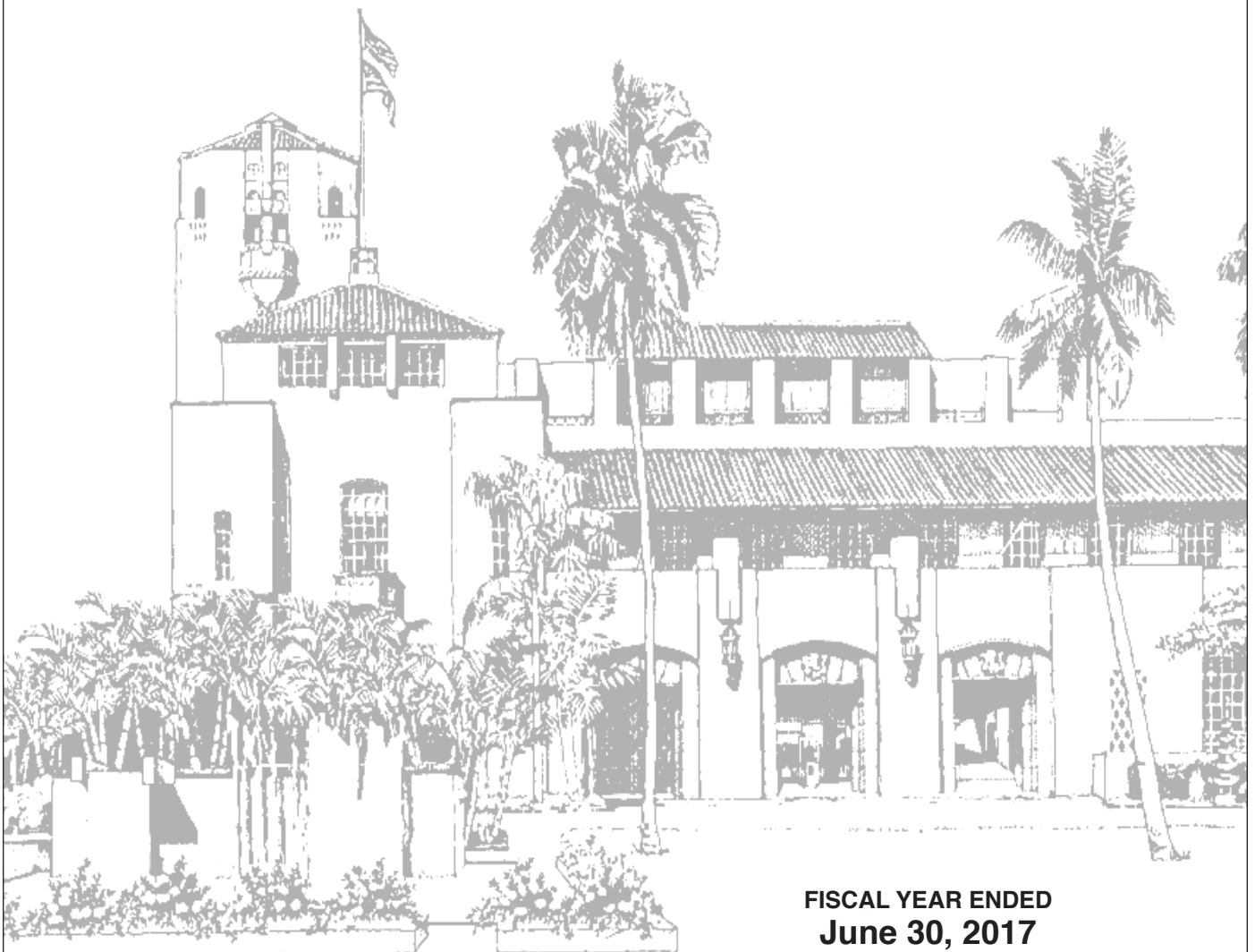
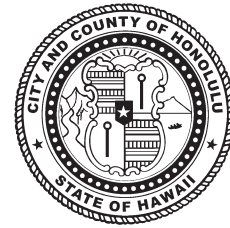


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2017**

EXECUTIVE BRANCH



Kirk Caldwell
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

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

**CITY AND COUNTY OF HONOLULU
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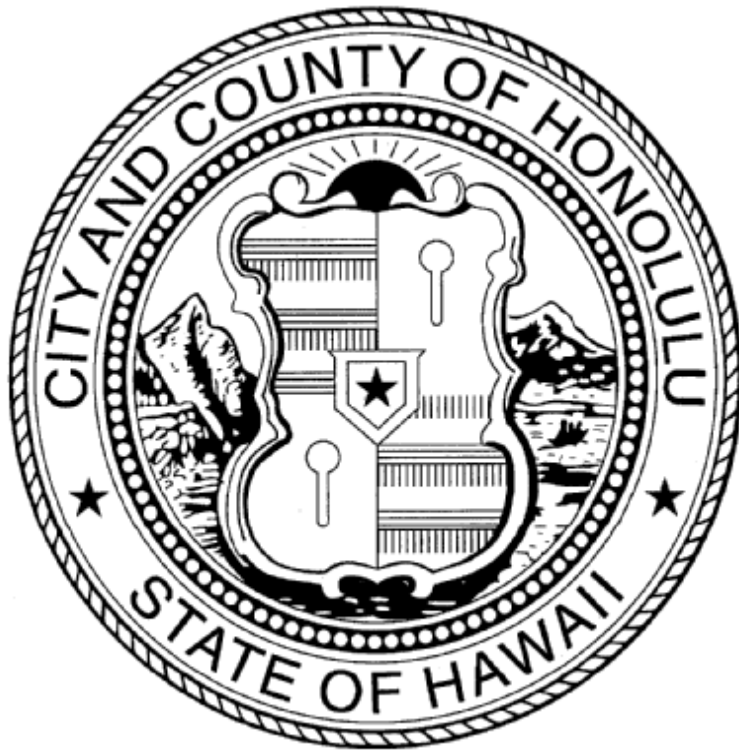
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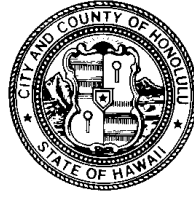
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INTRODUCTORY SECTION

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

December 26, 2017

The Honorable Kirk Caldwell, Mayor
The Honorable Ron Menor, Chair and Presiding Officer
and Members of the City Council
City and County of Honolulu
530 South King Street
Honolulu, Hawaii 96813

Dear Mayor Caldwell, Chair Menor 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, 2017. 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

The following economic indicators signify that Oahu's economy has been performing favorably overall, and is expected to remain relatively stable.

- Tourism, Oahu's primary industry, has been performing better than expected on a year to date basis. Total visitor expenditures increased 5.4%, visitor arrivals rose 4.1%, total visitor days rose 33.7%, and average daily visitor spending grew 1.6% for the ten months ended October 31, 2017, compared to the same period a year ago. Oahu's hotel occupancy was the highest among the four counties at 83.4%, revenues per available room increased 1.7%, and average daily room rates rose 2.8% for the first ten months of 2017, compared to the same period in 2016.
- The military, Hawaii's second largest economic sector, provided more than 64,000 jobs, and accounted for 9.8% of the state's gross domestic product. Direct defense spending amounted to \$7.8 billion.
- Construction jobs increased 2.2% to 28,500 for October 2017, compared to 27,900 for the same month the preceding year. For the two months ended August 31, 2017, contracting revenues increased 3.8% to \$1.15 billion, compared to the same month a year ago. On the other hand, contracting revenues decreased 8.0% to \$6.7 billion for the fiscal year ended June 30, 2017, compared to the prior fiscal year. Though the number of building permits issued decreased 13.3% to 13,996, the value rose by 10.5% to \$2.57 billion for the eleven months ended November 30, 2017, compared to the same period for 2016.
- The November 2017 single family home median resale price increased 3.1% to \$773,500, and resale volume increased 12.9% to 332 when compared with the same month a year ago. The condominium resale median price increased 2.5% to \$405,000, and resale volume rose 19.0% to 501 for November 2017, compared to the same month last year.
- Retail sales rose 21.8% to \$5.05 billion for the two months ended August 31, 2017, compared to the same period in 2016, but decreased 5.1% to \$26.8 billion for the fiscal year ended June 30, 2017, compared to fiscal year 2016.

- Non-agricultural jobs totaled 486,300 for October 2017, an increase of 1.0% from 481,600 non-farm jobs for the same month the preceding year.
- Honolulu had one of the lowest unemployment rates among Hawaii's counties in October 2017, with a non-seasonally adjusted unemployment rate of 1.8%, compared to 1.9% statewide, and 3.9% nationally.
- Nominal personal income (i.e., salaries and wages not adjusted for inflation) in Hawaii increased 2.9% for the second quarter of 2017, compared to a 3.6% increase for the second quarter of the prior year, and the annual average of 3.3% for 2016.
- Proprietors' income increased 3.7% for the second quarter of 2017, compared to an increase of 7.3% for the second quarter of last year, and the annual average of 6.2% for 2016.

Sources:

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

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

Honolulu Board of Realtors, <http://www.hicentral.com>

Honolulu Star-Advertiser, <http://www.staradvertiser.com>

State of Hawaii, Department of Business, Economic Development & Tourism, <http://dbedt.hawaii.gov>

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

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

MAJOR INITIATIVES

The fiscal year 2017 executive operating budget increased 2.6% compared to the prior fiscal year to \$2.33 billion net of interfund transfers.

The City's \$940.0 million capital improvement budget for fiscal year 2017 emphasized upgrading sewers, repairing roads, restoring parks, reducing homelessness, and planning for development around the future rail stations and rail station connectivity.

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$511.4 million was budgeted for fiscal year 2017, representing an increase of 119.1%, compared to the prior fiscal year. Major sanitation projects included 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), and Sewer Infiltration/Inflow Relief and Rehabilitation Projects – Hart Street Tributary Basin (\$31.7 million).

Highways and Streets

The \$171.6 million capital improvement budget for highways and streets represented a 22.6% increase for fiscal year 2017 in comparison to the previous fiscal year. Major highways and streets projects included 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 was 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 included 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 amounted to \$54.4 million for fiscal year 2017, which represented a 48.2% increase from the previous fiscal year. The major public safety projects included 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 were 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 represented 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 represented 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).

FOR THE FUTURE

The fiscal year 2018 executive operating budget of \$2.45 billion net of interfund transfers continues to focus on core City services, increasing 5.2% compared to the prior fiscal year.

The City's \$956.1 million capital improvement budget for fiscal year 2018 emphasizes upgrading sewers, restoring parks, repairing roads, and reducing homelessness.

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$683.0 million is budgeted for fiscal year 2018, representing an increase of 33.6% compared to the prior fiscal year. Major sanitation projects include Honouliuli Wastewater Treatment Plant Secondary Treatment (\$277.0 million), Dowsett Highlands Relief Sewer (\$85.7 million), Awa Street Wastewater Pump Station, Force Main and Sewer and System Improvements (\$42.0 million), West Beach No. 1 and No. 2 Wastewater Pump Station and Force Main System Improvements (\$33.6 million), Ala Moana Wastewater Pump Station Upgrade (\$22.0 million), Wastewater Pump Stations – Electrical and SCADA Improvements (\$20.0 million), Sewer Mainline and Lateral Projects (\$19.5 million), Sewer Infiltration/Inflow Relief and Rehabilitation Projects – Ala Moana Tributary Basin (\$17.0 million), Wastewater Treatment Plant, Pump Station, and Force Main Projects (\$16.6 million), Pearl City Wastewater Pump Station, Force Main and Sewer System Alternatives (\$16.1 million), Waianae Wastewater Treatment Plant Improvements/Upgrade (\$15.7 million), and Sand Island Wastewater Treatment Plant Secondary Treatment (\$14.5 million).

Culture-Recreation

For fiscal year 2018, \$101.1 million is appropriated in the capital improvement budget for participant, spectator, and other recreation projects, an increase of 34.4% over the prior fiscal year. The major culture-recreation projects include Ala Moana Regional Park (\$20.0 million), Blaisdell Center Redevelopment (\$12.0 million), Preservation and Conservation of Lands (\$10.5 million), Renovate Recreational Facilities (\$6.1 million), and Thomas Square (\$4.7 million).

Highways and Streets

The \$74.2 million capital improvement budget for highways and streets represents a 56.8% decrease for fiscal year 2018 in comparison to the previous fiscal year, primarily due to a reduction in funding for the Rehabilitation of Streets as the City anticipates meeting its goal of paving 1,500 lane miles in fiscal year 2018. Major highways and streets projects include Rehabilitation of Streets (\$30.0 million), Reconstruction of Sidewalks (\$5.2 million), Waikiki Improvements (\$4.0 million), Rail Station Connectivity – Transit Oriented Development (\$4.0 million), and Bikeway Improvements (\$2.8 million).

Human Services

The capital improvement budget for the human services function of \$72.3 million for fiscal year 2018 represents a 58.6% increase compared to the last fiscal year, and includes appropriations of \$6.2 million for the Community Development Block Grant Program, \$5.0 million for the Affordable Housing Strategic Development Program, and \$3.6 million for the Home Investment Partnerships (HOME) Program.

General Government

The general government function of the capital improvement budget increased by \$7.2 million from \$51.7 million in the prior fiscal year to \$58.9 million for fiscal year 2018. The following are the major general government projects: 925 Dillingham Boulevard Acquisition – Kapalama Hale (\$27.5 million), Procurement of Major Equipment (\$14.2 million), Kapolei Consolidated Corporation Yard (\$3.2 million), Kaimuki Municipal Parking Lot Improvements (\$3.0 million), Public Building Facilities Improvements (\$3.0 million), and Civic Center Improvements (\$2.5 million).

Transportation

Mass transit appropriations of \$39.0 million for fiscal year 2018 represent a 30.0% increase compared to the previous fiscal year. The noteworthy public transit projects are the Bus and Handi-Van Acquisition Program (\$21.2 million), Multimodal Transit Fare Collection System (\$3.5 million), and Alapai Transportation Management Center (\$3.0 million).

Public Safety

The appropriations for the public safety function amount to \$38.3 million for fiscal year 2018, which represents a 29.6% decrease from the previous fiscal year. The major public safety projects include Telecommunications Facilities Upgrade (\$5.0 million), Computerized Traffic Control System (\$4.6 million), Honolulu Police Department Equipment Acquisition (\$4.3 million), Traffic Signals at Various Locations (\$3.8 million), and Honolulu Fire Department Equipment Acquisition (\$3.4 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, 2016. The City has received the award for 30 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 eighteen 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, 2017.

Respectfully submitted,



Nelson H. Koyanagi, Jr.
Director



Government Finance Officers Association

**Certificate of
Achievement
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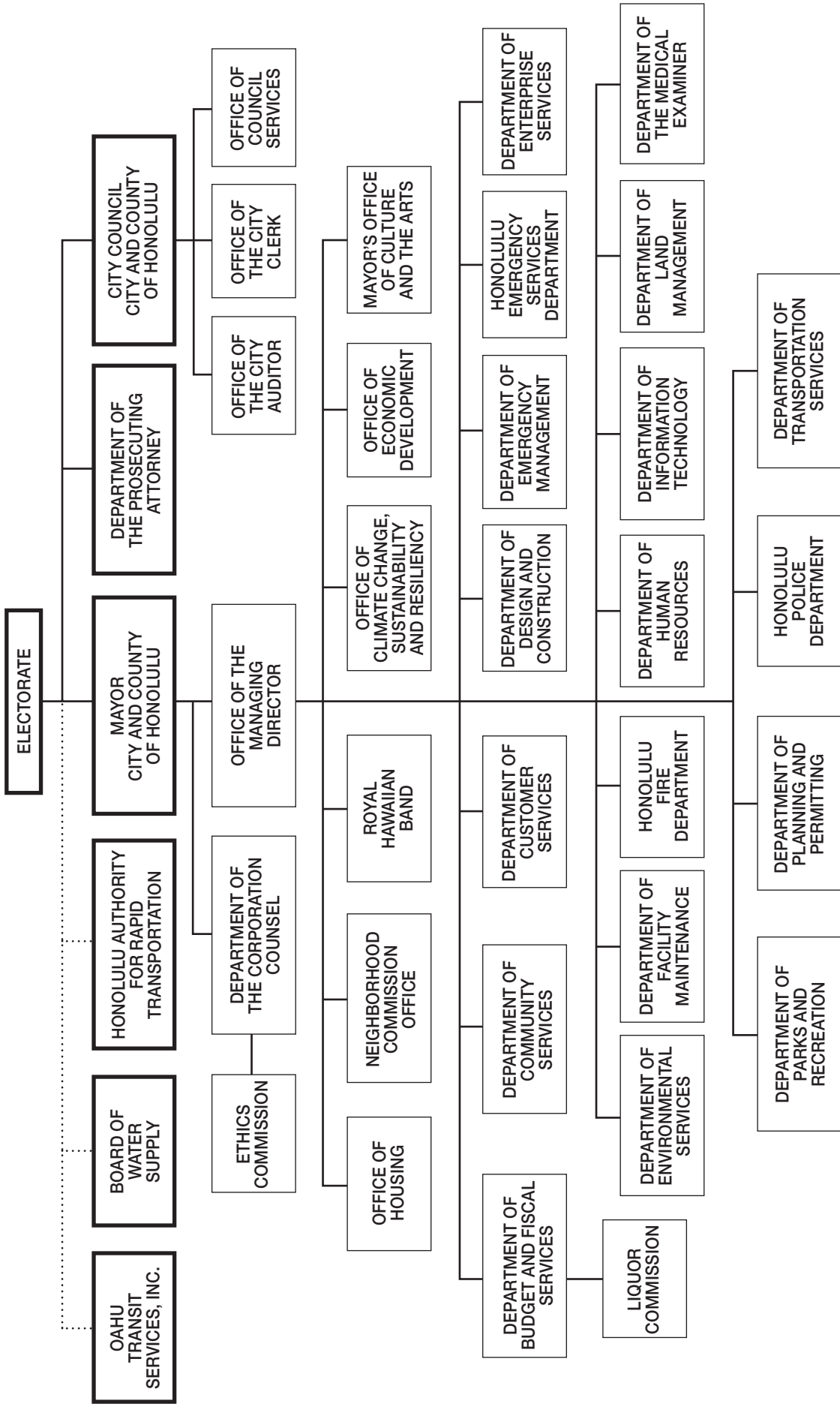
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CITY AND COUNTY OF HONOLULU ORGANIZATIONAL CHART

FISCAL YEAR 2017



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2017**

EXECUTIVE BRANCH

Mayor. Kirk Caldwell

Prosecuting Attorney. Keith M. Kaneshiro

LEGISLATIVE BRANCH

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

LEGISLATIVE BRANCH

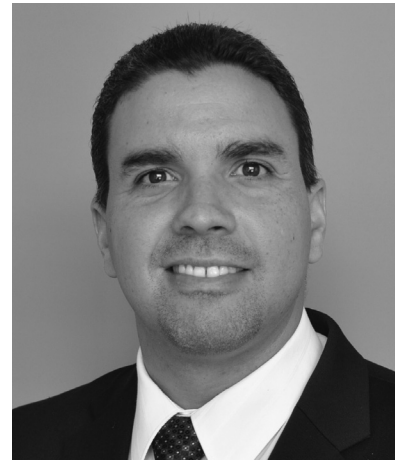
CITY COUNCIL



Kymberly Marcos Pine
Councilmember, District I



Ernest Y. Martin
Councilmember, 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

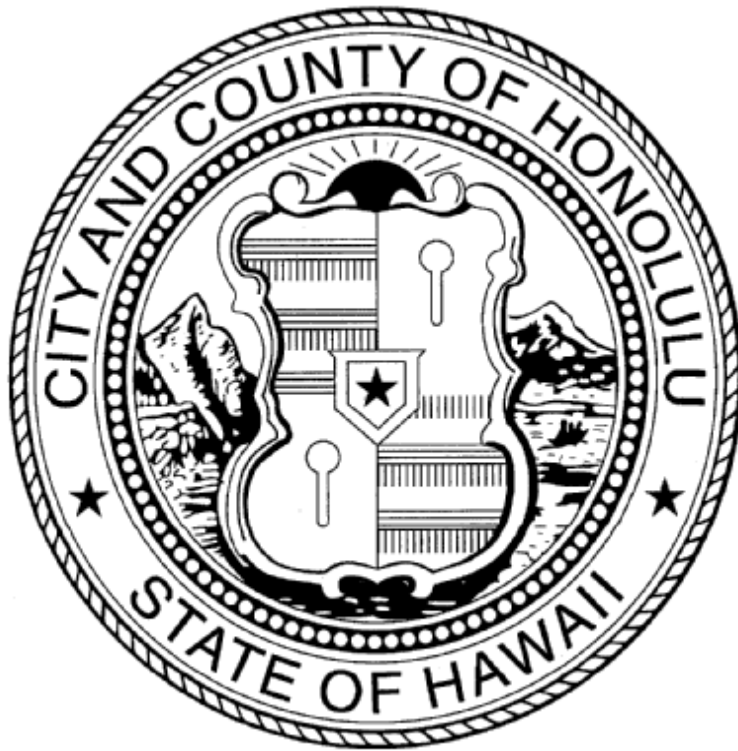


Brandon J.C. Elefante
Councilmember, District VIII



Ron Menor
Chair, 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, 2017, 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, 23 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, 2017 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 Matters

As discussed in Note 1 to the basic financial statements, in 2017 the City adopted Government Accounting Standards Board (GASB) Statement No. 82 (GASB 82), *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. As a result of adopting this standard, the City has restated beginning net position for the fiscal year ended June 30, 2016. Our opinions are not modified with respect to this 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 2016 financial statements have been restated as a result of adopting GASB 82. 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, 117-121, 122, 123, 124 and 125, 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 26, 2017

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CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017

The following Management's Discussion and Analysis (MD&A) is designed to provide an overview of the financial performance of the City and County of Honolulu (City) for the fiscal year ended June 30, 2017. 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 2017

- Revenues from governmental activities totaled approximately \$1.72 billion for fiscal year 2017 compared to \$1.65 billion for the prior fiscal year. Expenses before transfers amounted to \$1.63 billion for the current fiscal year compared to \$1.47 billion for the prior fiscal year. 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 \$225.2 million for the current fiscal year compared to \$230.5 million for fiscal year 2016. For the current fiscal year, the increase in net position can be attributed primarily to the 8.0% sewer service charge rate hike as part of a multi-year rate package implemented to address long-term system upgrades mandated by the Environmental Protection Agency. For fiscal year 2016, the improvement in net position resulted largely from a 5.0% sewer service charge rate hike, higher transfers from the governmental activities to the business-type activities, and an increase in capital grants. 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, 2017 decreased by \$89.2 million (as summarized on page 30) to \$450.7 million (as reported on pages 39 and 40).
- Net capital assets for the governmental activities rose from \$2.47 billion at the end of the prior fiscal year to \$2.62 billion at June 30, 2017. Likewise, net capital assets for the business-type activities increased from \$3.68 billion at the close of fiscal year 2016 to \$3.84 billion at June 30, 2017. 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 \$2.29 billion, representing less than 10% of the City's \$29.94 billion statutory debt limit. Additional information on the City's long-term debt may be found on pages 33 and 34, on pages 82 to 88 in the Notes to Financial Statements, and on pages 260 to 264 in the Statistical Section.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017

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 or other enterprises (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, 2017**

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, 2017, 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, 2017**

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 140 and 141.

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 \$1.03 billion for the fiscal year ended June 30, 2017 in contrast to \$991.8 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 \$1.55 billion, an increase of 19.8% 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, 2017**

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 below. For the fiscal year ended June 30, 2017, restricted net position remained at \$165,000 for the governmental activities and decreased 5.3% to \$165.2 million for the business-type activities.

The net pension obligation for the governmental activities amounted to \$2.21 billion, resulting in a negative unrestricted net position of \$1.50 billion for the fiscal year ended June 30, 2017. The unrestricted net position of the business-type activities improved 17.5% to \$815.0 million as of June 30, 2017 despite a net pension obligation of \$218.8 million, primarily due to an 8.0% sewer service charge increase effective July 1, 2016.

The following is a summary of the Statements of Net Position as of June 30, 2017 and 2016:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 775.4	\$ 753.1	\$ 1,297.1	\$ 1,142.2	\$ 2,072.5	\$ 1,895.3
Restricted assets	-	-	282.2	203.1	282.2	203.1
Capital assets, net of accumulated depreciation	2,624.9	2,466.8	3,844.9	3,676.6	6,469.8	6,143.4
Total assets	<u>3,400.3</u>	<u>3,219.9</u>	<u>5,424.2</u>	<u>5,021.9</u>	<u>8,824.5</u>	<u>8,241.8</u>
Deferred outflows of resources	<u>961.0</u>	<u>379.7</u>	<u>159.1</u>	<u>75.9</u>	<u>1,120.1</u>	<u>455.6</u>
Noncurrent liabilities	5,338.1	4,372.1	3,205.4	2,948.8	8,543.5	7,320.9
Other liabilities	166.5	129.9	142.4	131.9	308.9	261.8
Total liabilities	<u>5,504.6</u>	<u>4,502.0</u>	<u>3,347.8</u>	<u>3,080.7</u>	<u>8,852.4</u>	<u>7,582.7</u>
Deferred inflow of resources	<u>34.6</u>	<u>91.5</u>	<u>29.6</u>	<u>31.4</u>	<u>64.2</u>	<u>122.9</u>
Net position:						
Net investment in capital assets	325.8	177.8	1,225.7	1,117.5	1,551.5	1,295.3
Restricted	0.2	0.2	165.2	174.5	165.4	174.7
Unrestricted	(1,503.9)	(1,171.9)	815.0	693.7	(688.9)	(478.2)
Total net position	<u>\$ (1,177.9)</u>	<u>\$ (993.9)</u>	<u>\$ 2,205.9</u>	<u>\$ 1,985.7</u>	<u>\$ 1,028.0</u>	<u>\$ 991.8</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

The following is a summary of the Statements of Activities for fiscal years 2017 and 2016:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 281.8	\$ 275.5	\$ 672.8	\$ 618.1	\$ 954.6	\$ 893.6
Operating grants and contributions	125.9	121.9	21.0	21.0	146.9	142.9
Capital grants and contributions	28.5	41.3	18.3	39.9	46.8	81.2
General revenues:						
Property taxes	1,099.9	1,015.9	-	-	1,099.9	1,015.9
Other taxes	130.3	142.0	-	-	130.3	142.0
Other	56.4	55.7	8.3	3.8	64.7	59.5
Total revenues	<u>1,722.8</u>	<u>1,652.3</u>	<u>720.4</u>	<u>682.8</u>	<u>2,443.2</u>	<u>2,335.1</u>
Expenses						
General government	733.2	571.5	-	-	733.2	571.5
Public safety	482.9	455.9	-	-	482.9	455.9
Highways and streets	71.3	68.1	-	-	71.3	68.1
Sanitation	1.0	3.7	-	-	1.0	3.7
Human services	98.5	97.6	-	-	98.5	97.6
Culture and recreation	122.5	124.9	-	-	122.5	124.9
Utilities or other enterprises	45.4	55.3	-	-	45.4	55.3
Interest	72.5	90.2	-	-	72.5	90.2
Housing	-	-	13.1	11.6	13.1	11.6
Sewer	-	-	248.8	239.7	248.8	239.7
Solid waste	-	-	204.2	191.0	204.2	191.0
Public transportation	-	-	262.4	255.7	262.4	255.7
Total expenses	<u>1,627.3</u>	<u>1,467.2</u>	<u>728.5</u>	<u>698.0</u>	<u>2,355.8</u>	<u>2,165.2</u>
Increase (decrease) before transfers	95.5	185.1	(8.1)	(15.2)	87.4	169.9
Transfers	<u>(233.3)</u>	<u>(245.7)</u>	<u>233.3</u>	<u>245.7</u>	<u>-</u>	<u>-</u>
Change in net position	(137.8)	(60.6)	225.2	230.5	87.4	169.9
Net position - beginning	(993.9)	(933.3)	1,985.7	1,755.2	991.8	821.9
Prior period adjustments	(46.2)	-	(5.0)	-	(51.2)	-
Net position - ending	<u>\$ (1,177.9)</u>	<u>\$ (993.9)</u>	<u>\$ 2,205.9</u>	<u>\$ 1,985.7</u>	<u>\$ 1,028.0</u>	<u>\$ 991.8</u>

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

Total revenues for the primary government increased slightly from \$2.34 billion for fiscal year 2016 to \$2.44 billion for the current fiscal year.

Expenses for the primary government totaled \$2.36 billion for fiscal year 2017 of which \$1.63 billion applied to governmental activities and \$728.5 million related to business-type activities. For the 2016 fiscal year, expenses for the primary government totaled \$2.17 billion; \$1.47 billion pertained to governmental activities and \$698.0 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$114.6 million for the governmental activities and \$103.7 million for business-type activities for fiscal year 2017 as disclosed on page 80.

Statement of Activities

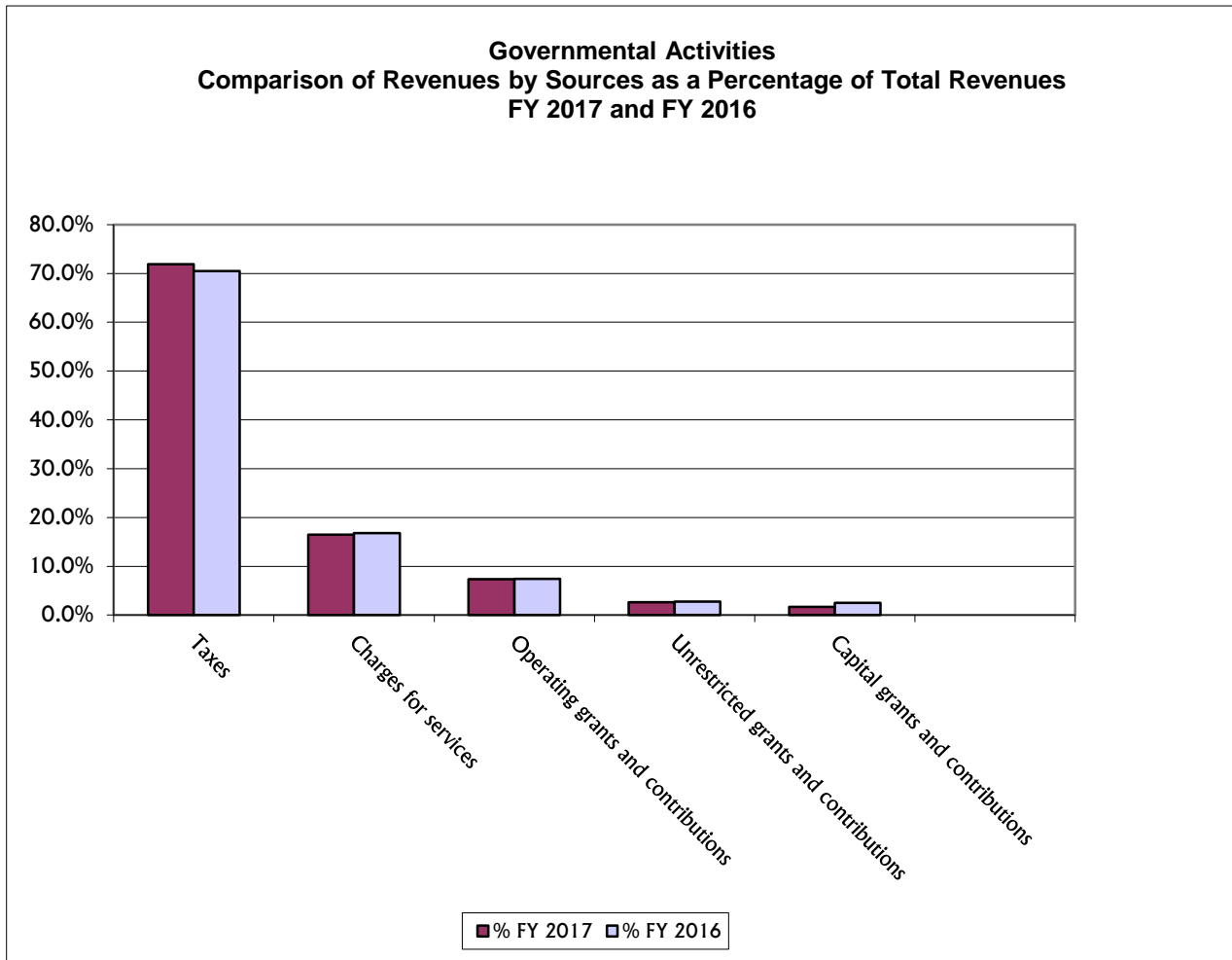
As noted earlier, the Statement of Activities presents how the City's net position changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some 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 \$137.8 million for fiscal year 2017 compared to a decrease of \$60.6 million for fiscal year 2016 as reflected in the preceding page. The two-year decline in net position can be attributed primarily to increased pension expense and contributions for other postemployment benefits (OPEB) for the current fiscal year, compared to fiscal year 2016.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

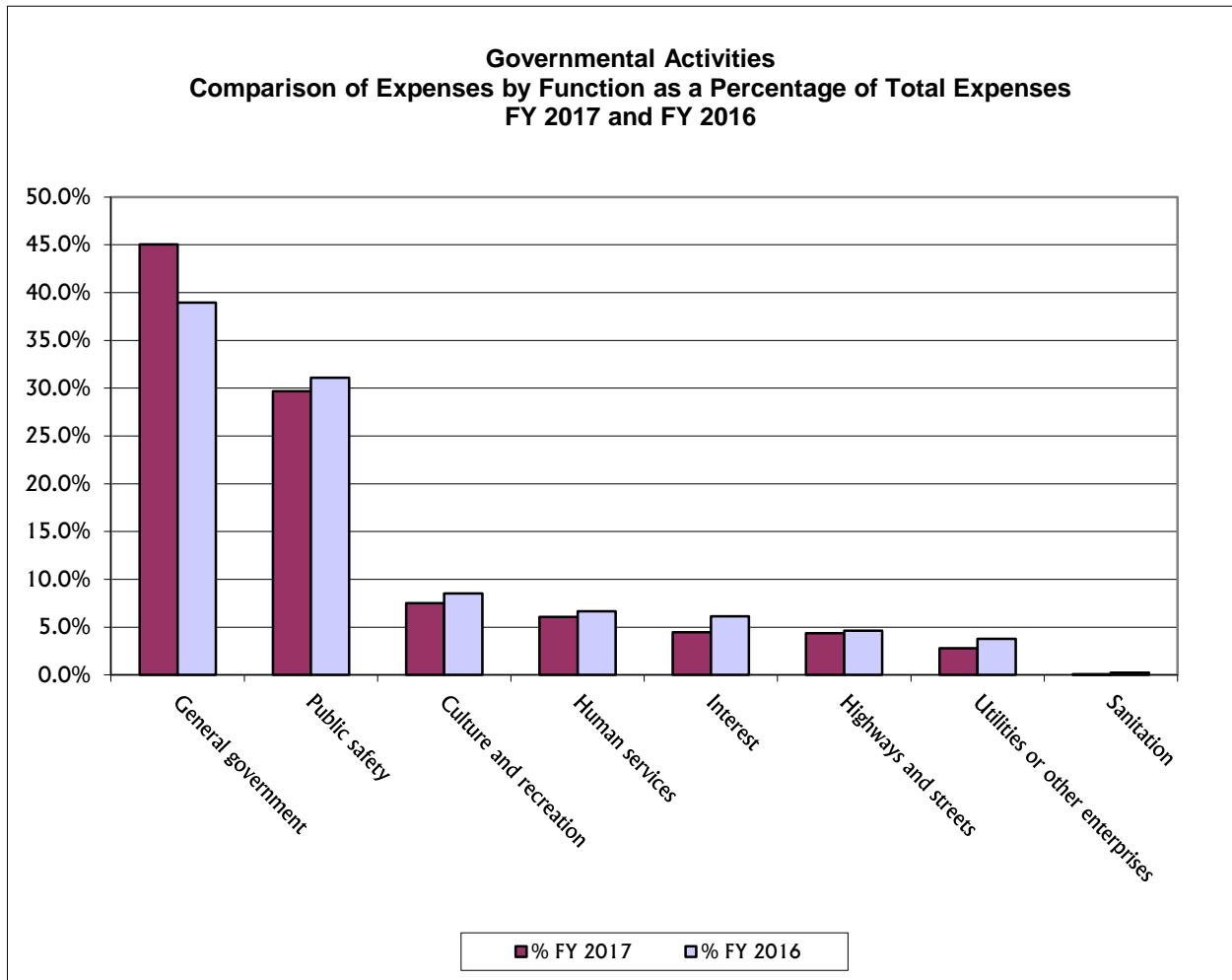
Revenues. The following exhibit, Comparison of Revenues by Sources as a Percentage of Total Revenues, indicates revenues from governmental activities remained relatively level for fiscal year 2017 compared to the preceding fiscal year. Taxes (i.e., property, public service company, fuel, and public utility franchise) representing 71.4% of the revenues from governmental activities totaled \$1.23 billion for fiscal year 2017 and \$1.16 billion for the prior fiscal year. Charges for services of \$281.8 million represented 16.4% of the revenues from governmental activities for fiscal year 2017, compared to 16.7% of revenues for the previous fiscal year. Operating grants and contributions increased 3.3% to \$125.9 million for fiscal year 2017 from \$121.9 million in fiscal year 2016. On the other hand, capital grants decreased 31.0% from \$41.3 million last fiscal year to \$28.5 million for the current fiscal year, mainly due to less reimbursable federal grants received from the Federal Transit Administration as a result of a reduced number of transit vehicles purchased during the 2017 fiscal year compared to the prior fiscal year.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

Expenses. As displayed in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities below, expenses varied when compared to the prior fiscal year. General government expenses increased 28.3% from \$571.5 million to \$733.2 million, mainly due to escalating pension costs and statutorily required contributions for other postemployment benefits. On the other hand, the following expenses decreased:

- Interest (19.6%), partly a result of an accounting practice change pertaining to amortization methods for bond premiums and deferred losses,
- Utilities or other enterprises (18.0%), primarily due to the purchase of fewer transit vehicles,
- Sanitation (73.0%), attributable to the reorganization of the Storm Water Quality Branch from the Department of Environmental Services to the Department of Facility Maintenance.

