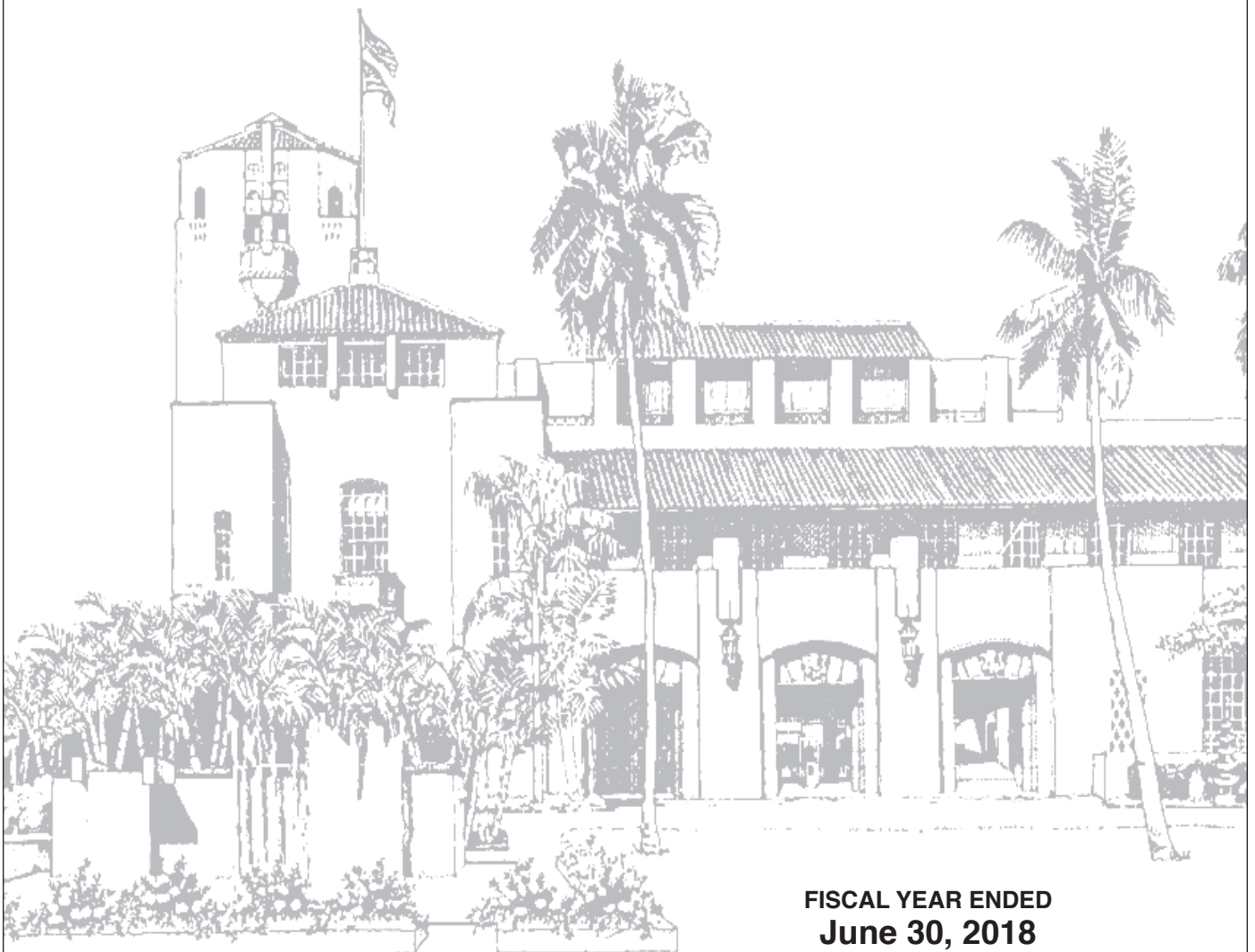
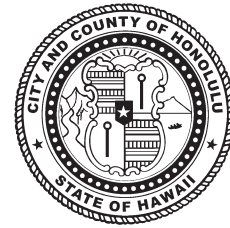


**CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII**

Comprehensive Annual Financial Report



**FISCAL YEAR ENDED
June 30, 2018**

EXECUTIVE BRANCH



Kirk Caldwell
Mayor

CITY AND COUNTY OF HONOLULU
Honolulu, Hawaii
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018

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

**CITY AND COUNTY OF HONOLULU
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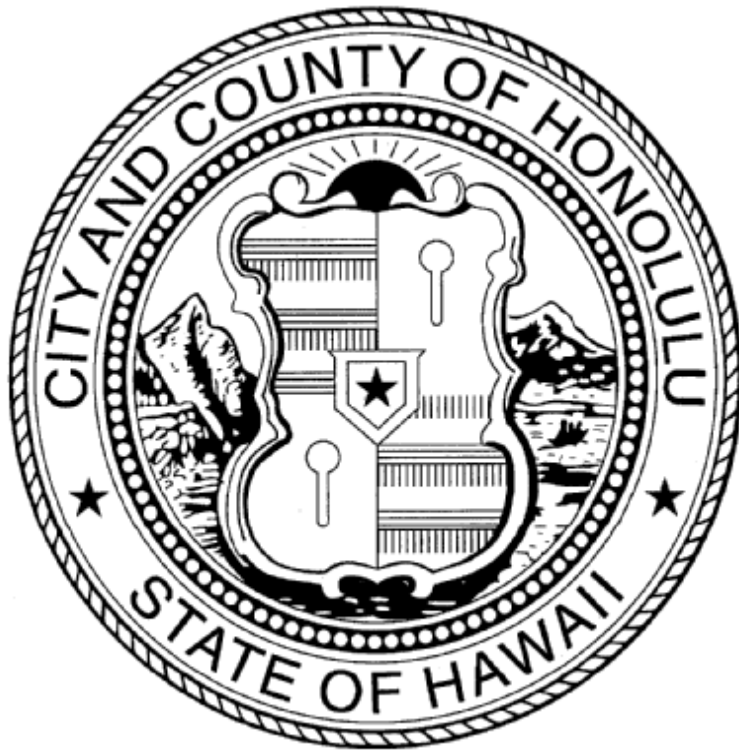
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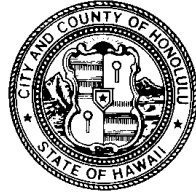
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INTRODUCTORY SECTION

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

MANUEL T. VALBUENA
DEPUTY DIRECTOR

January 8, 2019

The Honorable Kirk Caldwell, Mayor
The Honorable Kymberly Marcos Pine,
Acting 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, Acting Chair Pine 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, 2018. 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 is a summary of the City's main industries. Tourism remains strong while industries like construction and retailing have been trending downwards.

- Tourism, Oahu's primary industry, has been performing better than anticipated on a year to date basis. For the eleven months ended November 30, 2018, total visitor expenditures improved 7.8%, total visitor days rose 6.3%, visitor arrivals was up 4.4%, average daily visitor spending grew 1.4%, and average length of stay increased 1.8% compared to the same period a year ago. For November 2018, the average daily hotel room rate on Oahu remained relatively stable at \$218.91 while hotel occupancy decreased to 79.4% from 82.0% compared to the same month last year.
- As of June 30, 2018, the military, Hawaii's second largest economic sector, provided more than 71,000 jobs. Based on federal fiscal year 2016 data (the latest information available), defense spending in Hawaii amounted to \$6.4 billion and accounted for 7.6% of the state's gross domestic product.
- Construction jobs decreased to 26,200 for November 2018 compared to 27,600 for the same month the preceding year. Contracting revenues declined 13.2% to \$997.8 million for the two months ended August 31, 2018, compared to the same period a year ago. To a lesser extent, contracting revenues decreased 5.6% to \$6.33 billion for the fiscal year ended June 30, 2018, compared to the prior fiscal year. The number of building permits issued decreased 5.4% to 14,338 in contrast to the accepted value which increased by 13.0% to \$3.04 billion for the year ended December 31, 2018, compared to the prior year.
- The 2018 median resale price rose 4.6% to \$790,000 for single family homes, and 3.7% for condominiums, compared to the prior year. On the other hand, the 2018 resale volume dropped 7.7% to 3,609 for single family homes, and 2.5% to 5,679 for condominiums in contrast to 2017.
- Retail sales dropped 28.7% to \$3.60 billion for the two months ended August 31, 2018, compared to the same period in 2017. To a smaller degree, retailing receipts decreased 3.5% to \$25.82 billion for the fiscal year ended June 30, 2018, compared to fiscal year 2017.

- Non-agricultural jobs totaled 493,800 for November 2018, an increase of 2.0% from 484,100 non-farm jobs for the same month the preceding year.
- Honolulu had the lowest unemployment rate among Hawaii's counties in November 2018, with a non-seasonally adjusted unemployment rate of 2.5%, compared to 2.6% statewide, and 3.5% nationally.
- Hawaii's nominal personal income (i.e., salaries and wages not adjusted for inflation) rose 3.2% for the second quarter of 2018, compared to a 3.6% increase for the second quarter of the prior year, and the annual average of 3.7% for 2017.
- Proprietors' income increased 4.5% for the second quarter of 2018, compared to an increase of 5.2% for the second quarter of last year, and the annual average of 4.7% for 2017.

Sources:

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

U.S. Department of Defense, Defense Manpower Data Center, <https://www.dmdc.osd.mil>

U.S. Department of Defense, Office of Economic Adjustment, <http://oea.gov>

MAJOR INITIATIVES

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

The City's \$1.07 billion capital improvement budget for fiscal year 2018 emphasized 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 was budgeted for fiscal year 2018, representing an increase of 33.6% compared to the prior fiscal year. Major sanitation projects included 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 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 was 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 included 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 represented a 56.8% decrease for fiscal year 2018 in comparison to the previous fiscal year, primarily due to a \$105.0 million reduction in funding for the Rehabilitation of Streets to \$30.0 million for the current fiscal year. Other major highways and streets projects included 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 represented a 58.6% increase compared to the last fiscal year, and included 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 were 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 represented a 30.0% increase compared to the previous fiscal year. The noteworthy public transit projects were 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 amounted to \$38.3 million for fiscal year 2018, which represented a 29.6% decrease from the previous fiscal year. The major public safety projects included 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).

FOR THE FUTURE

The executive operating budget of \$2.61 billion, net of interfund transfers for fiscal year 2019, reflects an increase of 6.5% compared to the prior fiscal year. The focus continues to be providing essential City services, maintaining and enhancing the multitude of City assets, and establishing the foundation for a better future for the residents of Oahu.

The City's \$1.01 billion capital improvement budget for fiscal year 2019 emphasizes maintaining and improving parks and park facilities, enhancing bus and handivan services, integrating bus, rail and transit oriented development, meeting mandated sewer improvement deadlines, continuing to invest in road rehabilitation and maintenance, and addressing chronic homelessness.

Sanitation

For solid waste and sewage collection and disposal projects, a total of \$450.8 million is budgeted for fiscal year 2019, representing a decrease of 34.0% compared to the prior fiscal year. Major sanitation projects include Honouliuli Wastewater Treatment Plant Secondary Treatment (\$100.5 million), Sand Island Wastewater Treatment Plant Secondary Treatment (\$30.5 million), Kailua Wastewater Treatment Plant Upgrade, Phase 2 (\$28.7 million), Sand Island Wastewater Treatment Plant Energy Improvements (\$24.0 million), Wastewater Treatment Plant, Pump Station and Force Main Projects (\$16.6 million), Sewer Infiltration/Inflow Relief and Rehabilitation Projects, Ala Moana Tributary Basin (\$16.5 million), Waimalu Wastewater Pump Station Modification/Upgrade (\$16.4 million), Sewer Mainline and Lateral Projects (\$15.3 million), and Sand Island Wastewater Treatment Plant Outfall Improvements and Rehabilitation (\$14.5 million).

General Government

The general government function of the capital improvement budget increased by \$78.0 million to \$136.9 million for fiscal year 2019. The following are the major general government projects: Ala Moana Transit Plaza – Transit Oriented Development (\$64.0 million), Manana Corporation Yard Improvements (\$26.2 million), Procurement of Major Equipment (\$19.3 million), Pearlridge Bus Transfer Center and Plaza – Transit Oriented Development (\$3.0 million), Civic Center Improvements (\$2.4 million), and Municipal Facilities Improvements (\$2.1 million).

Highways and Streets

The \$125.4 million capital improvement budget for highways and streets is 69.0% higher for fiscal year 2019 than the previous fiscal year, essentially due to the \$47.0 million increase to \$77.0 million for Rehabilitation of Streets compared to fiscal year 2018. Other major highways and streets projects include Bridge Rehabilitation at Various Locations (\$7.3 million), Farrington Highway Improvements (\$4.0 million), Intermodal Connectivity Improvements (\$4.0 million), and Reconstruction of Sidewalks (\$3.0 million).

Public Safety

The appropriations for the public safety function increased \$63.2 million to \$101.5 million for fiscal year 2019, primarily due to the \$51.5 million increase for Flood Control Improvements at Various Locations to \$53.5 million for the current fiscal year. The following are the other major public safety projects: Computerized Traffic Control System (\$4.6 million), Traffic Signals at Various Locations (\$4.6 million), Fire Station Buildings Improvements (\$4.0 million), and Police Stations Buildings Improvements (\$3.5 million).

Human Services

The capital improvement budget for the human services function of \$85.4 million represents an 18.1% increase compared to the last fiscal year, and includes appropriations of \$40.8 million for the Affordable Housing Strategic Development Program, and \$3.1 million for the Community Development Block Grant Program.

Culture-Recreation

For fiscal year 2019, \$66.2 million is appropriated in the capital improvement budget for participant, spectator, and other recreation projects, a decrease of 34.5% over the prior fiscal year. The major culture-recreation projects include Preservation and Conservation of Lands (\$10.5 million), Renovate Recreational Facilities (\$9.6 million), Ala Moana Regional Park (\$8.0 million), and Kualoa Regional Park (\$3.0 million).

Transportation

Mass transit appropriations of \$43.6 million for fiscal year 2019, representing an 11.8% increase compared to the previous fiscal year, may be attributed primarily to the \$40.0 million Bus and Handi-Van Acquisition Program.

FINANCIAL INFORMATION

The basic financial statements include two government-wide financial statements, the Statement of Net Position and the Statement of Activities. These government-wide financial statements are corporate in style, and present a big-picture view of the City's financial condition and position with the reporting of depreciation and long-term debt. The financial information of the City (known as the primary government) is summarized and reported by governmental activities and business-type activities. The business-type activities are consolidated into a single column of the government-wide financial statements and include the proprietary funds; specifically, housing, sewer, solid waste, and the public transportation system. A financial analysis of the primary government is provided in the Management's Discussion and Analysis section of this report.

The City's component units, the Board of Water Supply, 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, but not absolute, 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's components form a process to provide reasonable assurance of the effectiveness and efficiency of City operations; reliability of financial reporting; compliance with applicable laws, regulations, contracts, and standards; and safeguarding public funds and assets to minimize incidences of fraud, waste, and abuse

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, 2017. The City has received the award for 31 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 nineteen 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, 2018.

Respectfully submitted,



Nelson H. Koyanagi, Jr., Director
Budget and Fiscal Services



Government Finance Officers Association

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

Presented to

**City and County of Honolulu
Hawaii**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

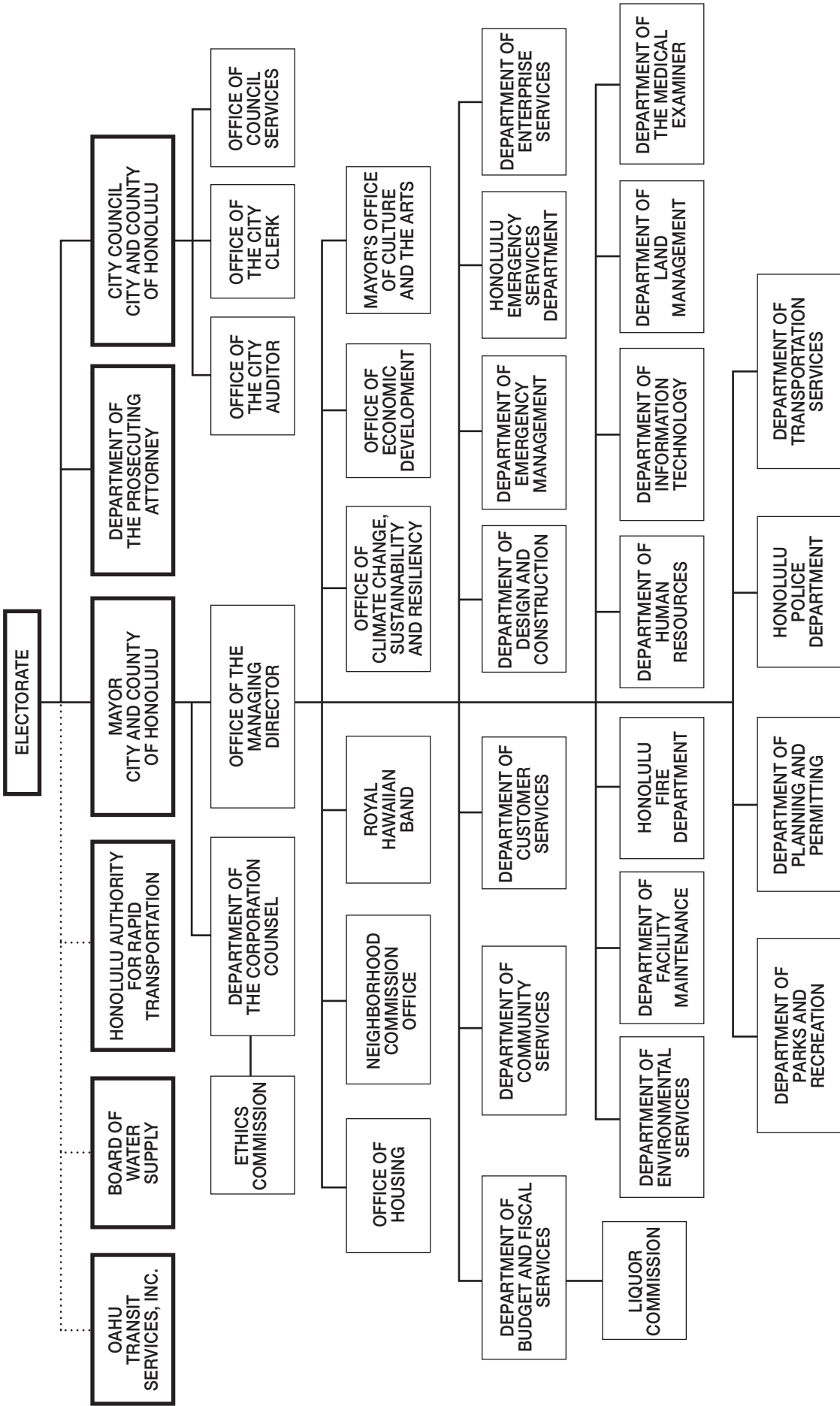
June 30, 2017

Christopher P. Morill

Executive Director/CEO

CITY AND COUNTY OF HONOLULU ORGANIZATIONAL CHART

FISCAL YEAR 2018



**CITY AND COUNTY OF HONOLULU
ELECTED OFFICIALS
June 30, 2018**

EXECUTIVE BRANCH

Mayor. Kirk Caldwell
Prosecuting Attorney. Keith M. Kaneshiro

LEGISLATIVE BRANCH

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

The following were elected to a four year-term starting on January 2, 2019:

| | |
|---|-------------------------|
| Second. | Heidi Tsuneyoshi |
| Fourth. | Trevor Ozawa |
| <small>(A petition was filed challenging the election results for the Fourth Council District.)</small> | |
| Sixth. | Carol Fukunaga |
| Eighth. | Brandon Elefante |

LEGISLATIVE BRANCH

CITY COUNCIL



Kymberly Marcos Pine
Councilmember, District I



Ernest Y. Martin
Chair, District II



Ikaika Anderson
Councilmember, District III



Trevor Ozawa
Councilmember, District IV



Ann H. Kobayashi
Councilmember, District V



Carol Fukunaga
Councilmember, District VI



Joey Manahan
Councilmember, District VII

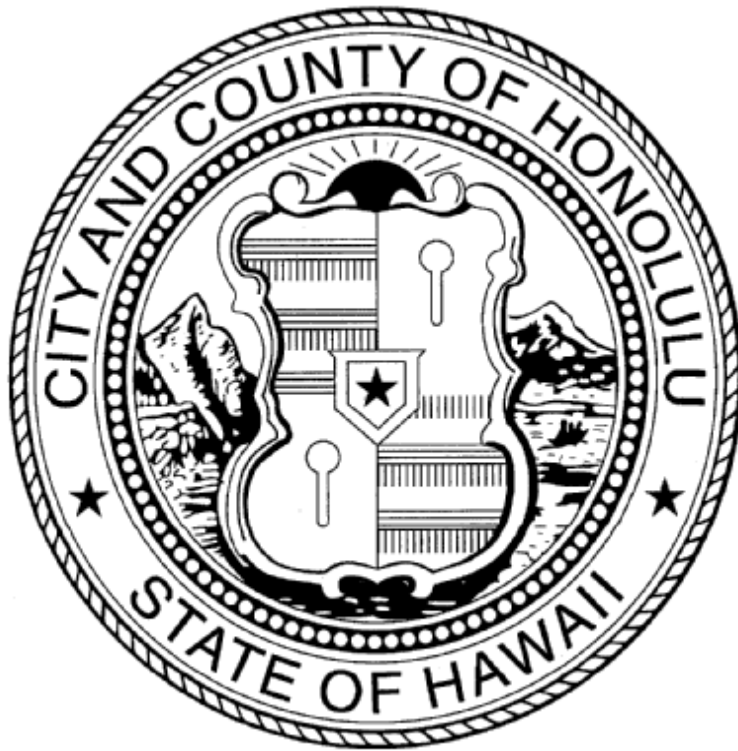


Brandon J.C. Elefante
Councilmember, District VIII



Ron Menor
Councilmember, District IX

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FINANCIAL SECTION



A Hawaii Limited Liability Partnership

Independent Auditor's Report

To the Chair and Members of the City Council
City and County of Honolulu

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2018, 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 31 percent, 23 percent, and 60 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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, 2018 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 2018 the City adopted Government Accounting Standards Board (GASB) Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting this standard, the 2017 financial statements have been restated. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the basic financial statements, the 2017 financial statements have been restated to correct a misstatement. We also audited adjustments described in Note 1 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. Our opinions are not modified with respect to this matter.

As discussed in Note 1 of the Oahu Transit Services, Inc. and Note O of the Board of Water Supply financial statements, which were audited by other auditors whose report has been furnished to us, the 2017 financial statements have been restated as a result of adopting GASB 75. Our opinions are 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, schedule of changes in net OPEB liability and related ratios, OPEB schedule of contributions and notes to the OPEB schedule of contributions, on pages 19–34, 121-125, 126, 127, 128, 129, 130, and 131, 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
January 8, 2019

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CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

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, 2018. 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 2018

- Revenues from governmental activities totaled approximately \$1.85 billion for fiscal year 2018 compared to \$1.72 billion for the prior fiscal year. Expenses before transfers amounted to \$1.73 billion for the current fiscal year compared to \$1.63 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 \$170.8 million for the current fiscal year compared to \$225.2 million for fiscal year 2017. The improvement in net position can be attributed primarily to the residual effects of the multi-year sewer service charge rate package that ended on June 30, 2017. The business-type activities are summarized on page 24, discussed on pages 28 and 29, and reported on pages 36 and 37.
- The combined ending governmental fund balances as of June 30, 2017 was restated by \$80.0 million to \$530.7 million. With a fiscal year 2018 increase of \$482.3 million (as summarized on page 30), the combined ending governmental fund balances amounted to \$1.01 billion (as reported on pages 39 and 40).
- Net capital assets for the governmental activities rose from \$2.62 billion at the end of the prior fiscal year to \$2.74 billion at June 30, 2018. Likewise, net capital assets for the business-type activities increased from \$3.84 billion at the close of fiscal year 2017 to \$3.97 billion at June 30, 2018. 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 \$2.76 billion, representing less than 10% of the City's \$31.74 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 270 to 276 in the Statistical Section.

CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

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, 2018

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, 2018, 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 six legally separated funds, combined as the General Fund, along with the 24 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, 2018**

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 while the agency funds are reported on pages 146 and 147.

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 declined to a negative balance of \$166.9 million for the fiscal year ended June 30, 2018 in contrast to a positive balance of \$1.03 billion 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 \$1.52 billion, a decrease of 2.2% 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

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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, 2018, net position restricted for debt service increased for both the governmental and business-type activities. That is, restricted net position increased from \$165,000 at June 30, 2017 to \$492.8 million for the governmental activities for the current fiscal year end, and rose 57.4% to \$260.1 million for the business-type activities as of June 30, 2018.

Due to the first-time reporting of the liability for net other post-employment benefits (OPEB), the net position for both the governmental and business-type activities declined compared to the last fiscal year. Specifically, the governmental activities reported a negative unrestricted net position of \$3.21 billion as of June 30, 2018 compared to a negative of \$1.50 billion at the prior fiscal year end. The unrestricted net position of the business-type activities maintained a positive balance of \$775.0 million at the current fiscal year end, representing a 4.9% decrease compared to the previous fiscal year end, also due to the first-time reporting of the net OPEB liability.

The following is a summary of the Statements of Net Position as of June 30, 2018 and 2017 (amounts in millions):

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

| | Governmental | | Business-type | | Total | |
|---|---------------------|---------------------|-------------------|-------------------|--------------------|-------------------|
| | Activities | | Activities | | Primary Government | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current and other assets | \$ 1,197.6 | \$ 775.4 | \$ 1,394.4 | \$ 1,297.1 | \$ 2,592.0 | \$ 2,072.5 |
| Restricted assets | 42.7 | - | 484.0 | 282.2 | 526.7 | 282.2 |
| Capital assets, net of accumulated depreciation | 2,737.8 | 2,624.9 | 3,968.3 | 3,844.9 | 6,706.1 | 6,469.8 |
| Total assets | <u>3,978.1</u> | <u>3,400.3</u> | <u>5,846.7</u> | <u>5,424.2</u> | <u>9,824.8</u> | <u>8,824.5</u> |
| Deferred outflows of resources | 835.6 | 961.0 | 150.8 | 159.1 | 986.4 | 1,120.1 |
| Noncurrent liabilities | 6,997.2 | 5,338.1 | 3,590.9 | 3,205.4 | 10,588.1 | 8,543.5 |
| Other liabilities | 150.3 | 166.5 | 132.4 | 142.4 | 282.7 | 308.9 |
| Total liabilities | <u>7,147.5</u> | <u>5,504.6</u> | <u>3,723.3</u> | <u>3,347.8</u> | <u>10,870.8</u> | <u>8,852.4</u> |
| Deferred inflows of resources | 76.7 | 34.6 | 30.6 | 29.6 | 107.3 | 64.2 |
| Net position: | | | | | | |
| Net investment in capital assets | 308.6 | 325.8 | 1,208.5 | 1,225.7 | 1,517.1 | 1,551.5 |
| Restricted | 492.8 | 0.2 | 260.1 | 165.2 | 752.9 | 165.4 |
| Unrestricted | (3,211.9) | (1,503.9) | 775.0 | 815.0 | (2,436.9) | (688.9) |
| Total net position | <u>\$ (2,410.5)</u> | <u>\$ (1,177.9)</u> | <u>\$ 2,243.6</u> | <u>\$ 2,205.9</u> | <u>\$ (166.9)</u> | <u>\$ 1,028.0</u> |

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

The following is a summary of the Statements of Activities for fiscal years 2018 and 2017 (amounts in millions):

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------------|----------------------------|---------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 312.6 | \$ 281.8 | \$ 661.0 | \$ 672.8 | \$ 973.6 | \$ 954.6 |
| Operating grants and contributions | 135.5 | 125.9 | 21.0 | 21.0 | 156.5 | 146.9 |
| Capital grants and contributions | 16.1 | 28.5 | 7.2 | 18.3 | 23.3 | 46.8 |
| General revenues: | | | | | | |
| Property taxes | 1,187.8 | 1,099.9 | - | - | 1,187.8 | 1,099.9 |
| Other taxes | 132.3 | 130.3 | - | - | 132.3 | 130.3 |
| Other | 61.3 | 56.4 | 15.5 | 8.3 | 76.8 | 64.7 |
| Total revenues | <u>1,845.6</u> | <u>1,722.8</u> | <u>704.7</u> | <u>720.4</u> | <u>2,550.3</u> | <u>2,443.2</u> |
| Expenses | | | | | | |
| General government | 779.7 | 733.2 | - | - | 779.7 | 733.2 |
| Public safety | 492.7 | 482.9 | - | - | 492.7 | 482.9 |
| Highways and streets | 77.3 | 71.3 | - | - | 77.3 | 71.3 |
| Sanitation | 0.3 | 1.0 | - | - | 0.3 | 1.0 |
| Human services | 127.6 | 98.5 | - | - | 127.6 | 98.5 |
| Culture and recreation | 127.9 | 122.5 | - | - | 127.9 | 122.5 |
| Utilities or other enterprises | 34.5 | 45.4 | - | - | 34.5 | 45.4 |
| Interest | 87.0 | 72.5 | - | - | 87.0 | 72.5 |
| Housing | - | - | 12.2 | 13.1 | 12.2 | 13.1 |
| Sewer | - | - | 281.2 | 248.8 | 281.2 | 248.8 |
| Solid waste | - | - | 207.2 | 204.2 | 207.2 | 204.2 |
| Public transportation | - | - | 276.2 | 262.4 | 276.2 | 262.4 |
| Total expenses | <u>1,727.0</u> | <u>1,627.3</u> | <u>776.8</u> | <u>728.5</u> | <u>2,503.8</u> | <u>2,355.8</u> |
| Increase (decrease) before transfers | 118.6 | 95.5 | (72.1) | (8.1) | 46.5 | 87.4 |
| Transfers | <u>(242.9)</u> | <u>(233.3)</u> | <u>242.9</u> | <u>233.3</u> | <u>-</u> | <u>-</u> |
| Change in net position | (124.3) | (137.8) | 170.8 | 225.2 | 46.5 | 87.4 |
| Net position - beginning | (1,177.9) | (993.9) | 2,205.9 | 1,985.7 | 1,028.0 | 991.8 |
| Prior period adjustments | (1,108.3) | (46.2) | (133.1) | (5.0) | (1,241.4) | (51.2) |
| Net position - ending | <u>\$ (2,410.5)</u> | <u>\$ (1,177.9)</u> | <u>\$ 2,243.6</u> | <u>\$ 2,205.9</u> | <u>\$ (166.9)</u> | <u>\$ 1,028.0</u> |

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

Total revenues for the primary government increased slightly from \$2.44 billion for fiscal year 2017 to \$2.55 billion for the current fiscal year.

Expenses for the primary government totaled \$2.50 billion for fiscal year 2018 of which \$1.73 billion applied to governmental activities and \$776.8 million related to business-type activities. For the 2017 fiscal year, expenses for the primary government totaled \$2.36 billion; \$1.63 billion pertained to governmental activities and \$728.5 million to business-type activities. Depreciation, included as expenses in the above schedule, amounted to \$119.7 million for the governmental activities and \$109.4 million for business-type activities for fiscal year 2018 as disclosed on page 80.

Statement of Activities

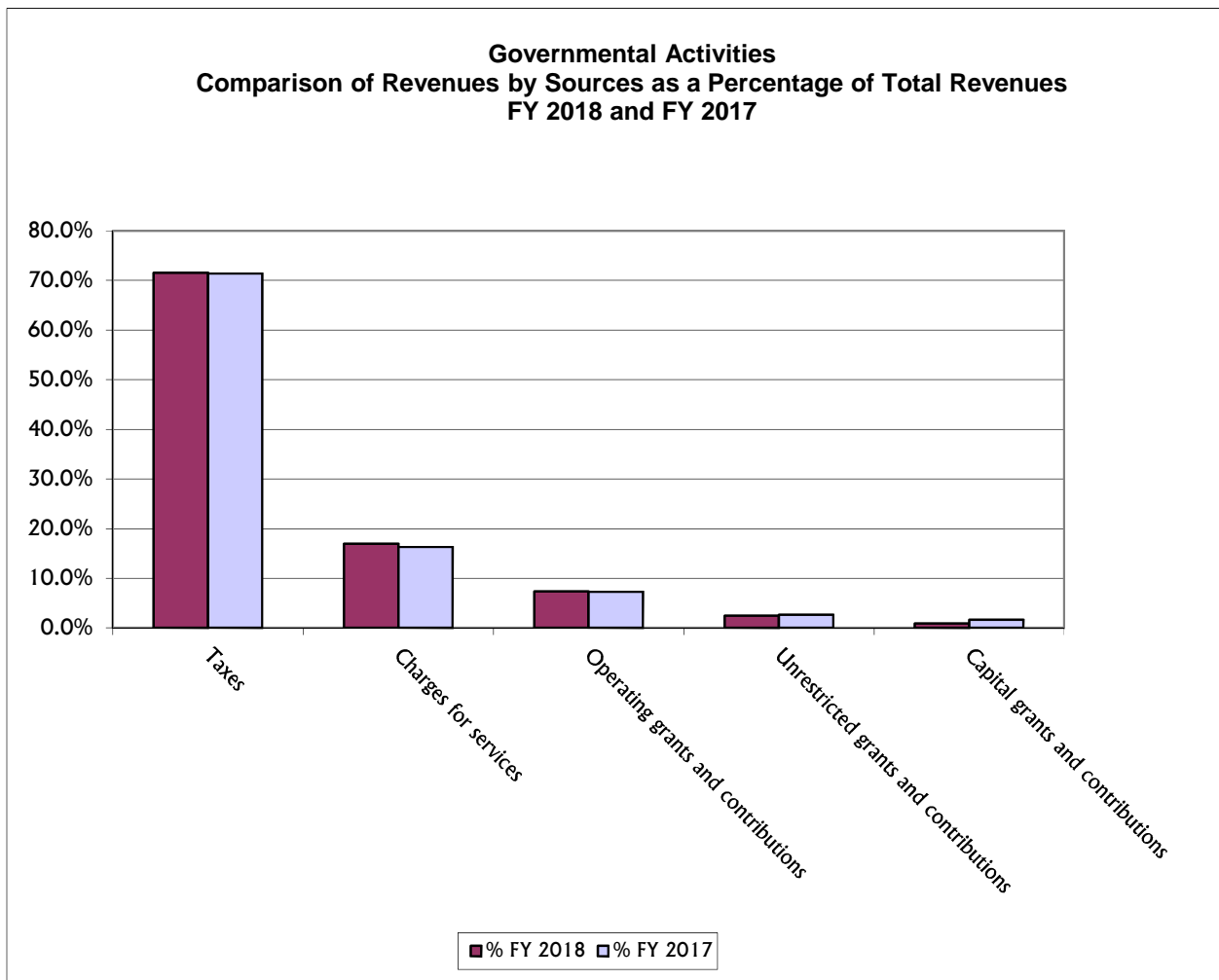
As noted earlier, the Statement of Activities presents how the City's net position changed during the current fiscal year. Revenues and expenses are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As such, the statement includes information for some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

Governmental Activities

Increased pension, OPEB and debt service costs as well as the impact of collective bargaining on salaries and wages were factors contributing to the negative net position for the City's governmental activities over the past two fiscal years. The lesser decline in net position for fiscal year 2018 (\$124.3 million) compared to the previous fiscal year (\$137.8 million) can be attributed in part to higher assessed real property tax valuations.

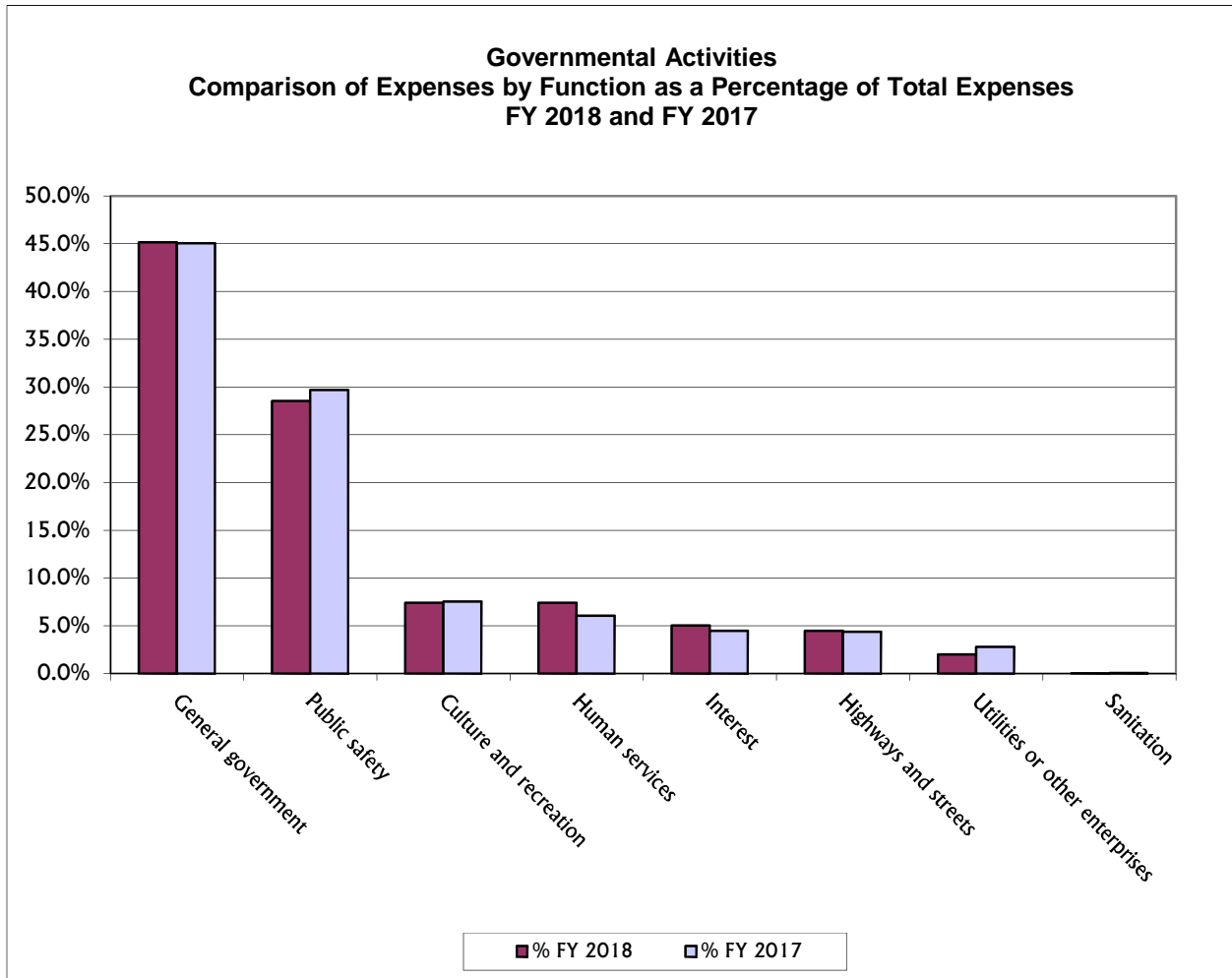
**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

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 2018 compared to the preceding fiscal year. Taxes (i.e., property, public service company, fuel, and public utility franchise), representing 71.5% of the revenues from governmental activities, totaled \$1.32 billion for fiscal year 2018 and \$1.23 billion for the prior fiscal year. Charges for services of \$312.6 million represented 16.9% of the revenues from governmental activities for fiscal year 2018, compared to 16.4 % of revenues for the previous fiscal year. Operating grants and contributions represented 7.3% of the revenues from governmental activities and rose to \$135.5 million for fiscal year 2018 from \$125.9 million in fiscal year 2017. On the other hand, capital grants and contributions decreased 43.5% from \$28.5 million for the last fiscal year to \$16.1 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 2018 fiscal year compared to the prior fiscal year.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

Expenses. As displayed below in the Comparison of Expenses by Function as a Percentage of Total Expenses for governmental activities, expenses varied slightly when compared to the prior fiscal year. General government expenses increased 6.3% from \$733.2 million to \$779.7 million, mainly due to escalating pension costs and statutorily required contributions for other post-employment benefits. Public safety expenditures increased 2.0% from \$482.9 million to \$492.7 million, primarily due to collective bargaining pay raises. Human services increased 29.5% from \$98.5 million to \$127.6 million, largely due to efforts to address homelessness and the need for more affordable housing.

