Governmental Activities	Business-type Activities	Total	Total Component Units
ASSETS				
Cash and cash equivalents	\$ 85,935	\$ 151,755	\$ 237,690	\$ 39,782
Investments	510,040	890,627	1,400,667	377,390
Receivables (net)	153,428	73,582	227,010	196,491
Internal balances	3,676	(3,676)	--	--
Inventories	--	24,236	24,236	7,901
Deferred charges and other	--	5,653	5,653	55,703
Restricted assets:				
Cash and cash equivalents	--	15,056	15,056	15,288
Investments	--	188,039	188,039	33,196
Capital assets (net of accumulated depreciation):				
Land	511,885	160,712	672,597	145,878
Buildings and improvements	710,882	1,424,812	2,135,694	92,147
Equipment and machinery	109,926	178,697	288,623	100,506
Infrastructure	945,590	1,375,306	2,320,896	809,418
Construction work in progress	188,545	537,121	725,666	2,233,437
Total assets	<u>3,219,907</u>	<u>5,021,920</u>	<u>8,241,827</u>	<u>4,107,137</u>
DEFERRED OUTFLOWS				
Deferred outflows	<u>379,722</u>	<u>75,893</u>	<u>455,615</u>	<u>50,635</u>
LIABILITIES				
Accounts payable	105,410	69,587	174,997	211,689
Matured bonds and interest payable ...	318	--	318	--
Accrued interest payable	24,169	50,095	74,264	5,114
Due to fiduciary funds	23	39	62	--
Other liabilities	--	12,188	12,188	17,876
Noncurrent liabilities:				
Due within one year	161,954	113,673	275,627	23,572
Due in more than one year	4,210,174	2,835,107	7,045,281	472,970
Total liabilities	<u>4,502,048</u>	<u>3,080,689</u>	<u>7,582,737</u>	<u>731,221</u>
DEFERRED INFLOWS				
Deferred inflow of resources	<u>91,484</u>	<u>31,455</u>	<u>122,939</u>	<u>6,031</u>
NET POSITION				
Net investment in capital assets	177,798	1,117,427	1,295,225	3,098,708
Restricted for:				
Capital activity	--	--	--	24,292
Debt service	165	174,514	174,679	--
Unrestricted	(1,171,866)	693,728	(478,138)	297,520
Total net position	<u>\$ (993,903)</u>	<u>\$ 1,985,669</u>	<u>\$ 991,766</u>	<u>\$ 3,420,520</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, 2016
 (Amounts in thousands)

(Page 1 of 2)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government.....	\$ 571,486	\$ 200,705	\$ 5,086	\$ --
Public safety.....	455,908	41,946	11,504	1,913
Highways and streets.....	68,050	195	--	1,596
Sanitation.....	3,708	--	210	--
Human services.....	97,550	384	82,572	--
Culture and recreation.....	124,917	30,349	390	56
Utilities or other enterprises.....	55,311	1,925	22,104	37,750
Interest.....	90,219	--	--	--
Total governmental activities....	<u>1,467,149</u>	<u>275,504</u>	<u>121,866</u>	<u>41,315</u>
Business-type activities:				
Housing.....	11,554	11,047	--	--
Sewer.....	239,711	426,540	--	424
Solid Waste.....	191,005	124,996	--	--
Public Transportation.....	255,718	55,472	21,000	39,490
Total business-type activities....	<u>697,988</u>	<u>618,055</u>	<u>21,000</u>	<u>39,914</u>
Total primary government.....	\$ 2,165,137	\$ 893,559	\$ 142,866	\$ 81,229
Component units:				
Total component units.....	\$ 383,026	\$ 239,362	\$ 172,456	\$ 205,915
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, 2016
 (Amounts in thousands)

(Page 2 of 2)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Total Component Units
\$ (365,695)	\$ --	\$ (365,695)	\$ --
(400,545)	--	(400,545)	--
(66,259)	--	(66,259)	--
(3,498)	--	(3,498)	--
(14,594)	--	(14,594)	--
(94,122)	--	(94,122)	--
6,468	--	6,468	--
(90,219)	--	(90,219)	--
(1,028,464)	--	(1,028,464)	--
--	(507)	(507)	--
--	187,253	187,253	--
--	(66,009)	(66,009)	--
--	(139,756)	(139,756)	--
--	(19,019)	(19,019)	--
(1,028,464)	(19,019)	(1,047,483)	--
--	--	--	234,707
1,015,861	--	1,015,861	--
48,273	--	48,273	--
52,764	--	52,764	--
40,967	--	40,967	--
1,893	3,778	5,671	4,575
45,413	--	45,413	--
--	--	--	233,323
8,442	--	8,442	--
(245,732)	245,732	--	--
967,881	249,510	1,217,391	237,898
(60,583)	230,491	169,908	472,605
(933,320)	1,755,178	821,858	2,941,303
--	--	--	6,612
(933,320)	1,755,178	821,858	2,947,915
\$ (993,903)	\$ 1,985,669	\$ 991,766	\$ 3,420,520

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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.

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.

Patsy T. Mink Central Oahu Regional Park Fund

This fund accounts for all revenues generated from the Patsy T. Mink Central Oahu Regional Park. These monies shall be expended, as appropriated, for the improvement, maintenance and repair of the City's Patsy T. Mink Central Oahu Regional Park.

Governmental Funds Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Waipio Peninsula Soccer Park Fund

This fund accounts for all revenues generated from the Waipio Peninsula Soccer Park. These monies shall be expended, as appropriated, for the improvement, maintenance and repair of the City's Waipio Peninsula Soccer Park.

Golf Fund

Receipts for this fund are derived from the operation of the City's golf facilities. All funds are expended for the management, operation and maintenance of the municipal golf courses.

Special Events Fund

This fund accounts for all revenues derived from the operation of the City's auditorium facilities, Waikiki Shell, and Honolulu Zoo. All funds are expended for the operation of the Department of Enterprise Services.

Special Projects Fund

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

Federal Grants Fund

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

Housing and Community Development Rehabilitation Loan Fund

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

Pauahi Project Expenditures, Hawaii R-15 Fund

This fund was created to facilitate financing of the Pauahi Project redevelopment plan providing for the acquisition, clearance, construction of site improvements, and sale or lease of home, apartment and commercial sites to private parties for development in accordance with said plans. Also, funding may be used for any project that is eligible for Community Development Block Grant monies.

Housing and Community Development Section 8 Contract Fund

This fund accounts for all monies received from the federal government under the Housing and Community Development Act of 1974 for the purposes set forth under Title II of the Act.

Debt Service Fund

Improvement District Bond and Interest Redemption Fund

This fund accounts for the redemption of maturing City improvement district assessment bonds and collections of special assessments.

Capital Projects Funds

General Improvement Bond Fund

This fund accounts for proceeds of general obligation bonds issued to pay all or part of those appropriations in the Capital Budget Ordinance for public improvements specified to be expended from this fund.

Governmental Funds Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Capital Projects Funds (Continued)

Highway Improvement Bond Fund

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

Federal Grants Capital Projects Fund

All monies received from the federal government in the form of grants, entitlements or payments in lieu of taxes, to fund capital projects, and Federal Revenue Sharing funds appropriated for capital projects are deposited or transferred into this fund and expended for the purposes for which such monies are received or appropriated.

Capital Projects Fund

This fund accounts for monies received from sources other than the federal government in the form of grants, entitlements, shared revenues or payments in lieu of taxes, and City monies appropriated for capital projects transferred into this fund. These monies are expended for the purposes received or appropriated. Transactions relating to acquisition of capital improvements financed by special assessments are also accounted for in this fund.

CITY AND COUNTY OF HONOLULU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
With Treasury	\$ 337,584	\$ 57,076	\$ 309	\$ 201,006	\$ 595,975
Receivables	26,921	29,310	--	97,197	153,428
Due from other funds	20,970	426	--	244	21,640
	<u>\$ 385,475</u>	<u>\$ 86,812</u>	<u>\$ 309</u>	<u>\$ 298,447</u>	<u>\$ 771,043</u>
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 35,603	\$ 1,968	\$ --	\$ 41,546	\$ 79,117
Accrued payroll	23,358	1,776	--	1,159	26,293
Due to other funds	106	160	--	17,721	17,987
Matured bonds and interest payable.....	--	--	309	9	318
	<u>59,067</u>	<u>3,904</u>	<u>309</u>	<u>60,435</u>	<u>123,715</u>
Deferred Inflow:					
Deferred inflow	10,933	23,763	--	72,749	107,445
	<u>10,933</u>	<u>23,763</u>	<u>--</u>	<u>72,749</u>	<u>107,445</u>
Fund Balances:					
Restricted	--	59,145	--	138,918	198,063
Committed	110,329	--	--	28,532	138,861
Assigned	65,124	--	--	--	65,124
Unassigned	140,022	--	--	(2,187)	137,835
	<u>315,475</u>	<u>59,145</u>	<u>--</u>	<u>165,263</u>	<u>539,883</u>
Total Liabilities, Deferred Inflow and Fund Balances..	<u>\$ 385,475</u>	<u>\$ 86,812</u>	<u>\$ 309</u>	<u>\$ 298,447</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.					2,466,828
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					107,445
Deferred outflows of resources reported in governmental activities are not reported in the funds.					379,722
Deferred inflows of resources reported in governmental activities are not reported in the funds.					(91,484)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					(4,396,297)
Net position of governmental activities					<u>\$ (993,903)</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, 2016
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes.....	\$ 1,054,429	\$ 97,538	\$ --	\$ 10,054	\$ 1,162,021
Special assessments.....	--	--	--	4	4
Licenses and permits.....	43,559	132,790	--	5,347	181,696
Intergovernmental.....	45,413	--	--	160,768	206,181
Charges for services.....	7,463	4,617	--	20,918	32,998
Fines and forfeits.....	878	--	--	92	970
Miscellaneous:					
Reimbursements and recoveries.....	44,277	2,761	--	--	47,038
Interest.....	2,047	--	--	214	2,261
Other.....	5,531	2,412	--	16,394	24,337
Total Revenues.....	1,203,597	240,118	--	213,791	1,657,506
Expenditures:					
Current:					
General government.....	137,773	20,270	--	12,473	170,516
Public safety.....	380,881	33,098	--	12,904	426,883
Highways and streets.....	4,515	20,189	--	3,672	28,376
Sanitation.....	3,475	--	--	210	3,685
Human services.....	13,887	--	--	83,406	97,293
Culture-recreation.....	67,939	--	--	26,671	94,610
Utilities or other enterprises.....	--	1,936	--	60,839	62,775
Miscellaneous:					
Retirement and health benefits.....	246,129	26,628	--	10,272	283,029
Other.....	25,009	2,314	--	561	27,884
Capital Outlay:					
General government.....	2,594	1,085	--	19,083	22,762
Public safety.....	2,232	--	--	26,947	29,179
Highways and streets.....	3	12	--	99,628	99,643
Sanitation.....	5	--	--	--	5
Human services.....	--	--	--	14,839	14,839
Culture-recreation.....	66	--	--	34,373	34,439
Utilities or other enterprises.....	--	--	--	18,081	18,081
Debt service:					
Principal.....	521	--	115,728	--	116,249
Interest.....	26	--	99,218	--	99,244
Total Expenditures.....	885,055	105,532	214,946	423,959	1,629,492
Revenues over (under) Expenditures.....	318,542	134,586	(214,946)	(210,168)	28,014
Other Financing Sources (Uses):					
Sales of capital assets.....	759	213	--	--	972
Transfers in.....	181,488	--	214,946	18,951	415,385
Transfers out.....	(508,890)	(141,893)	--	(10,334)	(661,117)
Total Other Financing Sources (Uses).....	(326,643)	(141,680)	214,946	8,617	(244,760)
Net change in fund balances.....	(8,101)	(7,094)	--	(201,551)	(216,746)
Fund Balance - July 1	323,576	66,239	--	366,814	756,629
Fund Balances - June 30.....	\$ 315,475	\$ 59,145	\$ --	\$ 165,263	\$ 539,883

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, 2016
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ (216,746)
Governmental funds report capital outlays as expenditures. The Statement of Activities reports depreciation expense on capital assets and other adjustments. This is the difference between those amounts for this year.	101,746
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(4,567)
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.	142,850
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.	(275,336)
Loss on refunding is recorded as an other financing use in the fund statement but as a deferred outflow in the government-wide financial statements. Amortization of the deferred outflow is reported as interest in the Statement of Activities but does not require current financial resources and is not reported in the funds.	(19,408)
Funds report expenditures for contributions for pensions. The government-wide statements report deferred outflows, deferred inflows and pension expense.	210,878
Change in net position of governmental activities	\$ (60,583)

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, 2016
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 949	\$ 127,856	\$ 18,604	\$ 4,346	\$ 151,755
Investments	6,748	759,729	100,476	23,674	890,627
Receivables:					
Accounts (net of allowance for uncollectibles of \$12,114)	1,585	55,381	12,157	1,795	70,918
Interest	--	1,124	121	--	1,245
Payroll Advance	--	894	493	32	1,419
Due from other funds	--	325	4	--	329
Inventories of parts, materials and supplies, at cost...	--	15,406	--	8,830	24,236
Restricted assets:					
Cash and cash equivalents	14,340	--	--	716	15,056
Prepaid expenses and other assets	47	2,640	560	908	4,155
Total Current Assets	23,669	963,355	132,415	40,301	1,159,740
Noncurrent Assets:					
Restricted assets:					
Investments	--	156,042	31,997	--	188,039
Capital Assets:					
Land	14,578	45,839	24,063	76,232	160,712
Buildings and improvements	108,620	1,141,230	518,820	103,267	1,871,937
Transmission and distribution system	--	1,749,531	--	--	1,749,531
Equipment and machinery	966	77,103	290,348	31,651	400,068
Buses and other transit vehicles	--	--	--	277,107	277,107
Construction work in progress	5,472	481,122	48,809	1,718	537,121
Accumulated depreciation	(83,865)	(685,253)	(316,649)	(234,061)	(1,319,828)
Other noncurrent assets	1,233	265	--	--	1,498
Total Noncurrent Assets	47,004	2,965,879	597,388	255,914	3,866,185
Total Assets	70,673	3,929,234	729,803	296,215	5,025,925
DEFERRED OUTFLOWS					
Deferred loss on refunding of debt	2,722	35,887	6,853	--	45,462
Deferred outflows from pensions	--	16,791	11,100	2,540	30,431
Total Deferred Outflows	2,722	52,678	17,953	2,540	75,893
LIABILITIES					
Current Liabilities:					
Accounts payable	293	48,153	20,621	520	69,587
Interest payable	450	44,627	5,018	--	50,095
Notes payable	--	22,066	--	--	22,066
Bonds payable	3,209	51,813	24,965	--	79,987
Due to other funds	4,002	13	29	--	4,044
Reserve for insurance claims payable	--	--	--	9,402	9,402
Accrued payroll	--	1,666	1,134	58	2,858
Other current liabilities	1,035	499	1,712	1,019	4,265
Total Current Liabilities	8,989	168,837	53,479	10,999	242,304
Noncurrent Liabilities:					
Notes payable	--	230,082	--	--	230,082
General obligation bonds payable	40,227	784	508,133	--	549,144
Revenue bonds payable.....	--	1,817,024	--	--	1,817,024
Estimated liability for landfill closure and postclosure care costs.....	--	--	14,347	--	14,347
Net pension liability	--	88,686	57,152	2,527	148,365
Other liabilities	7,284	33,304	23,186	19,654	83,428
Total Noncurrent Liabilities	47,511	2,169,880	602,818	22,181	2,842,390
Total Liabilities	56,500	2,338,717	656,297	33,180	3,084,694
DEFERRED INFLOWS					
Deferred inflows from pensions	--	19,034	12,252	169	31,455
Total Deferred Inflows	--	19,034	12,252	169	31,455
NET POSITION					
Net investment in capital assets	5,057	785,313	71,143	255,914	1,117,427
Restricted for debt service	--	174,514	--	--	174,514
Unrestricted	11,838	664,334	8,064	9,492	693,728
Total Net Position	\$ 16,895	\$ 1,624,161	\$ 79,207	\$ 265,406	\$ 1,985,669

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, 2016
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 9,680	\$ --	\$ --	\$ --	\$ 9,680
Sewer service charges	--	411,996	--	--	411,996
Disposal and collection fees	--	--	55,191	--	55,191
Electrical energy fee	--	--	66,722	--	66,722
Passenger fares for transit services	--	--	--	54,914	54,914
Other revenue	--	11,802	3,083	558	15,443
Total Operating Revenues	9,680	423,798	124,996	55,472	613,946
Operating Expenses:					
Administrative and general	281	48,599	33,826	1,487	84,193
Maintenance	1,715	509	835	99	3,158
Depreciation	3,725	62,384	16,231	18,246	100,586
Contractual services	2,325	20,881	99,180	186,715	309,101
Fringe benefits	--	20,294	13,399	925	34,618
Materials and supplies	64	13,803	2,779	13,936	30,582
Fuel and lubricants	--	902	2,268	12,410	15,580
Insurance	170	--	1,668	17,272	19,110
State taxes - fuel	--	--	111	2,964	3,075
Utilities	1,842	20,779	277	1,318	24,216
Total Operating Expenses	10,122	188,151	170,574	255,372	624,219
Operating Income (Loss)	(442)	235,647	(45,578)	(199,900)	(10,273)
Nonoperating Revenues (Expenses):					
Interest revenue	81	3,432	265	--	3,778
Interest expense	(1,432)	(51,542)	(20,279)	--	(73,253)
Loss from disposal of property	--	(18)	(130)	(346)	(494)
Other	1,367	2,742	(22)	21,000	25,087
Total Nonoperating Revenues (Expenses)	16	(45,386)	(20,166)	20,654	(44,882)
Income (Loss) before Transfers and Capital Contributions.....	(426)	190,261	(65,744)	(179,246)	(55,155)
Transfers In	700	--	110,348	161,603	272,651
Transfers Out	--	(13,426)	(13,493)	--	(26,919)
Capital Contributions	--	424	--	39,490	39,914
Change in Net Position	274	177,259	31,111	21,847	230,491
Net Position - July 1	16,621	1,446,902	48,096	243,559	1,755,178
Net Position - June 30	\$ 16,895	\$ 1,624,161	\$ 79,207	\$ 265,406	\$ 1,985,669

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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Cash flows from operating activities:					
Receipts from customers.....	\$ 8,546	\$ 421,012	\$ 127,236	\$ 54,789	\$ 611,583
Payments to suppliers.....	(6,627)	(62,800)	(108,093)	(232,151)	(409,671)
Payments to employees.....	--	(60,970)	(39,744)	(1,333)	(102,047)
Other receipts	3,590	350	(897)	223	3,266
Net cash provided by (used in) operating activities	5,509	297,592	(21,498)	(178,472)	103,131
Cash flows from noncapital financing activities:					
Transfers in	4,702	--	110,348	161,603	276,653
Transfers out	--	(13,426)	(13,493)	--	(26,919)
Grants and contributions	--	--	--	21,000	21,000
Net cash provided by (used in) noncapital financing activities	4,702	(13,426)	96,855	182,603	270,734
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(449)	(220,151)	(20,346)	(1,552)	(242,498)
Proceeds from issuing notes	--	27,766	--	--	27,766
Proceeds from issuing bonds	--	770,847	--	--	770,847
Capital grants and subsidies	--	5,002	--	--	5,002
Principal paid on notes	--	(20,905)	--	--	(20,905)
Principal paid on bonds	(2,146)	(620,887)	(24,321)	--	(647,354)
Interest paid on notes	--	(2,225)	--	--	(2,225)
Interest paid on bonds	(1,634)	(63,940)	(24,403)	--	(89,977)
Net cash used in capital and related financing activities	(4,229)	(124,493)	(69,070)	(1,552)	(199,344)
Cash flows from investing activities:					
Purchase of investments	(6,900)	(1,625,356)	(222,465)	(24,473)	(1,879,194)
Proceeds from maturities of investments	2,854	1,347,355	194,736	19,424	1,564,369
Interest on investments	--	2,481	161	--	2,642
Net cash used in investing activities	(4,046)	(275,520)	(27,568)	(5,049)	(312,183)
Net increase (decrease) in cash and cash equivalents	1,936	(115,847)	(21,281)	(2,470)	(137,662)
Cash and cash equivalents - July 1	13,353	243,703	39,885	7,532	304,473
Cash and cash equivalents - June 30	<u>\$ 15,289</u>	<u>\$ 127,856</u>	<u>\$ 18,604</u>	<u>\$ 5,062</u>	<u>\$ 166,811</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, 2016
 (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)	\$ (442)	\$ 235,647	\$ (45,578)	\$ (199,900)	\$ (10,273)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,725	62,384	16,231	18,246	100,586
Other revenues (expenses)	2,491	--	(27)	--	2,464
Writeoff of capital assets	--	4,182	114	(290)	4,006
(Increase) decrease in accounts receivable	(140)	(3,573)	6,708	99	3,094
Increase in due from other funds	--	(3)	(16)	--	(19)
Increase in inventory of parts, materials and supplies	--	(155)	--	(497)	(652)
Decrease in prepaid expenses and other assets	1	--	33	967	1,001
Increase in deferred outflows of resources	--	(6,466)	(4,101)	(2,541)	(13,108)
Increase (decrease) in trade accounts payables	32	(633)	1,826	260	1,485
Increase in reserve for insurance claims payable	--	--	--	2,598	2,598
Increase (decrease) in other liabilities	(158)	2,988	1,201	(110)	3,921
Increase (decrease) in net pension liability	--	(1,597)	(972)	2,527	(42)
Increase (decrease) in due to other funds	--	9	(12)	--	(3)
Increase in deferred inflows of resources	--	4,809	3,095	169	8,073
Net cash provided by (used in) operating activities	<u>\$ 5,509</u>	<u>\$ 297,592</u>	<u>\$ (21,498)</u>	<u>\$ (178,472)</u>	<u>\$ 103,131</u>

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

Housing

Amortization of bond insurance costs amounted to \$5. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$158) for the year ended June 30, 2016. Beginning cash balance includes \$12,321 in restricted assets and ending cash balance includes \$14,340 in restricted assets. Construction in progress of \$1,066 was written off in the year ended June 30, 2016. Transfers of \$4,002 were accrued but not paid as of June 30, 2016.

Sewer

The Sewer Fund received \$424 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, 2016. Interest expense for bond discount and bond premium amounted to \$1,383 and (\$12,952) respectively, while amortization for bond insurance cost amounted to \$1,049 for the year ended June 30, 2016.

Solid Waste

Amortization of bond discount and bond insurance cost amounted to \$35 for the year ended June 30, 2016. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$1,932) for the year ended June 30, 2016.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$39,490 for the year ended June 30, 2016. Beginning cash balance includes \$319 in restricted assets and ending cash balance includes \$716 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, 2016
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 778	\$ 9,188
Investments	4,693	37,245
Due from other funds	--	62
Total assets	5,471	46,495
<u>LIABILITIES</u>		
Accounts payable	--	7,491
Other current liabilities	--	39,004
Total liabilities	--	46,495
<u>NET POSITION</u>		
Held in trust for individuals, organizations and other governments	\$ 5,471	\$ --

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, 2016
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITION</u>	
Collections for sundry creditors, contributions, etc.....	\$ 1,396
<u>DEDUCTION</u>	
Payments in accordance with trust agreements	1,726
Change in net position	(330)
Net position - July 1	5,801
Net position - June 30	\$ 5,471

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

Component Units Financial Statements

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.

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.

Oahu Transit Services, Inc.

Oahu Transit Services, Inc. (OTS) was formed on December 16, 1991 as a nonprofit organization. The purpose of OTS is to manage, operate, and maintain the City bus service and other transit related services on behalf of and for the City.

CITY AND COUNTY OF HONOLULU
 COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2016
 (Amounts in thousands)

	Board of Water Supply	Honolulu Authority for Rapid Transportation	OTS, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ 23,085	\$ 11,647	\$ 5,050	\$ 39,782
Investments	294,378	83,012	--	377,390
Receivables (net)	29,348	167,143	--	196,491
Inventories	7,901	--	--	7,901
Deferred charges and other	12,654	42,956	93	55,703
Restricted assets:				
Cash and cash equivalents	14,572	--	716	15,288
Investments	33,196	--	--	33,196
Capital assets (net of accumulated depreciation):				
Land	32,373	113,505	--	145,878
Buildings and improvements	92,147	--	--	92,147
Equipment and machinery	100,455	51	--	100,506
Infrastructure	809,418	--	--	809,418
Construction work in progress	87,318	2,146,119	--	2,233,437
Total assets	<u>1,536,845</u>	<u>2,564,433</u>	<u>5,859</u>	<u>4,107,137</u>
DEFERRED OUTFLOWS				
Deferred outflows	<u>39,868</u>	<u>3,253</u>	<u>7,514</u>	<u>50,635</u>
LIABILITIES				
Accounts payable	20,862	186,625	4,202	211,689
Accrued interest payable	5,114	--	--	5,114
Other liabilities	2,657	--	15,219	17,876
Noncurrent liabilities:				
Due within one year	15,755	6,827	990	23,572
Due in more than one year	400,300	28,066	44,604	472,970
Total liabilities	<u>444,688</u>	<u>221,518</u>	<u>65,015</u>	<u>731,221</u>
DEFERRED INFLOWS				
Deferred inflow of resources	<u>5,063</u>	<u>968</u>	<u>--</u>	<u>6,031</u>
NET POSITION				
Net investment in capital assets	839,033	2,259,675	--	3,098,708
Restricted for:				
Capital activity	24,292	--	--	24,292
Unrestricted	263,637	85,525	(51,642)	297,520
Total net position	<u>\$ 1,126,962</u>	<u>\$ 2,345,200</u>	<u>\$ (51,642)</u>	<u>\$ 3,420,520</u>

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

CITY AND COUNTY OF HONOLULU
 COMPONENT UNITS
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	Board of Water Supply	Honolulu Authority for Rapid Transportation	OTS, Inc.	Total
Expenses.....	\$ 188,861	\$ 19,560	\$ 174,605	\$ 383,026
Program Revenues:				
Charges for Services.....	238,696	179	487	239,362
Operating Grants and Contributions.....	--	--	172,456	172,456
Capital Grants and Contributions.....	18,916	186,999	--	205,915
Total Program Revenues.....	<u>257,612</u>	<u>187,178</u>	<u>172,943</u>	<u>617,733</u>
Program Revenues over (under) Expenditures.....	68,751	167,618	(1,662)	234,707
General Revenues:				
Investment earnings.....	4,151	424	--	4,575
General Excise Tax Surcharge.....	--	233,323	--	233,323
Total general revenues.....	<u>4,151</u>	<u>233,747</u>	<u>--</u>	<u>237,898</u>
Change in net position.....	<u>72,902</u>	<u>401,365</u>	<u>(1,662)</u>	<u>472,605</u>
Net position - beginning, as previously reported.....	1,047,448	1,943,835	(49,980)	2,941,303
Prior period adjustments.....	6,612	--	--	6,612
Net position - beginning, as restated.....	<u>1,054,060</u>	<u>1,943,835</u>	<u>(49,980)</u>	<u>2,947,915</u>
Net position - ending.....	<u>\$ 1,126,962</u>	<u>\$ 2,345,200</u>	<u>\$ (51,642)</u>	<u>\$ 3,420,520</u>

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, 2016

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 most recently amended in November 2016.

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), the Honolulu Authority for Rapid Transportation (HART) and Oahu Transit Services, Inc. (OTS).

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 however there is an implied financial burden relationship between the City and BWS. 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>.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

HART's board of directors consists of ten members, nine voting members and one non-voting member. A majority of the board members of HART, the governing body, are either appointed by the Mayor, selected by the City Council or are City officials. HART has been granted corporate powers by the City Charter such as preparing the annual operating and capital budgets for the fixed guideway system. Pursuant to the City Charter, the City Council, upon HART's request, may authorize the City to issue bonds, implying a financial burden relationship between the City and HART. Complete financial statements of HART may be obtained from their office located at 1099 Alakea Street, Suite 1700, Honolulu, Hawaii, 96813 or online at <http://www.honolulustransit.org>.

OTS' board of directors consists of seven voting members. Chapter 13 of the Revised Ordinance of the City effectuated the formation of a private, non-profit corporation to serve as the transit management services contractor. The Board of Directors selects new members to fill vacancies on the Board, subject to City approval. The City may remove any director when the City determines that the removal is required to fulfill the best interests of the city bus system or special transit services.

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 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

CITY AND COUNTY OF HONOLULU
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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 and proprietary 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.

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, notes payable due to federal and state government agencies and general obligation commercial paper notes. 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 subsidies 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

CITY AND COUNTY OF HONOLULU
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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.

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.

CITY AND COUNTY OF HONOLULU
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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, pensions, other post-retirements benefits and claims and judgments, are recorded only when payment is due.

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

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

The City has the following fund types:

Governmental Fund Types

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

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

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

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

Proprietary Funds

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

Fiduciary Funds

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

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

Accounting Standards

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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 consists of U.S. treasury and government securities, certificates of deposits and nonparticipating guaranteed investment contracts. All non-participating investment contracts are recorded at amortized cost. Participating investment contracts with a maturity of one year or more are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Participating investment contracts with a maturity of less than one year are recorded at amortized cost.

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.

Real Property Tax Abatement Programs

The City provides five real property tax abatement programs- *Dedicated Agricultural or Vacant Agricultural Land* – Section 8-7.3 of the Revised Ordinances of Honolulu (ROH) provides abatements to encourage agricultural use or preservation of vacant agricultural land. Taxpayers must file an application for the abatement. The abatement for agricultural use is equal to 97% or 99% of the assessed value of the portion of real property dedicated for agricultural for five or ten years, respectively. For land dedicated as vacant agricultural land the abatement is 50% of the assessed value of the portion of the real property dedicated as vacant agricultural. The amount of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. For agricultural land the abatement is for a minimum of either five or ten years and for vacant agricultural land the abatement is for a minimum of ten years. There is no provision for automatic renewal, the taxpayer must file a new application for abatement if they wish to maintain the abatement.