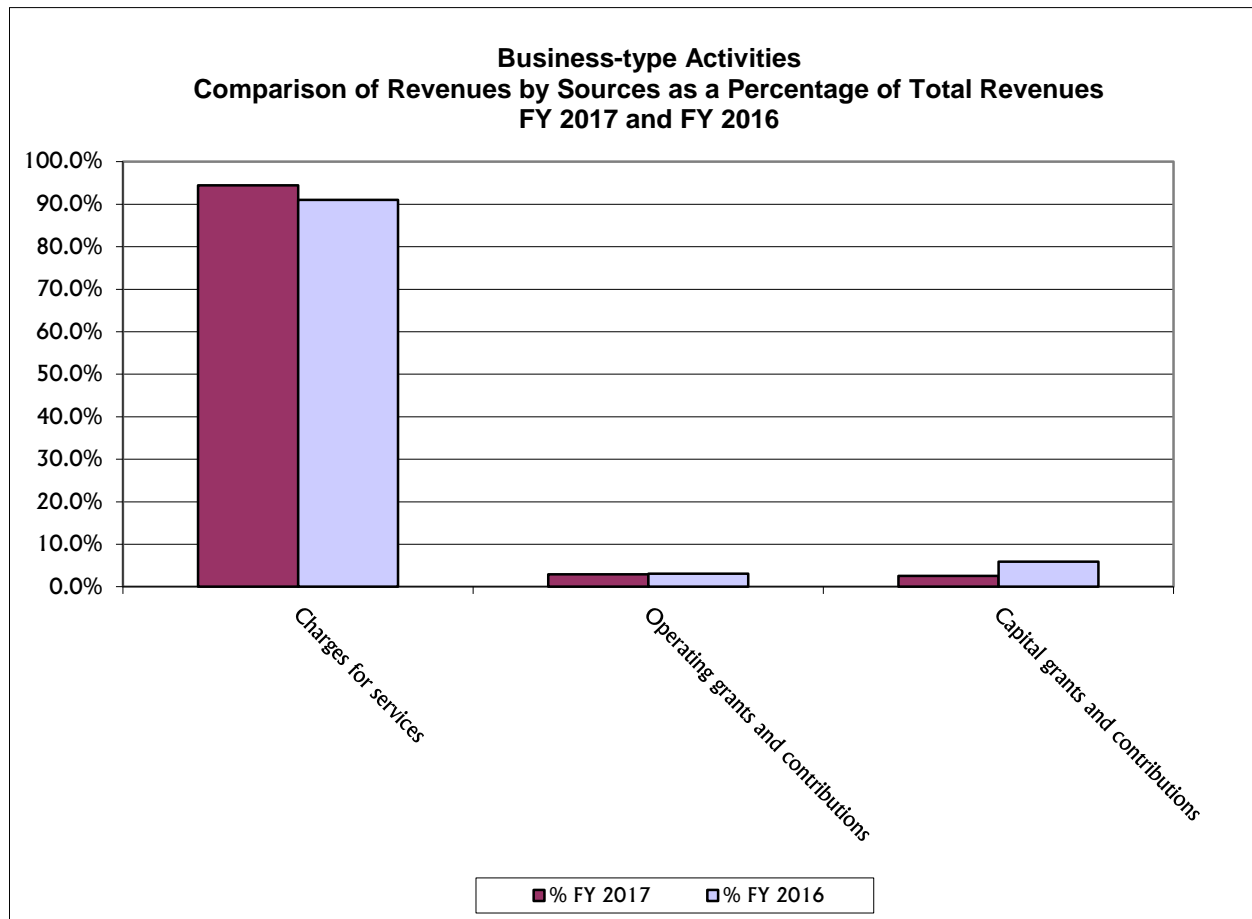


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

Business-type Activities

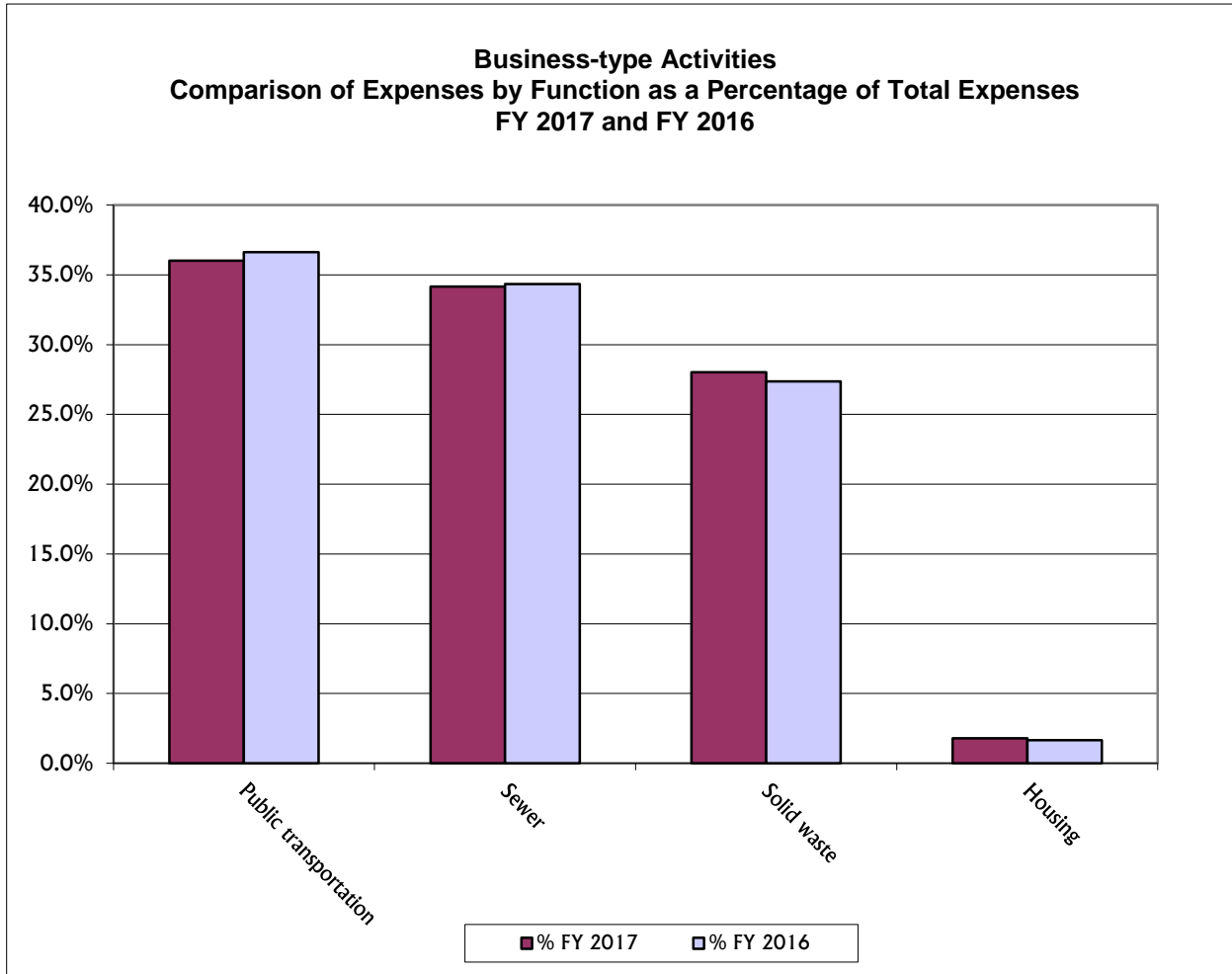
The net position of the City's business-type activities increased by \$225.2 million and \$230.5 million for fiscal years 2017 and 2016, respectively. For the current fiscal year the improvement in net position can be attributed primarily to the 8.0% sewer service charge rate increase as part of a multi-year rate package implemented to address long-term system upgrades mandated by the Environmental Protection Agency.

Revenues. The Comparison of Revenues by Sources as a Percentage of Total Revenues for business-type activities in the exhibit below indicates that charges for services improved during the 2017 fiscal year. Specifically, charges for services totaled \$672.8 million for fiscal year 2017, amounting to 93.4% of the revenues from business-type activities, compared to \$618.1 million for the previous year, amounting to 90.5% of the revenues. The improvement can be attributed primarily to the 8.0% sewer service charge rate increase mentioned above compared to the 5.0% rate increase the year earlier. Charges for services for fiscal year 2017 can be disaggregated as follows: housing (\$11.8 million), sewer (\$463.9 million), solid waste (\$143.1 million), and public transportation (\$54.0 million). Capital grants and contributions decreased 54.1% from \$39.9 million for fiscal year 2016 to \$18.3 million for the current fiscal year, mainly due to less capital contributions received, a result of fewer transit vehicles contributed during the 2017 fiscal year compared to the prior fiscal year.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2017 and 2016. Public transportation (36.0%) used the most resources, followed by sewer (34.2%) and solid waste (28.0%) for fiscal year 2017.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

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 2017 fiscal year. Total fund balances decreased \$89.2 million for fiscal year 2017 in comparison to a decline of \$216.7 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	
					2017	2016
Revenues:						
Taxes	\$ 1,131.3	\$ 90.9	\$ -	\$ 10.8	\$ 1,233.0	\$ 1,162.0
Other	154.3	144.0	-	197.3	495.6	495.5
Total Revenues	1,285.6	234.9	-	208.1	1,728.6	1,657.5
Expenditures	947.7	116.9	272.3	451.2	1,788.1	1,629.4
Subtotal	337.9	118.0	(272.3)	(243.1)	(59.5)	28.1
Transfers and Other	(327.0)	(134.1)	272.3	159.1	(29.7)	(244.8)
Changes in Fund Balances	\$ 10.9	\$ (16.1)	\$ -	\$ (84.0)	\$ (89.2)	\$ (216.7)

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 increased \$10.9 million to \$326.3 million for the current fiscal year.

Real property tax, the primary General Fund revenue source rose \$82.9 million, representing an 8.2% increase over the previous year, primarily due to higher assessed values, new inventory, compliance reviews of exemptions, improved collection effectiveness, and tax appeal resolutions.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

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. One of the factors for the decrease in restricted fund balance from \$59.1 million for the 2016 fiscal year to \$43.1 million at the close of the current fiscal year was lesser collections of the public utility franchise tax. In particular, public utility franchise tax of \$44.8 million was earned during the prior fiscal year compared to \$38.9 million for the 2017 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, 2017 amounted to \$348,000, an increase of 12.6% in comparison to the prior fiscal year end, mainly due to a year-end advance from a component unit for debt service due at the beginning of the next fiscal year.

All Other Funds. This category is comprised of all the City's nonmajor governmental funds, and excludes the proprietary and fiduciary funds. The issuance of general obligation bonds (reflected as other financing source in the current year's financial statements for the general improvement bond fund and the highway improvement bond fund) resulted in less of a decline in total fund balance for the nonmajor funds compared to the prior fiscal year. Specifically, total fund balance for the fiscal year ended June 30, 2017 decreased by \$84.0 million, compared to a decline of \$201.5 million for the preceding fiscal year when no general obligation bonds were issued.

GENERAL FUND BUDGETARY HIGHLIGHTS

The variances between the budgetary estimates and the actual revenues were nominal for the following major general fund revenue sources for the 2017 fiscal year:

Revenue Sources	Revenue Budget	Actual Revenues	Variances
Real Property Tax	\$ 1,076.1	\$ 1,089.1	(1.2)%
Public Service Company Tax	43.4	42.2	2.8%
Building Permits	20.0	20.4	(2.0)%
Motor Vehicle Registration Annual Fee	14.5	14.4	0.7%
Emergency Ambulance Services	39.3	37.9	3.6%

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.

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, 2017

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 6.7% (\$72.4 million) for fiscal year 2017. The net change in fund balance for the General Fund reflected a favorable variance of \$101.3 million for fiscal year 2017.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$6.47 billion for the primary government of which \$2.62 billion pertained to governmental activities as of June 30, 2017. 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 2017. Major projects for the governmental activities include Rehabilitation of Streets (\$92.3 million), Alapai Transportation Management Center (\$24.8 million), Improvements at Various Parks (\$9.6 million), Public Safety Radio System Replacement (\$6.5 million), Pearl City Corporation Yard Renovation (\$3.2 million), and Traffic Signal and Control Improvements (\$1.9 million). For the business-type activities, the major projects include Kailua Wastewater Treatment Plant Tunnel Influent Pump Station and Headworks Facility (\$87.4 million), Kaneohe/Kailua Sewer Tunnel Project (\$34.3 million), Sand Island Wastewater Treatment Plant, Primary Expansion Phase 2 Reconstruction (\$19.8 million), Honouliuli Wastewater Treatment Plant, Secondary Treatment Project (\$9.6 million), Sand Island Wastewater Treatment Plant - Second Egg Shaped Digester and Second Sludge Storage Tank (\$7.1 million).

Major completed projects during fiscal year 2017 for the governmental activities include Rehabilitation of Streets at Various Locations (\$58.4 million), Improvements at Various Parks (\$18.0 million), acquisition and renovation of housing properties (\$14.2 million), acquisition of the Kahuku Golf Course (\$12.1 million), and Traffic Signal and Control Improvements (\$5.7 million). For the sewer business-type activity, the major completed project during the current fiscal year was the Waimalu Wastewater Pump Station Force Main and Waiiau Sewer Rehabilitation Phase 2 (\$22.3 million). For the bus business-type activity, 18 diesel and eight hybrid buses (\$15.6 million), and 20 side loaders, and 10 top loading trailers (\$7.6 million) were acquired during the 2017 fiscal year, compared to the acquisition of 53 diesel and eight hybrid buses (\$38.4 million) last fiscal year.

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, 2017**

The following is a summary of the capital assets for the primary government as of June 30, 2017 in comparison to the previous year:

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Non-depreciable assets:						
Land	\$ 530.4	\$ 511.9	\$ 160.9	\$ 160.7	\$ 691.3	\$ 672.6
Construction work in progress	273.6	188.5	718.6	537.1	992.2	725.6
Other capital assets:						
Buildings and improvements	1,507.6	1,462.3	1,879.2	1,871.9	3,386.8	3,334.2
Equipment and machinery	415.7	386.9	693.5	677.2	1,109.2	1,064.1
Infrastructure	1,733.3	1,645.5	1,797.7	1,749.5	3,531.0	3,395.0
Less: accumulated depreciation	<u>(1,835.7)</u>	<u>(1,728.3)</u>	<u>(1,405.0)</u>	<u>(1,319.8)</u>	<u>(3,240.7)</u>	<u>(3,048.1)</u>
Net	<u>\$2,624.9</u>	<u>\$2,466.8</u>	<u>\$3,844.9</u>	<u>\$3,676.6</u>	<u>\$6,469.8</u>	<u>\$6,143.4</u>

Long-Term Debt

At June 30, 2017, the long-term debt for the primary government amounted to \$4.92 billion, consisting mainly of total bonded debt (\$4.67 billion) and notes payable (\$253.9 million). The total bonded debt is comprised of \$2.74 billion in general obligation bonds, and \$1.93 billion in revenue bonds secured by wastewater system revenue sources.

The following is a summary of the bonded debt activities during fiscal year 2017:

- On October 26, 2016, \$378.8 million of general obligation bonds were issued. Series 2016A and 2016B were issued to fund various current capital improvements of the City. Series 2016C and 2016D were issued to refund portions of outstanding general obligation bonds Series 2005A, 2009D, and 2011A.
- On September 8 2016, \$448.2 million of wastewater system revenue bonds were issued. Senior Series 2016A was issued to fund additions and improvements to the wastewater system. Senior Series 2016B, 2016C and Junior Series 2016A were issued to refund portions of outstanding wastewater revenue bonds Senior Series 2006B, 2007A, 2009A, 2011A, 2012A, and Junior Series 2009A.

The general obligation bonds Series 2016A, 2016B, 2016C, 2016D, and 2016E have been assigned ratings of "Aa1" by Moody's Investors Service, and "AA+" by Fitch Ratings.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2017**

The wastewater system revenue bonds Senior Series 2016A, B, and C have been assigned a rating of "Aa2/AA" by Moody's Investors Services, and the Junior Series 2016A have been rated "Aa3/AA-" by Fitch Ratings.

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 2017 was \$29.94 billion. The City's outstanding debt applicable to the legal debt margin totaled \$2.29 billion as of June 30, 2017, well below the statutory debt limitation.

Additional information on the City's long term debt may be found on pages 82 to 88 under note number 8 titled Long-Term Liabilities in the Notes to Financial Statements section.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic indicators such as visitor industry statistics, home resale prices, overall job counts, unemployment, personal income growth, and proprietors' income suggest that the local economy is stable and healthy.

The assessed valuation of real property (including new added property inventory) on Oahu increased 6.0% to \$211.57 billion for fiscal year 2018 from \$199.63 billion for fiscal year 2017.

The operating budget net of inter-fund transfers increased to \$2.45 billion for fiscal year 2018 compared to \$2.33 billion for 2017, 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, 2017
(Amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Total Component Units
ASSETS				
Cash and cash equivalents	\$ 62,725	\$ 139,645	\$ 202,370	\$ 35,300
Investments	447,281	1,060,923	1,508,204	353,201
Receivables (net)	169,920	84,852	254,772	106,752
Advance to component unit (HART)...	80,000	--	80,000	--
Internal balances	15,500	(15,500)	--	--
Inventories	--	24,397	24,397	8,989
Prepaid expenses and other	--	2,827	2,827	51,488
Restricted assets:				
Cash and cash equivalents	--	13,927	13,927	21,590
Investments	--	268,239	268,239	23,023
Capital assets (net of accumulated depreciation):				
Land	530,376	160,898	691,274	165,364
Buildings and improvements	711,029	1,390,843	2,101,872	93,735
Equipment and machinery	124,427	185,047	309,474	100,372
Infrastructure	985,465	1,389,533	2,374,998	813,603
Construction work in progress	273,580	718,594	992,174	2,804,882
Total assets	<u>3,400,303</u>	<u>5,424,225</u>	<u>8,824,528</u>	<u>4,578,299</u>
DEFERRED OUTFLOWS				
Deferred outflows of resources	<u>961,025</u>	<u>159,084</u>	<u>1,120,109</u>	<u>78,238</u>
LIABILITIES				
Accounts payable	140,928	79,673	220,601	218,764
Matured bonds and interest payable	357	--	357	--
Accrued interest payable	25,267	50,423	75,690	4,844
Advance from City.....	--	--	--	80,000
Due to fiduciary funds	3	34	37	--
Other liabilities	--	12,189	12,189	21,011
Noncurrent liabilities:				
Due within one year	258,858	120,944	379,802	17,634
Due in more than one year	5,079,264	3,084,506	8,163,770	503,828
Total liabilities	<u>5,504,677</u>	<u>3,347,769</u>	<u>8,852,446</u>	<u>846,081</u>
DEFERRED INFLOWS				
Deferred inflows of resources	<u>34,550</u>	<u>29,635</u>	<u>64,185</u>	<u>5,766</u>
NET POSITION				
Net investment in capital assets	325,818	1,225,731	1,551,549	3,427,315
Restricted for:				
Capital activity	--	--	--	18,770
Debt service	165	165,226	165,391	--
Unrestricted	(1,503,882)	814,948	(688,934)	358,605
Total net position	<u>\$ (1,177,899)</u>	<u>\$ 2,205,905</u>	<u>\$ 1,028,006</u>	<u>\$ 3,804,690</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, 2017
 (Amounts in thousands)

(Page 1 of 2)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government.....	\$ 733,242	\$ 201,583	\$ 5,752	\$ --
Public safety.....	482,925	44,686	12,547	2,193
Highways and streets.....	71,282	169	--	1,126
Sanitation.....	1,033	--	--	--
Human services.....	98,516	460	85,050	--
Culture and recreation.....	122,453	31,748	265	--
Utilities or other enterprises.....	45,333	3,183	22,280	25,198
Interest.....	72,528	--	--	--
Total governmental activities....	<u>1,627,312</u>	<u>281,829</u>	<u>125,894</u>	<u>28,517</u>
Business-type activities:				
Housing.....	13,062	11,791	--	--
Sewer.....	248,825	463,862	--	205
Solid Waste.....	204,258	143,096	--	--
Public Transportation.....	262,397	54,057	21,000	18,127
Total business-type activities....	<u>728,542</u>	<u>672,806</u>	<u>21,000</u>	<u>18,332</u>
Total primary government.....	<u>\$ 2,355,854</u>	<u>\$ 954,635</u>	<u>\$ 146,894</u>	<u>\$ 46,849</u>
Component units:				
Total component units.....	<u>\$ 406,424</u>	<u>\$ 232,227</u>	<u>\$ 179,625</u>	<u>\$ 152,254</u>
General revenues:				
Property taxes.....				
Public service company tax.....				
Fuel tax				
Public utility franchise tax.....				
Investment earnings.....				
Unrestricted grants and contributions.....				
General Excise Tax Surcharge.....				
Other.....				
Transfers.....				
Total general revenues and transfers.....				
Change in net position.....				
Net position - beginning, as previously reported.....				
Prior period adjustments.....				
Net position - beginning, as restated.....				
Net position - ending.....				

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

CITY AND COUNTY OF HONOLULU
STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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
\$ (525,907)	\$ --	\$ (525,907)	\$ --
(423,499)	--	(423,499)	--
(69,987)	--	(69,987)	--
(1,033)	--	(1,033)	--
(13,006)	--	(13,006)	--
(90,440)	--	(90,440)	--
5,328	--	5,328	--
(72,528)	--	(72,528)	--
(1,191,072)	--	(1,191,072)	--
--	(1,271)	(1,271)	--
--	215,242	215,242	--
--	(61,162)	(61,162)	--
--	(169,213)	(169,213)	--
--	(16,404)	(16,404)	--
(1,191,072)	(16,404)	(1,207,476)	--
--	--	--	157,682
1,099,948	--	1,099,948	--
42,225	--	42,225	--
51,992	--	51,992	--
36,056	--	36,056	--
2,684	8,305	10,989	4,968
45,429	--	45,429	--
--	--	--	223,349
8,232	--	8,232	--
(233,326)	233,326	--	--
1,053,240	241,631	1,294,871	228,317
(137,832)	225,227	87,395	385,999
(993,903)	1,985,669	991,766	3,420,520
(46,164)	(4,991)	(51,155)	(1,829)
(1,040,067)	1,980,678	940,611	3,418,691
\$ (1,177,899)	\$ 2,205,905	\$ 1,028,006	\$ 3,804,690

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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, 2017
(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	\$ 237,505	\$ 41,607	\$ 348	\$ 230,546	\$ 510,006
Receivables	31,701	26,140	--	112,079	169,920
Due from other funds	132,327	--	--	237	132,564
Total Assets	<u>\$ 401,533</u>	<u>\$ 67,747</u>	<u>\$ 348</u>	<u>\$ 342,862</u>	<u>\$ 812,490</u>
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 39,944	\$ 1,831	\$ --	\$ 71,603	\$ 113,378
Accrued payroll	24,369	1,939	--	1,242	27,550
Due to other funds	6	--	--	117,061	117,067
Matured bonds and interest payable.....	--	--	348	9	357
Total Liabilities	<u>64,319</u>	<u>3,770</u>	<u>348</u>	<u>189,915</u>	<u>258,352</u>
Deferred Inflow:					
Deferred inflow	10,868	20,918	--	71,677	103,463
Total Deferred Inflow	<u>10,868</u>	<u>20,918</u>	<u>--</u>	<u>71,677</u>	<u>103,463</u>
Fund Balances:					
Restricted	--	43,059	--	139,166	182,225
Committed	112,266	--	--	20,185	132,451
Assigned	74,155	--	--	--	74,155
Unassigned	139,925	--	--	(78,081)	61,844
Total Fund Balances	<u>326,346</u>	<u>43,059</u>	<u>--</u>	<u>81,270</u>	<u>450,675</u>
Total Liabilities, Deferred Inflow and Fund Balances..	<u>\$ 401,533</u>	<u>\$ 67,747</u>	<u>\$ 348</u>	<u>\$ 342,862</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Advance from component unit HART is not due in the current period, and, therefore, is not reported in the funds.					80,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					2,624,877
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					103,463
Deferred outflows of resources reported in governmental activities are not reported in the funds.					961,025
Deferred inflows of resources reported in governmental activities are not reported in the funds.					(34,550)
Long-term liabilities, including bonds and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.					(5,363,389)
Net position of governmental activities					<u>\$ (1,177,899)</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, 2017
(Amounts in thousands)

	General Fund	Highway Fund	General Obligation Bond and Interest Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes.....	\$ 1,131,298	\$ 90,892	\$ --	\$ 10,840	\$ 1,233,030
Special assessments.....	--	--	--	3	3
Licenses and permits.....	44,699	133,146	--	5,281	183,126
Intergovernmental.....	45,429	--	--	150,737	196,166
Charges for services.....	7,263	5,021	--	21,948	34,232
Fines and forfeits.....	840	5	--	75	920
Miscellaneous:					
Reimbursements and recoveries.....	47,983	2,849	--	--	50,832
Interest.....	3,266	2	--	599	3,867
Other.....	4,795	2,982	--	18,657	26,434
Total Revenues.....	1,285,573	234,897	--	208,140	1,728,610
Expenditures:					
Current:					
General government.....	149,841	19,405	--	10,773	180,019
Public safety.....	409,075	36,619	--	10,707	456,401
Highways and streets.....	7,547	23,324	--	2,903	33,774
Sanitation.....	1,012	--	--	3	1,015
Human services.....	14,364	--	--	84,028	98,392
Culture-recreation.....	67,908	--	--	26,829	94,737
Utilities or other enterprises.....	75	2,598	--	40,609	43,282
Miscellaneous:					
Retirement and health benefits.....	261,139	31,188	--	11,223	303,550
Other.....	28,258	2,070	--	474	30,802
Capital Outlay:					
General government.....	2,058	--	--	23,771	25,829
Public safety.....	2,738	188	--	22,303	25,229
Highways and streets.....	1,005	1,461	--	128,336	130,802
Human services.....	--	--	--	18,453	18,453
Culture-recreation.....	2,693	--	--	41,218	43,911
Utilities or other enterprises.....	--	--	--	29,623	29,623
Debt service:					
Principal.....	--	--	175,468	--	175,468
Interest.....	--	--	96,193	--	96,193
Bond issuance costs	--	--	687	--	687
Total Expenditures.....	947,713	116,853	272,348	451,253	1,788,167
Revenues over (under) Expenditures.....	337,860	118,044	(272,348)	(243,113)	(59,557)
Other Financing Sources (Uses):					
Issuance of tax exempt commercial paper.....	--	--	130,000	--	130,000
Issuance of general obligation bonds.....	--	--	--	134,925	134,925
Issuance of refunding bonds.....	--	--	87,090	--	87,090
Bond premium.....	--	--	19,152	15,246	34,398
Bond discount.....	--	--	--	(165)	(165)
Repayments from component unit.....	--	--	52,202	--	52,202
Refunding of bonds and commercial paper....	--	--	(94,592)	--	(94,592)
Loss on refunding of bonds.....	--	--	(10,963)	--	(10,963)
Advance to component unit.....	--	--	(130,000)	--	(130,000)
Sales of capital assets.....	483	297	--	--	780
Transfers in.....	158,187	--	219,459	22,587	400,233
Transfers out.....	(485,659)	(134,427)	--	(13,473)	(633,559)
Total Other Financing Sources (Uses).....	(326,989)	(134,130)	272,348	159,120	(29,651)
Net change in fund balances.....	10,871	(16,086)	--	(83,993)	(89,208)
Fund Balance - July 1	315,475	59,145	--	165,263	539,883
Fund Balances - June 30.....	\$ 326,346	\$ 43,059	\$ --	\$ 81,270	\$ 450,675

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, 2017
 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ (89,208)
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.	158,049
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(3,982)
Advances to component unit HART are not reported as providing current financial resources in the governmental funds, but are reported as an asset in the government-wide financial statements. Repayment of the advance is reported as revenue for government funds but is reported as a reduction of debt in the government-wide financial statements.	80,000
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.	(88,933)
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.	(878,159)
Loss on refunding is recorded as an other financing use in the fund statement but as a resources in the government-wide financial statements. Amortization of the resources is reported as interest in the Statement of Activities but does not require current financial resources and is not reported in the funds.	6,956
Funds report expenditures for contributions for pensions. The government-wide statements report deferred outflows, deferred inflows and pension expense.	677,445
Change in net position of governmental activities	\$ (137,832)

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

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Proprietary Fund Financial Statements

Housing Development Special Fund

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

Sewer Fund

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

Solid Waste Special Fund

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

Public Transportation System

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

CITY AND COUNTY OF HONOLULU
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017
 (Amounts in thousands)

	Business-type Activities-Enterprise Funds				
	Housing	Sewer	Solid Waste	Public Transportation System	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 196	\$ 123,233	\$ 13,098	\$ 3,118	\$ 139,645
Investments	1,925	919,358	108,772	30,868	1,060,923
Receivables:					
Accounts (net of allowance for uncollectibles of \$14,369)	2,793	60,887	16,189	1,678	81,547
Interest	--	1,860	176	--	2,036
Payroll Advance	--	802	439	28	1,269
Inventories of parts, materials and supplies, at cost.....	--	15,032	--	9,365	24,397
Restricted assets:					
Cash and cash equivalents	13,375	--	--	552	13,927
Prepaid expenses and other assets	16	--	578	892	1,486
Total Current Assets	18,305	1,121,172	139,252	46,501	1,325,230
Noncurrent Assets:					
Restricted assets:					
Investments	--	247,765	20,474	--	268,239
Capital Assets:					
Land	14,578	46,025	24,063	76,232	160,898
Buildings and improvements	108,620	1,148,018	519,202	103,378	1,879,218
Transmission and distribution system	--	1,797,655	--	--	1,797,655
Equipment and machinery	1,166	82,375	294,824	32,684	411,049
Buses and other transit vehicles	--	--	--	282,473	282,473
Construction work in progress	5,472	651,279	58,298	3,545	718,594
Accumulated depreciation	(87,598)	(746,893)	(328,787)	(241,694)	(1,404,972)
Other noncurrent assets	1,206	135	--	--	1,341
Total Noncurrent Assets	43,444	3,226,359	588,074	256,618	4,114,495
Total Assets	61,749	4,347,531	727,326	303,119	5,439,725
DEFERRED OUTFLOWS					
Deferred loss on refunding of debt	2,320	52,652	18,504	--	73,476
Deferred outflows from pensions	--	48,979	33,325	3,304	85,608
Total Deferred Outflows	2,320	101,631	51,829	3,304	159,084
LIABILITIES					
Current Liabilities:					
Accounts payable	153	64,341	14,601	578	79,673
Interest payable	398	46,647	3,378	--	50,423
Notes payable	--	23,587	--	--	23,587
Bonds payable	4,077	59,875	21,465	--	85,417
Due to other funds	--	4	11,530	4,000	15,534
Reserve for insurance claims payable	--	--	--	9,708	9,708
Accrued payroll	--	1,715	1,236	62	3,013
Other current liabilities	1,154	489	1,737	958	4,338
Total Current Liabilities	5,782	196,658	53,947	15,306	271,693
Noncurrent Liabilities:					
Notes payable	--	229,182	--	--	229,182
General obligation bonds payable	35,829	715	495,578	--	532,122
Revenue bonds payable.....	--	2,012,389	--	--	2,012,389
Estimated liability for landfill closure and postclosure care costs.....	--	--	13,118	--	13,118
Net pension liability	--	127,677	86,877	4,212	218,766
Other liabilities	7,071	35,260	24,899	18,769	85,999
Total Noncurrent Liabilities	42,900	2,405,223	620,472	22,981	3,091,576
Total Liabilities	48,682	2,601,881	674,419	38,287	3,363,269
DEFERRED INFLOWS					
Deferred inflows from pensions	--	19,343	10,226	66	29,635
Total Deferred Inflows	--	19,343	10,226	66	29,635
NET POSITION					
Net investment in capital assets	4,652	874,926	89,535	256,618	1,225,731
Restricted for debt service	--	165,226	--	--	165,226
Unrestricted	10,735	787,786	4,975	11,452	814,948
Total Net Position	\$ 15,387	\$ 1,827,938	\$ 94,510	\$ 268,070	\$ 2,205,905

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, 2017
(Amounts in thousands)