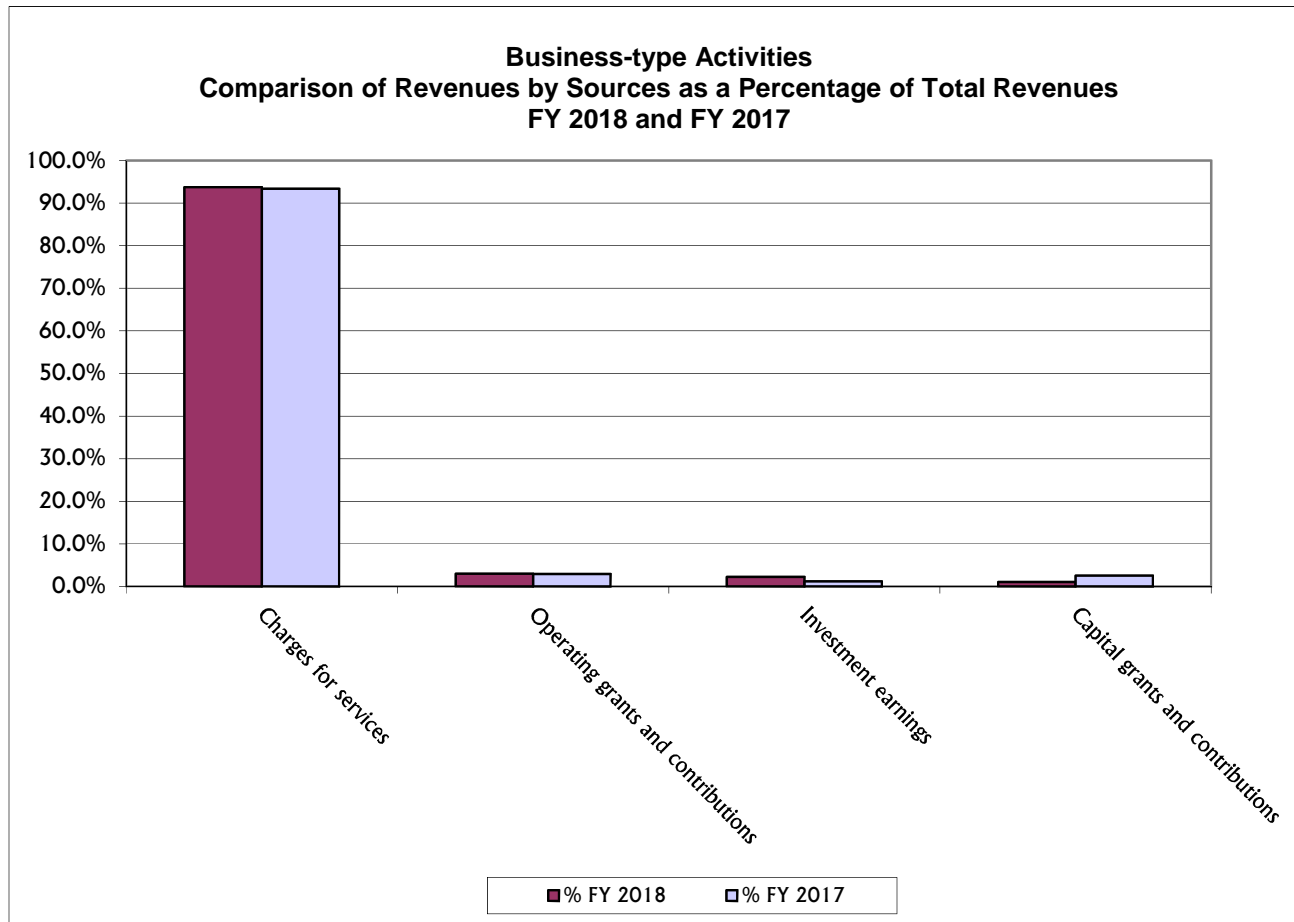


**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

Business-type Activities

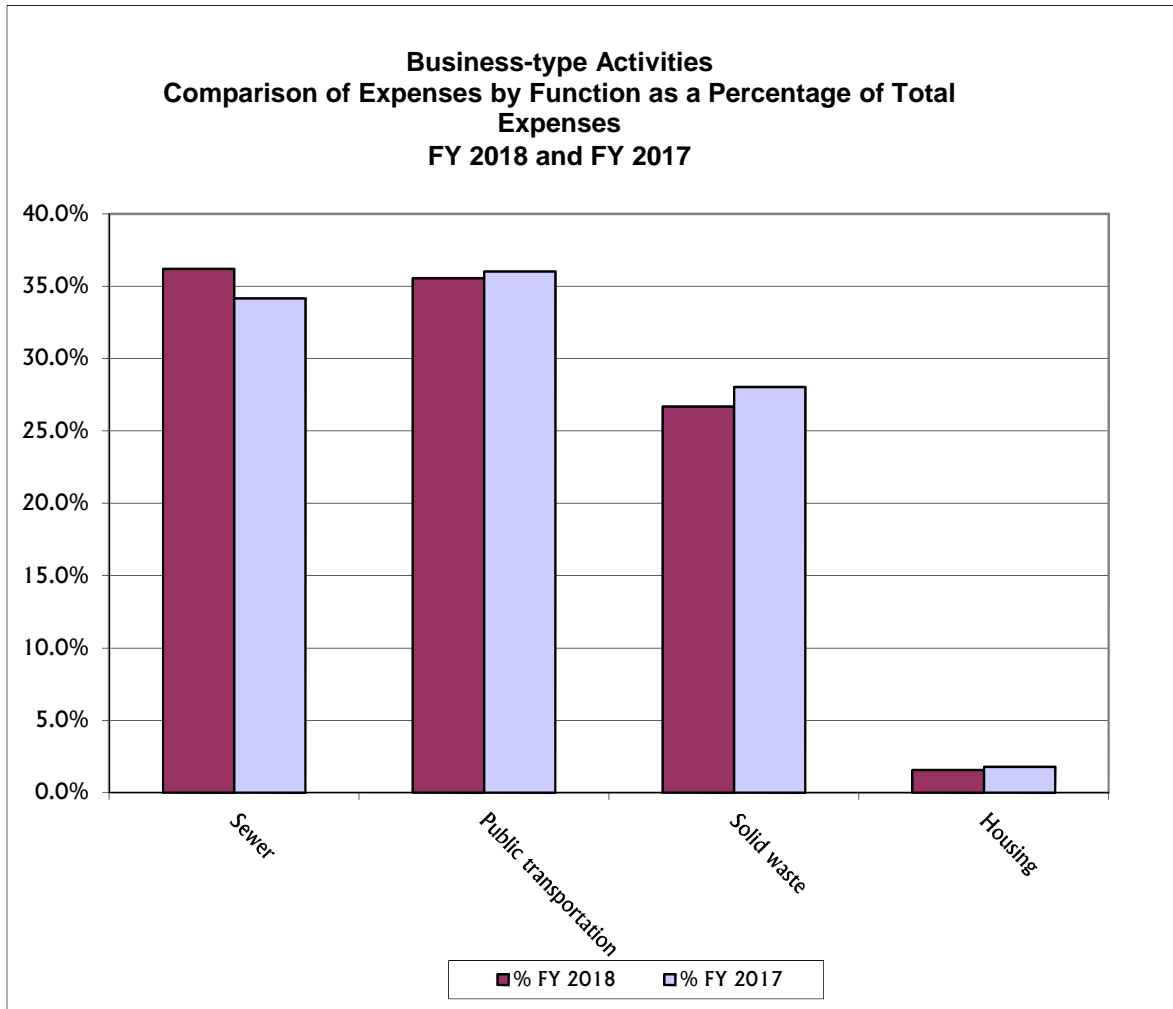
The net position of the City's business-type activities increased by \$37.7 million for fiscal year 2018, compared to \$220.2 million for fiscal year 2017, net of prior period adjustments. The current year's improvement in net position was lower than the prior fiscal year, given that 2017 was the last fiscal year of the multi-year sewer service charge 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 declined slightly during the 2018 fiscal year. Specifically, charges for services totaled \$661.0 million for fiscal year 2018, amounting to 93.8% of the revenues from business-type activities, compared to \$672.8 million for the previous year, amounting to 93.4% of the revenues. Charges for services for fiscal year 2018 can be disaggregated as follows: housing (\$11.3 million), sewer (\$459.6 million), solid waste (\$133.1 million), and public transportation (\$57.0 million). Capital grants and contributions decreased 60.7% from \$18.3 million for fiscal year 2017 to \$7.2 million for the current fiscal year, mainly due to less capital contributions received, a result of fewer transit vehicles contributed during the 2018 fiscal year compared to the prior fiscal year.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

Expenses. As displayed in the exhibit below, expenses by business-type activities remained relatively stable for fiscal years 2018 and 2017. Sewer (36.2%) used the most resources, followed by public transportation (35.6%), solid waste (26.7%), and housing (1.5 %) for fiscal year 2018.



**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

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 in millions the changes in fund balances for the City's governmental funds for the 2018 fiscal year. Total fund balances increased \$482.3 million for fiscal year 2018 in comparison to a decline of \$9.2 million, as restated, for the prior fiscal year. The increase is primarily due to general obligation bonds issued on behalf of the Honolulu Authority for Rapid Transportation, reflected as an advance to component unit on the Balance Sheet for the Governmental Funds with repayment scheduled on the bond due date.

| | General Fund | Highway Fund | General Obligation Bond and Interest Redemption Fund | All Other Funds | Totals | |
|--------------------------|-----------------|-----------------|---|-----------------------|------------|---------------------|
| | | | | | 2018 | As Restated 2017 |
| Revenues: | | | | | | |
| Taxes | \$ 1,206.2 | \$ 94.1 | \$ - | \$ 17.6 | \$ 1,317.9 | \$ 1,233.0 |
| Other | 161.1 | 163.5 | 7.3 | 199.2 | 531.1 | 497.8 |
| Total Revenues | 1,367.3 | 257.6 | 7.3 | 216.8 | 1,849.0 | 1,730.8 |
| Expenditures | 997.2 | 115.4 | 264.0 | 431.3 | 1,807.9 | 1,788.1 |
| Subtotal | 370.1 | 142.2 | (256.7) | (214.5) | 41.1 | (57.3) |
| Transfers and Other | (321.2) | (157.2) | 669.3 | 250.3 | 441.2 | 48.1 |
| Changes in Fund Balances | \$ 48.9 | \$ (15.0) | \$ 412.6 | \$ 35.8 | \$ 482.3 | \$ (9.2) |

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 \$48.9 million to \$375.2 million for the current fiscal year.

Real property tax, the primary General Fund revenue source rose \$81.9 million, representing a 7.5% increase over the previous year, primarily due to higher assessed

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

values, new inventory, compliance reviews of exemptions, improved collection effectiveness, more efficient foreclosure process, and tax appeal resolutions.

Highway Fund. The Highway Fund includes special revenue proceeds that have been earmarked by law for highway and related activities. Major revenue sources include the City fuel tax, motor vehicle weight tax, and public utility franchise tax. One of the factors for the decrease in restricted fund balance from \$43.1 million for the 2017 fiscal year to \$28.1 million at the close of the current fiscal year was the \$15.3 million increase in the bus subsidy.

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. Fund balance increased from \$80.0 million, as restated for fiscal year 2017, to \$492.6 million for the current fiscal year, mainly due to the issuance of general obligation bonds for the rail transit project, reflected as other financing sources in the Statement of Revenues, Expenditures and Changes in Fund Balances on page 40, and disclosed on pages 82 to 85.

All Other Funds. This category is comprised of all the City's nonmajor governmental funds, and excludes the proprietary and fiduciary funds. Total fund balance for the fiscal year ended June 30, 2018 increased by \$35.8 million, compared to a decline of \$84.0 million for the preceding fiscal year. A factor for the improvement in total fund balance was less expenditures in the current fiscal year. Specifically, there were no land expenditures for the Clean Water and Natural Lands Fund in fiscal year 2018, but expenditures amounted to \$15.7 million for the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following is a summary in millions of the variances between the budgetary estimates and the actual revenues for the following major general fund revenue sources for the 2018 fiscal year:

| Revenue Sources | Revenue Budget | Actual Revenues | Variances |
|---------------------------------------|-----------------------|------------------------|------------------|
| Real Property Tax | \$ 1,151.7 | \$ 1,171.0 | 1.7% |
| Public Service Company Tax | 30.0 | 35.2 | 17.3% |
| Building Permits | 21.0 | 16.5 | (21.4)% |
| Motor Vehicle Registration Annual Fee | 14.7 | 14.8 | 0.7% |
| Emergency Ambulance Services | 47.2 | 37.8 | (19.9)% |

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 earned.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

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.

Due to the implementation of expenditure control measures, actual expenditures were less than budgetary estimates by 8.6% (\$100.6 million) for fiscal year 2018. The net change in fund balance for the General Fund reflected a favorable variance of \$119.6 million for fiscal year 2018.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, totaled \$6.71 billion for the primary government of which \$2.74 billion pertained to governmental activities as of June 30, 2018. 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 2018. Major projects for the governmental activities include Rehabilitation of Streets (\$86.7 million), Improvements at Various Parks (\$9.8 million), Blaisdell Center Master Plan and Redevelopment (\$9.3 million), Kapolei Consolidated Corporation Yard Phase 3 (\$8.7 million), and Alapai Transportation Management Center (\$6.8 million). For the business-type activities, the major projects include Sand Island Wastewater Treatment Plant, Primary Expansion, Phase 2 - Reconstruction (\$15.7 million), Solid Waste to Energy Rehabilitation (\$11.3 million), Honouliuli Wastewater Treatment Plant, Secondary Treatment Project (\$11.0 million), and Kahanahou Wastewater Pump Station Upgrade/Sewer Improvement Force Main and Gravity (\$5.2 million).

Major completed projects during fiscal year 2018 for the governmental activities include Rehabilitation of Streets at Various Locations (\$32.8 million), Acquisition of Housing Properties (\$23.2 million), Improvements at Various Parks (\$14.4 million), Pensacola Street Double Culvert Repair (\$5.3 million), and Pearl City Corporation Yard Improvement (\$4.3 million). For the business-type activities, the major completed projects include Kaneohe/Kailua Sewer Tunnel Project (\$227.3 million), Kailua Wastewater Treatment Plant Tunnel Influent Pump Station and Headworks Facility (\$190.3 million), Sand Island Wastewater Treatment Plant – Second Egg-Shaped Digester and Second Sludge Storage Tank (\$37.1 million), Kailua Wastewater Treatment Plant Odor Control Improvements - Phase 1 (\$26.9 million), Kaneohe/Kailua Tunnel Influent Facility (\$23.5 million), and Sewer Manhole and Pipe Rehabilitation - Pearl City Wastewater Pump Station Junction Box (\$8.7 million).

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

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

The following is a summary in millions of the capital assets for the primary government as of June 30, 2018 in comparison to the previous year:

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

| | Governmental | | Business-type | | Total | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| | Activities | | Activities | | Primary Government | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Non-depreciable assets: | | | | | | |
| Land | \$ 537.5 | \$ 530.4 | \$ 160.9 | \$ 160.9 | \$ 698.4 | \$ 691.3 |
| Construction work in progress | 372.6 | 273.6 | 378.0 | 718.6 | 750.6 | 992.2 |
| Other capital assets: | | | | | | |
| Buildings and improvements | 1,552.8 | 1,507.6 | 2,100.0 | 1,879.2 | 3,652.8 | 3,386.8 |
| Equipment and machinery | 431.4 | 415.7 | 734.2 | 693.5 | 1,165.6 | 1,109.2 |
| Infrastructure | 1,791.0 | 1,733.3 | 2,100.3 | 1,797.7 | 3,891.3 | 3,531.0 |
| Less: accumulated depreciation | <u>(1,947.5)</u> | <u>(1,835.7)</u> | <u>(1,505.1)</u> | <u>(1,405.0)</u> | <u>(3,452.6)</u> | <u>(3,240.7)</u> |
| Net | <u>\$ 2,737.8</u> | <u>\$ 2,624.9</u> | <u>\$ 3,968.3</u> | <u>\$ 3,844.9</u> | <u>\$ 6,706.1</u> | <u>\$ 6,469.8</u> |

Long-Term Debt

At June 30, 2018, the long-term debt for the primary government amounted to \$5.74 billion, consisting mainly of total bonded debt (\$5.51 billion) and notes payable (\$230.3 million). The total bonded debt is comprised of \$3.29 billion in general obligation bonds, and \$2.22 billion in revenue bonds secured by wastewater system revenue sources.

The following is a summary of the bonded debt activities during fiscal year 2018:

- On September 14, 2017, \$416.7 million of general obligation bonds were issued. Series 2017A, 2017B and 2017G were issued to fund various current capital improvements of the City. Series 2017C and 2017D were issued to advance refund portions of outstanding general obligation bonds Series 2012A. Series 2017E and 2017F were issued to crossover refund Series 2009E. Also on September 14, 2017, \$350 million of general obligation bonds (Honolulu Rail Transit Project Index Floating Rate Bonds) were issued. Series 2017H was issued to fund a portion of the capital costs of the rail project, and to retire certain, previously issued general obligation commercial paper notes.
- On December 20, 2017, \$252.5 million of wastewater system revenue bonds were issued. Senior Series 2017A were issued to advance refund portions of outstanding wastewater revenue bonds senior series 2011A and 2012A. Senior Series 2017B were issued to crossover refund Series 2009B and 2010B.

**CITY AND COUNTY OF HONOLULU
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018**

- On February 13, 2018, \$324.7 million of wastewater system revenue bonds were issued. Senior Series 2018A was issued to fund additions and improvements to the wastewater system. Senior Series 2018B, and Junior Series 2018A and 2018B were issued to refund portions of outstanding wastewater revenue bonds Senior Series 2015C, and Junior Series 2009A, 2010A and 2015B.

The general obligation bonds Series 2017A, 2017B, 2017C, 2017D, 2017E, 2017F, 2017G and 2017H have been assigned ratings of “AA+” by Fitch Ratings and “Aa1” by Moody’s Investors Service, respectively. The wastewater system revenue bonds Senior Series 2017A and 2017B are Direct Purchase Bonds, and are not required to have assigned ratings by Moody’s Investors Services, and Fitch Ratings. The wastewater system revenue bonds Senior Series 2018A and 2018B have been assigned ratings of AA by Fitch Ratings and Aa2 by Moody’s Investors Services. The Junior Series 2018A and 2018B have been assigned ratings of AA- by Fitch Ratings and Aa3 by Moody’s Investors Services.

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 2018 was \$31.74 billion. The City’s outstanding debt applicable to the legal debt margin totaled \$2.76 billion as of June 30, 2018, 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 relatively stable. The assessed valuation of real property (including new added property inventory) on Oahu increased 7.1% to \$226.64 billion for fiscal year 2019 from \$211.57 billion for fiscal year 2018.

The operating budget net of inter-fund transfers increased to \$2.61 billion for fiscal year 2019 compared to \$2.45 billion for 2018, primarily due to state mandated increases in contributions for retirement and OPEB, and raises 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, 2018

(Amounts in thousands)

| | Primary Government | | | |
|---|----------------------------|-----------------------------|---------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total | Total Component Units |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 80,556 | \$ 174,645 | \$ 255,201 | \$ 29,609 |
| Investments | 548,456 | 1,100,913 | 1,649,369 | 530,059 |
| Receivables (net) | 147,882 | 93,959 | 241,841 | 114,194 |
| Internal balances | 442 | (442) | -- | -- |
| Inventories | -- | 22,675 | 22,675 | 10,519 |
| Prepaid expenses and other | -- | 2,620 | 2,620 | 31,903 |
| Restricted assets: | | | | |
| Cash and cash equivalents | -- | 16,397 | 16,397 | 19,295 |
| Investments | 42,641 | 467,648 | 510,289 | 23,330 |
| Advance to component unit | 420,313 | -- | 420,313 | -- |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 537,535 | 160,906 | 698,441 | 176,810 |
| Buildings and improvements | 709,628 | 1,570,159 | 2,279,787 | 96,092 |
| Equipment and machinery | 125,460 | 203,753 | 329,213 | 92,740 |
| Infrastructure | 992,577 | 1,655,437 | 2,648,014 | 806,962 |
| Construction work in progress | 372,608 | 378,017 | 750,625 | 3,291,601 |
| Total assets | <u>3,978,098</u> | <u>5,846,687</u> | <u>9,824,785</u> | <u>5,223,114</u> |
| DEFERRED OUTFLOWS | | | | |
| Deferred outflows of resources | <u>835,649</u> | <u>150,814</u> | <u>986,463</u> | <u>90,909</u> |
| LIABILITIES | | | | |
| Accounts payable | 90,593 | 69,388 | 159,981 | 181,775 |
| Matured bonds and interest payable ... | 515 | -- | 515 | -- |
| Accrued interest payable | 31,695 | 50,796 | 82,491 | 5,251 |
| Advance from City..... | -- | -- | -- | 420,313 |
| Due to fiduciary funds | 2 | 35 | 37 | -- |
| Other liabilities | 27,587 | 12,184 | 39,771 | 27,635 |
| Noncurrent liabilities: | | | | |
| Due within one year | 284,695 | 135,023 | 419,718 | 43,446 |
| Due in more than one year | 2,936,957 | 3,054,858 | 5,991,815 | 309,172 |
| Net pension liability..... | 2,106,769 | 200,456 | 2,307,225 | 158,125 |
| Net OPEB liability..... | 1,668,749 | 200,580 | 1,869,329 | 303,523 |
| Total liabilities | <u>7,147,562</u> | <u>3,723,320</u> | <u>10,870,882</u> | <u>1,449,240</u> |
| DEFERRED INFLOWS | | | | |
| Deferred inflows of resources | <u>76,690</u> | <u>30,561</u> | <u>107,251</u> | <u>6,182</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 308,647 | 1,208,491 | 1,517,138 | 3,585,777 |
| Restricted for: | | | | |
| Capital activity | -- | -- | -- | 18,116 |
| Debt service | 492,806 | 260,091 | 752,897 | -- |
| Unrestricted | (3,211,958) | 775,038 | (2,436,920) | 254,708 |
| Total net position | <u>\$ (2,410,505)</u> | <u>\$ 2,243,620</u> | <u>\$ (166,885)</u> | <u>\$ 3,858,601</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, 2018
 (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..... | \$ 779,702 | \$ 230,852 | \$ 5,622 | \$ -- |
| Public safety..... | 492,692 | 44,372 | 12,081 | 696 |
| Highways and streets..... | 77,271 | 88 | 29 | 541 |
| Sanitation..... | 254 | -- | -- | -- |
| Human services..... | 127,631 | 450 | 95,606 | 3,196 |
| Culture and recreation..... | 127,937 | 33,051 | 372 | -- |
| Utilities or other enterprises..... | 34,531 | 3,816 | 21,785 | 11,711 |
| Interest..... | 86,956 | -- | -- | -- |
| Total governmental activities.. | <u>1,726,974</u> | <u>312,629</u> | <u>135,495</u> | <u>16,144</u> |
| Business-type activities: | | | | |
| Housing..... | 12,182 | 11,346 | -- | -- |
| Sewer..... | 281,183 | 459,636 | -- | 8 |
| Solid Waste..... | 207,239 | 133,112 | -- | -- |
| Public Transportation..... | 276,209 | 56,967 | 21,000 | 7,193 |
| Total business-type activities... | <u>776,813</u> | <u>661,061</u> | <u>21,000</u> | <u>7,201</u> |
| Total primary government..... | <u>\$ 2,503,787</u> | <u>\$ 973,690</u> | <u>\$ 156,495</u> | <u>\$ 23,345</u> |
| Component units: | | | | |
| Total component units..... | <u>\$ 430,655</u> | <u>\$ 233,116</u> | <u>\$ 189,563</u> | <u>\$ 21,509</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, 2018
 (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 |
| \$ (543,228) | \$ -- | \$ (543,228) | \$ -- |
| (435,543) | -- | (435,543) | -- |
| (76,613) | -- | (76,613) | -- |
| (254) | -- | (254) | -- |
| (28,379) | -- | (28,379) | -- |
| (94,514) | -- | (94,514) | -- |
| 2,781 | -- | 2,781 | -- |
| (86,956) | -- | (86,956) | -- |
| (1,262,706) | -- | (1,262,706) | -- |
| -- | (836) | (836) | -- |
| -- | 178,461 | 178,461 | -- |
| -- | (74,127) | (74,127) | -- |
| -- | (191,049) | (191,049) | -- |
| -- | (87,551) | (87,551) | -- |
| (1,262,706) | (87,551) | (1,350,257) | -- |
| -- | -- | -- | 13,533 |
| 1,187,842 | -- | 1,187,842 | -- |
| 35,234 | -- | 35,234 | -- |
| 51,790 | -- | 51,790 | -- |
| 45,207 | -- | 45,207 | -- |
| 8,192 | 15,525 | 23,717 | 7,678 |
| 45,494 | -- | 45,494 | -- |
| -- | -- | -- | 297,900 |
| 7,546 | -- | 7,546 | -- |
| (242,869) | 242,869 | -- | -- |
| 1,138,436 | 258,394 | 1,396,830 | 305,578 |
| (124,270) | 170,843 | 46,573 | 319,111 |
| (1,177,899) | 2,205,905 | 1,028,006 | 3,804,689 |
| (1,108,336) | (133,128) | (1,241,464) | (265,199) |
| (2,286,235) | 2,072,777 | (213,458) | 3,539,490 |
| \$ (2,410,505) | \$ 2,243,620 | \$ (166,885) | \$ 3,858,601 |

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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. The remaining funds were transferred to the Honolulu Zoo fund per Ordinance 16-12 effective July 1, 2017.

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 sixty 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.

Honolulu Zoo Fund

This fund accounts for receipts from the entrance fees, rents, user fees, and miscellaneous revenues generated from operations of the Honolulu Zoo and is earmarked primarily for the administration, operation, repair, maintenance and improvement of the Honolulu Zoo.

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.

Governmental Funds Financial Statements (Continued)

NONMAJOR FUNDS (CONTINUED)

Capital Projects Funds

General Improvement Bond Fund

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

Highway Improvement Bond Fund

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

Federal Grants Capital Projects Fund

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

Capital Projects Fund

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

CITY AND COUNTY OF HONOLULU
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018
(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 | \$ 351,181 | \$ 26,944 | \$ 30,193 | \$ 220,694 | \$ 629,012 |
| With fiscal agents | -- | -- | 42,641 | -- | 42,641 |
| Receivables | 28,620 | 29,086 | -- | 90,176 | 147,882 |
| Due from other funds | 71,186 | -- | -- | 31 | 71,217 |
| Advance to component unit | -- | -- | 420,313 | -- | 420,313 |
| Total Assets | <u>\$ 450,987</u> | <u>\$ 56,030</u> | <u>\$ 493,147</u> | <u>\$ 310,901</u> | <u>\$ 1,311,065</u> |
| LIABILITIES, DEFERRED INFLOW AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 35,845 | \$ 1,860 | \$ -- | \$ 52,888 | \$ 90,593 |
| Accrued payroll | 24,447 | 1,887 | -- | 1,253 | 27,587 |
| Due to other funds | 1 | 347 | -- | 70,429 | 70,777 |
| Matured bonds and interest payable..... | -- | -- | 506 | 9 | 515 |
| Total Liabilities | <u>60,293</u> | <u>4,094</u> | <u>506</u> | <u>124,579</u> | <u>189,472</u> |
| Deferred Inflow: | | | | | |
| Deferred inflow | <u>15,474</u> | <u>23,840</u> | <u>--</u> | <u>69,244</u> | <u>108,558</u> |
| Total Deferred Inflow | <u>15,474</u> | <u>23,840</u> | <u>--</u> | <u>69,244</u> | <u>108,558</u> |
| Fund Balances: | | | | | |
| Restricted | -- | 28,096 | -- | 146,435 | 174,531 |
| Committed | 121,135 | -- | 492,641 | 18,120 | 631,896 |
| Assigned | 81,709 | -- | -- | -- | 81,709 |
| Unassigned | <u>172,376</u> | <u>--</u> | <u>--</u> | <u>(47,477)</u> | <u>124,899</u> |
| Total Fund Balances | <u>375,220</u> | <u>28,096</u> | <u>492,641</u> | <u>117,078</u> | <u>1,013,035</u> |
| Total Liabilities, Deferred Inflow and Fund Balances.. | <u>\$ 450,987</u> | <u>\$ 56,030</u> | <u>\$ 493,147</u> | <u>\$ 310,901</u> | |

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

| | |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 2,737,808 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 103,207 |
| Deferred outflows of resources reported in governmental activities are not reported in the funds. | 835,649 |
| Deferred inflows of resources reported in governmental activities are not reported in the funds. | (71,339) |
| Long-term liabilities and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(7,028,865)</u> |
| Net position of governmental activities | <u>\$ (2,410,505)</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, 2018
(Amounts in thousands)

| | General Fund | Highway Fund | General Obligation Bond and Interest Redemption Fund | Other Governmental Funds | Total Governmental Funds |
|---|-------------------|------------------|---|--------------------------------|--------------------------------|
| Revenues: | | | | | |
| Taxes..... | \$ 1,206,241 | \$ 94,075 | \$ -- | \$ 17,589 | \$ 1,317,905 |
| Special assessments..... | -- | -- | -- | 1 | 1 |
| Licenses and permits..... | 43,461 | 153,112 | -- | 5,883 | 202,456 |
| Intergovernmental..... | 45,494 | -- | -- | 148,370 | 193,864 |
| Charges for services..... | 8,280 | 4,771 | -- | 23,066 | 36,117 |
| Fines and forfeits..... | 762 | 14 | -- | 192 | 968 |
| Miscellaneous: | | | | | |
| Reimbursements and recoveries..... | 47,761 | 2,924 | 6,961 | -- | 57,646 |
| Interest..... | 8,914 | -- | 318 | 1,015 | 10,247 |
| Other..... | 6,384 | 2,692 | -- | 20,707 | 29,783 |
| Total Revenues..... | 1,367,297 | 257,588 | 7,279 | 216,823 | 1,848,987 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government..... | 152,486 | 23,007 | -- | 11,897 | 187,390 |
| Public safety..... | 421,922 | 33,259 | -- | 11,855 | 467,036 |
| Highways and streets..... | 10,167 | 19,158 | -- | 3,398 | 32,723 |
| Sanitation..... | 154 | -- | -- | 82 | 236 |
| Human services..... | 15,756 | -- | -- | 98,584 | 114,340 |
| Culture-recreation..... | 72,738 | -- | -- | 28,980 | 101,718 |
| Utilities or other enterprises..... | 7 | 2,347 | -- | 30,565 | 32,919 |
| Miscellaneous: | | | | | |
| Retirement and health benefits..... | 287,684 | 34,438 | -- | 13,141 | 335,263 |
| Other..... | 32,312 | 2,594 | -- | 524 | 35,430 |
| Capital Outlay: | | | | | |
| General government..... | 1,494 | 8 | -- | 17,459 | 18,961 |
| Public safety..... | 2,017 | 12 | -- | 22,398 | 24,427 |
| Highways and streets..... | 75 | 556 | -- | 117,060 | 117,691 |
| Human services..... | -- | -- | -- | 32,932 | 32,932 |
| Culture-recreation..... | 325 | -- | -- | 34,973 | 35,298 |
| Utilities or other enterprises..... | -- | -- | -- | 7,461 | 7,461 |
| Debt service: | | | | | |
| Principal..... | -- | -- | 162,764 | -- | 162,764 |
| Interest..... | -- | -- | 99,446 | -- | 99,446 |
| Bond issuance costs | -- | -- | 1,785 | -- | 1,785 |
| Total Expenditures..... | 997,137 | 115,379 | 263,995 | 431,309 | 1,807,820 |
| Revenues over (under) Expenditures..... | 370,160 | 142,209 | (256,716) | (214,486) | 41,167 |
| Other Financing Sources (Uses): | | | | | |
| Issuance of tax exempt commercial paper..... | -- | -- | 120,000 | -- | 120,000 |
| Issuance of general obligation bonds..... | -- | -- | 350,000 | 215,321 | 565,321 |
| Issuance of refunding bonds..... | -- | -- | 166,521 | -- | 166,521 |
| Bond premium..... | -- | -- | 30,058 | 34,693 | 64,751 |
| Bond discount..... | -- | -- | (205) | -- | (205) |
| Payment to escrow agent for refunding of bonds and commercial paper..... | -- | -- | (232,819) | -- | (232,819) |
| Sales of capital assets..... | -- | 493 | -- | -- | 493 |
| Transfers in..... | 173,272 | -- | 235,802 | 14,428 | 423,502 |
| Transfers out..... | (494,558) | (157,665) | -- | (14,148) | (666,371) |
| Total Other Financing Sources (Uses)..... | (321,286) | (157,172) | 669,357 | 250,294 | 441,193 |
| Net change in fund balances..... | 48,874 | (14,963) | 412,641 | 35,808 | 482,360 |
| Fund Balances - July 1 (as restated) | 326,346 | 43,059 | 80,000 | 81,270 | 530,675 |
| Fund Balances - June 30..... | \$ 375,220 | \$ 28,096 | \$ 492,641 | \$ 117,078 | \$ 1,013,035 |

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, 2018
 (Amounts in thousands)

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

| | |
|---|---------------------|
| Net change in fund balances--total governmental funds | \$ 482,360 |
| 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. | 112,931 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | (256) |
| 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. | (494,128) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | 48,591 |
| Loss on refunding is recorded as an other financing use in the fund statement but as a deferred outflow of resources in the government-wide financial statements. Amortization of the deferred outflow of resources is reported as interest in the Statement of Activities but does not require current financial resources and is not reported in the funds. | (5,974) |
| Funds report expenditures for contributions for pensions and OPEB. The government-wide financial statements report deferred outflows, deferred inflows, pension expense and OPEB expense. | (267,794) |
| Change in net position of governmental activities | <u>\$ (124,270)</u> |

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

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Proprietary Fund Financial Statements

Housing Development Special Fund

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

Sewer Fund

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

Solid Waste Special Fund

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

Public Transportation System

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

CITY AND COUNTY OF HONOLULU
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018
 (Amounts in thousands)

| | Business-type Activities-Enterprise Funds | | | | Totals |
|--|---|---------------------|------------------|------------------------------|---------------------|
| | Housing | Sewer | Solid Waste | Public Transportation System | |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 295 | \$ 157,181 | \$ 15,135 | \$ 2,034 | \$ 174,645 |
| Investments | 2,500 | 983,106 | 99,027 | 16,280 | 1,100,913 |
| Receivables: | | | | | |
| Accounts (net of allowance for uncollectibles of \$14,469) | 2,659 | 66,419 | 17,553 | 1,807 | 88,438 |
| Interest | -- | 4,049 | 315 | -- | 4,364 |
| Payroll Advance | -- | 733 | 404 | 20 | 1,157 |
| Inventories of parts, materials and supplies, at cost.... | -- | 13,857 | -- | 8,818 | 22,675 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 15,959 | -- | -- | 438 | 16,397 |
| Prepaid expenses and other assets | 38 | -- | 743 | 675 | 1,456 |
| Total Current Assets | 21,451 | 1,225,345 | 133,177 | 30,072 | 1,410,045 |
| Noncurrent Assets: | | | | | |
| Restricted assets: | | | | | |
| Investments | -- | 438,207 | 29,441 | -- | 467,648 |
| Capital Assets: | | | | | |
| Land | 14,578 | 46,033 | 24,063 | 76,232 | 160,906 |
| Buildings and improvements | 108,620 | 1,364,730 | 523,068 | 103,560 | 2,099,978 |
| Transmission and distribution system | -- | 2,100,265 | -- | -- | 2,100,265 |
| Equipment and machinery | 1,166 | 119,345 | 294,006 | 33,272 | 447,789 |
| Buses and other transit vehicles | -- | -- | -- | 286,408 | 286,408 |
| Construction work in progress | 5,472 | 297,885 | 68,832 | 5,828 | 378,017 |
| Accumulated depreciation | (91,342) | (815,090) | (340,659) | (258,000) | (1,505,091) |
| Other noncurrent assets | 1,164 | -- | -- | -- | 1,164 |
| Total Noncurrent Assets | 39,658 | 3,551,375 | 598,751 | 247,300 | 4,437,084 |
| Total Assets | 61,109 | 4,776,720 | 731,928 | 277,372 | 5,847,129 |
| DEFERRED OUTFLOWS | | | | | |
| Deferred loss on refunding of debt | 2,036 | 57,325 | 17,462 | -- | 76,823 |
| Deferred outflows from pensions | -- | 33,265 | 22,433 | 2,508 | 58,206 |
| Deferred outflows from OPEB | -- | 8,779 | 6,713 | 293 | 15,785 |
| Total Deferred Outflows | 2,036 | 99,369 | 46,608 | 2,801 | 150,814 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 433 | 54,396 | 14,430 | 129 | 69,388 |
| Interest payable | 355 | 46,553 | 3,888 | -- | 50,796 |
| Notes payable | -- | 22,670 | -- | -- | 22,670 |
| Bonds payable | 6,259 | 70,545 | 23,487 | -- | 100,291 |
| Due to other funds | -- | 356 | 121 | -- | 477 |
| Reserve for insurance claims payable | -- | -- | -- | 9,930 | 9,930 |
| Accrued payroll | -- | 1,738 | 1,250 | 63 | 3,051 |
| Other current liabilities | 1,070 | 502 | 1,613 | 1,222 | 4,407 |
| Total Current Liabilities | 8,117 | 196,760 | 44,789 | 11,344 | 261,010 |
| Noncurrent Liabilities: | | | | | |
| Notes payable | -- | 206,728 | -- | -- | 206,728 |
| General obligation bonds payable | 29,305 | 651 | 489,141 | -- | 519,097 |
| Revenue bonds payable..... | -- | 2,287,667 | -- | -- | 2,287,667 |
| Estimated liability for landfill closure and postclosure care costs..... | -- | -- | 12,176 | -- | 12,176 |
| Net pension liability | -- | 117,720 | 78,532 | 4,204 | 200,456 |
| Net OPEB liability | -- | 115,525 | 80,942 | 4,113 | 200,580 |
| Other liabilities | 6,858 | 7,128 | 4,148 | 17,914 | 36,048 |
| Total Noncurrent Liabilities | 36,163 | 2,735,419 | 664,939 | 26,231 | 3,462,752 |
| Total Liabilities | 44,280 | 2,932,179 | 709,728 | 37,575 | 3,723,762 |
| DEFERRED INFLOWS | | | | | |
| Deferred inflows from pensions | -- | 18,538 | 11,144 | 130 | 29,812 |
| Deferred inflows from OPEB | -- | 432 | 302 | 15 | 749 |
| Total Deferred Inflows | -- | 18,970 | 11,446 | 145 | 30,561 |
| NET POSITION | | | | | |
| Net investment in capital assets | 4,966 | 852,641 | 103,584 | 247,300 | 1,208,491 |
| Restricted for debt service | -- | 260,091 | -- | -- | 260,091 |
| Unrestricted | 13,899 | 812,208 | (46,222) | (4,847) | 775,038 |
| Total Net Position | \$ 18,865 | \$ 1,924,940 | \$ 57,362 | \$ 242,453 | \$ 2,243,620 |