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Commercial Property Historical Dedication – Section 8-10.30 of the ROH provides abatements to encourage preservation of commercial property which has been placed on either the National or Hawaii Register of Historical Places. Taxpayers must file an application for the abatement and include a copy of a covenant, which has been recorded in the Bureau of Conveyance or Land Court, ensuring the public is provided with reasonable visual access to the property and that the property is maintained in accordance with an approved maintenance agreement. The abatement is equal to 50% of the assessed value of the portion of real property dedicated for preservation. The amount of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. The abatement is for a minimum of ten years, automatically renewable indefinitely.

Residential Property Historical Dedication - Section 8-10.22 of the ROH provides abatements to encourage preservation of residential property which has been placed on the Hawaii Register of Historical Places and is more than fifty years old. The property owner must provide visual access to the property and the property shall meet or exceed average condition and during the dedicated period the property shall be maintained in at least average condition. Taxpayers must file an application for the abatement. The abatement is equal to 100% of the assessed value of the portion of real property dedicated for preservation. The amount of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. If the tax due is less than \$300 the property owner is billed the City's minimum property tax of \$300 per year. The abatement is for a minimum of ten years, automatically renewable indefinitely.

Dedicated Land in Urban Districts - Section 8-10.13 of the ROH provides abatements to encourage preservation of landscaping, open space, public recreation or other similar uses. Taxpayers must file an application for the abatement. The abatement is equal to 100% of the assessed value of the portion of real property dedicated. The amount of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. If the tax due is less than \$300 the property is billed the City's minimum property tax of \$300 per year. The abatement is for a minimum of ten years, automatically renewable indefinitely.

Low Income Rental Housing Exemption - Section 8-10.20 of the ROH provides abatements to property owners to provide low income rental housing for residents. Real property which is used for a low income housing project and subject to a regulatory agreement is exempt from property taxes during the regulated period. Taxpayers must file an application for the abatement along with a copy of the recorded regulatory agreement. The abatement is equal to 100% of the assessed value of the portion of real property dedicated as low income rentals. The amount

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2016

of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. If tax due is less than \$300 the property owner is billed the City's minimum property tax of \$300 per year. The exemption is for one year and must be filed for annually. If a dedication or exemption is disallowed due to noncompliance, the owner is subject to roll back taxes, penalty and interest. The rollback taxes are retroactive to the date specified in the specific ROH section for each abatement. The amount due is the difference between what was billed and what should have been billed together with penalty and interest for each roll back year.

The gross amount by which the City's tax revenues were reduced during the year as a result of the tax abatement programs totaled (amounts in thousands):

Dedicated agricultural and vacant agricultural land	\$ 12,292
Commercial property historical dedication	261
Residential property historical dedication	1,441
Dedicated land in urban district	318
Low income rental housing	7,435
Total gross amount of revenue reduction	<u>\$ 21,747</u>

Unbilled Receivables

Included in the receivables at June 30, 2016 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$12.3 million and \$25.2 million, respectively.

Inventories of Parts, Materials and Supplies

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

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

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2016

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>Type of Capital Assets</u>	<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

Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employee's Retirement System of the State of Hawaii Plan (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 until that time. Bond refunding costs and certain pension related costs are deferred and amortized systematically over a specified period of time. The balances as of June 30, 2016 are as follows:

	Governmental Funds	Business-Type Funds	Component Units
Deferred loss on refunding of bond	\$ 89,062	\$ 45,462	\$ 20,113
Deferred pension related costs	290,660	30,431	30,522
	<u>\$ 379,722</u>	<u>\$ 75,893</u>	<u>\$ 50,635</u>

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2016

Deferred Inflows of Resources represent an acquisition of net position that apply to future periods and consequently will be recognized as revenue at that time. Deferred pension related costs are amortized systematically over a specified period of time. Deferred inflows include unavailable revenue and certain pension related costs. Revenues are recognized in the period amounts become available. The balances as of June 30, 2016 are as follows:

	Governmental Funds	Business-Type Funds	Component Units
Deferred Pension Related Costs	\$ 91,484	\$ 31,455	\$ 6,031
Unavailable Revenue			
Sub-recipient loan program	\$ 60,238	\$ -	\$ -
Public utilities franchise taxes	23,763	-	-
Real property taxes	10,804	-	-
Housing assistance loan program	12,587	-	-
Others	53	-	-
	<u>\$ 107,445</u>	<u>\$ -</u>	<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.

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 \$161.6 million to the Public Transportation System, \$110.3 million to the Solid Waste Fund, \$700.0 thousand to the Housing 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, 2016

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. The Fiscal Stability Fund was established by Ordinance 98-32 as a fund designated for economic and revenue downturns and emergency situations. Funds can be appropriated only by ordinance when specific economic or revenue triggers are met or in the case of an emergency as defined in the ordinance. Deposits to the fund shall be made with funds deemed to be in excess of funding to sustain services, subject to council approval. The balance in the fund is \$102.6 million at June 30, 2016.
- *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.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2016

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

	General Fund	Highway Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:				
Highways	\$ -	\$ 59,145	\$ 11,000	\$ 70,145
Federal programs	-	-	26,505	26,505
Affordable housing programs	-	-	35,739	35,739
Land conservation program	-	-	27,616	27,616
Special projects	-	-	9,118	9,118
Rental assistance program	-	-	5,271	5,271
Rehabilitation loan program	-	-	6,028	6,028
Liquor Commission Office	-	-	2,204	2,204
Bikeways	-	-	568	568
Other capital projects	-	-	14,869	14,869
	<u>-</u>	<u>59,145</u>	<u>138,918</u>	<u>198,063</u>
Committed to:				
Emergency reserves	102,553	-	-	102,553
Parks and recreation	-	-	6,121	6,121
Hanauma Bay operations	-	-	5,610	5,610
Rental assistance program	-	-	1,558	1,558
Auditorium operations	-	-	3,221	3,221
Golf operations	-	-	1,299	1,299
Improvement districts	1,962	-	165	2,127
Other	5,814	-	10,558	16,372
	<u>110,329</u>	<u>-</u>	<u>28,532</u>	<u>138,861</u>
Assigned to:				
Provisional for Retirement & Health System Contribution - Employer	6,717	-	-	6,717
Provisional for Judgement	1,998	-	-	1,998
Recreation	8,595	-	-	8,595
Police	5,434	-	-	5,434
Environmental Services	1,720	-	-	1,720
Data Processing	2,421	-	-	2,421
Fire	3,986	-	-	3,986
Human services	5,340	-	-	5,340
Legal	2,673	-	-	2,673
Provisional for Risk Management	2,557	-	-	2,557
Repairs and Maintenance	7,694	-	-	7,694
Customer Services	3,383	-	-	3,383
Finance	1,131	-	-	1,131
Other	4,470	-	-	4,470
	<u>65,124</u>	<u>-</u>	<u>-</u>	<u>65,124</u>
Unassigned:	140,022	-	(2,187)	137,835
Total	<u>\$ 315,475</u>	<u>\$ 59,145</u>	<u>\$ 165,263</u>	<u>\$ 539,883</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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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 2016 contribution rates to the Employees' Retirement System of the State of Hawaii were 25.0% for Police and Fire or 17.0% for general employees.

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.

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 \$512.8 million are not reported in the accompanying financial statements at June 30, 2016.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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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, 2016, accumulated sick leave amounted to \$427.4 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 seven 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 three discretely presented component units are the BWS, HART and OTS.

Information on these enterprise funds, including significant accounting policies, is described in Notes 11 and 14.

Deficit Balances

As of June 30, 2016 there was a deficit of \$2.2 million in the General Improvement Bond Fund. The City issued general obligation bonds Series A and B in October 2016 to cover the deficit.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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 February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement enhances the comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The provisions of this Statement are effective for periods beginning after June 15, 2015. The City implemented the provisions of this Statement and determined that there was no significant impact on the financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions and establishes also the requirements for defined contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statements 67 and 68. The provisions for this Statement are effective for periods beginning after June 15, 2016 however, the provisions for pensions that are within the scope of GASB 67 and 68 are effective for periods beginning after June 15, 2015. The City implemented the provisions of this Statement and determined that there was no significant impact on the financial statements.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2016

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replacing Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and Statement No. 57 *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This statement establishes new accounting and financial reporting requirements for OPEB plans. This Statement requires governments providing defined benefit OPEB plans to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual cost of OPEB benefits. The provisions of this Statement are effective for periods beginning after June 15, 2017. The City has not yet determined the effect this Statement will have on its financial statements.

In August 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify the hierarchy of generally accepted principles used to prepare financial statements of state and local governments. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statements. The provisions of this Statement are effective for periods beginning after June 15, 2015. The City implemented the provisions of this Statement and determined there was no significant impact on the financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by providing the public with information that is not consistently or comprehensively reported at present. The provisions of this Statement are effective for periods beginning after December 15, 2015. The City implemented the provisions of this Statement as of June 30, 2016.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this statement is to enhance comparability of financial statements among governments by establishing specific criteria to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The provisions of this statement are effective for periods beginning after June 15, 2015. The City implemented the provisions of this Statement and determined there was no significant impact on the financial statements.

CITY AND COUNTY OF HONOLULU
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In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The provisions of this statement are effective for periods beginning after June 15, 2016. The City has not yet determined the effect this Statement will have on its financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this statement are effective for periods beginning after December 15, 2016. The City has not yet determined the effect this Statement will have on its financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68 and No. 73, *and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The City has not yet determined the effect this Statement will have on its financial statements.

2. Budgets and Budgetary Accounting

On or before March 2 of each year, 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.

CITY AND COUNTY OF HONOLULU
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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, Clean Water and Natural Lands Fund, Affordable Housing 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 (10%) 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 (10%) percent of the appropriation or \$10,000. To transfer appropriations between departments, the legal level of budgeting, amendments must be made to the enacted budget ordinance. The lowest legal level of budgetary control at which appropriations are adopted is at the department level. Only the Mayor may propose amendments to the enacted budget ordinance.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

3. Reconciliation of Government-Wide and Fund Financial Statements

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 \$4.4 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ 4,372,128
Accrued interest payable and other	<u>24,169</u>
	<u>\$ 4,396,297</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 \$101.7 million difference are as follows (amounts in thousands):

Capital outlays	\$ 218,948
Contributions	1,662
Write offs	(11,282)
Depreciation expense	<u>(107,582)</u>
Net adjustment	<u>\$ 101,746</u>

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 \$4.6 million difference are as follows (amounts in thousand):

Taxes	\$ 4,156
Special assessments	3
Intergovernmental	304
Other	<u>104</u>
Net adjustment	<u>\$ 4,567</u>

CITY AND COUNTY OF HONOLULU
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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 \$142.9 million difference are as follows (amounts in thousands):

Principal Repayments:	
General obligation bonds, net	\$ 142,106
Other long-term debt	744
Net adjustment	<u>\$ 142,850</u>

Another element of that reconciliation states that, "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$275.3 million difference are as follows (amounts in thousands):

Increase in compensated absences	\$ (4,656)
Increase in claims and judgments	(21,966)
Increase in other postemployment benefits	(37,370)
Increase in net pension liability	(213,176)
Decrease in other - accrued interest	1,832
Net adjustment	<u>\$ (275,336)</u>

Another element of that reconciliation states that, "Loss on refunding is recorded as another financing use in the fund statement but as a deferred outflow in the government-wide financial statements. Amortization of the deferred outflow is reported as interest in the Statement of Activities but does not require current financial resources and is not reported in the funds." The government-wide financial statements report a net adjustment of \$19.4 million for deferred outflows related to debt refundings.

The final element of that reconciliation states that, "Funds report expenditures for contributions for pensions. The government-wide statements report deferred outflows, deferred inflows and pension expense. The details of this \$210.9 million difference are as follows (amount in thousand):

Increase in deferred outflows	\$ 119,761
Decrease in deferred inflows	91,117
Net adjustment	<u>\$ 210,878</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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 (amounts in thousands):

	<u>Fair Value</u>	<u>Aaa</u>	<u>Not Rated</u>
Primary Government:			
U.S. government treasury	\$ 166,706	\$ 166,706	\$ -
Certificate of deposits	737,244	-	737,244
Guaranteed investment contracts	12,707	-	12,707
U.S. government securities	673,832	673,832	-
Component Units:			
Board of Water Supply			
U.S. government treasury	257,168	257,168	-
U.S. government securities	70,406	70,406	-
Honolulu Authority for Rapid Transportation			
U.S. government treasury	8,603	8,603	-
Certificate of deposits	39,608	-	39,608
U.S. government securities	34,894	34,894	-
Fiduciary Funds:			
Certificate of deposits	41,938	-	41,938

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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, 2016, the City had no investments in money market mutual funds or external investment pools.

Concentration of Credit Risk

As of June 30, 2016, \$12.7 million is invested with FSA Capital Management Services LLC.

The fair value and maturities of investments as of June 30, 2016 were as follows (amounts in thousands):

	Reported Amount	Fair Value	Investment Maturity in Years			
			Less than One	1 to 5	6 to 10	More than 10
Primary Government:						
U.S. government treasury	\$ 165,890	\$ 166,706	\$ 95,316	\$ 71,390	\$ -	\$ -
Certificate of deposits	737,244	737,244	478,627	258,617	-	-
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government securities	672,865	673,832	507,347	166,485	-	-
Total	<u>\$ 1,588,706</u>	<u>\$ 1,590,489</u>	<u>\$ 1,081,290</u>	<u>\$ 496,492</u>	<u>\$ -</u>	<u>\$ 12,707</u>
Component Units:						
Board of Water Supply						
U.S. government treasury	\$ 257,168	\$ 257,168	\$ 22,975	\$ 234,193	\$ -	\$ -
U.S. government securities	70,406	70,406	22,487	47,919	-	-
Honolulu Authority for Rapid Transportation						
U.S. government treasury	8,584	8,603	4,915	3,688	-	-
Certificate of deposits	39,608	39,608	26,225	13,383	-	-
U.S. government securities	34,820	34,894	26,265	8,629	-	-
Total	<u>\$ 410,586</u>	<u>\$ 410,679</u>	<u>\$ 102,867</u>	<u>\$ 307,812</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of deposits	<u>\$ 41,938</u>	<u>\$ 41,938</u>	<u>\$ 41,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level1) and the lowest priority to unobservable inputs (level3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Investments whose values are based on quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Investments whose values are based on inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a level 2 input must be observable for most of the full term of the asset or liability. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in markets that are not active,
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Investments classified as Level 3 have unobservable inputs for an asset or liability and may require a degree of professional judgment. A description of the valuation techniques used by the City to measure fair value is as follows:

- U.S. Treasury obligations: Valued using quoted prices in active markets for identical assets.
- U.S. government agency obligations and certificate of deposits: Valued using quoted prices for identical or similar assets in markets that are not active.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

The following table sets forth by level, within the fair value hierarchy, assets measured at fair value on a recurring basis as of June 30, 2016 (amounts in thousands):

	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>
Primary Government:			
U.S. government treasury	\$ 71,440	\$ 71,440	\$ -
U.S. government securities	166,631	-	166,631
Total	<u>\$ 238,071</u>	<u>\$ 71,440</u>	<u>\$ 166,631</u>
Component Units:			
Board of Water Supply			
U.S. government treasury	\$ 257,168	\$ 257,168	\$ -
U.S. government securities	70,406	-	70,406
Honolulu Authority for Rapid Transportation			
U.S. government treasury	3,637	3,637	-
U.S. government securities	8,483	-	8,483
Total	<u>\$ 339,694</u>	<u>\$ 260,805</u>	<u>\$ 78,889</u>

As of June 30, 2016 investments recorded at amortized cost totaled \$1.35 billion for primary government and \$70.9 million for component units.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

5. Receivables

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2016 consists of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 12,729	\$ -
Accounts	2,134	83,032
Public utilities franchise taxes	23,763	-
Special assessments	8	-
Notes	72,723	-
Intergovernmental	31,538	-
Interest	685	1,245
Payroll and others	11,577	1,419
Allowance for uncollectible accounts	(1,729)	(12,114)
	<u>\$ 153,428</u>	<u>\$ 73,582</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred inflows of resources in the government funds. \$107.4 million of the receivables for governmental activities have been deferred at June 30, 2016.

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable in the amount of \$71.8 million, which are generally due to the City on various dates through 2073.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2016 (amounts in thousands):

Primary Government -

	Balance at June 30, 2015	Addition/ Transfer In	Retirements/ Transfers Out	Balance at June 30, 2016
Governmental Activities:				
Depreciable Assets –				
Buildings and improvements	\$ 1,409,832	\$ 52,934	\$ (431)	\$ 1,462,335
Equipment and machinery	375,617	17,474	(6,202)	386,889
Infrastructure	1,553,473	92,045	-	1,645,518
Total depreciable assets	<u>3,338,922</u>	<u>162,453</u>	<u>(6,633)</u>	<u>3,494,742</u>
Less Accumulated Depreciation –				
Buildings and improvements	(707,537)	(44,324)	408	(751,453)
Equipment and machinery	(261,189)	(21,431)	5,657	(276,963)
Infrastructure	(658,101)	(41,827)	-	(699,928)
Total accumulated depreciation	<u>(1,626,827)</u>	<u>(107,582)</u>	<u>6,065</u>	<u>(1,728,344)</u>
Net depreciable assets	1,712,095	54,871	(568)	1,766,398
Land	492,211	25,400	(5,726)	511,885
Construction Work in Progress	160,776	172,356	(144,587)	188,545
Governmental activities – capital assets, net	<u>2,365,082</u>	<u>252,627</u>	<u>(150,881)</u>	<u>2,466,828</u>
Business-type Activities:				
Depreciable Assets –				
Buildings and improvements	1,856,895	15,042	-	1,871,937
Equipment and machinery	642,383	52,310	(17,518)	677,175
Infrastructure	1,563,612	186,384	(465)	1,749,531
Total depreciable assets	<u>4,062,890</u>	<u>253,736</u>	<u>(17,983)</u>	<u>4,298,643</u>
Less Accumulated Depreciation –				
Buildings and improvements	(405,592)	(41,533)	-	(447,125)
Equipment and machinery	(488,610)	(26,472)	16,604	(498,478)
Infrastructure	(341,782)	(32,581)	138	(374,225)
Total accumulated depreciation	<u>(1,235,984)</u>	<u>(100,586)</u>	<u>16,742</u>	<u>(1,319,828)</u>
Net depreciable assets	2,826,906	153,150	(1,241)	2,978,815
Land	160,113	599	-	160,712
Construction Work in Progress	498,601	225,487	(186,967)	537,121
Business-type activities – capital assets, net	<u>3,485,620</u>	<u>379,236</u>	<u>(188,208)</u>	<u>3,676,648</u>
Total primary government capital assets, net	<u>\$ 5,850,702</u>	<u>\$ 631,863</u>	<u>\$ (339,089)</u>	<u>\$ 6,143,476</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

Discretely Presented Component Units –

	Balance at June 30, 2015	Additions/ Transfers In	Retirements/ Transfers Out	Balance at June 30, 2016
Board of Water Supply				
Depreciable Assets –				
Buildings and improvements	\$ 162,674	\$ 1,847	\$ (29)	\$ 164,492
Equipment and machinery	304,512	10,301	(9,358)	305,455
Infrastructure	1,450,128	20,471	(804)	1,469,795
Total depreciable assets	<u>1,917,314</u>	<u>32,619</u>	<u>(10,191)</u>	<u>1,939,742</u>
Less Accumulated Depreciation –				
Buildings and improvements	(68,577)	(3,791)	23	(72,345)
Equipment and machinery	(200,399)	(13,946)	9,345	(205,000)
Infrastructure	(631,440)	(29,429)	492	(660,377)
Total accumulated depreciation	<u>(900,416)</u>	<u>(47,166)</u>	<u>9,860</u>	<u>(937,722)</u>
Net depreciable assets	1,016,898	(14,547)	(331)	1,002,020
Land	32,373	-	-	32,373
Construction Work in Progress	63,122	65,063	(40,867)	87,318
BWS capital assets, net	<u>1,112,393</u>	<u>50,516</u>	<u>(41,198)</u>	<u>1,121,711</u>
Honolulu Authority for Rapid Transportation				
Depreciable Assets –				
Equipment and machinery	171	-	-	171
Total depreciable assets	<u>171</u>	<u>-</u>	<u>-</u>	<u>171</u>
Less Accumulated Depreciation –				
Equipment and machinery	(102)	(18)	-	(120)
Total accumulated depreciation	<u>(102)</u>	<u>(18)</u>	<u>-</u>	<u>(120)</u>
Net depreciable assets	69	(18)	-	51
Land	91,102	22,403	-	113,505
Construction Work in Progress	1,617,447	528,672	-	2,146,119
HART capital assets, net	<u>1,708,618</u>	<u>551,057</u>	<u>-</u>	<u>2,259,675</u>
Total component units capital assets, net	<u>\$ 2,821,011</u>	<u>\$ 601,573</u>	<u>\$ (41,198)</u>	<u>\$ 3,381,386</u>

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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

Governmental Activities:

General government	\$ 18,150
Public safety	22,725
Highways and streets	39,856
Culture and recreation	24,017
Sanitation	18
Utilities	2,472
Human Services	<u>344</u>
Total depreciation expense – governmental activities	<u><u>\$ 107,582</u></u>

Business-type Activities:

Housing	\$ 3,725
Sewer	62,384
Solid Waste	16,231
Public Transportation System	<u>18,246</u>
Total depreciation expense – business-type activities	<u><u>\$ 100,586</u></u>

Component Units:

Board of Water Supply (\$1,584 was allocated to various functions)	\$ 47,166
Honolulu Authority on Rapid Transportation	<u>18</u>
Total depreciation expense – component units	<u><u>\$ 47,184</u></u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2016 (amounts in thousands):

	Due From Other Funds	Due to Other Funds
General Fund	\$ 20,970	\$ 106
Highway Fund	426	160
Nonmajor Governmental Funds	244	17,721
Fiduciary Funds	62	-
Enterprise Funds:		
Housing	-	4,002
Sewer Fund	325	13
Solid Waste Special Fund	4	29
	<u>\$ 22,031</u>	<u>\$ 22,031</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, 2016, 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, 2016 (amounts in thousands):

	Transferred From Other Funds	Transferred To Other Funds
General Fund	\$ 181,488	\$ 508,890
Highway Fund	-	141,893
G.O. Bond and Interest Redemption Fund	214,946	-
Nonmajor Governmental Funds	18,951	10,334
Enterprise Funds:		
Housing Development Special Fund	700	-
Sewer Fund	-	13,426
Solid Waste Special Fund	110,348	13,493
Public Transportation System Fund	161,603	-
	<u>\$ 688,036</u>	<u>\$ 688,036</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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, 2016 (amounts in thousands):

Primary Government -

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 2,313,617	\$ -	\$ 115,503	\$ 2,198,114	\$ 125,238
Add: Unamortized premium	214,334	-	26,668	187,666	-
Less: Unamortized discount	(1,069)	-	(65)	(1,004)	-
Total bonds payable	2,526,882	-	142,106	2,384,776	125,238
Notes payable to state government	1,933	-	565	1,368	231
Capital lease	179	-	179	-	-
Compensated absences	112,144	45,813	41,157	116,800	5,190
Other postemployment benefits	347,688	137,808	100,438	385,058	-
Net Pension Liability	1,158,988	213,176	-	1,372,164	-
Claims and judgments (Note 13)	89,996	50,718	28,752	111,962	31,295
Total	<u>\$ 4,237,810</u>	<u>\$ 447,515</u>	<u>\$ 313,197</u>	<u>\$ 4,372,128</u>	<u>\$ 161,954</u>
Business-Type Activities:					
General obligation bonds	\$ 576,023	\$ -	\$ 26,477	\$ 549,546	\$ 28,232
Revenue bonds	1,652,193	698,930	587,953	1,763,170	51,755
Add: Unamortized premium	97,347	75,275	33,674	138,948	-
Less: Unamortized discount	(6,103)	(996)	(1,590)	(5,509)	-
Total bonds payable	2,319,460	773,209	646,514	2,446,155	79,987
Notes payable to state government	245,287	27,766	20,905	252,148	22,066
Reserve for insurance claims payable	24,945	17,459	14,861	27,543	9,402
Other postemployment benefits	41,645	16,531	11,822	46,354	-
Net Pension Liability	148,408	-	43	148,365	-
Estimated liability for landfill closure and post closure care costs (Note 14)	16,978	300	1,481	15,797	1,450
Compensated absences	11,711	5,266	4,559	12,418	768
	-	-	-	-	-
Total	<u>\$ 2,808,434</u>	<u>\$ 840,531</u>	<u>\$ 700,185</u>	<u>\$ 2,948,780</u>	<u>\$ 113,673</u>

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2016

Discretely Presented Component Units -

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016	Amounts Due Within One Year
Board of Water Supply					
Revenue bonds	\$ 239,150	\$ -	\$ 7,810	\$ 231,340	\$ 8,135
Add: Unamortized premium	23,306	-	1,712	21,594	-
Total bonds payable	262,456	-	9,522	252,934	8,135
Notes payable to state governments *	60,446	9,495	4,729	65,212	4,211
Compensated absences	6,708	2,580	2,492	6,796	2,493
Net pension liability	73,142	16,111	7,727	81,526	-
Other postemployment benefits	-	8,783	8,783	-	-
Customer advances	1,694	12,644	11,003	3,335	-
Accrued workers' compensation	2,572	1,054	829	2,797	916
Others	1,160	2,446	151	3,455	-
Total	<u>\$ 408,178</u>	<u>\$ 53,113</u>	<u>\$ 45,236</u>	<u>\$ 416,055</u>	<u>\$ 15,755</u>
Honolulu Authority for Rapid Transportation					
Compensated absences	\$ 1,167	\$ 589	\$ 508	\$ 1,248	\$ 110
Other postemployment benefits	2,099	581	195	2,485	-
Net pension liability	14,406	1,188	-	15,594	-
Delayed claims	59,696	2,043	55,022	6,717	6,717
Environmental remediation	4,845	8,849	4,845	8,849	-
Total	<u>\$ 82,213</u>	<u>\$ 13,250</u>	<u>\$ 60,570</u>	<u>\$ 34,893</u>	<u>\$ 6,827</u>
Oahu Transit Services, Inc.					
Compensated absences	\$ 8,547	\$ 4,892	\$ 4,890	\$ 8,549	\$ 990
Net Pension Liability	15,778	8,654	4,480	19,952	-
Other postemployment benefits	16,576	836	319	17,093	-
Total	<u>\$ 40,901</u>	<u>\$ 14,382</u>	<u>\$ 9,689</u>	<u>\$ 45,594</u>	<u>\$ 990</u>

* As restated June 30, 2015.

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 is pledged. Debt service is paid from the debt service fund. These bonds were issued during the fiscal years 1993 through 2015 in the original amount of \$3.5 billion, less discounts of \$1.2 million and adjusted for a premium of \$279.5 million that are being amortized over the related term of the bonds. These bonds bear interest at 1.3% to 6.5%, and mature serially through fiscal year 2040. General obligation debt authorized but not issued yet amounted to \$3.1 billion at June 30, 2016.

CITY AND COUNTY OF HONOLULU
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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 2015 in the original amount of \$746.0 million less a discount of \$485.6 thousand and adjusted for a premium of \$50.0 million, which are being amortized over the related term of the bonds. These bonds bear interest at 1.3% to 5.4%, and mature serially through fiscal year 2040.

Revenue Bonds

The BWS issued water system revenue bonds during fiscal years 2007, 2012, and 2015 in the original amount of \$444.0 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 rates of 0.8% to 5.0%. 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 28.2% for fiscal year 2016. 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 2016, the net revenue requirements were met.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2016, in the original amount totaling \$2.9 billion, less discounts of \$37.0 million and adjusted for premiums of \$184.0 million, which are being amortized over the related term of the bonds. The bonds bear interest at 0.6% to 6.3%, and mature at various dates through fiscal year 2046. The wastewater system revenues collateralize the revenue bonds.

On August 12, 2015, the City issued tax-exempt wastewater system revenue bond of \$578.5 million and taxable wastewater system revenue bonds of \$120.4 million. The bonds were comprised of Senior series A, B & C and Junior series A & B with a total aggregate of \$698.9 million.

CITY AND COUNTY OF HONOLULU
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Senior series 2015A were issued for \$185.0 million. The proceeds of the bonds will be used to pay for certain additions and improvements to the wastewater system. The bonds mature annually on July 1, 2017 through July 1, 2045 and bear interest rates at 2.0% to 5.0%. For the bonds maturing on and after July 1, 2026 through July 1, 2045, the City may exercise its option of redemption on or after July 1, 2025 in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus interest accrued to the date fixed for redemption thereof, without premium.

Senior series 2015B were issued for \$277.6 million. The proceeds of the bonds, along with the release of \$8.6 million of common reserve funds, were used to refund a portion of revenue bond series 2005A, 2006A, 2006B, 2006C, 2007A, and 2009A. The bonds mature annually on July 1, 2016 through July 1, 2036 and bear interest rates at 3.0% to 5.0%. For the bonds maturing July 1, 2026 through July 1, 2036 except for the bonds with interest rate below 4.0% that will mature on July 1, 2028, 2033 and 2036, the City may exercise its option of redemption on or after July 1, 2025 in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus interest accrued to the date fixed for redemption thereof, without premium. The refunding was undertaken to reduce total debt service payments by \$58.7 million and resulted in an economic gain of approximately \$35.5 million.

Senior series 2015C were issued for \$98.1 million. The proceeds of the bonds, along with the release of \$1.7 million of common reserve funds, were used to refund a portion of revenue bond series 2006A, 2006B, 2006C and 2010 USDA. The bonds mature annually on July 1, 2016 through July 1, 2045 and bear interest rates at 0.6% to 4.6%. The refunding was undertaken to reduce total debt service payments by \$10.1million and resulted in an economic gain of approximately \$5.9 million.