	Business-type Activities-Enterprise Funds				Totals
	Housing	Sewer	Solid Waste	Public Transportation System	
Operating Revenues:					
Rental income	\$ 10,266	\$ --	\$ --	\$ --	\$ 10,266
Sewer service charges	--	447,457	--	--	447,457
Disposal and collection fees	--	--	70,350	--	70,350
Electrical energy fee	--	--	70,953	--	70,953
Passenger fares for transit services	--	--	--	53,511	53,511
Other revenue	--	11,316	1,793	546	13,655
Total Operating Revenues	10,266	458,773	143,096	54,057	666,192
Operating Expenses:					
Administrative and general	262	44,315	35,658	1,994	82,229
Maintenance	1,516	410	730	36	2,692
Depreciation	3,733	64,012	16,464	19,456	103,665
Contractual services	3,959	21,743	106,385	193,062	325,149
Fringe benefits	--	27,284	21,865	1,391	50,540
Materials and supplies	76	14,325	3,194	15,683	33,278
Fuel and lubricants	--	752	2,323	13,178	16,253
Insurance	103	--	1,724	12,516	14,343
State taxes - fuel	--	--	111	2,912	3,023
Utilities	1,878	21,768	271	1,939	25,856
Total Operating Expenses	11,527	194,609	188,725	262,167	657,028
Operating Income (Loss)	(1,261)	264,164	(45,629)	(208,110)	9,164
Nonoperating Revenues (Expenses):					
Interest revenue	9	7,718	578	--	8,305
Interest expense	(1,535)	(52,061)	(14,792)	--	(68,388)
Loss from disposal of property	--	(41)	(38)	(230)	(309)
Unrealized (loss) on investments.....	--	(2,114)	(237)	--	(2,351)
Other	1,525	5,089	(466)	21,000	27,148
Total Nonoperating Revenues					
(Expenses)	(1)	(41,409)	(14,955)	20,770	(35,595)
Income (Loss) before Transfers and					
Capital Contributions.....	(1,262)	222,755	(60,584)	(187,340)	(26,431)
Transfers In	--	--	90,399	171,962	262,361
Transfers Out	(246)	(16,199)	(12,590)	--	(29,035)
Capital Contributions	--	205	--	18,127	18,332
Change in Net Position	(1,508)	206,761	17,225	2,749	225,227
Net Position - July 1	16,895	1,624,161	79,207	265,406	1,985,669
Prior period adjustment:					
Pension Expense (GASB 82).....	--	(2,984)	(1,922)	(85)	(4,991)
Net Position - July 1 as restated.....	16,895	1,621,177	77,285	265,321	1,980,678
Net Position - June 30	\$ 15,387	\$ 1,827,938	\$ 94,510	\$ 268,070	\$ 2,205,905

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, 2017
 (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.....	\$ 8,669	\$ 454,070	\$ 133,581	\$ 53,567	\$ 649,887
Payments to suppliers.....	(9,755)	(61,534)	(118,946)	(241,178)	(431,413)
Payments to employees.....	--	(59,666)	(44,440)	(1,460)	(105,566)
Other receipts	3,703	1,900	--	253	5,856
Net cash provided by (used in) operating activities	<u>2,617</u>	<u>334,770</u>	<u>(29,805)</u>	<u>(188,818)</u>	<u>118,764</u>
Cash flows from noncapital financing activities:					
Transfers in	--	--	101,899	175,962	277,861
Transfers out	(4,248)	(16,199)	(12,590)	--	(33,037)
Grants and contributions	--	--	--	21,000	21,000
Net cash provided by (used in) noncapital financing activities	<u>(4,248)</u>	<u>(16,199)</u>	<u>89,309</u>	<u>196,962</u>	<u>265,824</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(200)	(198,737)	(21,934)	(2,342)	(223,213)
Proceeds from issuing notes	--	23,258	--	--	23,258
Proceeds from issuing bonds	--	510,000	159,335	--	669,335
Capital grants and subsidies	--	4,996	--	--	4,996
Principal paid on notes	--	(22,638)	--	--	(22,638)
Principal paid on bonds	(3,209)	(310,161)	(184,296)	--	(497,666)
Interest paid on notes	--	(2,180)	--	--	(2,180)
Interest paid on bonds	(1,501)	(81,241)	(21,630)	--	(104,372)
Net cash used in capital and related financing activities	<u>(4,910)</u>	<u>(76,703)</u>	<u>(68,525)</u>	<u>(2,342)</u>	<u>(152,480)</u>
Cash flows from investing activities:					
Purchase of investments	(3,511)	(1,705,864)	(177,289)	(23,114)	(1,909,778)
Proceeds from maturities of investments	8,334	1,452,392	180,280	15,920	1,656,926
Interest on investments	--	6,981	524	--	7,505
Net cash provided by (used in) investing activities	<u>4,823</u>	<u>(246,491)</u>	<u>3,515</u>	<u>(7,194)</u>	<u>(245,347)</u>
Net decrease in cash and cash equivalents	(1,718)	(4,623)	(5,506)	(1,392)	(13,239)
Cash and cash equivalents - July 1	15,289	127,856	18,604	5,062	166,811
Cash and cash equivalents - June 30	<u>\$ 13,571</u>	<u>\$ 123,233</u>	<u>\$ 13,098</u>	<u>\$ 3,670</u>	<u>\$ 153,572</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, 2017
 (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)	\$ (1,261)	\$ 264,164	\$ (45,629)	\$ (208,110)	\$ 9,164
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,733	64,012	16,464	19,456	103,665
Other revenues (expenses)	1,560	1,696	--	237	3,493
Writeoff of capital assets	--	1,003	--	(158)	845
(Increase) decrease in accounts receivable	(1,208)	(5,414)	(4,033)	120	(10,535)
Decrease in due from other funds	--	325	4	--	329
(Increase) decrease in inventory of parts, materials and supplies	--	375	--	(535)	(160)
Decrease in prepaid expenses and other assets	27	--	26	17	70
Increase in deferred outflows of resources	--	(35,172)	(24,148)	(849)	(60,169)
Increase (decrease) in trade accounts payables	(140)	2,495	(800)	61	1,616
Decrease in reserve for insurance claims payable	--	--	--	(686)	(686)
Increase (decrease) in other liabilities	(94)	1,995	612	47	2,560
Increase in net pension liability	--	38,991	29,724	1,685	70,400
Increase (decrease) in due to other funds	--	(9)	1	--	(8)
Increase (decrease) in deferred inflows of resources	--	309	(2,026)	(103)	(1,820)
Net cash provided by (used in) operating activities	<u>\$ 2,617</u>	<u>\$ 334,770</u>	<u>\$ (29,805)</u>	<u>\$ (188,818)</u>	<u>\$ 118,764</u>

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

Housing

Amortization of bond insurance costs amounted to \$3. Interest expense for bond premium and bond deferred loss on refunding amounted to \$82 for the year ended June 30, 2017. Beginning cash balance includes \$14,340 in restricted assets and ending cash balance includes \$13,375 in restricted assets. Transfers of \$4,002 were accrued in fiscal year 2016 and paid in fiscal year 2017.

Sewer

The Sewer Fund received \$205 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, 2017. Interest expense for bond discount and bond premium amounted to \$1,040 and (\$17,136) respectively, while amortization for bond insurance cost amounted to \$129 for the year ended June 30, 2017.

Solid Waste

Amortization of bond discount and bond insurance cost amounted to \$29 for the year ended June 30, 2017. Interest expense for bond premium and bond deferred loss on refunding amounted to (\$3,231) for the year ended June 30, 2017.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$18,127 for the year ended June 30, 2017. Beginning cash balance includes \$716 in restricted assets and ending cash balance includes \$552 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, 2017
 (Amounts in thousands)

	Private-purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ 649	\$ 8,564
Investments	4,936	40,073
Accounts receivable	--	2
Due from other funds	--	37
Total assets	5,585	48,676
<u>LIABILITIES</u>		
Accounts payable	4	6,096
Other current liabilities	--	42,580
Total liabilities	4	48,676
<u>NET POSITION</u>		
Held in trust for individuals, organizations and other governments	\$ 5,581	\$ --

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, 2017
 (Amounts in thousands)

	Private-purpose Trust Fund
<u>ADDITIONS</u>	
Interest	\$ 1
Collections for sundry creditors, contributions, etc.....	1,300
Total additions	1,301
<u>DEDUCTION</u>	
Payments in accordance with trust agreements	1,191
Change in net position	110
Net position - July 1	5,471
Net position - June 30	\$ 5,581

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, 2017
 (Amounts in thousands)

	Board of Water Supply	Honolulu Authority for Rapid Transportation	OTS, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ 28,092	\$ 2,086	\$ 5,122	\$ 35,300
Investments	332,566	20,635	--	353,201
Receivables (net)	31,908	74,844	--	106,752
Inventories	8,989	--	--	8,989
Prepaid expenses and other	15,969	35,419	100	51,488
Restricted assets:				
Cash and cash equivalents	21,038	--	552	21,590
Investments	23,023	--	--	23,023
Capital assets (net of accumulated depreciation):				
Land	32,373	132,991	--	165,364
Buildings and improvements	93,735	--	--	93,735
Equipment and machinery	100,335	37	--	100,372
Infrastructure	813,603	--	--	813,603
Construction work in progress	98,957	2,705,925	--	2,804,882
Total assets	<u>1,600,588</u>	<u>2,971,937</u>	<u>5,774</u>	<u>4,578,299</u>
DEFERRED OUTFLOWS				
Deferred outflows	<u>62,984</u>	<u>8,366</u>	<u>6,888</u>	<u>78,238</u>
LIABILITIES				
Accounts payable	18,010	196,192	4,562	218,764
Accrued interest payable	4,844	--	--	4,844
Advance from City.....	--	80,000	--	80,000
Other liabilities	3,132	2,500	15,379	21,011
Noncurrent liabilities:				
Due within one year	15,398	1,280	956	17,634
Due in more than one year	431,423	28,203	44,202	503,828
Total liabilities	<u>472,807</u>	<u>308,175</u>	<u>65,099</u>	<u>846,081</u>
DEFERRED INFLOWS				
Deferred inflow of resources	<u>5,260</u>	<u>506</u>	<u>--</u>	<u>5,766</u>
NET POSITION				
Net investment in capital assets	859,696	2,567,619	--	3,427,315
Restricted for:				
Capital activity	18,770	--	--	18,770
Unrestricted	307,039	104,003	(52,437)	358,605
Total net position	<u>\$ 1,185,505</u>	<u>\$ 2,671,622</u>	<u>\$ (52,437)</u>	<u>\$ 3,804,690</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, 2017
 (Amounts in thousands)

	Board of Water Supply	Honolulu Authority for Rapid Transportation	OTS, Inc.	Total
Expenses.....	\$ 201,448	\$ 24,087	\$ 180,889	\$ 406,424
Program Revenues:				
Charges for Services.....	231,445	313	469	232,227
Operating Grants and Contributions.....	--	--	179,625	179,625
Capital Grants and Contributions.....	25,758	126,496	--	152,254
Total Program Revenues.....	<u>257,203</u>	<u>126,809</u>	<u>180,094</u>	<u>564,106</u>
Program Revenues over (under) Expenditures.....	55,755	102,722	(795)	157,682
General Revenues:				
Investment earnings.....	4,617	351	--	4,968
General Excise Tax Surcharge.....	--	223,349	--	223,349
Total general revenues.....	<u>4,617</u>	<u>223,700</u>	<u>--</u>	<u>228,317</u>
Change in net position.....	60,372	326,422	(795)	385,999
Net position - beginning, as previously reported.....	1,126,962	2,345,200	(51,642)	3,420,520
Prior period adjustments.....	(1,829)	--	--	(1,829)
Net position - beginning, as restated.....	<u>1,125,133</u>	<u>2,345,200</u>	<u>(51,642)</u>	<u>3,418,691</u>
Net position - ending.....	<u>\$ 1,185,505</u>	<u>\$ 2,671,622</u>	<u>\$ (52,437)</u>	<u>\$ 3,804,690</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, 2017

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, 2017

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.honolulutransit.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 board 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
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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

Public Transportation System

The Public Transportation System was created for the management, operation, and maintenance of the bus transportation system, including the City bus system (The Bus) and the special transit service (The Handi-Van). Revenue sources include passenger fares for The Bus and The Handi-Van and subsidies from the general and highway funds to support transit operations. Additional sources include City contributions for the purchase of capital assets (primarily buses and vans) and funding from federal grants.

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
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017

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, 2017

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, municipal 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 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	273
Residential property historical dedication	1,642
Dedicated land in urban districts	65
Low income rental housing exemption	7,187
Total gross amount of revenue reduction	<u>\$ 21,459</u>

Unbilled Receivables

Included in the receivables at June 30, 2017 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$12.1 million and \$28.5 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 acquisition value at time of

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017 are as follows:

	Governmental Funds	Business-Type Funds	Component Units
Deferred loss on refunding of bond	\$ 96,018	\$ 73,476	\$ 18,599
Deferred pension related costs	865,007	85,608	59,639
	<u>\$ 961,025</u>	<u>\$ 159,084</u>	<u>\$ 78,238</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017 are as follows:

	Governmental Funds	Business-Type Funds	Component Units
Deferred Pension Related Costs	\$ 34,550	\$ 29,635	\$ 5,766
Unavailable Revenue			
Sub-recipient loan program	\$ 58,910	\$ -	\$ -
Public utilities franchise taxes	20,918	-	-
Real property taxes	10,839	-	-
Housing assistance loan program	12,751	-	-
Others	45	-	-
	<u>\$ 103,463</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 \$172.0 million to the Public Transportation System, \$90.4 million to the Solid Waste Fund, and authorized transfers from funds receiving revenues to funds that will expend those resources. Contributions to the capital accounts of enterprise funds are reflected in the statement of revenue, expenses and changes in net position.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 \$103.6 million at June 30, 2017.
- *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
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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	\$ -	\$ 43,059	\$ 11,698	\$ 54,757
Federal programs	-	-	28,190	28,190
Affordable housing programs	-	-	41,326	41,326
Land conservation program	-	-	17,469	17,469
Special projects	-	-	10,106	10,106
Rental assistance program	-	-	7,056	7,056
Rehabilitation loan program	-	-	6,192	6,192
Liquor Commission Office	-	-	2,121	2,121
Bikeways	-	-	357	357
Other capital projects	-	-	14,651	14,651
	<u>-</u>	<u>43,059</u>	<u>139,166</u>	<u>182,225</u>
Committed to:				
Emergency reserves	103,642	-	-	103,642
Parks and recreation	-	-	4,047	4,047
Hanauma Bay operations	-	-	6,657	6,657
Rental assistance program	-	-	1,661	1,661
Auditorium operations	-	-	6,577	6,577
Golf operations	-	-	478	478
Improvement districts	1,962	-	165	2,127
Other	6,662	-	600	7,262
	<u>112,266</u>	<u>-</u>	<u>20,185</u>	<u>132,451</u>
Assigned to:				
Provisional for Retirement & Health System Contribution - Employer	6,717	-	-	6,717
Provisional for Judgment	2,165	-	-	2,165
Recreation	9,587	-	-	9,587
Police	4,905	-	-	4,905
Environmental Services	708	-	-	708
Data Processing	3,053	-	-	3,053
Fire	3,068	-	-	3,068
Human services	7,830	-	-	7,830
Legal	2,734	-	-	2,734
Provisional for Risk Management	2,678	-	-	2,678
Building Additions and Improvements	3,425	-	-	3,425
Repairs and Maintenance	12,698	-	-	12,698
Customer Services	3,789	-	-	3,789
Planning & Zoning	3,768	-	-	3,768
Finance	1,188	-	-	1,188
Other	5,842	-	-	5,842
	<u>74,155</u>	<u>-</u>	<u>-</u>	<u>74,155</u>
Unassigned:	139,925	-	(78,081)	61,844
Total	<u>\$ 326,346</u>	<u>\$ 43,059</u>	<u>\$ 81,270</u>	<u>\$ 450,675</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 2017 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 \$572.4 million are not reported in the accompanying financial statements at June 30, 2017.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017, accumulated sick leave amounted to \$431.8 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, 2017 there was a deficit of \$10.1 million in the General Improvement Bond Fund and \$68.0 million in the Highway Improvement Bond Fund. The City issued general obligation bonds Series A in September 2017 to cover the deficit.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 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 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 implemented the provisions of this statement and determined there was no significant impact on the 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 implemented the provisions of this statement as of June 30, 2017. The implementation resulted in a restatement of \$46.2 million and \$5.0 million to the net position for governmental and business-type activities, respectively.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligation (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will have to recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The provisions of this Statement are effective for the period beginning after June 15, 2018. The City has not yet determined the effect this Statement will have on its financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement are effective for the period beginning after December 15, 2018. The City has not yet determined the effect this Statement will have on its financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses various miscellaneous issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The provisions of this Statement are effective for the period beginning after June 15, 2017. The City has not yet determined the effect this Statement will have on its financial statements.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to establish accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. The provisions of this Statement are effective for the period beginning after June 15, 2017. The City has not yet determined the effect this Statement will have on its financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thus enhancing the relevance and consistency of information reported about the government's leasing activities. The provisions of this Statement are effective for the period beginning after December 15, 2019. 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.

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, Patsy T. Mink Central Oahu Regional Park Fund, Waipio Peninsula Soccer Park Fund, Golf Fund, Special Events Fund, Special Projects Fund, Federal Grants Fund, Housing and Community Development Rehabilitation Loan Fund, and Housing and Community Development Section 8 Contract Fund.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017

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 \$5.4 billion difference are as follows (amounts in thousands):

Long-term liabilities (see Note 8)	\$ 5,338,122
Accrued interest payable and other	<u>25,267</u>
	<u><u>\$ 5,363,389</u></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 \$158.0 million difference are as follows (amounts in thousands):

Capital outlays	\$ 273,847
Contributions	1,441
Write offs	(2,603)
Depreciation expense	<u>(114,636)</u>
Net adjustment	<u><u>\$ 158,049</u></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 \$4.0 million difference are as follows (amounts in thousand):

Taxes	\$ 2,809
Special assessments	3
Intergovernmental	1,677
Other	<u>(507)</u>
Net adjustment	<u><u>\$ 3,982</u></u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 \$88.9 million difference are as follows (amounts in thousands):

Debt Issued:

General obligation bonds, net		\$	(256,248)
General obligation commercial paper			(130,000)
			(386,248)

Principal Repayments:

General obligation bonds, net	\$	247,085		
General obligation commercial paper		50,000		
Other long-term debt		230		297,315
Net adjustment				\$ (88,933)

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 \$878.2 million difference are as follows (amounts in thousands):

Increase in compensated absences	\$	(2,190)		
Increase in claims and judgments		(4,014)		
Increase in other postemployment benefits		(32,893)		
Increase in net pension liability		(837,964)		
Increase in other - accrued interest		(1,098)		
Net adjustment				\$ (878,159)

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 \$7.0 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 \$677.4 million difference are as follows (amount in thousand):

Increase in deferred outflows	\$	620,511		
Decrease in deferred inflows		56,934		
Net adjustment				\$ 677,445

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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):

	Fair Value	Quality Rating		
		Aaa	Aa1	Not Rated
Primary Government:				
U.S. government treasury	\$ 24,673	\$ 24,673	\$ -	\$ -
Certificate of deposits	713,380	-	-	713,380
Guaranteed investment contracts	12,707	-	-	12,707
U.S. government securities	1,022,535	1,022,535	-	-
Municipal securities	3,715	-	3,715	-
Component Units:				
Board of Water Supply				
U.S. government treasury	290,062	290,062	-	-
U.S. government securities	65,527	65,527	-	-
Honolulu Authority for Rapid Transportation				
U.S. government treasury	282	282	-	-
Certificate of deposits	8,544	-	-	8,544
U.S. government securities	11,736	11,736	-	-
Municipal securities	42	-	42	-
Fiduciary Funds:				
Certificate of deposits	45,009	-	-	45,009

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017, the City had no investments in money market mutual funds or external investment pools.

Concentration of Credit Risk

As of June 30, 2017, \$12.7 million is invested with FSA Capital Management Services LLC.

The fair value and maturities of investments as of June 30, 2017 were as follows (amounts in thousands):

	Cost	Fair Value	Investment Maturity in Years			
			Less than One	1 to 5	6 to 10	More than 10
Primary Government:						
U.S. government treasury	\$ 24,676	\$ 24,673	\$ -	\$ 24,673	\$ -	\$ -
Certificate of deposits	713,380	713,380	466,217	247,163	-	-
Guaranteed investment contracts	12,707	12,707	-	-	-	12,707
U.S. government securities	1,025,148	1,022,535	296,219	726,316	-	-
Municipal securities	3,707	3,715	-	3,715	-	-
Total	<u>\$ 1,779,618</u>	<u>\$ 1,777,010</u>	<u>\$ 762,436</u>	<u>\$ 1,001,867</u>	<u>\$ -</u>	<u>\$ 12,707</u>
Component Units:						
Board of Water Supply						
U.S. government treasury	\$ 291,331	\$ 290,062	\$ 57,178	\$ 232,884	\$ -	\$ -
U.S. government securities	65,928	65,527	14,839	50,688	-	-
Honolulu Authority for Rapid Transportation						
U.S. government treasury	283	282	-	282	-	-
Certificate of deposits	8,544	8,544	5,707	2,837	-	-
U.S. government securities	11,765	11,736	3,383	8,353	-	-
Municipal securities	43	42	-	42	-	-
Total	<u>\$ 377,894</u>	<u>\$ 376,193</u>	<u>\$ 81,107</u>	<u>\$ 295,086</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Funds:						
Certificate of deposits	<u>\$ 45,009</u>	<u>\$ 45,009</u>	<u>\$ 45,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, municipal securities 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, 2017

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, 2017 (amounts in thousands):

	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>
Primary Government:			
U.S. government treasury	\$ 24,673	\$ 24,673	\$ -
U.S. government securities	726,316	-	726,316
Municipal securities	3,715	3,715	
Total	<u>\$ 754,704</u>	<u>\$ 28,388</u>	<u>\$ 726,316</u>
Component Units:			
Board of Water Supply			
U.S. government treasury	\$ 290,062	\$ 290,062	\$ -
U.S. government securities	65,527	-	65,527
Honolulu Authority for Rapid Transportation			
U.S. government treasury	282	282	-
U.S. government securities	8,353	-	8,353
Municipal securities	42	42	-
Total	<u>\$ 364,266</u>	<u>\$ 290,386</u>	<u>\$ 73,880</u>

As of June 30, 2017 investments recorded at amortized cost totaled \$1.0 billion for primary government and \$11.9 million for component units.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

5. Receivables

Receivable balances, net of allowances for uncollectible accounts, at June 30, 2017 consists of the following (amounts in thousands):

	Governmental Activities	Business-Type Activities
Real property taxes	\$ 15,330	\$ -
Accounts	2,116	95,916
Public utilities franchise taxes	20,918	-
Special assessments	5	-
Notes	71,578	-
Intergovernmental	41,794	-
Interest	772	2,036
Payroll and others	19,297	1,269
Allowance for uncollectible accounts	<u>(1,890)</u>	<u>(14,369)</u>
	<u>\$ 169,920</u>	<u>\$ 84,852</u>

Revenues not collected within 60 days of fiscal year end are recorded as deferred inflows of resources in the government funds. \$103.5 million of the receivables for governmental activities have been deferred at June 30, 2017.

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable in the amount of \$70.6 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, 2017

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2017 (amounts in thousands):

Primary Government -

	Balance at June 30, 2016	Addition/ Transfer In	Retirements/ Transfers Out	Balance at June 30, 2017
Governmental Activities:				
Depreciable Assets –				
Buildings and improvements	\$ 1,462,335	\$ 45,252	\$ -	\$ 1,507,587
Equipment and machinery	386,889	36,388	(7,627)	415,650
Infrastructure	1,645,518	88,017	(182)	1,733,353
Total depreciable assets	<u>3,494,742</u>	<u>169,657</u>	<u>(7,809)</u>	<u>3,656,590</u>
Less Accumulated Depreciation –				
Buildings and improvements	(751,453)	(45,105)	-	(796,558)
Equipment and machinery	(276,963)	(21,571)	7,311	(291,223)
Infrastructure	(699,928)	(47,960)	-	(747,888)
Total accumulated depreciation	<u>(1,728,344)</u>	<u>(114,636)</u>	<u>7,311</u>	<u>(1,835,669)</u>
Net depreciable assets	1,766,398	55,021	(498)	1,820,921
Land	511,885	18,491	-	530,376
Construction Work in Progress	188,545	218,719	(133,684)	273,580
Governmental activities – capital assets, net	<u>2,466,828</u>	<u>292,231</u>	<u>(134,182)</u>	<u>2,624,877</u>
Business-type Activities:				
Depreciable Assets –				
Buildings and improvements	1,871,937	7,281	-	1,879,218
Equipment and machinery	677,175	34,988	(18,641)	693,522
Infrastructure	1,749,531	48,149	(25)	1,797,655
Total depreciable assets	<u>4,298,643</u>	<u>90,418</u>	<u>(18,666)</u>	<u>4,370,395</u>
Less Accumulated Depreciation –				
Buildings and improvements	(447,125)	(41,250)	-	(488,375)
Equipment and machinery	(498,478)	(28,507)	18,510	(508,475)
Infrastructure	(374,225)	(33,908)	11	(408,122)
Total accumulated depreciation	<u>(1,319,828)</u>	<u>(103,665)</u>	<u>18,521</u>	<u>(1,404,972)</u>
Net depreciable assets	2,978,815	(13,247)	(145)	2,965,423
Land	160,712	186	-	160,898
Construction Work in Progress	537,121	232,426	(50,953)	718,594
Business-type activities – capital assets, net	<u>3,676,648</u>	<u>219,365</u>	<u>(51,098)</u>	<u>3,844,915</u>
Total primary government capital assets, net	<u>\$ 6,143,476</u>	<u>\$ 511,596</u>	<u>\$ (185,280)</u>	<u>\$ 6,469,792</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

Discretely Presented Component Units –

	Balance at June 30, 2016	Additions/ Transfers In	Retirements/ Transfers Out	Balance at June 30, 2017
Board of Water Supply				
Depreciable Assets –				
Buildings and improvements	\$ 164,492	\$ 5,378	\$ -	\$ 169,870
Equipment and machinery	305,455	13,316	(1,530)	317,241
Infrastructure	1,469,795	37,573	(3,088)	1,504,280
Total depreciable assets	<u>1,939,742</u>	<u>56,267</u>	<u>(4,618)</u>	<u>1,991,391</u>
Less Accumulated Depreciation –				
Buildings and improvements	(72,345)	(3,790)	-	(76,135)
Equipment and machinery	(205,000)	(13,388)	1,482	(216,906)
Infrastructure	(660,377)	(32,200)	1,900	(690,677)
Total accumulated depreciation	<u>(937,722)</u>	<u>(49,378)</u>	<u>3,382</u>	<u>(983,718)</u>
Net depreciable assets	1,002,020	6,889	(1,236)	1,007,673
Land	32,373	-	-	32,373
Construction Work in Progress	87,318	62,864	(51,225)	98,957
BWS capital assets, net	<u>1,121,711</u>	<u>69,753</u>	<u>(52,461)</u>	<u>1,139,003</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	(120)	(14)	-	(134)
Total accumulated depreciation	<u>(120)</u>	<u>(14)</u>	<u>-</u>	<u>(134)</u>
Net depreciable assets	51	(14)	-	37
Land	113,505	19,486	-	132,991
Construction Work in Progress	2,146,119	559,806	-	2,705,925
HART capital assets, net	<u>2,259,675</u>	<u>579,278</u>	<u>-</u>	<u>2,838,953</u>
Total component units capital assets, net	<u>\$ 3,381,386</u>	<u>\$ 649,031</u>	<u>\$ (52,461)</u>	<u>\$ 3,977,956</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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

Governmental Activities:

General government	\$ 18,139
Public safety	24,772
Highways and streets	43,648
Culture and recreation	24,765
Sanitation	18
Utilities	2,568
Human Services	<u>726</u>
Total depreciation expense – governmental activities	<u><u>\$ 114,636</u></u>

Business-type Activities:

Housing	\$ 3,733
Sewer	64,012
Solid Waste	16,464
Public Transportation System	<u>19,456</u>
Total depreciation expense – business-type activities	<u><u>\$ 103,665</u></u>

Component Units:

Board of Water Supply (\$1,440 was allocated to various functions)	\$ 47,938
Honolulu Authority on Rapid Transportation	<u>14</u>
Total depreciation expense – component units	<u><u>\$ 47,952</u></u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2017 (amounts in thousands):

	Due From Other Funds	Due to Other Funds
General Fund	\$ 132,327	\$ 6
Nonmajor Governmental Funds	237	117,061
Fiduciary Funds	37	-
Enterprise Funds:		
Sewer Fund	-	4
Solid Waste Special Fund	-	11,530
Public Transportation System Fund	-	4,000
	<u>\$ 132,601</u>	<u>\$ 132,601</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, 2017, 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, 2017 (amounts in thousands):

	Transferred From Other Funds	Transferred To Other Funds
General Fund	\$ 158,187	\$ 485,659
Highway Fund	-	134,427
G.O. Bond and Interest Redemption Fund	219,459	-
Nonmajor Governmental Funds	22,587	13,473
Enterprise Funds:		
Housing Development Special Fund	-	246
Sewer Fund	-	16,199
Solid Waste Special Fund	90,399	12,590
Public Transportation System Fund	171,962	-
	<u>\$ 662,594</u>	<u>\$ 662,594</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017 (amounts in thousands):

Primary Government -

	Balance at June 30, 2016	Additions	Reductions	Balance at June 30, 2017	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 2,198,114	\$ 222,015	\$ 215,370	\$ 2,204,759	\$ 139,377
Add: Unamortized premium	187,666	34,398	32,040	190,024	-
Less: Unamortized discount	(1,004)	(165)	(325)	(844)	-
Total bonds payable	2,384,776	256,248	247,085	2,393,939	139,377
Notes payable to state government	1,368	-	230	1,138	237
General obligation commercial paper notes	-	130,000	50,000	80,000	80,000
Compensated absences	116,800	44,780	42,590	118,990	5,999
Other postemployment benefits	385,058	146,046	113,153	417,951	-
Net pension liability	1,372,164	837,964	-	2,210,128	-
Claims and judgments (Note 13)	111,962	35,706	31,692	115,976	33,245
Total	<u>\$ 4,372,128</u>	<u>\$ 1,450,744</u>	<u>\$ 484,750</u>	<u>\$ 5,338,122</u>	<u>\$ 258,858</u>
Business-Type Activities:					
General obligation bonds	\$ 549,546	\$ 156,790	\$ 170,540	\$ 535,796	\$ 25,602
Revenue bonds	1,763,170	448,155	281,120	1,930,205	59,815
Add: Unamortized premium	138,948	67,056	38,990	167,014	-
Less: Unamortized discount	(5,509)	(595)	(3,017)	(3,087)	-
Total bonds payable	2,446,155	671,406	487,633	2,629,928	85,417
Notes payable to state government	252,148	23,258	22,637	252,769	23,587
Reserve for insurance claims payable	27,543	12,611	13,297	26,857	9,708
Other postemployment benefits	46,354	17,005	13,032	50,327	-
Net pension liability	148,365	70,401	-	218,766	-
Estimated liability for landfill closure and post closure care costs (Note 14)	15,797	400	1,629	14,568	1,450
Compensated absences	12,418	4,544	4,727	12,235	782
Total	<u>\$ 2,948,780</u>	<u>\$ 799,625</u>	<u>\$ 542,955</u>	<u>\$ 3,205,450</u>	<u>\$ 120,944</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

Discretely Presented Component Units -

	Balance at June 30, 2016	Additions	Reductions	Balance at June 30, 2017	Amounts Due Within One Year
Board of Water Supply					
Revenue bonds	\$ 231,340	\$ -	\$ 8,135	\$ 223,205	\$ 8,365
Add: Unamortized premium	21,594	-	1,676	19,918	-
Total bonds payable	252,934	-	9,811	243,123	8,365
Notes payable to state governments	65,212	26,589	18,793	73,008	3,262
Compensated absences	6,796	3,211	3,031	6,976	3,030
Net pension liability	81,526	41,462	6,645	116,343	-
Other postemployment benefits	-	8,152	8,152	-	-
Customer advances	3,335	14,333	16,138	1,530	-
Accrued workers' compensation	2,797	594	1,124	2,267	741
Others	3,455	651	532	3,574	-
Total	<u>\$ 416,055</u>	<u>\$ 94,992</u>	<u>\$ 64,226</u>	<u>\$ 446,821</u>	<u>\$ 15,398</u>
Honolulu Authority for Rapid Transportation					
Compensated absences	\$ 1,248	\$ 475	\$ 521	\$ 1,202	\$ 114
Other postemployment benefits	2,485	607	283	2,809	-
Net pension liability	15,594	7,567	-	23,161	-
Delayed claims	6,717	3,278	9,767	228	228
Environmental remediation	8,849	2,083	8,849	2,083	938
Total	<u>\$ 34,893</u>	<u>\$ 14,010</u>	<u>\$ 19,420</u>	<u>\$ 29,483</u>	<u>\$ 1,280</u>
Oahu Transit Services, Inc.					
Compensated absences	\$ 8,549	\$ 5,614	\$ 5,502	\$ 8,661	\$ 956
Net pension liability	19,952	5,773	6,752	18,973	-
Other postemployment benefits	17,093	797	366	17,524	-
Total	<u>\$ 45,594</u>	<u>\$ 12,184</u>	<u>\$ 12,620</u>	<u>\$ 45,158</u>	<u>\$ 956</u>

General Obligation Bonds

The City issues general obligation bonds for the construction of major capital facilities. General obligation bonds in the governmental activities are direct obligations of the City for which its full faith and credit is pledged. Debt service is paid from the debt service fund. These bonds were issued during the fiscal years 1993 through 2017 in the original amount of \$3.0 billion, less discounts of \$1.4 million and adjusted for a premium of \$304.6 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 2042. General obligation debt authorized but not issued yet amounted to \$1.2 billion at June 30, 2017.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 2017 in the original amount of \$668.8 million less a discount of \$404.2 thousand and adjusted for a premium of \$43.2 million, which are being amortized over the related term of the bonds. These bonds bear interest at .08% to 5.4%, and mature serially through fiscal year 2040.

On October 26, 2016, the City issued general obligation bond Series 2016 in the aggregate amount of \$378.8 million. The bonds were comprised of Series A, B, C, and D.

Series 2016A tax-exempt were issued for \$96.4 million. The bonds mature annually on October 1, 2018 through October 1, 2041 and bear interest rates of 3.0% to 5.0%. The proceeds of the bonds were used to fund various current capital improvements of the City. For the bonds maturing on and after October 01, 2029 through October 01, 2041 the City may exercise its option of redemption on or after October 1, 2026 in whole or in part, at any time, in any order of maturity selected by the City, and by lot within maturity, at the principal amount thereof, plus interest accrued to the date fixed for redemption thereof, without premium.

Series 2016B tax-exempt were issued for \$38.5 million. The bonds mature annually on October 1, 2017 through October 1, 2024 and bear interest rates of 3.0% to 5.0%. The proceeds of the bonds were used to fund various current capital improvements of the City.

Series 2016C tax-exempt were issued for \$100.1 million. The bonds mature annually on October 1, 2021 through October 1, 2034 and bear interest rates of 4.0% to 5.0%. The proceeds of the bonds were used to refund a portion of General Obligation Bond series 2005A and 2011A. For the bonds maturing on and after October 01, 2031 through October 01, 2034 the City may exercise its option of redemption on or after October 1, 2026 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 \$8.2 million and resulted in an economic gain of approximately \$8.0 million.

CITY AND COUNTY OF HONOLULU
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Series 2016D taxable were issued for \$143.8 million. The bonds mature annually on October 1, 2017 through October 1, 2034 and bear interest rates of 0.9% to 3.2%. The proceeds of the bonds were used to refund a portion of General Obligation Bond series 2009D. For the bonds maturing on October 1, 2028 the City may exercise its option of redemption on or after October 1, 2026 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 \$14.4 million and resulted in an economic gain of approximately \$12.1 million.