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

CITY AND COUNTY OF HONOLULU
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| | Business-type Activities-Enterprise Funds | | | | Totals |
|--|---|---------------------|------------------|------------------------------|---------------------|
| | Housing | Sewer | Solid Waste | Public Transportation System | |
| Operating Revenues: | | | | | |
| Rental income | \$ 9,839 | \$ -- | \$ -- | \$ -- | \$ 9,839 |
| Sewer service charges | -- | 450,541 | -- | -- | 450,541 |
| Disposal and collection fees | -- | -- | 64,744 | -- | 64,744 |
| Electrical energy fee | -- | -- | 67,603 | -- | 67,603 |
| Passenger fares for transit services | -- | -- | -- | 56,322 | 56,322 |
| Other revenue | -- | 4,897 | 765 | 645 | 6,307 |
| Total Operating Revenues | 9,839 | 455,438 | 133,112 | 56,967 | 655,356 |
| Operating Expenses: | | | | | |
| Administrative and general | 432 | 48,338 | 34,583 | 1,614 | 84,967 |
| Maintenance | 2,102 | 575 | 864 | 198 | 3,739 |
| Depreciation | 3,744 | 68,546 | 16,506 | 20,591 | 109,387 |
| Contractual services | 2,033 | 20,530 | 106,328 | 202,479 | 331,370 |
| Fringe benefits | -- | 29,361 | 21,891 | 1,695 | 52,947 |
| Materials and supplies | 167 | 14,344 | 3,535 | 14,829 | 32,875 |
| Fuel and lubricants | -- | 1,106 | 2,875 | 14,216 | 18,197 |
| Insurance | 213 | -- | 2,235 | 14,935 | 17,383 |
| State taxes - fuel | -- | -- | 107 | 2,996 | 3,103 |
| Utilities | 2,154 | 23,149 | 278 | 2,346 | 27,927 |
| Total Operating Expenses | 10,845 | 205,949 | 189,202 | 275,899 | 681,895 |
| Operating Income (Loss) | (1,006) | 249,489 | (56,090) | (218,932) | (26,539) |
| Nonoperating Revenues (Expenses): | | | | | |
| Interest revenue | 14 | 14,436 | 1,075 | -- | 15,525 |
| Interest expense | (1,337) | (74,614) | (17,933) | -- | (93,884) |
| Loss from disposal of property | -- | -- | (79) | (310) | (389) |
| Change in unrealized gain (loss) on investments..... | -- | (620) | 67 | -- | (553) |
| Other | 1,507 | 4,198 | (92) | 21,000 | 26,613 |
| Total Nonoperating Revenues (Expenses) | 184 | (56,600) | (16,962) | 20,690 | (52,688) |
| Income (Loss) before Transfers and Capital Contributions..... | (822) | 192,889 | (73,052) | (198,242) | (79,227) |
| Transfers In | 4,582 | -- | 101,038 | 167,908 | 273,528 |
| Transfers Out | (282) | (18,170) | (12,207) | -- | (30,659) |
| Capital Contributions | -- | 8 | -- | 7,193 | 7,201 |
| Change in Net Position | 3,478 | 174,727 | 15,779 | (23,141) | 170,843 |
| Net Position - July 1 | 15,387 | 1,827,938 | 94,510 | 268,070 | 2,205,905 |
| Prior period adjustment: | | | | | |
| OPEB Expense (GASB 75)..... | -- | (77,725) | (52,927) | (2,476) | (133,128) |
| Net Position - July 1 as restated..... | 15,387 | 1,750,213 | 41,583 | 265,594 | 2,072,777 |
| Net Position - June 30 | \$ 18,865 | \$ 1,924,940 | \$ 57,362 | \$ 242,453 | \$ 2,243,620 |

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, 2018
 (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..... | \$ 8,815 | \$ 450,157 | \$ 128,000 | \$ 56,446 | \$ 643,418 |
| Payments to suppliers..... | (6,844) | (65,048) | (119,011) | (251,087) | (441,990) |
| Payments to employees..... | -- | (61,548) | (47,114) | (2,271) | (110,933) |
| Other receipts | 2,421 | 785 | -- | 298 | 3,504 |
| Net cash provided by (used in) operating activities | <u>4,392</u> | <u>324,346</u> | <u>(38,125)</u> | <u>(196,614)</u> | <u>93,999</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | 4,582 | -- | 89,537 | 163,907 | 258,026 |
| Transfers out | (282) | (18,170) | (12,207) | -- | (30,659) |
| Grants and contributions | -- | -- | -- | 21,000 | 21,000 |
| Net cash provided by (used in) noncapital financing activities | <u>4,300</u> | <u>(18,170)</u> | <u>77,330</u> | <u>184,907</u> | <u>248,367</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition and construction of capital assets | -- | (216,524) | (18,108) | (4,079) | (238,711) |
| Proceeds from issuing notes | -- | 222 | -- | -- | 222 |
| Proceeds from issuing bonds | -- | 602,614 | 36,997 | -- | 639,611 |
| Payment to escrow agent | -- | (106,409) | -- | -- | (106,409) |
| Capital grants and subsidies | -- | 5,013 | -- | -- | 5,013 |
| Principal paid on notes | -- | (23,593) | -- | -- | (23,593) |
| Principal paid on bonds | (4,077) | (310,215) | (38,807) | -- | (353,099) |
| Interest paid on notes | -- | (2,040) | -- | -- | (2,040) |
| Interest paid on bonds | (1,356) | (85,142) | (19,030) | -- | (105,528) |
| Net cash used in capital and related financing activities | <u>(5,433)</u> | <u>(136,074)</u> | <u>(38,948)</u> | <u>(4,079)</u> | <u>(184,534)</u> |
| Cash flows from investing activities: | | | | | |
| Purchase of investments | (2,035) | (2,411,252) | (252,665) | (28,297) | (2,694,249) |
| Proceeds from maturities of investments | 1,459 | 2,262,852 | 253,509 | 42,885 | 2,560,705 |
| Interest on investments | -- | 12,246 | 936 | -- | 13,182 |
| Net cash provided by (used in) investing activities | <u>(576)</u> | <u>(136,154)</u> | <u>1,780</u> | <u>14,588</u> | <u>(120,362)</u> |
| Net increase (decrease) in cash and cash equivalents | 2,683 | 33,948 | 2,037 | (1,198) | 37,470 |
| Cash and cash equivalents - July 1 | 13,571 | 123,233 | 13,098 | 3,670 | 153,572 |
| Cash and cash equivalents - June 30 | <u>\$ 16,254</u> | <u>\$ 157,181</u> | <u>\$ 15,135</u> | <u>\$ 2,472</u> | <u>\$ 191,042</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, 2018
 (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 by | | | | | |
| (used in) operating activities: | | | | | |
| Operating income (loss) | \$ (1,006) | \$ 249,489 | \$ (56,090) | \$ (218,932) | \$ (26,539) |
| Adjustments to reconcile operating | | | | | |
| income (loss) to net cash provided | | | | | |
| by (used in) operating activities: | | | | | |
| Depreciation | 3,744 | 68,546 | 16,506 | 20,591 | 109,387 |
| Other revenues (expenses) | 1,558 | 593 | -- | -- | 2,151 |
| Writeoff of capital assets | -- | 4,915 | -- | (310) | 4,605 |
| (Increase) decrease in | | | | | |
| accounts receivable | 135 | (5,463) | (1,364) | (120) | (6,812) |
| Decrease in inventory of | | | | | |
| parts, materials and supplies | -- | 1,174 | -- | 547 | 1,721 |
| (Increase) decrease in prepaid | | | | | |
| expenses and other assets | (22) | -- | (176) | 216 | 18 |
| Decrease in deferred | | | | | |
| outflows of resources | -- | 14,661 | 9,592 | 778 | 25,031 |
| Increase (decrease) in trade | | | | | |
| accounts payables | 280 | (1,570) | (358) | (447) | (2,095) |
| Increase in reserve for | | | | | |
| insurance claims payable | -- | -- | -- | 680 | 680 |
| Increase (decrease) in other | | | | | |
| liabilities | (297) | (158) | (699) | 236 | (918) |
| Decrease in net | | | | | |
| pension liability | -- | (9,957) | (8,345) | (8) | (18,310) |
| Increase in net OPEB | | | | | |
| liability | -- | 2,136 | 1,497 | 76 | 3,709 |
| Increase in due to | | | | | |
| other funds | -- | 353 | 92 | -- | 445 |
| Increase (decrease) in deferred | | | | | |
| inflows of resources | -- | (373) | 1,220 | 79 | 926 |
| Net cash provided by (used in) | | | | | |
| operating activities | <u>\$ 4,392</u> | <u>\$ 324,346</u> | <u>\$ (38,125)</u> | <u>\$ (196,614)</u> | <u>\$ 93,999</u> |

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

Housing

Amortization of bond insurance costs amounted to \$6. Interest expense for bond premium and bond deferred loss on refunding amounted to \$19 for the year ended June 30, 2018. Beginning cash balance includes \$13,375 in restricted assets and ending cash balance includes \$15,959 in restricted assets.

Sewer

The Sewer Fund received \$8 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, 2018. Interest expense for bond discount, bond premium and deferred loss on refunding amounted to \$755, (\$17,287), and \$3,924 respectively, while amortization for bond insurance costs amounted to \$135 for the year ended June 30, 2018.

Solid Waste

Interest expense for bond discount, bond premium and deferred loss on refunding amounted to \$16, (\$3,034) and \$1,366 respectively, while bond insurance costs amounted to \$46 for the year ended June 30, 2018. Excess transfers of \$11,501 received in fiscal year 2017 were utilized in fiscal year 2018.

Public Transportation System

The Public Transportation System received contributions of capital assets from the City and County of Honolulu amounting to \$7,193 for the year ended June 30, 2018. Beginning cash balance includes \$552 in restricted assets and ending cash balance includes \$438 in restricted assets. Excess transfers of \$4,001 received in fiscal year 2017 were utilized in fiscal year 2018.

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, 2018
 (Amounts in thousands)

| | Private-purpose Trust Fund | Agency Funds |
|---|-------------------------------|-----------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 703 | \$ 13,104 |
| Investments | 5,020 | 49,910 |
| Due from other funds | -- | 37 |
| Total assets | 5,723 | 63,051 |
| <u>LIABILITIES</u> | | |
| Accounts payable | -- | 8,106 |
| Other current liabilities | -- | 54,945 |
| Total liabilities | -- | 63,051 |
| <u>NET POSITION</u> | | |
| Held in trust for individuals, organizations and other governments | \$ 5,723 | \$ -- |

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, 2018
 (Amounts in thousands)

| | Private-purpose Trust Fund |
|---|-------------------------------|
| <u>ADDITIONS</u> | |
| Interest | \$ 1 |
| Collections for sundry creditors, contributions, etc..... | 1,067 |
| Total additions | 1,068 |
| <u>DEDUCTION</u> | |
| Payments in accordance with trust agreements | 926 |
| Change in net position | 142 |
| Net position - July 1 | 5,581 |
| Net position - June 30 | \$ 5,723 |

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 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, 2018
 (Amounts in thousands)

| | Board of Water Supply | Honolulu Authority for Rapid Transportation | OTS, Inc. | Total |
|--|--------------------------|--|---------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 7,344 | \$ 16,846 | \$ 5,419 | \$ 29,609 |
| Investments | 386,043 | 144,016 | -- | 530,059 |
| Receivables (net) | 31,894 | 82,300 | -- | 114,194 |
| Inventories | 10,519 | -- | -- | 10,519 |
| Prepaid expenses and other | 472 | 31,324 | 107 | 31,903 |
| Restricted assets: | | | | |
| Cash and cash equivalents | 18,857 | -- | 438 | 19,295 |
| Investments | 23,330 | -- | -- | 23,330 |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 32,373 | 144,437 | -- | 176,810 |
| Buildings and improvements | 96,092 | -- | -- | 96,092 |
| Equipment and machinery | 92,716 | 24 | -- | 92,740 |
| Infrastructure | 806,962 | -- | -- | 806,962 |
| Construction work in progress | 121,886 | 3,169,715 | -- | 3,291,601 |
| Total assets | <u>1,628,488</u> | <u>3,588,662</u> | <u>5,964</u> | <u>5,223,114</u> |
| DEFERRED OUTFLOWS | | | | |
| Deferred outflows of resources | <u>57,873</u> | <u>9,136</u> | <u>23,900</u> | <u>90,909</u> |
| LIABILITIES | | | | |
| Accounts payable | 20,503 | 156,639 | 4,633 | 181,775 |
| Accrued interest payable | 4,781 | 470 | -- | 5,251 |
| Advance from City..... | -- | 420,313 | -- | 420,313 |
| Other liabilities | 3,833 | 7,992 | 15,810 | 27,635 |
| Noncurrent liabilities: | | | | |
| Due within one year | 15,614 | 26,857 | 975 | 43,446 |
| Due in more than one year | 300,590 | 1,166 | 7,416 | 309,172 |
| Net pension liability..... | 113,350 | 25,730 | 19,045 | 158,125 |
| Net OPEB liability | 74,722 | 5,562 | 223,239 | 303,523 |
| Total liabilities | <u>533,393</u> | <u>644,729</u> | <u>271,118</u> | <u>1,449,240</u> |
| DEFERRED INFLOWS | | | | |
| Deferred inflows of resources | <u>5,693</u> | <u>489</u> | <u>--</u> | <u>6,182</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 882,809 | 2,702,968 | -- | 3,585,777 |
| Restricted for: | | | | |
| Capital activity | 18,116 | -- | -- | 18,116 |
| Unrestricted | 246,350 | 249,612 | (241,254) | 254,708 |
| Total net position | <u>\$ 1,147,275</u> | <u>\$ 2,952,580</u> | <u>\$ (241,254)</u> | <u>\$ 3,858,601</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, 2018
 (Amounts in thousands)

| | Board of Water Supply | Honolulu Authority for Rapid Transportation | OTS, Inc. | Total |
|--|--------------------------|--|---------------------|---------------------|
| Expenses..... | \$ 213,752 | \$ 16,840 | \$ 200,063 | \$ 430,655 |
| Program Revenues: | | | | |
| Charges for Services..... | 232,378 | 270 | 468 | 233,116 |
| Operating Grants and Contributions..... | -- | -- | 189,563 | 189,563 |
| Capital Grants and Contributions..... | 21,509 | -- | -- | 21,509 |
| Total Program Revenues..... | <u>253,887</u> | <u>270</u> | <u>190,031</u> | <u>444,188</u> |
| Program Revenues over (under) | | | | |
| Expenditures..... | 40,135 | (16,570) | (10,032) | 13,533 |
| General Revenues: | | | | |
| Investment earnings..... | 6,097 | 1,581 | -- | 7,678 |
| Intergovernmental revenues..... | -- | 297,900 | -- | 297,900 |
| Total general revenues..... | <u>6,097</u> | <u>299,481</u> | <u>--</u> | <u>305,578</u> |
| Change in net position..... | 46,232 | 282,911 | (10,032) | 319,111 |
| Net position - beginning, | | | | |
| as previously reported..... | 1,185,504 | 2,671,622 | (52,437) | 3,804,689 |
| Prior period adjustments..... | (84,461) | (1,953) | (178,785) | (265,199) |
| Net position - beginning, as restated..... | <u>1,101,043</u> | <u>2,669,669</u> | <u>(231,222)</u> | <u>3,539,490</u> |
| Net position - ending..... | <u>\$ 1,147,275</u> | <u>\$ 2,952,580</u> | <u>\$ (241,254)</u> | <u>\$ 3,858,601</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, 2018

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>.

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. Act 001/2017, among other things, provided for four additional non-voting members, two each to be appointed by the Senate president and the House speaker. A proposed Charter amendment to add Act 001/2017's four non-voting members to the HART board of directors, among other things, failed at the general

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

election on November 6, 2018. 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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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. The City determined that advances and repayments from component units reported as other financing sources/uses in the prior year should have been reported as balance sheet transactions resulting in an increase of \$80.0 million to the July 1, 2017 fund balance and prior year's change in fund balance.

Housing Development Special Fund

This fund accounts for monies designated for the development of housing for sale or for rental by the City. Transactions in this fund are incorporated in the special statements for the housing program. Revenue sources include housing and parking rental income. Additional sources include shared appreciation equity from the City's Shared Appreciation Equity Program and subsidies from the general fund for debt service payments.

Sewer Fund

This fund accounts for all monies received pursuant to the provisions of the Federal Water Pollution Control Act amendments of 1972 and the Hawaii Revised Statutes and expended for the purposes authorized. Revenue sources include monthly user service charges and system facility charges for new customers connecting to the sewer system.

Solid Waste Special Fund

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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-employment 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.

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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

- 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 accounting principles generally accepted in the United States of America (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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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 six 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.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
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placed on the Hawaii Register of Historical Places and is more than fifty years old. The property owner must provide visual access to the property and the property shall meet or exceed average condition and during the dedicated period the property shall be maintained in at least average condition. Taxpayers must file an application for the abatement. The abatement is equal to 100% of the assessed value of the portion of real property dedicated for preservation. The amount of the abatement is shown as a reduction of the assessed value of the property and the property tax is calculated based on the net taxable value of the property. If the tax due is less than \$300 the property owner is billed the City's minimum property tax of \$300 per year. The abatement is for a minimum of ten years, automatically renewable indefinitely.

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

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

Central Kakaako Industrial Zone Limited Development Exemption - Section 8-10.34 of the ROH provides abatements to property owners to preserve and promote industrial uses in the Central Kakaako area. The exemption from real property taxes for real property, or a portion thereof, is 50% of the assessed value. The real property must be within the location of the central Kakaako industrial zone (refer to Exhibit 1 in Section 8, Article 10 of ROH) and is actively and continuously used for industrial uses (ex. repair services, manufacturing, and others). A certification is required from the Hawaii Community Development Authority (HCDA) to determine if the property is being limited to a maximum floor area ratio of 1.5 due to inadequate infrastructure under the Hawaii Administrative Rules Section 15-

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217-57. The exemption is for a two year period and property owner must file for recertification by the HCDA confirming the maximum floor area ration every 2 years thereafter for as long as applicable.

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 | \$ 11,369 |
| Commercial property historical dedication | 291 |
| Residential property historical dedication | 3,089 |
| Dedicated land in urban districts | 60 |
| Low income rental housing exemption | 8,806 |
| Central Kakaako Industrial Zone Limited Development | 877 |
| Total gross amount of revenue reduction | <u>\$ 24,492</u> |

Unbilled Receivables

Included in the receivables at June 30, 2018 for BWS and the proprietary fund type were unbilled water and sewer charges (due to the use of cycle billings) in the amounts of \$12.8 million and \$35.3 million, respectively.

Inventories of Parts, Materials and Supplies

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

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 acceptance by City Council. Additions, improvements and other capital outlays

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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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and additions to/deductions from EUTF’s fiduciary net position have been determined on the same basis as they are reported by EUTF. For this purpose, benefit payments 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 and OPEB related costs are deferred and amortized systematically over a specified period of time. The balances as of June 30, 2018 are as follows:

| | Governmental Funds | Business-Type Funds | Component Units |
|------------------------------------|-----------------------|------------------------|--------------------|
| Deferred loss on refunding of bond | \$ 90,044 | \$ 76,823 | \$ 17,086 |
| Deferred pension related costs | 617,725 | 58,206 | 47,997 |
| Deferred OPEB related costs | 127,880 | 15,785 | 25,826 |
| | \$ 835,649 | \$ 150,814 | \$ 90,909 |

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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 and OPEB 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, 2018 are as follows:

| | Governmental Funds | Business-Type Funds | Component Units |
|----------------------------------|-----------------------|------------------------|--------------------|
| Deferred pension related costs | \$ 65,105 | \$ 29,812 | \$ 4,862 |
| Unearned real property tax | 5,351 | - | - |
| Deferred OPEB related costs | 6,234 | 749 | 1,320 |
| | <u>\$ 76,690</u> | <u>\$ 30,561</u> | <u>\$ 6,182</u> |
| Unavailable Revenue | | | |
| Sub-recipient loan program | \$ 58,409 | \$ - | \$ - |
| Public utilities franchise taxes | 23,840 | - | - |
| Real property taxes* | 15,438 | - | - |
| Housing assistance loan program | 10,828 | - | - |
| Others | 43 | - | - |
| | <u>\$ 108,558</u> | <u>\$ -</u> | <u>\$ -</u> |

*Includes \$5.4 million received in the current year to be applied to future fiscal years.

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 \$167.9 million to the Public Transportation System, \$101.0 million to the Solid Waste Fund, and authorized transfers from funds receiving revenues to funds that will expend those resources. Contributions to the capital asset accounts of enterprise funds are reflected in the statement of revenue, expenses and changes in net position.

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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 \$111.6 million at June 30, 2018.
- *Assigned* includes fund balances that have been encumbered for purchasing commitments by the Chief Procurement Officer or delegate in accordance with the Budget and Fiscal Services Policies and Procedures and are considered neither restricted nor committed.
- *Unassigned* includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City spends restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy. The financial statements for the governmental funds are reported on pages 39 to 41. The

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following is a summary (amounts in thousands) of the fund balance classifications for the major and other governmental (nonmajor) funds.

| | General Fund | Highway Fund | GOB and IR Fund* | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|------------------|-------------------|--------------------------|--------------------------|
| Restricted for: | | | | | |
| Highways | \$ - | \$ 28,096 | \$ - | \$ 11,022 | \$ 39,118 |
| Federal programs | - | - | - | 31,202 | 31,202 |
| Affordable housing programs | - | - | - | 39,613 | 39,613 |
| Land conservation program | - | - | - | 23,508 | 23,508 |
| Special projects | - | - | - | 11,086 | 11,086 |
| Rental assistance program | - | - | - | 5,772 | 5,772 |
| Rehabilitation loan program | - | - | - | 6,083 | 6,083 |
| Liquor Commission Office | - | - | - | 2,298 | 2,298 |
| Bikeways | - | - | - | 1,011 | 1,011 |
| Other capital projects | - | - | - | 14,840 | 14,840 |
| Sub-Total | <u>-</u> | <u>28,096</u> | <u>-</u> | <u>146,435</u> | <u>174,531</u> |
| Committed to: | | | | | |
| Emergency reserves | 111,615 | - | - | - | 111,615 |
| Parks and recreation | - | - | - | 4,719 | 4,719 |
| Retirement and health benefits | - | - | - | - | - |
| Hanauma Bay operations | - | - | - | 6,422 | 6,422 |
| Zoo animal acquisition program | - | - | - | - | - |
| Rental assistance program | - | - | - | 1,782 | 1,782 |
| Auditorium operations | - | - | - | 787 | 787 |
| Golf operations | - | - | - | 1,586 | 1,586 |
| Leasehold conversion program | - | - | - | - | - |
| Improvement districts | 1,962 | - | - | 165 | 2,127 |
| Other capital projects | - | - | - | - | - |
| Reserved for debt service | - | - | 492,641 | - | 492,641 |
| Other | 7,558 | - | - | 2,659 | 10,217 |
| Sub-Total | <u>121,135</u> | <u>-</u> | <u>492,641</u> | <u>18,120</u> | <u>631,896</u> |
| Assigned to: | | | | | |
| Provisional for Retirement and Health System Contribution - Employer | 6,717 | - | - | - | 6,717 |
| Provisional for Judgment | 1,522 | - | - | - | 1,522 |
| Recreation | 10,819 | - | - | - | 10,819 |
| Police | 6,037 | - | - | - | 6,037 |
| Environmental Services | 470 | - | - | - | 470 |
| Data Processing | 2,361 | - | - | - | 2,361 |
| Fire | 1,712 | - | - | - | 1,712 |
| Human services | 9,617 | - | - | - | 9,617 |
| Legal | 2,613 | - | - | - | 2,613 |
| Provisional for Risk Management | 3,362 | - | - | - | 3,362 |
| Building Additions and Improvements | 3,908 | - | - | - | 3,908 |
| Provisional - Retirement System Contribution-Employer | - | - | - | - | - |
| Repairs and Maintenance | 16,001 | - | - | - | 16,001 |
| Customer Services | 3,404 | - | - | - | 3,404 |
| Planning & Zoning | 3,965 | - | - | - | 3,965 |
| Retirement and health benefits | - | - | - | - | - |
| Finance | 1,155 | - | - | - | 1,155 |
| Other | 8,046 | - | - | - | 8,046 |
| Sub-Total | <u>81,709</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>81,709</u> |
| Unassigned: | <u>172,376</u> | <u>-</u> | <u>-</u> | <u>(47,477)</u> | <u>124,899</u> |
| Total | <u>\$ 375,220</u> | <u>\$ 28,096</u> | <u>\$ 492,641</u> | <u>\$ 117,078</u> | <u>\$ 1,013,035</u> |

*General Obligation Bond and Interest Redemption Fund

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Net position

Net position comprises the various net earnings (losses) from operating and nonoperating revenues, expenses, transfers and contributed capital. Net position is classified in the following three components: Net investment in capital assets; restricted for capital activity and debt service; and unrestricted net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments at year-end is not included in the calculation of net investment capital assets. Restricted for capital activity and debt service consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net position consists of all other net position not included in the above categories.

The City uses restricted amounts first when both restricted and unrestricted net position are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending.

Retirement Plan Contributions

Act 181/2004 established fixed employer contribution rates as a percentage of compensation. Pursuant to the new Act 17/2017, the City's fiscal year 2018 contribution rates to the Employees' Retirement System of the State of Hawaii were 28.0% for Police and Fire or 18.0% 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 \$623.5 million are not reported in the accompanying financial statements at June 30, 2018.

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.

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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, 2018, accumulated sick leave amounted to \$425.5 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 12 and 16.

Deficit Balances

As of June 30, 2018 there was a deficit of \$25.7 million in the General Improvement Bond Fund and \$21.7 million in the Highway Improvement Bond Fund. The City issued general obligation bonds Series A and B in September 2018 to cover the deficit.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

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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 adopted the provisions of this Statement as presented on its financial statements. The implementation resulted in a restatement of \$1,108.3 million and \$133.1 million to the net position at July 1, 2017 for governmental and business-type activities, respectively.

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

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 obligations (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.

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

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

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to define debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings (for example, a government entering into a loan agreement with a lender) and direct placements (for example, a government issuing a debt security directly to an investor). Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. 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.

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In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is to require that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. The City has early adopted the applicable provisions of this Statement as presented in its proprietary fund and component unit financial statements. This statement requires that the provisions be applied prospectively as of June 30, 2018. The capitalized interest reported for the fiscal year ended June 30, 2017 for proprietary fund and component unit were approximately \$23.3 million and \$2.8 million, respectively.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. The statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest that meets the definition of an investment. A majority equity interest meets the definition of an investment should be measured using the equity method and at fair value. The provision of this statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City has early adopted the applicable provisions and the Statement did not have any material impact 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.

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All proprietary funds have legally adopted annual budgets as well as the following governmental funds: General Fund, Highway Fund, Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, Bikeway Fund, Liquor Commission Fund, Rental Assistance Fund, Grants in Aid Fund, Hanauma Bay Nature Preserve Fund, Clean Water and Natural Lands Fund, Affordable Housing Fund, Patsy T. Mink Central Oahu Regional Park Fund, Waipio Peninsula Soccer Park Fund, Golf Fund, Special Events Fund, Honolulu Zoo Fund, Zoo Animal Purchase Fund, Leasehold Conversion Fund, Community Development Fund, Federal Grants Fund, Housing and Community Development Rehabilitation Loan Fund, Housing and Community Development Section 8 Contract Fund, and Special Projects Fund.

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

Appropriations lapse at the end of the fiscal year if not expended or encumbered, except that appropriations for capital projects lapse twelve months after the end of the fiscal year if not at least partially expended or encumbered.

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.

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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 and interest 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 \$7.0 billion difference are as follows (amounts in thousands):

| | |
|--|---------------------|
| Long-term liabilities (see Note 8) | \$ 3,221,652 |
| Net pension liability | 2,106,769 |
| Net other post-employment benefits liability | 1,668,749 |
| Accrued interest payable and other | 31,695 |
| | <u>\$ 7,028,865</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 and other adjustments.” The details of this \$112.9 million difference are as follows (amounts in thousands):

| | |
|----------------------|-------------------|
| Capital outlays | \$ 236,770 |
| Contributions | 1,131 |
| Write offs | (5,282) |
| Depreciation expense | (119,688) |
| Net adjustment | <u>\$ 112,931</u> |

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Another element of that reconciliation states that, "Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds." The details of this \$0.3 million difference are as follows (amounts in thousand):

| | | | |
|---------------------|----|--------------|--|
| Taxes | \$ | 2,169 | |
| Special assessments | | (2) | |
| Intergovernmental | | (589) | |
| Other | | (1,834) | |
| Net adjustment | \$ | <u>(256)</u> | |

Another element of that reconciliation states that, "Proceeds from the issuance of long-term debt are reported as providing current financial resources in the governmental funds, but are reported as long-term debt in the government-wide financial statements. Repayment of such debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in the government-wide financial statements." The details of this \$494.1 million difference are as follows (amounts in thousands):

| | | | |
|-------------------------------------|----|------------|------------------|
| Debt Issued: | | | |
| General obligation bonds, net | | \$ | (796,961) |
| General obligation commercial paper | | | <u>(120,000)</u> |
| Total | | | (916,961) |
| Principal Repayments: | | | |
| General obligation bonds, net | \$ | 322,596 | |
| General obligation commercial paper | | 100,000 | |
| Other long-term debt | | <u>237</u> | <u>422,833</u> |
| Net adjustment | \$ | | <u>(494,128)</u> |

Another element of that reconciliation states that, "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$48.6 million difference are as follows (amounts in thousands):

| | | | |
|--------------------------------------|----|----------------|---------------|
| Increase in compensated absences | \$ | (2,627) | |
| Increase in claims and judgements | | (14,854) | |
| Increase in net OPEB liability | | (30,859) | |
| Decrease in Net pension liability | | 103,359 | |
| Increase in other - accrued interest | | <u>(6,428)</u> | |
| Net adjustment | \$ | | <u>48,591</u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

Another element of that reconciliation states that, “Loss on refunding is recorded as other financing use in the fund statement but as a deferred outflow of resources in the government-wide financial statements. Amortization of the deferred outflow of resources 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 \$6.0 million for deferred outflows related to debt refundings.

The final element of that reconciliation states that, “Funds report expenditures for contributions for pensions and other post-employment benefits (OPEB). The government-wide statements report deferred outflows, deferred inflows, pension expense and OPEB expense.” The details of this \$267.8 million difference are as follows (amount in thousand):

| | |
|-------------------------------|--------------|
| Decrease in deferred outflows | \$ (231,005) |
| Increase in deferred inflows | (36,789) |
| Net adjustment | \$ (267,794) |

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 12). 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.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

Credit Risk (amounts in thousands):

| | Fair Value | Quality Rating | | |
|--|------------|----------------|-------|-----------|
| | | Aaa | Aa1 | Not Rated |
| Primary Government: | | | | |
| U.S. government treasury | \$ 189,382 | \$ 189,382 | \$ - | \$ - |
| Certificate of deposits | 921,052 | - | - | 921,052 |
| Guaranteed investment contracts | 12,707 | - | - | 12,707 |
| U.S. government securities | 1,044,187 | 1,044,187 | - | - |
| Municipal securities | 3,442 | - | 3,442 | - |
| Component Units: | | | | |
| Board of Water Supply | | | | |
| U.S. government treasury | 333,158 | 333,158 | - | - |
| U.S. government agencies | 76,215 | 76,215 | - | - |
| Honolulu Authority for Rapid Transportation | | | | |
| U.S. government treasury | 2,988 | 2,988 | - | - |
| Certificate of deposits | 67,206 | - | - | 67,206 |
| U.S. government securities | 73,578 | 73,578 | - | - |
| Municipal securities | 247 | - | 247 | - |
| Fiduciary Funds: | | | | |
| Certificate of deposits | 54,930 | - | - | 54,930 |

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, 2018, the City had no investments in money market mutual funds or external investment pools.

Concentration of Credit Risk

As of June 30, 2018, \$12.7 million is invested with FSA Capital Management Services LLC.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

The fair value and maturities of investments as of June 30, 2018 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 | \$ 190,710 | \$ 189,382 | \$ 404 | \$ 188,978 | \$ - | \$ - |
| Certificate of deposits | 921,052 | 921,052 | 542,711 | 378,341 | - | - |
| Guaranteed investment contracts | 12,707 | 12,707 | - | - | - | 12,707 |
| U.S. government securities | 1,044,187 | 1,044,187 | 563,209 | 480,978 | - | - |
| Municipal securities | 3,503 | 3,442 | - | 3,442 | - | - |
| Total | <u>\$ 2,172,159</u> | <u>\$ 2,170,770</u> | <u>\$ 1,106,324</u> | <u>\$ 1,051,739</u> | <u>\$ -</u> | <u>\$ 12,707</u> |
| Component Units: | | | | | | |
| Board of Water Supply | | | | | | |
| U.S. government treasury | \$ 339,522 | \$ 333,158 | \$ 58,201 | \$ 274,957 | \$ - | \$ - |
| U.S. government agencies | 77,525 | 76,215 | 15,995 | 60,220 | - | - |
| Honolulu Authority for Rapid Transportation | | | | | | |
| U.S. government treasury | 2,988 | 2,988 | - | 2,988 | - | - |
| Certificate of deposits | 67,206 | 67,206 | 40,547 | 26,659 | - | - |
| U.S. government securities | 73,575 | 73,578 | 39,480 | 34,098 | - | - |
| Municipal securities | 247 | 247 | - | 247 | - | - |
| Total | <u>\$ 561,063</u> | <u>\$ 553,392</u> | <u>\$ 154,223</u> | <u>\$ 399,169</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fiduciary Funds: | | | | | | |
| Certificate of deposits | <u>\$ 54,930</u> | <u>\$ 54,930</u> | <u>\$ 54,930</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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,

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

- 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.

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, 2018 (amounts in thousands):

| | Fair Value | Level One | Level Two |
|--|-----------------------|----------------------|----------------------|
| Primary Government: | | | |
| U.S. government treasury* | \$ 188,978 | \$ 188,978 | \$ - |
| U.S. government securities | 480,978 | - | 480,978 |
| Municipal securities | 3,442 | - | 3,442 |
| Total | <u>\$ 673,398</u> | <u>\$ 188,978</u> | <u>\$ 484,420</u> |
| Component Units: | | | |
| Board of Water Supply | | | |
| U.S. government treasury | \$ 333,158 | \$ 333,158 | \$ - |
| U.S. government agencies | 76,215 | - | 76,215 |
| Honolulu Authority for Rapid Transportation | | | |
| U.S. government treasury | 2,988 | 2,988 | - |
| U.S. government securities | 34,098 | - | 34,098 |
| Municipal securities | 247 | - | 247 |
| Total | <u>\$ 446,706</u> | <u>\$ 336,146</u> | <u>\$ 110,560</u> |

*Includes the proceeds of crossover refunding bonds that were deposited with fiscal agents, which will be used to liquidate the refunded bonds on the crossover dates. As of June 30, 2018, investments held in fiscal agents totaled \$146.9 million.

As of June 30, 2018 investments recorded at amortized cost totaled \$1.5 billion for primary government, \$106.7 million for component units and \$54.9 million for fiduciary funds.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

5. Receivables

Receivable balances at June 30, 2018 consists of the following (amounts in thousands):

| | Governmental Activities | Business-Type Activities |
|--------------------------------------|----------------------------|-----------------------------|
| Real property taxes | \$ 11,598 | \$ - |
| Accounts | 2,574 | 102,907 |
| Public utilities franchise taxes | 23,840 | - |
| Special assessments | 4 | - |
| Notes | 69,195 | - |
| Intergovernmental | 31,493 | - |
| Interest | 1,780 | 4,364 |
| Payroll and others | 9,689 | 1,157 |
| Allowance for uncollectible accounts | (2,291) | (14,469) |
| | <u>\$ 147,882</u> | <u>\$ 93,959</u> |

Revenues not collected within 60 days of fiscal year end are recorded as deferred inflows of resources in the government funds. \$103.2 million of the receivables for governmental activities have been deferred at June 30, 2018.