Junior Series 2015A were issued for \$115.9 million. The proceeds of the bonds, along with the release of \$3.5 million of common reserve funds, were used to refund a portion of revenue bond series 2003A, 2003B, and 2008A. The bonds mature annually on July 1, 2017 through July 1, 2032 and bear interest rates at 3.0% to 5.0%. For the bonds maturing July 1, 2026 through July 1, 2031 except for the bonds with interest rate of 3.0% maturing on July 1, 2027, the City may exercise its option of redemption on or after July 1, 2025 in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus interest accrued to the date fixed for redemption thereof, without premium. The refunding was undertaken to reduce total debt service payments by \$17.3 million and resulted in an economic gain of approximately \$9.9 million.

CITY AND COUNTY OF HONOLULU
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Junior Series 2015B were issued for \$22.3 million. The proceeds of the bonds, along with the release of \$0.6 million of common reserve funds, were used to refund a portion of revenue bond series 2003A and 2003B. The bonds mature annually on July 1, 2016 through July 1, 2032 and bear interest rates at 0.9% to 4.6%. The refunding was undertaken to reduce total debt service payments by \$2.2 million and resulted in an economic gain of approximately \$1.2 million.

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2016 including interest of \$2.4 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
2017	\$ 94,360	\$ 125,238	\$ 109,021	\$ 79,987	\$ 203,381	\$ 205,225	\$ 9,589	\$ 8,135
2018	89,355	136,856	102,311	82,874	191,666	219,730	9,358	8,365
2019	84,634	133,853	99,189	88,657	183,823	222,510	9,175	8,550
2020	78,930	140,218	95,733	89,883	174,663	230,101	8,902	8,820
2021	73,907	121,655	92,106	90,780	166,013	212,435	8,613	9,110
2022-2026	296,481	554,678	396,455	501,302	692,936	1,055,980	36,565	53,395
2027-2031	172,820	505,697	270,848	553,068	443,668	1,058,765	22,389	68,115
2032-2036	71,167	345,578	144,890	488,497	216,057	834,075	7,169	57,645
2037-2041	11,122	134,341	51,279	255,213	62,401	389,554	184	9,205
2042-2046	-	-	8,154	82,455	8,154	82,455	-	-
Total	<u>\$ 972,776</u>	<u>\$2,198,114</u>	<u>\$1,369,986</u>	<u>\$2,312,716</u>	<u>\$2,342,762</u>	<u>\$4,510,830</u>	<u>\$ 111,944</u>	<u>\$ 231,340</u>

Total interest costs incurred by the business-type activities and BWS for the fiscal year ended June 30, 2016 was \$107.4 million, of which \$24.3 million was capitalized.

Notes Payable

The primary government 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 \$253.5 million at June 30, 2016, bear interest at 0.0% to 3.0%, and require annual principal and interest payments through fiscal year 2035.

The BWS notes payable to state government are for the construction of necessary water works or water management. The notes amounted to \$65.2 million at June 30, 2016, bear interest at 0.0% to 5.0%, and require annual principal and interest payments through fiscal year 2038.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

Annual debt service requirements to maturity for the City's primary governmental and component units for notes payable at June 30, 2016, including interest of \$15.3 million were as follows (amounts in thousands):

Year Ending June 30:	Primary Government		BWS	
	Interest	Principal	Interest	Principal
2017	\$ 2,167	\$ 22,297	\$ 200	\$ 4,211
2018	1,901	22,119	191	4,260
2019	1,648	21,192	177	4,297
2020	1,435	19,686	162	4,311
2021	1,264	19,334	146	4,327
2022-2026	4,074	93,116	487	21,429
2027-2031	1,175	47,781	196	14,243
2032-2036	72	7,991	31	8,093
2037-2038	-	-	-	41 (a)
Total	<u>\$ 13,736</u>	<u>\$ 253,516</u>	<u>\$ 1,590</u>	<u>\$ 65,212</u>

(a) Non-interest bearing note payable.

Compensated Absences

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, 2016, \$1.0 billion of the City's and \$174.5 million of the Board of Water Supply's bonds outstanding were considered defeased.

CITY AND COUNTY OF HONOLULU
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9. Net Position

At June 30, 2016, net position of the primary government consisted of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Net Investment in Capital Assets:		
Net property, plant and equipment	\$ 2,466,828	\$ 3,676,648
Add (Less):		
General obligation bonds payable, net	(2,384,776)	(577,376)
Revenue bonds payable, net	-	(1,868,779)
Notes payable and other long-term debt	(1,368)	(252,148)
Deferred loss in refunding	89,062	45,462
Amount of debt related to unspent debt proceeds	8,052	93,620
	177,798	1,117,427
Restricted for Debt Service	165	174,514
Unrestricted	(1,171,866)	693,728
	\$ (993,903)	\$ 1,985,669

10. Employee Benefit Plans

Defined Benefit Pension Plan – City and County of Honolulu, Board of Water Supply (BWS) and Honolulu Authority for Rapid Transit (HART) – General Information

Plan Description – Substantially all eligible employees of the City and component units BWS and HART 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 classes, the contributory, the noncontributory and the hybrid retirement classes. Prior to July 1, 1984, the plan consisted of only a contributory class. In 1984, legislation was enacted to create a new noncontributory class 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 class. The noncontributory class 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 class or to elect the new noncontributory class and receive a refund of employee contributions. In 2004, legislation was enacted to create a hybrid retirement class, which took effect July 1, 2006. Employees in the contributory and noncontributory class were given the option to join the hybrid class or to remain in their existing

CITY AND COUNTY OF HONOLULU
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class effective July 1, 2006. Starting July 1, 2006, all new employees covered by social security are required to join the hybrid class.

Benefits Provided - All benefits vest after five or ten years of credited service. Vesting is determined by the employee's class 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.

Employees covered under the contributory class 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, respectively. 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, respectively. General employees covered under the hybrid class prior to July 1, 2012 are required to contribute 6.00% of their salary and will receive pensions based on a 2% multiplier. General employees hired after June 30, 2012, are required to contribute 8% of their salary with pensions based on a 1.75% multiplier. Employees covered under the noncontributory class will receive pensions based on a 1.25% multiplier.

Contributions - The City is required to contribute the remaining amounts necessary to pay contributory class benefits and all amounts to pay noncontributory class benefits. The funding method used to calculate the total employer contribution requirement is the Entry Age Normal Actuarial Cost Method. Employer rates are set by statute based on the recommendation of the ERS actuary. Since July 1, 2005, employer rates are a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liability.

CITY AND COUNTY OF HONOLULU
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Act 163/2011, which was effective July 1, 2012, established new employer contribution rates. The rates for fiscal years 2016 and 2017 are as follows:

Effective Starting	Police and Fire	General Employees
July 1, 2015	25.00%	17.00%

Contributions to the ERS pension plan for the City and its' component units for the fiscal year ended June 30, 2016 were as follows (amounts in thousands):

	Primary Government	Component Units
Pension Contributions	\$ 129,245	\$ 7,256

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 or online at ERS's website <http://ers.ehawaii.gov/resources/financials>.

Defined Benefit Pension Plans – Oahu Transit Services, Inc. (OTS) – General Information

Plan Description (Non-Bargaining Unit Employees) – OTS has a noncontributory, single-employer defined benefit pension plan, which provides eligible non-bargaining unit employees with retirement and disability benefits. Benefit terms, eligibility, and contribution requirements are established by OTS, the Plan Administrator.

Benefits Provided - Employees are eligible to retire at age 62. Benefits for employees are calculated as the greater of the employee's earned benefits as of February 29, 2004 or 2.25% of the average monthly pay for the 36 consecutive month period during employment which produces the highest amount multiplied by the employee's credited service. If an employee continues to work beyond the normal retirement date, benefits are calculated as the greater of the employee's accrued pension benefit as of the normal retirement date actuarially increased to the late retirement date or the employee's accrued benefit as of the late retirement date. Employees with 15 years of service are eligible to retire at age 55. Early retirement benefits equal a percentage of the employee's normal retirement benefits determined as of the early retirement date. The percentage is based on the number of years the employee retires prior to the normal retirement date.

Contributions – OTS is required to contribute all amounts necessary to pay plan benefits when due and is not subject to legislative funding requirements. OTS's general funding policy is to make annual contributions to the plan, such that all employee benefits will be fully funded by the time they retire.

CITY AND COUNTY OF HONOLULU
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For purposes of determining its annual contributions, although the plan is considered to be a governmental plan not subject to the funding requirements under the Employee Retirement Income Security Act of 1974 (ERISA) and the Pension Protection Act of 2006 (PPA), OTS uses said funding requirements as a guideline to determine contributions to the plan. Although, OTS does not make contributions that conform to ERISA and PPA 2006, over the past five years, pension contributions have, on average, been equal to 95% of its contribution requirement, determined in accordance with PPA 2006. In addition, annual contributions, determined as a percentage of covered employee payroll is approximately 53%. Contributions to the plan were \$4.5 million for the fiscal year ended June 30, 2016.

The Plan issues a financial report that may be obtained by writing to OTS, Inc., 811 Middle Street, Honolulu, Hawaii 96819.

Plan Description (Bargaining Unit Employees) – OTS participates in the Western Conference of Teamsters Pension Plan (WCT Plan), a noncontributory cost sharing multiple-employer defined benefit pension plan for its bargaining unit employees. The WCT Plan is not a state or local government pension plan, provides benefits to both employees of state or local government employers and to employees of employers that are not state or local governments, and has no predominant state or local government employer therefore GASB 78, and not GASB 68, applies to the WCT Plan.

The WCT Plan is administered by Trust Administrative Offices and provides pensions to all bargaining employees. Pension benefits are established and may be amended pursuant to the WCT Plan. OTS contributes to the plan in accordance with the Union collective bargaining agreement. The current collective bargaining agreement requiring contributions to the WCT Plan expires June 30, 2018 for bus operations and March 31, 2019 and 2020 for paratransit operations. Under the terms of the agreement, OTS is not required to make minimum contributions for future periods and can withdraw from the plan subject to payment of a withdrawal penalty. It is unlikely that OTS will withdraw from the WCT Plan and therefore a liability for a withdrawal penalty has not been accrued.

Pension expense was approximately \$16.586 million for the fiscal year ended June 30, 2016. The payable to the pension plan was \$1.172 million as of June 30, 2016.

The WCT Plan issues a publicly available financial report that may be obtained by writing to Western Conference of Teamsters Pension Trust Fund Board of Trustees, 2323 Eastlake Avenue East, Seattle, Washington 98102-3305.

CITY AND COUNTY OF HONOLULU
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Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions – At June 30, 2016 the City reported net pension liability as shown below (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Net Pension Liability	<u>\$ 1,520,529</u>	<u>\$ 117,072</u>

The net pension liability for the City and component units, BWS and HART, was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plan relative to the projected contributions of all participating members of ERS, actuarially determined.

There were no changes in other assumptions and input that affected the measurement of the total pension liability since the prior measurement date. There were no changes between the measurement date, June 30, 2015, and the reporting date, June 30, 2016, that are expected to have a significant effect on the proportionate share of the net pension liability. At June 30, 2015 the City, BWS and HART proportions were as shown below:

	<u>Primary Government</u>	<u>Component Units</u>
Proportionate Share of Pension Liability	<u>17.41%</u>	<u>1.11%</u>
Increase (Decrease) in Proportionate Share from June 30, 2014	<u>1.10%</u>	<u>0.02%</u>

The net pension liability for the OTS single-employer pension plan was measured as of February 29, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. There were no changes in assumptions or other inputs impacting the measurement of total pension liability since the prior measurement date.

For the fiscal year ended June 30, 2016, the City recognized pension expense as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Pension Expense	<u>\$ 178,706</u>	<u>\$ 17,994</u>

CITY AND COUNTY OF HONOLULU
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At June 30, 2016, the City reported deferred outflows and inflow of resources related to pensions as follows from the following sources (amounts in thousands):

	<u>Primary Government</u>		<u>Component Units</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 36,136	\$ (35,011)	\$ 3,725	\$ (2,717)
Net difference between projected and actual earnings on pension plan investments	-	(60,345)	1,691	(3,314)
Changes of assumptions	40,574	-	4,159	-
Changes in proportion and difference between contributions and proportionate share of contribution:	67,748	(27,583)	10,236	-
Contributions subsequent to the measurement date	176,633	-	10,711	-
	<u>\$ 321,091</u>	<u>\$ (122,939)</u>	<u>\$ 30,522</u>	<u>\$ (6,031)</u>

Amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017 as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Subsequent Contributions	<u>\$ 176,633</u>	<u>\$ 10,711</u>

Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Year Ended June 30:		
2017	\$ (8,783)	\$ 2,497
2018	(8,783)	2,497
2019	(8,783)	2,623
2020	38,626	4,701
2021	9,242	1,181
Thereafter	-	281
	<u>\$ 21,519</u>	<u>\$ 13,780</u>

CITY AND COUNTY OF HONOLULU
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Actuarial Assumptions –

Hawaii Employees' Retirement System - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%		
Projected salary increases, including inflation	4.00%	to	8.00%
Payroll growth rate	3.50%		
Investment rate of return, including inflation	7.65%		

The same rates were applied to all periods. There were no changes to ad hoc postemployment benefits including COLA. Post-retirement mortality rates are based on client specific tables for general employees and the 1994 US Group Annuity Mortality Statistic tables for police and firefighters. Pre-retirement mortality rates are based on the RP-2000 Combined Mortality Tables.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five year period ending June 30, 2010. The ERS updates their experience studies every five years.

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The long-term expected rate of return on pension plan investments was determined using a “top down approach” of the Bespoke Client-Constrained Simulation-based Optimization Model (a statistical technique known as “re-sampling with replacement” that directly keys in on specific plan-level risk factors as stipulated by the ERS Board) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30.00%	8.50%
International Equities	26.00%	9.25%
Fixed Income	20.00%	3.10%
Real Estate	7.00% *	9.20%
Private Equity	7.00% *	11.85%
Real Return	5.00% *	6.65%
Covered Calls	5.00%	7.65%
	<u>100.00%</u>	

*The real estate, private equity, and real return targets will be the percentage actually invested up to 7%, 7%, and 5%, respectively of the total fund. Changes in the real estate, private equity, and real return targets will be offset by an equal percentage change in the large cap domestic equity target.

Discount Rate - The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. There has been no change in the discount rate since the prior measurement date.

CITY AND COUNTY OF HONOLULU
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Sensitivity of the proportionate share of the ERS net pension liability to changes in the discount rate - The following presents the proportionate share of the net pension liability for the City and its' component units, BWS and HART, calculated using the discount rate of 7.65%, as well as what the proportionate share of the net pension liability would be if it were calculated using a single discount rate that is one-percentage point lower or one-percentage-point higher than the current rates:

	Net Pension Liability		
	1% Decrease 6.65%	Discount Rate 7.65%	1% Increase 8.65%
Primary Government	\$ 1,952,393	\$ 1,520,529	\$ 1,088,667
Component Units	\$ 122,271	\$ 97,120	\$ 71,969

Pension plan fiduciary net position – The pension plan’s fiduciary net position is determined on the same basis used by the pension plan. The ERS financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income. There were no significant changes after the June 30, 2015 measurement date.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ERS financial report. ERS’s complete financial statement are available at <http://www.ers.ehawaii.gov/resources/financials>.

Actuarial Assumptions

OTS Single Employer Pension Plan - The total pension liability in the February 28, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Payroll growth rate	3.50%
Investment rate of return	7.00%

Mortality rates are based on the RP-2000 Combined Healthy Group Annuity Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on the Mortality Projection Scale AA.

CITY AND COUNTY OF HONOLULU
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The long-term expected rate of return on pension plan investments was determined based on long-term historical rates and an assumed inflationary rate of 3.0%. The projected benefit payment period for which the long-term expected rate of return is applied to determine the discount rate is 2016 to 2061. Additionally, best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are arithmetically developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	60.00%	7.50%
Fixed Income	40.00%	1.75%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total net pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from OTS will be made at the required dates. Based on this assumption, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. There was no change in the discount rate since the prior measurement date.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability for the City’s component unit, OTS, calculated using the single discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a single discount rate that is one-percentage point lower or one-percentage-point higher than the current rates (amounts in thousands):

	<u>Net Pension Liability</u>		
	<u>1% Decrease 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Component Unit	<u>\$ 21,790</u>	<u>\$ 19,952</u>	<u>\$ 18,283</u>

Pension plan fiduciary net position - Detailed information about the OTS pension plan’s fiduciary net position is available in the separately issued OTS pension plan financial report.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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Payables to the Pension Plans – As of June 30, 2016 payables to the City reported payables to the pension plan as follows (amounts in thousands):

	Primary Government	Component Units
Pension Payable	\$ 25,413	\$ 868

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 75.0% of the monthly Medicare or non-Medicare premium. For those retiring with at least 10 years but fewer than 15 years of service, the City pays 50% of the retired employees' monthly Medicare or non-Medicare premium. For those retiring with fewer than 10 years of service, the City makes no contributions.

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

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

CITY AND COUNTY OF HONOLULU
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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:

	2016	2015	2014
Annual required contribution	\$ 152,205	\$ 147,058	\$ 144,624
Interest on net OPEB obligation	27,252	24,601	21,775
Adjustment to annual required contribution	<u>(25,118)</u>	<u>(21,965)</u>	<u>(18,967)</u>
Annual OPEB cost	154,339	149,694	147,432
Contributions made	<u>(112,260)</u>	<u>(111,806)</u>	<u>(107,051)</u>
Increase in net OPEB obligation	42,079	37,888	40,381
Net OPEB obligation at beginning of fiscal year	<u>389,333</u>	<u>351,445</u>	<u>311,064</u>
Net OPEB obligation at end of fiscal year	<u>\$ 431,412</u>	<u>\$ 389,333</u>	<u>\$ 351,445</u>
Percentage of annual OPEB cost contributed	<u>72.74%</u>	<u>74.69%</u>	<u>72.61%</u>

Funded Status and Funding Progress – The following is the schedule of the funded status and funding progress of the plan (with amounts in thousands) as of the most recent actuarial valuation date, July 1, 2015:

Actuarial accrued liability	\$ 2,009,083
Actuarial value of plan assets	<u>242,593</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,766,490</u>
Funded ratio	12.07%
Covered payroll (active plan members)	\$ 613,054
UAAL as a percentage of covered payroll	288.15%

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.

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

In the most recent actuarial valuation, dated as of July 1, 2015, the entry age normal actuarial cost method was used. For EUTF, the significant methods and assumptions were as follows:

Amortization method	Level percentage, closed
Equivalent single amortization period	21.7 years
Asset valuation method	Market
Actuarial assumptions	
Inflation rate	3.00%
Investment rate of return	7.00%
Projected salary increase	3.50%
Healthcare inflation rates	
PPO	9.00% initial, 5.00% after 8 years
HMO	7.00% initial, 5.00% after 8 years
Dental	4.00%
Vision	3.00%
Medicare Part B	3.00% initial, 5.00% after 2 years

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 a portion of transient accommodations tax revenues and all other revenues 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.

CITY AND COUNTY OF HONOLULU
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Component Units

Board of Water Supply (BWS) and Honolulu Authority for Rapid Transit (HART) –

In addition to providing pension benefits, BWS and HART are also required by state statute to contribute to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) which provides certain health care and life insurance benefits to retired BWS and HART employees.

The annual OPEB cost for BWS and HART for the year ended June 30, 2016 was \$8.8 million and \$0.6 million, respectively. Contributions to the plan for the year ended June 30, 2016 were \$11.7 million and \$0.2 million, the percentage of the annual cost contributed was 134.0% and 34.0%, and the ending net OPEB obligation was zero and \$2.5 million, respectively.

Oahu Transit Services, Inc. (OTS) -

Non-bargaining Unit Employees - OTS has a single-employer defined benefit healthcare plan. The plan provides Medicare and health insurance premiums to eligible non-bargaining unit retirees and their spouses. For the year ended June 30, 2016, the OTS single employer non-bargaining unit plan's annual OPEB cost was \$0.8 million. OTS contributions to the plan for the year ended June 30, 2016 were \$0.3 million, the percentage of the annual cost contributed was 38.1% and the ending net OPEB obligation was \$17.1 million.

Bargaining Unit Employees - OTS participates in the Hawaii Teamsters Health & Welfare Plan, a union single-employer defined benefit healthcare plan providing its bargaining unit employees with postretirement health benefits. In accordance with the Union collective bargaining agreement, OTS's liability under the plan is limited to its required contributions of \$0.82 or \$0.20 per hour for bus and paratransit operations, respectively.

For the year ended June 30, 2016, the OTS single employer bargaining units plan's annual OPEB cost was \$2.3 million equal to the required contributions for the year. Accrued expenses at June 30, 2016 were \$1.5 million, payable to the Union's plan. The Union's single employer defined benefit healthcare plan issues a publicly available financial report that may be obtained by writing to the Hawaii Teamsters Health & Welfare Plan Board of Trustees, 1817 Hart Street, Honolulu, HI 96819.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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11. Enterprise Funds

The City maintains seven 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, the Honolulu Authority for Rapid Transportation and Oahu Transit Services, Inc., which are discretely presented component units.

Housing Development Special Fund

The City created the Housing Development Special Fund to develop affordable housing for sale or for rental. At June 30, 2016, the City had \$43.4 million of general obligation bonds outstanding, which were used to finance the development of various residential lots and recreational facilities.

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, 2016 these assets amounted to \$14.3 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.

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, 2016, these assets amounted to \$156.0 million.

CITY AND COUNTY OF HONOLULU
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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)

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, 2016 these assets amounted to \$32.0 million.

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.

CITY AND COUNTY OF HONOLULU
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As of June 30, 2016, the City had \$363.8 million of general obligation bonds outstanding, which were used to finance the construction and purchase of the H-POWER Facility.

Public Transportation System

The Department of Transportation Services oversees the administration and operation of the Public Transportation System (the City's bus and paratransit systems or PTS) on the island of Oahu.

The City 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, 2015 to June 30, 2016 was approximately \$487.2 thousand and includes a one-time payment of \$18.7 thousand for services related to the development and operation of a multi-modal transportation system. 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 furnish, but retain title to the transit buses, paratransit buses, properties, facilities and equipment used in the systems. Revenues collected by OTS, excluding management fees, are the property of the City and are remitted to a depository account controlled by the City.

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, 2016, these assets held by OTS amounted to \$716.2 thousand.

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

CITY AND COUNTY OF HONOLULU
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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 2052. At June 30, 2016, there is no cost of equipment recorded under capital lease arrangements.

Future minimum obligations under and operating leases at June 30, 2016 were as follows (amounts in thousands):

Year Ending June 30:	<u>Operating Leases</u>
2017	\$ 5,943
2018	6,123
2019	6,014
2020	5,338
2021	4,121
2022-2026	15,020
2027-2031	100
2032-2036	100
2037-2041	50
2042-2046	50
2047-2051	50
2052	10
Total minimum payments	<u>\$ 42,919</u>

Certain leases provide for payment of common area charges and for periodic renegotiation of rents. Rent expense under operating leases, principally recorded in the General Fund, amounted to \$9.7 million for the fiscal year ended June 30, 2016.

The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2055. 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	<u>46,938</u>	<u>(33,803)</u>	<u>13,135</u>
Totals	<u>\$ 49,880</u>	<u>\$ (33,803)</u>	<u>\$ 16,077</u>

CITY AND COUNTY OF HONOLULU
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Future minimum rental incomes under such leases at June 30, 2016 were as follows (amounts in thousands):

Year Ending June 30:	
2017	\$ 5,384
2018	4,594
2019	4,470
2020	2,883
2021	2,369
2022 - 2026	5,405
2027 - 2031	5,136
2032 - 2036	4,397
2037 - 2041	4,333
2042 - 2046	4,057
2047 - 2051	3,345
2052 - 2056	1,915
Total minimum rental income	<u>\$ 48,288</u>

Other Commitments

Contractual commitments for capital projects, expenses and supplies at June 30, 2016 are encumbered in the governmental and fiduciary funds and are in thousands as follows:

Major Funds	
Governmental Funds:	
General Fund	\$ 65,124
Highway Fund	16,467
Total Major Funds - Governmental Funds	<u>81,591</u>
Nonmajor Funds - Other Governmental Funds	610,148
Fiduciary Funds	<u>30</u>
Total	<u>\$ 691,769</u>

Contractual commitments of the business-type activities including the component units, which do not employ encumbrance accounting, are primarily for construction contracts and are as follows in thousands at June 30, 2016:

Proprietary Funds:	
Housing	\$ 385
Sewer	427,372
Solid Waste	89,968
Public Transportation System	13,054
Total Proprietary Funds	<u>530,779</u>
Component Units:	
Board of Water Supply	222,330
Honolulu Authority for Rapid Transportation	1,775,521
Total Component Units	<u>1,997,851</u>
Total Business-Type Activities including Component Units	<u>\$ 2,528,630</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

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, and ready for trial calendar, or on appeal.

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The basis for estimating the liabilities for unpaid claims includes the effects of specific incremental claim adjustment expenses, salvage, and subrogation, and other allocated or unallocated claim adjustment expenses. At June 30, 2016, the estimated total liability of the City for claims and judgments amounted to \$112.0 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, 2014	\$ 29,727	\$ 53,453	\$ 83,180
Add, Incurred losses and loss adjustment expenses	7,424	24,568	31,992
Less, Payments	<u>(3,587)</u>	<u>(21,589)</u>	<u>(25,176)</u>
Balance at June 30, 2015	33,564	56,432	89,996
Add, Incurred losses and loss adjustment expenses	21,823	28,895	50,718
Less, Payments	<u>(5,601)</u>	<u>(23,151)</u>	<u>(28,752)</u>
Balance at June 30, 2016	<u>\$ 49,786</u>	<u>\$ 62,176</u>	<u>\$ 111,962</u>

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

CITY AND COUNTY OF HONOLULU
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14. Environmental Issues

Solid Waste Landfill Costs

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

Federal and state laws and regulations require the City to place final covers on certain landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Annual additions to the liability for closure and postclosure care costs are based on landfill capacity used as of each balance sheet date. The \$15.8 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2016 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, 2016	Total Estimated Cost
Waipahu incinerator landfill	100.0%	October 1991	\$ 7,676	\$ 25,391
Kapaa sanitary landfill	100.0%	May 1997	8,121	22,641
Total			<u>\$ 15,797</u>	<u>\$ 48,032</u>

The Proprietary Funds Statement of Net Position records the landfill liability as current and noncurrent liabilities. The current portion of \$1.5 million is included in other current liabilities and the noncurrent portion of \$14.3 million is included in estimated liability for landfill closure and postclosure care costs.

For fiscal year 2016, the City has provided the financial resources that will be available to provide for closure, postclosure care and remediation or containment of environmental hazards at the above landfills. The Environmental Protection Agency's financial assurance rules include a local government financial test

CITY AND COUNTY OF HONOLULU
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consisting of a financial component, a public notice component, and a recordkeeping component. Local governments are required to satisfy each of the three components to pass the annual test. Management believes the City has satisfied each of the components to meet the financial assurance test.

For the Waimanalo Gulch Landfill, the current operator is responsible for all closure and postclosure care costs through 2024; the City will be responsible for all closure and postclosure costs after 2024. At June 30, 2016 the City provided the financial resources that will be available to provide for closure, postclosure, remediation or containment of environmental hazards at the landfill. At June 30, 2016 the estimated capacity used is 70.6% and the estimated remaining life of the landfill is 22 years. The total closure and postclosure costs, estimated at \$41.2 million, have not been recognized since the operator is responsible for all closure and postclosure through 2024.

The City is complying with the terms of a consent decree filed on July 1, 2015, to resolve the claims of the United States Environmental Protection Agency (“EPA”) related to the City’s violations of the Standards of Performance for New Stationary Sources and the National Emission Standards for Hazardous Air Pollutants regulations at the Kapaa and Kalaheo landfills. The consent decree requires the City to pay a civil penalty of \$875.0 thousand within 45 days after the consent decree effective date of July 1, 2015 and to implement a supplemental environmental project to build a solar power system at the City’s H-POWER facility by 2020 to produce a minimum of 15,056 megawatt hour of energy at an estimated costs of \$16.1 million.

Sewer Fund – Litigation

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

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

Upon entering the 2010 consent decree, the City was expected to incur, in 2010 dollars, 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

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NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

amount will largely be spent on the collection system, and much of it will go toward work that was already required or planned. This amount also includes a portion of the costs of treatment plant upgrades at Sand Island and Honouliuli. Cost for the treatment plant upgrades include, in 2010 dollars, approximately \$550.0 million to replace primary treatment facilities at both plants and \$1.15 billion to upgrade the plants to secondary treatment plants.

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

15. Discretely Presented Component Units

Board of Water Supply

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

Major Transactions with the City –

Billing and Collection Services – BWS has an agreement with the City's Department of Environmental Services to provide certain services relating to the billing and collection of sewer service charges. Fees related to these services as well as capital recovery charges related to the implementation of the new billing and collection system were negotiated at approximately \$3.7 million for the fiscal year ended June 30, 2016. The expenditures related to these fees are included in administrative and general expenses of the Sewer Fund in the accompanying statement of revenues, expenses and changes in net position for the Proprietary Funds.

Central Administrative Services Expense (CASE) Fee – BWS has an ongoing agreement with the City to pay a CASE fee for treasury, personnel, purchasing and other administrative services. 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, 2016, CASE fees paid to the City amounted to \$3.3 million. Any increase for a subsequent year is subject to negotiation.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

Joint Construction Projects – During the year ended June 30, 2013, the City 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, 2016, a balance of approximately \$826.0 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.

Liquidity Risk (unaudited) – Construction costs for the project have been higher than budgeted through June 30, 2016 and HART anticipates that construction costs for the remaining phases of the project may exceed budgeted amounts as well. As a result, HART currently anticipates that the total project costs will exceed the current estimated revenue of \$6.8 billion.

The Federal Transit Administration (FTA) project update conducted in June 2016 indicated that the total project cost, excluding finance costs, would be approximately \$7.6 billion and take until the end of 2024 to complete. However, HART estimates construction cost of \$8.2 billion, excluding finance cost, and completion in 2025.

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 HART on an on-going basis. The CASE fee does not include any direct costs the City charged HART for budget, fiscal, legal, design and construction services, contributions for other postemployment benefits and fringe benefits for services rendered for HART. For the fiscal year ended June 30, 2016, CASE fees amounted to \$851.3 thousand.