General Obligation Commercial Paper Notes

The City executed General Obligation Commercial Paper Notes with a credit limit of \$450.0 million for any temporary cash shortages to complete the Honolulu Rail Transit Project. For the fiscal year 2017, \$130.0 million was drawn and \$50.0 million was paid leaving a balance of \$80.0 million. Note 15 discuss the HART executed Memorandum of Understanding (MOU) with City related to the Commercial Paper Notes.

Revenue Bonds

The BWS issued water system revenue bonds during fiscal years 2012 and 2015 in the original amount of \$230.2 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 1.3% 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 26.7% for fiscal year 2017. 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 2017 the net revenue requirements were met.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2017, in the original amount totaling \$2.7 billion, less discounts of \$37.6 million and adjusted for premiums of \$220.4 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 2047. The wastewater system revenues collateralize the revenue bonds.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

On September 08, 2016, the City issued tax-exempt wastewater system revenue bond of \$404.3 million and taxable wastewater system revenue bonds of \$43.9 million. The bonds were comprised of Senior series A, B & C and Junior series A with a total aggregate of \$448.2 million.

Senior series 2016A were issued for \$232.7 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, 2018 through July 1, 2046 and bear interest rates at 3.0% to 5.0%. For the bonds maturing on and after July 1, 2027 through July 1, 2036, the City may exercise its option of redemption on or after July 1, 2026 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 2016B were issued for \$171.6 million. The proceeds of the bonds, along with the release of \$9.4 million of common reserve funds, were used to refund a portion of revenue bond senior series 2006B, 2007A, 2009A, 2011A and 2012A. The bonds mature annually on July 1, 2022 through July 1, 2037 and bear interest rates at 3.0% to 5.0%. For the bonds maturing July 1, 2027 through July 1, 2037, the City may exercise its option of redemption on or after July 1, 2026 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 \$41.2 million and resulted in an economic gain of approximately \$21.8 million.

Senior series 2016C were issued for \$14.3 million. The proceeds of the bonds, along with the release of \$1.6 million of common reserve funds, were used to refund a portion of revenue bond senior series 2009A. The bonds mature annually on July 1, 2017 through July 1, 2027 and bear interest rates at 0.8% to 2.6%. The refunding was undertaken to reduce total debt service payments by \$3.2 million and resulted in an economic gain of approximately \$1.2 million.

Junior Series 2016A were issued for \$29.6 million. The proceeds of the bonds, were used to refund a portion of revenue bond junior series 2009A. The bonds mature annually on July 1, 2017 through July 1, 2023 and bear interest rates at 0.9% to 2.2%. The refunding was undertaken to reduce total debt service payments by \$1.5 million and resulted in an economic gain of approximately \$1.4 million.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2017

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2017 including interest of \$2.3 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
2018	\$ 96,574	\$ 139,377	\$ 109,334	\$ 85,417	\$ 205,908	\$ 224,794	\$ 9,358	\$ 8,365
2019	89,450	139,659	103,306	94,986	192,756	234,645	9,175	8,550
2020	83,533	146,278	99,772	96,297	183,305	242,575	8,902	8,820
2021	78,282	127,985	96,058	97,279	174,340	225,264	8,613	9,110
2022	73,332	127,064	92,037	100,226	165,369	227,290	8,273	9,450
2023-2027	286,742	575,747	394,623	550,773	681,365	1,126,520	34,001	56,340
2028-2032	160,013	502,409	265,214	583,196	425,227	1,085,605	19,183	71,330
2033-2037	61,767	330,251	141,366	477,409	203,133	807,660	4,850	51,240
2038-2042	8,182	115,989	51,928	266,529	60,110	382,518	-	-
2043-2047	-	-	9,442	113,889	9,442	113,889	-	-
Total	\$ 937,875	\$ 2,204,759	\$ 1,363,080	\$ 2,466,001	\$ 2,300,955	\$ 4,670,760	\$ 102,355	\$ 223,205

Total interest costs incurred by the business-type activities and BWS for the fiscal year ended June 30, 2017 was \$102.8 million, of which \$25.1 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 \$253.9 million at June 30, 2017, 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 \$73.0 million at June 30, 2017, bear interest at 0.0% to 5.0%, and require annual principal and interest payments through fiscal year 2039.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2017

Annual debt service requirements to maturity for the City's primary governmental and component units for notes payable at June 30, 2017, including interest of \$14.7 million were as follows (amounts in thousands):

Year Ending June 30:	Primary Government		BWS	
	Interest	Principal	Interest	Principal
2018	\$ 2,080	\$ 23,824	\$ 222	\$ 3,262
2019	1,812	22,901	210	3,534
2020	1,585	21,400	194	3,805
2021	1,401	21,052	178	4,079
2022	1,229	20,953	161	4,106
2023-2027	3,781	98,641	550	20,603
2028-2032	969	43,176	247	20,568
2033-2037	34	1,960	35	11,697
2038-2039	-	-	-	1,354
Total	\$ 12,891	\$ 253,907	\$ 1,797	\$ 73,008

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, 2017, \$1.1 billion of the City's and \$-0- of the Board of Water Supply's bonds outstanding were considered defeased.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

9. Net Position

At June 30, 2017, 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	\$ 2,624,877	\$ 3,844,915
Add (Less):		
General obligation bonds payable, net	(2,393,939)	(557,724)
Revenue bonds payable, net	-	(2,072,204)
Notes payable and other long-term debt	(1,138)	(252,769)
Deferred loss in refunding	96,018	73,476
Amount of debt related to unspent debt proceeds	-	190,037
	325,818	1,225,731
Restricted for Debt Service	165	165,226
Unrestricted	(1,503,882)	814,948
Total net position	\$ (1,177,899)	\$ 2,205,905

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

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2017

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
NOTES TO FINANCIAL STATEMENTS
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Act 163/2011, which was effective July 1, 2012, established employer contribution rates through June 30, 2017. Act 17/2017 established new employer contribution rates beginning July 1, 2017 until such time as new statutory changes are implemented. The rates for fiscal years 2017 through 2021 are as follows:

<u>Effective Starting</u>	<u>Police and Fire (% of total payroll)</u>	<u>General Employees (% of total payroll)</u>
July 1, 2015	25.0	17.0
July 1, 2017	28.0	18.0
July 1, 2018	31.0	19.0
July 1, 2019	36.0	22.0
July 1, 2020	41.0	24.0

Contributions to the ERS pension plan for the City and its' component units for the fiscal year ended June 30, 2017 were as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Pension Contributions	<u>\$ 139,569</u>	<u>\$ 8,375</u>

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.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2017

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.

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 seven years, pension contributions have, on average, been equal to 94% of its contribution requirement, determined in accordance with PPA 2006. In addition, annual contributions, determined as a percentage of covered payroll is approximately 49%. Contributions to the plan were \$4.7 million for the fiscal year ended June 30, 2017.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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Pension expense was approximately \$17.442 million for the fiscal year ended June 30, 2017. The payable to the pension plan was \$1.246 million as of June 30, 2017.

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.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions – At June 30, 2017 the City reported net pension liability as shown below (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Net Pension Liability	\$ 2,428,894	\$ 158,477

The net pension liability for the City and component units, BWS and HART, was measured as of June 30, 2016, 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.

Major changes in assumptions were a decrease in the investment rate of return from 7.65% to 7.00% and the mortality assumptions were modified to assume longer life expectancies as well as to reflect continuous mortality improvement. There were no changes between the measurement date, June 30, 2016, and the reporting date, June 30, 2017, that are expected to have a significant effect on the proportionate share of the net pension liability. At June 30, 2016 the City, BWS and HART proportions were as shown below:

	<u>Primary Government</u>	<u>Component Units</u>
Proportionate Share of Pension Liability	18.17%	1.05%
Increase (Decrease) in Proportionate Share from June 30, 2015	0.76%	-0.06%

The net pension liability for the OTS single-employer pension plan was measured as of February 28, 2017 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.

CITY AND COUNTY OF HONOLULU
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For the fiscal year ended June 30, 2017, the City recognized pension expense as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Pension Expense	\$ 309,332	\$ 23,332

At June 30, 2017, 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	\$ 90,434	\$ (26,493)	\$ 5,658	\$ (2,019)
Net difference between projected and actual earnings on pension plan investments	163,989	-	9,042	-
Changes of assumptions	496,445	-	28,504	-
Changes in proportion and difference between contributions and proportionate share of contributions	68,110	(37,692)	7,636	(3,747)
Contributions subsequent to the measurement date	131,637	-	8,799	-
	<u>\$ 950,615</u>	<u>\$ (64,185)</u>	<u>\$ 59,639</u>	<u>\$ (5,766)</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	\$ 131,637	\$ 8,799

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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

Year Ended June 30:	Primary Government	Component Units
2018	\$ 151,226	\$ 9,924
2019	151,226	10,050
2020	198,699	12,013
2021	169,283	8,551
2022	84,359	4,213
Thereafter	-	323
	\$ 754,793	\$ 45,074

Actuarial Assumptions –

Hawaii Employees’ Retirement System – The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the 2015 5-year Actuarial Experience Study which resulted in a significant increase in the measurement of the total net pension liability. The major changes in assumptions were a decrease in the investment return assumption and discount rate and a decrease in mortality assumptions to account for longer life expectancies and an assumption for continuing mortality improvement (generational approach). The ERS updates their experience study every five years.

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
Projected salary increases, including inflation	3.50%	to 7.00%
Payroll growth rate	3.50%	
Investment rate of return, including inflation	7.00%	

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 with adjustments based on generational projections of the BB table for 2016 and full generational projection for future years. Pre-retirement mortality rates are based on multiples of the RP-2014 mortality table based on the occupation of the member.

CITY AND COUNTY OF HONOLULU
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Fiscal Year Ended June 30, 2017

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.

In 2016 the ERS Board adopted a new long-term strategic allocation policy which incorporates a new risk-based functional allocation framework. The long-term expected rate of return on pension plan investments was determined using this new framework. The target allocation and best estimates of geometric rates of return for each risk based class are summarized in the following table:

Strategic Allocation (Risk Based Classes)	Target Allocation	Long-Term Expected Geometric Rate of Return
Broad Growth	63.00%	8.35%
Principal Protection	7.00%	2.20%
Real Return	10.00%	6.15%
Crisis Risk Offset	20.00%	5.50%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 7.00%, 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 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Primary Government	\$ 3,141,321	\$ 2,428,894	\$ 1,839,384
Component Units	\$ 178,391	\$ 139,504	\$ 107,325

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, 2016 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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	4.00%
Investment rate of return	7.00%

Mortality rates are based on the RPEC2014 v2016 fully generational mortality model for Non-Annuitant and Annuitant Males or Females, as appropriate, with adjustments for mortality improvements based on the Mortality Projection Scale MP-2016.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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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 2017 to 2063. 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:

	<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>\$ 21,013</u>	<u>\$ 18,973</u>	<u>\$ 17,139</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
Fiscal Year Ended June 30, 2017

Payables to the Pension Plans – As of June 30, 2017 payables to the City reported payables to the pension plan as follows (amounts in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
Pension Payable	\$ 26,890	\$ 900

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:

	2017	2016	2015
Annual required contribution	\$ 161,233	\$ 152,205	\$ 147,058
Interest on net OPEB obligation	30,200	27,252	24,601
Adjustment to annual required contribution	<u>(28,382)</u>	<u>(25,118)</u>	<u>(21,965)</u>
Annual OPEB cost	163,051	154,339	149,694
Contributions made	<u>(126,185)</u>	<u>(112,260)</u>	<u>(111,806)</u>
Increase in net OPEB obligation	36,866	42,079	37,888
Net OPEB obligation at beginning of fiscal year	<u>431,412</u>	<u>389,333</u>	<u>351,445</u>
Net OPEB obligation at end of fiscal year	<u>\$ 468,278</u>	<u>\$ 431,412</u>	<u>\$ 389,333</u>
Percentage of annual OPEB cost contributed	<u>77.39%</u>	<u>72.74%</u>	<u>74.69%</u>

At the August 23, 2016 meeting of the EUTF Board of Trustees, \$7.2 million was approved for transfer from the unrestricted, unreserved net assets of the retiree agency fund to the OPEB Trust. On September 1, 2016, the funds were transferred to the employers based on their prorated July 1, 2015 actuarial accrued liability. The City’s credit of \$1.1 million is included above as contributions made.

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%

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

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

In the most recent actuarial valuation, dated as of July 1, 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

CITY AND COUNTY OF HONOLULU
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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.

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, 2017 was \$8.2 million and \$0.6 million, respectively. Contributions to the plan for the for the year ended June 30, 2017 were \$11.7 million and \$0.4 million, the percentage of the annual cost contributed was 144.0% and 63.0%, and the ending net OPEB obligation was \$15.7 million and \$2.7 million, respectively.

CITY AND COUNTY OF HONOLULU
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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, 2017, 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, 2017 were \$0.4 million, the percentage of the annual cost contributed was 45.9% and the ending net OPEB obligation was \$17.5 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 \$0.83 or \$0.20 per hour for bus and paratransit operations, respectively.

For the year ended June 30, 2017, 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, 2017 were \$1.7 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
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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, 2017, the City had \$39.9 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, 2017 these assets amounted to \$13.4 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, 2017, these assets amounted to \$247.8 million.

Implementation of GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, resulted in an adjustment of approximately \$3.0 million to the July 1, 2016 net position.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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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, 2017 these assets amounted to \$20.5 million.

Implementation of GASB No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73, resulted in an adjustment of approximately \$1.9 million to the July 1, 2016 net position

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, 2017, the City had \$355.7 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, 2016 to June 30, 2017 was approximately \$468.5 thousand. In July 2010, the agreement between OTS and the City was extended. The extension provides for the City to pay OTS approximately \$117.0 thousand per quarter beginning with the quarter ended September 30, 2010, until a new management and operations agreement is executed.

The contract includes a provision that the City 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, 2017, these assets held by OTS amounted to \$552.2 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.

Implementation of GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, resulted in an adjustment of approximately \$85.0 thousand to the July 1, 2016 net position.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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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, 2017, there is no cost of equipment recorded under capital lease arrangements.

Future minimum obligations under and operating leases at June 30, 2017 were as follows (amounts in thousands):

Year Ending June 30:	<u>Operating Leases</u>
2018	\$ 6,223
2019	6,119
2020	5,440
2021	4,227
2022	3,768
2023-2027	11,366
2028-2032	100
2033-2037	90
2038-2042	50
2043-2047	50
2048-2052	50
Total minimum payments	<u>\$ 37,483</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 \$10.6 million for the fiscal year ended June 30, 2017.

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	46,938	(35,403)	11,535
Totals	<u>\$ 49,880</u>	<u>\$ (35,403)</u>	<u>\$ 14,477</u>

CITY AND COUNTY OF HONOLULU
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Future minimum rental incomes under such leases at June 30, 2017 were as follows (amounts in thousands):

Year Ending June 30:	
2018	\$ 6,593
2019	5,662
2020	3,139
2021	2,492
2022	1,276
2023 - 2027	5,286
2028 - 2032	5,018
2033 - 2037	4,340
2038 - 2042	4,350
2043 - 2047	3,902
2048 - 2052	3,277
2053 - 2057	1,256
Total minimum rental income	<u>\$ 46,591</u>

Other Commitments

Contractual commitments for capital projects, expenses and supplies at June 30, 2017 are encumbered in the governmental and fiduciary funds and are in thousands as follows:

Major Funds	
Governmental Funds:	
General Fund	\$ 74,155
Highway Fund	13,137
Total Major Funds - Governmental Funds	<u>87,292</u>
Nonmajor Funds - Other Governmental Funds	571,066
Fiduciary Funds	141
Total	<u>\$ 658,499</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, 2017:

Proprietary Funds:	
Housing	\$ 26
Sewer	434,329
Solid Waste	79,913
Public Transportation System	8,145
Total Proprietary Funds	<u>522,413</u>
Component Units:	
Board of Water Supply	196,224
Honolulu Authority for Rapid Transportation	2,603,159
Total Component Units	<u>2,799,383</u>
Total Business-Type Activities including Component Units	<u>\$ 3,321,796</u>

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017, the estimated total liability of the City for claims and judgments amounted to \$116.0 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, 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	49,786	62,176	111,962
Add, Incurred losses and loss adjustment expenses	3,806	31,900	35,706
Less, Payments	<u>(9,955)</u>	<u>(21,737)</u>	<u>(31,692)</u>
Balance at June 30, 2017	<u>\$ 43,637</u>	<u>\$ 72,339</u>	<u>\$ 115,976</u>

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 \$14.6 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2017 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, 2017	Total Estimated Cost
Waipahu incinerator landfill	100.0%	October 1991	\$ 7,144	\$ 25,791
Kapaa sanitary landfill	100.0%	May 1997	7,424	22,641
Total			<u>\$ 14,568</u>	<u>\$ 48,432</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 \$13.1 million is included in estimated liability for landfill closure and postclosure care costs.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

For fiscal year 2017, 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 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, 2017 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, 2017 the estimated capacity used is 69.1% and the estimated remaining life of the landfill is 26 years. The total closure and postclosure costs, estimated at \$42.2 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 required the City to pay a civil penalty of \$875.0 thousand which the City paid during fiscal year 2016. In addition to the civil penalty, the consent decree requires the City 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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 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 \$2.9 million for the fiscal year ended June 30, 2017. The expenditures related to these fees are included in contractual services expenses of the Sewer Fund in the accompanying statement of revenues, expenses and changes in net position for the Proprietary Funds.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017, CASE fees paid to the City amounted to \$3.3 million. Any increase for a subsequent year is subject to negotiation.

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, 2017, 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.

Effective July 1, 2017, the operations and maintenance of the system were transferred to the City pursuant to a City Charter amendment approved by the voters on November 8, 2016.

Liquidity Risk (unaudited) – The project faces the normal risk associated with a multi-year, major construction project that includes unanticipated construction delays, cost inflation over the period of construction, and economic downturns that impact revenues. On June 6, 2016, the U.S. Department of Transportation’s Federal Transit Administration (FTA) directed HART to submit a Recovery Plan to address cost and schedule concerns. During April 2017, HART submitted a recovery plan with a revised cost estimate of \$8.2 billion. However, there was no additional local resources to fund the revised cost.

On September 5, 2017, the Governor of the State of Hawaii signed into law Senate Bill 4, 2017 Special Session (SB4), which became Act 1, 2017 Special Session (Act 1), providing additional funding sources to the City and HART to complete the fixed guideway system. Act 1 authorized an extension of the General Excise Tax (GET) surcharge for 3 years from December 31, 2027, to December 31, 2030. Furthermore, Act 1 increased the state-wide Transient Accommodation Tax (TAT) from 9.25% to 10.25% for 13 years, until December 31, 2030, and dedicated the revenues from the 1.0% increase to the capital costs of the project.

On September 15, 2017, HART submitted a Recovery Plan to the FTA with an updated Financial Plan based on the additional funding sources authorized by the State of Hawaii. The FTA is currently reviewing the Recovery Plan.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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, 2017, CASE fees amounted to \$982.2 thousand of which \$102.0 thousand was related to fiscal ended June 30, 2016.

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 (HRTTP).

The City executed General Obligation Commercial Paper Notes, Issue A and Issue B on December 1, 2015 with a credit limit of \$450 million for any temporary cash shortages to complete the HRTTP. HART requested and received advances of TECP funds from the City. At June 30, 2017, advances of \$80 million are due from HART.

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, 2017, the City's reimbursement to OTS for personnel costs totaled \$179.6 million.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

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.

16. Subsequent Events

On September 14, 2017, the City issued General Obligation Bonds, tax exempt series 2017A, 2017B, 2017C, 2017D and 2017E, 2017F taxable crossover refunding bonds and taxable green bonds 2017G in the aggregate amount of \$416.7 million. Bonds maturing on or after September 1, 2028 are subject to redemption, at the option of the City and County of Honolulu on or after September 1, 2027, in whole or in part at any time. The bond proceeds will be used to fund certain capital improvement projects and to refund certain outstanding general obligation bonds previously issued by the City.

<u>Bonds Series</u>	<u>Range of interest rates</u>	<u>Mature Annually September 1,</u>	<u>Redemption Date September 1,</u>	<u>Call Date</u>	<u>Par Amount</u>
GOB 2017A	4.00% - 5.00%	2019 - 2042	2028 - 2042	9/1/2027	\$ 181,420
GOB 2017B	5.00%	2018 - 2025	-	-	34,475
GOB 2017C-D*	3.00% - 5.00%	2018 - 2033	2028 - 2033	9/1/2027	141,940
GOB 2017E	3.00% - 5.00%	2022 - 2034	2028 - 2030	9/1/2027	35,050
GOB 2017F	1.75% - 2.10%	2020 - 2021	-	-	3,725
GOB 2017G	1.38% - 4.15%	2018 - 2042	-	-	20,060
Total Par Amount					\$ 416,670

*GOB 2017C-D first maturity date is March 1, 2018

Also on September 14, 2017, the City issued \$350.0 million series 2017H General Obligation Bonds, Honolulu Rail Transit Project Index Floating Rate Bonds. Bonds mature annually on September 1, 2022 through September 1, 2028 and have a variable interest rate. The series 2017H bonds maturing on or after September 1, 2022 are subject to redemption, at the option of the City and County of Honolulu on or after September 1, 2018, in whole or in part at any time. The bond proceeds will be used to retire \$80 million general obligation commercial paper notes previously issued by the City and to fund a portion of the capital costs of the Honolulu Rail Transit Project.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2017

On December 20, 2017, the City issued wastewater system revenue bonds, Senior Series 2017A and 2017B in the aggregate amount of \$252.5 million. The bonds mature annually on July 1, 2018 through July 1, 2034 and bear interest rates of 2.4% to 3.1%. The proceeds from the bonds will be used to refund a portion of outstanding wastewater system revenue bonds Senior Series 2009B, 2010B, 2011A and 2012A.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,119,449	\$ 1,119,449	\$ 1,131,298	\$ 11,849
Licenses and permits	44,077	44,077	44,641	564
Intergovernmental	45,475	45,475	45,429	(46)
Charges for services	7,747	7,747	7,263	(484)
Fines and forfeits	730	730	840	110
Miscellaneous:				
Reimbursements and recoveries	49,924	49,924	47,983	(1,941)
Interest	1,979	1,979	2,685	706
Other	2,954	2,954	4,795	1,841
Total Revenues	1,272,335	1,272,335	1,284,934	12,599
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	18,545	19,487	17,938	1,549
City Clerk	4,270	4,270	3,907	363
City Council	6,910	6,860	5,692	1,168
Corporation Counsel	11,704	11,746	10,179	1,567
Customer Services	25,210	25,515	24,894	621
Design and Construction	14,283	14,582	14,255	327
Emergency Services	1,007	1,005	982	23
Facility Maintenance	27,229	27,663	26,432	1,231
Human Resources	6,630	6,698	6,373	325
Information Technology	22,603	22,968	22,288	680
Mayor	5,429	5,560	5,257	303
Office of the City Auditor	1,986	1,986	1,909	77
Office of Council Services	1,972	2,044	1,903	141
Planning and Permitting	15,489	15,884	14,036	1,848
Prosecuting Attorney	21,201	21,658	20,875	783
Total General government	184,468	187,926	176,920	11,006
Public safety:				
Emergency Management	1,374	1,630	1,474	156
Emergency Services	44,053	44,295	41,946	2,349
Fire	131,784	131,784	126,696	5,088
Medical Examiner	2,175	2,207	2,023	184
Planning and Permitting	5,696	5,822	5,712	110
Police	249,556	249,556	243,734	5,822
Transportation Services	900	954	946	8
Total Public safety	435,538	436,248	422,531	13,717
Highways and streets:				
Facility Maintenance	18,427	18,465	16,634	1,831
Sanitation:				
Environmental Services	1,720	1,720	1,720	--

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Human services:				
Community Services	25,717	26,577	16,687	9,890
Culture-recreation:				
Mayor	2,255	2,434	2,341	93
Parks and Recreation	80,533	81,716	77,875	3,841
Total Culture-recreation	<u>82,788</u>	<u>84,150</u>	<u>80,216</u>	<u>3,934</u>
Utilities or other enterprises:				
Transportation Services	1,001	1,001	75	926
Miscellaneous:				
Retirement and health benefits:				
City Council	4,213	4,273	3,922	351
Provisional	282,494	282,494	263,935	18,559
Total Retirement and health benefits	<u>286,707</u>	<u>286,767</u>	<u>267,857</u>	<u>18,910</u>
Other:				
City Council	419	337	8	329
Provisional	50,914	44,508	33,303	11,205
Total Other	<u>51,333</u>	<u>44,845</u>	<u>33,311</u>	<u>11,534</u>
Total Miscellaneous	<u>338,040</u>	<u>331,612</u>	<u>301,168</u>	<u>30,444</u>
Capital improvements:				
Capital improvements	1,051	1,051	366	685
Total Expenditures	<u>1,088,750</u>	<u>1,088,750</u>	<u>1,016,317</u>	<u>72,433</u>
Revenues over Expenditures	<u>183,585</u>	<u>183,585</u>	<u>268,617</u>	<u>85,032</u>
Other Financing Sources (Uses):				
Sales of capital assets	--	--	5	5
Transfers in	153,539	153,539	151,816	(1,723)
Transfers out	(503,684)	(503,684)	(485,659)	18,025
Total Other Financing Sources (Uses)	<u>(350,145)</u>	<u>(350,145)</u>	<u>(333,838)</u>	<u>16,307</u>
Net change in Fund Balance	(166,560)	(166,560)	(65,221)	101,339
Encumbrances	--	--	74,155	74,155
Fund Balance - July 1	166,564	166,564	205,146	38,582
Fund Balance - June 30	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 214,080</u>	<u>\$ 214,076</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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 98,540	\$ 98,540	\$ 90,892	\$ (7,648)
Licenses and permits	127,470	127,470	133,146	5,676
Charges for services	4,765	4,765	5,021	256
Fines and forfeits	--	--	5	5
Miscellaneous:				
Reimbursements and recoveries	2,787	2,787	2,849	62
Interest	--	0	2	2
Other	2,076	2,076	2,982	906
Total Revenues	235,638	235,638	234,897	(741)
Expenditures:				
Current:				
General government:				
Design and Construction	7,296	7,617	7,126	491
Facility Maintenance	15,912	16,170	12,603	3,567
Planning and Permitting	2,647	2,772	2,666	106
Total General government	25,855	26,559	22,395	4,164
Public safety:				
Police	31,398	31,398	30,985	413
Transportation Services	9,369	9,708	8,580	1,128
Total Public safety	40,767	41,106	39,565	1,541
Highways and streets:				
Facility Maintenance	28,386	29,885	28,093	1,792
Utilities or other enterprises:				
Transportation Services	4,678	4,800	4,469	331
Miscellaneous:				
Retirement and health benefits:				
Provisional	31,978	31,978	31,188	790
Other:				
Provisional	8,149	5,485	2,070	3,415
Total Miscellaneous	40,127	37,463	33,258	4,205
Capital improvements:				
General government	2,210	2,210	2,210	--
Total Capital improvements	2,210	2,210	2,210	--
Total Expenditures	142,023	142,023	129,990	12,033

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues over Expenditures	93,615	93,615	104,907	11,292
Other Financing Source (Use):				
Sales of capital assets	115	115	297	182
Transfers out	(136,147)	(136,147)	(134,427)	1,720
Total Other Financing Source (Use)	(136,032)	(136,032)	(134,130)	1,902
Net change in Fund Balance	(42,417)	(42,417)	(29,223)	13,194
Encumbrances	--	--	13,137	13,137
Fund Balance - July 1	42,417	42,417	59,145	16,728
Fund Balance - June 30	\$ --	\$ --	\$ 43,059	\$ 43,059

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
 NOTES TO BUDGETARY COMPARISON SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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	\$ (65,221)	\$ (29,223)
Adjustments to conform with generally accepted accounting principles:		
Encumbrances	74,155	13,137
Changes in Fund Balance for legal separate funds combined with the General Fund per GASB 54	1,937	--
Net change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 10,871	\$ (16,086)

CITY AND COUNTY OF HONOLULU
EMPLOYEES' RETIREMENT SYSTEM - PENSION PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FISCAL YEARS 2013 - 2016
 (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, 2016	18.17%	\$ 2,428,894	\$ 599,494	405.16%	51.28%
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 - 2017
(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, 2017	\$ 140,342	\$ 139,569	\$ (773)	\$ 626,639	22.27%
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, 2017

Amounts reported in the schedule of proportionate share of the net pension liability were significantly impacted by the following changes in assumptions for the measure period June 30, 2016:

- The discount rate decreased from 7.65% to 7.00
- Mortality assumptions were modified to assume longer life expectancies as well as continued mortality improvement

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 June 30, 2017. Act 17/2017 established new contribution rates beginning July 1, 2017 until statutory changes are implemented. Contribution rates by year are as follows:

<u>Effective Starting</u>	<u>Police and Fire</u>	<u>General Employees</u>
July 1, 2020	41.0%	24.0%
July 1, 2019	36.0%	22.0%
July 1, 2018	31.0%	19.0%
July 1, 2017	28.0%	18.0%
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, 2017
 (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, 2017
 (Amounts in thousands)

(Page 1 of 5)

	Special Revenue Funds			
	Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	Bikeway Fund	Parks and Playgrounds Fund	Liquor Commission Fund
ASSETS				
Cash and investments:				
With Treasury and banks.....	\$ 11,756	\$ 383	\$ 4,209	\$ 2,205
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	--
Payroll Advance	19	8	--	25
Other	--	--	--	--
Due from other funds	--	--	210	--
Total Assets	\$ 11,775	\$ 391	\$ 4,419	\$ 2,230
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 372	\$ 12
Interest and bonds payable-matured	--	--	--	--
Due to other funds	--	25	--	--
Accrued payroll	77	9	--	97
Total Liabilities	77	34	372	109
Deferred Inflow:				
Deferred inflow	--	--	--	--
Total Deferred Inflow	--	--	--	--
Fund Balances:				
Restricted	11,698	357	--	2,121
Committed	--	--	4,047	--
Unassigned	--	--	--	--
Total Fund Balances	11,698	357	4,047	2,121
Total Liabilities, Deferred Inflow and Fund Balances	\$ 11,775	\$ 391	\$ 4,419	\$ 2,230

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2017
 (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
\$ 1,661	\$ 6,768	\$ 17,469	\$ 40,329	\$ 249	\$ 421
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	11	--
--	23	--	--	28	--
--	--	--	--	11	--
--	--	--	--	8,752	--
--	--	--	--	11	--
\$ 1,661	\$ 6,791	\$ 17,469	\$ 40,329	\$ 9,062	\$ 421
\$ --	\$ 85	\$ --	\$ --	\$ 8,796	\$ --
--	--	--	--	--	--
--	--	--	--	173	--
--	49	--	--	49	--
--	134	--	--	9,018	--
--	--	--	--	11	--
--	--	--	--	11	--
--	--	17,469	40,329	33	--
1,661	6,657	--	--	--	421
--	--	--	--	--	--
1,661	6,657	17,469	40,329	33	421
\$ 1,661	\$ 6,791	\$ 17,469	\$ 40,329	\$ 9,062	\$ 421

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2017
 (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.....	\$ 179	\$ 751	\$ 7,054	\$ 9,246
Receivables:				
Accounts	--	--	--	--
Special Assessments	--	--	--	--
Loans	--	--	--	--
Intergovernmental	--	--	--	1,403
Payroll Advance	--	90	130	24
Other	--	--	--	--
Due from other funds	--	--	--	--
Total Assets	\$ 179	\$ 841	\$ 7,184	\$ 10,673
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ 150	\$ 223	\$ 434
Interest and bonds payable-matured	--	--	--	--
Due to other funds	--	1	1	8
Accrued payroll	--	212	383	125
Total Liabilities	--	363	607	567
Deferred Inflow:				
Deferred inflow	--	--	--	--
Total Deferred Inflow	--	--	--	--
Fund Balances:				
Restricted	--	--	--	10,106
Committed	179	478	6,577	--
Unassigned	--	--	--	--
Total Fund Balances	179	478	6,577	10,106
Total Liabilities, Deferred Inflow and Fund Balances	\$ 179	\$ 841	\$ 7,184	\$ 10,673

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2017
 (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
\$ 16,017	\$ 6,234	\$ 964	\$ 7,392	\$ 171	\$ 28,516
--	--	--	163	--	--
--	--	--	--	5	--
3,013	9,741	--	3,648	--	--
19,170	--	--	96	--	--
94	--	--	64	--	11
--	--	--	--	--	--
16	--	--	--	--	--
<u>\$ 38,310</u>	<u>\$ 15,975</u>	<u>\$ 964</u>	<u>\$ 11,363</u>	<u>\$ 176</u>	<u>\$ 28,527</u>
\$ 2,296	\$ 42	\$ --	\$ 89	\$ --	\$ 8,635
--	--	--	--	9	--
16,406	--	--	214	--	30,000
131	--	--	97	--	6
<u>18,833</u>	<u>42</u>	<u>--</u>	<u>400</u>	<u>9</u>	<u>38,641</u>
<u>3,013</u>	<u>9,741</u>	<u>--</u>	<u>3,907</u>	<u>2</u>	<u>--</u>
<u>3,013</u>	<u>9,741</u>	<u>--</u>	<u>3,907</u>	<u>2</u>	<u>--</u>
16,464	6,192	964	7,056	--	--
--	--	--	--	165	--
--	--	--	--	--	(10,114)
<u>16,464</u>	<u>6,192</u>	<u>964</u>	<u>7,056</u>	<u>165</u>	<u>(10,114)</u>
<u>\$ 38,310</u>	<u>\$ 15,975</u>	<u>\$ 964</u>	<u>\$ 11,363</u>	<u>\$ 176</u>	<u>\$ 28,527</u>

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2017
 (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.....	\$ 40,813	\$ 12,923	\$ 14,836	\$ 230,546
Receivables:				
Accounts	--	--	--	163
Special Assessments	--	--	--	5
Loans	--	55,003	--	71,416
Intergovernmental	--	10,547	--	31,244
Payroll Advance	--	--	--	499
Other	--	--	--	8,752
Due from other funds	--	--	--	237
Total Assets	\$ 40,813	\$ 78,473	\$ 14,836	\$ 342,862
LIABILITIES, DEFERRED INFLOW AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 38,773	\$ 11,696	\$ --	\$ 71,603
Interest and bonds payable-matured	--	--	--	9
Due to other funds	70,000	48	185	117,061
Accrued payroll	7	--	--	1,242
Total Liabilities	108,780	11,744	185	189,915
Deferred Inflow:				
Deferred inflow	--	55,003	--	71,677
Total Deferred Inflow	--	55,003	--	71,677
Fund Balances:				
Restricted	--	11,726	14,651	139,166
Committed	--	--	--	20,185
Unassigned	(67,967)	--	--	(78,081)
Total Fund Balances	(67,967)	11,726	14,651	81,270
Total Liabilities, Deferred Inflow and Fund Balances	\$ 40,813	\$ 78,473	\$ 14,836	\$ 342,862