The only receivables not expected to be collected within one year are the noncurrent portion of the notes receivable in the amount of \$68.3 million, which are generally due to the City on various dates through 2073.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

6. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2018 (amounts in thousands):

Primary Government –

| | Balance at June 30, 2017 | Addition/ Transfer In | Retirements/ Transfers Out | Balance at June 30, 2018 |
|---|--------------------------------|--------------------------|-------------------------------|--------------------------------|
| Governmental Activities: | | | | |
| Depreciable Assets – | | | | |
| Buildings and improvements | \$ 1,507,587 | \$ 45,216 | \$ - | \$ 1,552,803 |
| Equipment and machinery | 415,650 | 23,763 | (7,995) | 431,418 |
| Infrastructure | 1,733,353 | 57,687 | - | 1,791,040 |
| Total depreciable assets | <u>3,656,590</u> | <u>126,666</u> | <u>(7,995)</u> | <u>3,775,261</u> |
| Less Accumulated Depreciation – | | | | |
| Buildings and improvements | (796,558) | (46,617) | - | (843,175) |
| Equipment and machinery | (291,223) | (22,496) | 7,761 | (305,958) |
| Infrastructure | (747,888) | (50,575) | - | (798,463) |
| Total accumulated depreciation | <u>(1,835,669)</u> | <u>(119,688)</u> | <u>7,761</u> | <u>(1,947,596)</u> |
| Net depreciable assets | 1,820,921 | 6,978 | (234) | 1,827,665 |
| Land | 530,376 | 7,159 | - | 537,535 |
| Construction Work in Progress | 273,580 | 208,415 | (109,387) | 372,608 |
| Governmental activities – capital assets, net | <u>2,624,877</u> | <u>222,552</u> | <u>(109,621)</u> | <u>2,737,808</u> |
| Business-type Activities: | | | | |
| Depreciable Assets – | | | | |
| Buildings and improvements | 1,879,218 | 220,779 | (19) | 2,099,978 |
| Equipment and machinery | 693,522 | 49,561 | (8,886) | 734,197 |
| Infrastructure | 1,797,655 | 302,727 | (117) | 2,100,265 |
| Total depreciable assets | <u>4,370,395</u> | <u>573,067</u> | <u>(9,022)</u> | <u>4,934,440</u> |
| Less Accumulated Depreciation – | | | | |
| Buildings and improvements | (488,375) | (41,463) | 19 | (529,819) |
| Equipment and machinery | (508,475) | (31,170) | 9,201 | (530,444) |
| Infrastructure | (408,122) | (36,754) | 48 | (444,828) |
| Total accumulated depreciation | <u>(1,404,972)</u> | <u>(109,387)</u> | <u>9,268</u> | <u>(1,505,091)</u> |
| Net depreciable assets | 2,965,423 | 463,680 | 246 | 3,429,349 |
| Land | 160,898 | 8 | - | 160,906 |
| Construction Work in Progress | 718,594 | 218,234 | (558,811) | 378,017 |
| Business-type activities – capital assets, net | <u>3,844,915</u> | <u>681,922</u> | <u>(558,565)</u> | <u>3,968,272</u> |
| Total primary government capital assets, net | <u>\$ 6,469,792</u> | <u>\$ 904,474</u> | <u>\$ (668,186)</u> | <u>\$ 6,706,080</u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

Discretely Presented Component Units –

| | Balance at June 30, 2017 | Additions/ Transfers In | Retirements/ Transfers Out | Balance at June 30, 2018 |
|--|--------------------------------|----------------------------|-------------------------------|--------------------------------|
| Board of Water Supply | | | | |
| Depreciable Assets – | | | | |
| Buildings and improvements | \$ 169,870 | \$ 6,344 | \$ (25) | \$ 176,189 |
| Equipment and machinery | 317,241 | 5,404 | (1,869) | 320,776 |
| Infrastructure | 1,504,280 | 25,612 | (1,970) | 1,527,922 |
| Total depreciable assets | <u>1,991,391</u> | <u>37,360</u> | <u>(3,864)</u> | <u>2,024,887</u> |
| Less Accumulated Depreciation – | | | | |
| Buildings and improvements | (76,135) | (3,966) | 4 | (80,097) |
| Equipment and machinery | (216,906) | (12,962) | 1,808 | (228,060) |
| Infrastructure | (690,677) | (31,996) | 1,713 | (720,960) |
| Total accumulated depreciation | <u>(983,718)</u> | <u>(48,924)</u> | <u>3,525</u> | <u>(1,029,117)</u> |
| Net depreciable assets | 1,007,673 | (11,564) | (339) | 995,770 |
| Land | 32,373 | - | - | 32,373 |
| Construction Work in Progress | 98,957 | 56,895 | (33,966) | 121,886 |
| BWS capital assets, net | <u>1,139,003</u> | <u>45,331</u> | <u>(34,305)</u> | <u>1,150,029</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 | (134) | (13) | - | (147) |
| Total accumulated depreciation | <u>(134)</u> | <u>(13)</u> | <u>-</u> | <u>(147)</u> |
| Net depreciable assets | 37 | (13) | - | 24 |
| Land | 132,991 | 11,446 | - | 144,437 |
| Construction Work in Progress | 2,705,925 | 463,790 | - | 3,169,715 |
| HART capital assets, net | <u>2,838,953</u> | <u>475,223</u> | <u>-</u> | <u>3,314,176</u> |
| Total component units capital assets, net | <u>\$ 3,977,956</u> | <u>\$ 520,554</u> | <u>\$ (34,305)</u> | <u>\$ 4,464,205</u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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

Governmental Activities:

| | |
|--|--------------------------|
| General government | \$ 18,923 |
| Public safety | 23,951 |
| Highways and streets | 47,243 |
| Culture and recreation | 25,898 |
| Sanitation | 18 |
| Utilities | 2,490 |
| Human Services | <u>1,165</u> |
| Total depreciation expense – governmental activities | <u><u>\$ 119,688</u></u> |

Business-type Activities:

| | |
|---|--------------------------|
| Housing | \$ 3,744 |
| Sewer | 68,546 |
| Solid Waste | 16,506 |
| Public Transportation System | <u>20,591</u> |
| Total depreciation expense – business-type activities | <u><u>\$ 109,387</u></u> |

Component Units:

| | |
|--|-------------------------|
| Board of Water Supply (\$1,587 was allocated to various functions) | \$ 47,337 |
| Honolulu Authority on Rapid Transportation | <u>13</u> |
| Total depreciation expense – component units | <u><u>\$ 47,350</u></u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

7. Interfund Balances

The following is a summary of amounts due from and due to other funds at June 30, 2018 (amounts in thousands):

| | Due From Other Funds | Due to Other Funds |
|-----------------------------|-------------------------|-----------------------|
| General Fund | \$ 71,186 | \$ 1 |
| Highway Fund | - | 347 |
| Nonmajor Governmental Funds | 31 | 70,429 |
| Fiduciary Funds | 37 | - |
| Enterprise Funds: | | |
| Sewer Fund | - | 356 |
| Solid Waste Special Fund | - | 121 |
| | <u>\$ 71,254</u> | <u>\$ 71,254</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, 2018, 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, 2018 (amounts in thousands):

| | Transferred from Other Funds | Transferred to Other Funds |
|--|------------------------------------|----------------------------------|
| General Fund | \$ 173,272 | \$ 494,558 |
| Highway Fund | - | 157,665 |
| G.O. Bond and Interest Redemption Fund | 235,802 | - |
| Nonmajor Governmental Funds | 14,428 | 14,148 |
| Enterprise Funds: | | |
| Housing Development Special Fund | 4,582 | 282 |
| Sewer Fund | - | 18,170 |
| Solid Waste Special Fund | 101,038 | 12,207 |
| Public Transportation System Fund | 167,908 | - |
| | <u>\$ 697,030</u> | <u>\$ 697,030</u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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, 2018 (amounts in thousands):

| | Balance at June 30, 2017 | Additions | Reductions | Balance at June 30, 2018 | Amounts Due Within One Year |
|---|--------------------------------|---------------------|-------------------|--------------------------------|-----------------------------------|
| Primary Government - | | | | | |
| Governmental Activities | | | | | |
| General obligation (GO) bonds | \$ 2,204,759 | \$ 732,416 | \$ 273,315 | \$ 2,663,860 | \$ 142,554 |
| Add: Unamortized premium | 190,024 | 64,750 | 49,351 | 205,423 | - |
| Less: Unamortized discount | (844) | (205) | (70) | (979) | - |
| Total bonds payable | 2,393,939 | 796,961 | 322,596 | 2,868,304 | 142,554 |
| Notes payable to state government | 1,138 | - | 237 | 901 | 244 |
| GO commercial paper notes | 80,000 | 120,000 | 100,000 | 100,000 | 100,000 |
| Compensated absences | 118,990 | 46,386 | 43,759 | 121,617 | 7,237 |
| Claims and judgments (Note 14) | 115,976 | 51,332 | 36,478 | 130,830 | 34,660 |
| Total | <u>\$ 2,710,043</u> | <u>\$ 1,014,679</u> | <u>\$ 503,070</u> | <u>\$ 3,221,652</u> | <u>\$ 284,695</u> |
| Business-Type Activities | | | | | |
| General obligation bonds | \$ 535,796 | \$ 34,254 | \$ 40,485 | \$ 529,565 | \$ 29,801 |
| Revenue bonds | 1,930,205 | 577,265 | 288,415 | 2,219,055 | 70,490 |
| Add: Unamortized premium | 167,014 | 30,492 | 35,952 | 161,554 | - |
| Less: Unamortized discount | (3,087) | (888) | (856) | (3,119) | - |
| Total bonds payable | 2,629,928 | 641,123 | 363,996 | 2,907,055 | 100,291 |
| Notes payable to state government | 252,769 | 222 | 23,593 | 229,398 | 22,670 |
| Reserve for insurance claims payable | 26,857 | 11,797 | 11,117 | 27,537 | 9,930 |
| Estimated liability for landfill closure and post closure care costs (Note 15) | 14,568 | - | 1,012 | 13,556 | 1,380 |
| Compensated absences | 12,235 | 4,908 | 4,808 | 12,335 | 752 |
| Total | <u>\$ 2,936,357</u> | <u>\$ 658,050</u> | <u>\$ 404,526</u> | <u>\$ 3,189,881</u> | <u>\$ 135,023</u> |
| Discretely Presented Component Units - | | | | | |
| Board of Water Supply | | | | | |
| Revenue bonds | \$ 223,205 | \$ - | \$ 8,365 | \$ 214,840 | \$ 8,550 |
| Add: Unamortized premium | 19,918 | - | 1,865 | 18,053 | - |
| Total bonds payable | 243,123 | - | 10,230 | 232,893 | 8,550 |
| Notes payable to state governments | 73,008 | 8,564 | 14,137 | 67,435 | 3,180 |
| Compensated absences | 6,976 | 2,891 | 2,851 | 7,016 | 2,851 |
| Customer advances | 1,530 | 8,915 | 8,839 | 1,606 | - |
| Accrued workers' compensation | 2,267 | 2,442 | 1,160 | 3,549 | 1,033 |
| Others | 3,574 | 1,384 | 1,253 | 3,705 | - |
| Total | <u>\$ 330,478</u> | <u>\$ 24,196</u> | <u>\$ 38,470</u> | <u>\$ 316,204</u> | <u>\$ 15,614</u> |
| Honolulu Authority for Rapid Transportation | | | | | |
| Compensated absences | \$ 1,202 | \$ 633 | \$ 532 | \$ 1,303 | \$ 137 |
| Delayed claims | 228 | 27,420 | 1,028 | 26,620 | 26,620 |
| Environmental remediation | 2,083 | - | 1,983 | 100 | 100 |
| Total | <u>\$ 3,513</u> | <u>\$ 28,053</u> | <u>\$ 3,543</u> | <u>\$ 28,023</u> | <u>\$ 26,857</u> |
| Oahu Transit Services, Inc. | | | | | |
| Compensated absences | \$ 8,661 | \$ 637 | \$ 907 | \$ 8,391 | \$ 974 |
| Total | <u>\$ 8,661</u> | <u>\$ 637</u> | <u>\$ 907</u> | <u>\$ 8,391</u> | <u>\$ 974</u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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 2018 in the original amount of \$3.7 billion, less discounts of \$1.6 million and adjusted for a premium of \$376.7 million that are being amortized over the related term of the bonds. These bonds bear interest at 1.0% to 6.5%, and mature serially through fiscal year 2043. General obligation debt authorized but not issued yet amounted to \$1.3 billion at June 30, 2018.

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 2018 in the original amount of \$703.1 million less a discount of \$485.6 thousand and adjusted for a premium of \$47.1 million, which are being amortized over the related term of the bonds. These bonds bear interest at 1.0% to 2.4%, and mature serially through fiscal year 2043.

On September 14, 2017, the City issued general obligation bond Series 2017 in the aggregate amount of \$766.7 million. The bonds were comprised of tax exempt Series A, B, C, and D; crossover Tax exempt Series E and taxable Series F and G; and tax exempt Index floating rate Series H. Proceeds from bonds utilized for crossover refunding are held in an escrow account to be used to pay debt service and purchase government obligations and therefore included as restricted assets – investments on the statement of net position. The refunded bonds are not considered legally defeased until the crossover date and therefore are included as noncurrent liabilities on the statement of net position.

Series 2017A were issued for \$181.4 million. The bonds mature annually on September 01, 2019 through 2042 and bear interest rates of 4.0% to 5.0%. For the bonds maturing on and after September 01, 2028 through 2042 the City may exercise its option of redemption on or after September 01, 2027 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 proceeds of the bonds were used to fund various current capital improvements of the City.

Series 2017B were issued for \$34.5 million. The bonds mature annually on September 01, 2018 through 2025 and bear interest rates of 5.0%. The proceeds of the bonds were used to fund related equipment purchases of the City.

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Series 2017 C and D were issued for \$141.9 million. The bonds mature annually on September 01, 2022 through 2033 except for the first maturity that was on March 1, 2018 and bear interest rates of 3.0% to 5.0%. For the bonds maturing September 1, 2028 through 2033, the City may exercise its option of redemption on or after September 1, 2027 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 proceeds of the bonds were used to refund a portion of General Obligation Bond series 2012A. The refunding was undertaken to reduce total debt service payments by \$12.8 million and resulted in an economic gain of approximately \$9.7 million.

Series 2017E were issued for \$35.1 million. The bonds mature annually on September 01, 2022 through 2034 and bear interest rates of 3.0 % to 5.0%. For the bonds maturing September 1, 2028 through 2030, the City may exercise its option of redemption on or after September 1, 2027 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 proceeds will be used to refund a portion of general obligation bond series 2009E. Series 2009E bonds are not considered legally defeased until the crossover date, and therefore will not be removed as a liability until September 01, 2019. The crossover refunding is projected to reduce total debt service payments by \$4.8 million and will result in an economic gain of approximately \$3.5 million.

Series 2017F taxable were issued for \$3.7 million. The bonds mature annually on September 01, 2020 and 2021 and bear interest rates of 1.7 % to 2.1%. The proceeds will be used to refund a portion of general obligation bond series 2009E. Series 2009E bonds are not considered legally defeased until the crossover date, and therefore will not be removed as a liability until September 01, 2019. The crossover refunding is projected to reduce total debt service payments by \$24.0 thousand and will result in an economic gain of approximately \$26.0 thousand.

Series 2017G taxable were issued for \$20.0 million. The bonds mature annually on September 01, 2018 through 2042 and bear interest rates of 1.4 % to 4.2%. The proceeds of the bonds were used to fund various current capital improvements of the City.

Series 2017H were issued for \$350.0 million Index Floating Rate Bonds. The bonds mature annually on September 01, 2022 through 2028 and are projected to bear interest at a per annum interest rate (not to exceed 8.0%), determined weekly, equal to sum of the Securities Industry and Financial Markets Association (SIFMA) and the applicable spread of 0.3%. At June 30, 2018, the interest rate was 1.8%. The proceeds of the bonds were used to fund, or to retire certain general obligation commercial paper notes previously issued to fund a portion of the capital costs of

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the rail transit project. As provided in Resolution 15-313, HART is required to reimburse the City for payments of principal, interests and any other cost incurred by the City relating to the issuance of Commercial Paper and other forms of general obligations indebtedness. The City is reporting the \$350.0 million as advance to component unit. All interest and other financing charges are reimbursed by the component unit. Note 16 details the Memorandum of Understanding between the City and HART.

General Obligation Commercial Paper Notes

The City has three letters of credit facilities outstanding, Issue A, Sub-Issues B-1 and B-2 with an aggregate maximum amount of \$450.0 million. Issue A expires on December 21, 2018 and Sub-Issues B-1 and B-2 expire on December 22, 2020. For the fiscal year ended 2018, the City has an outstanding obligation balance of \$100.0 million drawn against Sub-Issues B-1. These letters of credit are for the temporary cash shortages in the operation of the Honolulu Authority for Rapid Transportation (HART). Note 16 discusses 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 26.2% for fiscal year 2018. 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 deposits required by bond resolution to be made, or 1.2 times the aggregate debt service. In fiscal year 2018 the net revenue requirements were met.

Wastewater system revenue bonds in the City's business-type activities were issued during fiscal years 1999 through 2018, in the original amount totaling \$3.3 billion, less discounts of \$38.3 million and adjusted for premiums of \$248.1 million, which are being amortized over the related term of the bonds. The bonds bear interest at 1.1% to 6.3%, and mature at various dates through fiscal year 2048. The wastewater system revenues collateralize the revenue bonds.

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On December 20, 2017, the City issued direct purchase tax exempt wastewater system revenue bonds of \$252.5 million. The bonds were comprised of \$155.2 million Senior Series 2017A for refunding of bonds and \$97.3 million of Senior Series 2017B for crossover refunding.

Senior Series 2017A were issued for \$155.2 million. The proceeds of the bonds, along with release of \$1.7 million common reserve funds, were used to refund portion of revenue bond Senior Series 2011A and 2012A. The bonds mature annually on July 1, 2018 through 2034 and bear interest rates at 2.4% to 3.1%. The refunding was undertaken to reduce total debt service payments by \$28.2 million and resulted in an economic gain of approximately \$13.6 million.

Senior Series 2017B were issued for \$97.3 million. The proceeds of the bonds, along with the release of \$9.1 million of common reserve funds, will be used to refund a portion of revenue bond Senior Series 2009B and 2010B. The bonds mature annually on July 1, 2020 through 2034 and bear interest rates at 2.5% to 3.0%. The refunding was undertaken to reduce total debt service payments by \$21.3 million and resulted in an economic gain of approximately \$7.1 million. The crossover dates are July 1, 2019 for the Senior Lien Series 2009B and July 1, 2020 for Senior Lien Series 2010B.

On February 13, 2018, the City issued tax exempt Senior Series 2018A and B and Junior Series 2018B and taxable Junior Series 2018A. The Bonds comprised of tax exempt series of \$282.9 million and taxable series \$41.9 million with total aggregate amount of \$324.8 million.

Senior Series 2018A tax exempt were issued for \$239.3 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, 2035 through 2047 and bear interest rates at 3.3% to 5.0%. For the bonds maturing July 1, 2035 through 2038 and portion of bonds maturing from July 1, 2039 through 2047, the City may exercise its option of redemption on or after January 1, 2028 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 2018B tax exempt were issued for \$34.3 million. The proceeds of the bonds, were used to refund a portion of revenue bond Senior Series 2015C. The bonds mature annually on July 1, 2018 through 2025 and bear interest rates at 5.0%. The refunding was undertaken to reduce total debt service payments by \$1.0 Million and resulted in an economic gain of approximately \$908.3 thousand.

Junior Series 2018A taxable were issued for \$41.9 million. The proceeds of the bonds, along with the release of \$3.3 million of common reserve fund were used to refund a portion of revenue bond Junior Series 2009A and 2010A. The bonds

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mature annually on July 1, 2018 through 2026 and bear interest rates at 2.2% to 3.2%. The refunding was undertaken to reduce total debt service payments by \$5.8 million and resulted in an economic gain of approximately \$1.8 million.

Junior Series 2018B tax exempt were issued for \$9.3 million. The proceeds of the bonds, were used to refund a portion of Junior Series 2015B. The bonds mature annually on July 1, 2018 through 2025 and bear interest rates at 4.0%. The refunding was undertaken to reduce total debt service payments by \$256.9 thousand and resulted in an economic gain of approximately \$261.1 thousand.

Annual debt service requirements to maturity for general obligation bonds and revenue bonds at June 30, 2018 including interest of \$2.5 billion were as follows (amounts in thousands):

| Year Ending June 30: | Governmental Activities | | Business-Type Activities | | Primary Government Total | | BWS | |
|-------------------------|-------------------------|--------------|--------------------------|--------------|--------------------------|--------------|-----------|------------|
| | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal |
| 2019 | \$ 110,371 | \$ 142,554 | \$ 110,468 | \$ 100,291 | \$ 220,839 | \$ 242,845 | \$ 9,175 | \$ 8,550 |
| 2020 | 100,158 | 154,208 | 108,263 | 101,617 | 208,421 | 255,825 | 8,902 | 8,820 |
| 2021 | 95,227 | 138,166 | 105,602 | 103,849 | 200,829 | 242,015 | 8,613 | 9,110 |
| 2022 | 89,814 | 137,710 | 102,340 | 107,260 | 192,154 | 244,970 | 8,273 | 9,450 |
| 2023 | 83,300 | 183,199 | 98,105 | 116,936 | 181,405 | 300,135 | 7,833 | 10,075 |
| 2024-2028 | 314,399 | 872,638 | 415,073 | 651,301 | 729,472 | 1,523,939 | 31,281 | 59,250 |
| 2029-2033 | 166,561 | 557,857 | 272,694 | 653,674 | 439,255 | 1,211,531 | 15,963 | 70,460 |
| 2034-2038 | 64,559 | 350,173 | 143,834 | 487,527 | 208,393 | 837,700 | 2,957 | 39,125 |
| 2039-2043 | 10,730 | 127,355 | 56,359 | 283,655 | 67,089 | 411,010 | - | - |
| 2044-2048 | - | - | 12,604 | 142,510 | 12,604 | 142,510 | - | - |
| Total | \$ 1,035,119 | \$ 2,663,860 | \$ 1,425,342 | \$ 2,748,620 | \$ 2,460,461 | \$ 5,412,480 | \$ 92,997 | \$ 214,840 |

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 \$230.2 million at June 30, 2018, bear interest at 0.0% to 2.4%, 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 \$67.4 million at June 30, 2018, bear interest at 1.0% to 5.0%, and require annual principal and interest payments through fiscal year 2039.

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Annual debt service requirements to maturity for the City's primary governmental and component units for notes payable at June 30, 2018, including interest of \$11.8 million were as follows (amounts in thousands):

| Year Ending June 30: | Primary Government | | BWS | |
|-------------------------|--------------------|------------|----------|-----------|
| | Interest | Principal | Interest | Principal |
| 2019 | \$ 1,814 | \$ 22,914 | \$ 138 | \$ 3,180 |
| 2020 | 1,587 | 21,413 | 127 | 3,511 |
| 2021 | 1,403 | 21,064 | 115 | 3,848 |
| 2022 | 1,231 | 20,964 | 103 | 3,873 |
| 2023 | 1,064 | 20,187 | 91 | 3,898 |
| 2024-2028 | 3,054 | 88,702 | 275 | 19,343 |
| 2029-2033 | 661 | 33,720 | 118 | 19,429 |
| 2034-2038 | 17 | 1,335 | 14 | 9,595 |
| 2039-2043 | - | - | - | 758 |
| Total | \$ 10,831 | \$ 230,299 | \$ 981 | \$ 67,435 |

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, 2018, \$1.05 billion of the City's and none of the Board of Water Supply's bonds outstanding were considered defeased.

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9. Net Position

At June 30, 2018, 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 | \$ 2,737,808 | \$ 3,968,272 |
| Add (Less): | | |
| General obligation bonds payable, net | (2,518,304) | (548,898) |
| Revenue bonds payable, net | - | (2,358,157) |
| Notes payable and other long-term debt | (901) | (229,398) |
| Deferred loss in refunding | 90,044 | 76,823 |
| Amount of debt related to unspent debt proceeds | - | 299,849 |
| | 308,647 | 1,208,491 |
| Restricted for Debt Service | 492,806 | 260,091 |
| Unrestricted | (3,211,958) | 775,038 |
| Total net position | \$ (2,410,505) | \$ 2,243,620 |

10. Employee Benefit Pension 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 comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The three membership classes are known as 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

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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.

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 salary paid in lieu of vacation. For employees who became members after June 30, 2012, the AFC is the highest five years excluding salary paid in lieu of vacation.

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.

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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 2018 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, 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, 2018 were as follows (amounts in thousands):

| | <u>Primary Government</u> | <u>Component Units</u> |
|-----------------------|---------------------------|------------------------|
| Pension Contributions | <u>\$ 157,686</u> | <u>\$ 9,214</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.

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

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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 \$4.9 million for the fiscal year ended June 30, 2018.

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, 2025 for bus operations and March 31, 2019 and 2020 for paratransit operations. Under the terms of the agreement, OTS is not required to make minimum contributions for future periods and can withdraw from the plan subject to payment of a withdrawal penalty. It is unlikely that OTS will withdraw from the WCT Plan and therefore a liability for a withdrawal penalty has not been accrued.

Pension expense was approximately \$18.7 million for the fiscal year ended June 30, 2018. The payable to the pension plan was \$1.3 million as of June 30, 2018. 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.

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Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions – At June 30, 2018 the City reported net pension liability as shown below (amounts in thousands):

| | <u>Primary Government</u> | <u>Component Units</u> |
|-----------------------|---------------------------|------------------------|
| Net Pension Liability | <u>\$ 2,307,225</u> | <u>\$ 158,125</u> |

The net pension liability for the City and component units, BWS and HART, was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer’s proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plan relative to the projected contributions of all participating members of ERS, actuarially determined.

There were no changes in other assumptions and input that affected the measurement of the total pension liability since the prior measurement date. There were no changes between the measurement date, June 30, 2017, and the reporting date, June 30, 2018, that are expected to have a significant effect on the proportionate share of the net pension liability. At June 30, 2017 the City, BWS and HART proportions were as shown below:

| | <u>Primary Government</u> | <u>Component Units</u> |
|---|---------------------------|------------------------|
| Proportionate Share of Pension Liability | <u>17.82%</u> | <u>1.08%</u> |
| Increase (Decrease) in Proportionate Share from June 30, 2016 | <u>(0.35%)</u> | <u>0.03%</u> |

The net pension liability for the OTS single-employer pension plan was measured as of February 28, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. There were no changes in assumptions or other inputs impacting the measurement of total pension liability since the prior measurement date.

For the fiscal year ended June 30, 2018, the City recognized pension expense as follows (amounts in thousands):

| | <u>Primary Government</u> | <u>Component Units</u> |
|-----------------|---------------------------|------------------------|
| Pension Expense | <u>\$ 336,343</u> | <u>\$ 25,731</u> |

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At June 30, 2018, the City reported deferred outflows and inflow of resources related to pensions as follows from the following sources (amounts in thousands):

| | Primary Government | | Component Units | |
|---|--------------------|--------------------|-------------------|-------------------|
| | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows |
| Differences between expected and actual experience | \$ 95,294 | \$ (17,537) | \$ 4,996 | \$ (1,490) |
| Net difference between projected and actual earnings on pension plan investments | - | (7,611) | 88 | (412) |
| Changes of assumptions | 379,753 | - | 24,452 | - |
| Changes in proportion and difference between contributions and proportionate share of contributions | 53,528 | (69,769) | 8,003 | (2,960) |
| Contributions subsequent to the measurement date | 147,356 | - | 10,458 | - |
| | <u>\$ 675,931</u> | <u>\$ (94,917)</u> | <u>\$ 47,997</u> | <u>\$ (4,862)</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 subsequent fiscal year period as follows (amounts in thousands):

| | Primary Government | Component Units |
|--------------------------|--------------------|------------------|
| Subsequent Contributions | <u>\$ 147,356</u> | <u>\$ 10,458</u> |

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

| | Primary Government | Component Units |
|----------------------|--------------------|------------------|
| Year Ending June 30: | | |
| 2019 | \$ 109,187 | \$ 9,158 |
| 2020 | 155,426 | 11,202 |
| 2021 | 126,630 | 7,699 |
| 2022 | 43,769 | 3,237 |
| 2023 | (1,354) | 942 |
| Thereafter | - | 439 |
| | <u>\$ 433,658</u> | <u>\$ 32,677</u> |

Actuarial Assumptions –

Hawaii Employees' Retirement System – The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the 2015 5-year Actuarial Experience Study. The ERS updates their experience study every five years.

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The total pension liability in the June 30, 2017 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 projection 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.

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:

| <u>Strategic Allocation (Risk Based Classes)</u> | <u>Target Allocation</u> | <u>Long-Term Expected Geometric Rate of Return</u> |
|--|--------------------------|--|
| Broad Growth | 63.00% | 8.05% |
| Principal Protection | 7.00% | 2.45% |
| Real Return | 10.00% | 5.80% |
| Crisis Risk Offset | 20.00% | 5.35% |
| | <u>100.00%</u> | |

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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.

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 (amounts in thousands):

| | Net Pension Liability | | |
|--------------------------------|-----------------------|---------------|--------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 6.00% | 7.00% | 8.00% |
| Primary Government | \$ 3,029,030 | \$ 2,307,225 | \$ 1,712,060 |
| Component Units (BWS and HART) | \$ 180,235 | \$ 139,080 | \$ 105,148 |

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, 2017 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.hawaii.gov/resources/financials>.

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Actuarial Assumptions

OTS Single Employer Pension Plan - The total pension liability in the February 28, 2018 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 v2017 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-2017.

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 2018 to 2064. 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.

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

| | Net Pension Liability | | |
|----------------------|-----------------------|---------------|-------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 6.00% | 7.00% | 8.00% |
| Component Unit (OTS) | \$ 21,229 | \$ 19,045 | \$ 17,090 |

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.

Payables to the Pension Plans – As of June 30, 2018 the City reported payables to the pension plan as follows (amounts in thousands):

| | Primary Government | Component Units |
|-----------------|--------------------|-----------------|
| Pension Payable | \$ 23,839 | \$ 1,896 |

11. Postemployment Benefits Other Than Pensions (OPEB)

General Information

Plan Description - City and County of Honolulu, Board of Water Supply (BWS) and Honolulu Authority for Rapid Transportation (HART) – Chapter 87A, Hawaii Revised Statutes (HRS) established the Hawaii Employer-Union Health Benefits Trust Fund (the Trust Fund) to design, provide, and administer health and other benefit plans under a single delivery system for the employees, retirees and their eligible dependents of the State of Hawaii (the State) and the counties of Honolulu, Hawaii, Maui and Kauai beginning July 1, 2003. Chapter 87, HRS that established the Hawaii Public Employees Health Fund was repealed, and its net assets were transferred to the Trust Fund.

The Trust Fund is administered by a Board of Trustees (the Board) composed of ten trustees appointed by the Governor of the State. The Board is responsible for determining the nature and scope of benefit plans offered by the Trust Fund, negotiating and entering into contracts with insurance carriers, establishing eligibility and management policies for the Trust Fund, and overseeing all Trust Fund activities. The Board relies on professional services provided by a salaried

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Administrator, the State Department of Attorney General, a benefits consultant, and an investment consultant.

Chapter 87A, HRS was amended on July 9, 2012 to allow the Board to establish a separate trust for the purpose of receiving employer contributions that will prefund other post-employment benefits (OPEB) for retirees and their beneficiaries. Pursuant to this amendment, the Board executed an irrevocable declaration of trust establishing the Hawaii Employer-Union Health Benefits Trust Fund for Other Post-Employment Benefits (the OPEB Trust) effective June 30, 2013. The OPEB Trust is governed by the Trust Fund's Board. Its assets are held for the exclusive purpose of providing OPEB and are legally protected from creditors. The OPEB Trust financial statements are included as part of the Trust Fund's basic financial statements, collectively referred to as the EUTF.

The EUTF, an agent multiple-employer defined benefit OPEB plan, is administratively attached to the State Department of Budget and Finance.

The EUTF issues a standalone financial report that is publicly available at <https://eutf.hawaii.gov>. Questions concerning any of the information contained therein or requests for any additional financial information related to that report should be addressed to EUTF, P.O. Box 2121, Honolulu, Hawaii 96805-2121.

Plan Description – Oahu Transit Services, Inc. (OTS) - The City's third component unit OTS maintains two separate defined benefit OPEB plans to provide OPEB for eligible bargaining and non-bargaining employees of OTS.

The bargaining employee OPEB plan is a single-employer defined benefit OPEB plan administered by the Hawaii Teamsters Health & Welfare Plan. This union single employer defined benefit healthcare plan issues a publicly available financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by writing to the Hawaii Teamsters Health & Welfare Plan Board of Trustees, 1817 Hart Street, Honolulu, HI 96819.

The non-bargaining OPEB plan is a single-employer defined benefit OPEB plan administered by OTS. This plan does not issue a separate financial report.

Benefits Provided – City, BWS and HART – The EUTF currently provides medical, prescription drug, dental, vision, chiropractic, supplemental medical and prescription drug, and group life insurance benefits. The medical plans include a statewide preferred provider organization (PPO) benefit plan and a federally-qualified health maintenance organization (HMO) plan.

The employers' share of benefit plan contributions for collectively bargained employees are negotiated by the State and counties with the exclusive

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representative of each bargaining unit. Employer contributions for retirees are prescribed by the HRS. Any remaining premium balance is paid by employees through payroll deductions or premium conversion plan reductions and paid by retirees directly, if applicable.

The employers' contributions also include the employees' share made through payroll deductions, contributions for retired employees, and Medicare Part B reimbursements made by the Trust Fund to eligible retired employees and their spouses for Medicare Part B insurance premiums.

For employees hired before July 1, 1996, the State and counties pay the entire base monthly contribution for employees retiring with ten or more years of credited service, and 50.0% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents. The contribution by the State and counties is based on the plan (single, two-party or family) selected by the retiree.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with fewer than ten years of service, the State and counties make no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State and counties pay 50.0% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the State and counties pay 75.0% of the base monthly contribution. For employees retiring with at least 25 years of service, the State and counties pay the entire base monthly contribution. Retirees in this category can elect a family plan to cover dependents. The contribution by the State and counties is based on the plan (single, two-party or family) selected by the retiree.

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the State and counties make no contribution. For those retiring with at least ten years of service but fewer than 15 years of service, the State and counties pay 50.0% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State and counties pay 75.0% of the base monthly contribution. For those retiring with at least 25 years of service, the State and counties pay the entire base monthly contribution. Only the single plan coverage is provided for retirees in this category. The contribution by the State and counties is based on the base monthly contribution for the single plan. Retirees can elect family coverage but must pay the difference.

Benefits Provided – OTS - The OPEB plans provide medical, dental and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer with the plan covering the full cost of the benefits.

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Employees Covered by Benefit Terms - The following number of employees were covered by the benefit terms:

| | <u>Primary Government</u> | <u>Component Units</u> |
|---|-------------------------------|----------------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 7,185 | 1,051 |
| Inactive plan members entitled to but not yet receiving benefits | 885 | 60 |
| Active plan members | <u>8,612</u> | <u>2,593</u> |
| Total | <u><u>16,682</u></u> | <u><u>3,704</u></u> |

Contributions – City, BWS and HART - Act 268, SLH 2013 required EUTF to establish and administer separate trust accounts for each public employer for the purpose of receiving irrevocable contributions to prefund postemployment health care and other benefit costs for retirees and their beneficiaries. It established the Hawaii EUTF Trust Fund Task Force to examine further steps to address the unfunded liability and requires all public employers to make their annual required contributions (now known as actuarially determined contributions) effective with fiscal year 2014.

The OPEB contributions (comprised of pay-as-you-go retiree costs and prefunding amounts paid to EUTF) are established by Hawaii State statutes. The retiree is responsible to pay the difference if the single plan base monthly contribution is less than the cost of the monthly premium for those employees hired on or after July 1, 2001. For fiscal year 2018, the prefunding contribution shall be equal to 80.0% of the valuation amount determined by an actuary retained by the EUTF board. Commencing with fiscal year 2019, the annual contribution shall be equal to the actuarially determined amount. In any fiscal year, should the contribution be less than the actuarially determined amount, the difference shall be transferred to the OPEB trust account from the employer's portion of the transient accommodations tax revenues and all other of its revenues held by the State.

OPEB contributions were as follows for the fiscal year ended June 30, 2018 (amounts in thousands):

| | <u>Primary Government</u> | <u>BWS and HART</u> |
|--------------------|---------------------------|---------------------|
| OPEB Contributions | <u>\$ 143,665</u> | <u>\$ 9,241</u> |

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Contributions – OTS - In accordance with the collective bargaining agreement, OTS makes required contributions to the bargaining unit plan as follows:

| Division | Period | Fixed Rate per Straight-Time Hour |
|------------------------|----------------------------------|--------------------------------------|
| Bus Operations | July 1, 2017 to June 30, 2018 | \$0.85 |
| Paratransit Operations | January 1, 2012 to June 30, 2017 | 0.20 |

The non-bargaining OPEB plan’s contribution is based on projected “pay as you go” financing requirements. OTS contributions for the year ended June 30, 2018 amounted to approximately \$4.0 million.

Net OPEB Liability

The actuarial valuation and measurement dates for the net OPEB liability were July 1, 2017 for the City, BWS and HART, and June 30, 2018 for OTS. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates.

For the fiscal year ended June 30, 2018, the following amounts (in thousands) were reported as net OPEB liability:

| | Primary Government | Component Units |
|--------------------|--------------------|-----------------|
| Net OPEB Liability | \$ 1,869,329 | \$ 303,523 |

Actuarial assumptions and methods – City, BWS and HART - The total OPEB liability reflected in the actuarial valuation report as of July 1, 2017 was determined using the following actuarial assumptions and methods, applied to all periods included in the measurement, unless otherwise specified:

Assumptions and Methods:

| | |
|-------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Discount Rate | 7.0% |
| Inflation | 2.5% |
| Salary Increases | 3.5% to 7.0% including inflation |
| Demographic Assumptions | Based on the experience study covering the five year period ended June 30, 2015 as conducted for the Hawaii Employees' Retirement System (ERS) |
| Mortality | System-specific mortality tables utilizing scale BB to project generational mortality improvement |

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Assumptions and Methods (continued):

Participation Rates 98.0% healthcare participation assumption for retirees who receive 100.0% of the Base Monthly Contribution (BMC). Healthcare participation rates of 25.0%, 65.0%, and 90.0% for retirees who receive 0.0%, 50.0%, or 75.0% of the BMC, respectively. 100.0% for Life Insurance and 98.0% for Medicare Part B.

Healthcare cost trend rates:

| | |
|--|---|
| PPO* | Initial rate of 6.6%, rising to a rate of 9.0% in the third year, and declining to a rate of 4.86% after 14 years |
| HMO* | Initial rate of 9.0%, declining to a rate of 4.86% after 14 years |
| Part B and BMC (Base Monthly Contribution) | Initial rates of 2.0% and 5.0%, declining to a rate of 4.7% after 14 years |
| Dental | 3.5% |
| Vision | 2.5% |
| Life Insurance | 0.0% |

* Blended rates for medical and prescription drug

Actuarial assumptions – OTS – The OPEB liability was measured as of June 30, 2018, and the total OPEB liability was determined by an actuarial valuation as of that date, using the following actuarial assumptions, applied to all periods included in the measurement:

Assumptions:

| | |
|------------------|--|
| Discount Rate | 3.0% |
| Inflation | 3.0% |
| Salary Increases | 3.0% |
| Mortality | Based on the RPH2014 fully generational mortality, blue collar, 50.0% male, adjusted to 2006 using Scale MP-2014 and projected to 2018 using Scale MP-2017 |

Discount rate – City, BWS and HART - A single discount rate of 7.0% was used to measure the total OPEB liability. The single discount rate was based on the expected rate of return on OPEB plan investments of 7.0%. Beginning with the fiscal year 2019 contribution, the funding policy of the City and its component units is to pay the recommended actuarially determined contributions, which are based on layered, closed amortization periods. As a result, the OPEB plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Long-term expected rate of return – City, BWS and HART - The long-term expected rate of return on EUTF’s investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of the EUTF’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| U.S. Equity | 19.0% | 5.5% |
| International Equity | 19.0% | 7.0% |
| U.S. Microcap | 7.0% | 7.0% |
| Private Equity | 10.0% | 9.3% |
| REITs | 6.0% | 5.9% |
| Core Real Estate | 10.0% | 3.8% |
| Global Options | 7.0% | 5.5% |
| Core Bonds | 3.0% | 0.6% |
| Long Treasuries | 7.0% | 1.9% |
| Trend Following | 7.0% | 1.8% |
| TIPS | 5.0% | 0.5% |
| Total | <u>100.0%</u> | |

Discount rate – OTS – The discount rate used to measure the total OPEB liability was 3.0%. The projection of cash flows used to determine the discount rate assumed that contributions from OTS will be made at the required rates. Based on this assumption, the bargaining plan's and non-bargaining plan's fiduciary net positions were projected to not be available to make any projected future benefit payments of current active and inactive employees. The discount rate and municipal bond rate (based on the daily rate closest to but not later than the measurement date of Fidelity "20-year Municipal GO AA index") at the prior measurement date of June 30, 2017 was 3.1%.

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Changes in Net OPEB Liability - The following table presents the fiscal year 2018 changes in net OPEB liability (amounts in thousands) with measurement dates for the net OPEB liability of July 1, 2017 for the City, BWS and HART, and June 30, 2018 for OTS:

| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
|--|-------------------------|-----------------------------------|-----------------------|
| Primary Government: | | | |
| Beginning balances | \$ 2,126,653 | \$ (291,892) | \$ 1,834,761 |
| Changes for the year: | | | |
| Service cost | 43,835 | - | 43,835 |
| Interest on the total OPEB liability | 147,732 | - | 147,732 |
| Changes of benefit terms | - | - | - |
| Difference between expected and actual experience | - | - | - |
| Changes of assumptions | - | - | - |
| Employer contributions | - | (125,017) | (125,017) |
| Net investment income | - | (30,907) | (30,907) |
| Benefit payments | (76,220) | 76,220 | - |
| Administrative expense | - | 72 | 72 |
| Other | - | (1,147) | (1,147) |
| Net changes | 115,347 | (80,779) | 34,568 |
| Ending balances | <u>\$ 2,242,000</u> | <u>\$ (372,671)</u> | <u>\$ 1,869,329</u> |
| Component Units: | | | |
| Beginning balances | \$ 341,700 | \$ (59,894) | \$ 281,806 |
| Changes for the year: | | | |
| Service cost | 11,145 | - | 11,145 |
| Interest on the total OPEB liability | 16,167 | - | 16,167 |
| Difference between expected and actual experience | 12,425 | - | 12,425 |
| Changes of assumptions | 4,160 | - | 4,160 |
| Employer contributions | - | (12,008) | (12,008) |
| Net investment income | - | (6,065) | (6,065) |
| Benefit payments | (9,765) | 5,725 | (4,040) |
| Administrative expense | - | 15 | 15 |
| Other | - | (82) | (82) |
| Net changes | 34,132 | (12,415) | 21,717 |
| Ending balances | <u>\$ 375,832</u> | <u>\$ (72,309)</u> | <u>\$ 303,523</u> |

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Sensitivity of net OPEB liability to changes in the single discount rate –

The net OPEB liability was calculated using the single discount rates of 7.0% for the City, BWS and HART, and 3.0% for OTS. In addition, the plans' net OPEB liability was calculated using a single discount rate that is one percent lower (specifically, 6.0% for the City, BWS and HART, and 2.0% for OTS) or one percent higher than the current rate (that is, 8.0% for the City, BWS and HART, and 4.0% for OTS) as shown below (amounts in thousands):

| | Net OPEB Liability | | |
|--------------------|--------------------|-----------------|---------------|
| | Current Discount | | |
| | 1.0% Decrease | Rate Assumption | 1.0% Increase |
| Primary Government | \$ 2,224,042 | \$ 1,869,329 | \$ 1,583,059 |
| Component Units | 369,866 | 303,523 | 250,597 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following table presents the plans' net OPEB liability calculated using the assumed healthcare cost trend rate as well as what the plans' net OPEB liability would be if it were calculated using the trend rate that is one percent lower or one percent higher than the current healthcare cost trend rate (amounts in thousands):

| | Net OPEB Liability | | |
|--------------------|--------------------|-----------------|---------------|
| | Current Healthcare | | |
| | 1.0% Decrease | Rate Assumption | 1.0% Increase |
| Primary Government | \$ 1,569,628 | \$ 1,869,329 | \$ 2,246,353 |
| Component Units | 246,641 | 303,523 | 376,212 |

OPEB Expense, and Deferred Outflows and Deferred Inflows of Resources Related to OPEB – For the fiscal year ended June 30, 2018, OPEB expense was recognized as follows (amounts in thousands):

| | Primary Government | Component Units |
|--------------|--------------------|-----------------|
| OPEB Expense | \$ 166,568 | \$ 22,500 |

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At June 30, 2018, OPEB-related deferred outflows and deferred inflows of resources from the following sources were reported (amounts in thousands):

| | Primary Government | | Component Units | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows |
| Difference between expected and actual experience | \$ - | \$ - | \$ 12,439 | \$ - |
| Net difference between projected and actual earnings on investments | - | (6,983) | - | (1,320) |
| Changes in assumptions | - | - | 4,146 | - |
| Contributions subsequent to measurement date | 143,665 | - | 9,241 | - |
| Total | \$ 143,665 | \$ (6,983) | \$ 25,826 | \$ (1,320) |

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2018 as follows (amounts in thousands):

| | Primary Government | Component Units |
|--------------------------|--------------------|-----------------|
| Subsequent Contributions | <u>\$ 143,665</u> | <u>\$ 9,241</u> |

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

| Year Ending June 30: | Primary Government | Component Units |
|----------------------|--------------------|------------------|
| 2019 | \$ (1,746) | \$ 1,284 |
| 2020 | (1,746) | 1,284 |
| 2021 | (1,746) | 1,284 |
| 2022 | (1,745) | 1,284 |
| 2023 | - | 1,614 |
| Thereafter | - | 8,515 |
| Total | \$ (6,983) | \$ 15,265 |

Payable to the OPEB Plans – OTS – At June 30, 2018, OTS reported a payable of \$1.8 million for the outstanding amount of required contributions to the OPEB plans for the year ended June 30, 2018.