Debt Financing – In May 2015, HART executed a Memorandum of Understanding (MOU) with the City which details the terms and conditions for the issuance of general obligation bonds, general obligation commercial paper notes or any other form of general obligation indebtedness to be used for the completion of the Honolulu Rail Transit Project (HRTP).

The City executed General Obligation Commercial Paper Notes, Issue A and Issue B on December 1, 2015 with a credit limit of \$450.0 million for any temporary cash shortages to complete the HRTP. At June 30, 2016, there were no amounts outstanding on these credit facilities.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

Subsequent Events – On November 8, 2016, voters of the City approved an amendment to the City Charter which placed the operations and maintenance (O&M) of the city-owned multi-modal transportation system under the unified responsibility of the City director of transportation. Any O&M contracts or personnel under the authority of HART will be transferred to the Department of Transportation Services (DTS) on July 1, 2017. DTS will be solely responsible for integration, coordination and operation of public transit services. HART will continue to develop and construct the fixed guideway system.

Oahu Transit Services, Inc.

Oahu Transit Services, Inc. (OTS) was formed on December 16, 1991 as a nonprofit corporation. The purpose of OTS is to manage, operate, and maintain the City bus service and other transit related services on behalf of and for the City. Pursuant to the terms of the Management and Operations Agreement (the Agreement) and the Revised Ordinances of Honolulu, OTS and its employees are independent contractors and OTS is the private employer of all personnel required to operate the City bus system and special transit service. OTS is deemed an instrumentality of the City for appropriate purposes other than for labor and employment.

Major Transaction with the City –

Reimbursement of Labor Costs – In accordance with the Agreement, the City reimburses OTS for bus system and special transit service labor costs and related employee benefits paid during the fiscal year. For the fiscal year ended June 30, 2016, the City's reimbursement to OTS for personnel costs totaled \$172.9 million.

Contingent Liability – In accordance with the Agreement and governing ordinances, management believes the City is liable only for reimbursable employee benefit costs approved by the City's annual budgeting process. Accordingly, the City's financial statements include only the costs related to currently reimbursable employee benefits. Consequently, any long-term liabilities related to OTS' employee benefits have not been recorded in the primary government financial statements. If the Agreement with OTS is cancelled, the City may have a contingent liability related to OTS' long-term employee benefits. However, the City has no plans to do so; therefore, the City has not recorded a contingent liability.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2016

16. Subsequent Events

On August 17, 2016, the City issued wastewater system revenue bonds, Senior Series 2016A, 2016B and 2016C and Junior Series 2016A in the aggregate amount of \$448.2 million. The bonds mature annually on July 1, 2017 through July 1, 2046 and bear interest rates of 0.8% to 5.0%. Senior Series 2016A bonds maturing on or after July 1, 2017 to July 1, 2036 and Senior Series 2016B bonds maturing on July 1, 2027 through July 1, 2037 are subject to redemption, at the option of the City on or after July 1, 2026, in whole or in part at any time. The proceeds from the bonds will be used to pay for the costs of certain additions and improvements to the wastewater system and to refund a portion of outstanding wastewater system revenue bonds.

On September 8, 2016, the City drew \$50.0 million from general obligation commercial paper notes Sub-Issue B-1 and on October 13, 2016 and December 15, 2016, a total of \$40.0 million was drawn from Sub-Issue B-2. The proceeds will fund various rail capital improvement projects. Currently, the City has three letters of credit opened, Issue A, Sub-Issue B-1 and Sub-Issue B-2 with an aggregate maximum amount of \$450 million. Issue A expires on December 21, 2018 and Sub-Issues B-1 and B-2 expire on December 22, 2020.

On October 26, 2016, the City issued General Obligation Bonds, tax exempt series 2016A, 2016B and 2016C and taxable green bonds 2016D in the aggregate amount of \$378.8 million. The bonds mature annually on October 1, 2017 through October 1, 2041 and bear interest rates of 0.9% to 5.0%. The series 2016A bonds maturing on or after October 1, 2029 to October 1, 2040, the series 2016C bonds maturing on or after October 1, 2031 and the series 2016D bonds maturing on October 1, 2028 are subject to redemption, at the option of the City and County of Honolulu on or after October 1, 2026, in whole or in part at any time. The proceeds from the bonds will be used to fund certain capital improvement projects and to refund a portion of outstanding general obligation bonds previously issued by the City.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,049,515	\$ 1,049,515	\$ 1,054,429	\$ 4,914
Licenses and permits	42,850	42,850	43,559	709
Intergovernmental	45,473	45,473	45,413	(60)
Charges for services	8,548	8,548	7,463	(1,085)
Fines and forfeits	750	750	878	128
Miscellaneous:				
Reimbursements and recoveries	49,485	49,485	44,277	(5,208)
Interest	344	344	1,894	1,550
Other	4,198	4,198	5,531	1,333
Total Revenues	<u>1,201,163</u>	<u>1,201,163</u>	<u>1,203,444</u>	<u>2,281</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	17,744	18,849	17,982	867
City Clerk	3,306	3,306	2,943	363
City Council	5,869	5,869	5,048	821
Corporation Counsel	11,047	11,531	10,434	1,097
Customer Services	23,054	23,689	22,899	790
Design and Construction	13,265	13,820	13,408	412
Emergency Services	635	750	724	26
Facility Maintenance	26,077	26,367	20,837	5,530
Human Resources	6,330	6,372	5,957	415
Information Technology	22,676	23,062	21,475	1,587
Mayor	4,571	4,689	4,305	384
Office of the City Auditor	1,769	1,769	1,733	36
Office of Council Services	1,711	1,769	1,723	46
Planning and Permitting	12,833	13,640	12,173	1,467
Prosecuting Attorney	20,298	20,651	19,390	1,261
Total General government	<u>171,185</u>	<u>176,133</u>	<u>161,031</u>	<u>15,102</u>
Public safety:				
Emergency Management	1,307	1,356	1,153	203
Emergency Services	41,311	41,647	37,373	4,274
Fire	123,333	123,451	115,488	7,963
Medical Examiner	2,047	2,124	2,071	53
Planning and Permitting	5,017	5,769	5,595	174
Police	236,871	242,677	232,322	10,355
Transportation Services	1,025	1,025	1,025	--
Total Public safety	<u>410,911</u>	<u>418,049</u>	<u>395,027</u>	<u>23,022</u>
Highways and streets:				
Facility Maintenance	11,027	11,349	9,831	1,518
Sanitation:				
Environmental Services	5,308	5,308	5,200	108

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Human services:				
Community Services	16,672	17,529	13,730	3,799
Culture-recreation:				
Mayor	2,123	2,211	2,194	17
Parks and Recreation	75,715	79,181	74,445	4,736
Total Culture-recreation	<u>77,838</u>	<u>81,392</u>	<u>76,639</u>	<u>4,753</u>
Utilities or other enterprises:				
Transportation Services	--	100	100	--
Miscellaneous:				
Retirement and health benefits:				
City Council	3,800	3,800	3,195	605
Provisional	265,290	265,290	249,652	15,638
Total Retirement and health benefits	<u>269,090</u>	<u>269,090</u>	<u>252,847</u>	<u>16,243</u>
Other:				
City Council	365	307	48	259
Provisional	77,086	60,037	29,622	30,415
Total Other	<u>77,451</u>	<u>60,344</u>	<u>29,670</u>	<u>30,674</u>
Total Miscellaneous	<u>346,541</u>	<u>329,434</u>	<u>282,517</u>	<u>46,917</u>
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Information Technology	--	188	188	--
Total Debt service	<u>360</u>	<u>548</u>	<u>547</u>	<u>1</u>
Capital improvements:				
Capital improvements	1,510	1,510	16	1,494
Total Expenditures	<u>1,041,352</u>	<u>1,041,352</u>	<u>944,638</u>	<u>96,714</u>
Revenues over Expenditures	<u>159,811</u>	<u>159,811</u>	<u>258,806</u>	<u>98,995</u>
Other Financing Sources (Uses):				
Sales of capital assets	--	--	345	345
Transfers in	154,092	154,092	145,455	(8,637)
Transfers out	(526,709)	(526,709)	(508,890)	17,819
Total Other Financing Sources (Uses)	<u>(372,617)</u>	<u>(372,617)</u>	<u>(363,090)</u>	<u>9,527</u>
Net change in Fund Balance	(212,806)	(212,806)	(104,284)	108,522
Encumbrances	--	--	65,124	65,124
Fund Balance - July 1	215,489	215,489	244,306	28,817
Fund Balance - June 30	<u>\$ 2,683</u>	<u>\$ 2,683</u>	<u>\$ 205,146</u>	<u>\$ 202,463</u>

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 107,134	\$ 107,134	\$ 97,538	\$ (9,596)
Licenses and permits	126,552	126,552	132,790	6,238
Charges for services	4,649	4,649	4,617	(32)
Miscellaneous:				
Reimbursements and recoveries	2,763	2,763	2,761	(2)
Other	2,367	2,367	2,412	45
Total Revenues	<u>243,465</u>	<u>243,465</u>	<u>240,118</u>	<u>(3,347)</u>
Expenditures:				
Current:				
General government:				
Design and Construction	6,481	6,775	6,557	218
Facility Maintenance	17,141	17,280	13,554	3,726
Planning and Permitting	2,544	2,612	2,538	74
Total General government	<u>26,166</u>	<u>26,667</u>	<u>22,649</u>	<u>4,018</u>
Public safety:				
Police	29,101	29,174	28,375	799
Transportation Services	7,654	7,904	7,040	864
Total Public safety	<u>36,755</u>	<u>37,078</u>	<u>35,415</u>	<u>1,663</u>
Highways and streets:				
Facility Maintenance	29,251	30,028	27,261	2,767
Utilities or other enterprises:				
Transportation Services	4,568	4,746	4,387	359
Miscellaneous:				
Retirement and health benefits:				
Provisional	29,568	29,568	26,628	2,940
Other:				
Provisional	10,042	8,263	2,314	5,949
Total Miscellaneous	<u>39,610</u>	<u>37,831</u>	<u>28,942</u>	<u>8,889</u>
Capital improvements:				
General government	3,312	3,312	3,312	--
Highways and streets	58	58	33	25
Total Capital improvements	<u>3,370</u>	<u>3,370</u>	<u>3,345</u>	<u>25</u>
Total Expenditures	<u>139,720</u>	<u>139,720</u>	<u>121,999</u>	<u>17,721</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures	103,745	103,745	118,119	14,374
Other Financing Source (Use):				
Sales of capital assets	111	111	213	102
Transfers out	(150,528)	(150,528)	(141,893)	8,635
Total Other Financing Source (Use)	(150,417)	(150,417)	(141,680)	8,737
Net change in Fund Balance	(46,672)	(46,672)	(23,561)	23,111
Encumbrances	--	--	16,467	16,467
Fund Balance - July 1	46,672	46,672	66,239	19,567
Fund Balance - June 30	\$ --	\$ --	\$ 59,145	\$ 59,145

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
 NOTES TO BUDGETARY COMPARISON SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$ (104,284)	\$ (23,561)
Adjustments to conform with generally accepted accounting principles:		
Encumbrances	65,124	16,467
Changes in Fund Balance for legal separate funds combined with the General Fund per GASB 54	31,059	--
Net change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ (8,101)	\$ (7,094)

CITY AND COUNTY OF HONOLULU
EMPLOYEES' RETIREMENT SYSTEM - PENSION PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FISCAL YEARS 2013 - 2015
 (Dollar amounts in thousands)

Fiscal Year Ended	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2015	17.41%	\$ 1,520,529	\$ 578,043	263.05%	62.42%
June 30, 2014	16.31%	\$ 1,307,396	\$ 536,304	243.78%	63.92%
June 30, 2013	16.76%	\$ 1,496,794	\$ 509,130	293.99%	57.96%

Prior Fiscal Years are not available. Table will be built prospectively.

CITY AND COUNTY OF HONOLULU
EMPLOYEES' RETIREMENT SYSTEM - PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
FISCAL YEARS 2012 - 2016
(Dollar amounts in thousands)

Fiscal Year Ended	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 135,217	\$ 129,245	\$ (5,972)	\$ 599,494	21.56%
June 30, 2015	\$ 121,465	\$ 132,308	\$ 10,843	\$ 578,043	22.89%
June 30, 2014	\$ 102,885	\$ 87,979	\$ (14,906)	\$ 536,304	16.40%
June 30, 2013	\$ 93,503	\$ 87,840	\$ (5,663)	\$ 509,130	17.25%
June 30, 2012	\$ 89,275	\$ 81,690	\$ (7,585)	\$ 517,862	15.77%

Prior Fiscal Years are not available. Table will be built prospectively.

CITY AND COUNTY OF HONOLULU
 NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY AND CONTRIBUTIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Contribution rates are a percentage of pensionable payroll and are set by statute based on the recommendation of the ERS actuary. Act 256/2007 established contribution rates beginning July 1, 2008 through June 30, 2012. Act 163/2011 established new contribution rates beginning July 1, 2012 through July 1, 2015. Contribution rates by year are as follows:

<u>Effective Starting</u>	<u>Police and Fire</u>	<u>General Employees</u>
July 1, 2015	25.0%	17.0%
July 1, 2014	24.0%	16.5%
July 1, 2013	23.0%	16.0%
July 1, 2012	22.0%	15.5%
July 1, 2011	19.7%	15.0%

Act 152/2012 amended the definition of compensation for new employees hired after June 30, 2012 for the purpose of pension benefit calculations. Compensation is defined as normal periodic payments and does not include overtime, supplemental payments, bonuses, lump sum salary differentials and other types of differentials. For employees hired prior to July 1, 2012 compensation includes overtime, supplemental payments, bonuses and other types of differentials for the purpose of pension benefit calculations.

Act 153/2012 requires employers to pay additional contributions for those employees who retire on or after July 1, 2012 with significant “non-base pay” increases in the three or five years used to calculate their average final compensation and maximum retirement allowances. The amount is determined by comparing the maximum retirement allowance that would have been received without the significant non-base pay increase to the actual maximum allowance. These amounts are assessed, on a fiscal year basis, for all retirees meeting the criteria during the previous fiscal year.

CITY AND COUNTY OF HONOLULU
 POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
 SCHEDULE OF FUNDING PROGRESS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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, 2015	\$ 242,593	\$ 2,009,083	\$ 1,766,490	12.1%	\$ 613,054	288.1%
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%

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**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, 2016
 (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>
ASSETS				
Cash and investments:				
With Treasury and banks.....	\$ 11,060	\$ 746	\$ 6,197	\$ 2,305
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	25	8	--	30
Due from other funds	--	--	--	--
Total Assets	<u>\$ 11,085</u>	<u>\$ 754</u>	<u>\$ 6,197</u>	<u>\$ 2,335</u>
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16	\$ 176	\$ 76	\$ 19
Interest and bonds payable-matured	--	--	--	--
Due to other funds	5	--	--	5
Accrued payroll	64	10	--	107
Total Liabilities	<u>85</u>	<u>186</u>	<u>76</u>	<u>131</u>
Deferred Inflow:				
Deferred inflow	--	--	--	--
Total Deferred Inflow	--	--	--	--
Fund Balances:				
Restricted	11,000	568	--	2,204
Committed	--	--	6,121	--
Unassigned	--	--	--	--
Total Fund Balances	<u>11,000</u>	<u>568</u>	<u>6,121</u>	<u>2,204</u>
Total Liabilities, Deferred Inflow and Fund Balances	<u>\$ 11,085</u>	<u>\$ 754</u>	<u>\$ 6,197</u>	<u>\$ 2,335</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2016
 (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	Patsy T. Mink Central Oahu Regional Park Fund
\$ 1,558	\$ 5,819	\$ 27,616	\$ 34,712	\$ 176	\$ 227
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	12	--
--	--	--	--	196	--
--	29	--	--	13	--
--	98	--	--	11	--
\$ 1,558	\$ 5,946	\$ 27,616	\$ 34,712	\$ 408	\$ 227
\$ --	\$ 287	\$ --	\$ --	\$ 197	\$ --
--	--	--	--	--	--
--	--	--	--	91	--
--	49	--	--	42	--
--	336	--	--	330	--
--	--	--	--	12	--
--	--	--	--	12	--
--	--	27,616	34,712	66	--
1,558	5,610	--	--	--	227
--	--	--	--	--	--
1,558	5,610	27,616	34,712	66	227
\$ 1,558	\$ 5,946	\$ 27,616	\$ 34,712	\$ 408	\$ 227

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2016
 (Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds			
	Waipio Peninsula Soccer Park Fund	Golf Fund	Special Events Fund	Special Projects Fund
ASSETS				
Cash and investments:				
With Treasury and banks.....	\$ 92	\$ 1,509	\$ 3,643	\$ 9,388
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	907
Payroll Advance	--	95	142	27
Due from other funds	--	1	--	122
Total Assets	\$ 92	\$ 1,605	\$ 3,785	\$ 10,444
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ 98	\$ 226	\$ 1,196
Interest and bonds payable-matured	--	--	--	--
Due to other funds	--	2	1	42
Accrued payroll	--	206	337	88
Total Liabilities	--	306	564	1,326
Deferred Inflow:				
Deferred inflow	--	--	--	--
Total Deferred Inflow	--	--	--	--
Fund Balances:				
Restricted	--	--	--	9,118
Committed	92	1,299	3,221	--
Unassigned	--	--	--	--
Total Fund Balances	92	1,299	3,221	9,118
Total Liabilities, Deferred Inflow and Fund Balances	\$ 92	\$ 1,605	\$ 3,785	\$ 10,444

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2016
 (Amounts in thousands)

(Page 4 of 5)

Special Revenue Funds				Debt Service Fund	Capital Projects Funds
Federal Grants Fund	Housing and Community Development Rehabilitation Loan Fund	Pauahi Project Expenditures Hawaii R-15 Fund	Housing and Community Development Section 8 Contract Fund	Improvement District Bond and Interest Redemption Fund	General Improvement Bond Fund
\$ 14,212	\$ 6,028	\$ 961	\$ 5,515	\$ 171	\$ 6,258
--	--	--	112	--	--
--	--	--	--	8	--
3,361	9,133	--	3,648	--	--
20,069	--	--	85	--	--
106	--	--	72	--	11
12	--	--	--	--	--
<u>\$ 37,760</u>	<u>\$ 15,161</u>	<u>\$ 961</u>	<u>\$ 9,432</u>	<u>\$ 179</u>	<u>\$ 6,269</u>
\$ 2,513	\$ --	\$ --	\$ 110	\$ --	\$ 8,131
--	--	--	--	9	--
17,134	--	--	108	--	321
150	--	--	98	--	4
<u>19,797</u>	<u>--</u>	<u>--</u>	<u>316</u>	<u>9</u>	<u>8,456</u>
<u>3,361</u>	<u>9,133</u>	<u>--</u>	<u>3,845</u>	<u>5</u>	<u>--</u>
<u>3,361</u>	<u>9,133</u>	<u>--</u>	<u>3,845</u>	<u>5</u>	<u>--</u>
14,602	6,028	961	5,271	--	--
--	--	--	--	165	--
--	--	--	--	--	(2,187)
<u>14,602</u>	<u>6,028</u>	<u>961</u>	<u>5,271</u>	<u>165</u>	<u>(2,187)</u>
<u>\$ 37,760</u>	<u>\$ 15,161</u>	<u>\$ 961</u>	<u>\$ 9,432</u>	<u>\$ 179</u>	<u>\$ 6,269</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2016
 (Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds			
	Highway Improvement Bond Fund	Federal Grants Capital Projects Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments:				
With Treasury and banks.....	\$ 32,143	\$ 15,801	\$ 14,869	\$ 201,006
Receivables:				
Accounts	--	--	--	112
Special Assessments	--	--	--	8
Loans	--	56,393	--	72,547
Intergovernmental	--	2,715	--	23,972
Payroll Advance	--	--	--	558
Due from other funds	--	--	--	244
Total Assets	\$ 32,143	\$ 74,909	\$ 14,869	\$ 298,447
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 21,900	\$ 6,601	\$ --	\$ 41,546
Interest and bonds payable-matured	--	--	--	9
Due to other funds	--	12	--	17,721
Accrued payroll	4	--	--	1,159
Total Liabilities	21,904	6,613	--	60,435
Deferred Inflow:				
Deferred inflow	--	56,393	--	72,749
Total Deferred Inflow	--	56,393	--	72,749
Fund Balances:				
Restricted	--	11,903	14,869	138,918
Committed	10,239	--	--	28,532
Unassigned	--	--	--	(2,187)
Total Fund Balances	10,239	11,903	14,869	165,263
Total Liabilities, Deferred Inflow and Fund Balances	\$ 32,143	\$ 74,909	\$ 14,869	\$ 298,447

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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, 2016
(Amounts in thousands)

(Page 1 of 5)

	Special Revenue Funds			
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund	Liquor Commission Fund
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits.....	--	465	--	4,882
Intergovernmental.....	--	--	--	--
Charges for services.....	4,539	--	--	123
Fines and forfeits.....	--	--	--	92
Miscellaneous:				
Interest.....	--	--	--	--
Other.....	24	2	514	6
Total Revenues.....	4,563	467	514	5,103
Expenditures:				
Current:				
General government.....	1,419	16	--	3,170
Public safety.....	--	518	--	--
Highways and streets.....	746	--	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	586	--	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	930	70	--	1,374
Other.....	--	--	--	60
Capital Outlay:				
General government.....	--	--	--	62
Public safety.....	--	--	--	--
Highways and streets.....	--	48	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	770	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	3,681	652	770	4,666
Revenues over (under) Expenditures.....	882	(185)	(256)	437
Other Financing Source (Use):				
Transfers in.....	--	44	--	--
Transfers out.....	(277)	(36)	--	(295)
Total Other Financing Source (Use).....	(277)	8	--	(295)
Revenues and Other Source over (under) Expenditures and Other Use.....	605	(177)	(256)	142
Fund Balance - July 1	10,395	745	6,377	2,062
Fund Balances - June 30.....	\$ 11,000	\$ 568	\$ 6,121	\$ 2,204

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	Patsy T. Mink Central Oahu Regional Park Fund	Waipio Peninsula Soccer Park Fund
\$ --	\$ --	\$ 5,027	\$ 5,027	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	2,796	--	--
--	4,741	--	--	--	197	92
--	--	--	--	--	--	--
--	11	48	56	--	--	--
234	2,489	--	--	--	5	--
<u>234</u>	<u>7,241</u>	<u>5,075</u>	<u>5,083</u>	<u>2,796</u>	<u>202</u>	<u>92</u>
--	--	1,500	--	606	--	--
--	972	--	--	--	--	--
--	--	--	--	--	--	--
122	--	--	--	2,333	--	--
--	2,457	--	--	--	--	--
--	--	--	--	--	--	--
--	1,000	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	994	3,500	--	--	--	--
--	--	--	--	--	--	--
<u>122</u>	<u>5,423</u>	<u>5,000</u>	<u>--</u>	<u>2,939</u>	<u>--</u>	<u>--</u>
<u>112</u>	<u>1,818</u>	<u>75</u>	<u>5,083</u>	<u>(143)</u>	<u>202</u>	<u>92</u>
--	--	--	--	--	--	--
--	(1,874)	--	--	--	--	--
--	<u>(1,874)</u>	--	--	--	--	--
112	(56)	75	5,083	(143)	202	92
1,446	5,666	27,541	29,629	209	25	--
<u>\$ 1,558</u>	<u>\$ 5,610</u>	<u>\$ 27,616</u>	<u>\$ 34,712</u>	<u>\$ 66</u>	<u>\$ 227</u>	<u>\$ 92</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, 2016
(Amounts in thousands)

(Page 3 of 5)

	Special Revenue Funds			
	Golf Fund	Special Events Fund	Special Projects Fund	Federal Grants Fund
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits.....	--	--	--	--
Intergovernmental.....	--	--	11,774	45,826
Charges for services.....	6,216	4,588	422	--
Fines and forfeits.....	--	--	--	--
Miscellaneous:				
Interest.....	--	6	1	13
Other.....	2,391	8,220	640	665
Total Revenues.....	8,607	12,814	12,837	46,504
Expenditures:				
Current:				
General government.....	--	36	2,369	1,827
Public safety.....	--	--	3,309	7,526
Highways and streets.....	--	--	--	--
Sanitation.....	--	--	--	210
Human services.....	--	--	6,085	16,728
Culture-recreation.....	9,639	12,097	214	151
Utilities or other enterprises.....	--	--	10	21,723
Miscellaneous:				
Retirement and health benefits.....	2,840	4,058	--	--
Other.....	160	341	--	--
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	12	2,600
Highways and streets.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	115	47	--	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	12,754	16,579	11,999	50,765
Revenues over (under) Expenditures.....	(4,147)	(3,765)	838	(4,261)
Other Financing Source (Use):				
Transfers in.....	6,514	12,388	--	--
Transfers out.....	(1,929)	(5,918)	--	--
Total Other Financing Source (Use).....	4,585	6,470	--	--
Revenues and Other Source over (under) Expenditures and Other Use.....	438	2,705	838	(4,261)
Fund Balance - July 1	861	516	8,280	18,863
Fund Balances - June 30.....	\$ 1,299	\$ 3,221	\$ 9,118	\$ 14,602

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, 2016

(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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	4	--	--
--	--	--	--	--	--
--	--	52,811	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
7	1	71	--	--	--
1,109	--	40	--	14	24
<u>1,116</u>	<u>1</u>	<u>52,922</u>	<u>4</u>	<u>14</u>	<u>24</u>
--	--	104	--	1,422	4
--	--	--	--	498	62
--	--	--	--	95	2,195
--	--	--	--	--	--
660	--	52,051	--	--	--
--	--	--	--	1,527	--
--	--	--	--	--	9,051
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	17,967	1,054
--	--	--	--	18,822	3,558
--	--	--	--	142	98,559
--	--	--	--	14,839	--
--	--	--	--	28,947	--
--	--	--	--	--	9,801
<u>660</u>	<u>--</u>	<u>52,155</u>	<u>--</u>	<u>84,259</u>	<u>124,284</u>
<u>456</u>	<u>1</u>	<u>767</u>	<u>4</u>	<u>(84,245)</u>	<u>(124,260)</u>
--	--	--	--	--	--
--	--	--	(5)	--	--
--	--	--	(5)	--	--
<u>456</u>	<u>1</u>	<u>767</u>	<u>(1)</u>	<u>(84,245)</u>	<u>(124,260)</u>
<u>5,572</u>	<u>960</u>	<u>4,504</u>	<u>166</u>	<u>82,058</u>	<u>134,499</u>
<u>\$ 6,028</u>	<u>\$ 961</u>	<u>\$ 5,271</u>	<u>\$ 165</u>	<u>\$ (2,187)</u>	<u>\$ 10,239</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, 2016

(Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Federal Grants Capital Projects Fund	Capital Projects Fund	
Revenues:			
Taxes	\$ --	\$ --	\$ 10,054
Special assessments	--	--	4
Licenses and permits.....	--	--	5,347
Intergovernmental.....	47,561	--	160,768
Charges for services.....	--	--	20,918
Fines and forfeits.....	--	--	92
Miscellaneous:			
Interest.....	--	--	214
Other.....	--	17	16,394
Total Revenues.....	47,561	17	213,791
Expenditures:			
Current:			
General government.....	--	--	12,473
Public safety.....	19	--	12,904
Highways and streets.....	636	--	3,672
Sanitation.....	--	--	210
Human services.....	5,427	--	83,406
Culture-recreation.....	--	--	26,671
Utilities or other enterprises.....	30,055	--	60,839
Miscellaneous:			
Retirement and health benefits.....	--	--	10,272
Other.....	--	--	561
Capital Outlay:			
General government.....	--	--	19,083
Public safety.....	1,922	33	26,947
Highways and streets.....	864	15	99,628
Human services.....	--	--	14,839
Culture-recreation.....	--	--	34,373
Utilities or other enterprises.....	8,280	--	18,081
Total Expenditures.....	47,203	48	423,959
Revenues over (under) Expenditures.....	358	(31)	(210,168)
Other Financing Source (Use):			
Transfers in.....	--	5	18,951
Transfers out.....	--	--	(10,334)
Total Other Financing Source (Use).....	--	5	8,617
Revenues and Other Source over (under) Expenditures and Other Use.....	358	(26)	(201,551)
Fund Balance - July 1	11,545	14,895	366,814
Fund Balances - June 30.....	\$ 11,903	\$ 14,869	\$ 165,263

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2016
 (Amounts in thousands)