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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, 2017
(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.....	--	441	--	4,840
Intergovernmental.....	--	--	--	--
Charges for services.....	4,604	--	--	141
Fines and forfeits.....	--	--	--	75
Miscellaneous:				
Interest.....	--	--	--	--
Other.....	6	--	--	5
Total Revenues.....	4,610	441	--	5,061
Expenditures:				
Current:				
General government.....	1,402	22	--	3,100
Public safety.....	--	570	--	--
Highways and streets.....	747	1	--	--
Sanitation.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	626	--	--	--
Utilities or other enterprises.....	--	--	--	--
Miscellaneous:				
Retirement and health benefits.....	873	92	--	1,639
Other.....	--	--	--	42
Capital Outlay:				
General government.....	--	--	--	64
Public safety.....	--	--	--	--
Highways and streets.....	--	33	--	--
Human services.....	--	--	--	--
Culture-recreation.....	--	--	2,284	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	3,648	718	2,284	4,845
Revenues over (under) Expenditures.....	962	(277)	(2,284)	216
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Bond premium	--	--	--	--
Bond discount	--	--	--	--
Transfers in.....	--	106	210	--
Transfers out.....	(264)	(40)	--	(299)
Total Other Financing Sources (Uses).....	(264)	66	210	(299)
Revenues and Other Sources over (under) Expenditures and Other Uses.....	698	(211)	(2,074)	(83)
Fund Balance - July 1	11,000	568	6,121	2,204
Fund Balances - June 30.....	\$ 11,698	\$ 357	\$ 4,047	\$ 2,121

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, 2017
(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
\$ --	\$ --	\$ 5,420	\$ 5,420	\$ --	\$ --	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	5,985	--	--
--	5,000	--	--	--	188	91
--	--	--	--	--	--	--
--	34	130	197	--	--	--
214	2,738	--	--	--	14	--
<u>214</u>	<u>7,772</u>	<u>5,550</u>	<u>5,617</u>	<u>5,985</u>	<u>202</u>	<u>91</u>
--	--	--	--	725	--	--
--	843	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
111	--	--	--	4,745	--	--
--	2,309	79	--	--	--	--
--	--	--	--	--	--	--
--	775	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	260	--	--
--	--	--	--	--	--	--
--	--	--	--	288	--	--
--	897	15,618	--	--	--	--
--	--	--	--	--	--	--
<u>111</u>	<u>4,824</u>	<u>15,697</u>	<u>--</u>	<u>6,018</u>	<u>--</u>	<u>--</u>
<u>103</u>	<u>2,948</u>	<u>(10,147)</u>	<u>5,617</u>	<u>(33)</u>	<u>202</u>	<u>91</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	(1,901)	--	--	--	(8)	(4)
--	(1,901)	--	--	--	(8)	(4)
<u>103</u>	<u>1,047</u>	<u>(10,147)</u>	<u>5,617</u>	<u>(33)</u>	<u>194</u>	<u>87</u>
<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>
<u>\$ 1,661</u>	<u>\$ 6,657</u>	<u>\$ 17,469</u>	<u>\$ 40,329</u>	<u>\$ 33</u>	<u>\$ 421</u>	<u>\$ 179</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, 2017
(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.....	--	--	13,227	45,995
Charges for services.....	6,192	5,055	677	--
Fines and forfeits.....	--	--	--	--
Miscellaneous:				
Interest.....	--	30	4	51
Other.....	2,512	8,565	1,070	1,793
Total Revenues.....	8,704	13,650	14,978	47,839
Expenditures:				
Current:				
General government.....	--	32	2,782	1,706
Public safety.....	--	--	2,785	5,679
Highways and streets.....	--	--	--	61
Sanitation.....	--	--	--	--
Human services.....	--	--	8,155	14,297
Culture-recreation.....	9,589	13,057	193	123
Utilities or other enterprises.....	--	--	13	21,768
Miscellaneous:				
Retirement and health benefits.....	3,278	4,566	--	--
Other.....	114	318	--	--
Capital Outlay:				
General government.....	--	--	--	--
Public safety.....	--	--	62	2,343
Highways and streets.....	--	--	--	--
Human services.....	--	--	--	--
Culture-recreation.....	214	175	--	--
Utilities or other enterprises.....	--	--	--	--
Total Expenditures.....	13,195	18,148	13,990	45,977
Revenues over (under) Expenditures.....	(4,491)	(4,498)	988	1,862
Other Financing Sources (Uses):				
Issuance of general obligation bonds	--	--	--	--
Bond premium	--	--	--	--
Bond discount	--	--	--	--
Transfers in.....	6,472	15,796	--	--
Transfers out.....	(2,802)	(7,942)	--	--
Total Other Financing Sources (Uses)....	3,670	7,854	--	--
Revenues and Other Sources over (under) Expenditures and Other Uses.....	(821)	3,356	988	1,862
Fund Balance - July 1	1,299	3,221	9,118	14,602
Fund Balances - June 30.....	\$ 478	\$ 6,577	\$ 10,106	\$ 16,464

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, 2017

(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
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	3	--	--
--	--	--	--	--	--
--	--	54,191	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
23	3	127	--	--	--
1,456	--	18	--	31	94
<u>1,479</u>	<u>3</u>	<u>54,336</u>	<u>3</u>	<u>31</u>	<u>94</u>
--	--	102	--	534	368
--	--	--	--	616	128
--	--	--	--	137	1,070
--	--	--	--	--	--
1,315	--	52,449	--	720	--
--	--	--	--	853	--
--	--	--	--	--	5,028
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	21,772	1,935
--	--	--	--	12,682	5,008
--	--	--	--	451	127,044
--	--	--	--	18,165	--
--	--	--	--	22,030	--
--	--	--	--	--	17,723
<u>1,315</u>	<u>--</u>	<u>52,551</u>	<u>--</u>	<u>77,960</u>	<u>158,304</u>
<u>164</u>	<u>3</u>	<u>1,785</u>	<u>3</u>	<u>(77,929)</u>	<u>(158,210)</u>
--	--	--	--	62,965	71,960
--	--	--	--	7,114	8,132
--	--	--	--	(77)	(88)
--	--	--	--	--	--
--	--	--	(3)	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>(3)</u>	<u>70,002</u>	<u>80,004</u>
164	3	1,785	--	(7,927)	(78,206)
6,028	961	5,271	165	(2,187)	10,239
<u>\$ 6,192</u>	<u>\$ 964</u>	<u>\$ 7,056</u>	<u>\$ 165</u>	<u>\$ (10,114)</u>	<u>\$ (67,967)</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, 2017

(Amounts in thousands)

(Page 5 of 5)

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Federal Grants Capital Projects Fund	Capital Projects Fund	
Revenues:			
Taxes	\$ --	\$ --	\$ 10,840
Special assessments	--	--	3
Licenses and permits.....	--	--	5,281
Intergovernmental.....	31,303	36	150,737
Charges for services.....	--	--	21,948
Fines and forfeits.....	--	--	75
Miscellaneous:			
Interest.....	--	--	599
Other.....	16	125	18,657
Total Revenues.....	<u>31,319</u>	<u>161</u>	<u>208,140</u>
Expenditures:			
Current:			
General government.....	--	--	10,773
Public safety.....	86	--	10,707
Highways and streets.....	715	172	2,903
Sanitation.....	3	--	3
Human services.....	2,236	--	84,028
Culture-recreation.....	--	--	26,829
Utilities or other enterprises.....	13,800	--	40,609
Miscellaneous:			
Retirement and health benefits.....	--	--	11,223
Other.....	--	--	474
Capital Outlay:			
General government.....	--	--	23,771
Public safety.....	1,948	--	22,303
Highways and streets.....	808	--	128,336
Human services.....	--	--	18,453
Culture-recreation.....	--	--	41,218
Utilities or other enterprises.....	11,900	--	29,623
Total Expenditures.....	<u>31,496</u>	<u>172</u>	<u>451,253</u>
Revenues over (under) Expenditures.....	<u>(177)</u>	<u>(11)</u>	<u>(243,113)</u>
Other Financing Sources (Uses):			
Issuance of general obligation bonds	--	--	134,925
Bond premium	--	--	15,246
Bond discount	--	--	(165)
Transfers in.....	--	3	22,587
Transfers out.....	--	(210)	(13,473)
Total Other Financing Sources (Uses).....	<u>--</u>	<u>(207)</u>	<u>159,120</u>
Revenues and Other Sources over (under) Expenditures and Other Uses.....	<u>(177)</u>	<u>(218)</u>	<u>(83,993)</u>
Fund Balance - July 1	<u>11,903</u>	<u>14,869</u>	<u>165,263</u>
Fund Balances - June 30.....	<u>\$ 11,726</u>	<u>\$ 14,651</u>	<u>\$ 81,270</u>

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2017
 (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	\$ 29,704	\$ 2,877	\$ 15,922	\$ --	\$ 48,503
Imprest and change funds	67	67	--	--	134
Receivable:					
Account	--	--	--	2	2
Due from other funds:					
General Fund	--	--	--	1	1
Sewer Fund	--	--	--	4	4
Golf Fund	--	--	--	1	1
Special Events Fund	--	--	--	1	1
Solid Waste Fund	19	--	--	11	30
Total Assets	<u>29,790</u>	<u>2,944</u>	<u>15,922</u>	<u>20</u>	<u>48,676</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	5,640	--	456	--	6,096
Other current liabilities	<u>24,150</u>	<u>2,944</u>	<u>15,466</u>	<u>20</u>	<u>42,580</u>
Total Liabilities	<u>29,790</u>	<u>2,944</u>	<u>15,922</u>	<u>20</u>	<u>48,676</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, 2017
 (Amounts in thousands)

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>GENERAL TRUST FUND</u>				
<u>ASSETS</u>				
Cash	\$ 28,607	\$ 113,542	\$ 112,378	\$ 29,771
Due from other funds	36	55	72	19
Total Assets	<u>\$ 28,643</u>	<u>\$ 113,597</u>	<u>\$ 112,450</u>	<u>\$ 29,790</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 7,489	\$ 110,546	\$ 112,395	\$ 5,640
Other current liabilities	21,154	113,542	110,546	24,150
Total Liabilities	<u>\$ 28,643</u>	<u>\$ 224,088</u>	<u>\$ 222,941</u>	<u>\$ 29,790</u>
<u>TREASURY TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 2,589	\$ 20,948	\$ 20,593	\$ 2,944
<u>LIABILITY</u>				
Other current liabilities	\$ 2,589	\$ 20,948	\$ 20,593	\$ 2,944
<u>REAL PROPERTY TAX TRUST FUND</u>				
<u>ASSET</u>				
Cash	\$ 15,237	\$ 13,909	\$ 13,224	\$ 15,922
Total Asset	<u>\$ 15,237</u>	<u>\$ 13,909</u>	<u>\$ 13,224</u>	<u>\$ 15,922</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2	\$ 4,370	\$ 3,916	\$ 456
Other current liabilities	15,235	18,279	18,048	15,466
Total Liabilities	<u>\$ 15,237</u>	<u>\$ 22,649</u>	<u>\$ 21,964</u>	<u>\$ 15,922</u>
<u>PAYROLL CLEARANCE FUND</u>				
<u>ASSETS</u>				
Cash	\$ --	\$ 712,430	\$ 712,430	\$ --
Accounts receivable	--	2	--	2
Due from other funds	26	45	53	18
Total Assets	<u>\$ 26</u>	<u>\$ 712,477</u>	<u>\$ 712,483</u>	<u>\$ 20</u>
<u>LIABILITIES</u>				
Accounts payable	\$ --	\$ 47,294	\$ 47,294	\$ --
Other current liabilities	26	759,703	759,709	20
Total Liabilities	<u>\$ 26</u>	<u>\$ 806,997</u>	<u>\$ 807,003</u>	<u>\$ 20</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 46,433	\$ 860,829	\$ 858,625	\$ 48,637
Accounts receivable	--	2	--	2
Due from other funds	62	100	125	37
Total Assets	<u>\$ 46,495</u>	<u>\$ 860,931</u>	<u>\$ 858,750</u>	<u>\$ 48,676</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 7,491	\$ 162,210	\$ 163,605	\$ 6,096
Other current liabilities	39,004	912,472	908,896	42,580
Total Liabilities	<u>\$ 46,495</u>	<u>\$ 1,074,682</u>	<u>\$ 1,072,501</u>	<u>\$ 48,676</u>

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FUND SCHEDULES

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

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2017
 (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.....	\$ 124,601	\$ 2	\$ 6,858
Receivables:			
Real property taxes	15,330	--	--
Accounts	158	--	--
Interest	772	--	--
Loans	67	--	--
Intergovernmental	6,128	--	--
Payroll Advance	9,246	--	--
Due from other funds	132,327	--	--
Total Assets	\$ 288,629	\$ 2	\$ 6,858
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 39,354	\$ --	\$ 590
Due to other funds	1	--	5
Accrued payroll	24,369	--	--
Total Liabilities	63,724	--	595
Deferred Inflow:			
Deferred inflow	10,825	--	--
Total Deferred Inflow	10,825	--	--
Fund Balances:			
Committed	--	2	6,263
Assigned	74,155	--	--
Unassigned	139,925	--	--
Total Fund Balances	214,080	2	6,263
Total Liabilities, Deferred Inflow and Fund Balance ...	\$ 288,629	\$ 2	\$ 6,858

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2017
 (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
\$ 103,642	\$ 214	\$ 1,962	\$ 226	\$ 237,505
--	--	--	--	15,330
--	--	--	--	158
--	--	--	--	772
--	--	--	--	67
--	--	--	--	6,128
--	--	--	--	9,246
--	--	--	--	132,327
<u>\$ 103,642</u>	<u>\$ 214</u>	<u>\$ 1,962</u>	<u>\$ 226</u>	<u>\$ 401,533</u>
\$ --	\$ --	\$ --	\$ --	\$ 39,944
--	--	--	--	6
--	--	--	--	24,369
--	--	--	--	64,319
--	43	--	--	10,868
--	43	--	--	10,868
103,642	171	1,962	226	112,266
--	--	--	--	74,155
--	--	--	--	139,925
<u>103,642</u>	<u>171</u>	<u>1,962</u>	<u>226</u>	<u>326,346</u>
<u>\$ 103,642</u>	<u>\$ 214</u>	<u>\$ 1,962</u>	<u>\$ 226</u>	<u>\$ 401,533</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, 2017
(Amounts in thousands)

(Page 1 of 2)

	Legally Separate Funds		
	General Fund	Zoo Animal Purchase Fund	Grants In Aid Fund
Revenues:			
Taxes	\$ 1,131,298	\$ --	\$ --
Licenses and permits.....	44,641	--	--
Intergovernmental.....	45,429	--	--
Charges for services.....	7,263	--	--
Fines and forfeits.....	840	--	--
Miscellaneous:			
Reimbursements and recoveries.....	47,983	--	--
Interest.....	2,685	--	26
Other.....	4,795	--	--
Total Revenues.....	1,284,934	--	26
Expenditures:			
Current:			
General government.....	149,797	--	44
Public safety.....	409,075	--	--
Highways and streets.....	7,547	--	--
Sanitation.....	1,012	--	--
Human services.....	8,857	--	5,507
Culture-recreation.....	67,908	--	--
Utilities or other enterprises.....	75	--	--
Miscellaneous:			
Retirement and health benefits.....	261,139	--	--
Other.....	28,258	--	--
Capital Outlay:			
General government.....	2,058	--	--
Public safety.....	2,738	--	--
Highways and streets.....	1,005	--	--
Culture-recreation.....	2,693	--	--
Total Expenditures.....	942,162	--	5,551
Revenues over (under) Expenditures.....	342,772	--	(5,525)
Other Financing Sources (Uses):			
Sales of capital assets	5	--	--
Transfers in.....	151,816	--	6,371
Transfers out.....	(485,659)	--	--
Total Other Financing Sources (Uses)....	(333,838)	--	6,371
Revenues and Other Sources over (under) Expenditures and Other Uses.....	8,934	--	846
Fund Balances - July 1	205,146	2	5,417
Fund Balances - June 30.....	\$ 214,080	\$ 2	\$ 6,263

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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
\$ --	\$ --	\$ --	\$ --	\$ 1,131,298
58	--	--	--	44,699
--	--	--	--	45,429
--	--	--	--	7,263
--	--	--	--	840
--	--	--	--	47,983
553	1	--	1	3,266
--	--	--	--	4,795
<u>611</u>	<u>1</u>	<u>--</u>	<u>1</u>	<u>1,285,573</u>
--	--	--	--	149,841
--	--	--	--	409,075
--	--	--	--	7,547
--	--	--	--	1,012
--	--	--	--	14,364
--	--	--	--	67,908
--	--	--	--	75
--	--	--	--	261,139
--	--	--	--	28,258
--	--	--	--	2,058
--	--	--	--	2,738
--	--	--	--	1,005
--	--	--	--	2,693
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>947,713</u>
<u>611</u>	<u>1</u>	<u>--</u>	<u>1</u>	<u>337,860</u>
478	--	--	--	483
--	--	--	--	158,187
--	--	--	--	(485,659)
<u>478</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(326,989)</u>
1,089	1	--	1	10,871
<u>102,553</u>	<u>170</u>	<u>1,962</u>	<u>225</u>	<u>315,475</u>
<u>\$ 103,642</u>	<u>\$ 171</u>	<u>\$ 1,962</u>	<u>\$ 226</u>	<u>\$ 326,346</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 124,601	\$ 226,590
Receivables:		
Real property taxes	15,330	12,729
Accounts	158	388
Interest	772	685
Loans	67	81
Intergovernmental	6,128	2,911
Payroll Advance	9,246	10,127
Due from other funds	132,327	20,967
Total Assets	\$ 288,629	\$ 274,478
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 39,354	\$ 34,995
Due to other funds	1	106
Accrued payroll	24,369	23,346
Total Liabilities	63,724	58,447
Deferred Inflow:		
Deferred inflow	10,825	10,885
Total Deferred Inflow	10,825	10,885
Fund Balance:		
Assigned	74,155	65,124
Unassigned	139,925	140,022
Total Fund Balance	214,080	205,146
Total Liabilities, Deferred Inflow and Fund Balance	\$ 288,629	\$ 274,478

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Amounts in thousands)

	2017	2016
Revenues:		
Taxes	\$ 1,131,298	\$ 1,054,429
Licenses and permits	44,641	43,559
Intergovernmental	45,429	45,413
Charges for services	7,263	7,463
Fines and forfeits	840	878
Miscellaneous:		
Reimbursements and recoveries	47,983	44,277
Interest	2,685	1,894
Other	4,795	5,531
Total Revenues	1,284,934	1,203,444
Expenditures:		
Current:		
General government	149,797	137,729
Public safety	409,075	380,881
Highways and streets	7,547	4,515
Sanitation	1,012	3,475
Human services	8,857	8,390
Culture-recreation	67,908	67,939
Utilities or other enterprises	75	--
Miscellaneous:		
Retirement and health benefits	261,139	246,129
Other	28,258	25,009
Capital outlay:		
General government	2,058	2,594
Public safety	2,738	2,232
Highways and streets	1,005	3
Sanitation	--	5
Culture-recreation	2,693	66
Debt Service:		
Principal retirement	--	521
Interest charges	--	26
Total Expenditures	942,162	879,514
Revenues over Expenditures	342,772	323,930
Other Financing Sources (Uses):		
Sales of capital assets	5	345
Transfers in	151,816	145,455
Transfers out	(485,659)	(508,890)
Total Other Financing Sources (Uses)	(333,838)	(363,090)
Revenues and Other Sources over (under) Expenditures and Other Uses	8,934	(39,160)
Fund Balance - July 1	205,146	244,306
Fund Balance - June 30	\$ 214,080	\$ 205,146

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, 2017
 (Amounts in thousands)

(Page 1 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,119,449	\$ 1,119,449	\$ 1,131,298	\$ 11,849
Licenses and permits	44,077	44,077	44,641	564
Intergovernmental	45,475	45,475	45,429	(46)
Charges for services	7,747	7,747	7,263	(484)
Fines and forfeits	730	730	840	110
Miscellaneous:				
Reimbursements and recoveries	49,924	49,924	47,983	(1,941)
Interest	1,979	1,979	2,685	706
Other	2,954	2,954	4,795	1,841
Total Revenues	1,272,335	1,272,335	1,284,934	12,599
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	17,414	18,356	17,082	1,274
City Clerk	4,162	4,162	3,799	363
City Council	6,741	6,691	5,530	1,161
Corporation Counsel	9,031	9,073	7,965	1,108
Customer Services	21,827	22,132	21,594	538
Design and Construction	9,566	9,865	9,553	312
Emergency Services	1,003	1,001	979	22
Facility Maintenance	24,848	25,282	24,857	425
Human Resources	6,567	6,635	6,314	321
Information Technology	20,182	20,547	19,978	569
Mayor	5,114	5,245	4,949	296
Office of the City Auditor	1,639	1,639	1,562	77
Office of Council Services	1,898	1,970	1,832	138
Planning and Permitting	13,212	13,607	11,761	1,846
Prosecuting Attorney	20,556	21,013	20,358	655
Total General government	163,760	167,218	158,113	9,105
Public safety:				
Emergency Management	1,359	1,615	1,460	155
Emergency Services	42,554	42,796	40,538	2,258
Fire	127,798	127,798	123,251	4,547
Medical Examiner	2,095	2,127	1,959	168
Planning and Permitting	5,696	5,822	5,712	110
Police	244,122	244,122	238,362	5,760
Transportation Services	--	54	46	8
Total Public safety	423,624	424,334	411,328	13,006

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, 2017
 (Amounts in thousands)

(Page 2 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Highways and streets:				
Facility Maintenance	13,114	13,152	11,339	1,813
Human services:				
Community Services	20,377	21,237	11,422	9,815
Culture-recreation:				
Mayor	2,211	2,390	2,306	84
Parks and Recreation	71,938	73,121	69,826	3,295
Total Culture-recreation	<u>74,149</u>	<u>75,511</u>	<u>72,132</u>	<u>3,379</u>
Utilities or other enterprises:				
Transportation Services	901	901	--	901
Miscellaneous:				
Retirement and health benefits:				
City Council	4,213	4,273	3,921	352
Provisional	275,777	275,777	257,219	18,558
Total Retirement and health benefits	<u>279,990</u>	<u>280,050</u>	<u>261,140</u>	<u>18,910</u>
Other:				
City Council	419	337	8	329
Provisional	46,252	39,846	28,641	11,205
Total Other	<u>46,671</u>	<u>40,183</u>	<u>28,649</u>	<u>11,534</u>
Total Miscellaneous	<u>326,661</u>	<u>320,233</u>	<u>289,789</u>	<u>30,444</u>
Capital improvements:				
Community Services	500	500	500	--
Design and Construction	540	540	540	--
Total Capital improvements	<u>1,040</u>	<u>1,040</u>	<u>1,040</u>	<u>--</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

(Page 3 of 3)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Total Expenditures	1,023,626	1,023,626	955,163	68,463
Revenues over Expenditures	248,709	248,709	329,771	81,062
Other Financing Sources (Uses):				
Sales of capital assets	--	--	5	5
Transfers in:				
Central administrative service expenses	43,940	43,940	43,940	--
Debt service	108,828	108,828	107,105	(1,723)
Other	771	771	771	--
Transfers out:				
Debt service	(221,983)	(221,983)	(219,459)	2,524
Bus subsidy	(151,056)	(151,056)	(147,056)	4,000
Other	(130,645)	(130,645)	(119,144)	11,501
Total Other Financing Sources (Uses)	(350,145)	(350,145)	(333,838)	16,307
Revenues and Other Sources under Expenditures and Other Uses	(101,436)	(101,436)	(4,067)	97,369
Unreserved - Undesignated Fund Balance - July 1	101,440	101,440	140,022	38,582
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 4	\$ 4	135,955	\$ 135,951
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			49,342	
Expenditures - prior year encumbrances			(36,341)	
Increase in reserved for encumbrances			(9,031)	
Unreserved - Undesignated Fund Balance - June 30			139,925	
Reserved for Encumbrances - June 30			74,155	
Fund Balance - June 30 (GAAP Basis)			\$ 214,080	

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 1,076,077	\$ 1,089,073	\$ 12,996
PUBLIC SERVICE COMPANY TAX:			
Public Service Company Tax	43,372	42,225	(1,147)
TOTAL TAXES	1,119,449	1,131,298	11,849
LICENSES AND PERMITS			
BUSINESS LICENSES AND PERMITS:			
Police and Protective:			
Second-Hand and Junk Dealers	18	13	(5)
Alarm Permits	235	181	(54)
Other	17	20	3
Professional and Occupational:			
Other	1	2	1
Total Business Licenses and Permits	271	216	(55)
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits:			
Building	20,000	20,356	356
Signs	25	48	23
Motor Vehicle Licenses and Fees:			
Motor Vehicle Plate and Tag Fees	1,792	1,788	(4)
Motor Vehicle Transfer Fees and Penalty	2,669	2,846	177
Duplicate Registration & Ownership Certificates	203	203	--
Motor Vehicle Registration Annual Fee	14,509	14,449	(60)
Other	65	101	36
Other Vehicle Licenses and Fees:			
Passenger and Freight Vehicle Permit Fees	105	19	(86)
Nonresident Vehicle Permit	29	24	(5)
Motor Vehicle Drivers' Licenses	3,096	3,008	(88)
Animal Licenses:			
Dog Licenses and Tag Fees	185	188	3
Street, Sidewalk and Curb Permits:			
Easement Grants	85	81	(4)
Newsstands	11	10	(1)
Dispensing Rack	201	275	74
Fire Code Permits and License Fees	502	662	160
Fireworks License Fees	25	44	19
Camping Permits	304	323	19
Total Non-Business Licenses and Permits	43,806	44,425	619
TOTAL LICENSES AND PERMITS	44,077	44,641	564

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	45,423	--
INTERGOVERNMENTAL PAYMENTS IN LIEU OF TAXES:			
Fish and Wildlife Service	<u>52</u>	<u>6</u>	<u>(46)</u>
TOTAL INTERGOVERNMENTAL	<u>45,475</u>	<u>45,429</u>	<u>(46)</u>
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Data Processing Services:			
Duplication of Master Tapes	47	63	16
Data Processing Service - State	730	748	18
Data Processing Service - U.S. Government	1	--	(1)
Data Processing Service - Other Counties	400	43	(357)
Legal Services (BWS)	160	157	(3)
Service Fee for Dishonored Checks	21	22	1
Service Fee for Credit Card Payments	--	46	46
Band Collections	2	--	(2)
Automotive Equipment Service Charges	155	115	(40)
Subdivision Fees	90	103	13
Application Fees for Zoning Regulations	280	237	(43)
Nonconforming Use Renewal Fees	240	265	25
Plan Review Use Fees	1,800	1,502	(298)
Administrative Fee--Multi-Family Housing Program.....	21	90	69
Military Housing Fee in Lieu of Property Tax	1,007	960	(47)
Zoning/Flood Clearance Fee	85	103	18
Fees for Certificates, Copies & Extracts of Records	156	168	12
Fees for Services	117	137	20
Custodial and Attendant Services	432	469	37
Spay-Neuter Service	393	285	(108)
Other	<u>11</u>	<u>12</u>	<u>1</u>
Total General Government	<u>6,148</u>	<u>5,525</u>	<u>(623)</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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 ...	27	12	(15)
HPD Special Duty Fees	330	350	20
Total Public Safety	357	362	5
HIGHWAYS AND STREETS:			
Parking:			
City Employees	700	688	(12)
HPD Parking Lot	120	125	5
Other	--	17	17
Total Highways and Streets	820	830	10
CULTURE-RECREATION:			
Commercial Activities:			
Scuba, Snorkeling and Windsurfing	28	27	(1)
Commercial Filming	48	68	20
Summer Fun Program	183	233	50
Fall and Spring Program	--	33	33
Fees for Use of Parks	--	4	4
Foster Botanic Garden	117	135	18
Fees for Community Garden	46	46	--
Total Culture-Recreation	422	546	124
TOTAL CHARGES FOR SERVICES	7,747	7,263	(484)
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	700	815	115
FORFEITS:			
Forfeiture of Seized Property	30	25	(5)
TOTAL FINES AND FORFEITS	730	840	110

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	735	645	(90)
Administration Cost - Ewa Highway Impact Fee	15	--	(15)
Hawaii State ID Program	736	625	(111)
Emergency Ambulance Services	39,290	37,856	(1,434)
Collection Cost - State Motor Vehicle			
Weight Tax, etc.	1,005	967	(38)
Commercial Drivers' License Program	618	504	(114)
Other	142	153	11
Recoveries:			
Workers' Compensation Payment	550	738	188
Central Administrative Service Expenses:			
Board of Water Supply	3,300	3,300	--
Honolulu Authority for Rapid Transportation	1,018	982	(36)
Recovery-Interest-Federal Subsidy	1,305	1,215	(90)
Workers' Compensation Claims (Third Party)	100	301	201
Recoveries - Other	1,081	697	(384)
Total Reimbursements and Recoveries	<u>49,924</u>	<u>47,983</u>	<u>(1,941)</u>
INTEREST:			
Interest Earnings:			
Investments	1,979	2,683	704
Other Sources	--	2	2
Total Interest	<u>1,979</u>	<u>2,685</u>	<u>706</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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)	63	226	163
Rental Units (HCD Property)	205	222	17
Rental - Ambulance Facilities	64	64	--
Rental of Parks and Recreational Facilities:			
Perquisite Housing	42	14	(28)
Other	3	2	(1)
Rental of Equipment	18	4	(14)
Rental for Use of Land	180	720	540
Total Rents	<u>575</u>	<u>1,252</u>	<u>677</u>
Contributions from Private Sources:			
Developers' Premium	40	41	1
Unclaimed Monies:			
Police Department	15	21	6
Other Escheats	100	142	42
Total Contributions from Private Sources	<u>155</u>	<u>204</u>	<u>49</u>
Other:			
Towing Service Premiums	120	110	(10)
Vacation Accumulation Deposits	43	394	351
Miscellaneous Sales	1,239	624	(615)
Sundry Refunds	802	2,122	1,320
Sundry Realizations	20	89	69
Total Other	<u>2,224</u>	<u>3,339</u>	<u>1,115</u>
Total Other Miscellaneous	<u>2,954</u>	<u>4,795</u>	<u>1,841</u>
TOTAL MISCELLANEOUS	<u>54,857</u>	<u>55,463</u>	<u>606</u>
TOTAL REVENUES	<u>1,272,335</u>	<u>1,284,934</u>	<u>12,599</u>

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	--	5	5
TOTAL SALES OF CAPITAL ASSETS	--	5	5
TRANSFERS FROM OTHER FUNDS:			
Recovery of Central Administrative Service Expenses:			
Highway Fund	12,462	12,462	--
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	264	264	--
Bikeway Fund	40	40	--
Sewer Fund	15,692	15,692	--
Liquor Commission Fund	299	299	--
Hanauma Bay Nature Preserve Fund	414	414	--
Golf Fund	807	807	--
Special Events Fund	1,378	1,378	--
Patsy T. Mink Central Oahu Regional Park Fund	8	8	--
Waipio Peninsula Soccer Park Fund	4	4	--
Solid Waste Special Fund	12,326	12,326	--
Housing Development Special Fund	246	246	--
Recovery of Debt Service Charges:			
Highway Fund	98,779	97,059	(1,720)
Hanauma Bay Nature Preserve Fund	1,490	1,487	(3)
Golf Fund	1,995	1,995	--
Special Events Fund	6,564	6,564	--
Other Transfers:			
Sewer Fund	507	507	--
Solid Waste Special Fund	264	264	--
TOTAL TRANSFERS FROM OTHER FUNDS ...	153,539	151,816	(1,723)
TOTAL OTHER FINANCING SOURCES	153,539	151,821	(1,718)
TOTAL GENERAL FUND	\$ 1,425,874	\$ 1,436,755	\$ 10,881

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 41,607	\$ 57,076
Receivables:		
Public Utilities	20,918	23,763
Intergovernmental	4,422	4,655
Payroll advance	800	888
Other receivables	--	4
Due from other fund:		
Federal Grants Fund	--	426
Total Assets	\$ 67,747	\$ 86,812
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,831	\$ 1,968
Due to other funds:		
General Fund	--	151
Solid Waste Fund	--	2
Payroll Clearance Fund	--	7
Accrued payroll	1,939	1,776
Total Liabilities	3,770	3,904
Deferred Inflow:		
Deferred inflow	20,918	23,763
Total Deferred Inflow	20,918	23,763
Fund Balance:		
Restricted	43,059	59,145
Total Fund Balance	43,059	59,145
Total Liabilities, Deferred Inflow and Fund Balance	\$ 67,747	\$ 86,812

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Amounts in thousands)

	2017	2016
Revenues:		
Taxes	\$ 90,892	\$ 97,538
Licenses and permits	133,146	132,790
Charges for services	5,021	4,617
Fines and forfeits	5	--
Miscellaneous:		
Reimbursements and recoveries	2,849	2,761
Interest	2	--
Other	2,982	2,412
Total Revenues	234,897	240,118
Expenditures:		
Current:		
General government	19,405	20,270
Public safety	36,619	33,098
Highways and streets	23,324	20,189
Utilities or other enterprises	2,598	1,936
Miscellaneous:		
Retirement and health benefits	31,188	26,628
Other	2,070	2,314
Capital improvements:		
General government	--	1,085
Highways and streets	1,461	12
Public Safety	188	--
Total Expenditures	116,853	105,532
Revenues over Expenditures	118,044	134,586
Other Financing Source (Use):		
Sales of capital assets	297	213
Transfers out	(134,427)	(141,893)
Total Other Financing Source (Use)	(134,130)	(141,680)
Revenues and Other Source under Expenditures and Other Use	(16,086)	(7,094)
Fund Balance - July 1	59,145	66,239
Fund Balance - June 30	\$ 43,059	\$ 59,145

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 98,540	\$ 98,540	\$ 90,892	\$ (7,648)
Licenses and permits	127,470	127,470	133,146	5,676
Charges for services	4,765	4,765	5,021	256
Fines and forfeits	--	--	5	5
Miscellaneous:				
Reimbursements and recoveries	2,787	2,787	2,849	62
Interest	--	--	2	2
Other	2,076	2,076	2,982	906
Total Revenues	235,638	235,638	234,897	(741)
Expenditures:				
Current:				
General government:				
Design and Construction	6,011	6,332	5,859	473
Facility Maintenance	14,858	15,116	12,224	2,892
Planning and Permitting	2,590	2,715	2,609	106
Total General government	23,459	24,163	20,692	3,471
Public safety:				
Police	31,360	31,360	30,947	413
Transportation Services	7,089	7,428	6,300	1,128
Total Public safety	38,449	38,788	37,247	1,541
Highways and streets:				
Facility Maintenance	21,294	22,793	21,003	1,790
Utilities or other enterprises:				
Transportation Services	2,227	2,349	2,018	331
Miscellaneous:				
Retirement and health benefits:				
Provisional	31,978	31,978	31,188	790
Other:				
Provisional	8,149	5,485	2,070	3,415
Total Miscellaneous	40,127	37,463	33,258	4,205
Total Expenditures	125,556	125,556	114,218	11,338
Revenues over Expenditures	110,082	110,082	120,679	10,597

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, 2017
 (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	115	115	297	182
Transfers out:				
Debt service	(98,779)	(98,779)	(97,059)	1,720
Reimbursement for central administrative service expenses	(12,462)	(12,462)	(12,462)	--
Bus subsidy	(24,906)	(24,906)	(24,906)	--
Total Transfers out.....	(136,147)	(136,147)	(134,427)	1,720
Total Other Financing Source (Uses)	(136,032)	(136,032)	(134,130)	1,902
Revenues and Other Source under Expenditures and Other Uses	(25,950)	(25,950)	(13,451)	12,499
Unreserved - Undesignated Fund Balance - July 1	25,950	25,950	42,678	16,728
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis).....	\$ --	\$ --	29,227	\$ 29,227
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			5,717	
Expenditures - prior year encumbrances			(8,352)	
Decrease in reserved for encumbrances			3,330	
Unreserved - Undesignated Fund Balance - June 30			29,922	
Reserved for Encumbrances - June 30			13,137	
Fund Balance - June 30 (GAAP Basis)			\$ 43,059	