CITY AND COUNTY OF HONOLULU
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12. 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, 2018, the City had \$35.6 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, 2018 these assets amounted to \$16.0 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 capital improvement projects, 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, 2018, these assets amounted to \$438.2 million.

Implementation of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, resulted in an adjustment of approximately \$77.7 million to the July 1, 2017 net position.

The City early implemented GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period as of June 30, 2018. This GASB statement requires that the provisions be applied prospectively as of June 30, 2018. The capitalized interest reported fiscal year ended June 30, 2017 were approximately \$21.3 million.

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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, 2018 these assets amounted to \$29.4 million.

Implementation of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, resulted in an adjustment of approximately \$52.9 million to the July 1, 2017 net position.

The City early implemented GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period as of June 30, 2018. This GASB statement requires that the provisions be applied prospectively as of June 30, 2018. The capitalized interest reported fiscal year ended June 30, 2017 were approximately \$2.0 million.

H-POWER Facility

The City executed agreements with Covanta Honolulu Resource Recovery Venture (Covanta) to operate a solid waste disposal and energy recovery project, the Honolulu Program of Waste Energy Recovery (the H-POWER Facility). The H-POWER Facility processes and disposes of solid waste, and together with combustion facilities, produces steam used for the generation of electricity. Revenues are generated from user tip fees and from the sale of energy products and recovered materials. The H-POWER Facility commenced commercial operations on May 21, 1990, and the City has a 20-year contract to sell electricity generated to a utility company through April 30, 2033.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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

As of June 30, 2018, the City had \$361.4 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, 2017 to June 30, 2018 was approximately \$468.3 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, 2018, these assets held by OTS amounted to \$438.4 thousand.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, resulted in an adjustment of approximately \$2.5 million to the July 1, 2017 net position.

13. Commitments and Encumbrances

Leases

The City leases equipment and office space under capital and operating leases, which expire at various dates through fiscal 2052. At June 30, 2018, there is no cost of equipment recorded under capital lease arrangements.

Future minimum obligations under operating leases at June 30, 2018 were as follows (amounts in thousands):

| Year Ending June 30: | Operating Leases |
|-----------------------------|-----------------------------|
| 2019 | \$ 6,372 |
| 2020 | 5,733 |
| 2021 | 4,613 |
| 2022 | 4,050 |
| 2023 | 4,043 |
| 2024-2028 | 7,660 |
| 2029-2033 | 100 |
| 2034-2038 | 80 |
| 2039-2043 | 50 |
| 2044-2048 | 50 |
| 2049-2052 | 40 |
| Total minimum payments | <u><u>\$ 32,791</u></u> |

Certain leases provide for payment of common area charges and for periodic renegotiation of rents. Rent expense under operating leases, principally recorded in the General Fund, amounted to \$9.1 million for the fiscal year ended June 30, 2018.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

The City leases to others concession rights and real property under operating leases, which expire at various dates through fiscal 2058. Certain leases provide for periodic renegotiation of rents. The cost, accumulated depreciation and net book value of these leased assets are as follows (amount in thousands):

| <u>Asset Class</u> | <u>Cost at Date of Acquisition</u> | <u>Accumulated Depreciation</u> | <u>Net Book Value</u> |
|----------------------------|--|-------------------------------------|---------------------------|
| Land | \$ 2,942 | \$ - | \$ 2,942 |
| Buildings and Improvements | 46,938 | (37,007) | 9,931 |
| Totals | <u>\$ 49,880</u> | <u>\$ (37,007)</u> | <u>\$ 12,873</u> |

Future minimum rental incomes under such leases at June 30, 2018 were as follows (amounts in thousands):

Year Ending June 30:

| | |
|-----------------------------|------------------|
| 2019 | \$ 6,669 |
| 2020 | 3,874 |
| 2021 | 3,207 |
| 2022 | 1,945 |
| 2023 | 1,480 |
| 2024 - 2028 | 5,094 |
| 2029 - 2033 | 4,569 |
| 2034 - 2038 | 3,987 |
| 2039 - 2043 | 3,908 |
| 2044 - 2048 | 3,181 |
| 2049 - 2053 | 2,603 |
| 2054 - 2058 | 1,218 |
| Total minimum rental income | <u>\$ 41,735</u> |

Other Commitments and Encumbrances

Contractual commitments for capital projects, expenses and supplies at June 30, 2018 are encumbered in the governmental and fiduciary funds and are in thousands as follows:

Major Funds

Governmental Funds:

| | |
|---|-------------------|
| General Fund | \$ 81,709 |
| Highway Fund | 12,622 |
| Total Major Funds - Governmental Funds | <u>94,331</u> |
| Nonmajor Funds - Other Governmental Funds | 563,126 |
| Fiduciary Funds | 231 |
| Total | <u>\$ 657,688</u> |

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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, 2018:

| | |
|--|---------------------|
| Proprietary Funds: | |
| Housing | \$ 50 |
| Sewer | 639,737 |
| Solid Waste | 89,408 |
| Public Transportation System | 8,107 |
| Total Proprietary Funds | <u>737,302</u> |
| Component Units: | |
| Board of Water Supply | 253,543 |
| Honolulu Authority for Rapid Transportation | 1,937,911 |
| Total Component Units | <u>2,191,454</u> |
| Total Business-Type Activities including Component Units | <u>\$ 2,928,756</u> |

14. 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, 2018, the estimated total liability of the City for claims and judgments amounted to \$130.8 million, which included claims incurred but not reported by the claimant and settled claims for which funds have not yet been appropriated. The estimated total liability has been determined through case-by-case analysis and from actuary studies performed by independent third parties. Expenditures for claims and judgments are appropriated annually. In the opinion of management, the City has adequately reserved for such claims.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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, 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 | 43,637 | 72,339 | 115,976 |
| Add, Incurred losses and loss adjustment expenses | 17,932 | 33,400 | 51,332 |
| Less, Payments | <u>(11,488)</u> | <u>(24,990)</u> | <u>(36,478)</u> |
| Balance at June 30, 2018 | <u>\$ 50,081</u> | <u>\$ 80,749</u> | <u>\$ 130,830</u> |

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

15. 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 \$13.6 million reported as the liability in the Solid Waste Special Fund for closure and postclosure care costs at June 30, 2018 represents the cumulative amount reported to date based on the percentage of the estimated capacity used for the landfills on the following page (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).

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

Schedule of Solid Waste Special Fund Liability

| | <u>Capacity Used</u> | <u>Closure Date</u> | <u>Liability at June 30, 2018</u> | <u>Total Estimated Cost</u> |
|------------------------------|--------------------------|---------------------|---|-------------------------------------|
| Waipahu incinerator landfill | 100.0% | October 1991 | \$ 6,681 | \$ 25,656 |
| Kapaa sanitary landfill | 100.0% | May 1997 | 6,875 | 22,641 |
| Total | | | <u>\$ 13,556</u> | <u>\$ 48,297</u> |

The Proprietary Funds Statement of Net Position records the landfill liability as current and noncurrent liabilities. The current portion of \$1.4 million is included in other current liabilities and the noncurrent portion of \$12.2 million is included in estimated liability for landfill closure and postclosure care costs.

For fiscal year 2018, 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 EPA'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, 2018 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, 2018 the estimated capacity used is 70.7% and the estimated remaining life of the landfill is 18 years. The total closure and postclosure costs, estimated at \$42.9 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 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, in 2015 dollars, \$16.1 million.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

Sewer Fund – Litigation

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

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

Upon entering the 2010 consent decree, the City was expected to incur, in 2010 dollars, approximately \$3.5 billion in capital costs through fiscal year 2020, which coincides with the term of the collection system portion of the consent decree. This 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. The Kaneohe-Kailua tunnel and tunnel influent pump station were substantially complete and accepting flow in late May 2018 meeting the Consent Decree Deadline.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

16. Discretely Presented Component Units

Board of Water Supply

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

Major Transactions with the City –

Billing and Collection Services – BWS has an agreement with the City's Department of Environmental Services to provide certain services relating to the billing and collection of sewer service charges. Fees related to these services as well as capital recovery charges related to the implementation of the new billing and collection system were negotiated at approximately \$3.1 million for the fiscal year ended June 30, 2018. 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.

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, 2018, 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, 2018, 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.

Construction Claim Costs – Due to schedule delays, there are other outstanding delay/construction claims from contractors against HART. The original schedule called for the rail system to be completed in 2019. The current schedule pushed the completion date to the end of 2025. Delay claim settlements are normally

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

negotiated during the contract-out process. As such, potential settlement amounts may total approximately \$300.0 million.

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, 2018, CASE fees amounted to \$840.8 thousand.

Debt Financing – In May 2015 as amended in July 2017, HART executed a Memorandum of Understanding (MOU) with the City which details the terms and conditions for the issuance of general obligation bonds, general obligation commercial paper notes or any other form of general obligation indebtedness to be used for the completion of the Honolulu Rail Transit Project (HRTP). HART consented to the establishment by the City of a Project Bond reserve account in the City’s treasury (the “Project Bond Reserved Account (PBRA)” in the General Obligation Bond and Interest Redemption Fund). The PBRA shall be equal to the lesser of 50% of the maximum annual debt service on all outstanding project bonds, or 10% of the total outstanding par amount.

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 HRTP. HART requested and received advances of TECP funds from the City. At June 30, 2018, advances of \$100 million are due from HART.

In September 2017, the City successfully sold \$350 million variable rate general obligation bonds. The proceeds were for HART’s ongoing capital needs and recorded as due from HART. Per Section 3.06 of the MOU, as of June 30, 2018, \$29.7 million from the bonds proceed were deposited to PBRA.

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

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, 2018, the City's reimbursement to OTS for personnel costs totaled \$189.6 million.

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

CITY AND COUNTY OF HONOLULU
NOTES TO FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2018

17. Subsequent Events

On September 5, 2018, the City issued General Obligation Bonds, tax exempt series 2018A, 2018A2 and 2018B, taxable green bonds series 2018C, 2018D, 2018E and 2018F in the aggregate amount of \$468.5 million. The Series 2018B, 2018C, 2018D and Series E Bonds are not subject to redemption prior to maturity. The Series 2018A Bonds maturing on or after September 1, 2029 are subject to redemption, at the option of the City and County of Honolulu on or after September 1, 2028, in whole or in part at any time. Series 2018F maturing on or before September 1, 2028 are additionally subject to redemption at the option of the City and County, in whole or in part on any date. 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>Par Amount (in thousand)</u> |
|---------------------|------------------------------------|--|-------------------------------------|
| 2018A | 2.50% - 5.00% | 2020 - 2043 | \$ 208,175 |
| 2018A2 | 3.00% - 4.00% | 2025 - 2043 | 23,350 |
| 2018B | 5.00% | 2019 - 2026 | 47,160 |
| 2018C | 2.46% | 2019 | 4,110 |
| 2018D | 2.65% | 2019 | 1,150 |
| 2018E | 2.80% | 2020 | 2,185 |
| 2018F | 2.87% - 4.00% | 2021 - 2036 | 182,340 |
| Total Par Amount | | | <u>\$ 468,470</u> |

*GOB 2018C matures on March 1, 2019

On November 13, 2018, the City drew down \$44.0 million from the City's General Obligation Commercial Paper series B-1 for the purpose of financing portion of capital costs of the Honolulu Authority for Rapid Transportation. Resolution 18-132 amended Ordinance 07-001 that will allow City funds to be used to pay the principal, interest and other bond-associated costs of this commercial paper. This commercial paper will mature on January 31, 2019 and will be refunded by issuance of General Obligation Bonds.

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

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|-------------------------------------|--------------------|------------------|---------------------------------|--|
| Revenues: | | | | |
| Taxes | \$ 1,181,698 | \$ 1,181,698 | \$ 1,206,241 | \$ 24,543 |
| Licenses and permits | 50,753 | 50,753 | 43,461 | (7,292) |
| Intergovernmental | 41,070 | 41,070 | 45,494 | 4,424 |
| Charges for services | 7,226 | 7,226 | 8,280 | 1,054 |
| Fines and forfeits | 782 | 782 | 762 | (20) |
| Miscellaneous: | | | | |
| Reimbursements and recoveries | 57,802 | 57,802 | 47,761 | (10,041) |
| Interest | 3,178 | 3,178 | 7,877 | 4,699 |
| Other | 4,409 | 4,409 | 6,384 | 1,975 |
| Total Revenues | <u>1,346,918</u> | <u>1,346,918</u> | <u>1,366,260</u> | <u>19,342</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Budget and Fiscal Services | 20,348 | 21,448 | 18,417 | 3,031 |
| City Clerk | 3,740 | 3,753 | 2,969 | 784 |
| City Council | 5,689 | 5,781 | 5,287 | 494 |
| Corporation Counsel | 11,515 | 11,822 | 10,065 | 1,757 |
| Customer Services | 24,929 | 25,429 | 23,934 | 1,495 |
| Design and Construction | 13,264 | 13,577 | 13,107 | 470 |
| Emergency Services | 821 | 856 | 823 | 33 |
| Facility Maintenance | 31,184 | 31,545 | 29,303 | 2,242 |
| Human Resources | 6,624 | 6,843 | 6,673 | 170 |
| Information Technology | 22,469 | 23,101 | 22,626 | 475 |
| Land Management | 731 | 730 | 467 | 263 |
| Mayor | 5,430 | 5,432 | 5,151 | 281 |
| Office of the City Auditor | 2,070 | 2,095 | 1,820 | 275 |
| Office of Council Services | 2,255 | 2,272 | 2,040 | 232 |
| Planning and Permitting | 16,266 | 16,985 | 15,610 | 1,375 |
| Prosecuting Attorney | 21,466 | 22,108 | 21,228 | 880 |
| Total General government | <u>188,801</u> | <u>193,777</u> | <u>179,520</u> | <u>14,257</u> |
| Public safety: | | | | |
| Emergency Management | 1,583 | 1,633 | 1,518 | 115 |
| Emergency Services | 48,140 | 48,403 | 45,162 | 3,241 |
| Fire | 129,855 | 131,269 | 128,510 | 2,759 |
| Medical Examiner | 2,216 | 2,256 | 2,076 | 180 |
| Planning and Permitting | 5,846 | 6,382 | 5,762 | 620 |
| Police | 259,480 | 259,980 | 252,468 | 7,512 |
| Transportation Services | 456 | 509 | 496 | 13 |
| Total Public safety | <u>447,576</u> | <u>450,432</u> | <u>435,992</u> | <u>14,440</u> |
| Highways and streets: | | | | |
| Facility Maintenance | 22,124 | 22,344 | 20,596 | 1,748 |
| Sanitation: | | | | |
| Environmental Services | 708 | 708 | 624 | 84 |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 2 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|--------------------|------------------|---------------------------------|--|
| Human services: | | | | |
| Community Services | 19,143 | 20,077 | 18,894 | 1,183 |
| Culture-recreation: | | | | |
| Mayor | 2,276 | 2,326 | 2,289 | 37 |
| Parks and Recreation | 82,011 | 84,533 | 81,642 | 2,891 |
| Total Culture-recreation | <u>84,287</u> | <u>86,859</u> | <u>83,931</u> | <u>2,928</u> |
| Utilities or other enterprises: | | | | |
| Transportation Services | 840 | 1,040 | 382 | 658 |
| Miscellaneous: | | | | |
| Retirement and health benefits: | | | | |
| City Council | 4,450 | 4,602 | 4,589 | 13 |
| Provisional | 336,285 | 336,285 | 289,812 | 46,473 |
| Total Retirement and health benefits | <u>340,735</u> | <u>340,887</u> | <u>294,401</u> | <u>46,486</u> |
| Other: | | | | |
| City Council | 381 | 85 | 35 | 50 |
| Provisional | 66,978 | 55,364 | 37,373 | 17,991 |
| Total Other | <u>67,359</u> | <u>55,449</u> | <u>37,408</u> | <u>18,041</u> |
| Total Miscellaneous | <u>408,094</u> | <u>396,336</u> | <u>331,809</u> | <u>64,527</u> |
| Capital improvements: | | | | |
| General government | 557 | 557 | 557 | -- |
| Public safety | 250 | 250 | -- | 250 |
| Human services | 500 | 500 | -- | 500 |
| Culture-recreation | 61 | 61 | 10 | 51 |
| Capital improvements | <u>1,368</u> | <u>1,368</u> | <u>567</u> | <u>801</u> |
| Total Expenditures | <u>1,172,941</u> | <u>1,172,941</u> | <u>1,072,315</u> | <u>100,626</u> |
| Revenues over Expenditures | <u>173,977</u> | <u>173,977</u> | <u>293,945</u> | <u>119,968</u> |
| Other Financing Sources (Uses): | | | | |
| Sales of capital assets | 904 | 904 | -- | (904) |
| Transfers in | 163,641 | 163,641 | 158,907 | (4,734) |
| Transfers out | (499,800) | (499,800) | (494,556) | 5,244 |
| Total Other Financing Sources (Uses) | <u>(335,255)</u> | <u>(335,255)</u> | <u>(335,649)</u> | <u>(394)</u> |
| Net change in Fund Balance | (161,278) | (161,278) | (41,704) | 119,574 |
| Encumbrances | -- | -- | 81,709 | 81,709 |
| Fund Balance - July 1 | 161,338 | 161,338 | 214,080 | 52,742 |
| Fund Balance - June 30 | <u>\$ 60</u> | <u>\$ 60</u> | <u>\$ 254,085</u> | <u>\$ 254,025</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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|--------------------|-----------------|---------------------------------|--|
| Revenues: | | | | |
| Taxes | \$ 93,795 | \$ 93,795 | \$ 94,075 | \$ 280 |
| Licenses and permits | 143,741 | 143,741 | 153,112 | 9,371 |
| Charges for services | 9,867 | 9,867 | 4,771 | (5,096) |
| Fines and forfeits | -- | -- | 14 | 14 |
| Miscellaneous: | | | | |
| Reimbursements and recoveries | 2,877 | 2,877 | 2,924 | 47 |
| Other | 2,235 | 2,235 | 2,692 | 457 |
| Total Revenues | <u>252,515</u> | <u>252,515</u> | <u>257,588</u> | <u>5,073</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Design and Construction | 7,704 | 8,205 | 7,798 | 407 |
| Facility Maintenance | 15,375 | 15,589 | 15,038 | 551 |
| Planning and Permitting | 2,696 | 2,873 | 2,643 | 230 |
| Total General government | <u>25,775</u> | <u>26,667</u> | <u>25,479</u> | <u>1,188</u> |
| Public safety: | | | | |
| Police | 26,863 | 27,243 | 27,171 | 72 |
| Transportation Services | 8,648 | 8,789 | 8,007 | 782 |
| Total Public safety | <u>35,511</u> | <u>36,032</u> | <u>35,178</u> | <u>854</u> |
| Highways and streets: | | | | |
| Facility Maintenance | 24,574 | 25,982 | 24,863 | 1,119 |
| Utilities or other enterprises: | | | | |
| Transportation Services | 4,398 | 4,587 | 4,041 | 546 |
| Miscellaneous: | | | | |
| Retirement and health benefits: | | | | |
| Provisional | 35,749 | 35,749 | 34,438 | 1,311 |
| Other: | | | | |
| Provisional | 7,871 | 4,861 | 2,594 | 2,267 |
| Total Miscellaneous | <u>43,620</u> | <u>40,610</u> | <u>37,032</u> | <u>3,578</u> |
| Capital improvements: | | | | |
| General government | 1,408 | 1,408 | 1,408 | -- |
| Total Capital improvements | <u>1,408</u> | <u>1,408</u> | <u>1,408</u> | <u>--</u> |
| Total Expenditures | <u>135,286</u> | <u>135,286</u> | <u>128,001</u> | <u>7,285</u> |

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 2 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|--------------------|-----------------|---------------------------------|--|
| Revenues over Expenditures | 117,229 | 117,229 | 129,587 | 12,358 |
| Other Financing Source (Use): | | | | |
| Sales of capital assets | 209 | 209 | 493 | 284 |
| Transfers out | (160,622) | (160,622) | (157,665) | 2,957 |
| Total Other Financing Source (Use) | (160,413) | (160,413) | (157,172) | 3,241 |
| Net change in Fund Balance | (43,184) | (43,184) | (27,585) | 15,599 |
| Encumbrances | -- | -- | 12,622 | 12,622 |
| Fund Balance - July 1 | 43,184 | 43,184 | 43,059 | (125) |
| Fund Balance - June 30 | \$ -- | \$ -- | \$ 28,096 | \$ 28,096 |

See accompanying notes to budgetary comparison schedules.

CITY AND COUNTY OF HONOLULU
 NOTES TO BUDGETARY COMPARISON SCHEDULES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 | \$ (41,704) | \$ (27,585) |
| Adjustments to conform with generally accepted accounting principles: | | |
| Encumbrances | 81,709 | 12,622 |
| Changes in Fund Balance for legal separate funds combined with the General Fund per GASB 54 | 8,869 | -- |
| Net change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | \$ 48,874 | \$ (14,963) |

CITY AND COUNTY OF HONOLULU
EMPLOYEES' RETIREMENT SYSTEM - PENSION PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FISCAL YEARS 2013 - 2017
 (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, 2017 | 17.82% | \$ 2,307,225 | \$ 626,639 | 368.19% | 54.80% |
| 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 - 2018
(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, 2018 | \$ 152,657 | \$ 157,686 | \$ 5,029 | \$ 640,203 | 24.63% |
| 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, 2018

Amounts reported in the schedule of proportionate share of the net pension liability had no significantly changes in assumptions for the measure period June 30, 2017.

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
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| | |
|---|----------------------------|
| Total OPEB liability | |
| Service cost | \$ 43,835 |
| Interest on the total OPEB liability | 147,732 |
| Benefit payments | <u>(76,220)</u> |
| Net change in total OPEB liability | 115,347 |
| | |
| Total OPEB liability - July 1 | <u>2,126,653</u> |
| | |
| Total OPEB liability - June 30 | <u><u>\$ 2,242,000</u></u> |
| | |
| Plan fiduciary net position | |
| Employer contributions | \$ 125,017 |
| Net investment income | 30,907 |
| Benefit payments | (76,220) |
| OPEB plan administrative expense | (72) |
| Other | <u>1,147</u> |
| Net change in plan fiduciary net position | 80,779 |
| | |
| Plan fiduciary net position - July 1 | <u>291,892</u> |
| | |
| Plan fiduciary net position - June 30 | <u><u>\$ 372,671</u></u> |
| | |
| Net OPEB liability - June 30 | <u><u>\$ 1,869,329</u></u> |
| | |
| Plan fiduciary net position as a percentage of the total OPEB liability | 16.6% |
| | |
| Covered-employee payroll | 626,639 |
| | |
| Net OPEB liability as a percentage of covered-employee payroll | 298.3% |

Data for prior fiscal years are not available. Table will be built prospectively.

Notes to Schedule of Changes in Net OPEB Liability and Related Ratios: None

CITY AND COUNTY OF HONOLULU
 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
 SCHEDULE OF CONTRIBUTIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| <u>Fiscal Year Ended</u> | <u>Actuarially Determined Contribution</u> | <u>Actual Contribution</u> | <u>Contribution Deficiency</u> | <u>Covered- Employee Payroll</u> | <u>Actual Contribution as a % of Covered- Employee Payroll</u> |
|------------------------------|--|--------------------------------|------------------------------------|--|--|
| June 30, 2018 | \$ 166,876 | \$ 143,665 | \$ 23,211 | \$ 640,203 | 22.4% |

Information prior to the fiscal year ended June 30, 2018 is not available. As information becomes available in future years, up to 10 years will be displayed prospectively.

CITY AND COUNTY OF HONOLULU
 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 FISCAL YEAR ENDED JUNE 30, 2018

Valuation Date: The actuarially determined contribution for the fiscal year ended June 30, 2018 was developed in the July 1, 2015 valuation.

Methods and assumptions used to determine contributions:

| | |
|--------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Discount Rate | 7.0% |
| Inflation | 3.0% |
| Amortization Method* | Level percent, closed |
| Equivalent Single Amortization | |
| Period | 20.7 as of fiscal year ended June 30, 2018 |
| Payroll Growth | 3.5% |
| Salary Increases | 4.0% to 19.0% including inflation |
| Demographic Assumptions | Based on the experience study covering the five year period ended June 30, 2010 as conducted for the Hawaii Employees' Retirement System (ERS). |
| Mortality | System-specific mortality tables |
| Participation Rates | 98.0% healthcare participation assumption for retirees who receive 100.0% of the Base Monthly Contribution (BMC). Healthcare participation rates of 25.0%, 65.0%, and 90.0% for retirees who receive 0.0%, 50.0%, or 75.0% of the BMC, respectively. 100.0% for life insurance and 98.0% for medicare part 2. |

Healthcare cost trend rates:

| | |
|----------------|---|
| PPO** | Initial rate of 9.0%, declining to a rate of 5.0% after 8 years |
| HMO** | Initial rate of 7.0%, declining to a rate of 5.0% after 8 years |
| Part B | Initial rate of 3.0% for the first two years, 5.0% afterwards |
| Dental | 4.0% |
| Vision | 3.0% |
| Life Insurance | 0.0% |

* Closed bases are established at each valuation for new unfunded liabilities.

** Blended rates for medical and prescription drug

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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, 2018
 (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..... | \$ 11,217 | \$ 1,045 | \$ 5,087 | \$ 2,429 |
| Receivables: | | | | |
| Accounts | -- | -- | -- | -- |
| Special Assessments | -- | -- | -- | -- |
| Loans | -- | -- | -- | -- |
| Intergovernmental | -- | -- | -- | -- |
| Payroll Advance | 19 | 8 | -- | 25 |
| Due from other funds | -- | -- | -- | -- |
| Total Assets | \$ 11,236 | \$ 1,053 | \$ 5,087 | \$ 2,454 |
| LIABILITIES, DEFERRED INFLOW AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 134 | \$ 31 | \$ 368 | \$ 49 |
| Interest and bonds payable-matured | -- | -- | -- | -- |
| Due to other funds | 4 | -- | -- | 4 |
| Accrued payroll | 76 | 11 | -- | 103 |
| Total Liabilities | 214 | 42 | 368 | 156 |
| Deferred Inflow: | | | | |
| Deferred inflow | -- | -- | -- | -- |
| Total Deferred Inflow | -- | -- | -- | -- |
| Fund Balances: | | | | |
| Restricted | 11,022 | 1,011 | -- | 2,298 |
| Committed | -- | -- | 4,719 | -- |
| Unassigned | -- | -- | -- | -- |
| Total Fund Balances | 11,022 | 1,011 | 4,719 | 2,298 |
| Total Liabilities, Deferred Inflow and Fund Balances | \$ 11,236 | \$ 1,053 | \$ 5,087 | \$ 2,454 |

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2018
 (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 |
| \$ 1,782 | \$ 6,721 | \$ 23,508 | \$ 41,939 | \$ 142 | \$ 496 | \$ 142 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 11 | -- | -- |
| -- | -- | -- | -- | 58 | -- | -- |
| -- | 21 | -- | -- | 11 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| \$ 1,782 | \$ 6,742 | \$ 23,508 | \$ 41,939 | \$ 222 | \$ 496 | \$ 142 |
| \$ -- | \$ 269 | \$ -- | \$ 3,345 | \$ 51 | \$ -- | \$ -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 71 | -- | -- |
| -- | 51 | -- | -- | 43 | -- | -- |
| -- | 320 | -- | 3,345 | 165 | -- | -- |
| -- | -- | -- | -- | 11 | -- | -- |
| -- | -- | -- | -- | 11 | -- | -- |
| -- | -- | 23,508 | 38,594 | 46 | -- | -- |
| 1,782 | 6,422 | -- | -- | -- | 496 | 142 |
| -- | -- | -- | -- | -- | -- | -- |
| 1,782 | 6,422 | 23,508 | 38,594 | 46 | 496 | 142 |
| \$ 1,782 | \$ 6,742 | \$ 23,508 | \$ 41,939 | \$ 222 | \$ 496 | \$ 142 |

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2018
 (Amounts in thousands)

(Page 3 of 5)

| | Special Revenue Funds | | | |
|---|-------------------------|--------------|---------------------------|-----------------------------|
| | Honolulu Zoo Fund | Golf Fund | Special Events Fund | Special Projects Fund |
| ASSETS | | | | |
| Cash and investments: | | | | |
| With Treasury and banks..... | \$ 5,646 | \$ 1,843 | \$ 1,070 | \$ 11,348 |
| Receivables: | | | | |
| Accounts | -- | -- | -- | -- |
| Special Assessments | -- | -- | -- | -- |
| Loans | -- | -- | -- | -- |
| Intergovernmental | -- | -- | -- | 961 |
| Payroll Advance | -- | 86 | 117 | 17 |
| Due from other funds | -- | -- | 4 | -- |
| Total Assets | \$ 5,646 | \$ 1,929 | \$ 1,191 | \$ 12,326 |
| LIABILITIES, DEFERRED INFLOW AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 174 | \$ 119 | \$ 183 | \$ 675 |
| Interest and bonds payable-matured | -- | -- | -- | -- |
| Due to other funds | 3,288 | 1 | 21 | 434 |
| Accrued payroll | 163 | 223 | 200 | 131 |
| Total Liabilities | 3,625 | 343 | 404 | 1,240 |
| Deferred Inflow: | | | | |
| Deferred inflow | -- | -- | -- | -- |
| Total Deferred Inflow | -- | -- | -- | -- |
| Fund Balances: | | | | |
| Restricted | -- | -- | -- | 11,086 |
| Committed | 2,021 | 1,586 | 787 | -- |
| Unassigned | -- | -- | -- | -- |
| Total Fund Balances | 2,021 | 1,586 | 787 | 11,086 |
| Total Liabilities, Deferred Inflow and Fund Balances | \$ 5,646 | \$ 1,929 | \$ 1,191 | \$ 12,326 |

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2018
 (Amounts in thousands)

(Page 4 of 5)

| Special Revenue Funds | | | | Debt Service Fund | Capital Projects Funds |
|-----------------------|--|--|---|--|-------------------------------|
| Federal Grants Fund | Housing and Community 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 |
| \$ 16,744 | \$ 6,124 | \$ 973 | \$ 6,030 | \$ 171 | \$ 11,932 |
| -- | -- | -- | 131 | -- | -- |
| -- | -- | -- | -- | 4 | -- |
| 2,925 | 7,898 | -- | 3,648 | -- | -- |
| 17,881 | -- | -- | 73 | -- | -- |
| 83 | -- | -- | 59 | -- | 11 |
| 27 | -- | -- | -- | -- | -- |
| <u>\$ 37,660</u> | <u>\$ 14,022</u> | <u>\$ 973</u> | <u>\$ 9,941</u> | <u>\$ 175</u> | <u>\$ 11,943</u> |
| \$ 876 | \$ 41 | \$ -- | \$ 89 | \$ -- | \$ 17,677 |
| -- | -- | -- | -- | 9 | -- |
| 16,488 | -- | -- | 118 | -- | 20,000 |
| 130 | -- | -- | 110 | -- | 6 |
| <u>17,494</u> | <u>41</u> | <u>--</u> | <u>317</u> | <u>9</u> | <u>37,683</u> |
| <u>2,925</u> | <u>7,898</u> | <u>--</u> | <u>3,852</u> | <u>1</u> | <u>--</u> |
| <u>2,925</u> | <u>7,898</u> | <u>--</u> | <u>3,852</u> | <u>1</u> | <u>--</u> |
| 17,241 | 6,083 | 973 | 5,772 | -- | -- |
| -- | -- | -- | -- | 165 | -- |
| -- | -- | -- | -- | -- | (25,740) |
| <u>17,241</u> | <u>6,083</u> | <u>973</u> | <u>5,772</u> | <u>165</u> | <u>(25,740)</u> |
| <u>\$ 37,660</u> | <u>\$ 14,022</u> | <u>\$ 973</u> | <u>\$ 9,941</u> | <u>\$ 175</u> | <u>\$ 11,943</u> |

CITY AND COUNTY OF HONOLULU
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 JUNE 30, 2018
 (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..... | \$ 36,952 | \$ 12,513 | \$ 14,840 | \$ 220,694 |
| Receivables: | | | | |
| Accounts | -- | -- | -- | 131 |
| Special Assessments | -- | -- | -- | 4 |
| Loans | -- | 54,557 | -- | 69,039 |
| Intergovernmental | -- | 1,572 | -- | 20,545 |
| Payroll Advance | -- | -- | -- | 457 |
| Due from other funds | -- | -- | -- | 31 |
| Total Assets | \$ 36,952 | \$ 68,642 | \$ 14,840 | \$ 310,901 |
| LIABILITIES, DEFERRED INFLOW AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 28,685 | \$ 122 | \$ -- | \$ 52,888 |
| Interest and bonds payable-matured | -- | -- | -- | 9 |
| Due to other funds | 30,000 | -- | -- | 70,429 |
| Accrued payroll | 4 | 2 | -- | 1,253 |
| Total Liabilities | 58,689 | 124 | -- | 124,579 |
| Deferred Inflow: | | | | |
| Deferred inflow | -- | 54,557 | -- | 69,244 |
| Total Deferred Inflow | -- | 54,557 | -- | 69,244 |
| Fund Balances: | | | | |
| Restricted | -- | 13,961 | 14,840 | 146,435 |
| Committed | -- | -- | -- | 18,120 |
| Unassigned | (21,737) | -- | -- | (47,477) |
| Total Fund Balances | (21,737) | 13,961 | 14,840 | 117,078 |
| Total Liabilities, Deferred Inflow and Fund Balances | \$ 36,952 | \$ 68,642 | \$ 14,840 | \$ 310,901 |

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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, 2018
(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..... | -- | 422 | -- | 5,461 |
| Intergovernmental..... | -- | -- | -- | -- |
| Charges for services..... | 4,726 | -- | -- | 139 |
| Fines and forfeits..... | -- | -- | -- | 192 |
| Miscellaneous: | | | | |
| Interest..... | -- | -- | -- | -- |
| Other..... | 1 | -- | 1,566 | 4 |
| Total Revenues..... | 4,727 | 422 | 1,566 | 5,796 |
| Expenditures: | | | | |
| Current: | | | | |
| General government..... | 1,995 | 19 | -- | 3,071 |
| Public safety..... | -- | 718 | -- | -- |
| Highways and streets..... | 1,012 | 9 | -- | -- |
| Sanitation..... | -- | -- | -- | -- |
| Human services..... | -- | -- | -- | -- |
| Culture-recreation..... | 432 | -- | 38 | -- |
| Utilities or other enterprises..... | -- | -- | -- | -- |
| Miscellaneous: | | | | |
| Retirement and health benefits..... | 1,410 | 103 | -- | 1,673 |
| Other..... | -- | -- | -- | 24 |
| Capital Outlay: | | | | |
| General government..... | 198 | -- | -- | 533 |
| Public safety..... | -- | -- | -- | -- |
| Highways and streets..... | -- | 2 | -- | -- |
| Human services..... | -- | -- | -- | -- |
| Culture-recreation..... | -- | -- | 856 | -- |
| Utilities or other enterprises..... | -- | -- | -- | -- |
| Total Expenditures..... | 5,047 | 851 | 894 | 5,301 |
| Revenues over (under) Expenditures..... | (320) | (429) | 672 | 495 |
| Other Financing Sources (Uses): | | | | |
| Issuance of general obligation bonds | -- | -- | -- | -- |
| Bond premium | -- | -- | -- | -- |
| Transfers in..... | -- | 1,169 | -- | -- |
| Transfers out..... | (356) | (86) | -- | (318) |
| Total Other Financing Sources (Uses)..... | (356) | 1,083 | -- | (318) |
| Revenues and Other Sources over (under) Expenditures and Other Uses..... | (676) | 654 | 672 | 177 |
| Fund Balance - July 1 | 11,698 | 357 | 4,047 | 2,121 |
| Fund Balances - June 30..... | \$ 11,022 | \$ 1,011 | \$ 4,719 | \$ 2,298 |

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, 2018
(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 |
|------------------------|----------------------------------|------------------------------------|-------------------------|----------------------------|---|-----------------------------------|
| \$ -- | \$ -- | \$ 5,863 | \$ 5,863 | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 20,442 | -- | -- |
| -- | 5,158 | -- | -- | -- | 196 | 70 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | 65 | 176 | 377 | -- | -- | -- |
| 233 | 2,584 | -- | -- | 33 | 14 | -- |
| <u>233</u> | <u>7,807</u> | <u>6,039</u> | <u>6,240</u> | <u>20,475</u> | <u>210</u> | <u>70</u> |
| -- | -- | -- | -- | 669 | -- | -- |
| -- | 500 | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| 112 | -- | -- | 5,824 | 11,357 | -- | -- |
| -- | 2,649 | -- | -- | -- | 14 | 47 |
| -- | -- | -- | -- | -- | -- | -- |
| -- | 894 | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | 1,990 | -- | 2,151 | 8,436 | -- | -- |
| -- | -- | -- | -- | -- | 110 | 56 |
| -- | -- | -- | -- | -- | -- | -- |
| <u>112</u> | <u>6,033</u> | <u>--</u> | <u>7,975</u> | <u>20,462</u> | <u>124</u> | <u>103</u> |
| <u>121</u> | <u>1,774</u> | <u>6,039</u> | <u>(1,735)</u> | <u>13</u> | <u>86</u> | <u>(33)</u> |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- | -- |
| -- | (2,009) | -- | -- | -- | (11) | (4) |
| -- | <u>(2,009)</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(11)</u> | <u>(4)</u> |
| 121 | (235) | 6,039 | (1,735) | 13 | 75 | (37) |
| 1,661 | 6,657 | 17,469 | 40,329 | 33 | 421 | 179 |
| <u>\$ 1,782</u> | <u>\$ 6,422</u> | <u>\$ 23,508</u> | <u>\$ 38,594</u> | <u>\$ 46</u> | <u>\$ 496</u> | <u>\$ 142</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, 2018

(Amounts in thousands)