	Agency Funds				Total
	General Trust Fund	Treasury Trust Fund	Real Property Tax Trust Fund	Payroll Clearance Fund	
<u>ASSETS</u>					
Cash and investments:					
With Treasury	\$ 28,540	\$ 2,522	\$ 15,237	\$ --	\$ 46,299
Imprest and change funds	67	67	--	--	134
Due from other funds:					
Highway Fund	--	--	--	7	7
Sewer Fund	--	--	--	11	11
Golf Fund	--	--	--	2	2
Special Events Fund	--	--	--	1	1
Payroll Clearance Fund	13	--	--	--	13
Solid Waste Fund	23	--	--	5	28
Total Assets	<u>28,643</u>	<u>2,589</u>	<u>15,237</u>	<u>26</u>	<u>46,495</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	7,489	--	2	--	7,491
Other current liabilities	<u>21,154</u>	<u>2,589</u>	<u>15,235</u>	<u>26</u>	<u>39,004</u>
Total Liabilities	<u>28,643</u>	<u>2,589</u>	<u>15,237</u>	<u>26</u>	<u>46,495</u>
<u>NET POSITION</u>					
Held in trust for individuals, organizations and other governments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>GENERAL TRUST FUND</u>				
<u>ASSETS</u>				
Cash	\$ 27,307	\$ 111,889	\$ 110,589	\$ 28,607
Due from other funds	23	36	23	36
Total Assets	\$ 27,330	\$ 111,925	\$ 110,612	\$ 28,643
<u>LIABILITIES</u>				
Accounts payable	\$ 7,312	\$ 110,754	\$ 110,577	\$ 7,489
Other current liabilities	20,018	111,890	110,754	21,154
Total Liabilities	\$ 27,330	\$ 222,644	\$ 221,331	\$ 28,643
<u>TREASURY TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 4,789	\$ 19,193	\$ 21,393	\$ 2,589
<u>LIABILITY</u>				
Other current liabilities	\$ 4,789	\$ 19,193	\$ 21,393	\$ 2,589
<u>REAL PROPERTY TAX TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 9,112	\$ 12,512	\$ 6,387	\$ 15,237
Total Asset	\$ 9,112	\$ 12,512	\$ 6,387	\$ 15,237
<u>LIABILITIES</u>				
Accounts payable	\$ 1	\$ 6,611	\$ 6,610	\$ 2
Other current liabilities	9,111	12,511	6,387	15,235
Total Liabilities	\$ 9,112	\$ 19,122	\$ 12,997	\$ 15,237
<u>PAYROLL CLEARANCE FUND</u>				
<u>ASSETS</u>				
Cash	\$ --	\$ 675,838	\$ 675,838	\$ --
Due from other funds	15	26	15	26
Total Assets	\$ 15	\$ 675,864	\$ 675,853	\$ 26
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 45,859	\$ 45,859	\$ --
Other current liabilities	15	721,679	721,668	26
Total Liabilities	\$ 15	\$ 767,538	\$ 767,527	\$ 26
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 41,208	\$ 819,432	\$ 814,207	\$ 46,433
Due from other funds	38	62	38	62
Total Assets	\$ 41,246	\$ 819,494	\$ 814,245	\$ 46,495
<u>LIABILITIES</u>				
Accounts payable	\$ 7,313	\$ 163,224	\$ 163,046	\$ 7,491
Other current liabilities	33,933	865,273	860,202	39,004
Total Liabilities	\$ 41,246	\$ 1,028,497	\$ 1,023,248	\$ 46,495

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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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Zoo Animal Purchase Fund	Grants In Aid Fund
<u>ASSETS</u>			
Cash and investments:			
With Treasury and banks.....	\$ 226,590	\$ 2	\$ 6,034
Receivables:			
Real property taxes	12,729	--	--
Accounts	388	--	--
Interest	685	--	--
Loans	81	--	--
Intergovernmental	2,911	--	--
Payroll Advance	10,127	--	--
Due from other funds	20,967	--	3
Total Assets	\$ 274,478	\$ 2	\$ 6,037
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 34,995	\$ --	\$ 608
Due to other funds	106	--	--
Accrued payroll	23,346	--	12
Total Liabilities	58,447	--	620
Deferred Inflow:			
Deferred inflow	10,885	--	--
Total Deferred Inflow	10,885	--	--
Fund Balances:			
Committed	--	2	5,417
Assigned	65,124	--	--
Unassigned	140,022	--	--
Total Fund Balances	205,146	2	5,417
Total Liabilities, Deferred Inflow and Fund Balance ...	\$ 274,478	\$ 2	\$ 6,037

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2016
 (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
\$ 102,553	\$ 218	\$ 1,962	\$ 225	\$ 337,584
--	--	--	--	12,729
--	--	--	--	388
--	--	--	--	685
--	--	--	--	81
--	--	--	--	2,911
--	--	--	--	10,127
--	--	--	--	20,970
<u>\$ 102,553</u>	<u>\$ 218</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 385,475</u>
\$ --	\$ --	\$ --	\$ --	\$ 35,603
--	--	--	--	106
--	--	--	--	23,358
--	--	--	--	59,067
--	48	--	--	10,933
--	48	--	--	10,933
102,553	170	1,962	225	110,329
--	--	--	--	65,124
--	--	--	--	140,022
<u>102,553</u>	<u>170</u>	<u>1,962</u>	<u>225</u>	<u>315,475</u>
<u>\$ 102,553</u>	<u>\$ 218</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 385,475</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, 2016
(Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Zoo Animal Purchase Fund	Grants In Aid Fund
Revenues:			
Taxes	\$ 1,054,429	\$ --	\$ --
Licenses and permits.....	43,559	--	--
Intergovernmental.....	45,413	--	--
Charges for services.....	7,463	--	--
Fines and forfeits.....	878	--	--
Miscellaneous:			
Reimbursements and recoveries.....	44,277	--	--
Interest.....	1,894	--	5
Other.....	5,531	--	--
Total Revenues.....	1,203,444	--	5
Expenditures:			
Current:			
General government.....	137,729	--	44
Public safety.....	380,881	--	--
Highways and streets.....	4,515	--	--
Sanitation.....	3,475	--	--
Human services.....	8,390	--	5,484
Culture-recreation.....	67,939	--	--
Miscellaneous:			
Retirement and health benefits.....	246,129	--	--
Other.....	25,009	--	--
Capital Outlay:			
General government.....	2,594	--	--
Public safety.....	2,232	--	--
Highways and streets.....	3	--	--
Sanitation.....	5	--	--
Culture-recreation.....	66	--	--
Debt service:			
Principal.....	521	--	--
Interest.....	26	--	--
Total Expenditures.....	879,514	--	5,528
Revenues over (under) Expenditures.....	323,930	--	(5,523)
Other Financing Sources (Uses):			
Sales of capital assets	345	--	--
Transfers in.....	145,455	--	6,033
Transfers out.....	(508,890)	--	--
Total Other Financing Sources (Uses)....	(363,090)	--	6,033
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(39,160)	--	510
Fund Balances - July 1	244,306	2	4,907
Fund Balances - June 30.....	\$ 205,146	\$ 2	\$ 5,417

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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
\$ --	\$ --	\$ --	\$ --	\$ 1,054,429
--	--	--	--	43,559
--	--	--	--	45,413
--	--	--	--	7,463
--	--	--	--	878
--	--	--	--	44,277
148	--	--	--	2,047
--	--	--	--	5,531
<u>148</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,203,597</u>
--	--	--	--	137,773
--	--	--	--	380,881
--	--	--	--	4,515
--	--	--	--	3,475
--	13	--	--	13,887
--	--	--	--	67,939
--	--	--	--	246,129
--	--	--	--	25,009
--	--	--	--	2,594
--	--	--	--	2,232
--	--	--	--	3
--	--	--	--	5
--	--	--	--	66
--	--	--	--	521
--	--	--	--	26
<u>--</u>	<u>13</u>	<u>--</u>	<u>--</u>	<u>885,055</u>
<u>148</u>	<u>(13)</u>	<u>--</u>	<u>--</u>	<u>318,542</u>
414	--	--	--	759
30,000	--	--	--	181,488
--	--	--	--	(508,890)
<u>30,414</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(326,643)</u>
<u>30,562</u>	<u>(13)</u>	<u>--</u>	<u>--</u>	<u>(8,101)</u>
<u>71,991</u>	<u>183</u>	<u>1,962</u>	<u>225</u>	<u>323,576</u>
<u>\$ 102,553</u>	<u>\$ 170</u>	<u>\$ 1,962</u>	<u>\$ 225</u>	<u>\$ 315,475</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 226,590	\$ 256,132
Receivables:		
Real property taxes	12,729	13,385
Accounts	388	339
Interest	685	157
Loans	81	88
Intergovernmental	2,911	5,599
Payroll Advance	10,127	10,703
Due from other funds	20,967	19,276
Total Assets	\$ 274,478	\$ 305,679
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 34,995	\$ 28,182
Due to other funds	106	12
Accrued payroll	23,346	21,938
Total Liabilities	58,447	50,132
Deferred Inflow:		
Deferred inflow	10,885	11,241
Total Deferred Inflow	10,885	11,241
Fund Balance:		
Assigned	65,124	74,282
Unassigned	140,022	170,024
Total Fund Balance	205,146	244,306
Total Liabilities, Deferred Inflow and Fund Balance	\$ 274,478	\$ 305,679

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Amounts in thousands)

	<u>2016</u>	<u>2015</u>
Revenues:		
Taxes	\$ 1,054,429	\$ 993,433
Licenses and permits	43,559	43,432
Intergovernmental	45,413	45,521
Charges for services	7,463	8,257
Fines and forfeits	878	806
Miscellaneous:		
Reimbursements and recoveries	44,277	44,052
Interest	1,894	415
Other	5,531	4,370
Total Revenues	<u>1,203,444</u>	<u>1,140,286</u>
Expenditures:		
Current:		
General government	137,729	135,007
Public safety	380,881	365,200
Highways and streets	4,515	2,588
Sanitation	3,475	3,822
Human services	8,390	5,083
Culture-recreation	67,939	62,014
Miscellaneous:		
Retirement and health benefits	246,129	222,858
Other	25,009	23,788
Capital outlay:		
General government	2,594	3,354
Public safety	2,232	386
Highways and streets	3	--
Sanitation	5	--
Culture-recreation	66	233
Debt Service:		
Principal retirement	521	864
Interest charges	26	58
Total Expenditures	<u>879,514</u>	<u>825,255</u>
Revenues over Expenditures	<u>323,930</u>	<u>315,031</u>
Other Financing Sources (Uses):		
Sales of capital assets	345	21
Transfers in	145,455	121,601
Transfers out	(508,890)	(432,795)
Total Other Financing Sources (Uses)	<u>(363,090)</u>	<u>(311,173)</u>
Revenues and Other Sources over (under) Expenditures and Other Uses	<u>(39,160)</u>	<u>3,858</u>
Fund Balance - July 1	244,306	240,448
Fund Balance - June 30	<u>\$ 205,146</u>	<u>\$ 244,306</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, 2016
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,049,515	\$ 1,049,515	\$ 1,054,429	\$ 4,914
Licenses and permits	42,850	42,850	43,559	709
Intergovernmental	45,473	45,473	45,413	(60)
Charges for services	8,548	8,548	7,463	(1,085)
Fines and forfeits	750	750	878	128
Miscellaneous:				
Reimbursements and recoveries	49,485	49,485	44,277	(5,208)
Interest	344	344	1,894	1,550
Other	4,198	4,198	5,531	1,333
Total Revenues	1,201,163	1,201,163	1,203,444	2,281
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	16,526	17,631	16,966	665
City Clerk	3,202	3,202	2,840	362
City Council	5,707	5,707	4,974	733
Corporation Counsel	8,034	8,518	8,328	190
Customer Services	20,629	21,264	20,593	671
Design and Construction	8,351	8,906	8,770	136
Emergency Services	619	734	712	22
Facility Maintenance	23,605	23,895	19,333	4,562
Human Resources	6,269	6,311	5,913	398
Information Technology	19,432	19,818	18,500	1,318
Mayor	4,197	4,315	4,025	290
Office of the City Auditor	1,532	1,532	1,496	36
Office of Council Services	1,707	1,765	1,720	45
Planning and Permitting	10,865	11,672	10,315	1,357
Prosecuting Attorney	20,062	20,415	19,231	1,184
Total General government	150,737	155,685	143,716	11,969
Public safety:				
Emergency Management	1,222	1,271	1,075	196
Emergency Services	39,030	39,366	35,969	3,397
Fire	119,542	119,660	112,026	7,634
Medical Examiner	1,995	2,072	2,020	52
Planning and Permitting	5,006	5,758	5,594	164
Police	230,460	236,266	227,202	9,064
Total Public safety	397,255	404,393	383,886	20,507

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, 2016
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance	10,125	10,447	9,252	1,195
Human services:				
Community Services	10,924	11,781	8,745	3,036
Culture-recreation:				
Mayor	2,086	2,174	2,159	15
Parks and Recreation	68,762	72,228	68,044	4,184
Total Culture-recreation	70,848	74,402	70,203	4,199
Utilities or other enterprises:				
Transportation Services	--	100	100	--
Miscellaneous:				
Retirement and health benefits:				
City Council	3,800	3,800	3,195	605
Provisional	252,841	252,841	237,203	15,638
Total Retirement and health benefits	256,641	256,641	240,398	16,243
Other:				
City Council	365	307	48	259
Provisional	68,515	51,466	26,670	24,796
Total Other	68,880	51,773	26,718	25,055
Total Miscellaneous	325,521	308,414	267,116	41,298
Debt Service:				
Budget and Fiscal Services	360	360	359	1
Information Technology	--	188	188	--
Total Debt service	360	548	547	1
Capital improvements:				
Design and Construction	1,300	1,300	1,300	--
Total Capital improvements	1,300	1,300	1,300	--

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, 2016
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	967,070	967,070	884,865	82,205
Revenues over Expenditures	234,093	234,093	318,579	84,486
Other Financing Sources (Uses):				
Sales of capital assets	--	--	345	345
Transfers in:				
Central administrative service expenses	42,321	42,321	42,321	--
Debt service	111,000	111,000	102,363	(8,637)
Other	771	771	771	--
Transfers out:				
Debt service	(228,763)	(228,763)	(214,946)	13,817
Bus subsidy	(127,916)	(127,916)	(127,916)	--
Other	(170,030)	(170,030)	(166,028)	4,002
Total Other Financing Sources (Uses)	(372,617)	(372,617)	(363,090)	9,527
Revenues and Other Sources under Expenditures and Other Uses	(138,524)	(138,524)	(44,511)	94,013
Unreserved - Undesignated Fund Balance - July 1	141,207	141,207	170,024	28,817
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 2,683	\$ 2,683	125,513	\$ 122,830
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			44,530	
Expenditures - prior year encumbrances			(39,179)	
Decrease in reserved for encumbrances			9,158	
Unreserved - Undesignated Fund Balance - June 30			140,022	
Reserved for Encumbrances - June 30			65,124	
Fund Balance - June 30 (GAAP Basis)			\$ 205,146	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 1 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
TAXES			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 998,417	\$ 1,006,156	\$ 7,739
PUBLIC SERVICE COMPANY TAX:			
Public Service Company Tax	51,098	48,273	(2,825)
TOTAL TAXES	1,049,515	1,054,429	4,914
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Police and Protective:			
Second-Hand and Junk Dealers	22	17	(5)
Alarm Permits	240	240	--
Other	19	15	(4)
Professional and Occupational:			
Other	1	2	1
Total Business Licenses and Permits	282	274	(8)
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits:			
Building	20,000	20,145	145
Signs	25	31	6
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees	1,760	1,814	54
Motor Vehicle Transfer Fees and Penalty	2,613	2,709	96
Duplicate Registration & Ownership Certificates	196	210	14
Motor Vehicle Registration Annual Fee	14,208	14,516	308
Other	54	56	2
Other Vehicle Licenses and Fees:			
Passenger and Freight Vehicle Permit Fees	108	99	(9)
Nonresident Vehicle Permit	26	25	(1)
Motor Vehicle Drivers' Licenses	2,327	2,237	(90)
Animal Licenses:			
Dog Licenses and Tag Fees	200	190	(10)
Street, Sidewalk and Curb Permits:			
Easement Grants	80	79	(1)
Newsstands	14	13	(1)
Dispensing Rack	201	154	(47)
Fire Code Permits and License Fees	390	611	221
Fireworks License Fees	37	63	26
Camping Permits	329	333	4
Total Non-Business Licenses and Permits	42,568	43,285	717
TOTAL LICENSES AND PERMITS	42,850	43,559	709

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 2 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>			
STATE GRANTS:			
Transient Accommodation Tax	45,423	45,350	(73)
INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:			
Fish and Wildlife Service	<u>50</u>	<u>63</u>	<u>13</u>
TOTAL INTERGOVERNMENTAL	<u>45,473</u>	<u>45,413</u>	<u>(60)</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Data Processing Services:			
Duplication of Master Tapes	46	60	14
Data Processing Service - State	850	1,012	162
Data Processing Service - U.S. Government	2	1	(1)
Data Processing Service - Other Counties	400	399	(1)
Legal Services (BWS)	155	30	(125)
Service Fee for Dishonored Checks	23	19	(4)
Service Fee for Credit Card Payments	--	9	9
Band Collections	2	1	(1)
Automotive Equipment Service Charges	220	107	(113)
Subdivision Fees	124	146	22
Application Fees for Zoning Regulations	355	251	(104)
Nonconforming Use Renewal Fees	100	60	(40)
Plan Review Use Fees	2,100	1,529	(571)
Administrative Fee--Multi-Family Housing Program.....	44	25	(19)
Military Housing Fee in Lieu of Property Tax	977	987	10
Zoning/Flood Clearance Fee	85	80	(5)
Fees for Certificates, Copies & Extracts of Records	160	182	22
Fees for Services	137	135	(2)
Custodial and Attendant Services	360	456	96
Spay-Neuter Service	431	285	(146)
Other	<u>56</u>	<u>16</u>	<u>(40)</u>
Total General Government	<u>6,627</u>	<u>5,790</u>	<u>(837)</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 3 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
PUBLIC SAFETY:			
Police Charges:			
Taxicab Drivers' & Pedicab Operators' Certificates ...	44	38	(6)
HPD Special Duty Fees	330	294	(36)
Total Public Safety	374	332	(42)
HIGHWAYS AND STREETS:			
Parking:			
City Employees	700	713	13
HPD Parking Lot	120	123	3
Other	--	1	1
Total Highways and Streets	820	837	17
CULTURE-RECREATION:			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing	31	26	(5)
Commercial Filming	44	57	13
Summer Fun Program	194	238	44
Fall and Spring Program	1	3	2
Fees for Use of Parks	268	2	(266)
Foster Botanic Garden	142	132	(10)
Fees for Community Garden	47	46	(1)
Total Culture-Recreation	727	504	(223)
TOTAL CHARGES FOR SERVICES	8,548	7,463	(1,085)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	700	663	(37)
Liquidated Contract Damages	--	43	43
Total Fines	700	706	6
FORFEITS:			
Forfeiture of Seized Property	50	172	122
TOTAL FINES AND FORFEITS	750	878	128

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 4 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursements from State:			
HPD Civil Defense Coordinator	29	29	--
Motor Vehicle Inspection Program	765	582	(183)
Administration Cost - Ewa Highway Impact Fee	15	9	(6)
Hawaii State ID Program	705	563	(142)
Emergency Ambulance Services	38,910	34,885	(4,025)
Collection Cost - State Motor Vehicle			
Weight Tax, etc.	999	855	(144)
Commercial Drivers' License Program	583	503	(80)
Other	122	150	28
Recoveries:			
Workers' Compensation Payment	500	383	(117)
Real Property Tax Services	81	--	(81)
Central Administrative Service Expenses:			
Board of Water Supply	3,300	3,300	--
Honolulu Authority for Rapid Transportation	1,010	851	(159)
Recovery-Interest-Federal Subsidy	1,329	1,238	(91)
Workers' Compensation Claims (Third Party)	100	305	205
Recoveries - Other	1,037	624	(413)
Total Reimbursements and Recoveries	49,485	44,277	(5,208)
INTEREST:			
Interest Earnings:			
Investments	344	1,891	1,547
Other Sources	--	3	3
Total Interest	344	1,894	1,550

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 5 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental Units:			
Rental Units (City Property)	261	211	(50)
Rental Units (HCD Property)	206	221	15
Rental - Ambulance Facilities	259	53	(206)
Rental of Parks and Recreational Facilities:			
Perquisite Housing	36	18	(18)
Other	--	2	2
Rental of Equipment	18	5	(13)
Rental for Use of Land	334	478	144
Total Rents	1,114	988	(126)
Contributions from Private Sources:			
Developers' Premium	--	42	42
Unclaimed Monies:			
Police Department	--	20	20
Other Escheats	100	195	95
Total Contributions from Private Sources	100	257	157
Other:			
Towing Service Premiums	120	130	10
Vacation Accumulation Deposits	50	245	195
Miscellaneous Sales	1,167	890	(277)
Sundry Refunds	1,632	2,866	1,234
Sundry Realizations	15	155	140
Total Other	2,984	4,286	1,302
Total Other Miscellaneous	4,198	5,531	1,333
TOTAL MISCELLANEOUS	54,027	51,702	(2,325)
TOTAL REVENUES	1,201,163	1,203,444	2,281

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 6 of 6)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES			
SALES OF CAPITAL ASSETS:			
Sale of Capital Assets	--	345	345
TOTAL SALES OF CAPITAL ASSETS	--	345	345
TRANSFERS FROM OTHER FUNDS:			
Recovery of Central Administrative Service Expenses:			
Highway Fund	13,204	13,204	--
Highway Beautification and Disposal Abandoned Vehicles Revolving Fund	277	277	--
Bikeway Fund	36	36	--
Sewer Fund	12,919	12,919	--
Liquor Commission Fund	295	295	--
Hanauma Bay Nature Preserve Fund	423	423	--
Golf Fund	760	760	--
Special Events Fund	1,178	1,178	--
Solid Waste Special Fund	13,229	13,229	--
Recovery of Debt Service Charges:			
Highway Fund	103,638	95,003	(8,635)
Hanauma Bay Nature Preserve Fund	1,453	1,451	(2)
Golf Fund	1,169	1,169	--
Special Events Fund	4,740	4,740	--
Other Transfers:			
Sewer Fund	507	507	--
Solid Waste Special Fund	264	264	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	154,092	145,455	(8,637)
TOTAL OTHER FINANCING SOURCES	154,092	145,800	(8,292)
TOTAL GENERAL FUND	\$ 1,355,255	\$ 1,349,244	\$ (6,011)

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 57,076	\$ 64,283
Receivables:		
Public Utilities	23,763	27,570
Intergovernmental	4,655	4,373
Payroll advance	888	926
Other receivables	4	--
Due from other funds:		
General Fund	--	1
Federal Grants Fund	426	--
	\$ 86,812	\$ 97,153
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,968	\$ 1,641
Due to other funds:		
General Fund	151	--
Solid Waste Fund	2	--
Payroll Clearance Fund	7	4
Accrued payroll	1,776	1,699
	3,904	3,344
Deferred Inflow:		
Deferred inflow	23,763	27,570
	23,763	27,570
Fund Balance:		
Restricted	59,145	66,239
	59,145	66,239
	\$ 86,812	\$ 97,153

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Amounts in thousands)

	<u>2016</u>	<u>2015</u>
Revenues:		
Taxes	\$ 97,538	\$ 107,113
Licenses and permits	132,790	129,573
Charges for services	4,617	4,795
Miscellaneous:		
Reimbursements and recoveries	2,761	2,857
Other	2,412	2,772
	<u>240,118</u>	<u>247,110</u>
Expenditures:		
Current:		
General government	20,270	20,120
Public safety	33,098	32,381
Highways and streets	20,189	22,121
Utilities or other enterprises	1,936	2,413
Miscellaneous:		
Retirement and health benefits	26,628	26,027
Other	2,314	1,720
Capital improvements:		
General government	1,085	1,175
Highways and streets	12	--
	<u>105,532</u>	<u>105,957</u>
Revenues over Expenditures	<u>134,586</u>	<u>141,153</u>
Other Financing Source (Use):		
Sales of capital assets	213	184
Transfers out	(141,893)	(125,670)
	<u>(141,680)</u>	<u>(125,486)</u>
Revenues and Other Source over (under) Expenditures and Other Use	(7,094)	15,667
Fund Balance - July 1	<u>66,239</u>	<u>50,572</u>
Fund Balance - June 30	<u>\$ 59,145</u>	<u>\$ 66,239</u>

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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 107,134	\$ 107,134	\$ 97,538	\$ (9,596)
Licenses and permits	126,552	126,552	132,790	6,238
Charges for services	4,649	4,649	4,617	(32)
Miscellaneous:				
Reimbursements and recoveries	2,763	2,763	2,761	(2)
Other	2,367	2,367	2,412	45
Total Revenues	243,465	243,465	240,118	(3,347)
Expenditures:				
Current:				
General government:				
Design and Construction	5,450	5,744	5,556	188
Facility Maintenance	15,960	16,099	12,985	3,114
Planning and Permitting	2,515	2,583	2,510	73
Total General government	23,925	24,426	21,051	3,375
Public safety:				
Police	29,091	29,164	28,365	799
Transportation Services	6,740	6,990	6,175	815
Total Public safety	35,831	36,154	34,540	1,614
Highways and streets:				
Facility Maintenance	23,117	23,894	23,143	751
Utilities or other enterprises:				
Transportation Services	4,279	4,457	4,225	232
Miscellaneous:				
Retirement and health benefits:				
Provisional	29,568	29,568	26,628	2,940
Other:				
Provisional	10,042	8,263	2,314	5,949
Total Miscellaneous	39,610	37,831	28,942	8,889
Total Expenditures	126,762	126,762	111,901	14,861
Revenues over Expenditures	116,703	116,703	128,217	11,514

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, 2016
 (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	111	111	213	102
Transfers out:				
Debt service	(103,638)	(103,638)	(95,003)	8,635
Reimbursement for central administrative service expenses	(13,204)	(13,204)	(13,204)	--
Bus subsidy	(33,686)	(33,686)	(33,686)	--
Total Transfers out.....	(150,528)	(150,528)	(141,893)	8,635
Total Other Financing Source (Uses)	(150,417)	(150,417)	(141,680)	8,737
Revenues and Other Source under Expenditures and Other Uses	(33,714)	(33,714)	(13,463)	20,251
Unreserved - Undesignated Fund Balance - July 1	33,714	33,714	53,281	19,567
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	39,818	\$ 39,818
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			12,430	
Expenditures - prior year encumbrances			(6,061)	
Increase in reserved for encumbrances			(3,509)	
Unreserved - Undesignated Fund Balance - June 30			42,678	
Reserved for Encumbrances - June 30			16,467	
Fund Balance - June 30 (GAAP Basis)			\$ 59,145	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>TAXES</u>			
GROSS RECEIPTS BUSINESS TAXES:			
Public Utility Franchise Tax	\$ 55,200	\$ 44,774	\$ (10,426)
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	<u>51,934</u>	<u>52,764</u>	<u>830</u>
TOTAL TAXES	<u>107,134</u>	<u>97,538</u>	<u>(9,596)</u>
<u>LICENSES AND PERMITS</u>			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	260	297	37
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	122,143	127,672	5,529
Other Vehicle Licenses and Fees	3,722	4,250	528
Street and Sidewalk Use	26	25	(1)
Freight Curb and Passenger Loading Zone Permits	261	269	8
Excavation and Repair of Streets and Sidewalks	<u>140</u>	<u>277</u>	<u>137</u>
TOTAL LICENSES AND PERMITS	<u>126,552</u>	<u>132,790</u>	<u>6,238</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	30	28	(2)
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	74	82	8
Street Parking Meter Collections	3,385	3,448	63
Other Parking Meter Collections	1,107	1,001	(106)
Other	<u>53</u>	<u>58</u>	<u>5</u>
Total Highways and Streets	<u>4,619</u>	<u>4,589</u>	<u>(30)</u>
TOTAL CHARGES FOR SERVICES	<u>4,649</u>	<u>4,617</u>	<u>(32)</u>
<u>MISCELLANEOUS</u>			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursement from State for			
Traffic Signal Maintenance	300	460	160
Recovery of Overhead Charges	--	7	7
Recovery - Federal Interest Subsidy	<u>2,463</u>	<u>2,294</u>	<u>(169)</u>
Total Reimbursements and Recoveries	<u>2,763</u>	<u>2,761</u>	<u>(2)</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 2 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	--	238	238
Total Rents	--	238	238
Concessions:			
Kekaulike Parking Lot	--	2	2
Marin Towers Garage	220	223	3
Harbor Court Garage	475	508	33
Kaimuki Parking Lot	540	540	--
Kukui Plaza Garage	316	301	(15)
Smith-Beretania Garage	316	324	8
Total Concessions	1,867	1,898	31
Other:			
Vacation Accumulation Deposits	--	46	46
Miscellaneous Sales	--	6	6
Sundry Refunds	500	224	(276)
Total Other	500	276	(224)
Total Other Miscellaneous	2,367	2,412	45
TOTAL MISCELLANEOUS	5,130	5,173	43
TOTAL REVENUES	243,465	240,118	(3,347)
<u>OTHER FINANCING SOURCES</u>			
SALES OF CAPITAL ASSETS:			
Compensation for Loss of Capital Assets	111	213	102
TOTAL OTHER FINANCING SOURCES	111	213	102
TOTAL HIGHWAY FUND	<u>\$ 243,576</u>	<u>\$ 240,331</u>	<u>\$ (3,245)</u>

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

BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 11,060	\$ 10,520
Receivable:		
Payroll advance	25	29
Total Assets	\$ 11,085	\$ 10,549
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 16	\$ 108
Due to other fund:		
General Fund	5	--
Accrued payroll	64	46
Total Liabilities	85	154
Fund Balance:		
Restricted	11,000	10,395
Total Fund Balance	11,000	10,395
Total Liabilities and Fund Balance	\$ 11,085	\$ 10,549

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, 2016
(Amounts in thousands)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$ 4,281	\$ 4,539	\$ 258
Miscellaneous:			
Other	<u>--</u>	<u>24</u>	<u>24</u>
Total Revenues	<u>4,281</u>	<u>4,563</u>	<u>282</u>
Expenditures:			
Current:			
General government:			
Customer Services	2,763	1,942	821
Highways and streets:			
Facility Maintenance	1,005	792	213
Culture-recreation:			
Parks and Recreation	606	606	--
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,076	930	146
Other:			
Provisional	<u>71</u>	<u>--</u>	<u>71</u>
Total Miscellaneous	<u>1,147</u>	<u>930</u>	<u>217</u>
Total Expenditures	<u>5,521</u>	<u>4,270</u>	<u>1,251</u>
Revenue over (under) Expenditures	(1,240)	293	1,533
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	<u>(277)</u>	<u>(277)</u>	<u>--</u>
Revenue over (under) Expenditures and Other Use	(1,517)	16	1,533
Unreserved - Undesignated Fund Balance - July 1	<u>8,200</u>	<u>9,865</u>	<u>1,665</u>
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 6,683</u>	9,881	<u>\$ 3,198</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		802	
Expenditures - prior year encumbrances		(213)	
Increase in reserved for encumbrances		<u>(573)</u>	
Unreserved - Undesignated Fund Balance - June 30		9,897	
Reserved for Encumbrances - June 30		<u>1,103</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 11,000</u>	