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

(Page 1 of 3)

<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	\$ 47,525	\$ 38,900	\$ (8,625)
SELECTIVE SALES AND USE TAXES:			
Fuel Tax	51,015	51,992	977
TOTAL TAXES	98,540	90,892	(7,648)
<u>LICENSES AND PERMITS</u>			
NON-BUSINESS LICENSES AND PERMITS:			
Building Structures and Equipment Permits -			
Grading, Excavations and Fills	250	269	19
Other Permits	30	12	(18)
Motor Vehicle Licenses and Fees -			
Motor Vehicle Weight Tax	122,871	128,020	5,149
Other Vehicle Licenses and Fees	3,850	4,386	536
Street and Sidewalk Use	23	15	(8)
Freight Curb and Passenger Loading Zone Permits	266	275	9
Excavation and Repair of Streets and Sidewalks	180	169	(11)
TOTAL LICENSES AND PERMITS	127,470	133,146	5,676
<u>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Sidewalk and Driveway Specifications Filing Fees	30	16	(14)
HIGHWAYS AND STREETS:			
Street and Sidewalk Charges	74	75	1
Placards and Car-sharing Parking	308	2	(306)
Street Parking Meter Collections	3,325	3,801	476
Other Parking Meter Collections	983	1,097	114
Other	45	30	(15)
Total Highways and Streets	4,735	5,005	270
TOTAL CHARGES FOR SERVICES	4,765	5,021	256
<u>FINES AND FORFEITS</u>			
FINES:			
Fines	--	5	5
TOTAL FINES AND FORFEITS	--	5	5

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Amounts in thousands)

(Page 2 of 3)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
MISCELLANEOUS			
REIMBURSEMENTS AND RECOVERIES:			
Reimbursement from State for			
Traffic Signal Maintenance	360	593	233
Recovery of Overhead Charges	9	4	(5)
Recovery - Federal Interest Subsidy	2,418	2,252	(166)
Total Reimbursements and Recoveries	<u>2,787</u>	<u>2,849</u>	<u>62</u>
INTEREST:			
Interest Earnings:			
Other Sources	--	2	2
Total Interest	<u>--</u>	<u>2</u>	<u>2</u>
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	--	275	275
Total Rents	<u>--</u>	<u>275</u>	<u>275</u>
Concessions:			
Marin Towers Garage	246	267	21
Harbor Court Garage	522	458	(64)
Kaimuki Parking Lot	540	540	--
Kukui Plaza Garage	301	301	--
Smith-Beretania Garage	324	324	--
Total Concessions	<u>1,933</u>	<u>1,890</u>	<u>(43)</u>
Other:			
Vacation Accumulation Deposits	8	78	70
Miscellaneous Sales	5	6	1
Sundry Refunds	130	733	603
Total Other	<u>143</u>	<u>817</u>	<u>674</u>
Total Other Miscellaneous	<u>2,076</u>	<u>2,982</u>	<u>906</u>
TOTAL MISCELLANEOUS	<u>4,863</u>	<u>5,833</u>	<u>970</u>
TOTAL REVENUES	<u>235,638</u>	<u>234,897</u>	<u>(741)</u>

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

(Page 3 of 3)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>OTHER FINANCING SOURCES</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Compensation for Loss of Capital Assets	115	297	182
TOTAL OTHER FINANCING SOURCES	115	297	182
TOTAL HIGHWAY FUND	\$ 235,753	\$ 235,194	\$ (559)

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

BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 11,756	\$ 11,060
Receivable:		
Payroll advance	19	25
Total Assets	\$ 11,775	\$ 11,085
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ --	\$ 16
Due to other fund:		
General Fund	--	5
Accrued payroll	77	64
Total Liabilities	77	85
Fund Balance:		
Restricted	11,698	11,000
Total Fund Balance	11,698	11,000
Total Liabilities and Fund Balance	\$ 11,775	\$ 11,085

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, 2017
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,496	\$ 4,604	\$ 108
Miscellaneous:			
Other	--	6	6
Total Revenues	4,496	4,610	114
Expenditures:			
Current:			
General government:			
Customer Services	2,961	1,746	1,215
Highways and streets:			
Facility Maintenance	824	723	101
Culture-recreation:			
Parks and Recreation	610	610	--
Miscellaneous:			
Retirement and health benefits:			
Provisional	886	873	13
Total Expenditures	5,281	3,952	1,329
Revenues over (under) Expenditures	(785)	658	1,443
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(264)	(264)	--
Revenues over (under) Expenditures and Other Use	(1,049)	394	1,443
Unreserved - Undesignated Fund Balance - July 1	8,789	9,897	1,108
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 7,740	10,291	\$ 2,551
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		717	
Expenditures - prior year encumbrances		(413)	
Increase in reserved for encumbrances		(291)	
Unreserved - Undesignated Fund Balance - June 30		10,304	
Reserved for Encumbrances - June 30		1,394	
Fund Balance - June 30 (GAAP Basis)		\$ 11,698	

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, 2017
(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	\$ 4,496	\$ 4,604	\$ 108
 MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	6	6
 TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUES			
	<u>\$ 4,496</u>	<u>\$ 4,610</u>	<u>\$ 114</u>

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 383	\$ 746
Receivable:		
Payroll advance	8	8
Total Assets	\$ 391	\$ 754
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ --	\$ 176
Accrued payroll	9	10
Due to other fund:		
Parks and Playground Fund	25	--
Total Liabilities	34	186
Fund Balance:		
Restricted	357	568
Total Fund Balance	357	568
Total Liabilities and Fund Balance	\$ 391	\$ 754

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, 2017
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Licenses and permits	\$ 481	\$ 441	\$ (40)
Total Revenue	<u>481</u>	<u>441</u>	<u>(40)</u>
Expenditures:			
Current:			
General government:			
Facility Maintenance	19	19	--
Public safety:			
Transportation Services	667	609	58
Highways and streets:			
Facility Maintenance	16	3	13
Miscellaneous:			
Retirement and health benefits:			
Provisional	96	92	4
Total Expenditures	<u>798</u>	<u>723</u>	<u>75</u>
Revenue under Expenditures	<u>(317)</u>	<u>(282)</u>	<u>35</u>
Other Financing Source (Uses):			
Transfer in	106	106	--
Transfer out:			
Reimbursement for central administrative service expenses	(40)	(40)	--
Total Transfers out	<u>(40)</u>	<u>(40)</u>	<u>0</u>
Total Other Financing Source (Uses)	<u>66</u>	<u>66</u>	<u>--</u>
Revenue and Other Source under Expenditures and Other Uses	(251)	(216)	35
Unreserved - Undesignated Fund Balance - July 1	251	286	35
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	70	<u>\$ 70</u>
Adjustments to conform with generally accepted accepted accounting principles:			
Encumbrances included above		192	
Expenditures - prior year encumbrances		(187)	
Decrease in reserved for encumbrances		<u>28</u>	
Unreserved - Undesignated Fund Balance - June 30		103	
Reserved for Encumbrances - June 30		<u>254</u>	
Fund Balance - June 30 (GAAP Basis)		<u>\$ 357</u>	

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

<u>Source of Revenue</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	\$ 481	\$ 441	\$ (40)
TOTAL REVENUE	481	441	(40)
 <u>OTHER FINANCING SOURCES</u>			
<u>TRANSFER FROM OTHER FUNDS:</u>			
Other Transfer -			
General Fund	106	106	--
TOTAL OTHER FINANCING SOURCE	106	106	--
TOTAL BIKEWAY FUND	\$ 587	\$ 547	\$ (40)

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 4,209	\$ 6,197
Due from other funds:		
Bikeway Fund	25	--
Capital Projects Fund	185	--
Total Assets	\$ 4,419	\$ 6,197
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 372	\$ 76
Total Liability	372	76
Fund Balance:		
Committed	4,047	6,121
Total Fund Balance	4,047	6,121
Total Liability and Fund Balance	\$ 4,419	\$ 6,197

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Expenditure:			
Capital improvements:			
Design and Construction	\$ 1,336	\$ 1,336	\$ --
Total Expenditure	1,336	1,336	--
Other Financing Source:			
Transfer in	--	210	210
Total Other Financing Source	--	210	210
Other Source under Expenditure	(1,336)	(1,126)	210
Unreserved - Undesignated Fund Balance - July 1.....	1,337	3,162	1,825
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1	2,036	\$ 2,035
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,336	
Expenditures - prior year encumbrances		(2,284)	
Decrease in reserved for encumbrances		1,713	
Unreserved - Undesignated Fund Balance - June 30		2,801	
Reserved for Encumbrances - June 30		1,246	
Fund Balance - June 30 (GAAP Basis)		\$ 4,047	

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

<u>Sources of Revenue</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES			
TRANSFERS FROM OTHER FUNDS:			
Other Transfers -			
Capital Projects Fund	--	210	210
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES	--	210	210
	<hr/>	<hr/>	<hr/>
TOTAL PARKS AND PLAYGROUNDS FUND	\$ --	\$ 210	\$ 210
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 2,205	\$ 2,305
Receivable:		
Payroll advance	25	30
Total Assets	\$ 2,230	\$ 2,335
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 12	\$ 19
Accrued payroll	97	107
Due to other fund:		
General Fund	--	5
Total Liabilities	109	131
Fund Balance:		
Restricted	2,121	2,204
Total Fund Balance	2,121	2,204
Total Liabilities and Fund Balance	\$ 2,230	\$ 2,335

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 5,002	\$ 4,840	\$ (162)
Charges for services	129	141	12
Fines and forfeits	150	75	(75)
Miscellaneous:			
Other	--	5	5
Total Revenues	5,281	5,061	(220)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	3,979	3,000	979
Corporation Counsel	159	158	1
Information Technology	63	63	--
Total General government	4,201	3,221	980
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,699	1,639	60
Other:			
Provisional	80	42	38
Total Miscellaneous	1,779	1,681	98
Total Expenditures	5,980	4,902	1,078
Revenues over (under) Expenditures	(699)	159	858
Other Financing Use:			
Transfers out:			
Reimbursement for central administrative service expenses	(299)	(299)	--
Revenues under Expenditures and Other Use	(998)	(140)	858
Unreserved - Undesignated Fund Balance - July 1	1,250	2,067	817
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 252	1,927	\$ 1,675

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, 2017
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		150	
Expenditures - prior year encumbrances		(93)	
Increase in reserved for encumbrances		(52)	
Unreserved - Undesignated Fund			
Balance - June 30		1,932	
Reserved for Encumbrances - June 30		189	
Fund Balance - June 30 (GAAP Basis)		\$ 2,121	

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 5,002	\$ 4,840	\$ (162)
CHARGES FOR SERVICES			
GENERAL GOVERNMENT:			
Charges for Publications, Reports, Copies, etc.	6	9	3
Fees:			
Charge for Photo I.D.	120	124	4
Other	3	2	(1)
	<u>129</u>	<u>135</u>	<u>6</u>
Total General Government			
	<u>129</u>	<u>135</u>	<u>6</u>
HIGHWAYS AND STREETS:			
Parking:			
City Employees	--	6	6
	<u>--</u>	<u>6</u>	<u>6</u>
TOTAL CHARGES FOR SERVICES	<u>129</u>	<u>141</u>	<u>12</u>
FINES AND FORFEITS			
FINES:			
Fines - Liquor Commission	150	75	(75)
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Other:			
Vacation Accumulation Deposits	--	4	4
Sundry Refunds	--	1	1
	<u>--</u>	<u>5</u>	<u>5</u>
TOTAL MISCELLANEOUS	<u>--</u>	<u>5</u>	<u>5</u>
TOTAL LIQUOR COMMISSION FUND REVENUES	<u>\$ 5,281</u>	<u>\$ 5,061</u>	<u>\$ (220)</u>

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 1,661	\$ 1,558
Total Asset	\$ 1,661	\$ 1,558
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 1,661	\$ 1,558
Total Fund Balance	\$ 1,661	\$ 1,558

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Other	\$ 233	\$ 214	\$ (19)
Total Revenue	233	214	(19)
Expenditure:			
Current:			
Human services:			
Community Services	233	111	122
Total Expenditure	233	111	122
Revenue over Expenditure	--	103	103
Unreserved - Undesignated Fund Balance - July 1	1,454	1,558	104
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,454	1,661	\$ 207
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		1,661	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 1,661	

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 214	\$ (19)
 TOTAL RENTAL ASSISTANCE FUND	 <u>\$ 233</u>	 <u>\$ 214</u>	 <u>\$ (19)</u>

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<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, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,858	\$ 6,034
Due from other fund:		
General Fund	--	3
Total Assets	\$ 6,858	\$ 6,037
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 590	\$ 608
Accrued payroll	--	12
Due to other fund:		
General Fund	5	--
Total Liabilities	595	620
Fund Balance:		
Committed	6,263	5,417
Total Fund Balance	6,263	5,417
Total Liabilities and Fund Balance	\$ 6,858	\$ 6,037

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 26	\$ 26
Total Revenue	--	26	26
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	94	44	50
Human services:			
Community Services	6,472	6,276	196
Total Expenditures	6,566	6,320	246
Revenue under Expenditures	(6,566)	(6,294)	272
Other Financing Source:			
Transfer in	6,371	6,371	--
Revenue and Other Source over (under) Expenditures	(195)	77	272
Unreserved - Undesignated Fund Balance - July 1	195	557	362
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	634	\$ 634
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		4,176	
Expenditures - prior year encumbrances		(3,407)	
Increase in reserved for encumbrances		(457)	
Unreserved - Undesignated Fund Balance - June 30		946	
Reserved for Encumbrances - June 30		5,317	
Fund Balance - June 30 (GAAP Basis)		\$ 6,263	

CITY AND COUNTY OF HONOLULU
GRANTS IN AID FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ --	\$ 26	\$ 26
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	--	26	26
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	6,371	6,371	--
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCE	6,371	6,371	--
TOTAL GRANTS IN AID FUND	<u>\$ 6,371</u>	<u>\$ 6,397</u>	<u>\$ 26</u>

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,768	\$ 5,819
Receivables:		
Payroll advance	23	29
Due from other fund:		
General Fund	--	98
Total Assets	\$ 6,791	\$ 5,946
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 85	\$ 287
Accrued payroll	49	49
Total Liabilities	134	336
Fund Balance:		
Committed	6,657	5,610
Total Fund Balance	6,657	5,610
Total Liabilities and Fund Balance	\$ 6,791	\$ 5,946

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 4,635	\$ 5,000	\$ 365
Miscellaneous:			
Interest	12	34	22
Other	2,420	2,738	318
Total Revenues	7,067	7,772	705
Expenditures:			
Current:			
Public safety:			
Emergency Services	970	844	126
Culture-recreation:			
Enterprise Services	5	3	2
Parks and Recreation	3,567	2,517	1,050
Total Culture-recreation	4,542	3,364	1,178
Miscellaneous:			
Retirement and health benefits:			
Provisional	1,055	775	280
Capital improvements:			
Design and Construction	1,200	1,200	--
Total Expenditures	6,797	5,339	1,458
Revenues over Expenditures	270	2,433	2,163
Other Financing Uses:			
Transfers out:			
Debt service	(1,490)	(1,487)	3
Reimbursement for central administrative service expenses	(414)	(414)	--
Total Other Financing Uses	(1,904)	(1,901)	3
Revenues over (under) Expenditures and Other Uses	(1,634)	532	2,166
Unreserved - Undesignated Fund Balance - July 1	1,722	4,201	2,479
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 88	4,733	\$ 4,645

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, 2017
 (Amounts in thousands)

(Page 2 of 2)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,491	
Expenditures - prior year encumbrances		(976)	
Increase in reserved for encumbrances		(1,580)	
Unreserved - Undesignated Fund			
Balance - June 30		3,668	
Reserved for Encumbrances - June 30		2,989	
Fund Balance - June 30 (GAAP Basis)		\$ 6,657	

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 202	\$ 194	\$ (8)
CULTURE-RECREATION:			
Miscellaneous:			
Hanauma Bay Admission Fee	<u>4,433</u>	<u>4,806</u>	<u>373</u>
TOTAL CHARGES FOR SERVICES	<u>4,635</u>	<u>5,000</u>	<u>365</u>
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	12	34	22
OTHER MISCELLANEOUS:			
Rents:			
Perquisite Housing	--	7	7
Concessions:			
Parks and Recreation Facilities:			
Hanauma Gift Shop Concession	224	248	24
Hanauma Beach Park Concession	250	377	127
Hanauma Shuttle Bus Service	74	68	(6)
Hanauma Snorkeling Rental	<u>1,872</u>	<u>2,038</u>	<u>166</u>
Total Other Miscellaneous	<u>2,420</u>	<u>2,738</u>	<u>318</u>
TOTAL MISCELLANEOUS	<u>2,432</u>	<u>2,772</u>	<u>340</u>
TOTAL HANAUMA BAY NATURE PRESERVE FUND	<u>\$ 7,067</u>	<u>\$ 7,772</u>	<u>\$ 705</u>

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 103,642	\$ 102,553
Total Asset	\$ 103,642	\$ 102,553
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 103,642	\$ 102,553
Total Fund Balance	\$ 103,642	\$ 102,553

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ --	\$ 58	\$ 58
Miscellaneous:			
Interest	146	553	407
Total Revenues	146	611	465
Other Financing Source:			
Sales of capital assets	--	478	478
Total Other Financing Source	--	478	478
Revenue and Other Source	146	1,089	943
Unreserved - Undesignated Fund Balance - July 1	102,090	102,553	463
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 102,236	103,642	\$ 1,406
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		103,642	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 103,642	

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

<u>Source of Revenues</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Variance Favorable (Unfavorable)</u>
<u>LICENSES AND PERMITS</u>			
<u>NON-BUSINESS LICENSES AND PERMITS:</u>			
Easement Grants	\$ --	\$ 58	\$ 58
 <u>MISCELLANEOUS</u>			
<u>INTEREST:</u>			
Interest Earnings:			
Investments	<u>146</u>	<u>553</u>	<u>407</u>
TOTAL REVENUES	<u>146</u>	<u>611</u>	<u>465</u>
 <u>OTHER FINANCING SOURCE</u>			
<u>SALES OF CAPITAL ASSETS:</u>			
Sale of Capital Assets	<u>--</u>	<u>478</u>	<u>478</u>
TOTAL OTHER FINANCING SOURCE	<u>--</u>	<u>478</u>	<u>478</u>
TOTAL RESERVE FOR FISCAL STABILITY FUND ...	<u>\$ 146</u>	<u>\$ 1,089</u>	<u>\$ 943</u>

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 17,469	\$ 27,616
Total Asset	\$ 17,469	\$ 27,616
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 17,469	\$ 27,616
Total Fund Balance	\$ 17,469	\$ 27,616

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 5,420	\$ 5,420	\$ --
Miscellaneous:			
Interest	55	130	75
Total Revenues	5,475	5,550	75
Expenditure:			
Capital improvements:			
Design and Construction	16,100	16,100	--
Total Expenditure	16,100	16,100	--
Revenues under Expenditure	(10,625)	(10,550)	75
Unreserved - Undesignated Fund Balance - July 1	10,838	21,765	10,927
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 213	11,215	\$ 11,002
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		8,754	
Expenditures - prior year encumbrances		(8,351)	
Decrease in reserved for encumbrances		5,844	
Unreserved - Undesignated Fund Balance - June 30		17,462	
Reserved for Encumbrances - June 30		7	
Fund Balance - June 30 (GAAP Basis)		\$ 17,469	

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 5,420	\$ 5,420	\$ --
 <u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>55</u>	<u>130</u>	<u>75</u>
 TOTAL CLEAN WATER AND NATURAL LANDS FUND	 <u>\$ 5,475</u>	 <u>\$ 5,550</u>	 <u>\$ 75</u>

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 40,329	\$ 34,712
Total Asset	\$ 40,329	\$ 34,712
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 40,329	\$ 34,712
Total Fund Balance	\$ 40,329	\$ 34,712

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 5,420	\$ 5,420	\$ --
Miscellaneous:			
Interest	60	197	137
Total Revenues	5,480	5,617	137
Expenditures:			
Current:			
Human Services:			
Community Services	1,200	--	1,200
Total General government	1,200	--	1,200
Capital improvements:			
Community Services	5,600	5,600	--
Total Expenditures	6,800	5,600	1,200
Revenues over (under) Expenditures	(1,320)	17	1,337
Unreserved - Undesignated Fund Balance - July 1	1,479	26,451	24,972
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 159	26,468	\$ 26,309
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		5,600	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(9,401)	
Unreserved - Undesignated Fund Balance - June 30		22,667	
Reserved for Encumbrances - June 30		17,662	
Fund Balance - June 30 (GAAP Basis)		\$ 40,329	

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 5,420	\$ 5,420	\$ --
 <u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	<u>60</u>	<u>197</u>	<u>137</u>
 TOTAL AFFORDABLE HOUSING FUND	 <u>\$ 5,480</u>	 <u>\$ 5,617</u>	 <u>\$ 137</u>

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 249	\$ 176
Receivables:		
Loans	11	12
Intergovernmental	28	196
Payroll advance	11	13
Other receivable	8,752	--
Due from other funds:		
Special Projects Fund	--	1
Federal Grants Fund	11	10
Total Assets	\$ 9,062	\$ 408
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 8,796	\$ 197
Due to other fund:		
General Fund	173	91
Accrued payroll	49	42
Total Liabilities	9,018	330
Deferred Inflow:		
Deferred inflow	11	12
Total Deferred Inflow	11	12
Fund Balance:		
Restricted	33	66
Total Fund Balance	33	66
Total Liabilities, Deferred Inflow and Fund Balance	\$ 9,062	\$ 408

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Intergovernmental	\$ 10,803	\$ 5,985	\$ (4,818)
Total Revenue	10,803	5,985	(4,818)
Expenditures:			
Current:			
General government:			
Budget and Fiscal Services	758	726	32
Human services:			
Community Services	1,207	540	667
Capital improvements:			
Community Services	8,838	8,838	--
Total Expenditures	10,803	10,104	699
Revenue over (under) Expenditures	--	(4,119)	(4,119)
Unreserved - Undesignated Fund Balance - July 1	--	(8,855)	(8,855)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	(12,974)	\$ (12,974)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		8,363	
Expenditures - prior year encumbrances		(4,277)	
Increase in reserved for encumbrances		(1,473)	
Unreserved - Undesignated Fund Balance - June 30		(10,361)	
Reserved for Encumbrances - June 30		10,394	
Fund Balance - June 30 (GAAP Basis)		\$ 33	

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 10,803	\$ 5,985	\$ (4,818)
 TOTAL COMMUNITY DEVELOPMENT FUND	 <u>\$ 10,803</u>	 <u>\$ 5,985</u>	 <u>\$ (4,818)</u>

CITY AND COUNTY OF HONOLULU
PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 421	\$ 227
Total Asset	\$ 421	\$ 227
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 421	\$ 227
Total Fund Balance	\$ 421	\$ 227

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 173	\$ 188	\$ 15
Miscellaneous:			
Other	--	14	14
Total Revenues	173	202	29
Expenditure:			
Current:			
Culture-recreation:			
Parks and Recreation	174	110	64
Revenues over (under) Expenditure	(1)	92	93
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(8)	(8)	--
Revenues over (under) Expenditure and Other Use ..	(9)	84	93
Unreserved - Undesignated Fund Balance - July 1	197	227	30
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 188	311	\$ 123
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		110	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(110)	
Unreserved - Undesignated Fund Balance - June 30		311	
Reserved for Encumbrances - June 30		110	
Fund Balance - June 30 (GAAP Basis)		\$ 421	

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, 2017
 (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	\$ 2	\$ 25	\$ 23
CULTURE-RECREATION:			
Fees for Use of Parks	<u>171</u>	<u>163</u>	<u>(8)</u>
TOTAL CHARGES FOR SERVICES	<u>173</u>	<u>188</u>	<u>15</u>
MISCELLANEOUS			
OTHER MISCELLANEOUS:			
Concessions:			
Parks and Recreation Facilities	<u>--</u>	<u>14</u>	<u>14</u>
TOTAL PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND	<u>\$ 173</u>	<u>\$ 202</u>	<u>\$ 29</u>

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 179	\$ 92
Total Asset	\$ 179	\$ 92
<u>FUND BALANCE</u>		
Fund Balance:		
Committed	\$ 179	\$ 92
Total Fund Balance	\$ 179	\$ 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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Charges for services	\$ 86	\$ 91	\$ 5
Total Revenue	86	91	5
Expenditure:			
Current:			
Culture-recreation:			
Parks and Recreation	86	56	30
Revenue over Expenditure	--	35	35
Other Financing Use:			
Transfer out:			
Reimbursement for central administrative service expenses	(4)	(4)	--
Revenue over (under) Expenditure and Other Use	(4)	31	35
Unreserved - Undesignated Fund Balance - July 1	85	92	7
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	81	123	42
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		56	
Expenditures - prior year encumbrances		--	
Increase in reserved for encumbrances		(56)	
Unreserved - Undesignated Fund Balance - June 30		123	
Reserved for Encumbrances - June 30		56	
Fund Balance - June 30 (GAAP Basis)		\$ 179	

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ 86	\$ 91	\$ 5
TOTAL WAIPIO PENINSULA SOCCER PARK FUND	<u>\$ 86</u>	<u>\$ 91</u>	<u>\$ 5</u>

CITY AND COUNTY OF HONOLULU
GOLF FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 751	\$ 1,509
Receivable:		
Payroll advance	90	95
Due from other fund:		
Sewer Fund	--	1
	\$ 841	\$ 1,605
Total Assets	\$ 841	\$ 1,605
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 150	\$ 98
Due to other fund:		
Payroll Clearance Fund	1	2
Accrued payroll	212	206
	363	306
Total Liabilities	363	306
Fund Balance:		
Committed	478	1,299
	478	1,299
Total Fund Balance	478	1,299
Total Liabilities and Fund Balance	\$ 841	\$ 1,605

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 6,873	\$ 6,873	\$ 6,192	\$ (681)
Miscellaneous:				
Other	2,708	2,708	2,512	(196)
Total Revenues	9,581	9,581	8,704	(877)
Expenditures:				
Current:				
Culture-recreation:				
Enterprise Services	10,275	10,506	9,683	823
Miscellaneous:				
Retirement and health benefits:				
Provisional	3,322	3,322	3,278	44
Other:				
Provisional	556	325	115	210
Total Miscellaneous	3,878	3,647	3,393	254
Total Expenditures	14,153	14,153	13,076	1,077
Revenues under Expenditures	(4,572)	(4,572)	(4,372)	200
Other Finance Source (Uses):				
Transfer in	6,472	6,472	6,472	--
Transfers out:				
Debt service	(1,995)	(1,995)	(1,995)	--
Reimbursement for central administrative service expenses	(807)	(807)	(807)	--
Total Other Financing Source (Uses)	3,670	3,670	3,670	--
Revenues and Other Source under Expenditures and Other Uses	(902)	(902)	(702)	200
Unreserved - Undesignated Fund Balance - July 1	902	902	750	(152)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	48	\$ 48

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, 2017
 (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			303	
Expenditures - prior year encumbrances			(422)	
Decrease in reserved for encumbrances			205	
Unreserved - Undesignated Fund Balance - June 30			134	
Reserved for Encumbrances - June 30			344	
Fund Balance - June 30 (GAAP Basis)			\$ 478	

CITY AND COUNTY OF HONOLULU
GOLF FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 6,873	\$ 6,192	\$ (681)
TOTAL CHARGES FOR SERVICES	<u>6,873</u>	<u>6,192</u>	<u>(681)</u>
<u>MISCELLANEOUS</u>			
<u>OTHER MISCELLANEOUS:</u>			
Rents:			
Golf Cart Rentals	2,183	2,060	(123)
Rental for Use of Land	--	6	6
Total Rents	<u>2,183</u>	<u>2,066</u>	<u>(117)</u>
Concessions:			
Food Concession - Golf Courses	142	78	(64)
Golf Course - Pro Shops	13	7	(6)
Golf Course - Driving Range	370	360	(10)
Total Concessions	<u>525</u>	<u>445</u>	<u>(80)</u>
Other:			
Sundry Refunds	--	1	1
Total Other	<u>--</u>	<u>1</u>	<u>1</u>
TOTAL MISCELLANEOUS	<u>2,708</u>	<u>2,512</u>	<u>(196)</u>
TOTAL REVENUES	<u>9,581</u>	<u>8,704</u>	<u>(877)</u>
<u>OTHER FINANCING SOURCE</u>			
<u>TRANSFER FROM OTHER FUND:</u>			
Other Transfer -			
General Fund	6,472	6,472	--
TOTAL OTHER FINANCING SOURCE	<u>6,472</u>	<u>6,472</u>	<u>--</u>
TOTAL GOLF FUND	<u>\$ 16,053</u>	<u>\$ 15,176</u>	<u>\$ (877)</u>

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 7,054	\$ 3,643
Receivable:		
Payroll advance	130	142
Total Assets	\$ 7,184	\$ 3,785
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 223	\$ 226
Due to other fund:		
Payroll Clearance Fund	1	1
Accrued payroll	383	337
Total Liabilities	607	564
Fund Balance:		
Committed	6,577	3,221
Total Fund Balance	6,577	3,221
Total Liabilities and Fund Balance	\$ 7,184	\$ 3,785

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 5,275	\$ 5,275	\$ 5,055	\$ (220)
Miscellaneous:				
Interest	5	5	30	25
Other	7,615	7,615	8,565	950
Total Revenues	12,895	12,895	13,650	755
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	52	52	32	20
Culture-recreation:				
Enterprise Services	14,924	15,718	14,425	1,293
Miscellaneous:				
Retirement and health benefits:				
Provisional	4,640	4,640	4,565	75
Other:				
Provisional	1,404	610	318	292
Total Miscellaneous	6,044	5,250	4,883	367
Total Expenditures	21,020	21,020	19,340	1,680
Revenues under Expenditures	(8,125)	(8,125)	(5,690)	2,435
Other Finance Source (Uses):				
Transfer in	15,796	15,796	15,796	--
Transfers out:				
Debt service	(6,564)	(6,564)	(6,564)	--
Reimbursement for central administrative service expenses	(1,378)	(1,378)	(1,378)	--
Total Other Financing Source (Uses)	7,854	7,854	7,854	--

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, 2017
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues and Other Source (under) Expenditures and Other Uses	(271)	(271)	2,164	2,435
Unreserved - Undesignated Fund Balance - July 1	271	271	2,814	2,543
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	\$ --	4,978	\$ 4,978
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			1,405	
Expenditures - prior year encumbrances			(213)	
Increase in reserved for encumbrances			(1,038)	
Unreserved - Undesignated Fund Balance - June 30			5,132	
Reserved for Encumbrances - June 30			1,445	
Fund Balance - June 30 (GAAP Basis)			\$ 6,577	

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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>CHARGES FOR SERVICES</u>			
GENERAL GOVERNMENT:			
Surcharge on Auditorium Tickets	\$ 100	\$ 84	\$ (16)
Other	--	2	2
Total General Government	100	86	(14)
HIGHWAYS AND STREETS:			
Zoo Parking Lot	585	1,136	551
CULTURE-RECREATION:			
Honolulu Zoo	4,590	3,833	(757)
TOTAL CHARGES FOR SERVICES	5,275	5,055	(220)
<u>MISCELLANEOUS</u>			
INTEREST:			
Interest Earnings:			
Investments	5	30	25
OTHER MISCELLANEOUS:			
Rents:			
Rental for Use of Land	15	22	7
Rental of Auditorium Facilities	2,344	2,257	(87)
Auditorium Equipment Rental	1,376	1,532	156
Total Rents	3,735	3,811	76
Concessions:			
Food Concession - Auditoriums	610	687	77
Food Concession - Honolulu Zoo	250	273	23
Food Concession - Parks	79	112	33
Parking - Auditoriums	1,750	2,289	539
Novelty Sales Concession - Auditoriums	20	102	82
Other - Auditoriums	3	2	(1)
Beach Concession - Parks	1,065	1,138	73
Pouring Rights	58	68	10
Other Concessions	45	66	21
Total Concessions	3,880	4,737	857

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	--	4	4
Sundry Refunds	--	13	13
Total Other	--	17	17
Total Other Miscellaneous	7,615	8,565	950
TOTAL MISCELLANEOUS	7,620	8,595	975
TOTAL REVENUES	12,895	13,650	755
<u>OTHER FINANCING SOURCE</u>			
TRANSFER FROM OTHER FUND:			
Other Transfer -			
General Fund	15,796	15,796	--
TOTAL SPECIAL EVENTS FUND	\$ 28,691	\$ 29,446	\$ 755

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 9,246	\$ 9,388
Receivables:		
Intergovernmental	1,403	907
Payroll advance	24	27
Due from other fund:		
Federal Grants Fund	--	122
Total Assets	\$ 10,673	\$ 10,444
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 434	\$ 1,196
Accrued payroll	125	88
Due to other funds:		
General Fund	7	41
Federal Grants Fund	1	--
Community Development Fund	--	1
Total Liabilities	567	1,326
Fund Balance:		
Restricted	10,106	9,118
Total Fund Balance	10,106	9,118
Total Liabilities and Fund Balance	\$ 10,673	\$ 10,444

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 10,375	\$ 18,552	\$ 13,227	\$ (5,325)
Charges for services	--	--	677	677
Miscellaneous:				
Interest	--	--	4	4
Other	49	511	1,070	559
Total Revenues	<u>10,424</u>	<u>19,063</u>	<u>14,978</u>	<u>(4,085)</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	--	94	--	94
Customer Services	49	49	31	18
Information Technology	--	1,400	1,166	234
Mayor	--	410	382	28
Planning and Permitting	--	125	2	123
Prosecuting Attorney	2,802	3,187	1,605	1,582
Total General government	<u>2,851</u>	<u>5,265</u>	<u>3,186</u>	<u>2,079</u>
Public safety:				
Emergency Management	32	32	--	32
Emergency Services	576	637	603	34
Fire	--	1,255	851	404
Police	--	2,547	849	1,698
Transportation Services	125	708	3	705
Total Public safety	<u>733</u>	<u>5,179</u>	<u>2,306</u>	<u>2,873</u>
Human services:				
Community Services	5,334	10,780	10,278	502
Culture-recreation:				
Enterprise Services	--	308	85	223
Mayor	--	5	1	4
Parks and Recreation	--	887	128	759
Total Culture-recreation	<u>--</u>	<u>1,200</u>	<u>214</u>	<u>986</u>
Utilities or other enterprises:				
Transportation Services	500	500	500	--
Total Expenditures	<u>9,418</u>	<u>22,924</u>	<u>16,484</u>	<u>6,440</u>
Revenues over (under) Expenditures	1,006	(3,861)	(1,506)	2,355
Unreserved - Undesignated Fund Balance - July 1	--	--	1,490	1,490
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ 1,006</u>	<u>\$ (3,861)</u>	(16)	<u>\$ 3,845</u>

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, 2017
 (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			5,739	
Expenditures - prior year encumbrances			(3,245)	
Increase in reserved for encumbrances			(2,470)	
Unreserved - Undesignated Fund				
Balance - June 30			8	
Reserved for Encumbrances - June 30			10,098	
Fund Balance - June 30 (GAAP Basis)			\$ 10,106	