(Page 3 of 5)

| | Special Revenue Funds | | | |
|---|-------------------------|--------------|---------------------------|-----------------------------|
| | Honolulu Zoo Fund | Golf Fund | Special Events Fund | Special Projects Fund |
| Revenues: | | | | |
| Taxes | \$ 5,863 | \$ -- | \$ -- | \$ -- |
| Special assessments | -- | -- | -- | -- |
| Licenses and permits..... | -- | -- | -- | -- |
| Intergovernmental..... | -- | -- | -- | 12,530 |
| Charges for services..... | 5,870 | 6,305 | 69 | 533 |
| Fines and forfeits..... | -- | -- | -- | -- |
| Miscellaneous: | | | | |
| Interest..... | 15 | -- | 43 | 13 |
| Other..... | 288 | 2,812 | 8,263 | 1,696 |
| Total Revenues..... | 12,036 | 9,117 | 8,375 | 14,772 |
| Expenditures: | | | | |
| Current: | | | | |
| General government..... | -- | -- | 35 | 2,788 |
| Public safety..... | -- | -- | -- | 2,619 |
| Highways and streets..... | -- | -- | -- | -- |
| Sanitation..... | -- | -- | -- | -- |
| Human services..... | -- | -- | -- | 7,691 |
| Culture-recreation..... | 6,905 | 9,836 | 7,625 | 334 |
| Utilities or other enterprises..... | -- | -- | -- | 52 |
| Miscellaneous: | | | | |
| Retirement and health benefits..... | 2,428 | 3,784 | 2,849 | -- |
| Other..... | -- | 200 | 300 | -- |
| Capital Outlay: | | | | |
| General government..... | -- | -- | -- | -- |
| Public safety..... | -- | -- | -- | 283 |
| Highways and streets..... | -- | -- | -- | -- |
| Human services..... | -- | -- | -- | -- |
| Culture-recreation..... | 36 | -- | 86 | 25 |
| Utilities or other enterprises..... | -- | -- | -- | -- |
| Total Expenditures..... | 9,369 | 13,820 | 10,895 | 13,792 |
| Revenues over (under) Expenditures..... | 2,667 | (4,703) | (2,520) | 980 |
| Other Financing Sources (Uses): | | | | |
| Issuance of general obligation bonds | -- | -- | -- | -- |
| Bond premium | -- | -- | -- | -- |
| Transfers in..... | 3,329 | 6,761 | 3,168 | -- |
| Transfers out..... | (3,975) | (950) | (6,438) | -- |
| Total Other Financing Sources (Uses).... | (646) | 5,811 | (3,270) | -- |
| Revenues and Other Sources over (under) Expenditures and Other Uses..... | 2,021 | 1,108 | (5,790) | 980 |
| Fund Balance - July 1 | -- | 478 | 6,577 | 10,106 |
| Fund Balances - June 30..... | \$ 2,021 | \$ 1,586 | \$ 787 | \$ 11,086 |

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, 2018

(Amounts in thousands)

(Page 4 of 5)

| Federal Grants Fund | Special Revenue Funds | | | Debt Service Improvement District Bond and Interest Fund | Capital Project Funds |
|---------------------------|--|--|---|---|--|
| | Housing and Community Development Rehabilitation Loan Fund | Pauahi Project Expenditures Hawaii R-15 Fund | Housing and Community Development Section 8 Contract Fund | | General Improvement Bond Fund |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | 1 | -- |
| -- | -- | -- | -- | -- | -- |
| 46,683 | -- | -- | 52,126 | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| 144 | 73 | 9 | 100 | -- | -- |
| 2,404 | 797 | -- | 11 | -- | -- |
| <u>49,231</u> | <u>870</u> | <u>9</u> | <u>52,237</u> | <u>1</u> | <u>--</u> |
| 2,467 | -- | -- | 141 | -- | 709 |
| 6,575 | -- | -- | -- | -- | 515 |
| -- | -- | -- | -- | -- | 142 |
| -- | -- | -- | -- | -- | -- |
| 16,135 | 979 | -- | 53,380 | -- | 133 |
| 158 | -- | -- | -- | -- | 942 |
| 21,575 | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | 14,796 |
| 1,494 | -- | -- | -- | -- | 19,675 |
| -- | -- | -- | -- | -- | 610 |
| 50 | -- | -- | -- | -- | 22,295 |
| -- | -- | -- | -- | -- | 31,814 |
| -- | -- | -- | -- | -- | -- |
| <u>48,454</u> | <u>979</u> | <u>--</u> | <u>53,521</u> | <u>--</u> | <u>91,631</u> |
| <u>777</u> | <u>(109)</u> | <u>9</u> | <u>(1,284)</u> | <u>1</u> | <u>(91,631)</u> |
| -- | -- | -- | -- | -- | 65,458 |
| -- | -- | -- | -- | -- | 10,547 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | (1) | -- |
| -- | -- | -- | -- | (1) | 76,005 |
| <u>777</u> | <u>(109)</u> | <u>9</u> | <u>(1,284)</u> | <u>--</u> | <u>(15,626)</u> |
| <u>16,464</u> | <u>6,192</u> | <u>964</u> | <u>7,056</u> | <u>165</u> | <u>(10,114)</u> |
| <u>\$ 17,241</u> | <u>\$ 6,083</u> | <u>\$ 973</u> | <u>\$ 5,772</u> | <u>\$ 165</u> | <u>\$ (25,740)</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, 2018

(Amounts in thousands)

(Page 5 of 5)

| | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|---|--|--|-----------------------------|--|
| | Highway Improvement Bond Fund | Federal Grants Capital Projects Fund | Capital Projects Fund | |
| Revenues: | | | | |
| Taxes | \$ -- | \$ -- | \$ -- | \$ 17,589 |
| Special assessments | -- | -- | -- | 1 |
| Licenses and permits..... | -- | -- | -- | 5,883 |
| Intergovernmental..... | -- | 16,297 | 292 | 148,370 |
| Charges for services..... | -- | -- | -- | 23,066 |
| Fines and forfeits..... | -- | -- | -- | 192 |
| Miscellaneous: | | | | |
| Interest..... | -- | -- | -- | 1,015 |
| Other..... | -- | 1 | -- | 20,707 |
| Total Revenues..... | <u>--</u> | <u>16,298</u> | <u>292</u> | <u>216,823</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government..... | 3 | -- | -- | 11,897 |
| Public safety..... | 846 | 60 | 22 | 11,855 |
| Highways and streets..... | 2,235 | -- | -- | 3,398 |
| Sanitation..... | -- | -- | 82 | 82 |
| Human services..... | -- | 2,973 | -- | 98,584 |
| Culture-recreation..... | -- | -- | -- | 28,980 |
| Utilities or other enterprises..... | 2,548 | 6,390 | -- | 30,565 |
| Miscellaneous: | | | | |
| Retirement and health benefits..... | -- | -- | -- | 13,141 |
| Other..... | -- | -- | -- | 524 |
| Capital Outlay: | | | | |
| General government..... | 1,932 | -- | -- | 17,459 |
| Public safety..... | 568 | 378 | -- | 22,398 |
| Highways and streets..... | 115,908 | 540 | -- | 117,060 |
| Human services..... | -- | -- | -- | 32,932 |
| Culture-recreation..... | -- | -- | -- | 34,973 |
| Utilities or other enterprises..... | 3,739 | 3,722 | -- | 7,461 |
| Total Expenditures..... | <u>127,779</u> | <u>14,063</u> | <u>104</u> | <u>431,309</u> |
| Revenues over (under) Expenditures..... | <u>(127,779)</u> | <u>2,235</u> | <u>188</u> | <u>(214,486)</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of general obligation bonds | 149,863 | -- | -- | 215,321 |
| Bond premium | 24,146 | -- | -- | 34,693 |
| Transfers in..... | -- | -- | 1 | 14,428 |
| Transfers out..... | -- | -- | -- | (14,148) |
| Total Other Financing Sources (Uses)... | <u>174,009</u> | <u>--</u> | <u>1</u> | <u>250,294</u> |
| Revenues and Other Sources over (under) Expenditures and Other Uses..... | <u>46,230</u> | <u>2,235</u> | <u>189</u> | <u>35,808</u> |
| Fund Balance - July 1 | <u>(67,967)</u> | <u>11,726</u> | <u>14,651</u> | <u>81,270</u> |
| Fund Balances - June 30..... | <u>\$ (21,737)</u> | <u>\$ 13,961</u> | <u>\$ 14,840</u> | <u>\$ 117,078</u> |

**AGENCY FUNDS
COMBINING FINANCIAL STATEMENTS**

CITY AND COUNTY OF HONOLULU
AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2018
 (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 | \$ 42,249 | \$ 5,593 | \$ 15,027 | \$ -- | \$ 62,869 |
| Imprest and change funds | 74 | 71 | -- | -- | 145 |
| Due from other funds: | | | | | |
| Sewer Fund | -- | -- | -- | 5 | 5 |
| Golf Fund | -- | -- | -- | 1 | 1 |
| Special Projects Fund | -- | -- | -- | 1 | 1 |
| Solid Waste Fund | 23 | -- | -- | 7 | 30 |
| Total Assets | <u>42,346</u> | <u>5,664</u> | <u>15,027</u> | <u>14</u> | <u>63,051</u> |
| <u>LIABILITIES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 8,105 | -- | 1 | -- | 8,106 |
| Other current liabilities | <u>34,241</u> | <u>5,664</u> | <u>15,026</u> | <u>14</u> | <u>54,945</u> |
| Total Liabilities | <u>42,346</u> | <u>5,664</u> | <u>15,027</u> | <u>14</u> | <u>63,051</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, 2018
 (Amounts in thousands)

| | Balance July 1, 2017 | Additions | Deductions | Balance June 30, 2018 |
|--|-------------------------|---------------------|---------------------|--------------------------|
| <u>GENERAL TRUST FUND</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and investments..... | \$ 29,771 | \$ 125,427 | \$ 112,875 | \$ 42,323 |
| Due from other funds | 19 | 23 | 19 | 23 |
| Total Assets | <u>\$ 29,790</u> | <u>\$ 125,450</u> | <u>\$ 112,894</u> | <u>\$ 42,346</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 5,640 | \$ 115,343 | \$ 112,878 | \$ 8,105 |
| Other current liabilities | 24,150 | 125,434 | 115,343 | 34,241 |
| Total Liabilities | <u>\$ 29,790</u> | <u>\$ 240,777</u> | <u>\$ 228,221</u> | <u>\$ 42,346</u> |
| <u>TREASURY TRUST FUND</u> | | | | |
| <u>ASSET</u> | | | | |
| Cash and investments..... | \$ 2,944 | \$ 19,435 | \$ 16,715 | \$ 5,664 |
| <u>LIABILITY</u> | | | | |
| Other current liabilities | \$ 2,944 | \$ 19,435 | \$ 16,715 | \$ 5,664 |
| <u>REAL PROPERTY TAX TRUST FUND</u> | | | | |
| <u>ASSET</u> | | | | |
| Cash and investments..... | \$ 15,922 | \$ 13,210 | \$ 14,105 | \$ 15,027 |
| Total Asset | <u>\$ 15,922</u> | <u>\$ 13,210</u> | <u>\$ 14,105</u> | <u>\$ 15,027</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 456 | \$ 5,006 | \$ 5,461 | \$ 1 |
| Other current liabilities | 15,466 | 18,671 | 19,111 | 15,026 |
| Total Liabilities | <u>\$ 15,922</u> | <u>\$ 23,677</u> | <u>\$ 24,572</u> | <u>\$ 15,027</u> |
| <u>PAYROLL CLEARANCE FUND</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and investments..... | \$ -- | \$ 733,675 | \$ 733,675 | \$ -- |
| Accounts receivable | 2 | -- | 2 | -- |
| Due from other funds | 18 | 17 | 21 | 14 |
| Total Assets | <u>\$ 20</u> | <u>\$ 733,692</u> | <u>\$ 733,698</u> | <u>\$ 14</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ -- | \$ 42,921 | \$ 42,921 | \$ -- |
| Other current liabilities | 20 | 776,581 | 776,587 | 14 |
| Total Liabilities | <u>\$ 20</u> | <u>\$ 819,502</u> | <u>\$ 819,508</u> | <u>\$ 14</u> |
| <u>TOTAL - ALL AGENCY FUNDS</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash and investments..... | \$ 48,637 | \$ 891,747 | \$ 877,370 | \$ 63,014 |
| Accounts receivable | 2 | -- | 2 | -- |
| Due from other funds | 37 | 40 | 40 | 37 |
| Total Assets | <u>\$ 48,676</u> | <u>\$ 891,787</u> | <u>\$ 877,412</u> | <u>\$ 63,051</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 6,096 | \$ 163,270 | \$ 161,260 | \$ 8,106 |
| Other current liabilities | 42,580 | 940,121 | 927,756 | 54,945 |
| Total Liabilities | <u>\$ 48,676</u> | <u>\$ 1,103,391</u> | <u>\$ 1,089,016</u> | <u>\$ 63,051</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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Legally Separate Funds | |
|---|------------------------|--------------------------|
| | General Fund | Grants In Aid Fund |
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury and banks..... | \$ 229,492 | \$ 7,709 |
| Receivables: | | |
| Real property taxes | 11,598 | -- |
| Accounts | 247 | -- |
| Interest | 1,780 | -- |
| Loans | 61 | -- |
| Intergovernmental | 6,476 | -- |
| Payroll Advance | 8,458 | -- |
| Due from other funds | 71,185 | 1 |
| Total Assets | \$ 329,297 | \$ 7,710 |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 35,334 | \$ 511 |
| Due to other funds | 1 | -- |
| Accrued payroll | 24,445 | 2 |
| Total Liabilities | 59,780 | 513 |
| Deferred Inflow: | | |
| Deferred inflow | 15,432 | -- |
| Total Deferred Inflow | 15,432 | -- |
| Fund Balances: | | |
| Committed | -- | 7,197 |
| Assigned | 81,709 | -- |
| Unassigned | 172,376 | -- |
| Total Fund Balances | 254,085 | 7,197 |
| Total Liabilities, Deferred Inflow and Fund Balance | \$ 329,297 | \$ 7,710 |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING BALANCE SHEET
 JUNE 30, 2018
 (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 |
| \$ 111,615 | \$ 175 | \$ 1,962 | \$ 228 | \$ 351,181 |
| -- | -- | -- | -- | 11,598 |
| -- | -- | -- | -- | 247 |
| -- | -- | -- | -- | 1,780 |
| -- | -- | -- | -- | 61 |
| -- | -- | -- | -- | 6,476 |
| -- | -- | -- | -- | 8,458 |
| -- | -- | -- | -- | 71,186 |
| <u>\$ 111,615</u> | <u>\$ 175</u> | <u>\$ 1,962</u> | <u>\$ 228</u> | <u>\$ 450,987</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 35,845 |
| -- | -- | -- | -- | 1 |
| -- | -- | -- | -- | 24,447 |
| -- | -- | -- | -- | 60,293 |
| -- | 42 | -- | -- | 15,474 |
| -- | 42 | -- | -- | 15,474 |
| 111,615 | 133 | 1,962 | 228 | 121,135 |
| -- | -- | -- | -- | 81,709 |
| -- | -- | -- | -- | 172,376 |
| <u>111,615</u> | <u>133</u> | <u>1,962</u> | <u>228</u> | <u>375,220</u> |
| <u>\$ 111,615</u> | <u>\$ 175</u> | <u>\$ 1,962</u> | <u>\$ 228</u> | <u>\$ 450,987</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, 2018
(Amounts in thousands)

(Page 1 of 2)

| | Legally Separate Funds | | |
|---|------------------------|-----------------------------------|--------------------------|
| | General Fund | Zoo Animal Purchase Fund | Grants In Aid Fund |
| Revenues: | | | |
| Taxes | \$ 1,206,241 | \$ -- | \$ -- |
| Licenses and permits..... | 43,461 | -- | -- |
| Intergovernmental..... | 45,494 | -- | -- |
| Charges for services..... | 8,280 | -- | -- |
| Fines and forfeits..... | 762 | -- | -- |
| Miscellaneous: | | | |
| Reimbursements and recoveries..... | 47,761 | -- | -- |
| Interest..... | 7,877 | -- | 60 |
| Other..... | 6,384 | -- | -- |
| Total Revenues..... | 1,366,260 | -- | 60 |
| Expenditures: | | | |
| Current: | | | |
| General government..... | 152,434 | -- | 52 |
| Public safety..... | 421,922 | -- | -- |
| Highways and streets..... | 10,167 | -- | -- |
| Sanitation..... | 154 | -- | -- |
| Human services..... | 9,277 | -- | 6,439 |
| Culture-recreation..... | 72,738 | -- | -- |
| Utilities or other enterprises..... | 7 | -- | -- |
| Miscellaneous: | | | |
| Retirement and health benefits..... | 287,684 | -- | -- |
| Other..... | 32,312 | -- | -- |
| Capital Outlay: | | | |
| General government..... | 1,494 | -- | -- |
| Public safety..... | 2,017 | -- | -- |
| Highways and streets..... | 75 | -- | -- |
| Culture-recreation..... | 325 | -- | -- |
| Total Expenditures..... | 990,606 | -- | 6,491 |
| Revenues over (under) Expenditures..... | 375,654 | -- | (6,431) |
| Other Financing Sources (Uses): | | | |
| Transfers in..... | 158,907 | -- | 7,365 |
| Transfers out..... | (494,556) | (2) | -- |
| Total Other Financing Sources (Uses).... | (335,649) | (2) | 7,365 |
| Revenues and Other Sources over (under) Expenditures and Other Uses..... | 40,005 | (2) | 934 |
| Fund Balances - July 1 | 214,080 | 2 | 6,263 |
| Fund Balances - June 30..... | \$ 254,085 | \$ -- | \$ 7,197 |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,206,241 |
| -- | -- | -- | -- | 43,461 |
| -- | -- | -- | -- | 45,494 |
| -- | -- | -- | -- | 8,280 |
| -- | -- | -- | -- | 762 |
| -- | -- | -- | -- | 47,761 |
| 973 | 2 | -- | 2 | 8,914 |
| -- | -- | -- | -- | 6,384 |
| <u>973</u> | <u>2</u> | <u>--</u> | <u>2</u> | <u>1,367,297</u> |
| -- | -- | -- | -- | 152,486 |
| -- | -- | -- | -- | 421,922 |
| -- | -- | -- | -- | 10,167 |
| -- | -- | -- | -- | 154 |
| -- | 40 | -- | -- | 15,756 |
| -- | -- | -- | -- | 72,738 |
| -- | -- | -- | -- | 7 |
| -- | -- | -- | -- | 287,684 |
| -- | -- | -- | -- | 32,312 |
| -- | -- | -- | -- | 1,494 |
| -- | -- | -- | -- | 2,017 |
| -- | -- | -- | -- | 75 |
| -- | -- | -- | -- | 325 |
| <u>--</u> | <u>40</u> | <u>--</u> | <u>--</u> | <u>997,137</u> |
| 973 | (38) | -- | 2 | 370,160 |
| 7,000 | -- | -- | -- | 173,272 |
| -- | -- | -- | -- | (494,558) |
| <u>7,000</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(321,286)</u> |
| 7,973 | (38) | -- | 2 | 48,874 |
| <u>103,642</u> | <u>171</u> | <u>1,962</u> | <u>226</u> | <u>326,346</u> |
| <u>\$ 111,615</u> | <u>\$ 133</u> | <u>\$ 1,962</u> | <u>\$ 228</u> | <u>\$ 375,220</u> |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|------------|------------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 229,492 | \$ 124,601 |
| Receivables: | | |
| Real property taxes | 11,598 | 15,330 |
| Accounts | 247 | 158 |
| Interest | 1,780 | 772 |
| Loans | 61 | 67 |
| Intergovernmental | 6,476 | 6,128 |
| Payroll Advance | 8,458 | 9,246 |
| Due from other funds | 71,185 | 132,327 |
| Total Assets | \$ 329,297 | \$ 288,629 |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 35,334 | \$ 39,354 |
| Due to other funds | 1 | 1 |
| Accrued payroll | 24,445 | 24,369 |
| Total Liabilities | 59,780 | 63,724 |
| Deferred Inflow: | | |
| Deferred inflow | 15,432 | 10,825 |
| Total Deferred Inflow | 15,432 | 10,825 |
| Fund Balance: | | |
| Assigned | 81,709 | 74,155 |
| Unassigned | 172,376 | 139,925 |
| Total Fund Balance | 254,085 | 214,080 |
| Total Liabilities, Deferred Inflow and Fund Balance | \$ 329,297 | \$ 288,629 |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|--------------|--------------|
| Revenues: | | |
| Taxes | \$ 1,206,241 | \$ 1,131,298 |
| Licenses and permits | 43,461 | 44,641 |
| Intergovernmental | 45,494 | 45,429 |
| Charges for services | 8,280 | 7,263 |
| Fines and forfeits | 762 | 840 |
| Miscellaneous: | | |
| Reimbursements and recoveries | 47,761 | 47,983 |
| Interest | 7,877 | 2,685 |
| Other | 6,384 | 4,795 |
| Total Revenues | 1,366,260 | 1,284,934 |
| Expenditures: | | |
| Current: | | |
| General government | 152,434 | 149,797 |
| Public safety | 421,922 | 409,075 |
| Highways and streets | 10,167 | 7,547 |
| Sanitation | 154 | 1,012 |
| Human services | 9,277 | 8,857 |
| Culture-recreation | 72,738 | 67,908 |
| Utilities or other enterprises | 7 | 75 |
| Miscellaneous: | | |
| Retirement and health benefits | 287,684 | 261,139 |
| Other | 32,312 | 28,258 |
| Capital outlay: | | |
| General government | 1,494 | 2,058 |
| Public safety | 2,017 | 2,738 |
| Highways and streets | 75 | 1,005 |
| Culture-recreation | 325 | 2,693 |
| Total Expenditures | 990,606 | 942,162 |
| Revenues over Expenditures | 375,654 | 342,772 |
| Other Financing Sources (Uses): | | |
| Sales of capital assets | -- | 5 |
| Transfers in | 158,907 | 151,816 |
| Transfers out | (494,556) | (485,659) |
| Total Other Financing Sources (Uses) | (335,649) | (333,838) |
| Revenues and Other Sources over Expenditures and Other Uses | 40,005 | 8,934 |
| Fund Balance - July 1 | 214,080 | 205,146 |
| Fund Balance - June 30 | \$ 254,085 | \$ 214,080 |

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, 2018
 (Amounts in thousands)

(Page 1 of 3)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---------------------------------------|--------------------|------------------|---------------------------------|--|
| Revenues: | | | | |
| Taxes | \$ 1,181,698 | \$ 1,181,698 | \$ 1,206,241 | \$ 24,543 |
| Licenses and permits | 50,753 | 50,753 | 43,461 | (7,292) |
| Intergovernmental | 41,070 | 41,070 | 45,494 | 4,424 |
| Charges for services | 7,226 | 7,226 | 8,280 | 1,054 |
| Fines and forfeits | 782 | 782 | 762 | (20) |
| Miscellaneous: | | | | |
| Reimbursements and recoveries | 57,802 | 57,802 | 47,761 | (10,041) |
| Interest | 3,178 | 3,178 | 7,877 | 4,699 |
| Other | 4,409 | 4,409 | 6,384 | 1,975 |
| Total Revenues | 1,346,918 | 1,346,918 | 1,366,260 | 19,342 |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Budget and Fiscal Services | 19,160 | 20,260 | 17,264 | 2,996 |
| City Clerk | 3,573 | 3,586 | 2,838 | 748 |
| City Council | 5,432 | 5,524 | 5,229 | 295 |
| Corporation Counsel | 8,781 | 9,088 | 7,640 | 1,448 |
| Customer Services | 21,140 | 21,640 | 20,285 | 1,355 |
| Design and Construction | 10,056 | 10,369 | 9,935 | 434 |
| Emergency Services | 811 | 846 | 816 | 30 |
| Facility Maintenance | 26,568 | 26,929 | 25,309 | 1,620 |
| Human Resources | 6,579 | 6,798 | 6,629 | 169 |
| Information Technology | 19,416 | 20,048 | 19,679 | 369 |
| Land Management | 731 | 730 | 467 | 263 |
| Mayor | 4,580 | 4,582 | 4,311 | 271 |
| Office of the City Auditor | 1,786 | 1,811 | 1,570 | 241 |
| Office of Council Services | 2,167 | 2,184 | 1,952 | 232 |
| Planning and Permitting | 12,498 | 13,217 | 11,905 | 1,312 |
| Prosecuting Attorney | 20,307 | 20,949 | 20,086 | 863 |
| Total General government | 163,585 | 168,561 | 155,915 | 12,646 |
| Public safety: | | | | |
| Emergency Management | 1,283 | 1,333 | 1,228 | 105 |
| Emergency Services | 46,190 | 46,453 | 43,286 | 3,167 |
| Fire | 126,787 | 128,201 | 125,617 | 2,584 |
| Medical Examiner | 2,176 | 2,216 | 2,050 | 166 |
| Planning and Permitting | 5,846 | 6,382 | 5,762 | 620 |
| Police | 254,575 | 255,075 | 248,098 | 6,977 |
| Transportation Services | -- | 53 | 41 | 12 |
| Total Public safety | 436,857 | 439,713 | 426,082 | 13,631 |

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, 2018
 (Amounts in thousands)

(Page 2 of 3)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|--------------------|-----------------|---------------------------------|--|
| Highways and streets: | | | | |
| Facility Maintenance | 14,042 | 14,262 | 12,571 | 1,691 |
| Human services: | | | | |
| Community Services | 11,313 | 12,247 | 11,624 | 623 |
| Culture-recreation: | | | | |
| Mayor | 2,249 | 2,299 | 2,269 | 30 |
| Parks and Recreation | 72,424 | 74,946 | 72,624 | 2,322 |
| Total Culture-recreation | 74,673 | 77,245 | 74,893 | 2,352 |
| Utilities or other enterprises: | | | | |
| Transportation Services | 840 | 1,040 | 382 | 658 |
| Miscellaneous: | | | | |
| Retirement and health benefits: | | | | |
| City Council | 4,450 | 4,602 | 4,589 | 13 |
| Provisional | 329,568 | 329,568 | 283,095 | 46,473 |
| Total Retirement and health benefits | 334,018 | 334,170 | 287,684 | 46,486 |
| Other: | | | | |
| City Council | 381 | 85 | 35 | 50 |
| Provisional | 61,926 | 50,312 | 32,322 | 17,990 |
| Total Other | 62,307 | 50,397 | 32,357 | 18,040 |
| Total Miscellaneous | 396,325 | 384,567 | 320,041 | 64,526 |
| Capital improvements: | | | | |
| Design and Construction | 200 | 200 | 200 | -- |
| Total Capital improvements | 200 | 200 | 200 | -- |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 3 of 3)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|--------------------|-----------------|---------------------------------|--|
| Total Expenditures | 1,097,835 | 1,097,835 | 1,001,708 | 96,127 |
| Revenues over Expenditures | 249,083 | 249,083 | 364,552 | 115,469 |
| Other Financing Sources (Uses): | | | | |
| Sales of capital assets | 904 | 904 | -- | (904) |
| Transfers in: | | | | |
| Central administrative service expenses | 45,884 | 45,884 | 45,048 | (836) |
| Debt service | 116,987 | 116,987 | 113,089 | (3,898) |
| Other | 770 | 770 | 770 | -- |
| Transfers out: | | | | |
| Debt service | (241,046) | (241,046) | (235,802) | 5,244 |
| Bus subsidy | (127,671) | (127,671) | (127,671) | -- |
| Other | (131,083) | (131,083) | (131,083) | -- |
| Total Other Financing Sources (Uses) | (335,255) | (335,255) | (335,649) | (394) |
| Revenues and Other Sources over (under) Expenditures and Other Uses | (86,172) | (86,172) | 28,903 | 115,075 |
| Unreserved - Undesignated Fund | | | | |
| Balance - July 1 | 87,183 | 87,183 | 139,925 | 52,742 |
| Unreserved - Undesignated Fund | | | | |
| Balance - June 30 (Budgetary Basis) | \$ 1,011 | \$ 1,011 | 168,828 | \$ 167,817 |
| Adjustments to conform with generally accepted accounting principles: | | | | |
| Encumbrances included above | | | 49,208 | |
| Expenditures - prior year encumbrances | | | (38,106) | |
| Increase in reserved for encumbrances | | | (7,554) | |
| Unreserved - Undesignated Fund | | | | |
| Balance - June 30 | | | 172,376 | |
| Reserved for Encumbrances - June 30 | | | 81,709 | |
| Fund Balance - June 30 (GAAP Basis) | | | \$ 254,085 | |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 1,151,698 | \$ 1,171,007 | \$ 19,309 |
| PUBLIC SERVICE COMPANY TAX: | | | |
| Public Service Company Tax | 30,000 | 35,234 | 5,234 |
| TOTAL TAXES | 1,181,698 | 1,206,241 | 24,543 |
| LICENSES AND PERMITS | | | |
| BUSINESS LICENSES AND PERMITS: | | | |
| Police and Protective: | | | |
| Second-Hand and Junk Dealers | 15 | 10 | (5) |
| Alarm Permits | 236 | 199 | (37) |
| Other | 14 | 14 | -- |
| Professional and Occupational: | | | |
| Other | 3 | 3 | -- |
| Total Business Licenses and Permits | 268 | 226 | (42) |
| NON-BUSINESS LICENSES AND PERMITS: | | | |
| Building Structures and Equipment Permits: | | | |
| Building | 21,000 | 16,509 | (4,491) |
| Signs | 35 | 31 | (4) |
| Other | 1,504 | 30 | (1,474) |
| Motor Vehicle Licenses and Fees: | | | |
| Motor Vehicle Plate and Tag Fees | 1,853 | 1,835 | (18) |
| Motor Vehicle Transfer Fees and Penalty | 2,708 | 2,793 | 85 |
| Duplicate Registration & Ownership Certificates | 211 | 199 | (12) |
| Motor Vehicle Registration Annual Fee | 14,718 | 14,787 | 69 |
| Other | 53 | 53 | -- |
| Other Vehicle Licenses and Fees: | | | |
| Moped Annual License Fee | 791 | 148 | (643) |
| Passenger and Freight Vehicle Permit Fees | 113 | 55 | (58) |
| Nonresident Vehicle Permit | 29 | 22 | (7) |
| Motor Vehicle Drivers' Licenses | 5,979 | 5,196 | (783) |
| Animal Licenses: | | | |
| Dog Licenses and Tag Fees | 203 | 168 | (35) |
| Street, Sidewalk and Curb Permits: | | | |
| Easement Grants | 147 | 88 | (59) |
| Newsstands | 13 | 9 | (4) |
| Dispensing Rack | 200 | 185 | (15) |
| Fire Code Permits and License Fees | 585 | 727 | 142 |
| Fireworks License Fees | 32 | 60 | 28 |
| Camping Permits | 311 | 340 | 29 |
| Total Non-Business Licenses and Permits | 50,485 | 43,235 | (7,250) |
| TOTAL LICENSES AND PERMITS | 50,753 | 43,461 | (7,292) |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 2 of 6)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|--|--|----------------------|---|
| <u>INTERGOVERNMENTAL</u> | | | |
| STATE GRANTS: | | | |
| Transient Accommodation Tax | 41,013 | 45,423 | 4,410 |
| INTERGOVERNMENTAL PAYMENTS | | | |
| IN LIEU OF TAXES: | | | |
| Fish and Wildlife Service | <u>57</u> | <u>71</u> | <u>14</u> |
| TOTAL INTERGOVERNMENTAL | <u>41,070</u> | <u>45,494</u> | <u>4,424</u> |
| <u>CHARGES FOR SERVICES</u> | | | |
| GENERAL GOVERNMENT: | | | |
| Data Processing Services: | | | |
| Duplication of Master Tapes | 47 | 69 | 22 |
| Data Processing Service - State | 730 | 761 | 31 |
| Data Processing Service - U.S. Government | 1 | 2 | 1 |
| Data Processing Service - Other Counties | 400 | 907 | 507 |
| Legal Services (BWS) | 165 | 165 | -- |
| Service Fee for Dishonored Checks | 18 | 19 | 1 |
| Service Fee for Credit Card Payments | -- | 63 | 63 |
| Band Collections | -- | 1 | 1 |
| Automotive Equipment Service Charges | 88 | 132 | 44 |
| Subdivision Fees | 95 | 89 | (6) |
| Application Fees for Zoning Regulations | 250 | 248 | (2) |
| Nonconforming Use Renewal Fees | 60 | -- | (60) |
| Plan Review Use Fees | 1,500 | 1,904 | 404 |
| Administrative Fee--Multi-Family Housing Program..... | 25 | 19 | (6) |
| Military Housing Fee in Lieu of Property Tax | 965 | 961 | (4) |
| Zoning/Flood Clearance Fee | 90 | 109 | 19 |
| Fees for Certificates, Copies & Extracts of Records | 151 | 155 | 4 |
| Fees for Services | 125 | 116 | (9) |
| Custodial and Attendant Services | 421 | 484 | 63 |
| Spay-Neuter Service | 315 | 326 | 11 |
| Other | <u>11</u> | <u>14</u> | <u>3</u> |
| Total General Government | <u>5,457</u> | <u>6,544</u> | <u>1,087</u> |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | -- | (27) |
| HPD Special Duty Fees | 306 | 310 | 4 |
| Other | -- | 3 | 3 |
| Total Public Safety | 333 | 313 | (20) |
| HIGHWAYS AND STREETS: | | | |
| Parking: | | | |
| City Employees | 786 | 722 | (64) |
| HPD Parking Lot | 120 | 127 | 7 |
| Other | 68 | 41 | (27) |
| Total Highways and Streets | 974 | 890 | (84) |
| CULTURE-RECREATION: | | | |
| Commercial Activities: | | | |
| Scuba, Snorkeling and Windsurfing | 28 | 25 | (3) |
| Commercial Filming | 51 | 71 | 20 |
| Summer Fun Program | 205 | 234 | 29 |
| Fall and Spring Program | -- | 29 | 29 |
| Fees for Use of Parks | -- | 5 | 5 |
| Foster Botanic Garden | 134 | 136 | 2 |
| Fees for Community Garden | 44 | 33 | (11) |
| Total Culture-Recreation | 462 | 533 | 71 |
| TOTAL CHARGES FOR SERVICES | 7,226 | 8,280 | 1,054 |
| <u>FINES AND FORFEITS</u> | | | |
| FINES: | | | |
| Fines | 752 | 686 | (66) |
| Liquidated Contract Damages | -- | 25 | 25 |
| Total Fines | 752 | 711 | (41) |
| FORFEITS: | | | |
| Forfeiture of Seized Property | 30 | 51 | 21 |
| TOTAL FINES AND FORFEITS | 782 | 762 | (20) |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | 736 | 688 | (48) |
| Administration Cost - Ewa Highway Impact Fee | 10 | 41 | 31 |
| Hawaii State ID Program | 718 | 681 | (37) |
| Emergency Ambulance Services | 47,180 | 37,792 | (9,388) |
| Collection Cost - State Motor Vehicle | | | |
| Weight Tax, etc. | 985 | 1,026 | 41 |
| Commercial Drivers' License Program | 606 | 377 | (229) |
| Other | 150 | 150 | -- |
| Recoveries: | | | |
| Workers' Compensation Payment | 550 | 461 | (89) |
| Central Administrative Service Expenses: | | | |
| Board of Water Supply | 3,300 | 3,300 | -- |
| Honolulu Authority for Rapid Transportation | 1,092 | 841 | (251) |
| Recovery-Interest-Federal Subsidy | 1,277 | 1,193 | (84) |
| Workers' Compensation Claims (Third Party) | 125 | 319 | 194 |
| Recoveries - Other | 1,044 | 892 | (152) |
| Total Reimbursements and Recoveries | <u>57,802</u> | <u>47,761</u> | <u>(10,041)</u> |
| INTEREST: | | | |
| Interest Earnings: | | | |
| Investments | 3,178 | 7,874 | 4,696 |
| Other Sources | -- | 3 | 3 |
| Total Interest | <u>3,178</u> | <u>7,877</u> | <u>4,699</u> |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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) | 221 | 176 | (45) |
| Rental Units (HCD Property) | 206 | 223 | 17 |
| Rental - Ambulance Facilities | 64 | 64 | -- |
| Rental of Parks and Recreational Facilities: | | | |
| Perquisite Housing | 29 | 12 | (17) |
| Other | 3 | 2 | (1) |
| Rental of Equipment | 16 | 3 | (13) |
| Rental for Use of Land | 1,222 | 435 | (787) |
| Rental of Other Properties | -- | 32 | 32 |
| Total Rents | <u>1,761</u> | <u>947</u> | <u>(814)</u> |
| Contributions from Private Sources: | | | |
| Developers' Premium | -- | 42 | 42 |
| Unclaimed Monies: | | | |
| Police Department | 19 | 14 | (5) |
| Other Escheats | 100 | 39 | (61) |
| Total Contributions from Private Sources | <u>119</u> | <u>95</u> | <u>(24)</u> |
| Other: | | | |
| Towing Service Premiums | 120 | 120 | -- |
| Vacation Accumulation Deposits | 38 | 332 | 294 |
| Miscellaneous Sales | 1,358 | 497 | (861) |
| Sundry Refunds | 979 | 4,310 | 3,331 |
| Sundry Realizations | 34 | 83 | 49 |
| Total Other | <u>2,529</u> | <u>5,342</u> | <u>2,813</u> |
| Total Other Miscellaneous | <u>4,409</u> | <u>6,384</u> | <u>1,975</u> |
| TOTAL MISCELLANEOUS | <u>65,389</u> | <u>62,022</u> | <u>(3,367)</u> |
| TOTAL REVENUES | <u>1,346,918</u> | <u>1,366,260</u> | <u>19,342</u> |

CITY AND COUNTY OF HONOLULU
GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | 904 | -- | (904) |
| TOTAL SALES OF CAPITAL ASSETS | 904 | -- | (904) |
| TRANSFERS FROM OTHER FUNDS: | | | |
| Recovery of Central Administrative Service Expenses: | | | |
| Highway Fund | 12,656 | 12,656 | -- |
| Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund | 356 | 356 | -- |
| Bikeway Fund | 86 | 86 | -- |
| Sewer Fund | 17,663 | 17,663 | -- |
| Liquor Commission Fund | 318 | 318 | -- |
| Hanauma Bay Nature Preserve Fund | 378 | 378 | -- |
| Golf Fund | 836 | -- | (836) |
| Special Events Fund | 660 | 660 | -- |
| Honolulu Zoo Fund | 690 | 690 | -- |
| Patsy T. Mink Central Oahu Regional Park Fund | 11 | 11 | -- |
| Waipio Peninsula Soccer Park Fund | 4 | 4 | -- |
| Solid Waste Special Fund | 11,944 | 11,944 | -- |
| Housing Development Special Fund | 282 | 282 | -- |
| Recovery of Debt Service Charges: | | | |
| Highway Fund | 107,729 | 104,772 | (2,957) |
| Hanauma Bay Nature Preserve Fund | 1,674 | 1,631 | (43) |
| Golf Fund | 1,848 | 950 | (898) |
| Special Events Fund | 2,451 | 2,451 | -- |
| Honolulu Zoo Fund | 3,285 | 3,285 | -- |
| Other Transfers: | | | |
| Sewer Fund | 507 | 507 | -- |
| Solid Waste Special Fund | 263 | 263 | -- |
| TOTAL TRANSFERS FROM OTHER FUNDS ... | 163,641 | 158,907 | (4,734) |
| TOTAL OTHER FINANCING SOURCES | 164,545 | 158,907 | (5,638) |
| TOTAL GENERAL FUND | \$ 1,511,463 | \$ 1,525,167 | \$ 13,704 |

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 26,944 | \$ 41,607 |
| Receivables: | | |
| Public Utilities | 23,840 | 20,918 |
| Intergovernmental | 4,472 | 4,422 |
| Payroll advance | 732 | 800 |
| Other receivables | 42 | -- |
| | <u>56,030</u> | <u>67,747</u> |
| Total Assets | <u>\$ 56,030</u> | <u>\$ 67,747</u> |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 1,860 | \$ 1,831 |
| Due to other fund: | | |
| General Fund | 347 | -- |
| Accrued payroll | 1,887 | 1,939 |
| | <u>4,094</u> | <u>3,770</u> |
| Total Liabilities | <u>4,094</u> | <u>3,770</u> |
| Deferred Inflow: | | |
| Deferred inflow | 23,840 | 20,918 |
| | <u>23,840</u> | <u>20,918</u> |
| Total Deferred Inflow | <u>23,840</u> | <u>20,918</u> |
| Fund Balance: | | |
| Restricted | 28,096 | 43,059 |
| | <u>28,096</u> | <u>43,059</u> |
| Total Fund Balance | <u>28,096</u> | <u>43,059</u> |
| Total Liabilities, Deferred Inflow and Fund Balance | <u>\$ 56,030</u> | <u>\$ 67,747</u> |