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, 2016
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
HIGHWAYS AND STREETS:			
Highway Beautification Fees	\$ 4,281	\$ 4,539	\$ 258
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	24	24
TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUES	<u>\$ 4,281</u>	<u>\$ 4,563</u>	<u>\$ 282</u>

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 746	\$ 759
Receivable:		
Payroll advance	8	8
Total Assets	\$ 754	\$ 767
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 176	\$ 12
Accrued payroll	10	10
Total Liabilities	186	22
Fund Balance:		
Restricted	568	745
Total Fund Balance	568	745
Total Liabilities and Fund Balance	\$ 754	\$ 767

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 492	\$ 465	\$ (27)
Miscellaneous:			
Other	--	2	2
Total Revenues	492	467	(25)
Expenditures:			
Current:			
General government:			
Facility Maintenance	19	19	--
Public safety:			
Transportation Services	595	578	17
Highways and streets:			
Facility Maintenance	16	--	16
Miscellaneous:			
Retirement and health benefits:			
Provisional	84	70	14
Total Expenditures	714	667	47
Revenues under Expenditures	(222)	(200)	22
Other Financing Source (Use):			
Transfer in	44	44	--
Transfer out:			
Reimbursement for central administrative service expenses	(36)	(36)	--
Total Other Financing Source (Use)	8	8	--
Revenues and Other Source under Expenditures and Other Use	(214)	(192)	22
Unreserved - Undesignated Fund Balance - July 1	214	447	233
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	255	\$ 255
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		154	
Expenditures - prior year encumbrances		(139)	
Decrease in reserved for encumbrances		16	
Unreserved - Undesignated Fund			
Balance - June 30		286	
Reserved for Encumbrances - June 30			
		282	
Fund Balance - June 30 (GAAP Basis)		\$ 568	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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	\$ 492	\$ 465	\$ (27)
 <u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Other:			
Sundry Refunds	--	2	2
TOTAL REVENUES	<u>492</u>	<u>467</u>	<u>(25)</u>
 <u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	44	44	--
TOTAL OTHER FINANCING SOURCE	<u>44</u>	<u>44</u>	<u>--</u>
TOTAL BIKEWAY FUND	<u>\$ 536</u>	<u>\$ 511</u>	<u>\$ (25)</u>

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 6,197	\$ 6,422
Total Asset	\$ 6,197	\$ 6,422
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 76	\$ 45
Total Liability	76	45
Fund Balance:		
Committed	6,121	6,377
Total Fund Balance	6,121	6,377
Total Liability and Fund Balance	\$ 6,197	\$ 6,422

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ --	\$ 514	\$ 514
Total Revenue	--	514	514
Expenditure:			
Capital improvements:			
Design and Construction	1,027	1,027	--
Total Expenditure	1,027	1,027	--
Revenue under Expenditure	(1,027)	(513)	514
Unreserved - Undesignated Fund Balance - July 1.....	1,027	5,204	4,177
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	4,691	\$ 4,691
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,027	
Expenditures - prior year encumbrances		(770)	
Increase in reserved for encumbrances		(1,786)	
Unreserved - Undesignated Fund Balance - June 30		3,162	
Reserved for Encumbrances - June 30		2,959	
Fund Balance - June 30 (GAAP Basis)		\$ 6,121	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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:			
Contributions from Private Sources:			
Subdividers' Contributions for			
Parks and Playgrounds	\$ --	\$ 514	\$ 514
TOTAL PARKS AND PLAYGROUNDS FUND	<u>\$ --</u>	<u>\$ 514</u>	<u>\$ 514</u>

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,305	\$ 2,143
Receivable:		
Payroll advance	30	32
Total Assets	\$ 2,335	\$ 2,175
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 19	\$ 12
Accrued payroll	107	101
Due to other fund:		
General Fund	5	--
Total Liabilities	131	113
Fund Balance:		
Restricted	2,204	2,062
Total Fund Balance	2,204	2,062
Total Liabilities and Fund Balance	\$ 2,335	\$ 2,175

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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 4,882	\$ (118)
Charges for services	129	129	123	(6)
Fines and forfeits	100	100	92	(8)
Miscellaneous:				
Other	--	--	6	6
Total Revenues	5,229	5,229	5,103	(126)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	3,966	3,966	3,060	906
Corporation Counsel	160	160	159	1
Information Technology	59	61	61	--
Total General government	4,185	4,187	3,280	907
Miscellaneous:				
Retirement and health benefits:				
Provisional	1,531	1,531	1,374	157
Other:				
Provisional	192	190	60	130
Total Miscellaneous	1,723	1,721	1,434	287
Total Expenditures	5,908	5,908	4,714	1,194
Revenues over (under) Expenditures	(679)	(679)	389	1,068
Other Financing Use:				
Transfers out:				
Reimbursement for central administrative service expenses	(295)	(295)	(295)	--
Revenues over (under) Expenditures and Other Use .	(974)	(974)	94	1,068
Unreserved - Undesignated Fund Balance - July 1	1,292	1,292	1,960	668
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 318	\$ 318	2,054	\$ 1,736

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, 2016
 (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			111	
Expenditures - prior year encumbrances			(63)	
Increase in reserved for encumbrances			<u>(35)</u>	
Unreserved - Undesignated Fund				
Balance - June 30			2,067	
Reserved for Encumbrances - June 30			<u>137</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 2,204</u>	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Alcoholic Licenses and Permits	\$ 5,000	\$ 4,882	\$ (118)
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	6	6	--
Fees:			
Charge for Photo I.D.	120	114	(6)
Other	3	3	--
	<u>129</u>	<u>123</u>	<u>(6)</u>
TOTAL CHARGES FOR SERVICES	<u>129</u>	<u>123</u>	<u>(6)</u>
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	100	92	(8)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	6	6
	<u>--</u>	<u>6</u>	<u>6</u>
TOTAL LIQUOR COMMISSION FUND REVENUES	<u>\$ 5,229</u>	<u>\$ 5,103</u>	<u>\$ (126)</u>

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 1,558	\$ 1,446
Total Asset	\$ 1,558	\$ 1,446
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 1,558	\$ 1,446
Total Fund Balance	\$ 1,558	\$ 1,446

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 233	\$ 234	\$ 1
Total Revenue	233	234	1
Expenditure:			
Current:			
Human services:			
Community Services	233	122	111
Total Expenditure	233	122	111
Revenue over Expenditure	--	112	112
Unreserved - Undesignated Fund Balance - July 1	862	1,446	584
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 862	1,558	\$ 696
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		1,558	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 1,558	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Rental of Parking Stalls	\$ 233	\$ 234	\$ 1
 TOTAL RENTAL ASSISTANCE FUND	 <u>\$ 233</u>	 <u>\$ 234</u>	 <u>\$ 1</u>

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 2	\$ 2
Total Asset	\$ 2	\$ 2
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 2	\$ 2
Total Fund Balance	\$ 2	\$ 2

CITY AND COUNTY OF HONOLULU
GRANTS IN AID FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,034	\$ 5,932
Due from other fund:		
General Fund	3	--
Total Assets	\$ 6,037	\$ 5,932
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 608	\$ 1,023
Accrued payroll	12	2
Total Liabilities	620	1,025
Fund Balance:		
Committed	5,417	4,907
Total Fund Balance	5,417	4,907
Total Liabilities and Fund Balance	\$ 6,037	\$ 5,932

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 5	\$ 5
Total Revenue	--	5	5
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	44	44	--
Human services:			
Community Services	6,401	6,359	42
Total Expenditures	6,445	6,403	42
Revenue under Expenditures	(6,445)	(6,398)	47
Other Financing Source:			
Transfer in	6,033	6,033	--
Revenue and Other Source under Expenditures	(412)	(365)	47
Unreserved - Undesignated Fund Balance - July 1	412	381	(31)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	16	\$ 16
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		4,004	
Expenditures - prior year encumbrances		(3,129)	
Increase in reserved for encumbrances		(334)	
Unreserved - Undesignated Fund Balance - June 30		557	
Reserved for Encumbrances - June 30		4,860	
Fund Balance - June 30 (GAAP Basis)		\$ 5,417	

CITY AND COUNTY OF HONOLULU
GRANTS IN AID FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	\$ --	\$ 5	\$ 5
TOTAL REVENUE	--	5	5
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	6,033	6,033	--
TOTAL OTHER FINANCING SOURCE	6,033	6,033	--
TOTAL GRANTS IN AID FUND	\$ 6,033	\$ 6,038	\$ 5

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,819	\$ 5,878
Receivables:		
Payroll advance	29	29
Due from other fund:		
General Fund	98	--
Total Assets	\$ 5,946	\$ 5,907
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 287	\$ 195
Accrued payroll	49	46
Total Liabilities	336	241
Fund Balance:		
Committed	5,610	5,666
Total Fund Balance	5,610	5,666
Total Liabilities and Fund Balance	\$ 5,946	\$ 5,907

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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,798	\$ 4,741	\$ (57)
Miscellaneous:			
Interest	--	11	11
Other	2,451	2,489	38
Total Revenues	7,249	7,241	(8)
Expenditures:			
Current:			
Public safety:			
Emergency Services	993	972	21
Culture-recreation:			
Enterprise Services	5	3	2
Parks and Recreation	3,107	2,495	612
Total Culture-recreation	3,112	2,498	614
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,103	1,000	103
Other:			
Provisional	59	--	59
Total Miscellaneous	1,162	1,000	162
Capital improvements:			
Design and Construction	1,747	1,747	--
Total Expenditures	7,014	6,217	797
Revenues over Expenditures	235	1,024	789
Other Financing Uses:			
Transfers out:			
Debt service	(1,453)	(1,451)	2
Reimbursement for central administrative service expenses	(423)	(423)	--
Total Other Financing Uses	(1,876)	(1,874)	2
Revenues under Expenditures and Other Uses	(1,641)	(850)	791
Unreserved - Undesignated Fund Balance - July 1	1,641	4,251	2,610
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	3,401	\$ 3,401

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, 2016
 (Amounts in thousands)

(Page 2 of 2)

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,833	
Expenditures - prior year encumbrances		(1,039)	
Decrease in reserved for encumbrances		<u>6</u>	
Unreserved - Undesignated Fund			
Balance - June 30		4,201	
Reserved for Encumbrances - June 30		<u>1,409</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 5,610</u>	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>CHARGES FOR SERVICES</u>			
HIGHWAYS AND STREETS:			
Hanauma Bay Parking	\$ 208	\$ 195	\$ (13)
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	<u>4,590</u>	<u>4,546</u>	<u>(44)</u>
TOTAL CHARGES FOR SERVICES	<u>4,798</u>	<u>4,741</u>	<u>(57)</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	--	11	11
OTHER MISCELLANEOUS:			
Rents:			
Perquisite Housing	--	6	6
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	217	231	14
Hanauma Beach Park Concession	292	297	5
Hanauma Shuttle Bus Service	70	74	4
Hanauma Snorkeling Rental	<u>1,872</u>	<u>1,881</u>	<u>9</u>
Total Other Miscellaneous	<u>2,451</u>	<u>2,489</u>	<u>38</u>
TOTAL MISCELLANEOUS	<u>2,451</u>	<u>2,500</u>	<u>49</u>
TOTAL HANAUMA BAY NATURE PRESERVE FUND	<u>\$ 7,249</u>	<u>\$ 7,241</u>	<u>\$ (8)</u>

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 102,553	\$ 71,991
Total Asset	\$ 102,553	\$ 71,991
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 102,553	\$ 71,991
Total Fund Balance	\$ 102,553	\$ 71,991

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Interest	\$ 34	\$ 148	\$ 114
Total Revenue	34	148	114
Other Financing Sources:			
Sales of capital assets	--	414	414
Transfer in	30,000	30,000	--
Total Other Financing Sources	30,000	30,414	414
Revenue and Other Sources	30,034	30,562	528
Unreserved - Undesignated Fund Balance - July 1	71,870	71,991	121
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 101,904	102,553	\$ 649
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		102,553	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 102,553	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	\$ 34	\$ 148	\$ 114
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	34	148	114
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Sale of Capital Assets	--	414	414
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	30,000	30,000	--
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES	30,000	30,414	414
	<hr/>	<hr/>	<hr/>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 30,034</u>	<u>\$ 30,562</u>	<u>\$ 528</u>

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 27,616	\$ 27,541
Total Asset	\$ 27,616	\$ 27,541
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 27,616	\$ 27,541
Total Fund Balance	\$ 27,616	\$ 27,541

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 5,027	\$ 5,027	\$ --
Miscellaneous:			
Interest	13	48	35
Total Revenues	5,040	5,075	35
Expenditure:			
Capital improvements:			
Design and Construction	4,533	4,533	--
Total Expenditure	4,533	4,533	--
Revenues over Expenditure	507	542	35
Unreserved - Undesignated Fund Balance - July 1	55	22,541	22,486
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 562	23,083	\$ 22,521
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		4,533	
Expenditures - prior year encumbrances		(5,000)	
Increase in reserved for encumbrances		(851)	
Unreserved - Undesignated Fund Balance - June 30		21,765	
Reserved for Encumbrances - June 30		5,851	
Fund Balance - June 30 (GAAP Basis)		\$ 27,616	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>TAXES</u>			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 5,027	\$ 5,027	\$ --
 <u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>13</u>	<u>48</u>	<u>35</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND	 <u>\$ 5,040</u>	 <u>\$ 5,075</u>	 <u>\$ 35</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 34,712	\$ 29,629
Total Asset	\$ 34,712	\$ 29,629
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 34,712	\$ 29,629
Total Fund Balance	\$ 34,712	\$ 29,629

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 5,027	\$ 5,027	\$ --
Miscellaneous:			
Interest	14	56	42
Total Revenues	5,041	5,083	42
Capital improvements:			
Community Services	12,136	12,136	--
Total Expenditures	12,136	12,136	--
Revenues under Expenditure	(7,095)	(7,053)	42
Unreserved - Undesignated Fund Balance - July 1	7,345	29,624	22,279
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 250	22,571	\$ 22,321
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		12,136	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(8,256)	
Unreserved - Undesignated Fund Balance - June 30		26,451	
Reserved for Encumbrances - June 30		8,261	
Fund Balance - June 30 (GAAP Basis)		\$ 34,712	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>TAXES</u>			
GENERAL PROPERTY TAXES:			
Real Property Tax	\$ 5,027	\$ 5,027	\$ --
 <u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>14</u>	<u>56</u>	<u>42</u>
 TOTAL AFFORDABLE HOUSING FUND	 <u>\$ 5,041</u>	 <u>\$ 5,083</u>	 <u>\$ 42</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 176	\$ 125
Receivables:		
Loans	12	42
Intergovernmental	196	177
Payroll advance	13	13
Due from other funds:		
General Fund	--	2
Special Projects Fund	1	1
Federal Grants Fund	10	10
Federal Grants Capital Projects Fund	--	2
Total Assets	\$ 408	\$ 372
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 197	\$ 68
Due to other fund:		
General Fund	91	--
Accrued payroll	42	53
Total Liabilities	330	121
Deferred Inflow:		
Deferred inflow	12	42
Total Deferred Inflow	12	42
Fund Balance:		
Restricted	66	209
Total Fund Balance	66	209
Total Liabilities, Deferred Inflow and Fund Balance	\$ 408	\$ 372

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Intergovernmental	\$ 8,525	\$ 2,796	\$ (5,729)
Total Revenue	8,525	2,796	(5,729)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	627	567	60
Human services:			
Community Services	1,035	562	473
Capital improvements:			
Community Services	6,863	6,863	--
Total Expenditures	8,525	7,992	533
Revenue over (under) Expenditures	--	(5,196)	(5,196)
Unreserved - Undesignated Fund Balance - July 1	--	(8,509)	(8,509)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	(13,705)	\$ (13,705)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		6,729	
Expenditures - prior year encumbrances		(1,676)	
Increase in reserved for encumbrances		(203)	
Unreserved - Undesignated Fund Balance - June 30		(8,855)	
Reserved for Encumbrances - June 30		8,921	
Fund Balance - June 30 (GAAP Basis)		\$ 66	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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	\$ 8,525	\$ 2,796	\$ (5,729)
 TOTAL COMMUNITY DEVELOPMENT FUND	 <u>\$ 8,525</u>	 <u>\$ 2,796</u>	 <u>\$ (5,729)</u>

CITY AND COUNTY OF HONOLULU
PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 227	\$ 25
Total Asset	\$ 227	\$ 25
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 227	\$ 25
Total Fund Balance	\$ 227	\$ 25

CITY AND COUNTY OF HONOLULU
PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ --	\$ 197	\$ 197
Miscellaneous:			
Other	--	5	5
Total Revenues	--	202	202
Unreserved - Undesignated Fund Balance - July 1	--	25	25
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	227	\$ 227
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		227	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 227	

CITY AND COUNTY OF HONOLULU
PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Custodial and Attendant Services	\$ --	\$ 19	\$ 19
CULTURE-RECREATION:			
Fees for Use of Parks	--	178	178
TOTAL CHARGES FOR SERVICES	--	197	197
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities	--	5	5
TOTAL PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND	\$ --	\$ 202	\$ 202

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 92	\$ --
Total Asset	\$ 92	\$ --
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 92	\$ --
Total Fund Balance	\$ 92	\$ --

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ --	\$ 92	\$ 92
Unreserved - Undesignated Fund Balance - July 1	--	--	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	92	\$ 92
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		92	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 92	

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
CULTURE-RECREATION:			
Fees for Use of Parks	\$ --	\$ 92	\$ 92
TOTAL WAIPIO PENINSULA SOCCER PARK FUND	<u>\$ --</u>	<u>\$ 92</u>	<u>\$ 92</u>

CITY AND COUNTY OF HONOLULU
GOLF FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 1,509	\$ 1,060
Receivable:		
Payroll advance	95	107
Due from other fund:		
Sewer Fund	1	--
Total Assets	\$ 1,605	\$ 1,167
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 98	\$ 107
Due to other fund:		
Payroll Clearance Fund	2	--
Accrued payroll	206	199
Total Liabilities	306	306
Fund Balance:		
Committed	1,299	861
Total Fund Balance	1,299	861
Total Liabilities and Fund Balance	\$ 1,605	\$ 1,167

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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 6,739	\$ 6,739	\$ 6,216	\$ (523)
Miscellaneous:				
Other	2,706	2,706	2,391	(315)
Total Revenues	9,445	9,445	8,607	(838)
Expenditures:				
Current:				
Culture-recreation:				
Enterprise Services	10,369	10,604	10,044	560
Miscellaneous:				
Retirement and health benefits:				
Provisional	3,054	3,054	2,840	214
Other:				
Provisional	607	372	160	212
Total Miscellaneous	3,661	3,426	3,000	426
Total Expenditures	14,030	14,030	13,044	986
Revenues under Expenditures	(4,585)	(4,585)	(4,437)	148
Other Finance Source (Uses):				
Transfer in	6,514	6,514	6,514	--
Transfers out:				
Debt service	(1,169)	(1,169)	(1,169)	--
Reimbursement for central administrative service expenses	(760)	(760)	(760)	--
Total Other Financing Source (Uses)	4,585	4,585	4,585	--
Revenues and Other Source over Expenditures and Other Uses	--	--	148	148
Unreserved - Undesignated Fund Balance - July 1	--	--	545	545
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	693	\$ 693

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, 2016
 (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			544	
Expenditures - prior year encumbrances			(254)	
Increase in reserved for encumbrances			(233)	
Unreserved - Undesignated Fund Balance - June 30			750	
Reserved for Encumbrances - June 30			549	
Fund Balance - June 30 (GAAP Basis)			\$ 1,299	

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>CHARGES FOR SERVICES</u>			
<u>CULTURE-RECREATION:</u>			
Golf Course Fees	\$ 6,739	\$ 6,216	\$ (523)
TOTAL CHARGES FOR SERVICES	6,739	6,216	(523)
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	2,178	2,071	(107)
Rental for Use of Land	--	6	6
Total Rents	2,178	2,077	(101)
Concessions:			
Food Concession - Golf Courses	117	132	15
Golf Course - Pro Shops	11	6	(5)
Golf Course - Driving Range	400	173	(227)
Total Concessions	528	311	(217)
Other:			
Vacation Accumulation Deposits	--	2	2
Sundry Refunds	--	1	1
Total Other	--	3	3
TOTAL MISCELLANEOUS	2,706	2,391	(315)
TOTAL REVENUES	9,445	8,607	(838)
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	6,514	6,514	--
TOTAL OTHER FINANCING SOURCE	6,514	6,514	--
TOTAL GOLF FUND	\$ 15,959	\$ 15,121	\$ (838)

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 3,643	\$ 978
Receivable:		
Payroll advance	142	152
Due from other fund:		
General Fund	--	1
	<u>\$ 3,785</u>	<u>\$ 1,131</u>
Total Assets		
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 226	\$ 303
Due to other fund:		
Payroll Clearance Fund	1	--
Accrued payroll	337	312
	<u>564</u>	<u>615</u>
Total Liabilities		
Fund Balance:		
Committed	3,221	516
	<u>3,221</u>	<u>516</u>
Total Fund Balance		
	<u>\$ 3,785</u>	<u>\$ 1,131</u>
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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 4,475	\$ 4,475	\$ 4,588	\$ 113
Miscellaneous:				
Interest	3	3	6	3
Other	7,861	7,861	8,220	359
Total Revenues	12,339	12,339	12,814	475
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	48	48	36	12
Culture-recreation:				
Enterprise Services	12,434	13,481	12,304	1,177
Miscellaneous:				
Retirement and health benefits:				
Provisional	4,428	4,428	4,058	370
Other:				
Provisional	1,899	852	341	511
Total Miscellaneous	6,327	5,280	4,399	881
Total Expenditures	18,809	18,809	16,739	2,070
Revenues under Expenditures	(6,470)	(6,470)	(3,925)	2,545
Other Finance Source (Uses):				
Transfer in	12,388	12,388	12,388	--
Transfers out:				
Debt service	(4,740)	(4,740)	(4,740)	--
Reimbursement for central administrative service expenses	(1,178)	(1,178)	(1,178)	--
Total Other Financing Source (Uses)	6,470	6,470	6,470	--

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, 2016
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source over Expenditures and Other Uses	--	--	2,545	2,545
Unreserved - Undesignated Fund Balance - July 1	--	--	220	220
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	2,765	\$ 2,765
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			376	
Expenditures - prior year encumbrances			(216)	
Increase in reserved for encumbrances			(111)	
Unreserved - Undesignated Fund Balance - June 30			2,814	
Reserved for Encumbrances - June 30			407	
Fund Balance - June 30 (GAAP Basis)			\$ 3,221	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

(Page 1 of 2)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Surcharge on Auditorium Tickets	\$ 135	\$ 82	\$ (53)
HIGHWAYS AND STREETS:			
Zoo Parking Lot	590	801	211
CULTURE-RECREATION:			
Honolulu Zoo	3,750	3,705	(45)
TOTAL CHARGES FOR SERVICES	4,475	4,588	113
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	3	6	3
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	20	21	1
Rental of Auditorium Facilities	2,179	2,075	(104)
Auditorium Equipment Rental	1,177	1,399	222
Total Rents	3,376	3,495	119
Concessions:			
Food Concession - Auditoriums	750	863	113
Food Concession - Honolulu Zoo	350	274	(76)
Food Concession - Parks	89	95	6
Parking - Auditoriums	2,125	2,225	100
Novelty Sales Concession - Auditoriums	93	61	(32)
Other - Auditoriums	7	2	(5)
Beach Concession - Parks	939	1,060	121
Pouring Rights	68	69	1
Other Concessions	64	57	(7)
Total Concessions	4,485	4,706	221

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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	--	19	19
Total Other Miscellaneous	<u>7,861</u>	<u>8,220</u>	<u>359</u>
TOTAL MISCELLANEOUS	<u>7,864</u>	<u>8,226</u>	<u>362</u>
TOTAL REVENUES	<u>12,339</u>	<u>12,814</u>	<u>475</u>
OTHER FINANCING SOURCE			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	<u>12,388</u>	<u>12,388</u>	<u>--</u>
TOTAL SPECIAL EVENTS FUND	<u>\$ 24,727</u>	<u>\$ 25,202</u>	<u>\$ 475</u>

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 9,388	\$ 8,462
Receivables:		
Intergovernmental	907	665
Payroll advance	27	32
Due from other fund:		
Federal Grants Fund	122	--
Total Assets	\$ 10,444	\$ 9,159
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,196	\$ 579
Accrued payroll	88	96
Due to other funds:		
General Fund	41	145
Federal Grants Fund	--	58
Community Development Fund	1	1
Total Liabilities	1,326	879
Fund Balance:		
Restricted	9,118	8,280
Total Fund Balance	9,118	8,280
Total Liabilities and Fund Balance	\$ 10,444	\$ 9,159

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, 2016
(Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 7,924	\$ 18,080	\$ 11,774	\$ (6,306)
Charges for services	--	--	422	422
Miscellaneous:				
Interest	--	--	1	1
Other	48	196	640	444
Total Revenues	7,972	18,276	12,837	(5,439)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	94	1	93
Customer Services	48	48	41	7
Information Technology	--	2,500	1,011	1,489
Mayor	--	278	245	33
Planning and Permitting	--	13	--	13
Prosecuting Attorney	2,660	2,968	1,112	1,856
Total General government	2,708	5,901	2,410	3,491
Public safety:				
Emergency Management	28	33	33	--
Emergency Services	526	656	604	52
Fire	--	907	462	445
Police	--	3,826	1,942	1,884
Transportation Services	125	1,125	1,000	125
Total Public safety	679	6,547	4,041	2,506
Human services:				
Community Services	4,199	8,415	7,057	1,358
Culture-recreation:				
Enterprise Services	--	300	7	293
Mayor	--	6	--	6
Parks and Recreation	--	983	220	763
Total Culture-recreation	--	1,289	227	1,062
Utilities or other enterprises:				
Transportation Services	--	500	500	--
Miscellaneous:				
Provisional.....	47	47	--	47
Total Expenditures	7,633	22,699	14,235	8,464
Revenues over (under) Expenditures	339	(4,423)	(1,398)	3,025
Unreserved - Undesignated Fund Balance - July 1	--	--	2,254	2,254
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 339	\$ (4,423)	856	\$ 5,279

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, 2016
 (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			3,990	
Expenditures - prior year encumbrances			(1,754)	
Increase in reserved for encumbrances			(1,602)	
Unreserved - Undesignated Fund				
Balance - June 30			1,490	
Reserved for Encumbrances - June 30			7,628	
Fund Balance - June 30 (GAAP Basis)			\$ 9,118	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>				
STATE GRANTS:				
Department of the Attorney General	\$ 2,574	\$ 2,574	\$ 1,017	\$ (1,557)
Department of Defense	28	33	33	--
Department of Health	3,370	6,986	4,555	(2,431)
Department of Human Services	23	1,634	2,175	541
Department of Labor and Industrial Relations	106	312	201	(111)
Department of Land and Natural Resources	643	700	584	(116)
Department of Transportation	125	625	500	(125)
Hawaii Tourism Authority	--	273	250	(23)
Wireless Enhanced 911 Board	--	3,888	2,459	(1,429)
Grants from Other Agencies	1,055	1,055	--	(1,055)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INTERGOVERNMENTAL	7,924	18,080	11,774	(6,306)
<u>CHARGES FOR SERVICES</u>				
PUBLIC SAFETY:				
Plan Review Fee	--	--	422	422
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	1	1
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Community Programing	48	48	17	(31)
Contributions to the City	--	148	358	210
	<hr/>	<hr/>	<hr/>	<hr/>
Total Contributions from Private Sources	48	196	375	179
Other:				
Other	--	--	259	259
Sundry Refunds	--	--	6	6
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Miscellaneous	48	196	640	444
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL MISCELLANEOUS	48	196	641	445
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL SPECIAL PROJECTS FUND	\$ 7,972	\$ 18,276	\$ 12,837	\$ (5,439)

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 14,212	\$ 16,971
Receivables:		
Loans	3,361	3,769
Intergovernmental	20,069	22,328
Payroll advance	106	125
Due from other funds:		
Special Projects Fund	--	58
Housing and Community Development Section 8 Contract Fund	3	--
Federal Grants Capital Projects Fund	9	4
Total Assets	\$ 37,760	\$ 43,255
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,513	\$ 1,469
Accrued payroll	150	134
Due to other funds:		
General Fund	16,563	19,010
Highway Fund	426	--
Special Projects Fund	122	--
Community Development Fund	10	10
General Trust Fund	13	--
Total Liabilities	19,797	20,623
Deferred Inflow:		
Deferred inflow	3,361	3,769
Total Deferred Inflow	3,361	3,769
Fund Balance:		
Restricted	14,602	18,863
Total Fund Balance	14,602	18,863
Total Liabilities, Deferred Inflow and Fund Balance	\$ 37,760	\$ 43,255

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, 2016
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 45,987	\$ 61,229	\$ 45,826	\$ (15,403)
Miscellaneous:				
Interest	--	--	13	13
Other	--	--	665	665
Total Revenues	45,987	61,229	46,504	(14,725)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	468	468	63	405
Design and Construction	720	720	640	80
Information Technology	51	51	--	51
Mayor	--	248	231	17
Planning and Permitting	--	23	23	--
Prosecuting Attorney	955	1,721	1,350	371
Total General government	2,194	3,231	2,307	924
Public safety:				
Emergency Management	123	5,681	1,915	3,766
Fire	--	353	343	10
Police	--	20,303	7,828	12,475
Transportation Services	65	230	99	131
Total Public safety	188	26,567	10,185	16,382
Highways and streets:				
Facility Maintenance	--	419	--	419
Human services:				
Community Services	20,880	24,438	17,344	7,094
Culture-recreation:				
Parks and Recreation	149	164	140	24
Utilities or other enterprises:				
Transportation Services	21,854	22,243	21,845	398
Miscellaneous:				
Provisional.....	31	31	--	31
Total Expenditures	45,296	77,093	51,821	25,272