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 2,683	\$ 2,683	\$ 1,449	\$ (1,234)
Department of Defense	32	32	--	(32)
Department of Health	5,638	9,017	5,973	(3,044)
Department of Human Services	23	2,075	2,191	116
Department of Labor and Industrial Relations	95	196	101	(95)
Department of Land and Natural Resources	584	592	876	284
Department of Transportation	625	1,208	1,083	(125)
Hawaii Tourism Authority	--	154	150	(4)
Wireless Enhanced 911 Board	--	1,900	1,404	(496)
Grants from Other Agencies	695	695	--	(695)
TOTAL INTERGOVERNMENTAL	10,375	18,552	13,227	(5,325)
<u>CHARGES FOR SERVICES</u>				
PUBLIC SAFETY:				
Plan Review Fee	--	--	677	677
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	4	4
OTHER MISCELLANEOUS:				
Contributions from Private Sources:				
Community Programing	49	49	31	(18)
Contributions to the City	--	462	575	113
Total Contributions from Private Sources	49	511	606	95
Other:				
Other	--	--	12	12
Sundry Refunds	--	--	452	452
Total Other Miscellaneous	49	511	1,070	559
TOTAL MISCELLANEOUS	49	511	1,074	563
TOTAL SPECIAL PROJECTS FUND	\$ 10,424	\$ 19,063	\$ 14,978	\$ (4,085)

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 16,017	\$ 14,212
Receivables:		
Loans	3,013	3,361
Intergovernmental	19,170	20,069
Payroll advance	94	106
Due from other funds:		
Special Projects Fund	1	--
Housing and Community Development Section 8 Contract Fund	--	3
Federal Grants Capital Projects Fund	15	9
	\$ 38,310	\$ 37,760
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,296	\$ 2,513
Accrued payroll	131	150
Due to other funds:		
General Fund	16,395	16,563
Highway Fund	--	426
Special Projects Fund	--	122
Community Development Fund	11	10
General Trust Fund	--	13
	18,833	19,797
Deferred Inflow:		
Deferred inflow	3,013	3,361
	3,013	3,361
Fund Balance:		
Restricted	16,464	14,602
	16,464	14,602
	\$ 38,310	\$ 37,760

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, 2017
 (Amounts in thousands)

(Page 1 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 47,905	\$ 63,031	\$ 45,995	\$ (17,036)
Miscellaneous:				
Interest	--	1	51	50
Other	--	--	1,793	1,793
Total Revenues	47,905	63,032	47,839	(15,193)
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	480	480	60	420
Design and Construction	720	720	--	720
Information Technology	51	51	--	51
Planning and Permitting	--	128	--	128
Prosecuting Attorney	949	2,606	1,795	811
Total General government	2,200	3,985	1,855	2,130
Public safety:				
Emergency Services	--	884	884	--
Emergency Management	124	5,287	3,647	1,640
Fire	--	396	337	59
Police	--	17,857	3,896	13,961
Transportation Services	187	600	401	199
Total Public safety	311	25,024	9,165	15,859
Human services:				
Community Services	21,813	23,080	16,883	6,197
Culture-recreation:				
Parks and Recreation	168	198	123	75
Utilities or other enterprises:				
Transportation Services	21,859	21,892	21,537	355
Total Expenditures	46,351	74,179	49,563	24,616

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, 2017
 (Amounts in thousands)

(Page 2 of 2)

	Original Budget	Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues under Expenditures	1,554	(11,147)	(1,724)	9,423
Unreserved - Undesignated Fund Balance - July 1	--	--	(1,822)	(1,822)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 1,554	\$ (11,147)	(3,546)	\$ 7,601
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			14,511	
Expenditures - prior year encumbrances			(10,925)	
Increase in reserved for encumbrances			(3,029)	
Unreserved - Undesignated Fund Balance - June 30			(2,989)	
Reserved for Encumbrances - June 30			19,453	
Fund Balance - June 30 (GAAP Basis)			\$ 16,464	

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 168	\$ 178	\$ 135	\$ (43)
Department of Defense	--	--	222	222
Department of Education	--	30	945	915
Department of Health and Human Services	6,476	7,803	3,966	(3,837)
Department of Homeland Security	152	5,776	2,786	(2,990)
Department of Housing and Urban Development	9,869	10,077	8,147	(1,930)
Department of Justice	1,019	3,597	2,249	(1,348)
Department of Labor	7,455	7,800	2,676	(5,124)
Department of Transportation	22,766	26,029	23,132	(2,897)
Environmental Protection Agency	--	--	92	92
Office of National Drug Control Policy	--	1,741	1,575	(166)
Other Agencies	--	--	70	70
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INTERGOVERNMENTAL	47,905	63,031	45,995	(17,036)
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	1	51	50
OTHER MISCELLANEOUS:				
Other:				
Other	--	--	1,721	1,721
Sundry Refunds	--	--	72	72
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other	--	--	1,793	1,793
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL MISCELLANEOUS	--	1	1,844	1,843
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FEDERAL GRANTS FUND	\$ 47,905	\$ 63,032	\$ 47,839	\$ (15,193)

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 6,234	\$ 6,028
Receivables:		
Loans	9,741	9,133
Total Assets	\$ 15,975	\$ 15,161
<u>LIABILITY, DEFERRED INFLOW AND FUND BALANCE</u>		
Liability:		
Accounts payable	\$ 42	\$ --
Total Liability	42	--
Deferred Inflow:		
Deferred inflow	9,741	9,133
Total Deferred Inflow	9,741	9,133
Fund Balance:		
Restricted	6,192	6,028
Total Fund Balance	6,192	6,028
Total Liability, Deferred Inflow and Fund Balance	\$ 15,975	\$ 15,161

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, 2017
(Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous:			
Interest	\$ --	\$ 23	\$ 23
Other	3,000	1,456	(1,544)
Total Revenues	3,000	1,479	(1,521)
Expenditure:			
Current:			
Human services:			
Community Services	3,000	1,479	1,521
Revenues over Expenditure	--	--	--
Unreserved - Undesignated Fund Balance - July 1	--	(33)	(33)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ --	(33)	\$ (33)
Adjustments to conform with generally accepted accounting principles:			
Encumbrances included above		1,478	
Expenditures - prior year encumbrances		(1,314)	
Increase in reserved for encumbrances		(164)	
Unreserved - Undesignated Fund Balance - June 30		(33)	
Reserved for Encumbrances - June 30		6,225	
Fund Balance - June 30 (GAAP Basis)		\$ 6,192	

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, 2017
(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	\$ --	\$ 23	\$ 23
 Total Interest	 --	 23	 23
OTHER MISCELLANEOUS:			
Repayments of Department of Housing and Community Development Loans:			
Principal	3,000	1,430	(1,570)
Interest	--	23	23
Late Charge	--	3	3
 Total Other Miscellaneous	 3,000	 1,456	 (1,544)
 TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND	 \$ 3,000	 \$ 1,479	 \$ (1,521)

CITY AND COUNTY OF HONOLULU
 PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 964	\$ 961
Total Asset	\$ 964	\$ 961
<u>FUND BALANCE</u>		
Fund Balance:		
Restricted	\$ 964	\$ 961
Total Fund Balance	\$ 964	\$ 961

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, 2017
 (Amounts in thousands)

	Original and Final Budget	Actual on Budgetary Basis	Final Variance Favorable (Unfavorable)
Revenue:			
Miscellaneous:			
Interest	\$ --	\$ 3	\$ 3
Total Revenue	--	3	3
Unreserved - Undesignated Fund Balance - July 1	960	961	1
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 960	964	\$ 4
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		964	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 964	

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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	\$ --	\$ 3	\$ 3
	<u> </u>	<u> </u>	<u> </u>
TOTAL PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND	<u>\$ --</u>	<u>\$ 3</u>	<u>\$ 3</u>

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
SECTION 8 CONTRACT FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 7,392	\$ 5,515
Receivables:		
Accounts (net of allowance for uncollectibles)	163	112
Loans	3,648	3,648
Intergovernmental	96	85
Payroll advance	64	72
Total Assets	\$ 11,363	\$ 9,432
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 89	\$ 110
Due to other funds:		
General Fund	214	105
Federal Grants Fund	--	3
Accrued payroll	97	98
Total Liabilities	400	316
Deferred Inflow:		
Deferred inflow	3,907	3,845
Total Deferred Inflow	3,907	3,845
Fund Balance:		
Restricted	7,056	5,271
Total Fund Balance	7,056	5,271
Total Liabilities, Deferred Inflow and Fund Balance	\$ 11,363	\$ 9,432

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, 2017
(Amounts in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Final Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 48,083	\$ 53,583	\$ 54,191	\$ 608
Miscellaneous:				
Interest	--	--	127	127
Other	--	--	18	18
Total Revenues	<u>48,083</u>	<u>53,583</u>	<u>54,336</u>	<u>753</u>
Expenditures:				
Current:				
General government:				
Budget and Fiscal Services	144	144	102	42
Human services:				
Community Services	<u>47,939</u>	<u>53,439</u>	<u>53,358</u>	<u>81</u>
Total Expenditures	<u>48,083</u>	<u>53,583</u>	<u>53,460</u>	<u>123</u>
Revenues over Expenditures	--	--	876	876
Unreserved - Undesignated Fund Balance - July 1	--	--	(200)	(200)
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	<u>\$ --</u>	<u>\$ --</u>	676	<u>\$ 676</u>
Adjustments to conform with generally accepted accounting principles:				
Encumbrances included above			936	
Expenditures - prior year encumbrances			(27)	
Increase in reserved for encumbrances			<u>(887)</u>	
Unreserved - Undesignated Fund Balance - June 30			698	
Reserved for Encumbrances - June 30			<u>6,358</u>	
Fund Balance - June 30 (GAAP Basis)			<u>\$ 7,056</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, 2017
(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)	\$ 229	\$ 229	\$ 203	\$ (26)
Existing Housing Voucher Program	46,271	51,771	52,533	762
Mainstream Voucher	<u>1,583</u>	<u>1,583</u>	<u>1,455</u>	<u>(128)</u>
TOTAL INTERGOVERNMENTAL	<u>48,083</u>	<u>53,583</u>	<u>54,191</u>	<u>608</u>
<u>MISCELLANEOUS</u>				
INTEREST:				
Interest Earnings:				
Investments	--	--	19	19
Other Sources	<u>--</u>	<u>--</u>	<u>108</u>	<u>108</u>
Total Interest	<u>--</u>	<u>--</u>	<u>127</u>	<u>127</u>
OTHER MISCELLANEOUS:				
Other:				
Escheats	--	--	12	12
Sundry Refunds	<u>--</u>	<u>--</u>	<u>6</u>	<u>6</u>
Total Other Miscellaneous	<u>--</u>	<u>--</u>	<u>18</u>	<u>18</u>
TOTAL MISCELLANEOUS	<u>--</u>	<u>--</u>	<u>145</u>	<u>145</u>
TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES.....	<u>\$ 48,083</u>	<u>\$ 53,583</u>	<u>\$ 54,336</u>	<u>\$ 753</u>

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 214	\$ 218
Total Asset	\$ 214	\$ 218
<u>DEFERRED INFLOW AND FUND BALANCE</u>		
Deferred Inflow:		
Deferred inflow	\$ 43	\$ 48
Total Deferred Inflow	43	48
Fund Balance:		
Committed	171	170
Total Fund Balance	171	170
Total Deferred Inflow and Fund Balance	\$ 214	\$ 218

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, 2017
 (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	170	170	--
Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)	\$ 170	171	\$ 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		171	
Reserved for Encumbrances - June 30		--	
Fund Balance - June 30 (GAAP Basis)		\$ 171	

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (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
OTHER MISCELLANEOUS:			
Other:			
Sundry Realizations	\$ --	\$	\$ --
 TOTAL LEASEHOLD CONVERSION FUND ...	 \$ --	 \$ 1	 \$ 1

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Totals	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>ASSET</u>				
Cash and investments:				
With Treasury	\$ 1,962	\$ 226	\$ 2,188	\$ 2,187
Total Asset	<u>\$ 1,962</u>	<u>\$ 226</u>	<u>\$ 2,188</u>	<u>\$ 2,187</u>
 <u>FUND BALANCES</u>				
Fund Balances:				
Committed	\$ 1,962	\$ 226	\$ 2,188	\$ 2,187
Total Fund Balances	<u>\$ 1,962</u>	<u>\$ 226</u>	<u>\$ 2,188</u>	<u>\$ 2,187</u>

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	Improvement District Revolving Fund	Housing and Community Development Revolving Fund	Totals	
			<u>2017</u>	<u>2016</u>
Revenue:				
Miscellaneous:				
Interest	\$ --	\$ 1	\$ 1	\$ --
Total Revenue	--	1	1	--
Fund Balances - July 1	<u>1,962</u>	<u>225</u>	<u>2,187</u>	<u>2,187</u>
Fund Balances - June 30	<u>\$ 1,962</u>	<u>\$ 226</u>	<u>\$ 2,188</u>	<u>\$ 2,187</u>

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 348	\$ 309
Total Asset	\$ 348	\$ 309
<u>LIABILITIES</u>		
Liabilities:		
Interest payable - matured	\$ 174	\$ 135
Bonds payable - matured	174	174
Total Liabilities	\$ 348	\$ 309

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, 2017
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
Expenditures:		
Tax exempt commercial paper:		
Principal	\$ 50,000	\$ --
Interest	2,202	131
Notes payable:		
Principal	230	224
Interest	51	60
General obligation bonds:		
Principal	125,238	115,504
Interest	93,940	99,027
Bond issuance costs	687	--
	272,348	214,946
Total Expenditures	272,348	214,946
Revenues under Expenditures	(272,348)	(214,946)
Other Financing Sources (Uses):		
Issuance of tax exempt commercial paper	130,000	--
Issuance of refunding bonds	87,090	--
Bond premium	19,152	--
Transfers from other funds:		
General Fund - Principal	125,468	115,728
General Fund - Interest	93,991	99,218
Repayments and reimbursements from component unit:		
Honolulu Authority for Rapid Transportation - Advance	50,000	--
Honolulu Authority for Rapid Transportation - Interest	2,202	--
Refunding of general obligation bonds	(90,132)	--
Loss on refunding of bonds	(10,963)	--
Premium on refunded bonds	(4,727)	--
Discount on refunded bonds	267	--
Advance to component unit:		
Honolulu Authority for Rapid Transportation.....	(130,000)	--
	272,348	214,946
Total Other Financing Sources (Uses)	272,348	214,946
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, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash and investments:		
With Treasury	\$ 171	\$ 171
Receivables:		
Special assessments - current	3	3
Special assessments - non-current	2	5
Total Assets	<u>\$ 176</u>	<u>\$ 179</u>
 <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Interest payable - matured	\$ 4	\$ 4
Bonds payable - matured	5	5
Total Liabilities	<u>9</u>	<u>9</u>
Deferred Inflow:		
Deferred inflow	<u>2</u>	<u>5</u>
Total Deferred Inflow	<u>2</u>	<u>5</u>
Fund Balance:		
Committed	<u>165</u>	<u>165</u>
Total Fund Balance	<u>165</u>	<u>165</u>
Total Liabilities, Deferred Inflow and Fund Balance	<u>\$ 176</u>	<u>\$ 179</u>

CITY AND COUNTY OF HONOLULU
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
Revenues:		
Special assessments	\$ 3	\$ 4
Miscellaneous:		
Interest	--	--
Total Revenues	3	4
Other Financing Use:		
Transfer to other fund:		
Capital Projects Fund	(3)	(5)
Revenues over (under) Other Use	--	(1)
Fund Balances - July 1	165	166
Fund Balances - June 30	\$ 165	\$ 165

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 28,516	\$ 6,258
Receivable:		
Payroll advance	11	11
Total Assets	\$ 28,527	\$ 6,269
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 8,635	\$ 8,131
Accrued payroll	6	4
Due to other funds:		
General Fund	30,000	--
Sewer Fund	--	321
Total Liabilities	38,641	8,456
Fund Balance:		
Unassigned	(10,114)	(2,187)
Total Fund Balance	(10,114)	(2,187)
Total Liabilities and Fund Balance	\$ 28,527	\$ 6,269

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, 2017
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
Revenue:		
Miscellaneous:		
Other	\$ 31	\$ 14
Total Revenue	31	14
Expenditures:		
Current:		
General government	534	1,422
Public safety	616	498
Highways and streets	137	95
Human services	720	--
Culture-recreation	853	1,527
Capital outlay:		
General government	21,772	17,967
Public safety	12,682	18,822
Highways and streets	451	142
Human services	18,165	14,839
Culture-recreation	22,030	28,947
Total Expenditures	77,960	84,259
Revenue under Expenditures	(77,929)	(84,245)
Other Financing Sources (Use):		
Issuance of general obligation bonds	62,965	--
Bond premium	7,114	--
Bond discount	(77)	--
Total Other Financing Sources (Use)	70,002	--
Revenue and Other Sources under Expenditures	(7,927)	(84,245)
Fund Balance - July 1	(2,187)	82,058
Fund Balance - June 30	\$ (10,114)	\$ (2,187)

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 40,813	\$ 32,143
Total Asset	\$ 40,813	\$ 32,143
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 38,773	\$ 21,900
Due to other fund:		
General Fund	70,000	--
Accrued payroll	7	4
Total Liabilities	108,780	21,904
Fund Balance:		
Committed	--	10,239
Unassigned	(67,967)	--
Total Fund Balance	(67,967)	10,239
Total Liabilities and Fund Balance	\$ 40,813	\$ 32,143

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, 2017
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
Revenue:		
Miscellaneous:		
Other	\$ 94	\$ 24
Total Revenue	94	24
Expenditures:		
Current:		
General government	368	4
Public safety	128	62
Highways and streets	1,070	2,195
Utilities or other enterprises	5,028	9,051
Capital outlay:		
General government	1,935	1,054
Public safety	5,008	3,558
Highways and streets	127,044	98,559
Utilities or other enterprises	17,723	9,801
Total Expenditures	158,304	124,284
Revenue under Expenditures	(158,210)	(124,260)
Other Financing Sources (Use):		
Issuance of general obligation bonds	71,960	--
Bond premium	8,132	--
Bond discount	(88)	--
Total Other Financing Sources (Use)	80,004	--
Revenue and Other Sources under Expenditures and Other Use.....	(78,206)	(124,260)
Fund Balance - July 1	10,239	134,499
Fund Balance - June 30	\$ (67,967)	\$ 10,239

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
(Amounts in thousands)

	2017	2016
<u>ASSETS</u>		
Cash and investments:		
With Treasury	\$ 12,923	\$ 15,801
Receivables:		
Loans (net of allowance for uncollectibles)	55,003	56,393
Intergovernmental	10,547	2,715
Total Assets	\$ 78,473	\$ 74,909
<u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 11,696	\$ 6,601
Due to other funds:		
General Fund	33	3
Federal Grants Fund	15	9
Total Liabilities	11,744	6,613
Deferred Inflow:		
Deferred inflow	55,003	56,393
Total Deferred Inflow	55,003	56,393
Fund Balance:		
Restricted	11,726	11,903
Total Fund Balance	11,726	11,903
Total Liabilities, Deferred Inflow and Fund Balance	\$ 78,473	\$ 74,909

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, 2017
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

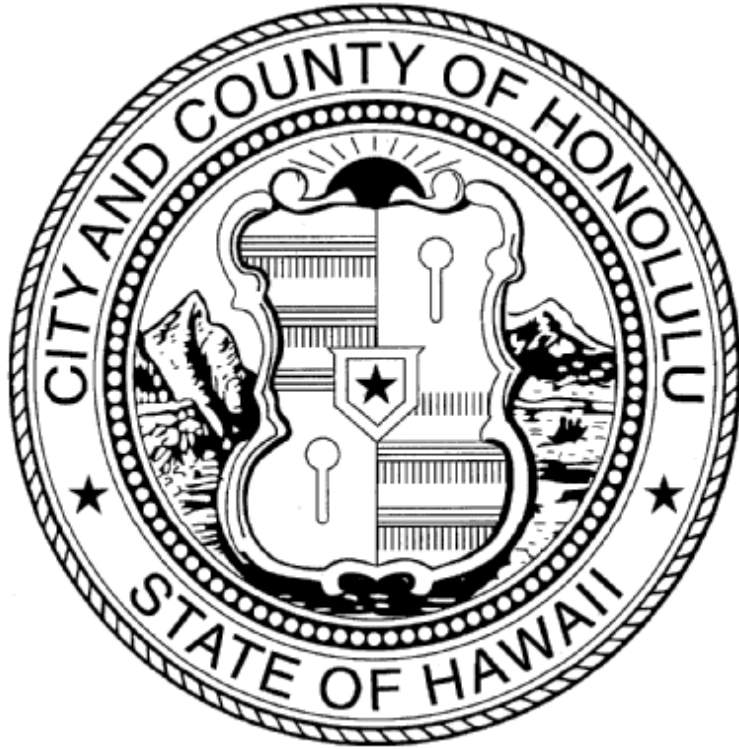
	<u>2017</u>	<u>2016</u>
Revenues:		
Intergovernmental	\$ 31,303	\$ 47,561
Miscellaneous:		
Other	<u>16</u>	<u>--</u>
Total Revenues	<u>31,319</u>	<u>47,561</u>
Expenditures:		
Current:		
Public safety	86	19
Highways and streets	715	636
Sanitation	3	--
Human services	2,236	5,427
Utilities or other enterprises	13,800	30,055
Capital outlay:		
Public safety	1,948	1,922
Highways and streets	808	864
Utilities or other enterprises	<u>11,900</u>	<u>8,280</u>
Total Expenditures	<u>31,496</u>	<u>47,203</u>
Revenues over (under) Expenditures	(177)	358
Fund Balance - July 1	<u>11,903</u>	<u>11,545</u>
Fund Balance - June 30	<u>\$ 11,726</u>	<u>\$ 11,903</u>

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2016
 (Amounts in thousands)

	2017	2016
<u>ASSET</u>		
Cash and investments:		
With Treasury	\$ 14,836	\$ 14,869
Total Asset	\$ 14,836	\$ 14,869
<u>LIABILITY AND FUND BALANCE</u>		
Liability:		
Due to other fund:		
Parks and Playground Fund	\$ 185	\$ --
Total Liability	185	--
Fund Balance:		
Restricted	14,651	14,869
Total Fund Balance	14,651	14,869
Total Liability and Fund Balance	\$ 14,836	\$ 14,869

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Amounts in thousands)

	<u>2017</u>	<u>2016</u>
Revenues:		
Intergovernmental	\$ 36	\$ --
Miscellaneous:		
Other	<u>125</u>	<u>17</u>
Total Revenues	<u>161</u>	<u>17</u>
Expenditures:		
Current:		
Highways and streets	172	--
Capital outlay:		
Public safety	--	33
Highways and streets	<u>--</u>	<u>15</u>
Total Expenditures	<u>172</u>	<u>48</u>
Revenues under Expenditures	<u>(11)</u>	<u>(31)</u>
Other Financing Source (Uses):		
Transfer from other fund:		
Improvement District Bond and Interest Redemption Fund	3	5
Transfer to other funds:		
Parks and Playgrounds Fund	<u>(210)</u>	<u>--</u>
Total Other Financing Source (Uses)	<u>(207)</u>	<u>5</u>
Revenues and Other Source under Expenditures and Other Uses.....	(218)	(26)
Fund Balance - July 1	<u>14,869</u>	<u>14,895</u>
Fund Balance - June 30	<u>\$ 14,651</u>	<u>\$ 14,869</u>



**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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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 Capacity256

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 Capacity260

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 Information265

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 Information270

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 2008 - 2017
(Amounts in thousands)
(Unaudited)

	Fiscal Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008		
Governmental activities												
Net investment in capital assets	\$ 325,818	\$ 177,798	\$ 161,115	\$ 208,205	\$ 101,107	\$ 118,289	\$ 500,169	\$ 389,308	\$ 214,214	\$ 165,257		
Restricted	165	165	166	13	168	169	170	173	969	976		
Unrestricted	(1,503,882)	(1,171,866)	(1,094,601)	21,467	145,412	69,474	551,180	523,206	474,354	399,180		
Total governmental activities net position	<u>(1,177,899)</u>	<u>(993,903)</u>	<u>(933,320)</u>	<u>229,685</u>	<u>246,687</u>	<u>187,932</u>	<u>1,051,519</u>	<u>912,687</u>	<u>689,537</u>	<u>565,413</u>		
Business-type activities												
Net investment in capital assets	1,225,731	1,117,427	1,011,958	900,120	837,381	808,975	725,532	690,697	714,543	681,690		
Restricted	165,226	174,514	181,029	178,187	177,890	171,010	158,662	144,307	131,469	84,981		
Unrestricted	814,948	693,728	562,191	620,571	579,850	513,990	408,635	295,240	145,665	76,007		
Total business-type activities net position	<u>2,205,905</u>	<u>1,985,669</u>	<u>1,755,178</u>	<u>1,698,878</u>	<u>1,595,121</u>	<u>1,493,975</u>	<u>1,292,829</u>	<u>1,130,244</u>	<u>991,677</u>	<u>842,678</u>		
Primary government												
Net investment in capital assets	1,551,549	1,295,225	1,173,073	1,108,325	938,488	927,264	1,225,701	1,080,005	928,757	846,947		
Restricted	165,391	174,679	181,195	178,200	178,058	171,179	158,832	144,480	132,438	85,957		
Unrestricted	(688,934)	(478,138)	(532,410)	642,038	725,262	583,464	959,815	818,446	620,019	475,187		
Total primary government net position	<u>\$ 1,028,006</u>	<u>\$ 991,766</u>	<u>\$ 821,858</u>	<u>\$ 1,928,563</u>	<u>\$ 1,841,808</u>	<u>\$ 1,681,907</u>	<u>\$ 2,344,348</u>	<u>\$ 2,042,931</u>	<u>\$ 1,681,214</u>	<u>\$ 1,408,091</u>		

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 other restatements recorded.

Amounts prior to fiscal year 2017 have not been restated for GASB 82.

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2008-2017
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government.....	\$ 733,242	\$ 571,486	\$ 487,753	\$ 482,303	\$ 468,295	\$ 497,328	\$ 455,874	\$ 392,893	\$ 444,701	\$ 371,354
Public safety.....	482,925	455,908	442,822	418,904	393,224	407,275	390,780	374,791	372,843	354,427
Highways and streets.....	71,282	68,050	80,831	47,620	38,683	100,883	46,315	30,418	51,916	16,095
Sanitation.....	1,033	3,708	3,822	3,773	4,298	4,451	5,292	3,244	5,130	5,758
Human services.....	98,516	97,550	90,965	91,546	82,806	94,213	80,647	95,437	83,647	82,966
Culture and recreation.....	122,453	124,917	109,127	108,128	106,457	124,939	91,944	106,081	110,390	96,299
Utilities or other enterprises.....	45,333	55,311	60,032	35,876	84,856	38,847	79,969	52,700	75,506	75,506
Interest.....	72,528	90,219	80,126	85,774	76,914	93,079	91,583	88,959	83,048	84,670
Total governmental activities expenses	<u>1,627,312</u>	<u>1,467,149</u>	<u>1,325,478</u>	<u>1,273,924</u>	<u>1,255,533</u>	<u>1,361,015</u>	<u>1,242,404</u>	<u>1,144,523</u>	<u>1,203,841</u>	<u>1,087,075</u>
Business-type activities:										
Housing.....	13,062	11,554	11,562	15,928	11,728	12,221	14,481	13,220	13,711	13,841
Sewer.....	248,825	239,711	252,448	276,958	260,806	237,673	209,625	197,643	178,944	194,061
Solid Waste.....	204,258	191,005	174,651	190,254	166,160	166,078	163,534	159,187	154,158	170,781
Public Transportation.....	262,397	255,718	250,925	238,832	239,351	226,614	221,211	209,847	209,645	193,823
Total business-type activities expenses	<u>728,542</u>	<u>697,988</u>	<u>689,586</u>	<u>721,972</u>	<u>678,045</u>	<u>642,586</u>	<u>608,851</u>	<u>579,897</u>	<u>556,458</u>	<u>577,506</u>
Total primary government expenses	<u>2,355,854</u>	<u>2,165,137</u>	<u>2,015,064</u>	<u>1,995,896</u>	<u>1,933,578</u>	<u>2,003,601</u>	<u>1,851,255</u>	<u>1,724,420</u>	<u>1,760,299</u>	<u>1,664,581</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 201,583	\$ 200,705	\$ 199,034	\$ 194,435	\$ 194,451	\$ 191,634	\$ 165,620	\$ 139,925	\$ 130,688	\$ 128,620
Public safety.....	44,686	41,946	40,765	41,761	39,729	40,188	38,582	40,089	42,163	37,772
Highways and streets.....	169	195	183	1,541	347	1,077	2,205	2,447	2,738	599
Sanitation.....	--	--	3	10	49	51	161	21	47	48
Human services.....	460	384	521	837	405	503	1,008	180	1,064	719
Culture and recreation.....	31,748	30,349	29,384	30,586	29,100	28,730	25,803	26,714	22,318	23,879
Utilities.....	3,183	1,925	1,922	1,066	863	946	201	17	--	--
Operating grants and contributions.....	125,894	121,866	141,940	150,414	116,412	122,066	111,419	123,389	118,970	106,930
Capital grants and contributions.....	28,517	41,315	9,758	13,493	54,201	55,393	64,988	48,461	38,292	48,736
Total governmental activities program revenues	<u>436,240</u>	<u>438,685</u>	<u>423,510</u>	<u>434,143</u>	<u>435,557</u>	<u>440,588</u>	<u>409,987</u>	<u>381,243</u>	<u>356,280</u>	<u>347,303</u>
Business-type activities:										
Charges for services:										
Housing.....	11,791	11,047	11,247	22,146	10,434	10,628	9,483	10,275	9,766	9,694
Sewer.....	463,862	426,540	402,472	395,333	377,970	378,199	347,038	308,407	251,953	225,104
Solid Waste.....	143,096	124,996	126,990	126,305	118,658	118,943	108,402	97,351	145,507	108,323
Public Transportation.....	54,057	55,472	57,199	57,187	57,049	56,796	53,657	47,638	44,245	43,767
Operating grants and contributions.....	21,000	21,000	26,862	21,525	27,279	21,026	21,441	21,017	21,108	21,674
Capital grants and contributions.....	18,332	39,914	25,754	14,810	26,894	58,643	33,067	32,329	25,307	18,514
Total business-type activities program revenues	<u>712,138</u>	<u>678,969</u>	<u>650,524</u>	<u>637,306</u>	<u>618,294</u>	<u>644,235</u>	<u>573,088</u>	<u>517,017</u>	<u>497,886</u>	<u>427,076</u>
Total primary government program revenues	<u>1,148,378</u>	<u>1,117,654</u>	<u>1,074,034</u>	<u>1,071,449</u>	<u>1,053,851</u>	<u>1,084,823</u>	<u>983,075</u>	<u>898,260</u>	<u>854,166</u>	<u>774,379</u>
Net Revenue (Expense)										
Governmental activities.....	\$ (1,191,072)	\$ (1,028,464)	\$ (901,968)	\$ (839,781)	\$ (819,976)	\$ (920,427)	\$ (832,417)	\$ (763,280)	\$ (847,561)	\$ (739,772)
Business-type activities.....	(16,404)	(19,019)	(39,062)	(84,666)	(59,761)	1,649	(35,763)	(62,880)	(58,572)	(150,430)
Total primary government net expense	<u>\$ (1,207,476)</u>	<u>\$ (1,047,483)</u>	<u>\$ (941,030)</u>	<u>\$ (924,447)</u>	<u>\$ (879,737)</u>	<u>\$ (918,778)</u>	<u>\$ (868,180)</u>	<u>\$ (826,160)</u>	<u>\$ (906,133)</u>	<u>\$ (890,202)</u>

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2008-2017
(Amounts in thousands)
(Unaudited)

(Page 2 of 2)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Revenues and Other Changes in Net Position										
Governmental activities:										
General revenues:										
Property taxes.....	\$ 1,099,948	\$ 1,015,861	\$ 950,387	\$ 849,401	\$ 825,518	\$ 799,260	\$ 804,311	\$ 853,426	\$ 802,571	\$ 775,971
Public service company tax.....	42,225	48,273	50,939	53,108	52,444	47,842	37,999	49,393	49,596	35,823
Fuel tax.....	51,992	52,764	50,503	51,424	53,825	49,220	52,298	47,639	50,316	50,633
Public utility franchise tax.....	36,056	40,967	57,555	55,259	57,514	60,475	44,801	34,312	54,804	36,239
Investment earnings.....	2,684	1,893	454	553	539	336	492	457	7,170	21,269
Unrestricted grants and contributions.....	45,429	45,413	45,521	41,060	41,062	41,042	224,506	197,519	202,598	216,274
General Excise Tax Surcharge.....	--	--	--	--	--	--	--	--	--	--
Other.....	8,232	8,442	6,359	5,526	7,095	6,287	3,960	4,053	3,162	2,362
Special Item:										
Contribution to component unit.....	--	--	--	--	--	(749,306)	--	--	--	--
Transfers.....	(233,326)	(245,732)	(229,939)	(219,158)	(159,266)	(198,316)	(197,118)	(200,369)	(198,532)	(181,588)
Total governmental activities	1,053,240	987,881	931,779	837,173	878,731	56,840	971,249	988,430	971,685	956,983
Business-type activities:										
General revenues:										
Investment earnings.....	8,305	3,778	1,274	1,430	1,641	1,181	1,230	1,078	9,039	24,210
Transfers.....	233,326	245,732	229,939	219,158	159,266	198,316	197,118	200,369	198,532	181,588
Total business-type activities	241,631	249,510	231,213	220,588	160,907	199,497	198,348	201,447	207,571	205,798
Total primary government	\$ 1,294,871	\$ 1,237,391	\$ 1,162,992	\$ 1,057,761	\$ 1,039,638	\$ 256,337	\$ 1,169,597	\$ 1,187,877	\$ 1,179,256	\$ 1,162,781
Changes in Net Position										
Governmental activities:										
Prior period adjustments:										
General government.....	\$ (137,832)	\$ (60,583)	\$ 29,811	\$ (2,608)	\$ 58,755	\$ (863,587)	\$ 138,832	\$ 223,150	\$ 124,124	\$ 217,211
Highways and streets.....	(46,164)	--	--	(13,247)	--	--	--	--	--	--
Other governmental.....	--	--	--	(1,052)	--	--	--	--	--	--
Total governmental activities	(183,996)	(60,583)	29,811	(17,002)	58,755	(863,587)	138,832	223,150	124,124	217,211
Business-type activities:										
Prior period adjustments:										
Housing.....	225,227	230,491	192,151	135,922	101,146	201,146	162,585	138,567	148,999	55,368
Sewer.....	--	--	--	(158)	--	--	--	--	--	--
Solid Waste.....	(2,984)	--	(92,919)	(29,354)	--	--	--	--	--	--
Public Transportation.....	(1,922)	--	(59,820)	(2,653)	--	--	--	--	--	--
Total business-type activities	220,236	230,491	56,300	103,757	101,146	201,146	162,585	138,567	148,999	55,368
Total primary government changes in net position	\$ 36,240	\$ 169,908	\$ 86,111	\$ 86,755	\$ 159,901	\$ (682,441)	\$ 301,417	\$ 361,717	\$ 273,123	\$ 272,579

Notes: For fiscal year 2014, the restatements disclosed are not reflected in the above total 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 other restatements recorded.

Amounts prior to fiscal year 2017 have not been restated for GASB Statement No. 82.