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|-----------|-----------|
| Revenues: | | |
| Taxes | \$ 94,075 | \$ 90,892 |
| Licenses and permits | 153,112 | 133,146 |
| Charges for services | 4,771 | 5,021 |
| Fines and forfeits | 14 | 5 |
| Miscellaneous: | | |
| Reimbursements and recoveries | 2,924 | 2,849 |
| Interest | -- | 2 |
| Other | 2,692 | 2,982 |
| Total Revenues | 257,588 | 234,897 |
| Expenditures: | | |
| Current: | | |
| General government | 23,007 | 19,405 |
| Public safety | 33,259 | 36,619 |
| Highways and streets | 19,158 | 23,324 |
| Utilities or other enterprises | 2,347 | 2,598 |
| Miscellaneous: | | |
| Retirement and health benefits | 34,438 | 31,188 |
| Other | 2,594 | 2,070 |
| Capital improvements: | | |
| General government | 8 | -- |
| Public safety | 12 | -- |
| Highways and streets | 556 | 1,461 |
| Utilities or other enterprises | -- | 188 |
| Total Expenditures | 115,379 | 116,853 |
| Revenues over Expenditures | 142,209 | 118,044 |
| Other Financing Sources (Uses): | | |
| Sales of capital assets | 493 | 297 |
| Transfers out | (157,665) | (134,427) |
| Total Other Financing Sources (Uses) | (157,172) | (134,130) |
| Revenues and Other Sources under Expenditures and Other Uses | (14,963) | (16,086) |
| Fund Balance - July 1 | 43,059 | 59,145 |
| Fund Balance - June 30 | \$ 28,096 | \$ 43,059 |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|---------------------------------|--|
| Revenues: | | | | |
| Taxes | \$ 93,795 | \$ 93,795 | \$ 94,075 | \$ 280 |
| Licenses and permits | 143,741 | 143,741 | 153,112 | 9,371 |
| Charges for services | 9,867 | 9,867 | 4,771 | (5,096) |
| Fines and forfeits | -- | -- | 14 | 14 |
| Miscellaneous: | | | | |
| Reimbursements and recoveries | 2,877 | 2,877 | 2,924 | 47 |
| Other | 2,235 | 2,235 | 2,692 | 457 |
| Total Revenues | 252,515 | 252,515 | 257,588 | 5,073 |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Design and Construction | 5,569 | 6,070 | 5,663 | 407 |
| Facility Maintenance | 13,746 | 13,960 | 13,576 | 384 |
| Planning and Permitting | 2,667 | 2,844 | 2,614 | 230 |
| Total General government | 21,982 | 22,874 | 21,853 | 1,021 |
| Public safety: | | | | |
| Police | 26,825 | 27,205 | 27,150 | 55 |
| Transportation Services | 5,929 | 6,070 | 5,748 | 322 |
| Total Public safety | 32,754 | 33,275 | 32,898 | 377 |
| Highways and streets: | | | | |
| Facility Maintenance | 21,267 | 22,675 | 22,027 | 648 |
| Utilities or other enterprises: | | | | |
| Transportation Services | 2,526 | 2,715 | 2,227 | 488 |
| Miscellaneous: | | | | |
| Retirement and health benefits: | | | | |
| Provisional | 35,749 | 35,749 | 34,438 | 1,311 |
| Other: | | | | |
| Provisional | 7,871 | 4,861 | 2,594 | 2,267 |
| Total Miscellaneous | 43,620 | 40,610 | 37,032 | 3,578 |
| Total Expenditures | 122,149 | 122,149 | 116,037 | 6,112 |
| Revenues over Expenditures | 130,366 | 130,366 | 141,551 | 11,185 |

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, 2018
 (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 | 209 | 209 | 493 | 284 |
| Transfers out: | | | | |
| Debt service | (107,729) | (107,729) | (104,772) | 2,957 |
| Reimbursement for central administrative service expenses | (12,656) | (12,656) | (12,656) | -- |
| Bus subsidy | (40,237) | (40,237) | (40,237) | -- |
| Total Transfers out..... | (160,622) | (160,622) | (157,665) | 2,957 |
| Total Other Financing Source (Uses) | (160,413) | (160,413) | (157,172) | 3,241 |
| Revenues and Other Source under Expenditures and Other Uses | (30,047) | (30,047) | (15,621) | 14,426 |
| Unreserved - Undesignated Fund Balance - July 1 | 30,047 | 30,047 | 29,922 | (125) |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis)..... | \$ -- | \$ -- | 14,301 | \$ 14,301 |
| Adjustments to conform with generally accepted accounting principles: | | | | |
| Encumbrances included above | | | 6,950 | |
| Expenditures - prior year encumbrances | | | (6,292) | |
| Decrease in reserved for encumbrances | | | 515 | |
| Unreserved - Undesignated Fund Balance - June 30 | | | 15,474 | |
| Reserved for Encumbrances - June 30 | | | 12,622 | |
| Fund Balance - June 30 (GAAP Basis) | | | \$ 28,096 | |

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 1 of 2)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|--|--|----------------|---|
| <u>TAXES</u> | | | |
| GROSS RECEIPTS BUSINESS TAXES: | | | |
| Public Utility Franchise Tax | \$ 42,525 | \$ 42,285 | \$ (240) |
| SELECTIVE SALES AND USE TAXES: | | | |
| Fuel Tax | <u>51,270</u> | <u>51,790</u> | <u>520</u> |
| TOTAL TAXES | <u>93,795</u> | <u>94,075</u> | <u>280</u> |
| <u>LICENSES AND PERMITS</u> | | | |
| NON-BUSINESS LICENSES AND PERMITS: | | | |
| Building Structures and Equipment Permits - | | | |
| Grading, Excavations and Fills | 270 | 477 | 207 |
| Other Permits | 468 | 17 | (451) |
| Motor Vehicle Licenses and Fees - | | | |
| Motor Vehicle Weight Tax | 137,890 | 147,351 | 9,461 |
| Other Vehicle Licenses and Fees | 4,541 | 4,712 | 171 |
| Street and Sidewalk Use | 24 | 14 | (10) |
| Freight Curb and Passenger Loading Zone Permits | 268 | 273 | 5 |
| Excavation and Repair of Streets and Sidewalks | <u>280</u> | <u>268</u> | <u>(12)</u> |
| TOTAL LICENSES AND PERMITS | <u>143,741</u> | <u>153,112</u> | <u>9,371</u> |
| <u>CHARGES FOR SERVICES</u> | | | |
| GENERAL GOVERNMENT: | | | |
| Sidewalk and Driveway Specifications Filing Fees | 28 | 53 | 25 |
| HIGHWAYS AND STREETS: | | | |
| Street and Sidewalk Charges | 74 | 21 | (53) |
| Disabled Persons Parking | 8 | 3 | (5) |
| Street Parking Meter Collections | 8,709 | 3,635 | (5,074) |
| Other Parking Meter Collections | 998 | 1,016 | 18 |
| Other | <u>50</u> | <u>43</u> | <u>(7)</u> |
| Total Highways and Streets | <u>9,839</u> | <u>4,718</u> | <u>(5,121)</u> |
| TOTAL CHARGES FOR SERVICES | <u>9,867</u> | <u>4,771</u> | <u>(5,096)</u> |
| <u>FINES AND FORFEITS</u> | | | |
| FINES: | | | |
| Fines | <u>--</u> | <u>14</u> | <u>14</u> |
| TOTAL FINES AND FORFEITS | <u>--</u> | <u>14</u> | <u>14</u> |

CITY AND COUNTY OF HONOLULU
HIGHWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 2 of 2)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|-------------------|---|
| MISCELLANEOUS | | | |
| REIMBURSEMENTS AND RECOVERIES: | | | |
| Reimbursement from State for | | | |
| Traffic Signal Maintenance | 500 | 710 | 210 |
| Recovery of Overhead Charges | 8 | 2 | (6) |
| Recovery - Federal Interest Subsidy | <u>2,369</u> | <u>2,212</u> | <u>(157)</u> |
| Total Reimbursements and Recoveries | <u>2,877</u> | <u>2,924</u> | <u>47</u> |
| OTHER MISCELLANEOUS: | | | |
| Rents: | | | |
| Rental for Use of Land | <u>104</u> | <u>239</u> | <u>135</u> |
| Total Rents | <u>104</u> | <u>239</u> | <u>135</u> |
| Concessions: | | | |
| Kekaulike Parking Lot | -- | 5 | 5 |
| Marin Towers Garage | 223 | 410 | 187 |
| Harbor Court Garage | 508 | 438 | (70) |
| Kaimuki Parking Lot | 540 | 585 | 45 |
| Kukui Plaza Garage | 301 | 246 | (55) |
| Smith-Beretania Garage | <u>324</u> | <u>285</u> | <u>(39)</u> |
| Total Concessions | <u>1,896</u> | <u>1,969</u> | <u>73</u> |
| Other: | | | |
| Vacation Accumulation Deposits | 9 | 29 | 20 |
| Miscellaneous Sales | 1 | 3 | 2 |
| Sundry Refunds | <u>225</u> | <u>452</u> | <u>227</u> |
| Total Other | <u>235</u> | <u>484</u> | <u>249</u> |
| Total Other Miscellaneous | <u>2,235</u> | <u>2,692</u> | <u>457</u> |
| TOTAL MISCELLANEOUS | <u>5,112</u> | <u>5,616</u> | <u>504</u> |
| TOTAL REVENUES | <u>252,515</u> | <u>257,588</u> | <u>5,073</u> |
| OTHER FINANCING SOURCES | | | |
| SALES OF CAPITAL ASSETS: | | | |
| Compensation for Loss of Capital Assets | <u>209</u> | <u>493</u> | <u>284</u> |
| TOTAL OTHER FINANCING SOURCES | <u>209</u> | <u>493</u> | <u>284</u> |
| TOTAL HIGHWAY FUND | <u>\$ 252,724</u> | <u>\$ 258,081</u> | <u>\$ 5,357</u> |

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

BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|-----------|-----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 11,217 | \$ 11,756 |
| Receivable: | | |
| Payroll advance | 19 | 19 |
| Total Assets | \$ 11,236 | \$ 11,775 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 134 | \$ -- |
| Due to other fund: | | |
| General Fund | 4 | -- |
| Accrued payroll | 76 | 77 |
| Total Liabilities | 214 | 77 |
| Fund Balance: | | |
| Restricted | 11,022 | 11,698 |
| Total Fund Balance | 11,022 | 11,698 |
| Total Liabilities and Fund Balance | \$ 11,236 | \$ 11,775 |

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, 2018
(Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 4,636 | \$ 4,726 | \$ 90 |
| Miscellaneous: | | | |
| Other | -- | 1 | 1 |
| Total Revenues | <u>4,636</u> | <u>4,727</u> | <u>91</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Customer Services | 2,851 | 2,643 | 208 |
| Highways and streets: | | | |
| Facility Maintenance | 2,073 | 1,027 | 1,046 |
| Culture-recreation: | | | |
| Parks and Recreation | 610 | 610 | -- |
| Miscellaneous: | | | |
| Retirement and health benefits: | | | |
| Provisional | 1,514 | 1,410 | 104 |
| Other: | | | |
| Provisional | 66 | -- | 66 |
| Total Miscellaneous | <u>1,580</u> | <u>1,410</u> | <u>170</u> |
| Total Expenditures | <u>7,114</u> | <u>5,690</u> | <u>1,424</u> |
| Revenues under Expenditures | (2,478) | (963) | 1,515 |
| Other Financing Use: | | | |
| Transfer out: | | | |
| Reimbursement for central administrative service expenses | <u>(356)</u> | <u>(356)</u> | <u>--</u> |
| Revenues under Expenditures and Other Use | (2,834) | (1,319) | 1,515 |
| Unreserved - Undesignated Fund Balance - July 1 | <u>9,120</u> | <u>10,304</u> | <u>1,184</u> |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | <u>\$ 6,286</u> | <u>8,985</u> | <u>\$ 2,699</u> |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 1,278 | |
| Expenditures - prior year encumbrances | | (635) | |
| Increase in reserved for encumbrances | | <u>(641)</u> | |
| Unreserved - Undesignated Fund Balance - June 30 | | 8,987 | |
| Reserved for Encumbrances - June 30 | | <u>2,035</u> | |
| Fund Balance - June 30 (GAAP Basis) | | <u>\$ 11,022</u> | |

CITY AND COUNTY OF HONOLULU
**HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED
VEHICLES REVOLVING FUND**
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 | \$ 4,636 | \$ 4,726 | \$ 90 |
| MISCELLANEOUS | | | |
| OTHER MISCELLANEOUS: | | | |
| Other: | | | |
| Vacation Accumulation Deposits | -- | 1 | 1 |
| | | | |
| TOTAL HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND REVENUES | <u>\$ 4,636</u> | <u>\$ 4,727</u> | <u>\$ 91</u> |

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|----------|--------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 1,045 | \$ 383 |
| Receivable: | | |
| Payroll advance | 8 | 8 |
| Total Assets | \$ 1,053 | \$ 391 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 31 | \$ -- |
| Accrued payroll | 11 | 9 |
| Due to other fund: | | |
| Parks and Playground Fund | -- | 25 |
| Total Liabilities | 42 | 34 |
| Fund Balance: | | |
| Restricted | 1,011 | 357 |
| Total Fund Balance | 1,011 | 357 |
| Total Liabilities and Fund Balance | \$ 1,053 | \$ 391 |

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, 2018
(Amounts in thousands)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|---------------------------------|--|
| Revenue: | | | | |
| Licenses and permits | \$ 558 | \$ 558 | \$ 422 | \$ (136) |
| Total Revenue | <u>558</u> | <u>558</u> | <u>422</u> | <u>(136)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Facility Maintenance | 19 | 19 | 19 | -- |
| Public safety: | | | | |
| Transportation Services | 646 | 649 | 577 | 72 |
| Highways and streets: | | | | |
| Facility Maintenance | 16 | 16 | 13 | 3 |
| Miscellaneous: | | | | |
| Retirement and health benefits: | | | | |
| Provisional | 120 | 117 | 103 | 14 |
| Capital Improvements: | | | | |
| Transportation Services | 920 | 920 | 920 | -- |
| Total Expenditures | <u>1,721</u> | <u>1,721</u> | <u>1,632</u> | <u>89</u> |
| Revenue under Expenditures | <u>(1,163)</u> | <u>(1,163)</u> | <u>(1,210)</u> | <u>(47)</u> |
| Other Financing Source (Use): | | | | |
| Transfer in | 1,169 | 1,169 | 1,169 | -- |
| Transfer out: | | | | |
| Reimbursement for central administrative service expenses | (86) | (86) | (86) | -- |
| Total Other Financing Source (Use) | <u>1,083</u> | <u>1,083</u> | <u>1,083</u> | <u>--</u> |
| Revenue and Other Source under Expenditures and Other Use | (80) | (80) | (127) | (47) |
| Unreserved - Undesignated Fund Balance - July 1 | 80 | 80 | 103 | 23 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | <u>\$ --</u> | <u>\$ --</u> | (24) | <u>\$ (24)</u> |
| Adjustments to conform with generally accepted accepted accounting principles: | | | | |
| Encumbrances included above | | | 941 | |
| Expenditures - prior year encumbrances | | | (160) | |
| Decrease in reserved for encumbrances | | | <u>181</u> | |
| Unreserved - Undesignated Fund Balance - June 30 | | | 938 | |
| Reserved for Encumbrances - June 30 | | | <u>73</u> | |
| Fund Balance - June 30 (GAAP Basis) | | | <u>\$ 1,011</u> | |

CITY AND COUNTY OF HONOLULU
BIKEWAY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| <u>Source of Revenue</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|-----------------|---|
| LICENSES AND PERMITS | | | |
| NON-BUSINESS LICENSES AND PERMITS: | | | |
| Other Vehicle Licenses and Fees - | | | |
| Bicycle Licenses | \$ 461 | \$ 335 | \$ (126) |
| Moped Annual License Fee | 97 | 87 | (10) |
| | <hr/> | <hr/> | <hr/> |
| TOTAL REVENUE | 558 | 422 | (136) |
| OTHER FINANCING SOURCES | | | |
| TRANSFER FROM OTHER FUNDS: | | | |
| Other Transfer - | | | |
| General Fund | 1,169 | 1,169 | -- |
| | <hr/> | <hr/> | <hr/> |
| TOTAL OTHER FINANCING SOURCE | 1,169 | 1,169 | -- |
| | <hr/> | <hr/> | <hr/> |
| TOTAL BIKEWAY FUND | <u>\$ 1,727</u> | <u>\$ 1,591</u> | <u>\$ (136)</u> |

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|----------|----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 5,087 | \$ 4,209 |
| Due from other funds: | | |
| Bikeway Fund | -- | 25 |
| Capital Projects Fund | -- | 185 |
| | \$ 5,087 | \$ 4,419 |
| <u>LIABILITY AND FUND BALANCE</u> | | |
| Liability: | | |
| Accounts payable | \$ 368 | \$ 372 |
| | 368 | 372 |
| Fund Balance: | | |
| Committed | 4,719 | 4,047 |
| | 4,719 | 4,047 |
| | \$ 5,087 | \$ 4,419 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenue: | | | |
| Miscellaneous: | | | |
| Other | \$ -- | \$ 1,566 | \$ 1,566 |
| Total Revenue | -- | 1,566 | 1,566 |
| Expenditure: | | | |
| Capital improvements: | | | |
| Design and Construction | 891 | 891 | -- |
| Total Expenditure | 891 | 891 | -- |
| Revenue over (under) Expenditure | (891) | 675 | 1,566 |
| Unreserved - Undesignated Fund Balance - July 1..... | 1,685 | 2,801 | 1,116 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 794 | 3,476 | \$ 2,682 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 891 | |
| Expenditures - prior year encumbrances | | (894) | |
| Decrease in reserved for encumbrances | | 417 | |
| Unreserved - Undesignated Fund Balance - June 30 | | 3,890 | |
| Reserved for Encumbrances - June 30 | | 829 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 4,719 | |

CITY AND COUNTY OF HONOLULU
PARKS AND PLAYGROUNDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| <u>Sources 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> | | | |
| Contributions from Private Sources: | | | |
| Subdividers' Contributions for | | | |
| Parks and Playgrounds | \$ -- | \$ 1,566 | \$ 1,566 |
| TOTAL REVENUE | -- | 1,566 | 1,566 |
| TOTAL PARKS AND PLAYGROUNDS FUND | <u>\$ --</u> | <u>\$ 1,566</u> | <u>\$ 1,566</u> |

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--|----------|----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 2,429 | \$ 2,205 |
| Receivable: | | |
| Payroll advance | 25 | 25 |
| Total Assets | \$ 2,454 | \$ 2,230 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 49 | \$ 12 |
| Accrued payroll | 103 | 97 |
| Due to other fund: | | |
| General Fund | 4 | -- |
| Total Liabilities | 156 | 109 |
| Fund Balance: | | |
| Restricted | 2,298 | 2,121 |
| Total Fund Balance | 2,298 | 2,121 |
| Total Liabilities and Fund Balance | \$ 2,454 | \$ 2,230 |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Licenses and permits | \$ 5,051 | \$ 5,461 | \$ 410 |
| Charges for services | 127 | 139 | 12 |
| Fines and forfeits | 100 | 192 | 92 |
| Miscellaneous: | | | |
| Other | -- | 4 | 4 |
| Total Revenues | 5,278 | 5,796 | 518 |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Budget and Fiscal Services | 4,260 | 3,283 | 977 |
| Corporation Counsel | 180 | 180 | -- |
| Information Technology | 65 | 65 | -- |
| Total General government | 4,505 | 3,528 | 977 |
| Miscellaneous: | | | |
| Retirement and health benefits: | | | |
| Provisional | 1,750 | 1,673 | 77 |
| Other: | | | |
| Provisional | 95 | 24 | 71 |
| Total Miscellaneous | 1,845 | 1,697 | 148 |
| Total Expenditures | 6,350 | 5,225 | 1,125 |
| Revenues over (under) Expenditures | (1,072) | 571 | 1,643 |
| Other Financing Use: | | | |
| Transfers out: | | | |
| Reimbursement for central administrative service expenses | (318) | (318) | -- |
| Revenues over (under) Expenditures and Other Use .. | (1,390) | 253 | 1,643 |
| Unreserved - Undesignated Fund Balance - July 1 | 1,390 | 1,932 | 542 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ -- | 2,185 | \$ 2,185 |

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, 2018
 (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 | | 70 | |
| Expenditures - prior year encumbrances | | (146) | |
| Decrease in reserved for encumbrances | | 104 | |
| Unreserved - Undesignated Fund | | | |
| Balance - June 30 | | 2,213 | |
| Reserved for Encumbrances - June 30 | | 85 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 2,298 | |

CITY AND COUNTY OF HONOLULU
LIQUOR COMMISSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 5,051 | \$ 5,461 | \$ 410 |
| CHARGES FOR SERVICES | | | |
| GENERAL GOVERNMENT: | | | |
| Charges for Publications, Reports, Copies, etc. | 3 | 3 | -- |
| Fees: | | | |
| Charge for Photo I.D. | 118 | 123 | 5 |
| Other | <u>6</u> | <u>7</u> | <u>1</u> |
| Total General Government | <u>127</u> | <u>133</u> | <u>6</u> |
| HIGHWAYS AND STREETS: | | | |
| Parking: | | | |
| City Employees | <u>--</u> | <u>6</u> | <u>6</u> |
| TOTAL CHARGES FOR SERVICES | <u>127</u> | <u>139</u> | <u>12</u> |
| FINES AND FORFEITS | | | |
| FINES: | | | |
| Fines - Liquor Commission | 100 | 192 | 92 |
| MISCELLANEOUS | | | |
| OTHER MISCELLANEOUS: | | | |
| Other: | | | |
| Vacation Accumulation Deposits | <u>--</u> | <u>4</u> | <u>4</u> |
| TOTAL MISCELLANEOUS | <u>--</u> | <u>4</u> | <u>4</u> |
| TOTAL LIQUOR COMMISSION FUND REVENUES | <u>\$ 5,278</u> | <u>\$ 5,796</u> | <u>\$ 518</u> |

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|----------|----------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 1,782 | \$ 1,661 |
| Total Asset | \$ 1,782 | \$ 1,661 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Committed | \$ 1,782 | \$ 1,661 |
| Total Fund Balance | \$ 1,782 | \$ 1,661 |

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, 2018
 (Amounts in thousands)

| | <u>Original and Final Budget</u> | <u>Actual on Budgetary Basis</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|--|---|
| Revenue: | | | |
| Miscellaneous: | | | |
| Other | \$ 233 | \$ 233 | \$ -- |
| Total Revenue | <u>233</u> | <u>233</u> | <u>--</u> |
| Expenditure: | | | |
| Current: | | | |
| Human services: | | | |
| Community Services | 233 | 125 | 108 |
| Total Expenditure | <u>233</u> | <u>125</u> | <u>108</u> |
| Revenue over Expenditure | -- | 108 | 108 |
| Unreserved - Undesignated Fund Balance - July 1 | <u>1,565</u> | <u>1,661</u> | <u>96</u> |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | <u>\$ 1,565</u> | 1,769 | <u>\$ 204</u> |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 13 | |
| Expenditures - prior year encumbrances | | -- | |
| Increase in reserved for encumbrances | | <u>(13)</u> | |
| Unreserved - Undesignated Fund Balance - June 30 | | 1,769 | |
| Reserved for Encumbrances - June 30 | | <u>13</u> | |
| Fund Balance - June 30 (GAAP Basis) | | <u>\$ 1,782</u> | |

CITY AND COUNTY OF HONOLULU
RENTAL ASSISTANCE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 233 | \$ -- |
| TOTAL RENTAL ASSISTANCE FUND | <u>\$ 233</u> | <u>\$ 233</u> | <u>\$ --</u> |

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|-------------|-------------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ -- | \$ 2 |
| Total Asset | \$ -- | \$ 2 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Committed | \$ -- | \$ 2 |
| Total Fund Balance | \$ -- | \$ 2 |

CITY AND COUNTY OF HONOLULU
ZOO ANIMAL PURCHASE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Other Financing Use: | | | |
| Transfer Out | (2) | (2) | -- |
| Unreserved - Undesignated Fund Balance - July 1 | 2 | 2 | -- |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ -- | -- | \$ -- |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | -- | |
| Expenditures - prior year encumbrances | | -- | |
| Increase in reserved for encumbrances | | -- | |
| Unreserved - Undesignated Fund Balance - June 30 | | -- | |
| Reserved for Encumbrances - June 30 | | -- | |
| Fund Balance - June 30 (GAAP Basis) | | \$ -- | |

CITY AND COUNTY OF HONOLULU
GRANTS IN AID FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|----------|----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 7,709 | \$ 6,858 |
| Due from other fund: | | |
| General Fund | 1 | -- |
| Total Assets | \$ 7,710 | \$ 6,858 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 511 | \$ 590 |
| Accrued payroll | 2 | -- |
| Due to other fund: | | |
| General Fund | -- | 5 |
| Total Liabilities | 513 | 595 |
| Fund Balance: | | |
| Committed | 7,197 | 6,263 |
| Total Fund Balance | 7,197 | 6,263 |
| Total Liabilities and Fund Balance | \$ 7,710 | \$ 6,858 |

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, 2018
(Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenue: | | | |
| Miscellaneous: | | | |
| Interest | \$ -- | \$ 60 | \$ 60 |
| Total Revenue | -- | 60 | 60 |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Budget and Fiscal Services | 96 | 52 | 44 |
| Human services: | | | |
| Community Services | 7,822 | 7,551 | 271 |
| Total Expenditures | 7,918 | 7,603 | 315 |
| Revenue under Expenditures | (7,918) | (7,543) | 375 |
| Other Financing Source: | | | |
| Transfer in | 7,365 | 7,365 | -- |
| Revenue and Other Source under Expenditures | (553) | (178) | 375 |
| Unreserved - Undesignated Fund Balance - July 1 | 559 | 946 | 387 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 6 | 768 | \$ 762 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 3,979 | |
| Expenditures - prior year encumbrances | | (2,867) | |
| Increase in reserved for encumbrances | | (326) | |
| Unreserved - Undesignated Fund Balance - June 30 | | 1,554 | |
| Reserved for Encumbrances - June 30 | | 5,643 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 7,197 | |

CITY AND COUNTY OF HONOLULU
GRANTS IN AID FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ -- | \$ 60 | \$ 60 |
| TOTAL REVENUE | <u> --</u> | <u> 60</u> | <u> 60</u> |
| <u>OTHER FINANCING SOURCE</u> | | | |
| <u>TRANSFER FROM OTHER FUND:</u> | | | |
| Other Transfer - | | | |
| General Fund | <u> 7,365</u> | <u> 7,365</u> | <u> --</u> |
| TOTAL OTHER FINANCING SOURCE | <u> 7,365</u> | <u> 7,365</u> | <u> --</u> |
| TOTAL GRANTS IN AID FUND | <u> \$ 7,365</u> | <u> \$ 7,425</u> | <u> \$ 60</u> |

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--|----------|----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 6,721 | \$ 6,768 |
| Receivables: | | |
| Payroll advance | 21 | 23 |
| | \$ 6,742 | \$ 6,791 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 269 | \$ 85 |
| Accrued payroll | 51 | 49 |
| | 320 | 134 |
| Fund Balance: | | |
| Committed | 6,422 | 6,657 |
| | 6,422 | 6,657 |
| | \$ 6,742 | \$ 6,791 |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 4,541 | \$ 5,158 | \$ 617 |
| Miscellaneous: | | | |
| Interest | 28 | 65 | 37 |
| Other | 2,433 | 2,584 | 151 |
| Total Revenues | 7,002 | 7,807 | 805 |
| Expenditures: | | | |
| Current: | | | |
| Public safety: | | | |
| Emergency Services | 1,166 | 504 | 662 |
| Culture-recreation: | | | |
| Enterprise Services | 5 | 1 | 4 |
| Parks and Recreation | 3,289 | 2,534 | 755 |
| Total Culture-recreation | 3,294 | 2,535 | 759 |
| Miscellaneous: | | | |
| Retirement and health benefits: | | | |
| Provisional | 1,237 | 893 | 344 |
| Other: | | | |
| Provisional | 195 | -- | 195 |
| Total Miscellaneous | 1,432 | 893 | 539 |
| Total Expenditures | 5,892 | 3,932 | 1,960 |
| Revenues over Expenditures | 1,110 | 3,875 | 2,765 |
| Other Financing Uses: | | | |
| Transfers out: | | | |
| Debt service | (1,674) | (1,631) | 43 |
| Reimbursement for central administrative service expenses | (378) | (378) | -- |
| Total Other Financing Uses | (2,052) | (2,009) | 43 |
| Revenues over (under) Expenditures and Other Uses | (942) | 1,866 | 2,808 |
| Unreserved - Undesignated Fund Balance - July 1 | 942 | 3,668 | 2,726 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ -- | 5,534 | \$ 5,534 |

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, 2018
 (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 | | 165 | |
| Expenditures - prior year encumbrances | | (2,266) | |
| Decrease in reserved for encumbrances | | 1,996 | |
| Unreserved - Undesignated Fund | | | |
| Balance - June 30 | | 5,429 | |
| Reserved for Encumbrances - June 30 | | 993 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 6,422 | |

CITY AND COUNTY OF HONOLULU
HANAUMA BAY NATURE PRESERVE FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 194 | \$ 195 | \$ 1 |
| CULTURE-RECREATION: | | | |
| Miscellaneous: | | | |
| Hanauma Bay Admission Fee | <u>4,347</u> | <u>4,963</u> | <u>616</u> |
| TOTAL CHARGES FOR SERVICES | <u>4,541</u> | <u>5,158</u> | <u>617</u> |
| <u>MISCELLANEOUS</u> | | | |
| INTEREST: | | | |
| Interest Earnings: | | | |
| Investments | 28 | 65 | 37 |
| OTHER MISCELLANEOUS: | | | |
| Rents: | | | |
| Perquisite Housing | 7 | 9 | 2 |
| Concessions: | | | |
| Parks and Recreation Facilities: | | | |
| Hanauma Gift Shop Concession | 230 | 263 | 33 |
| Hanauma Beach Park Concession | 250 | 381 | 131 |
| Hanauma Shuttle Bus Service | 74 | 48 | (26) |
| Hanauma Snorkeling Rental | <u>1,872</u> | <u>1,883</u> | <u>11</u> |
| Total Other Miscellaneous | <u>2,433</u> | <u>2,584</u> | <u>151</u> |
| TOTAL MISCELLANEOUS | <u>2,461</u> | <u>2,649</u> | <u>188</u> |
| TOTAL HANAUMA BAY NATURE PRESERVE FUND | <u>\$ 7,002</u> | <u>\$ 7,807</u> | <u>\$ 805</u> |

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|------------|------------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 111,615 | \$ 103,642 |
| Total Asset | \$ 111,615 | \$ 103,642 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Committed | \$ 111,615 | \$ 103,642 |
| Total Fund Balance | \$ 111,615 | \$ 103,642 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Licenses and permits | \$ 67 | \$ -- | \$ (67) |
| Miscellaneous: | | | |
| Interest | 440 | 973 | 533 |
| Total Revenues | 507 | 973 | 466 |
| Other Financing Sources: | | | |
| Sales of capital assets | 214 | -- | (214) |
| Transfer in | 7,000 | 7,000 | -- |
| Total Other Financing Sources | 7,214 | 7,000 | (214) |
| Revenues and Other Sources | 7,721 | 7,973 | 252 |
| Unreserved - Undesignated Fund Balance - July 1 | 103,087 | 103,642 | 555 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 110,808 | 111,615 | \$ 807 |
| 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 | | 111,615 | |
| Reserved for Encumbrances - June 30 | | -- | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 111,615 | |

CITY AND COUNTY OF HONOLULU
RESERVE FOR FISCAL STABILITY FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 67 | \$ -- | \$ (67) |
| <u>MISCELLANEOUS</u> | | | |
| <u>INTEREST:</u> | | | |
| Interest Earnings: | | | |
| Investments | <u>440</u> | <u>973</u> | <u>533</u> |
| TOTAL REVENUES | <u>507</u> | <u>973</u> | <u>466</u> |
| <u>OTHER FINANCING SOURCES</u> | | | |
| <u>SALES OF CAPITAL ASSETS:</u> | | | |
| Sale of Capital Assets | <u>214</u> | <u>--</u> | <u>(214)</u> |
| <u>TRANSFER FROM OTHER FUND:</u> | | | |
| Other Transfer - | | | |
| General Fund | <u>7,000</u> | <u>7,000</u> | <u>--</u> |
| TOTAL OTHER FINANCING SOURCES | <u>7,214</u> | <u>7,000</u> | <u>(214)</u> |
| TOTAL RESERVE FOR FISCAL STABILITY FUND ... | <u>\$ 7,721</u> | <u>\$ 7,973</u> | <u>\$ 252</u> |

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|-----------|-----------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 23,508 | \$ 17,469 |
| Total Asset | \$ 23,508 | \$ 17,469 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Restricted | \$ 23,508 | \$ 17,469 |
| Total Fund Balance | \$ 23,508 | \$ 17,469 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 5,863 | \$ 5,863 | \$ -- |
| Miscellaneous: | | | |
| Interest | 125 | 176 | 51 |
| Total Revenues | 5,988 | 6,039 | 51 |
| Expenditure: | | | |
| Capital improvements: | | | |
| Design and Construction | 10,533 | 10,533 | -- |
| Total Expenditure | 10,533 | 10,533 | -- |
| Revenues under Expenditure | (4,545) | (4,494) | 51 |
| Unreserved - Undesignated Fund Balance - July 1 | 6,624 | 17,462 | 10,838 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 2,079 | 12,968 | \$ 10,889 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 10,533 | |
| Expenditures - prior year encumbrances | | -- | |
| Increase in reserved for encumbrances | | (4,251) | |
| Unreserved - Undesignated Fund Balance - June 30 | | 19,250 | |
| Reserved for Encumbrances - June 30 | | 4,258 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 23,508 | |

CITY AND COUNTY OF HONOLULU
CLEAN WATER AND NATURAL LANDS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|---------------------|---|
| <u>TAXES</u> | | | |
| <u>GENERAL PROPERTY TAXES:</u> | | | |
| Real Property Tax | \$ 5,863 | \$ 5,863 | \$ -- |
| <u>MISCELLANEOUS</u> | | | |
| <u>INTEREST:</u> | | | |
| Interest Earnings: | | | |
| Investments | <u>125</u> | <u>176</u> | <u>51</u> |
| TOTAL CLEAN WATER AND NATURAL LANDS FUND | <u>\$ 5,988</u> | <u>\$ 6,039</u> | <u>\$ 51</u> |

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|-----------|-----------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 41,939 | \$ 40,329 |
| Total Asset | \$ 41,939 | \$ 40,329 |
| <u>LIABILITY AND FUND BALANCE</u> | | |
| Liability: | | |
| Accounts payable | \$ 3,345 | \$ -- |
| Total Liability..... | 3,345 | -- |
| Fund Balance: | | |
| Restricted | 38,594 | 40,329 |
| Total Fund Balance | 38,594 | 40,329 |
| Total Liability and Fund Balance | \$ 41,939 | \$ 40,329 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 5,863 | \$ 5,863 | \$ -- |
| Miscellaneous: | | | |
| Interest | 156 | 377 | 221 |
| Total Revenues | 6,019 | 6,240 | 221 |
| Expenditure: | | | |
| Capital improvements: | | | |
| Community Services | 5,000 | 5,000 | -- |
| Total Expenditure | 5,000 | 5,000 | -- |
| Revenues over Expenditure | 1,019 | 1,240 | 221 |
| Unreserved - Undesignated Fund Balance - July 1 | 13,026 | 22,667 | 9,641 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 14,045 | 23,907 | \$ 9,862 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 4,700 | |
| Expenditures - prior year encumbrances | | (7,675) | |
| Decrease in reserved for encumbrances | | 10,086 | |
| Unreserved - Undesignated Fund Balance - June 30 | | 31,018 | |
| Reserved for Encumbrances - June 30 | | 7,576 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 38,594 | |

CITY AND COUNTY OF HONOLULU
AFFORDABLE HOUSING FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|---------------------|---|
| <u>TAXES</u> | | | |
| <u>GENERAL PROPERTY TAXES:</u> | | | |
| Real Property Tax | \$ 5,863 | \$ 5,863 | \$ -- |
| <u>MISCELLANEOUS</u> | | | |
| <u>INTEREST:</u> | | | |
| Interest Earnings: | | | |
| Investments | <u>156</u> | <u>377</u> | <u>221</u> |
| TOTAL AFFORDABLE HOUSING FUND | <u>\$ 6,019</u> | <u>\$ 6,240</u> | <u>\$ 221</u> |

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|--------|----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 142 | \$ 249 |
| Receivables: | | |
| Loans | 11 | 11 |
| Intergovernmental | 58 | 28 |
| Payroll advance | 11 | 11 |
| Other receivable | -- | 8,752 |
| Due from other fund: | | |
| Federal Grants Fund | -- | 11 |
| | \$ 222 | \$ 9,062 |
| Total Assets | | |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 51 | \$ 8,796 |
| Due to other funds: | | |
| General Fund | 69 | 173 |
| Federal Grants Fund | 2 | -- |
| Accrued payroll | 43 | 49 |
| | 165 | 9,018 |
| Total Liabilities | | |
| Deferred Inflow: | | |
| Deferred inflow | 11 | 11 |
| | 11 | 11 |
| Total Deferred Inflow | | |
| Fund Balance: | | |
| Restricted | 46 | 33 |
| | 46 | 33 |
| Total Fund Balance | | |
| | \$ 222 | \$ 9,062 |
| Total Liabilities, Deferred Inflow and Fund Balance | | |

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, 2018
 (Amounts in thousands)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|---------------------------------|--|
| Revenues: | | | | |
| Intergovernmental | \$ 7,811 | \$ 15,109 | \$ 20,442 | \$ 5,333 |
| Miscellaneous: | | | | |
| Other | -- | -- | 33 | 33 |
| Total Revenues. | 7,811 | 15,109 | 20,475 | 5,366 |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Budget and Fiscal Services | 735 | 735 | 669 | 66 |
| Human services: | | | | |
| Community Services | 827 | 827 | 523 | 304 |
| Capital improvements: | | | | |
| Community Services | 6,249 | 13,547 | 13,547 | -- |
| Total Expenditures | 7,811 | 15,109 | 14,739 | 370 |
| Revenue over Expenditures | -- | -- | 5,736 | 5,736 |
| Unreserved - Undesignated Fund Balance - July 1 | -- | -- | (10,361) | (10,361) |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ -- | \$ -- | (4,625) | \$ (4,625) |
| Adjustments to conform with generally accepted accounting principles: | | | | |
| Encumbrances included above | | | 2,819 | |
| Expenditures - prior year encumbrances | | | (8,542) | |
| Decrease in reserved for encumbrances | | | 4,481 | |
| Unreserved - Undesignated Fund Balance - June 30 | | | (5,867) | |
| Reserved for Encumbrances - June 30 | | | 5,913 | |
| Fund Balance - June 30 (GAAP Basis) | | | \$ 46 | |

CITY AND COUNTY OF HONOLULU
COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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> | | | | |
| <u>FEDERAL GRANTS:</u> | | | | |
| Community Development Block Grant | \$ 7,811 | \$ 15,109 | \$ 20,442 | \$ 5,333 |
| TOTAL INTERGOVERNMENTAL | <u>7,811</u> | <u>15,109</u> | <u>20,442</u> | <u>5,333</u> |
| <u>MISCELLANEOUS</u> | | | | |
| <u>OTHER MISCELLANEOUS:</u> | | | | |
| Other: | | | | |
| Sundry Refunds | -- | -- | 33 | 33 |
| TOTAL COMMUNITY DEVELOPMENT FUND | <u>\$ 7,811</u> | <u>\$ 15,109</u> | <u>\$ 20,475</u> | <u>\$ 5,366</u> |