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, 2016
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues under Expenditures	691	(15,864)	(5,317)	10,547
Unreserved - Undesignated Fund Balance - July 1	--	--	1,465	1,465
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 691	\$ (15,864)	(3,852)	\$ 12,012
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			12,590	
Expenditures - prior year encumbrances			(11,534)	
Decrease in reserved for encumbrances			974	
Unreserved - Undesignated Fund Balance - June 30			(1,822)	
Reserved for Encumbrances - June 30			16,424	
Fund Balance - June 30 (GAAP Basis)			\$ 14,602	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>				
FEDERAL GRANTS:				
Department of Agriculture	\$ 149	\$ 175	\$ 166	\$ (9)
Department of Commerce	--	9	9	--
Department of Defense	--	241	7	(234)
Department of Education	--	462	646	184
Department of Health and Human Services	5,875	6,855	4,318	(2,537)
Department of Homeland Security	222	6,207	2,205	(4,002)
Department of Housing and Urban Development	8,872	9,278	6,283	(2,995)
Department of Justice	1,018	2,827	2,345	(482)
Department of Labor	7,212	7,219	3,220	(3,999)
Department of Transportation	22,639	25,498	24,181	(1,317)
Environmental Protection Agency	--	23	270	247
Office of National Drug Control Policy	--	2,435	2,081	(354)
Other Agencies	--	--	95	95
TOTAL INTERGOVERNMENTAL	<u>45,987</u>	<u>61,229</u>	<u>45,826</u>	<u>(15,403)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	13	13
OTHER MISCELLANEOUS:				
Other:				
Other	--	--	642	642
Sundry Refunds	--	--	23	23
Total Other	<u>--</u>	<u>--</u>	<u>665</u>	<u>665</u>
TOTAL MISCELLANEOUS	<u>--</u>	<u>--</u>	<u>678</u>	<u>678</u>
TOTAL FEDERAL GRANTS FUND	<u>\$ 45,987</u>	<u>\$ 61,229</u>	<u>\$ 46,504</u>	<u>\$ (14,725)</u>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,028	\$ 5,579
Receivables:		
Loans	9,133	9,171
Total Assets	\$ 15,161	\$ 14,750
<u>LIABILITY, DEFERRED INFLOW AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ --	\$ 7
Total Liability	--	7
Deferred Inflow:		
Deferred inflow	9,133	9,171
Total Deferred Inflow	9,133	9,171
Fund Balance:		
Restricted	6,028	5,572
Total Fund Balance	6,028	5,572
Total Liability, Deferred Inflow and Fund Balance	\$ 15,161	\$ 14,750

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, 2016
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous:			
Interest	\$ --	\$ 7	\$ 7
Other	3,112	1,109	(2,003)
Total Revenues	3,112	1,116	(1,996)
Expenditure:			
Current:			
Human services:			
Community Services	3,005	1,116	1,889
Revenues over Expenditure	107	--	(107)
Unreserved - Undesignated Fund Balance - July 1	--	(61)	(61)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 107	(61)	\$ (168)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,115	
Expenditures - prior year encumbrances		(659)	
Increase in reserved for encumbrances		(428)	
Unreserved - Undesignated Fund Balance - June 30		(33)	
Reserved for Encumbrances - June 30		6,061	
Fund Balance - June 30 (GAAP Basis)		\$ 6,028	

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, 2016
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
INTEREST:			
Interest Earnings:			
Investments	\$ --	\$ 7	\$ 7
Total Interest	<u> --</u>	<u> 7</u>	<u> 7</u>
OTHER MISCELLANEOUS:			
Repayments of Department of Housing and Community Development Loans:			
Principal	3,112	1,080	(2,032)
Interest	--	28	28
Late Charge	--	1	1
Total Other Miscellaneous	<u> 3,112</u>	<u> 1,109</u>	<u> (2,003)</u>
TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND	<u><u> \$ 3,112</u></u>	<u><u> \$ 1,116</u></u>	<u><u> \$ (1,996)</u></u>

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 961	\$ 960
Total Asset	\$ 961	\$ 960
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 961	\$ 960
Total Fund Balance	\$ 961	\$ 960

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, 2016
 (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	960	960	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 960	961	\$ 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		961	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 961	

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, 2016
 (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
	<hr/>	<hr/>	<hr/>
TOTAL PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND	\$ --	\$ 1	\$ 1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
SECTION 8 CONTRACT FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 5,515	\$ 4,784
Receivables:		
Accounts (net of allowance for uncollectibles)	112	63
Loans	3,648	3,648
Intergovernmental	85	165
Payroll advance	72	76
Total Assets	\$ 9,432	\$ 8,736
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 110	\$ 144
Due to other fund:		
General Fund	105	119
Federal Grants Fund	3	--
Accrued payroll	98	93
Total Liabilities	316	356
Deferred Inflow:		
Deferred inflow	3,845	3,876
Total Deferred Inflow	3,845	3,876
Fund Balance:		
Restricted	5,271	4,504
Total Fund Balance	5,271	4,504
Total Liabilities, Deferred Inflow and Fund Balance	\$ 9,432	\$ 8,736

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, 2016
(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	\$ 50,107	\$ 54,207	\$ 52,811	\$ (1,396)
Miscellaneous:				
Interest	--	--	71	71
Other	--	--	40	40
Total Revenues	<u>50,107</u>	<u>54,207</u>	<u>52,922</u>	<u>(1,285)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	140	140	126	14
Human services:				
Community Services	<u>49,967</u>	<u>54,067</u>	<u>52,580</u>	<u>1,487</u>
Total Expenditures	<u>50,107</u>	<u>54,207</u>	<u>52,706</u>	<u>1,501</u>
Revenues over Expenditures	--	--	216	216
Unreserved - Undesignated Fund Balance - July 1	--	--	(430)	(430)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>\$ --</u>	(214)	<u>\$ (214)</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			783	
Expenditures - prior year encumbrances			(232)	
Increase in reserved for encumbrances			<u>(537)</u>	
Unreserved - Undesignated Fund Balance - June 30			(200)	
Reserved for Encumbrances - June 30			<u>5,471</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 5,271</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, 2016
(Amounts in thousands)

<u>Source of Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>INTERGOVERNMENTAL</u>				
FEDERAL GRANTS:				
Section 8 Grants:				
Moderate Rehabilitation Program, (001)	\$ 172	\$ 172	\$ 209	\$ 37
Existing Housing Voucher Program	48,001	52,101	51,088	(1,013)
Mainstream Voucher	<u>1,934</u>	<u>1,934</u>	<u>1,514</u>	<u>(420)</u>
TOTAL INTERGOVERNMENTAL	<u>50,107</u>	<u>54,207</u>	<u>52,811</u>	<u>(1,396)</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	5	5
Other Sources	<u>--</u>	<u>--</u>	<u>66</u>	<u>66</u>
Total Interest	<u>--</u>	<u>--</u>	<u>71</u>	<u>71</u>
OTHER MISCELLANEOUS:				
Other:				
Escheats	--	--	17	17
Sundry Refunds	--	--	4	4
Vacation Accumulation Deposits	<u>--</u>	<u>--</u>	<u>19</u>	<u>19</u>
Total Other Miscellaneous	<u>--</u>	<u>--</u>	<u>40</u>	<u>40</u>
TOTAL MISCELLANEOUS	<u>--</u>	<u>--</u>	<u>111</u>	<u>111</u>
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....	<u>\$ 50,107</u>	<u>\$ 54,207</u>	<u>\$ 52,922</u>	<u>\$ (1,285)</u>

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 218	\$ 289
Total Asset	\$ 218	\$ 289
<u>DEFERRED INFLOW AND FUND BALANCE</u>		
Deferred Inflow:		
Deferred inflow	\$ 48	\$ 106
Total Deferred Inflow	48	106
Fund Balance:		
Committed	170	183
Total Fund Balance	170	183
Total Deferred Inflow and Fund Balance	\$ 218	\$ 289

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, 2016
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Expenditure:			
Current:			
Human services:			
Community Services	\$ 13	\$ 13	\$ --
Total Expenditure	13	13	--
Unreserved - Undesignated Fund Balance - July 1	167	183	16
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 154	170	\$ 16
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		170	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 170	

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</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
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 309	\$ 321
Total Asset	\$ 309	\$ 321
<u>LIABILITIES</u>		
Liabilities:		
Interest payable - matured	\$ 135	\$ 137
Bonds payable - matured	174	184
Total Liabilities	\$ 309	\$ 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, 2016
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
Expenditures:		
Tax exempt commercial paper:		
Interest charges	\$ 131	\$ 459
Notes payable:		
Principal	224	217
Interest	60	69
General obligation bonds:		
Principal	115,504	95,974
Interest	99,027	87,520
Bond issuance costs	--	2,052
Total Expenditures	214,946	186,291
Other Financing Sources (Uses):		
Issuance of refunding bonds	--	517,146
Bond premium	--	84,504
Bond discount	--	(360)
Transfers from other funds:		
General Fund - Principal	115,728	96,191
General Fund - Interest	99,218	88,048
Refunding of tax exempt commercial paper	--	(100,000)
Refunding of general obligation bonds	--	(446,799)
Loss on refunding of bonds	--	(44,822)
Premium on refunded bonds	--	(7,731)
Discount on refunded bonds	--	114
Total Other Financing Sources (Uses)	214,946	186,291
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, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

<u>ASSETS</u>	2016	2015
Cash and investments:		
With Treasury	\$ 171	\$ 172
Receivables:		
Special assessments - current	3	3
Special assessments - non-current	5	9
Total Assets	\$ 179	\$ 184
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 4	\$ 4
Bonds payable - matured	5	5
Total Liabilities	9	9
Deferred Inflow:		
Deferred inflow	5	9
Total Deferred Inflow	5	9
Fund Balance:		
Committed	165	166
Total Fund Balance	165	166
Total Liabilities, Deferred Inflow and Fund Balance	\$ 179	\$ 184

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, 2016
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
Revenues:		
Special assessments	\$ 4	\$ 5
Miscellaneous:		
Interest	--	1
Total Revenues	4	6
Other Financing Use:		
Transfer to other fund:		
Capital Projects Fund	(5)	(6)
Revenues over (under) Other Use	(1)	--
Fund Balances - July 1	166	166
Fund Balances - June 30	\$ 165	\$ 166

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,258	\$ 89,870
Receivable:		
Payroll advance	11	10
Due from other fund:		
Solid Waste Fund	--	16
Total Assets	\$ 6,269	\$ 89,896
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 8,131	\$ 7,513
Accrued payroll	4	4
Due to other fund:		
Sewer Fund	321	321
Total Liabilities	8,456	7,838
Fund Balance:		
Committed	--	82,058
Unassigned	(2,187)	--
Total Fund Balance	(2,187)	82,058
Total Liabilities and Fund Balance	\$ 6,269	\$ 89,896

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, 2016
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
Revenue:		
Miscellaneous:		
Other	\$ 14	\$ --
Total Revenue	14	--
Expenditures:		
Current:		
General government	1,422	456
Public safety	498	542
Highways and streets	95	--
Human services	--	16
Culture-recreation	1,527	878
Capital outlay:		
General government	17,967	11,361
Public safety	18,822	25,764
Highways and streets	142	198
Human services	14,839	5,622
Culture-recreation	28,947	11,392
Total Expenditures	84,259	56,229
Revenue under Expenditures	(84,245)	(56,229)
Other Financing Sources:		
Issuance of tax exempt commercial paper	--	30,000
Issuance of general obligation bonds	--	89,363
Bond premium	--	15,645
Total Other Financing Source	--	135,008
Revenue and Other Sources over (under) Expenditures	(84,245)	78,779
Fund Balance - July 1	82,058	3,279
Fund Balance - June 30	\$ (2,187)	\$ 82,058

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 32,143	\$ 157,675
Due from other fund:		
Federal Grants Capital Projects Fund	--	70
Total Assets	\$ 32,143	\$ 157,745
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 21,900	\$ 23,241
Accrued payroll	4	5
Total Liabilities	21,904	23,246
Fund Balance:		
Committed	10,239	134,499
Total Fund Balance	10,239	134,499
Total Liabilities and Fund Balance	\$ 32,143	\$ 157,745

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, 2016
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
Revenue:		
Miscellaneous:		
Other	\$ 24	\$ 3
Total Revenue	24	3
Expenditures:		
Current:		
General government	4	4
Public safety	62	245
Highways and streets	2,195	658
Utilities or other enterprises	9,051	5,722
Capital outlay:		
General government	1,054	1,207
Public safety	3,558	3,526
Highways and streets	98,559	80,451
Utilities or other enterprises	9,801	1,862
Total Expenditures	124,284	93,675
Revenue under Expenditures	(124,260)	(93,672)
Other Financing Sources:		
Issuance of tax exempt commercial paper	--	70,000
Issuance of general obligation bonds	--	191,482
Bond premium	--	33,525
Total Other Financing Sources	--	295,007
Revenue and Other Sources over (under) Expenditures	(124,260)	201,335
Fund Balance - July 1	134,499	(66,836)
Fund Balance - June 30	\$ 10,239	\$ 134,499

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 15,801	\$ 10,746
Receivables:		
Loans (net of allowance for uncollectibles)	56,393	56,228
Intergovernmental	2,715	3,759
Total Assets	\$ 74,909	\$ 70,733
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 6,601	\$ 2,882
Due to other funds:		
General Fund	3	2
Community Development Fund	--	2
Federal Grants Fund	9	4
Highway Improvement Bond Fund	--	70
Total Liabilities	6,613	2,960
Deferred Inflow:		
Deferred inflow	56,393	56,228
Total Deferred Inflow	56,393	56,228
Fund Balance:		
Restricted	11,903	11,545
Total Fund Balance	11,903	11,545
Total Liabilities, Deferred Inflow and Fund Balance	\$ 74,909	\$ 70,733

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, 2016
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
Revenue:		
Intergovernmental	\$ 47,561	\$ 35,076
Total Revenue	47,561	35,076
Expenditures:		
Current:		
Public safety	19	58
Highways and streets	636	315
Human services	5,427	4,843
Utilities or other enterprises	30,055	22,511
Capital outlay:		
Public safety	1,922	3,463
Highways and streets	864	3,247
Utilities or other enterprises	8,280	1,245
Total Expenditures	47,203	35,682
Revenue over (under) Expenditures	358	(606)
Fund Balance - July 1	11,545	12,151
Fund Balance - June 30	\$ 11,903	\$ 11,545

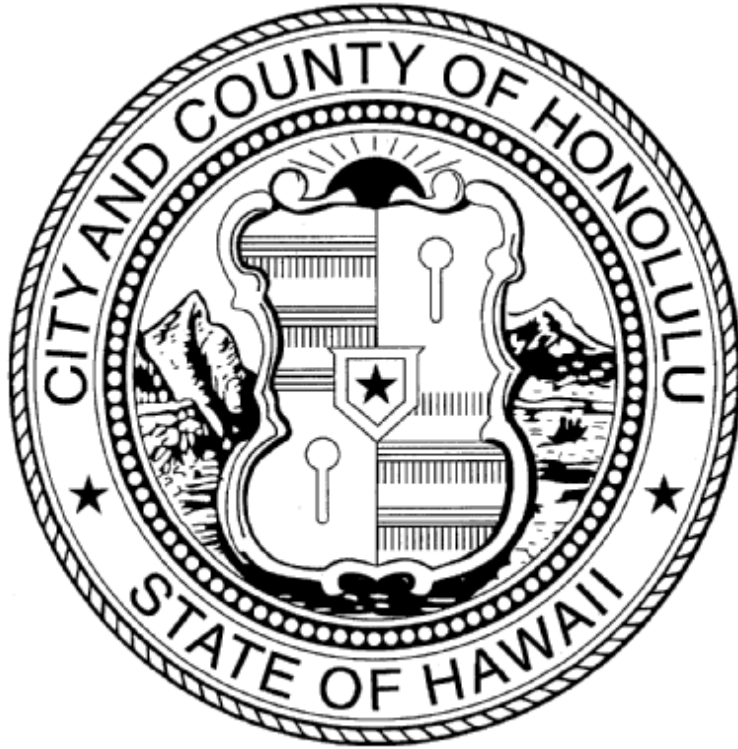
CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2016
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2015
(Amounts in thousands)

	2016	2015
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 14,869	\$ 14,897
Receivable:		
Other	--	2
	\$ 14,869	\$ 14,899
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ --	\$ 4
	--	4
Fund Balance:		
Restricted	14,869	14,895
	14,869	14,895
	\$ 14,869	\$ 14,899

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Amounts in thousands)

	2016	2015
Revenues:		
Intergovernmental	\$ --	\$ 150
Miscellaneous:		
Other	17	616
Total Revenues	17	766
Expenditures:		
Current:		
Culture-recreation	--	84
Capital outlay:		
Public safety	33	84
Highways and streets	15	559
Total Expenditures	48	727
Revenues over (under) Expenditures	(31)	39
Other Financing Source:		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	5	6
Total Other Financing Source	5	6
Revenues and Other Source over (under) Expenditures	(26)	45
Fund Balance - July 1	14,895	14,850
Fund Balance - June 30	\$ 14,869	\$ 14,895

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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.

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Financial Trends247

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.

Revenue Capacity252

Tables 5 to 7 contain trend information to help the reader review real property tax, the most significant local revenue source of the City.

Debt Capacity256

Tables 8 to 11 present information to help the reader assess the affordability of the current levels of outstanding debt of the City and its ability to issue additional debt in the future.

Demographic and Economic Information260

Tables 12 to 14 offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information263

Tables 15 to 16 contain service and infrastructure data to help the reader understand how the information in the financial report of the City relates to the services the City provides and the activities it performs.

TABLE 1
CITY AND COUNTY OF HONOLULU
NET POSITION BY COMPONENT
FISCAL YEARS 2007 - 2016
(Amounts in thousands)
(Unaudited)

	Fiscal Year											
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		
Governmental activities												
Net investment in capital assets	\$ 177,798	\$ 161,115	\$ 208,205	\$ 101,107	\$ 118,289	\$ 500,169	\$ 389,308	\$ 214,214	\$ 165,257	\$ 113,778		
Restricted	165	166	13	168	169	170	173	969	976	1,085		
Unrestricted	(1,171,866)	(1,094,601)	21,467	145,412	69,474	551,180	523,206	474,354	399,180	233,339		
Total governmental activities net position	(993,903)	(933,320)	229,685	246,687	187,932	1,051,519	912,687	689,537	565,413	348,202		
Business-type activities												
Net investment in capital assets	1,117,427	1,011,958	900,120	837,381	808,975	725,532	690,697	714,543	681,690	711,150		
Restricted	174,514	181,029	178,187	177,890	171,010	158,662	144,307	131,469	84,981	59,409		
Unrestricted	693,728	562,191	620,571	579,850	513,990	408,635	295,240	145,665	76,007	16,751		
Total business-type activities net position	1,985,669	1,755,178	1,698,878	1,595,121	1,493,975	1,292,829	1,130,244	991,677	842,678	787,310		
Primary government												
Net investment in capital assets	1,295,225	1,173,073	1,108,325	938,488	927,264	1,225,701	1,080,005	928,757	846,947	824,928		
Restricted	174,679	181,195	178,200	178,058	171,179	158,832	144,480	132,438	85,957	60,494		
Unrestricted	(478,138)	(532,410)	642,038	725,262	583,464	959,815	818,446	620,019	475,187	250,090		
Total primary government net position	\$ 991,766	\$ 821,858	\$ 1,928,563	\$ 1,841,808	\$ 1,681,907	\$ 2,344,348	\$ 2,042,931	\$ 1,681,214	\$ 1,408,091	\$ 1,135,512		

Notes: For fiscal year 2014, the restatements disclosed in the Notes to the Financial Statement 1 and 11 are not reflected in the above table for 2013 and 2012.

Amounts prior to fiscal year 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal year 2015 have not been restated for GASB Statement Nos. 68 and 71 and restatements disclosed in the notes to the Financial Statement 11.

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2007-2016
(Amounts in thousands)
(Unaudited)

(Page 1 of 2)

	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Expenses											
Governmental activities:											
General government.....	\$ 571,486	\$ 487,753	\$ 482,303	\$ 468,295	\$ 497,328	\$ 455,874	\$ 392,893	\$ 444,701	\$ 371,354	\$ 314,667	
Public safety.....	455,908	442,822	418,904	393,224	407,275	390,780	374,791	372,843	354,427	337,052	
Highways and streets.....	68,050	50,831	47,620	38,683	100,883	46,315	30,418	51,916	16,095	39,126	
Sanitation.....	3,708	3,822	3,773	4,298	4,451	5,292	3,244	5,130	5,758	6,742	
Human services.....	97,550	90,965	91,546	82,806	94,213	80,647	95,437	83,647	82,966	73,725	
Culture and recreation.....	124,917	109,127	108,128	106,457	124,939	91,944	106,081	110,390	96,299	95,655	
Utilities or other enterprises.....	55,311	60,032	35,876	84,856	38,847	79,969	52,700	52,166	75,506	68,406	
Interest.....	90,219	80,126	85,774	76,914	93,079	91,583	88,959	83,048	84,670	79,176	
Total governmental activities expenses	1,467,149	1,325,478	1,273,924	1,255,533	1,361,015	1,242,404	1,144,523	1,203,841	1,087,075	1,014,549	
Business-type activities:											
Housing.....	11,554	11,562	15,928	11,728	12,221	14,481	13,220	13,711	13,841	12,905	
Sewer.....	239,711	252,448	276,958	260,806	237,673	209,625	197,643	178,944	194,061	157,724	
Solid Waste.....	191,005	174,651	190,254	166,160	166,078	163,534	159,187	154,158	170,781	153,736	
Public Transportation.....	255,718	250,925	238,832	239,351	226,614	221,211	209,847	209,645	198,823	184,304	
Total business-type activities expenses	697,968	689,586	721,972	678,045	642,586	608,851	579,897	556,458	577,506	508,669	
Total primary government expenses	2,165,137	2,015,064	1,995,896	1,933,578	2,003,601	1,851,255	1,724,420	1,760,299	1,664,581	1,523,218	
Program Revenues											
Governmental activities:											
Charges for services:											
General government.....	\$ 200,705	\$ 199,034	\$ 194,435	\$ 194,451	\$ 191,634	\$ 165,620	\$ 139,925	\$ 130,688	\$ 128,620	\$ 135,587	
Public safety.....	41,946	40,765	41,761	39,729	40,188	38,582	40,089	42,163	37,772	35,663	
Highways and streets.....	195	183	1,541	347	1,077	2,205	2,447	2,738	599	2,149	
Sanitation.....	--	3	10	49	51	161	21	47	48	77	
Human services.....	384	521	837	405	503	1,008	180	1,064	719	636	
Culture and recreation.....	30,349	29,384	30,586	29,100	28,730	25,803	26,714	22,318	23,879	22,128	
Utilities.....	1,925	1,922	1,066	863	946	201	17	--	--	--	
Operating grants and contributions.....	121,866	141,940	150,414	116,412	122,066	111,419	123,389	118,970	106,930	104,397	
Capital grants and contributions.....	41,315	9,758	13,493	54,201	55,393	64,988	48,461	38,292	48,736	50,078	
Total governmental activities program revenues	438,685	423,510	434,143	435,557	440,588	409,987	381,243	356,280	347,303	350,715	
Business-type activities:											
Charges for services:											
Housing.....	11,047	11,247	22,146	10,434	10,628	9,483	10,275	9,766	9,694	8,306	
Sewer.....	426,540	402,472	395,333	377,970	378,199	347,038	308,407	251,953	225,104	165,914	
Solid Waste.....	124,996	126,990	126,305	118,658	118,943	108,402	97,351	145,507	108,323	107,682	
Public Transportation.....	55,472	57,199	57,187	57,049	56,796	53,657	47,638	44,245	43,767	43,598	
Operating grants and contributions.....	21,000	26,862	21,525	27,279	21,026	21,441	21,017	21,108	21,674	17,840	
Capital grants and contributions.....	39,914	25,754	14,810	26,894	58,643	33,067	32,929	25,307	18,514	32,704	
Total business-type activities program revenues	678,969	650,524	637,306	618,284	644,235	573,088	517,017	497,886	427,076	376,044	
Total primary government program revenues	1,117,654	1,074,034	1,071,449	1,053,841	1,084,823	983,075	898,260	854,166	774,379	726,759	
Net Revenue (Expense)											
Governmental activities.....	\$ (1,028,464)	\$ (901,968)	\$ (839,781)	\$ (819,876)	\$ (920,427)	\$ (832,417)	\$ (763,280)	\$ (847,561)	\$ (739,772)	\$ (663,834)	
Business-type activities.....	(19,019)	(39,062)	(84,666)	(59,761)	1,649	(35,763)	(62,880)	(58,572)	(150,430)	(132,825)	
Total primary government net expense	\$ (1,047,483)	\$ (941,030)	\$ (924,447)	\$ (879,737)	\$ (918,778)	\$ (868,180)	\$ (826,160)	\$ (906,133)	\$ (890,202)	\$ (796,459)	

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2007-2016
(Amounts in thousands)
(Unaudited)

(Page 2 of 2)

	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
General Revenues and Other Changes In Net Position											
Governmental activities:											
General revenues:											
Property taxes.....	\$ 1,015,861	\$ 950,387	\$ 849,401	\$ 825,518	\$ 799,260	\$ 804,311	\$ 853,426	\$ 802,571	\$ 775,971	\$ 685,868	
Public service company tax.....	48,273	50,939	53,108	52,444	47,842	37,999	49,393	49,596	35,823	37,640	
Fuel tax.....	52,764	50,503	51,424	53,825	49,220	52,298	47,639	50,316	50,633	52,221	
Public utility franchise tax.....	40,967	57,555	55,259	57,514	60,475	44,801	34,312	54,804	36,239	38,356	
Investment earnings.....	1,893	454	563	539	336	492	457	7,170	21,269	19,676	
Unrestricted grants and contributions.....	45,413	45,521	41,060	41,062	41,042	224,506	197,519	202,598	216,274	92,884	
General Excise Tax Surcharge.....	8,442	6,359	5,526	7,095	6,287	3,960	4,053	3,162	2,362	2,329	
Other.....	--	--	--	--	--	--	--	--	--	--	
Special item:											
Contribution to component unit.....	--	--	--	--	(749,306)	--	--	--	--	--	
Transfers.....	(245,732)	(229,939)	(219,158)	(159,266)	(198,316)	(197,118)	(200,369)	(198,532)	(181,588)	(167,452)	
Total governmental activities	967,881	931,779	837,173	878,731	56,840	971,249	986,430	971,885	956,983	761,522	
Business-type activities:											
General revenues:											
Investment earnings.....	3,778	1,274	1,430	1,641	1,181	1,230	1,078	9,039	24,210	21,734	
Transfers.....	245,732	229,939	219,158	159,266	198,316	197,118	200,369	198,532	181,588	167,452	
Total business-type activities	249,510	231,213	220,588	160,907	199,497	198,348	201,447	207,571	205,798	189,186	
Total primary government	\$ 1,217,391	\$ 1,162,992	\$ 1,057,761	\$ 1,039,638	\$ 256,337	\$ 1,169,597	\$ 1,187,877	\$ 1,179,256	\$ 1,162,781	\$ 950,708	
Changes In Net Position											
Governmental activities:											
Prior period adjustments:											
General government.....	--	--	(13,247)	--	--	--	--	--	--	--	
Highways and streets.....	--	--	(1,052)	--	--	--	--	--	--	--	
Other governmental.....	--	--	(95)	--	--	--	--	--	--	--	
Total governmental activities	(60,583)	29,811	(17,002)	58,755	(863,587)	138,832	223,150	124,124	217,211	97,688	
Business-type activities:											
Prior period adjustments:											
Housing.....	--	--	(158)	--	--	--	--	--	--	--	
Sewer.....	--	(92,919)	(29,354)	--	--	--	--	--	--	--	
Solid Waste.....	--	(59,820)	(2,653)	--	--	--	--	--	--	--	
Public Transportation.....	--	16,888	--	--	--	--	--	--	--	--	
Total business-type activities	230,491	56,300	103,757	101,146	201,146	162,585	138,567	148,999	55,368	56,561	
Total primary government changes in net position	\$ 169,908	\$ 86,111	\$ 86,755	\$ 159,901	\$ (662,441)	\$ 301,417	\$ 361,717	\$ 273,123	\$ 272,579	\$ 154,249	

Notes: For fiscal year 2014, the restatements disclosed in the Notes to the Financial Statements 1 and 11 are not reflected in the above table for 2013 and 2012.

Amounts prior to fiscal year 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal year 2015 have not been restated for GASB Statement Nos. 68 and 71 and restatements disclosed in the notes to the Financial Statement 11.

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2007 - 2016
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Post-GASB 54 Fiscal Year						
	2016	2015	2014	2013 (a)	2012 (a)	2011	2010
General Fund							
Nonspendable	\$ --	--	\$ --	--	\$ --	--	\$ 25
Restricted							
Committed	110,329	79,270	68,401	50,256	32,601	32,596	82,697
Assigned	65,124	74,282	54,880	55,384	58,215	51,961	45,965
Unassigned	140,022	170,024	185,568	228,382	159,042	158,668	104,053
Total General Fund	\$ 315,475	\$ 323,576	\$ 308,849	\$ 334,022	\$ 249,858	\$ 243,225	\$ 232,740
All Other Governmental Funds							
Restricted	\$ 198,063	201,439	\$ 182,159	\$ 165,373	\$ 161,708	\$ 136,708	\$ 115,936
Committed	28,532	231,614	16,662	138,158	18,752	482,563	413,640
Unassigned	(2,187)	--	(66,836)	--	(1,611)	(4,855)	--
Total all Other Governmental Funds	\$ 224,408	\$ 433,053	\$ 131,985	\$ 303,531	\$ 178,849	\$ 614,416	\$ 529,576

Note: In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned only for fiscal years 2010 - 2016 for comparison purposes.