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2008 - 2017
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Post-GASB 54 Fiscal Year							
	2017	2016	2015	2014	2013 (a)	2012 (a)	2011	2010
General Fund								
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 25
Restricted								
Committed	112,266	110,329	79,270	68,401	50,256	32,601	32,596	82,697
Assigned	74,155	65,124	74,282	54,880	55,384	58,215	51,961	45,965
Unassigned	139,925	140,022	170,024	185,568	228,382	159,042	158,668	104,053
Total General Fund	<u>\$ 326,346</u>	<u>\$ 315,475</u>	<u>\$ 323,576</u>	<u>\$ 308,849</u>	<u>\$ 334,022</u>	<u>\$ 249,858</u>	<u>\$ 243,225</u>	<u>\$ 232,740</u>
All Other Governmental Funds								
Restricted	\$ 182,225	198,063	201,439	\$ 182,159	\$ 165,373	\$ 161,708	\$ 136,708	\$ 115,936
Committed	20,185	28,532	231,614	16,662	138,158	18,752	482,563	413,640
Unassigned	(78,081)	(2,187)	--	(66,836)	--	(1,611)	(4,855)	--
Total all Other Governmental Funds	<u>\$ 124,329</u>	<u>\$ 224,408</u>	<u>\$ 433,053</u>	<u>\$ 131,985</u>	<u>\$ 303,531</u>	<u>\$ 178,849</u>	<u>\$ 614,416</u>	<u>\$ 529,576</u>

Note: In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned only for fiscal years 2010 - 2017 for comparison purposes.

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

Note:

(a) In fiscal year end June 30, 2014, the restatements disclosed in the respective 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 2008 - 2017
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2017	2016	2015	2014	2013 (b)	2012 (b)	2011	2010	2009	2008
Revenues:										
Taxes.....	\$ 1,233,030	\$ 1,162,021	\$ 1,109,836	\$ 1,011,072	\$ 994,105	\$ 964,167	\$ 934,557	\$ 986,828	\$ 952,531	\$ 891,982
Special assessments.....	3	4	5	5	15	17	8	18	17	28
Licenses and permits.....	183,126	181,696	177,867	173,233	166,135	161,492	151,581	126,208	112,397	115,657
Intergovernmental.....	196,166	206,181	189,868	201,624	205,496	233,499	395,316	362,399	355,530	358,552
Charges for services.....	34,232	32,998	34,066	33,150	31,813	30,679	28,007	27,714	23,924	23,766
Fines and forfeits.....	920	970	973	927	831	541	766	755	932	1,183
Miscellaneous:										
Reimbursements and recoveries.....	50,832	47,038	46,909	46,282	44,420	46,801	42,136	41,397	96,435	88,731
Interest.....	3,867	2,261	521	596	612	394	935	855	13,291	24,638
Other.....	26,434	24,337	27,313	30,033	28,133	30,790	37,064	26,029	29,576	23,065
Total Revenues.....	1,728,610	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
Expenditures:										
Current:										
General government.....	180,019	170,516	166,414	167,707	155,304	155,044	149,994	159,713	163,280	153,759
Public safety.....	456,401	426,883	410,702	390,443	371,294	386,145	371,627	357,148	359,277	329,108
Highways and streets.....	33,774	28,376	26,193	22,658	18,696	17,336	16,781	21,774	28,271	24,066
Sanitation.....	1,015	3,685	3,822	3,907	4,203	4,514	3,863	2,959	4,828	5,537
Human services.....	98,392	97,293	90,973	92,127	74,089	72,544	71,606	78,391	73,401	65,144
Culture and recreation.....	94,737	94,610	88,415	86,537	82,664	79,547	73,087	81,859	87,888	82,328
Utilities or other enterprises.....	43,282	62,775	58,420	37,329	29,380	23,201	27,758	27,122	28,857	27,818
Miscellaneous:										
Retirement and health benefits.....	303,550	283,029	258,330	220,876	190,466	214,895	194,338	182,644	208,354	140,461
Other.....	30,802	27,884	26,013	29,687	61,228	27,146	23,792	23,806	27,493	21,226
Capital Outlay:										
General government.....	25,829	22,762	17,268	16,224	17,912	21,810	18,894	23,853	36,247	39,784
Public safety.....	25,229	29,179	34,980	34,725	29,956	34,070	28,966	20,987	25,903	21,035
Highways and streets.....	130,802	99,643	84,609	130,613	91,720	68,636	65,534	89,857	55,985	48,871
Sanitation.....	--	5	--	(95)	95	--	827	121	302	235
Human services.....	18,453	14,839	5,622	--	8,980	21,991	10,645	14,906	11,591	18,214
Culture-recreation.....	43,911	34,439	11,926	22,564	21,956	22,869	24,703	19,090	22,038	21,576
Utilities or other enterprises.....	29,623	18,081	3,107	2,452	31,265	49,337	181,012	127,681	73,597	47,695
Debt service:										
Principal.....	175,468	116,249	97,055	115,925	88,276	84,906	89,615	93,015	122,273	260,680
Interest.....	96,193	99,244	88,106	97,765	97,580	99,713	95,549	93,225	104,980	100,362
Bond issuance costs.....	687	--	2,052	--	2,125	--	--	--	--	--
Total Expenditures.....	1,788,167	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
Revenues over (under) Expenditures.....	(59,557)	28,014	113,351	25,478	94,371	84,676	141,779	154,052	150,068	119,703
Other Financing Sources (Uses):										
Issuance of general obligation bonds.....	134,925	--	280,845	11,152	191,296	131,206	100,734	30,254	150,089	109,000
Issuance of tax exempt commercial paper (TECP).....	130,000	--	100,000	--	45,000	--	50,000	20,000	45,000	75,000
Capital leases.....	--	--	--	--	--	1,302	--	--	189	865
Issuance of long-term notes.....	--	--	--	--	--	--	--	--	--	--
Issuance of refunding bonds.....	87,090	--	517,146	--	642,942	149,328	50,366	61,192	350,749	132,826
Bond premium.....	34,398	--	125,943	--	85,737	19,747	--	5,122	18,071	7,334
Bond discount.....	(165)	--	(246)	--	(71,391)	(14,268)	(1,096)	(1,996)	(78)	(30)
Repayments from component unit.....	52,202	--	--	--	--	--	--	--	--	--
Refunding of bonds and commercial paper.....	(94,592)	--	(546,799)	--	(621,449)	(155,506)	(50,000)	(64,318)	(367,178)	--
Loss on refunding of bonds.....	(10,963)	--	(44,822)	--	--	--	--	--	--	--
Advance to component unit.....	(130,000)	--	--	--	--	--	--	--	--	--
Sales of capital assets.....	780	972	316	203	1,606	181	660	581	661	362
Transfers in.....	400,233	415,385	338,450	371,055	340,224	320,463	495,790	477,351	573,642	559,299
Transfers out.....	(633,559)	(661,117)	(588,389)	(590,213)	(499,490)	(518,779)	(692,908)	(677,720)	(772,174)	(740,887)
Total Other Financing Sources (Uses).....	(29,651)	(244,760)	202,444	(207,803)	114,475	(66,326)	(46,454)	(149,534)	(1,029)	143,769
Special Item:										
Contribution to component unit.....	--	--	--	--	--	(447,284)	--	--	--	--
Net change in fund balances.....	\$ (89,208)	\$ (216,746)	\$ 315,795	\$ (182,325)	\$ 208,846	\$ (428,934)	\$ 95,325	\$ 4,518	\$ 149,039	\$ 263,472
Debt service as a percentage of noncapital expenditures (a).....										
	18.0%	15.3%	14.2%	16.9%	16.2%	17.5%	16.1%	15.6%	18.4%	29.6%

(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 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 2008 - 2017
(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	
2017	Residential	\$ 3.50	\$ 144,692,257	
	Hotel/Resort	12.90	11,348,555	
	Commercial	12.40	17,219,480	
	Industrial	12.40	9,141,609	
	Agricultural	5.70	996,002	
	Vacant Agricultural	8.50	50,310	
	Preservation.....	5.70	464,899	
	Public Service.....	0.00	37	
	Residential A.....	6.00	<u>15,713,428</u>	
		Total		<u>\$ 199,626,577</u>
	Fiscal year 2017 total direct tax rate	\$ 5.42		
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	

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 2008 - 2017
(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
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	3,644
	Total		<u>\$ 153,592,621</u>
	Fiscal year 2012 total direct tax rate	\$ 5.20	
2011	Homeowner	\$ 3.42	\$ 62,837,101
	Non-Homeowner	3.58	59,448,272
	Hotel/Resort	12.40	6,522,528
	Commercial	12.40	14,425,794
	Industrial	12.40	7,969,269
	Agricultural	5.70	1,315,389
	Vacant Agricultural	8.50	203,137
	Preservation	5.70	384,308
	Public Service	0.00	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
	Total		<u>\$ 165,782,078</u>
	Fiscal year 2010 total direct tax rate	\$ 5.05	
2009	Residential	\$ 3.29	\$ 136,983,348
	Hotel/Resort	12.40	6,979,025
	Commercial	12.40	13,505,161
	Industrial	12.40	7,249,188
	Agricultural	5.70	1,133,318
	Vacant Agricultural	8.50	110,808
	Preservation	5.70	377,099
		Total	
	Fiscal year 2009 total direct tax rate	\$ 4.83	
2008	Improved Residential	\$ 3.29	\$ 100,858,035
	Unimproved Residential	5.70	431,258
	Apartment	3.29	38,352,746
	Hotel/Resort	12.40	6,872,417
	Commercial	12.40	12,282,509
	Industrial	12.40	6,711,928
	Agricultural	5.70	1,054,884
		Vacant Agricultural	8.50
	Preservation	5.70	349,430
	Total		<u>\$ 167,024,731</u>
	Fiscal year 2008 total direct tax rate	\$ 4.73	

NOTES:

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

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

TABLE 6
CITY AND COUNTY OF HONOLULU
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEARS 2008-2017
(Values in thousands)
(Unaudited)

Taxpayer	2017			2016			2015			2014			2013		
	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation
GGP/Howard Hughes	\$ 3,315,613	1	1.37 %	\$ 1,757,566	2	0.77 %	\$ 1,408,576	3	0.66 %	\$ 1,294,204	2	0.64 %	\$ 1,232,114	2	0.67 %
Bishop Estate	1,858,950	2	0.77	1,783,849	1	0.78	1,652,984	1	0.77	1,733,572	1	0.86	1,442,906	1	0.78
Kyo-Ya Company	1,766,287	3	0.73	1,522,822	3	0.67	1,419,965	2	0.66	1,170,157	3	0.58	1,067,362	3	0.58
Hilton, et al	1,653,601	4	0.69	1,392,317	4	0.61	1,236,073	4	0.58	1,064,287	4	0.53	998,906	4	0.54
Disney	1,055,883	5	0.44	980,364	5	0.43	951,585	5	0.44	936,803	5	0.47	928,996	5	0.50
Outrigger Hotels Hawaii	876,909	6	0.36	836,273	6	0.37	759,314	6	0.35	674,790	6	0.34	656,979	6	0.36
Ko'Olina Hotel	816,052	7	0.34	--	--	433,317	10	0.20	426,923	10	0.21	--	--	--	--
DEG, LLC	792,512	8	0.33	626,886	7	0.28	608,040	7	0.28	589,330	7	0.29	575,445	7	0.31
A & B Properties Inc.	791,178	9	0.33	618,381	8	0.27	564,923	8	0.26	--	--	--	--	--	--
First Hawaiian Bank	605,786	10	0.25	459,179	10	0.20	503,122	9	0.23	500,985	8	0.25	483,185	9	0.26
Marriot Ownership Resorts	--	--	--	--	--	--	--	--	--	474,662	9	0.24	488,584	8	0.27
Weinburg Foundation	--	--	--	--	--	--	--	--	--	--	--	--	396,166	10	0.21

Taxpayer	2012			2011			2010			2009			2008		
	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Bishop Estate	\$ 1,414,268	1	0.78 %	\$ 1,339,215	1	0.75 %	\$ 1,380,593	1	0.72 %	\$ 1,424,272	1	0.75 %	\$ 1,370,878	1	0.72 %
General Growth Properties	1,205,267	2	0.67	1,242,751	2	0.69	1,254,081	2	0.66	1,218,932	3	0.64	1,130,056	3	0.59
Kyo-Ya Co. Ltd	1,022,092	3	0.57	1,007,129	3	0.57	1,129,265	3	0.59	1,223,150	2	0.64	1,156,329	2	0.60
Hilton, et al	917,634	4	0.51	908,020	4	0.51	911,200	4	0.48	994,340	4	0.52	848,717	4	0.44
Disney	839,910	5	0.47	--	--	--	--	--	--	--	--	--	--	--	--
Outrigger Hotels Hawaii	595,320	6	0.33	593,278	5	0.33	596,438	5	0.31	648,897	5	0.34	622,799	5	0.33
DEG, LLC	537,437	7	0.30	537,957	6	0.30	--	--	--	--	--	--	--	--	--
First Hawaiian Bank	484,969	8	0.27	472,437	7	0.27	511,344	6	0.27	518,909	6	0.27	491,051	7	0.26
Marriot Ownership Resorts	446,972	9	0.25	415,608	9	0.23	441,501	8	0.23	370,618	10	0.19	--	--	
Reynolds/Shider	442,878	10	0.25	449,340	8	0.25	451,420	7	0.24	503,211	7	0.26	418,994	9	0.22
Ko'Olina Hotel	--	--	--	407,264	10	0.23	408,099	9	0.21	--	--	--	611,185	6	0.32
Weinburg H & J Foundation, Inc.	--	--	--	--	--	--	406,156	10	0.21	440,104	8	0.23	423,835	8	0.22
James Campbell Corporation	--	--	--	--	--	--	--	--	--	--	--	--	293,958	10	0.15
Azabu Building Company Limited	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NOTES:
Taxpayer's name as recorded in real property records.
Assessed valuations were certified as of January 30 each year at 100% of market value.
The total gross assessed valuation for Fiscal Year 2017 was \$241,332,136,000.

TABLE 7
CITY AND COUNTY OF HONOLULU
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2008 - 2017
(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
2017	\$ 1,098,971	\$ (4,493)	\$ 1,094,478	\$ 1,087,315	99.3 %	\$ -	\$ 1,087,315	99.3 %
2016	1,021,536	(3,265)	1,018,271	1,010,462	99.2	4,992	1,015,454	99.7
2015	950,020	(6,661)	943,359	936,004	99.2	6,161	942,165	99.9
2014	850,176	(3,960)	846,216	838,732	99.1	4,795	843,527	99.7
2013	824,798	(2,522)	822,276	813,704	99.0	5,826	819,530	99.7
2012	811,505	(2,983)	808,522	800,424	99.0	9,779	810,203	100.2
2011	812,604	(8,572)	804,032	795,313	98.9	9,544	804,857	100.1
2010	853,767	(4,747)	849,020	840,209	99.0	6,940	847,149	99.8
2009	798,703	(683)	798,020	788,301	98.8	7,916	796,217	99.8
2008	777,151	(3,711)	773,440	765,885	99.0	4,877	770,762	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 2008 - 2017
(Amounts in thousands, except per capita)
(Unaudited)

(Page 1 of 2)

Fiscal Year	Primary Government				
	Governmental Activities				
	General Obligation Bonds (e)	Tax Exempt Commercial Paper	Special Assessment Bonds	Notes Payable	Capital Lease
2017	\$ 2,393,939	\$ 80,000	\$ --	1,138	\$ --
2016	2,384,776	--	--	1,368	--
2015	2,526,882	--	--	1,933	179
2014	2,164,048	--	--	2,476	718
2013	2,282,756	--	--	2,997	1,256
2012	2,058,766	--	--	3,497	1,795
2011	2,009,038	--	--	3,976	1,032
2010	1,956,660	--	--	4,436	1,032
2009	2,006,567	--	--	4,878	1,602
2008	1,810,946	76,863	--	5,302	1,898

NOTES:

(a) See TABLE 12 for personal income and population data.

(b) 2017 and 2016 Personal Income is not available. 2015 Personal Income was used instead.

(c) Revised from previous CAFR.

(d) 2017 Population is not available. 2016 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 8
CITY AND COUNTY OF HONOLULU
RATIOS OF OUTSTANDING DEBT BY TYPE
FISCAL YEARS 2008 - 2017
(Amounts in thousands, except per capita)
(Unaudited)

(Page 2 of 2)

Primary Government						
Business-Type Activities						
General Obligation Bonds (e)	Revenue Bonds (e)	Tax Exempt Commercial Paper	Notes Payable	Total	Percentage of Personal Income (a)	Per Capita (a)
\$ 557,724	\$ 2,072,204	\$ --	\$ 252,769	\$ 5,357,774	10.29 % (b)	\$ 5,398 (d)
577,376	1,868,779	--	252,148	5,084,447	9.77 (b)	5,122 (c)
608,195	1,711,265	--	245,287	5,093,741	9.79 (c)	5,129 (c)
587,947	1,757,422	--	245,345	4,757,956	9.55 (c)	4,813 (c)
618,713	1,800,072	--	221,131	4,926,925	10.37 (c)	5,003 (c)
601,245	1,664,206	--	222,509	4,552,018	9.73 (c)	4,664 (c)
599,909	1,513,751	--	200,392	4,328,098	9.64 (c)	4,479 (c)
405,784	1,324,666	--	193,103	3,885,681	8.99 (c)	4,063 (c)
279,848	1,222,519	--	157,310	3,672,724	8.64 (c)	3,894 (c)
254,172	1,230,245	837	114,847	3,495,110	8.30 (c)	3,743 (c)

TABLE 9
CITY AND COUNTY OF HONOLULU
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
FISCAL YEARS 2008 - 2017
(Amounts in thousands, except per capita)
(Unaudited)

Fiscal Year	General Obligation Bonds (d)	Percentage of Net Taxable Property Value (a)	Per Capita (b)
2017	\$ 2,786,272	1.40 %	\$ 2,807 (c)
2016	2,787,502	1.48	2,808
2015	2,953,882	1.69	2,974
2014	2,573,794	1.62	2,604
2013	2,723,411	1.75	2,766
2012	2,488,832	1.62	2,550
2011	2,450,115	1.60	2,536
2010	2,217,964	1.34	2,319
2009	2,153,977	1.29	2,284
2008	1,979,161	1.18	2,120

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2017 Population not available. 2016 Population was used instead.

(d) The amount of obligations include net bonded debt restricted for debt service.

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 2008 - 2017
(Amounts in thousands)
(Unaudited)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit (a)	\$ 29,943,987	\$ 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
Debt applicable to limit	2,285,897	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
Legal debt margin (b)	\$ 27,658,090	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
Debt applicable to the limit as a percentage of debt limit	7.63%	7.81%	8.85%	8.64%	9.29%	8.66%	8.55%	7.65%	7.80%	7.35%

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 2017

Net assessed value	\$ 199,626,577
Debt limit (15% of assessed value)	29,943,987
Debt applicable to limit	<u>2,285,897</u>
Legal debt margin	<u>\$ 27,658,090</u>

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEGDED REVENUE COVERAGE
FISCAL YEARS 2008-2017
(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		
2017	\$ 236,330	\$ 139,507	\$ 96,823	\$ 8,365	\$ 9,422	\$ 17,787	5.44
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

DEPARTMENT OF ENVIRONMENTAL SERVICES

Fiscal Year	Gross Revenues (c)	Less: Expenses (a)	Net Available Revenue	Debt Service		Total Debt Service	Coverage (b)
				Principal	Interest		
2017	\$ 453,959	\$ 146,086	\$ 307,873	\$ 49,115	\$ 81,204	\$ 130,319	2.36
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

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.

TABLE 12
 CITY AND COUNTY OF HONOLULU
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FISCAL YEARS 2008 - 2017
 (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)
2017	NA	NA	NA	117,203	NA
2016	992,605	NA	NA	118,155	2.8
2015	993,166 (c)	\$ 52,055	\$ 52,122	118,463	3.4
2014	988,586 (c)	49,806 (c)	50,203	122,195	4.1
2013	984,730 (c)	47,505 (c)	48,140 (c)	120,932	4.4
2012	975,909 (c)	46,793 (c)	47,909 (c)	119,477	5.4
2011	966,279 (c)	44,900 (c)	46,452 (c)	117,880	5.9
2010	956,325 (c)	43,244 (c)	45,216 (c)	118,534	6.0
2009	943,177	42,500 (c)	45,061 (c)	117,990	6.0
2008	933,680	42,095 (c)	45,085 (c)	119,005	3.8

NOTES:

(a) Per *The State of Hawaii Data Book 2016*.

(b) Enrollment figures for 2008-2017 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 2007 - 2016
(Unaudited)

Employer (a)	2016			2015			2014			2013			2012		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)	Employees	Rank	Percentage of Total State Employment (b)
State of Hawaii	74,100	1	11.15%	74,500	1	11.45%	73,600	1	11.55%	72,200	1	11.88%	72,900	1	11.98%
Federal Government	33,200	2	4.99%	33,200	2	4.99%	33,200	2	5.21%	33,900	2	5.49%	34,900	2	5.74%
Local Governments	19,000	3	2.86%	18,900	3	2.90%	18,800	3	2.95%	18,700	3	3.03%	18,500	3	3.04%
The Queen's Health Systems	7,455	4	1.12%	7,278	4	1.12%	6,942	4	1.09%	5,587	6	0.90%	5,281	7	0.87%
Marriott Hawaii	6,929	5	1.04%	--	--	--	--	--	--	--	--	--	--	--	--
Hawaii Pacific Health Systems	6,641	6	1.00%	6,617	5	1.02%	6,485	5	1.02%	6,307	4	1.02%	5,809	4	0.95%
Kaiser Foundation Health Plan	4,410	7	0.66%	4,424	9	0.68%	4,691	9	0.74%	4,371	9	0.71%	4,570	9	0.75%
Outtiger Enterprises Group	3,186	8	0.48%	--	--	--	--	--	--	--	--	--	--	--	--
Hawaiian Electric Co., Inc.	2,662	9	0.40%	3,918	10	0.60%	3,965	10	0.62%	3,966	10	0.64%	3,870	10	0.64%
Securitas Security Services USA Inc.	2,416	10	0.36%	--	--	--	--	--	--	--	--	--	--	--	--
Hawaiian Airlines, Inc.	--	--	--	5,548	6	0.85%	5,380	8	0.84%	5,249	8	0.85%	4,906	8	0.81%
Starwood Hotels & Resorts Hawaii	--	--	--	5,507	7	0.85%	5,659	6	0.89%	6,150	5	1.00%	5,500	5	0.90%
Hilton Hotels Hawaii Region	--	--	--	5,400	8	0.83%	5,400	7	0.85%	5,400	7	0.87%	5,400	6	0.89%
Total	159,999	--	24.06%	165,292	--	25.40%	164,122	--	25.76%	161,830	--	26.19%	161,636	--	26.57%

Employer (a)	2011			2010			2009			2008			2007		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
State of Hawaii	71,400	1	11.60%	71,700	1	11.90%	73,700	1	12.57%	74,300	1	12.14%	72,400	1	11.67%
Federal Government	34,800	2	5.66%	34,800	2	5.78%	33,300	2	5.68%	32,200	2	5.26%	31,750	2	5.12%
Local Governments	18,500	3	3.01%	18,700	3	3.10%	18,650	3	3.18%	18,550	3	3.03%	17,950	3	2.89%
Hawaii Pacific Health	5,724	4	0.93%	5,490	4	0.91%	5,300	5	0.90%	5,200	6	0.85%	5,200	7	0.84%
Hilton Hotels Hawaii Region	5,400	5	0.88%	5,400	5	0.90%	--	--	--	--	--	--	--	--	--
Starwood Hotels & Resorts Hawaii	5,300	6	0.86%	5,092	7	0.85%	--	--	--	--	--	--	--	--	--
The Queen's Health Systems	5,134	7	0.83%	5,147	6	0.85%	5,059	6	0.86%	4,903	7	0.80%	4,834	8	0.78%
Kaiser Foundation Health Plan & Hospitals	4,478	8	0.73%	4,400	8	0.73%	3,700	9	0.63%	4,403	8	0.72%	4,017	9	0.65%
Hawaiian Airlines Inc.	4,314	9	0.70%	4,019	9	0.67%	--	--	--	--	--	--	--	--	--
Hawaiian Electric Industries Inc.	3,654	10	0.59%	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%
Kyo-ya Co. Ltd.	--	--	--	--	--	--	3,851	7	0.66%	3,639	10	0.59%	3,764	10	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%
NCL America	--	--	--	--	--	--	--	--	--	--	--	--	5,910	5	0.95%
Total	158,704	--	25.79%	158,148	--	26.25%	159,959	--	27.27%	164,816	--	26.92%	159,636	--	25.74%

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

NOTES:
(a) State of Hawaii employees only.
(b) Total State employment count revised from prior CAFR.

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TABLE 14
 CITY AND COUNTY OF HONOLULU
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 FISCAL YEARS 2008 - 2017
 (Unaudited)

(Page 1 of 2)

<u>Function</u>	Full-time Equivalent Employees as of June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General government					
Administration	484	496	497	472	461
Finance	423	429	437	431	410
Legal	324	320	314	327	325
Planning & Permitting	267	274	267	258	258
Design & Construction	219	225	223	221	226
Land Management	1				
Public Safety					
Police	2,526	2,579	2,595	2,556	2,574
Fire	1,072	1,088	1,116	1,074	1,089
Emergency Medical Services	174	173	161	155	146
Highways and Streets	636	634	639	622	598
Sanitation					
Solid Waste	600	593	583	600	572
Sewer	257	262	267	274	263
Health and Human Resources	421	420	409	394	403
Culture and Recreation	1,031	1,016	1,008	1,005	1,036
Total	<u>8,435</u>	<u>8,509</u>	<u>8,516</u>	<u>8,389</u>	<u>8,361</u>

NOTES:

Source: City and County of Honolulu, Department of Human Resources.

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

This table excludes the Board of Water Supply Employees.

TABLE 14
 CITY AND COUNTY OF HONOLULU
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 FISCAL YEARS 2008 - 2017
 (Unaudited)

(Page 2 of 2)

<u>Function</u>	<u>Full-time Equivalent Employees as of June 30</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General government					
Administration	480	478	491	547	538
Finance	405	398	419	475	439
Legal	308	304	314	314	318
Planning & Permitting	245	248	259	270	250
Design & Construction	228	227	226	228	216
Land Management					
Public Safety					
Police	2,519	2,551	2,570	2,625	2,601
Fire	1,114	1,099	1,083	1,092	1,098
Emergency Medical Services	151	147	145	144	136
Highways and Streets	596	585	604	651	631
Sanitation					
Solid Waste	622	585	302	145	363
Sewer	254	253	559	542	530
Health and Human Resources	397	403	411	404	397
Culture and Recreation	1,005	982	1,026	984	962
Total	<u>8,324</u>	<u>8,260</u>	<u>8,409</u>	<u>8,421</u>	<u>8,479</u>

NOTES:

Source: City and County of Honolulu, Department of Human Resources.

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

This table excludes the Board of Water Supply Employees.

TABLE 15
CITY AND COUNTY OF HONOLULU
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2008 - 2017
(Unaudited)

(page 1 of 2)

<u>Function</u>	2017	2016	2015	2014	2013
Public Safety					
Police					
Part I number of arrests (a)	4,101	4,990	5,100	5,820	5,870
Part II number of arrests (a)	37,857	36,220	34,900	34,860	36,060
Parking violations	143,727 (b)	116,774 (b)	116,064 (b)	111,720 (b)	105,164 (b)
Traffic violations	223,661 (b)	233,142 (b)	256,943 (b)	181,750 (b)	187,376 (b)
Fire					
Fire department responses	17,843	17,291	16,421	20,334	19,830
Emergency medical responses	36,564	35,566	35,345	30,355	29,608
Inspections	74,511	72,252 (j)	53,419 (i)	77,492	68,888
Emergency Medical Services					
Ambulance responses	84,621	90,023	88,882	82,227	78,872
Refuse Collection					
Refuse collected (tons per year)	268,347	268,330	263,350	264,500	284,070
Recyclables collected (tons per year)	130,107	131,256	127,550	128,615	116,200
Other Public Works					
Street resurfacing in-house (lane miles)	18	16	8	4 (g)	18 (e)
Street resurfacing contract (miles)	412 (m)	268	214	270	315 (f)
First aid (tons of asphalt)	2,671 (k)	501	1,747	2,122	1,258
Potholes repaired	28,570 (l)	42,656	32,976	39,951	51,647
Parks and Recreation					
Park facility permits issued	13,338	16,348	15,260	15,494	16,696
Other Enterprise					
Rounds of golf	371,744	375,710	400,869	416,356	442,362
Zoo attendance	560,479	564,114	592,780	606,566	663,699
Water					
New connections	385	242	522	540 (h)	875 (h)
Water main breaks	346	326	293	303	350
Average daily pumpage (thousands of gallons)	136	137	144	136	141
Peak daily pumpage (thousands of gallons)	155	169	159	161	168
Wastewater					
Average daily sewage treatment (millions of gallons)	117	113	105	105	100
Transit					
Total bus directional route miles	1,057	1,033	1,032	1,030	1,023
Total bus revenue miles	17,760,756	17,817,987	17,752,627	17,619,990	17,198,231
Bus passengers	65,216,212	68,274,031	71,094,063	66,285,449	69,242,214
Total paratransit revenue miles	6,384,051	6,404,590	5,565,742	5,193,703	5,082,596
Paratransit passengers	920,453	890,453	843,402	882,084	841,447

NOTES:

- (a) The data is reported on a calendar year basis.
(b) The count is based on number of violations.
(c) Beginning in FY 2007, the Honolulu Fire Department (HFD) changed methods of data collection to count fire prevention inspections. Inspections 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.
(d) The decrease is due to the workload for APEC preparation.
(e) 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
(f) 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.
(g) 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 the NPDES permit requirements.
(h) The decrease was due to the decrease in the completion of new sub divisions.
(i) 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).
(j) 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.
(k) First aid increased to assist DDC while waiting for projects delayed due to utility projects to complete.
(l) Potholes repaired significantly reduced due to the increase in DDC resurfacing contract projects.
(m) The factors causing the increase in the lane miles are utilizing construction management services which allowed managing more paving contracts without increasing city staff, better weather conditions, and the timing of executing contracts.

SOURCES:

City and County of Honolulu , various departments
State of Hawaii, District Court Administrator for parking and traffic violations.
NA: Not available.

TABLE 15
CITY AND COUNTY OF HONOLULU
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2008 - 2017
(Unaudited)

(page 2 of 2)

2012	2011	2010	2009	2008
5,517	5,120	5,430	4,011	4,453
34,695	31,930	33,940	35,315	37,295
111,342 (b)	115,171 (b)	124,997 (b)	133,216 (b)	154,323 (b)
189,591 (b)	203,052 (b)	197,820 (b)	198,746 (b)	173,762 (b)
19,923	18,436	16,254	16,152	15,728
28,871	27,953	24,808	24,930	23,760
63,424 (d)	73,302 (c)	67,542 (c)	70,268 (c)	66,947 (c)
75,500	67,477	69,253	60,412	73,902
255,400	273,040	290,064	312,360	340,781
118,400	121,442	84,046	69,188	55,700
8	19	57	60	51
180	149	319	76	91
2,314	753	4,277	2,560	3,007
52,071	67,714	41,505	68,816	82,850
12,029	16,549	15,520	18,611	15,136
464,708	475,663	534,508	563,589	563,669
665,940	603,677	580,265	623,034	599,442
1,069	962	1,075	1,262	1,370
312	333	388	325	285
139	130	148	145	148
151	157	171	179	179
100	105	104	108	107
947	945	945	943	927
18,225,506	18,356,893	18,343,673	18,462,001	18,272,697
76,296,482	73,765,232	73,158,620	77,329,670	69,759,895
5,150,671	4,955,876	4,960,022	4,999,735	4,833,262
845,903	825,680	790,357	840,763	833,835

TABLE 16
CITY AND COUNTY OF HONOLULU
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2008 - 2017
(Unaudited)

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Function	Fiscal Year				
	2017	2016	2015	2014	2013
Public Safety					
Police					
Stations	12	12	12	12	12
Patrol units - City owned	414	324	406	325	333
Patrol units - privately owned (b)	1,339	1,354	1,356	1,329	1,311
Fire stations (c)	44	44	44	45	45
Emergency medical services stations	20	20	22	22	22
Refuse collection trucks	170	174	173	168	166
Other Public Works					
Streets (paved mile)	1,439	1,433	1,424	1,420	1,417
Streetlights	52,521	52,093	51,797	51,300	47,999
Storm sewers (miles)	747	741	732	728	725
Parks and Recreation					
Parks and recreational areas	288	286	286	284	284
Beach access/right of ways	90	90	90	70	90
Botanical gardens	5	5	5	5	5
Recreation buildings	93	93	93	93	93
Gymnasiums	25	25	25	25	25
Swimming pools	21	21	21	21	21
Baseball/softball fields	201	201	201	200	200
Basketball courts	205	205	205	202	205
Tennis courts	208	208	208	208	207
Volleyball courts	173	173	173	171	171
Soccer fields	80	80	80	80	80
Traffic related landscaped areas	151	150	150	150	149
Other Enterprise					
Golf courses	6	6	6	6	6
Zoological parks	1	1	1	1	1
Water					
Water mains (miles)	2,144	2,131	2,123	2,114	2,106
Fire hydrants	21,605	21,414	21,399	21,384	21,290
Storage capacity (thousands of gallons)	197	197	197	190	190
Wastewater					
Sanitary sewers (miles)	2,024	2,024	2,010	2,010	2,010
Treatment capacity (millions of gallons)	158	158	152	152	152
Transit					
Buses	544	541	521	519	524
Paratransit vehicles	180	180	181	160	157
Traffic signal intersections (e)	844	840	837	834	830

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.

TABLE 16
CITY AND COUNTY OF HONOLULU
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2008 - 2017
(Unaudited)

page 2 of 2

Function	Fiscal Year				
	2012	2011	2010	2009	2008
Public Safety					
Police					
Stations	12	11	12	12	12
Patrol units - City owned	346	473	328	331	300 (a)
Patrol units - privately owned (b)	1,334	1,312	1,357	1,276	1,428
Fire stations (c)	45	44	44	44	44
Emergency medical services stations	22	21	21	21	21
Refuse collection trucks	168	174	206	206	191
Other Public Works					
Streets (paved mile)	1,415	1,410	1,407	1,398	1,398
Streetlights	47,819	47,544	47,283	47,160	46,756
Storm sewers (miles)	723	718	715	706	706
Parks and Recreation					
Parks and recreational areas	283	288	288	287	284
Beach access/right of ways	90	90	90	90	90
Botanical gardens	5	5	5	5	5
Recreation buildings	93	93	93	93	93
Gymnasiums	24	24	24	24	24
Swimming pools	21	21	21	21	21
Baseball/softball fields	200	200	200	193	193
Basketball courts	200	200	220	220	220
Tennis courts	203	203	200	200	200
Volleyball courts	169	169	169	169	169
Soccer fields	80	80	80	80	80
Traffic related landscaped areas	149	149	149	149	149 (d)
Other Enterprise					
Golf courses	6	6	6	6	6
Zoological parks	1	1	1	1	1
Water					
Water mains (miles)	2,101	2,095	2,079	2,043	2,067
Fire hydrants	21,130	21,045	21,006	20,950	20,760
Storage capacity (thousands of gallons)	184	182	182	182	182
Wastewater					
Sanitary sewers (miles)	2,087	2,100	2,143	2,152	2,113
Treatment capacity (millions of gallons)	152	152	152	152	152
Transit					
Buses	540	553	552	549	540
Paratransit vehicles	158	181	166	166	148
Traffic signal intersections (e)	827	825	823	819	799

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.

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