	Pre-GASB 54 Fiscal Year			
	2010	2009	2008	2007
General Fund				
Reserved	\$ 45,965	\$ 48,868	\$ 58,794	\$ 27,767
Unreserved	104,053	67,824	107,281	128,035
Total General Fund	150,018	116,692	166,075	155,802
All Other Governmental Funds				
Reserved	1,980,381	991,499	721,374	594,951
Unreserved, reported in:				
Special revenue funds	122,166	112,164	89,692	45,054
Capital projects funds	(1,490,249)	(462,557)	(368,382)	(450,520)
Total all other Governmental Funds	612,298	641,106	442,684	189,485
TOTAL FUND BALANCES	\$ 762,316	\$ 757,798	\$ 608,759	\$ 345,287

Notes:

(a) In fiscal year end June 30, 2014, 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 2007 - 2016
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2016	2015	2014	2013 (b)	2012 (b)	2011	2010	2009	2008	2007
Revenues:										
Taxes.....	\$ 1,162,021	\$ 1,109,836	\$ 1,011,072	\$ 994,105	\$ 964,167	\$ 934,557	\$ 986,828	\$ 952,531	\$ 891,982	\$ 815,284
Special assessments.....	4	5	5	15	17	8	18	17	28	354
Licenses and permits.....	181,696	177,867	173,233	166,135	161,492	151,581	126,208	112,397	115,657	120,802
Intergovernmental.....	206,181	189,868	201,624	205,496	233,499	395,316	362,399	355,530	358,552	238,926
Charges for services.....	32,998	34,066	33,150	31,813	30,679	28,007	27,714	23,924	23,766	24,754
Fines and forfeits.....	970	973	927	831	541	766	755	932	1,183	868
Miscellaneous:										
Reimbursements and recoveries.....	47,038	46,909	46,282	44,420	46,801	42,136	41,397	96,435	88,731	87,113
Interest.....	2,261	521	596	612	394	935	855	13,291	24,638	20,959
Other.....	24,337	27,313	30,033	28,133	30,790	37,064	26,029	29,576	23,065	27,403
Total Revenues.....	1,657,506	1,587,358	1,496,922	1,471,560	1,468,380	1,590,370	1,572,203	1,584,633	1,527,602	1,336,463
Expenditures:										
Current:										
General government.....	170,516	166,414	167,707	155,304	155,044	149,994	159,713	163,280	153,759	141,459
Public safety.....	426,883	410,702	390,443	371,294	386,145	371,627	357,148	359,277	329,108	306,161
Highways and streets.....	28,376	26,193	22,658	18,696	17,336	16,781	21,774	28,271	24,066	21,000
Sanitation.....	3,685	3,822	3,907	4,203	4,514	3,863	2,959	4,828	5,537	2,674
Human services.....	97,293	90,973	92,127	74,089	72,544	71,606	78,391	73,401	65,144	60,883
Culture and recreation.....	94,610	88,415	86,537	82,664	79,547	73,087	81,859	87,888	82,328	71,084
Utilities or other enterprises.....	62,775	58,420	37,329	29,380	23,201	27,758	27,122	28,857	27,818	22,917
Miscellaneous:										
Retirement and health benefits.....	283,029	258,330	220,876	190,466	214,895	194,338	182,644	208,354	140,461	137,615
Other.....	27,884	26,013	29,687	61,228	27,146	23,792	23,806	27,493	21,226	22,832
Capital Outlay:										
General government.....	22,762	17,268	16,224	17,912	21,810	18,894	23,853	36,247	39,784	25,869
Public safety.....	29,179	34,980	34,725	29,956	34,070	28,966	20,987	25,903	21,035	25,824
Highways and streets.....	99,643	84,609	130,613	91,720	68,636	65,534	89,857	55,985	48,871	45,163
Sanitation.....	5	--	(95)	95	--	827	121	302	235	4,068
Human services.....	14,839	5,622	--	8,980	21,991	10,645	14,906	11,591	18,214	12,978
Culture-recreation.....	34,439	11,926	22,564	21,956	22,869	24,703	19,090	22,038	21,576	27,477
Utilities or other enterprises.....	18,081	3,107	2,452	31,265	49,337	181,012	127,681	73,597	47,695	45,622
Debt service:										
Principal.....	116,249	97,055	115,925	88,276	84,906	89,615	93,015	122,273	260,680	102,794
Interest.....	99,244	88,106	97,765	97,580	99,713	95,549	93,225	104,980	100,362	103,869
Bond issuance costs.....	--	2,052	--	2,125	--	--	--	--	--	--
Total Expenditures.....	1,629,492	1,474,007	1,471,444	1,377,189	1,383,704	1,448,591	1,418,151	1,434,565	1,407,899	1,180,289
Revenues over (under) Expenditures.....	28,014	113,351	25,478	94,371	84,676	141,779	154,052	150,068	119,703	156,174
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	--	280,845	11,152	191,296	131,206	100,734	30,254	150,089	109,000	--
Issuance of tax exempt commercial paper (TECP).....	--	100,000	--	45,000	--	50,000	20,000	45,000	75,000	94,000
Capital leases.....	--	--	--	--	1,302	--	--	189	865	1,674
Issuance of long-term notes.....	--	--	--	--	--	--	--	--	--	--
Issuance of refunding bonds.....	--	517,146	--	642,942	149,328	50,366	61,192	350,749	132,826	--
Bond premium.....	--	125,943	--	85,737	19,747	--	5,122	18,071	7,334	--
Bond discount.....	--	(246)	--	(71,391)	(14,268)	(1,096)	(1,996)	(78)	(30)	--
Refunding of bonds and commercial paper.....	--	(546,799)	--	(621,449)	(155,506)	(50,000)	(64,318)	(367,178)	--	--
Loss on refunding of bonds.....	--	(44,822)	--	--	--	--	--	--	--	--
Sales of capital assets.....	972	316	203	1,606	181	660	581	661	362	430
Transfers in.....	415,385	338,450	371,055	340,224	320,463	495,790	477,351	573,642	559,299	377,590
Transfers out.....	(661,117)	(568,389)	(590,213)	(499,490)	(518,779)	(692,908)	(677,720)	(772,174)	(740,887)	(545,042)
Total Other Financing Sources (Uses).....	(244,760)	202,444	(207,803)	114,475	(66,326)	(46,454)	(149,534)	(1,029)	143,769	(71,348)
Special Item:										
Contribution to component unit.....	--	--	--	--	(447,284)	--	--	--	--	--
Net change in fund balances.....	\$ (216,746)	\$ 315,795	\$ (182,325)	\$ 208,846	\$ (428,934)	\$ 95,325	\$ 4,518	\$ 149,039	\$ 263,472	\$ 84,826
Debt service as a percentage of noncapital expenditures (a).....										
	15.3%	14.2%	16.9%	16.2%	17.5%	16.1%	15.6%	18.4%	29.6%	20.1%

(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) For fiscal year end June 30, 2014, 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 2007 - 2016
(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	
2016	Residential	\$ 3.50	\$ 137,435,628	
	Hotel/Resort	12.90	9,841,920	
	Commercial	12.40	15,778,813	
	Industrial	12.40	8,521,155	
	Agricultural	5.70	989,887	
	Vacant Agricultural	8.50	60,689	
	Preservation	5.70	455,825	
	Public Service.....	0.00	1	
	Residential A.....	6.00	<u>14,634,916</u>	
		Total		<u>\$ 187,718,834</u>
	Fiscal year 2016 total direct tax rate	\$ 5.36		
2015	Residential	\$ 3.50	\$ 127,980,612	
	Hotel/Resort	12.90	8,193,857	
	Commercial	12.40	15,150,419	
	Industrial	12.40	8,153,174	
	Agricultural	5.70	1,130,465	
	Vacant Agricultural	8.50	79,546	
	Preservation	5.70	445,038	
	Residential A.....	6.00	<u>13,202,440</u>	
		Total		<u>\$ 174,335,551</u>
		Fiscal year 2015 total direct tax rate	\$ 5.34	
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	
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	

NOTES:

Source: City and County of Honolulu, Department of Budget and Fiscal Services, Real Property Assessment Division.
(a) Land and its buildings and other improvements are required to be reported as a single value effective July 1, 2003.

Assessed value is at 100% of market value.
Property is reassessed annually.
The City Council sets the tax rates annually.
There are no overlapping property tax rates in the City and County of Honolulu.

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2007 - 2016
(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	
2011	Homeowner	\$ 3.42	\$ 62,837,101	
	Non-Homeowner.....	3.58	59,448,272	
	Hotel/Resort.....	12.40	6,522,528	
	Commercial.....	12.40	14,425,794	
	Industrial.....	12.40	7,969,269	
	Agricultural.....	5.70	1,315,389	
	Vacant Agricultural.....	8.50	203,137	
	Preservation.....	5.70	384,308	
	Public Service.....	0.00	3,307	
		Total		<u>\$ 153,109,105</u>
	Fiscal year 2010 total direct tax rate	\$ 5.21		
2010	Residential	\$ 3.42	\$ 134,490,385	
	Hotel/Resort	12.40	7,234,047	
	Commercial	12.40	14,312,242	
	Industrial	12.40	7,968,538	
	Agricultural	5.70	1,248,062	
	Vacant Agricultural	8.50	143,153	
	Preservation.....	5.70	381,713	
	Public Service.....	0.00	3,938	
		Total		<u>\$ 165,782,078</u>
		Fiscal year 2010 total direct tax rate	\$ 5.05	
2009	Residential	\$ 3.29	\$ 136,983,348	
	Hotel/Resort	12.40	6,979,025	
	Commercial	12.40	13,505,161	
	Industrial	12.40	7,249,188	
	Agricultural	5.70	1,133,318	
	Vacant Agricultural	8.50	110,808	
	Preservation.....	5.70	377,099	
		Total		<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	349,430	
		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	(1,300)	
	Total		<u>\$ 146,074,910</u>	
	Fiscal year 2007 total direct tax rate	\$ 4.92		

NOTES:

Source: City and County of Honolulu, Department of Budget and Fiscal Services, Real Property Assessment Division.
(a) Land and its buildings and other improvements are required to be reported as a single value effective July 1, 2003.

Assessed value is at 100% of market value.
Property is reassessed annually.
The City Council sets the tax rates annually.
There are no overlapping property tax rates in the City and County of Honolulu.

TABLE 7
CITY AND COUNTY OF HONOLULU
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2007 - 2016
(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
2016	\$ 1,021,536	\$ (3,265)	\$ 1,018,271	\$ 1,010,462	99.2 %	\$ -	\$ 1,010,462	99.2 %
2015	950,020	(6,661)	943,359	936,004	99.2	5,379	941,383	99.8
2014	850,176	(3,960)	846,216	838,733	99.1	4,827	843,560	99.7
2013	824,798	(2,522)	822,276	813,704	99.0	6,064	819,768	99.7
2012	811,505	(2,983)	808,522	800,424	99.0	10,040	810,464	100.2
2011	812,604	(8,572)	804,032	795,313	98.9	9,822	805,135	100.1
2010	853,767	(4,747)	849,020	840,209	99.0	7,234	847,443	99.8
2009	798,703	(683)	798,020	788,301	98.8	8,190	796,491	99.8
2008	777,151	(3,711)	773,440	765,885	99.0	5,140	771,025	99.7
2007	703,777	(5,500)	698,277	692,420	99.2	3,725	696,145	99.7

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 2007 - 2016
(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 (e)	General Obligation Bonds (e)	Capital Lease	Notes Payable	Special Assessment Bonds	Tax Exempt Commercial Paper	General Obligation Bonds (e)	Revenue Bonds (e)	Tax Exempt Commercial Paper	Notes Payable	Notes Payable			
2016	\$ 2,384,776	\$ 577,376	--	1,368	--	--	1,868,779	1,868,779	--	\$ 252,148	\$ 5,084,447	10.31 %	\$ 5,091	
2015	2,526,882	608,195	179	1,933	--	--	1,711,265	1,711,265	--	245,287	5,093,741	10.33 (b)	5,134 (d)	
2014	2,164,048	587,947	718	2,476	--	--	1,757,422	1,757,422	--	245,345	4,757,956	9.65 (c)	4,796 (c)	
2013	2,282,756	618,713	1,256	2,997	--	--	1,800,072	1,800,072	--	221,131	4,926,925	10.43 (c)	4,993 (c)	
2012	2,058,766	601,245	1,795	3,497	--	--	1,664,206	1,664,206	--	222,509	4,552,018	9.68 (c)	4,661 (c)	
2011	2,009,038	599,909	1,032	3,976	--	--	1,513,751	1,513,751	--	200,392	4,328,098	9.60 (c)	4,478 (c)	
2010	1,956,660	405,784	1,032	4,436	--	--	1,324,666	1,324,666	--	193,103	3,885,681	9.00 (c)	4,063 (c)	
2009	2,006,567	279,848	1,602	4,878	--	--	1,222,519	1,222,519	--	157,310	3,672,724	8.72 (c)	3,894 (c)	
2008	1,810,946	254,172	1,898	5,302	--	76,863	1,230,245	1,230,245	837	114,847	3,495,110	8.38 (c)	3,743 (c)	
2007	1,651,870	257,605	1,497	5,709	--	144,063	1,055,613	1,055,613	17,837	112,746	3,246,940	8.19 (c)	3,509 (c)	

NOTES:

- (a) See TABLE 12 for personal income and population data.
- (b) 2016 and 2015 Personal Income is not available. 2014 Personal Income was used instead.
- (c) Revised from previous CAFR.
- (d) 2016 Population is not available. 2015 Population was used instead.
- (e) The amount of obligations for governmental and business-type activities include unamortized bond discount and unamortized bond premium. 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 2007 - 2016
 (Amounts in thousands, except per capita)
 (Unaudited)

Fiscal Year	General Obligation Bonds (d)	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2016	\$ 2,962,151	1.58 %	\$ 2,966 (c)
2015	3,135,077	1.80	3,139
2014	2,751,994	1.73	2,774
2013	2,901,469	1.87	2,940
2012	2,660,011	1.73	2,723
2011	2,608,947	1.70	2,699
2010	2,362,444	1.43	2,470
2009	2,286,415	1.37	2,424
2008	2,065,118	1.24	2,212
2007	1,909,475	1.31	2,064

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2016 Population not available. 2015 Population was used instead.

(d) The amount of obligations include unamortized bond discount and unamortized bond premium.

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 2007 - 2016
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit (a)	\$ 28,157,825	26,150,333	23,864,359	23,300,063	23,038,893	\$ 22,966,366	\$ 24,867,312	\$ 24,950,695	\$ 25,053,710	\$ 21,911,237
Debt applicable to limit	2,199,482	2,315,550	2,060,876	2,165,157	1,995,105	1,962,761	1,901,277	1,946,593	1,840,700	1,748,261
Legal debt margin (b)	\$ 25,958,343	23,834,783	21,803,483	21,134,906	\$ 21,043,788	\$ 21,003,605	\$ 22,966,035	\$ 23,004,102	\$ 23,213,010	\$ 20,162,976
Debt applicable to the limit as a percentage of debt limit	7.81%	8.85%	8.64%	9.29%	8.66%	8.55%	7.65%	7.80%	7.35%	7.98%

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 2016	
Net assessed value	\$ 187,718,834
Debt limit (15% of assessed value)	28,157,825
Debt applicable to limit	2,199,482
Legal debt margin	<u>\$ 25,958,343</u>

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEGGED REVENUE COVERAGE
FISCAL YEARS 2007-2016
(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		
2016	\$ 243,154	\$ 136,547	\$ 106,607	\$ 8,135	\$ 9,756	\$ 17,891	5.96
2015	220,296	136,707	83,589	7,810	7,590	15,400	5.43
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

DEPARTMENT OF ENVIRONMENTAL SERVICES							
Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2016	\$ 414,032	\$ 138,900	\$ 275,132	\$ 45,645	\$ 63,903	\$ 109,548	2.51
2015	388,829	146,172	242,657	39,510	79,173	118,683	2.04
2014	385,118	158,633	226,485	36,005	81,927	117,932	1.92
2013	368,860	164,487	204,373	34,450	77,654	112,104	1.82
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

SPECIAL ASSESSMENT BONDS (e)							
Fiscal Year	Gross Revenues	Less: Expenses (d)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2016	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
2015	--	--	--	--	--	--	--
2014	--	--	--	--	--	--	--
2013	--	--	--	--	--	--	--
2012	--	--	--	--	--	--	--
2011	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--
2009	--	--	--	--	--	--	--
2008	--	--	--	--	--	--	--
2007	393	--	393	290	10	300	1.31

NOTES:

- (a) As defined in applicable bond indenture, expenses are exclusive of depreciation and amortization of property values or losses.
- (b) Net available revenue divided by total debt service.
- (c) Includes interest on investments and excludes wastewater facility system charges.
- (d) Expenses are absorbed by the general fund.
- (e) Paid off in FY 2007.

TABLE 12
 CITY AND COUNTY OF HONOLULU
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FISCAL YEARS 2007 - 2016
 (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)
2016	NA	NA	NA	118,155	NA
2015	998,714	NA	NA	118,463	3.4
2014	992,082 (c)	\$ 49,313	\$ 49,722	122,195	4.1
2013	986,802 (c)	47,256 (c)	47,877 (c)	120,932	4.4
2012	976,711 (c)	47,045 (c)	48,165 (c)	119,477	5.4
2011	966,581 (c)	45,061 (c)	46,620 (c)	117,880	5.9
2010	956,377 (c)	43,178 (c)	45,150 (c)	118,534	6.0
2009	943,177	42,131 (c)	44,670 (c)	117,990	6.0
2008	933,680	41,729 (c)	44,693 (c)	119,005	3.8
2007	925,335	39,637 (c)	42,836 (c)	120,889	2.6

NOTES:

(a) Per *The State of Hawaii Data Book 2015*.

(b) Enrollment figures for 2007-2016 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 2006 - 2015
(Unaudited)

Employer (a)	2015			2014			2013			2012			2011		
	Employees	Percentage of Total State Employment		Employees	Percentage of Total State Employment (b)		Employees	Percentage of Total State Employment		Employees	Percentage of Total State Employment (b)		Employees	Percentage of Total State Employment	
		Rank	Employment		Rank	Employment (b)		Rank	Employment		Rank	Employment (b)		Rank	Employment
State of Hawaii	74,500	1	11.41%	73,600	1	11.52%	72,200	1	11.66%	72,900	1	11.98%	71,400	1	11.60%
Federal Government	33,200	2	5.08%	33,200	2	5.19%	33,900	2	5.48%	34,900	2	5.73%	34,800	2	5.66%
Local Governments	18,900	3	2.89%	18,800	3	2.94%	18,700	3	3.02%	18,500	3	3.04%	18,500	3	3.01%
The Queen's Health Systems	7,278	4	1.11%	6,942	4	1.09%	5,587	6	0.90%	5,281	7	0.87%	5,134	7	0.83%
Hawaii Pacific Health	6,617	5	1.01%	6,485	5	1.01%	6,307	4	1.02%	5,809	4	0.95%	5,724	4	0.93%
Hawaiian Airlines Inc.	5,548	6	0.85%	5,360	8	0.84%	5,249	8	0.85%	4,906	8	0.81%	4,314	9	0.70%
Starwood Hotels & Resorts Hawaii	5,507	7	0.84%	5,659	6	0.89%	6,150	5	0.99%	5,500	5	0.90%	5,300	6	0.86%
Hilton Hotels Hawaii Region	5,400	8	0.83%	5,400	7	0.84%	5,400	7	0.87%	5,400	6	0.89%	5,400	5	0.88%
Kaiser Foundation Health Plan	4,424	9	0.68%	4,691	9	0.73%	4,371	9	0.71%	4,570	9	0.75%	4,478	8	0.73%
Hawaiian Electric Industries Inc.	3,918	10	0.60%	3,965	10	0.62%	3,966	10	0.64%	3,870	10	0.64%	3,654	10	0.59%
Total	165,292		25.30%	164,122		25.67%	161,830		26.14%	161,636		26.56%	158,704		25.79%
Employer (a)	2010			2009			2008			2007			2006		
	Employees	Percentage of Total State Employment		Employees	Percentage of Total State Employment		Employees	Percentage of Total State Employment		Employees	Percentage of Total State Employment		Employees	Percentage of Total State Employment	
		Rank	Employment		Rank	Employment		Rank	Employment		Rank	Employment		Rank	Employment
State of Hawaii	71,700	1	11.90%	73,700	1	12.57%	74,300	1	12.14%	72,400	1	11.67%	71,950	1	11.58%
Federal Government	34,800	2	5.78%	33,300	2	5.68%	32,200	2	5.26%	31,750	2	5.12%	31,850	2	5.12%
Local Governments	18,700	3	3.10%	18,650	3	3.18%	18,550	3	3.03%	17,950	3	2.89%	17,450	3	2.81%
Hawaii Pacific Health	5,490	4	0.91%	5,300	5	0.90%	5,200	6	0.85%	5,200	7	0.84%	5,500	5	0.88%
Hilton Hotels Hawaii Region	5,400	5	0.90%	--	--	--	--	--	--	--	--	0.00%	--	--	--
The Queen's Health Systems	5,147	6	0.85%	5,059	6	0.86%	4,903	7	0.80%	4,834	8	0.78%	4,351	7	0.70%
Starwood Hotels & Resorts Hawaii	5,092	7	0.85%	--	--	--	--	--	--	4,017	9	0.00%	--	--	--
Kaiser Foundation Health Plan & Hospitals	4,400	8	0.73%	3,700	9	0.63%	4,403	8	0.72%	4,017	9	0.65%	3,969	8	0.64%
Hawaiian Airlines Inc.	4,019	9	0.67%	--	--	--	--	--	0.00%	--	--	0.00%	--	--	--
Hawaiian Electric Industries Inc.	3,400	10	0.56%	3,560	10	0.61%	--	--	--	--	--	--	--	--	--
Proservice Hawaii Business Development Corp.	--	--	--	9,000	4	1.53%	8,000	5	1.31%	5,500	6	0.89%	4,800	6	0.77%
Kyo-ya Co. Ltd.	--	--	--	3,851	7	0.66%	3,639	10	0.59%	3,764	10	0.61%	3,807	9	0.61%
Hawaii Health Systems Corp.	--	--	--	3,839	8	0.65%	3,752	9	0.61%	--	--	--	--	--	--
Altres Inc.	--	--	--	--	--	--	9,869	4	1.61%	8,311	4	1.34%	7,438	4	1.20%
NCL America	--	--	--	--	--	--	--	--	--	5,910	5	0.95%	3,582	10	0.58%
Total	158,148		26.25%	159,959		27.27%	164,816		26.92%	159,636		25.74%	154,697		24.89%

SOURCES:
The State of Hawaii Data Book (<http://www.hawaii.gov/dbedt/>).
Hawaii Business, magazine various years.
Pacific Business News - 2015 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 2007 - 2016
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Administration	496	497	472	461	480	478	491	547	538	532
Finance	429	437	431	410	405	398	419	475	439	425
Legal	320	314	327	325	308	304	314	314	318	307
Planning & Permitting	274	267	258	258	245	248	259	270	250	257
Design & Construction	225	223	221	226	228	227	226	228	216	209
Public Safety										
Police	2,579	2,595	2,556	2,574	2,519	2,551	2,570	2,625	2,601	2,569
Fire	1,088	1,116	1,074	1,089	1,114	1,099	1,083	1,092	1,098	1,091
Emergency Medical Services	173	161	155	146	151	147	145	144	136	129
Highways and Streets	634	639	622	598	596	585	604	651	631	631
Sanitation										
Solid Waste	593	583	600	572	622	585	302	145	363	348
Sewer	262	267	274	263	254	253	559	542	530	520
Health and Human Resources	420	409	394	403	397	403	411	404	397	391
Culture and Recreation	1,016	1,008	1,005	1,036	1,005	982	1,026	984	962	932
Total	8,509	8,516	8,389	8,361	8,324	8,260	8,409	8,421	8,479	8,341

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 2007 - 2016
(Unaudited)

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety										
Police										
Part II number of arrests (a)	4,990	5,100	5,820	5,870	5,517	5,120	5,430	4,011	4,453	4,039
Part II number of arrests (a)	36,220	34,900	34,860	36,060	34,695	31,930	33,940	35,315	37,295	35,006
Parking violations	116,774	(c)	111,720	(c)	111,342	(c)	124,997	(c)	154,323	(c)
Traffic violations	233,142	(c)	181,750	(c)	189,591	(c)	197,820	(c)	173,762	(c)
Fire										
Fire department responses	17,291	16,421	20,334	19,830	19,923	18,436	16,254	16,152	15,728	16,021
Emergency medical responses	35,566	35,345	30,355	29,608	28,871	27,953	24,808	24,930	23,760	21,722
Inspections	72,252	(k)	77,492	68,888	63,424	(e)	67,542	(d)	66,947	(d)
Emergency Medical Services										
Ambulance responses	90,023	88,882	82,227	78,872	75,500	67,477	69,253	60,412	73,902	74,887
Refuse Collection										
Refuse collected (tons per year)	268,330	263,350	264,500	284,070	255,400	273,040	290,064	312,360	340,781	359,801
Recyclables collected (tons per year)	131,256	127,550	128,615	116,200	118,400	121,442	84,046	69,188	55,700	57,900
Other Public Works										
Street resurfacing in-house (lane miles)	16	8	4	18	8	19	57	60	51	38
Street resurfacing contract (miles)	268	214	270	315	180	149	319	76	91	75
First aid (tons of asphalt)	501	1,747	2,122	1,258	2,314	753	4,277	2,560	3,007	12,528
Potholes repaired	42,656	32,976	39,951	51,647	52,071	67,714	41,505	66,816	82,850	73,013
Parks and Recreation										
Park facility permits issued	16,348	15,260	15,494	16,696	12,029	16,549	15,520	18,611	15,136	21,522
Other Enterprise										
Rounds of golf	375,710	400,869	416,356	442,362	464,708	475,663	534,508	563,589	563,669	563,858
Zoo attendance	564,114	592,780	606,566	663,699	665,940	603,677	580,265	623,034	599,442	601,510
Water										
New connections	242	522	540	(i)	1,069	962	1,075	1,262	1,370	1,926
Water main breaks	326	293	303	350	312	333	388	325	285	342
Average daily pumpage (thousands of gallons)	137	144	136	141	139	130	148	145	148	152
Peak daily pumpage (thousands of gallons)	169	159	161	168	151	157	171	179	179	175
Wastewater										
Average daily sewage treatment (millions of gallons)	113	105	105	100	100	105	104	108	107	105
Transit										
Total bus directional route miles	1,033	1,032	1,030	1,023	947	945	945	943	927	927
Total bus revenue miles	17,817,987	17,752,627	17,619,990	17,198,231	18,225,506	18,356,893	18,343,673	18,462,001	18,272,697	17,923,724
Bus passengers	68,274,031	71,094,063	66,285,449	69,242,214	76,296,482	73,765,232	73,158,620	77,329,670	69,759,895	71,749,456
Total paratransit revenue miles	6,404,590	5,565,742	5,193,703	5,082,596	5,150,671	4,955,876	4,960,022	4,999,735	4,833,262	4,608,289
Paratransit passengers	890,453	843,402	882,084	841,447	845,903	825,680	790,357	840,763	833,835	807,851

NOTES:

- (a) The data is reported on a calendar year basis.
- (b) The count is based on tickets issued.
- (c) The count is based on number of violations.
- (d) 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.
- (e) The decrease is due to the workload for APEC preparation.
- (f) 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
- (g) 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.
- (h) 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 ten NPDES permit requirements.
- (i) The decrease was due to the decrease in the completion of new sub divisions.
- (j) The significant variance in the number of inspections are due to a computer system change, the increase in training and administrative assignments, and the change in inspection frequency (HFS132-6).
- (k) The increase in the number of fire inspections is due to the changeover from Fire Inspections Database (FID) to the Honolulu Online System for Emergency Services (HOSSES) for reporting all commercial and street (residential) inspections.

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 2007 - 2016
(Unaudited)

Function	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Public Safety											
Police											
Stations	12	12	12	12	12	11	12	12	12	11	
Patrol units - City owned	324	406	325	333	346	473	328	331	300 (a)	363	
Patrol units - privately owned (b)	1,354	1,356	1,329	1,311	1,334	1,312	1,357	1,276	1,428	1,293	
Fire stations (c)	44	44	45	45	45	44	44	44	44	44	
Emergency medical services stations	20	22	22	22	22	21	21	21	21	20	
Refuse collection trucks	174	173	168	166	168	174	206	206	191	191	
Other Public Works											
Streets (paved mile)	1,433	1,424	1,420	1,417	1,415	1,410	1,407	1,398	1,398	1,398	
Streetlights	52,093	51,797	51,300	47,999	47,819	47,544	47,283	47,160	46,756	46,605	
Storm sewers (miles)	741	732	728	725	723	718	715	706	706	706	
Parks and Recreation											
Parks and recreational areas	286	286	284	284	283	288	288	287	284	282	
Beach access/right of ways	90	90	70	90	90	90	90	90	90	90	
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	25	25	24	24	24	24	24	24	
Swimming pools	21	21	21	21	21	21	21	21	21	21	
Baseball/softball fields	201	201	200	200	200	200	200	193	193	194	
Basketball courts	205	205	202	205	200	200	220	220	220	220	
Tennis courts	208	208	208	207	203	203	200	200	200	200	
Volleyball courts	173	173	171	171	169	169	169	169	169	169	
Soccer fields	80	80	80	80	80	80	80	80	80	80	
Traffic related landscaped areas	150	150	150	149	149	149	149	149	149 (d)	90	
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)	2,131	2,123	2,114	2,106	2,101	2,095	2,079	2,043	2,067	2,060	
Fire hydrants	21,414	21,399	21,384	21,290	21,130	21,045	21,006	20,950	20,760	20,381	
Storage capacity (thousands of gallons)	197	197	190	190	184	182	182	182	182	183	
Wastewater											
Sanitary sewers (miles)	2,024	2,010	2,010	2,010	2,087	2,100	2,143	2,152	2,113	2,191	
Treatment capacity (millions of gallons)	158	152	152	152	152	152	152	152	152	152	
Transit											
Buses	541	521	519	524	540	553	552	549	540	525	
Paratransit vehicles	180	181	160	157	158	181	166	166	148	129	
Traffic signal intersections (e)	840	837	834	830	827	825	823	819	799	790	

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 2008, Facility Maintenance assumed management of and subdivided some of the landscaped areas.
- (e) Includes State traffic signals on Oahu that the City maintains.