CITY AND COUNTY OF HONOLULU
PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|--------|--------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 496 | \$ 421 |
| Total Asset | \$ 496 | \$ 421 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Committed | \$ 496 | \$ 421 |
| Total Fund Balance | \$ 496 | \$ 421 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 195 | \$ 196 | \$ 1 |
| Miscellaneous: | | | |
| Other | 15 | 14 | (1) |
| Total Revenues | 210 | 210 | -- |
| Expenditure: | | | |
| Current: | | | |
| Culture-recreation: | | | |
| Parks and Recreation | 210 | 171 | 39 |
| Revenues over Expenditure | -- | 39 | 39 |
| Other Financing Use: | | | |
| Transfer out: | | | |
| Reimbursement for central administrative service expenses | (11) | (11) | -- |
| Revenues over (under) Expenditure and Other Use ... | (11) | 28 | 39 |
| Unreserved - Undesignated Fund Balance - July 1 | 253 | 311 | 58 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 242 | 339 | \$ 97 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 157 | |
| Expenditures - prior year encumbrances | | (110) | |
| Increase in reserved for encumbrances | | (47) | |
| Unreserved - Undesignated Fund Balance - June 30 | | 339 | |
| Reserved for Encumbrances - June 30 | | 157 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 496 | |

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, 2018
 (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 | \$ 20 | \$ 27 | \$ 7 |
| CULTURE-RECREATION: | | | |
| Fees for Use of Parks | <u>175</u> | <u>169</u> | <u>(6)</u> |
| TOTAL CHARGES FOR SERVICES | <u>195</u> | <u>196</u> | <u>1</u> |
| MISCELLANEOUS | | | |
| OTHER MISCELLANEOUS: | | | |
| Concessions: | | | |
| Parks and Recreation Facilities | <u>15</u> | <u>14</u> | <u>(1)</u> |
| TOTAL PATSY T. MINK CENTRAL OAHU REGIONAL PARK FUND | <u>\$ 210</u> | <u>\$ 210</u> | <u>\$ --</u> |

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|--------|--------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 142 | \$ 179 |
| Total Asset | \$ 142 | \$ 179 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Committed | \$ 142 | \$ 179 |
| Total Fund Balance | \$ 142 | \$ 179 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenue: | | | |
| Charges for services | \$ 87 | \$ 70 | \$ (17) |
| Total Revenue | 87 | 70 | (17) |
| Expenditure: | | | |
| Current: | | | |
| Culture-recreation: | | | |
| Parks and Recreation | 87 | 47 | 40 |
| Revenue over Expenditure | -- | 23 | 23 |
| Other Financing Use: | | | |
| Transfer out: | | | |
| Reimbursement for central administrative service expenses | (4) | (4) | -- |
| Revenue over (under) Expenditure and Other Use | (4) | 19 | 23 |
| Unreserved - Undesignated Fund Balance - July 1 | 89 | 123 | 34 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 85 | 142 | \$ 57 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | -- | |
| Expenditures - prior year encumbrances | | (56) | |
| Decrease in reserved for encumbrances | | 56 | |
| Unreserved - Undesignated Fund Balance - June 30 | | 142 | |
| Reserved for Encumbrances - June 30 | | -- | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 142 | |

CITY AND COUNTY OF HONOLULU
WAIPIO PENINSULA SOCCER PARK FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 87 | \$ 70 | \$ (17) |
| | | | |
| TOTAL WAIPIO PENINSULA SOCCER PARK FUND | <u>\$ 87</u> | <u>\$ 70</u> | <u>\$ (17)</u> |

CITY AND COUNTY OF HONOLULU
HONOLULU ZOO FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|----------|-------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 5,646 | \$ -- |
| Total Asset | \$ 5,646 | \$ -- |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 174 | \$ -- |
| Due to other funds: | | |
| General Fund | 3,284 | -- |
| Special Events Fund | 4 | -- |
| Accrued payroll | 163 | -- |
| Total Liabilities | 3,625 | -- |
| Fund Balance: | | |
| Committed | 2,021 | -- |
| Total Fund Balance | 2,021 | -- |
| Total Liabilities and Fund Balance | \$ 5,646 | \$ -- |

CITY AND COUNTY OF HONOLULU
HONOLULU ZOO FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 5,863 | \$ 5,863 | \$ -- |
| Charges for services | 5,787 | 5,870 | 83 |
| Miscellaneous: | | | |
| Interest | -- | 15 | 15 |
| Other | 250 | 288 | 38 |
| | <u>11,900</u> | <u>12,036</u> | <u>136</u> |
| Expenditures: | | | |
| Current: | | | |
| Culture-recreation: | | | |
| Enterprise Services | 8,540 | 7,851 | 689 |
| Miscellaneous: | | | |
| Retirement and health benefits: | | | |
| Provisional | 2,527 | 2,428 | 99 |
| Other: | | | |
| Provisional | 154 | -- | 154 |
| | <u>2,681</u> | <u>2,428</u> | <u>253</u> |
| | <u>11,221</u> | <u>10,279</u> | <u>942</u> |
| Revenues over Expenditures | 679 | 1,757 | 1,078 |
| Other Finance Source (Uses): | | | |
| Transfer in | 2 | 3,329 | 3,327 |
| Transfers out: | | | |
| Debt service | (3,285) | (3,285) | -- |
| Reimbursement for central administrative service expenses | (690) | (690) | -- |
| | <u>(3,973)</u> | <u>(646)</u> | <u>3,327</u> |
| Revenues and Other Source over (under) Expenditures and Other Uses | (3,294) | 1,111 | 4,405 |
| Unreserved - Undesignated Fund Balance - July 1 | <u>4,799</u> | <u>--</u> | <u>(4,799)</u> |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | <u>\$ 1,505</u> | <u>1,111</u> | <u>\$ (394)</u> |

CITY AND COUNTY OF HONOLULU
HONOLULU ZOO FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | | 910 | |
| Expenditures - prior year encumbrances | | -- | |
| Increase in reserved for encumbrances | | (910) | |
| Unreserved - Undesignated Fund Balance - June 30 | | 1,111 | |
| Reserved for Encumbrances - June 30 | | 910 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 2,021 | |

CITY AND COUNTY OF HONOLULU
HONOLULU ZOO FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Amounts in thousands)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|--------------------------------------|--|------------------|---|
| <u>TAXES</u> | | | |
| <u>GENERAL PROPERTY TAXES:</u> | | | |
| Real Property Tax | \$ 5,863 | \$ 5,863 | \$ -- |
| TOTAL TAXES | <u>5,863</u> | <u>5,863</u> | <u>--</u> |
| <u>CHARGES FOR SERVICES</u> | | | |
| <u>HIGHWAYS AND STREETS</u> | | | |
| Zoo Parking Lot | 985 | 1,159 | 174 |
| <u>CULTURE-RECREATION:</u> | | | |
| Honolulu Zoo | <u>4,802</u> | <u>4,711</u> | <u>(91)</u> |
| TOTAL CHARGES FOR SERVICES | <u>5,787</u> | <u>5,870</u> | <u>83</u> |
| <u>MISCELLANEOUS</u> | | | |
| <u>INTEREST:</u> | | | |
| Interest Earnings: | | | |
| Investments | -- | 15 | 15 |
| <u>OTHER MISCELLANEOUS:</u> | | | |
| Concessions: | | | |
| Food Concession - Honolulu Zoo | 250 | 285 | 35 |
| Other: | | | |
| Sundry Refunds | <u>--</u> | <u>3</u> | <u>3</u> |
| TOTAL MISCELLANEOUS | <u>250</u> | <u>303</u> | <u>53</u> |
| TOTAL REVENUES | <u>11,900</u> | <u>12,036</u> | <u>136</u> |
| <u>OTHER FINANCING SOURCES</u> | | | |
| <u>TRANSFERS FROM OTHER FUNDS:</u> | | | |
| Other Transfers - | | | |
| Special Events Fund | -- | 3,327 | 3,327 |
| Zoo Animal Purchase Fund | <u>2</u> | <u>2</u> | <u>--</u> |
| TOTAL OTHER FINANCING SOURCES | <u>2</u> | <u>3,329</u> | <u>3,327</u> |
| TOTAL HONOLULU ZOO FUND | <u>\$ 11,902</u> | <u>\$ 15,365</u> | <u>\$ 3,463</u> |

CITY AND COUNTY OF HONOLULU
GOLF FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|----------|--------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 1,843 | \$ 751 |
| Receivable: | | |
| Payroll advance | 86 | 90 |
| Total Assets | \$ 1,929 | \$ 841 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 119 | \$ 150 |
| Due to other fund: | | |
| Payroll Clearance Fund | 1 | 1 |
| Accrued payroll | 223 | 212 |
| Total Liabilities | 343 | 363 |
| Fund Balance: | | |
| Committed | 1,586 | 478 |
| Total Fund Balance | 1,586 | 478 |
| Total Liabilities and Fund Balance | \$ 1,929 | \$ 841 |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 6,850 | \$ 6,305 | \$ (545) |
| Miscellaneous: | | | |
| Other | 2,659 | 2,812 | 153 |
| Total Revenues | 9,509 | 9,117 | (392) |
| Expenditures: | | | |
| Current: | | | |
| Culture-recreation: | | | |
| Enterprise Services | 10,579 | 9,987 | 592 |
| Miscellaneous: | | | |
| Retirement and health benefits: | | | |
| Provisional | 3,893 | 3,784 | 109 |
| Other: | | | |
| Provisional | 399 | 200 | 199 |
| Total Miscellaneous | 4,292 | 3,984 | 308 |
| Total Expenditures | 14,871 | 13,971 | 900 |
| Revenues under Expenditures | (5,362) | (4,854) | 508 |
| Other Finance Source (Uses): | | | |
| Transfer in | 6,761 | 6,761 | -- |
| Transfers out: | | | |
| Debt service | (1,848) | (950) | 898 |
| Reimbursement for central administrative service expenses | (836) | -- | 836 |
| Total Other Financing Source (Uses) | 4,077 | 5,811 | 1,734 |
| Revenues and Other Source over (under) Expenditures and Other Uses | (1,285) | 957 | 2,242 |
| Unreserved - Undesignated Fund Balance - July 1 | 1,285 | 134 | (1,151) |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ -- | 1,091 | \$ 1,091 |

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, 2018
 (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 | | 361 | |
| Expenditures - prior year encumbrances | | (210) | |
| Increase in reserved for encumbrances | | (43) | |
| Unreserved - Undesignated Fund Balance - June 30 | | 1,199 | |
| Reserved for Encumbrances - June 30 | | 387 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 1,586 | |

CITY AND COUNTY OF HONOLULU
GOLF FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ 6,850 | \$ 6,305 | \$ (545) |
| TOTAL CHARGES FOR SERVICES | <u>6,850</u> | <u>6,305</u> | <u>(545)</u> |
| <u>MISCELLANEOUS</u> | | | |
| <u>OTHER MISCELLANEOUS:</u> | | | |
| Rents: | | | |
| Golf Cart Rentals | 2,069 | 2,124 | 55 |
| Rental for Use of Land | -- | 6 | 6 |
| Total Rents | <u>2,069</u> | <u>2,130</u> | <u>61</u> |
| Concessions: | | | |
| Food Concession - Golf Courses | 125 | 95 | (30) |
| Golf Course - Pro Shops | 15 | 7 | (8) |
| Golf Course - Driving Range | 450 | 571 | 121 |
| Total Concessions | <u>590</u> | <u>673</u> | <u>83</u> |
| Other: | | | |
| Sundry Refunds | -- | 9 | 9 |
| Total Other | <u>--</u> | <u>9</u> | <u>9</u> |
| TOTAL MISCELLANEOUS | <u>2,659</u> | <u>2,812</u> | <u>153</u> |
| TOTAL REVENUES | <u>9,509</u> | <u>9,117</u> | <u>(392)</u> |
| <u>OTHER FINANCING SOURCE</u> | | | |
| <u>TRANSFER FROM OTHER FUND:</u> | | | |
| Other Transfer - | | | |
| General Fund | 6,761 | 6,761 | -- |
| TOTAL OTHER FINANCING SOURCE | <u>6,761</u> | <u>6,761</u> | <u>--</u> |
| TOTAL GOLF FUND | <u>\$ 16,270</u> | <u>\$ 15,878</u> | <u>\$ (392)</u> |

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|-----------------|-----------------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 1,070 | \$ 7,054 |
| Receivable: | | |
| Payroll advance | 117 | 130 |
| Due from other fund: | | |
| Honolulu Zoo Fund | 4 | -- |
| | <u>\$ 1,191</u> | <u>\$ 7,184</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 183 | \$ 223 |
| Due to other fund: | | |
| General Fund | 21 | -- |
| Payroll Clearance Fund | -- | 1 |
| Accrued payroll | 200 | 383 |
| | <u>404</u> | <u>607</u> |
| Total Liabilities | | |
| | <u>404</u> | <u>607</u> |
| Fund Balance: | | |
| Committed | 787 | 6,577 |
| | <u>787</u> | <u>6,577</u> |
| Total Fund Balance | | |
| | <u>787</u> | <u>6,577</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,191</u> | <u>\$ 7,184</u> |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Charges for services | \$ 88 | \$ 69 | \$ (19) |
| Miscellaneous: | | | |
| Interest | 21 | 43 | 22 |
| Other | 7,762 | 8,263 | 501 |
| Total Revenues | 7,871 | 8,375 | 504 |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Budget and Fiscal Services | 35 | 35 | -- |
| Culture-recreation: | | | |
| Enterprise Services | 7,178 | 6,771 | 407 |
| Miscellaneous: | | | |
| Retirement and health benefits: | | | |
| Provisional | 2,918 | 2,849 | 69 |
| Other: | | | |
| Provisional | 616 | 300 | 316 |
| Total Miscellaneous | 3,534 | 3,149 | 385 |
| Total Expenditures | 10,747 | 9,955 | 792 |
| Revenues under Expenditures | (2,876) | (1,580) | 1,296 |
| Other Finance Source (Uses): | | | |
| Transfer in | 3,168 | 3,168 | -- |
| Transfers out: | | | |
| Transfer to Honolulu Zoo Fund | -- | (3,327) | (3,327) |
| Debt service | (2,451) | (2,451) | -- |
| Reimbursement for central administrative service expenses | (660) | (660) | -- |
| Total Other Financing Source (Uses) | 57 | (3,270) | (3,327) |

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, 2018
 (Amounts in thousands)

(Page 2 of 2)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues and Other Source under Expenditures and Other Uses | (2,819) | (4,850) | (2,031) |
| Unreserved - Undesignated Fund Balance - July 1 | 2,819 | 5,132 | 2,313 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ -- | 282 | \$ 282 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 226 | |
| Expenditures - prior year encumbrances | | (1,166) | |
| Decrease in reserved for encumbrances | | 961 | |
| Unreserved - Undesignated Fund Balance - June 30 | | 303 | |
| Reserved for Encumbrances - June 30 | | 484 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 787 | |

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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> | | | |
| <u>GENERAL GOVERNMENT:</u> | | | |
| Surcharge on Auditorium Tickets | \$ 80 | \$ 67 | \$ (13) |
| Other | 8 | 2 | (6) |
| Total General Government | 88 | 69 | (19) |
| TOTAL CHARGES FOR SERVICES | 88 | 69 | (19) |
| <u>MISCELLANEOUS</u> | | | |
| <u>INTEREST:</u> | | | |
| Interest Earnings: | | | |
| Investments | 21 | 43 | 22 |
| <u>OTHER MISCELLANEOUS:</u> | | | |
| Rents: | | | |
| Rental for Use of Land | 20 | 23 | 3 |
| Rental of Auditorium Facilities | 2,180 | 2,154 | (26) |
| Auditorium Equipment Rental | 1,232 | 1,579 | 347 |
| Total Rents | 3,432 | 3,756 | 324 |
| Concessions: | | | |
| Food Concession - Auditoriums | 700 | 472 | (228) |
| Food Concession - Parks | 75 | 157 | 82 |
| Parking - Auditoriums | 2,250 | 2,542 | 292 |
| Novelty Sales Concession - Auditoriums | 65 | 43 | (22) |
| Other - Auditoriums | 2 | 2 | -- |
| Beach Concession - Parks | 1,130 | 1,149 | 19 |
| Pouring Rights | 57 | 60 | 3 |
| Other Concessions | 51 | 53 | 2 |
| Total Concessions | 4,330 | 4,478 | 148 |

CITY AND COUNTY OF HONOLULU
SPECIAL EVENTS FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | -- | 29 | 29 |
| Total Other | -- | 29 | 29 |
| Total Other Miscellaneous | 7,762 | 8,263 | 501 |
| TOTAL MISCELLANEOUS | 7,783 | 8,306 | 523 |
| TOTAL REVENUES | 7,871 | 8,375 | 504 |
| OTHER FINANCING SOURCE | | | |
| TRANSFER FROM OTHER FUND: | | | |
| Other Transfer - | | | |
| General Fund | 3,168 | 3,168 | -- |
| TOTAL OTHER FINANCING SOURCE | 3,168 | 3,168 | -- |
| TOTAL SPECIAL EVENTS FUND | <u>\$ 11,039</u> | <u>\$ 11,543</u> | <u>\$ 504</u> |

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|-----------|-----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 11,348 | \$ 9,246 |
| Receivables: | | |
| Intergovernmental | 961 | 1,403 |
| Payroll advance | 17 | 24 |
| Total Assets | \$ 12,326 | \$ 10,673 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 675 | \$ 434 |
| Accrued payroll | 131 | 125 |
| Due to other funds: | | |
| General Fund | 408 | 7 |
| Federal Grants Fund | 25 | 1 |
| Payroll Clearance Fund | 1 | -- |
| Total Liabilities | 1,240 | 567 |
| Fund Balance: | | |
| Restricted | 11,086 | 10,106 |
| Total Fund Balance | 11,086 | 10,106 |
| Total Liabilities and Fund Balance | \$ 12,326 | \$ 10,673 |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|--------------------|-------------------|---------------------------------|--|
| Revenues: | | | | |
| Intergovernmental | \$ 9,845 | \$ 23,015 | \$ 12,530 | \$ (10,485) |
| Charges for services | 400 | 400 | 533 | 133 |
| Miscellaneous: | | | | |
| Interest | -- | -- | 13 | 13 |
| Other | 47 | 467 | 1,696 | 1,229 |
| Total Revenues | <u>10,292</u> | <u>23,882</u> | <u>14,772</u> | <u>(9,110)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Budget and Fiscal Services | -- | 94 | 4 | 90 |
| Customer Services | 47 | 47 | -- | 47 |
| Information Technology | 1,806 | 1,806 | 1,262 | 544 |
| Mayor | 457 | 457 | 410 | 47 |
| Planning and Permitting | 123 | 123 | 41 | 82 |
| Prosecuting Attorney | 2,430 | 2,745 | 1,478 | 1,267 |
| Total General government | <u>4,863</u> | <u>5,272</u> | <u>3,195</u> | <u>2,077</u> |
| Public safety: | | | | |
| Emergency Management | 32 | 32 | 32 | -- |
| Emergency Services | 755 | 755 | 709 | 46 |
| Fire | 1,421 | 1,421 | 842 | 579 |
| Police | 6,571 | 8,563 | 6,671 | 1,892 |
| Transportation Services | 871 | 871 | 741 | 130 |
| Total Public safety | <u>9,650</u> | <u>11,642</u> | <u>8,995</u> | <u>2,647</u> |
| Highways and streets: | | | | |
| Facility Maintenance | 29 | 29 | -- | 29 |
| Human services: | | | | |
| Community Services | 10,197 | 10,197 | 8,582 | 1,615 |
| Culture-recreation: | | | | |
| Enterprise Services | 231 | 231 | 174 | 57 |
| Mayor | 4 | 4 | -- | 4 |
| Parks and Recreation | 635 | 986 | 150 | 836 |
| Total Culture-recreation | <u>870</u> | <u>1,221</u> | <u>324</u> | <u>897</u> |
| Utilities or other enterprises: | | | | |
| Transportation Services | 500 | 500 | -- | 500 |
| Total Expenditures | <u>26,109</u> | <u>28,861</u> | <u>21,096</u> | <u>7,765</u> |
| Revenues under Expenditures | (15,817) | (4,979) | (6,324) | (1,345) |
| Unreserved - Undesignated Fund Balance - July 1 | -- | -- | 8 | 8 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | <u>\$ (15,817)</u> | <u>\$ (4,979)</u> | (6,316) | <u>\$ (1,337)</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, 2018
 (Amounts in thousands)

(Page 2 of 2)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual on Budgetary Basis</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|--|----------------------------|-------------------------|--|---|
| Adjustments to conform with generally accepted accounting principles: | | | | |
| Encumbrances included above | | | 9,943 | |
| Expenditures - prior year encumbrances | | | (2,639) | |
| Increase in reserved for encumbrances | | | <u>(4,175)</u> | |
| Unreserved - Undesignated Fund | | | | |
| Balance - June 30 | | | (3,187) | |
| Reserved for Encumbrances - June 30 | | | <u>14,273</u> | |
| Fund Balance - June 30 (GAAP Basis) | | | <u>\$ 11,086</u> | |

CITY AND COUNTY OF HONOLULU
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Amounts in thousands)

| <u>Source of Revenues</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|------------------|---|
| INTERGOVERNMENTAL | | | | |
| STATE GRANTS: | | | | |
| Department of the Attorney General | \$ 2,263 | 2,417 | \$ 1,346 | \$ (1,071) |
| Department of Defense | 32 | 32 | 31 | (1) |
| Department of Health | 5,084 | 7,708 | 6,470 | (1,238) |
| Department of Human Services | 23 | 912 | 1,861 | 949 |
| Department of Labor and Industrial Relations | 101 | 357 | 253 | (104) |
| Department of Land and Natural Resources | 611 | 1,212 | 405 | (807) |
| Department of Transportation | 625 | 916 | 291 | (625) |
| Hawaii Tourism Authority | -- | 95 | 81 | (14) |
| Wireless Enhanced 911 Board | -- | 8,095 | 1,626 | (6,469) |
| Grants from Other Agencies | 1,106 | 1,271 | 166 | (1,105) |
| | <u>9,845</u> | <u>23,015</u> | <u>12,530</u> | <u>(10,485)</u> |
| TOTAL INTERGOVERNMENTAL | | | | |
| CHARGES FOR SERVICES | | | | |
| PUBLIC SAFETY: | | | | |
| Plan Review Fee | 400 | 400 | 533 | 133 |
| MISCELLANEOUS | | | | |
| INTEREST: | | | | |
| Interest Earnings: | | | | |
| Investments | -- | -- | 13 | 13 |
| OTHER MISCELLANEOUS: | | | | |
| Contributions from Private Sources: | | | | |
| Community Programing | 47 | 47 | -- | (47) |
| Contributions to the City | -- | 340 | 922 | 582 |
| | <u>47</u> | <u>387</u> | <u>922</u> | <u>535</u> |
| Total Contributions from Private Sources | | | | |
| Other: | | | | |
| Other | -- | 80 | 564 | 484 |
| Sundry Refunds | -- | -- | 210 | 210 |
| | <u>47</u> | <u>467</u> | <u>1,696</u> | <u>1,229</u> |
| Total Other Miscellaneous | | | | |
| TOTAL MISCELLANEOUS | <u>47</u> | <u>467</u> | <u>1,709</u> | <u>1,242</u> |
| TOTAL SPECIAL PROJECTS FUND | <u>\$ 10,292</u> | <u>\$ 23,882</u> | <u>\$ 14,772</u> | <u>\$ (9,110)</u> |

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 16,744 | \$ 16,017 |
| Receivables: | | |
| Loans | 2,925 | 3,013 |
| Intergovernmental | 17,881 | 19,170 |
| Payroll advance | 83 | 94 |
| Due from other funds: | | |
| Community Development Fund | 2 | -- |
| Special Projects Fund | 25 | 1 |
| Federal Grants Capital Projects Fund | -- | 15 |
| | \$ 37,660 | \$ 38,310 |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 876 | \$ 2,296 |
| Accrued payroll | 130 | 131 |
| Due to other funds: | | |
| General Fund | 16,488 | 16,395 |
| Community Development Fund | -- | 11 |
| | 17,494 | 18,833 |
| Deferred Inflow: | | |
| Deferred inflow | 2,925 | 3,013 |
| | 2,925 | 3,013 |
| Fund Balance: | | |
| Restricted | 17,241 | 16,464 |
| | 17,241 | 16,464 |
| | \$ 37,660 | \$ 38,310 |

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, 2018
 (Amounts in thousands)

(Page 1 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|--|--------------------|-----------------|---------------------------------|--|
| Revenues: | | | | |
| Intergovernmental | \$ 45,459 | \$ 58,829 | \$ 46,683 | \$ (12,146) |
| Miscellaneous: | | | | |
| Interest | -- | -- | 144 | 144 |
| Other | 574 | 574 | 2,404 | 1,830 |
| Total Revenues | 46,033 | 59,403 | 49,231 | (10,172) |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Budget and Fiscal Services | 466 | 466 | 45 | 421 |
| Design and Construction | 720 | 720 | 640 | 80 |
| Information Technology | 53 | 53 | -- | 53 |
| Mayor | 3 | 3 | 3 | -- |
| Planning and Permitting | 128 | 128 | 128 | -- |
| Prosecuting Attorney | 1,959 | 1,959 | 1,398 | 561 |
| Total General government | 3,329 | 3,329 | 2,214 | 1,115 |
| Public safety: | | | | |
| Emergency Management | 3,579 | 3,579 | 2,357 | 1,222 |
| Fire | 145 | 145 | 81 | 64 |
| Police | 5,295 | 19,495 | 7,593 | 11,902 |
| Transportation Services | 2,993 | 2,993 | 2,393 | 600 |
| Total Public safety | 12,012 | 26,212 | 12,424 | 13,788 |
| Human services: | | | | |
| Community Services | 22,702 | 22,847 | 12,120 | 10,727 |
| Culture-recreation: | | | | |
| Parks and Recreation | 362 | 362 | 212 | 150 |
| Utilities or other enterprises: | | | | |
| Transportation Services | 21,025 | 21,025 | 21,025 | -- |
| Total Expenditures | 59,430 | 73,775 | 47,995 | 25,780 |

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, 2018
 (Amounts in thousands)

(Page 2 of 2)

| | Original Budget | Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|--------------------|-----------------|---------------------------------|--|
| Revenues over (under) Expenditures | (13,397) | (14,372) | 1,236 | 15,608 |
| Unreserved - Undesignated Fund Balance - July 1 | -- | -- | (2,989) | (2,989) |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ (13,397) | \$ (14,372) | (1,753) | \$ 12,619 |
| Adjustments to conform with generally accepted accounting principles: | | | | |
| Encumbrances included above | | | 11,151 | |
| Expenditures - prior year encumbrances | | | (11,610) | |
| Decrease in reserved for encumbrances | | | 906 | |
| Unreserved - Undesignated Fund Balance - June 30 | | | (1,306) | |
| Reserved for Encumbrances - June 30 | | | 18,547 | |
| Fund Balance - June 30 (GAAP Basis) | | | \$ 17,241 | |

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 | \$ 307 | \$ 307 | \$ 157 | \$ (150) |
| Department of Commerce | -- | 230 | 135 | (95) |
| Department of Education | -- | 55 | 1,023 | 968 |
| Department of Health and Human Services | 7,676 | 8,664 | 3,771 | (4,893) |
| Department of Homeland Security | 129 | 3,207 | 3,264 | 57 |
| Department of Housing and Urban Development | 7,211 | 7,211 | 6,776 | (435) |
| Department of Justice | 869 | 3,364 | 2,404 | (960) |
| Department of Labor | 7,385 | 7,389 | 3,396 | (3,993) |
| Department of Transportation | 21,882 | 26,795 | 24,043 | (2,752) |
| Environmental Protection Agency | -- | -- | 160 | 160 |
| Office of National Drug Control Policy | -- | 1,607 | 1,460 | (147) |
| Other Agencies | -- | -- | 94 | 94 |
| TOTAL INTERGOVERNMENTAL | <u>45,459</u> | <u>58,829</u> | <u>46,683</u> | <u>(12,146)</u> |
| <u>MISCELLANEOUS</u> | | | | |
| INTEREST: | | | | |
| Interest Earnings: | | | | |
| Investments | -- | -- | 144 | 144 |
| OTHER MISCELLANEOUS: | | | | |
| Other: | | | | |
| Other | 574 | 574 | 2,276 | 1,702 |
| Sundry Refunds | -- | -- | 128 | 128 |
| Total Other | <u>574</u> | <u>574</u> | <u>2,404</u> | <u>1,830</u> |
| TOTAL MISCELLANEOUS | <u>574</u> | <u>574</u> | <u>2,548</u> | <u>1,974</u> |
| TOTAL FEDERAL GRANTS FUND | <u>\$ 46,033</u> | <u>\$ 59,403</u> | <u>\$ 49,231</u> | <u>\$ (10,172)</u> |

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
REHABILITATION LOAN FUND

BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|-----------|-----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 6,124 | \$ 6,234 |
| Receivables: | | |
| Loans | 7,898 | 9,741 |
| Total Assets | \$ 14,022 | \$ 15,975 |
| <u>LIABILITY, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liability: | | |
| Accounts payable | \$ 41 | \$ 42 |
| Total Liability | 41 | 42 |
| Deferred Inflow: | | |
| Deferred inflow | 7,898 | 9,741 |
| Total Deferred Inflow | 7,898 | 9,741 |
| Fund Balance: | | |
| Restricted | 6,083 | 6,192 |
| Total Fund Balance | 6,083 | 6,192 |
| Total Liability, Deferred Inflow and Fund Balance | \$ 14,022 | \$ 15,975 |

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, 2018
(Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenues: | | | |
| Miscellaneous: | | | |
| Interest | \$ -- | \$ 73 | \$ 73 |
| Other | 3,000 | 797 | (2,203) |
| Total Revenues | 3,000 | 870 | (2,130) |
| Expenditure: | | | |
| Current: | | | |
| Human services: | | | |
| Community Services | 3,000 | 870 | 2,130 |
| 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 | | 822 | |
| Expenditures - prior year encumbrances | | (931) | |
| Decrease in reserved for encumbrances | | 109 | |
| Unreserved - Undesignated Fund Balance - June 30 | | (33) | |
| Reserved for Encumbrances - June 30 | | 6,116 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 6,083 | |

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, 2018
(Amounts in thousands)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|-------------------|---|
| <u>MISCELLANEOUS</u> | | | |
| <u>INTEREST:</u> | | | |
| Interest Earnings: | | | |
| Investments | \$ -- | \$ 73 | \$ 73 |
| Total Interest | -- | 73 | 73 |
| <u>OTHER MISCELLANEOUS:</u> | | | |
| Repayments of Department of Housing and Community Development Loans: | | | |
| Principal | 3,000 | 776 | (2,224) |
| Interest | -- | 20 | 20 |
| Late Charge | -- | 1 | 1 |
| Total Other Miscellaneous | 3,000 | 797 | (2,203) |
| <u>TOTAL HOUSING AND COMMUNITY DEVELOPMENT REHABILITATION LOAN FUND</u> | <u>\$ 3,000</u> | <u>\$ 870</u> | <u>\$ (2,130)</u> |

CITY AND COUNTY OF HONOLULU
PAUHI PROJECT EXPENDITURES, HAWAII R-15 FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--------------------------|--------|--------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 973 | \$ 964 |
| Total Asset | \$ 973 | \$ 964 |
| <u>FUND BALANCE</u> | | |
| Fund Balance: | | |
| Restricted | \$ 973 | \$ 964 |
| Total Fund Balance | \$ 973 | \$ 964 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenue: | | | |
| Miscellaneous: | | | |
| Interest | \$ -- | \$ 9 | \$ 9 |
| Total Revenue | -- | 9 | 9 |
| Unreserved - Undesignated Fund Balance - July 1 | 961 | 964 | 3 |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 961 | 973 | \$ 12 |
| 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 | | 973 | |
| Reserved for Encumbrances - June 30 | | -- | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 973 | |

CITY AND COUNTY OF HONOLULU
PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ -- | \$ 9 | \$ 9 |
| TOTAL PAUahi PROJECT EXPENDITURES, HAWAII R-15 FUND | <u>\$ --</u> | <u>\$ 9</u> | <u>\$ 9</u> |

CITY AND COUNTY OF HONOLULU
HOUSING AND COMMUNITY DEVELOPMENT
SECTION 8 CONTRACT FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|----------|-----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 6,030 | \$ 7,392 |
| Receivables: | | |
| Accounts (net of allowance for uncollectibles) | 131 | 163 |
| Loans | 3,648 | 3,648 |
| Intergovernmental | 73 | 96 |
| Payroll advance | 59 | 64 |
| Total Assets | \$ 9,941 | \$ 11,363 |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 89 | \$ 89 |
| Due to other fund: | | |
| General Fund | 118 | 214 |
| Accrued payroll | 110 | 97 |
| Total Liabilities | 317 | 400 |
| Deferred Inflow: | | |
| Deferred inflow | 3,852 | 3,907 |
| Total Deferred Inflow | 3,852 | 3,907 |
| Fund Balance: | | |
| Restricted | 5,772 | 7,056 |
| Total Fund Balance | 5,772 | 7,056 |
| Total Liabilities, Deferred Inflow and Fund Balance | \$ 9,941 | \$ 11,363 |

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, 2018
(Amounts in thousands)

| | <u>Original and Final Budget</u> | <u>Actual on Budgetary Basis</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|--|---|
| Revenues: | | | |
| Intergovernmental | \$ 54,060 | \$ 52,126 | \$ (1,934) |
| Miscellaneous: | | | |
| Interest | -- | 100 | 100 |
| Other | -- | 11 | 11 |
| | <u>54,060</u> | <u>52,237</u> | <u>(1,823)</u> |
| Total Revenues | | | |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Budget and Fiscal Services | 153 | 141 | 12 |
| Human services: | | | |
| Community Services | <u>53,783</u> | <u>53,602</u> | <u>181</u> |
| Total Expenditures | <u>53,936</u> | <u>53,743</u> | <u>193</u> |
| Revenues over (under) Expenditures | 124 | (1,506) | (1,630) |
| Unreserved - Undesignated Fund Balance - July 1 | <u>--</u> | <u>698</u> | <u>698</u> |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | <u>\$ 124</u> | (808) | <u>\$ (932)</u> |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 245 | |
| Expenditures - prior year encumbrances | | (23) | |
| Increase in reserved for encumbrances | | <u>(192)</u> | |
| Unreserved - Undesignated Fund Balance - June 30 | | (778) | |
| Reserved for Encumbrances - June 30 | | <u>6,550</u> | |
| Fund Balance - June 30 (GAAP Basis) | | <u>\$ 5,772</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, 2018
(Amounts in thousands)

| <u>Source of Revenues</u> | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Final Variance Favorable (Unfavorable)</u> |
|---|--|----------------------|---|
| <u>INTERGOVERNMENTAL</u> | | | |
| FEDERAL GRANTS: | | | |
| Section 8 Grants: | | | |
| Moderate Rehabilitation Program, (001) | \$ 191 | \$ 102 | \$ (89) |
| Existing Housing Voucher Program | 52,672 | 50,448 | (2,224) |
| Mainstream Voucher | <u>1,197</u> | <u>1,576</u> | <u>379</u> |
| TOTAL INTERGOVERNMENTAL | <u>54,060</u> | <u>52,126</u> | <u>(1,934)</u> |
| <u>MISCELLANEOUS</u> | | | |
| INTEREST: | | | |
| Interest Earnings: | | | |
| Investments | -- | 60 | 60 |
| Other Sources | <u>--</u> | <u>40</u> | <u>40</u> |
| Total Interest | <u>--</u> | <u>100</u> | <u>100</u> |
| OTHER MISCELLANEOUS: | | | |
| Other: | | | |
| Escheats | <u>--</u> | <u>11</u> | <u>11</u> |
| Total Other Miscellaneous | <u>--</u> | <u>11</u> | <u>11</u> |
| TOTAL MISCELLANEOUS | <u>--</u> | <u>111</u> | <u>111</u> |
| TOTAL HOUSING AND COMMUNITY DEVELOPMENT SECTION 8 CONTRACT FUND REVENUES..... | <u>\$ 54,060</u> | <u>\$ 52,237</u> | <u>\$ (1,823)</u> |

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--|--------|--------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 175 | \$ 214 |
| Total Asset | \$ 175 | \$ 214 |
| <u>DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Deferred Inflow: | | |
| Deferred inflow | \$ 42 | \$ 43 |
| Total Deferred Inflow | 42 | 43 |
| Fund Balance: | | |
| Committed | 133 | 171 |
| Total Fund Balance | 133 | 171 |
| Total Deferred Inflow and Fund Balance | \$ 175 | \$ 214 |

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, 2018
 (Amounts in thousands)

| | Original and Final Budget | Actual on Budgetary Basis | Final Variance Favorable (Unfavorable) |
|---|---------------------------------|---------------------------------|--|
| Revenue: | | | |
| Miscellaneous: | | | |
| Interest | \$ -- | \$ 2 | \$ 2 |
| Total Revenue | -- | 2 | 2 |
| Expenditure: | | | |
| Current: | | | |
| Human services: | | | |
| Community Services | 50 | 50 | -- |
| Total Expenditure | 50 | 50 | -- |
| Revenue under Expenditure | (50) | (48) | 2 |
| Unreserved - Undesignated Fund Balance - July 1 | 171 | 171 | -- |
| Unreserved - Undesignated Fund Balance - June 30 (Budgetary Basis) | \$ 121 | 123 | \$ 2 |
| Adjustments to conform with generally accepted accounting principles: | | | |
| Encumbrances included above | | 10 | |
| Expenditures - prior year encumbrances | | -- | |
| Increase in reserved for encumbrances | | (10) | |
| Unreserved - Undesignated Fund Balance - June 30 | | 123 | |
| Reserved for Encumbrances - June 30 | | 10 | |
| Fund Balance - June 30 (GAAP Basis) | | \$ 133 | |

CITY AND COUNTY OF HONOLULU
LEASEHOLD CONVERSION FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (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 | \$ -- | \$ 2 | \$ 2 |
| TOTAL LEASEHOLD CONVERSION FUND ... | <u>\$ --</u> | <u>\$ 2</u> | <u>\$ 2</u> |

CITY AND COUNTY OF HONOLULU
 REVOLVING FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | Improvement District Revolving Fund | Housing and Community Development Revolving Fund | Totals | |
|---------------------------|--|--|-----------------|-----------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| <u>ASSET</u> | | | | |
| Cash and investments: | | | | |
| With Treasury | \$ 1,962 | \$ 228 | \$ 2,190 | \$ 2,188 |
| Total Asset | <u>\$ 1,962</u> | <u>\$ 228</u> | <u>\$ 2,190</u> | <u>\$ 2,188</u> |
| <u>FUND BALANCES</u> | | | | |
| Fund Balances: | | | | |
| Committed | \$ 1,962 | \$ 228 | \$ 2,190 | \$ 2,188 |
| Total Fund Balances | <u>\$ 1,962</u> | <u>\$ 228</u> | <u>\$ 2,190</u> | <u>\$ 2,188</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, 2018
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

| | Improvement District Revolving Fund | Housing and Community Development Revolving Fund | Totals | |
|-------------------------------|--|--|-----------------|-----------------|
| | | | <u>2018</u> | <u>2017</u> |
| Revenue: | | | | |
| Miscellaneous: | | | | |
| Interest | \$ -- | \$ 2 | \$ 2 | \$ 1 |
| Total Revenue | -- | 2 | 2 | 1 |
| Fund Balances - July 1 | <u>1,962</u> | <u>226</u> | <u>2,188</u> | <u>2,187</u> |
| Fund Balances - June 30 | <u>\$ 1,962</u> | <u>\$ 228</u> | <u>\$ 2,190</u> | <u>\$ 2,188</u> |

CITY AND COUNTY OF HONOLULU
GENERAL OBLIGATION BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | As Restated 2017 |
|--|------------|---------------------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 30,193 | \$ 348 |
| With fiscal agents | 42,641 | -- |
| Advance To Component Unit | 420,313 | 80,000 |
| Total Assets | \$ 493,147 | \$ 80,348 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Interest payable - matured | \$ 332 | \$ 174 |
| Bonds payable - matured | 174 | 174 |
| Total Liabilities | 506 | 348 |
| Fund Balance: | | |
| Committed | 492,641 | 80,000 |
| Total Fund Balance | 492,641 | 80,000 |
| Total Liabilities and Fund Balance | \$ 493,147 | \$ 80,348 |

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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | As Restated 2017 |
|--|------------|---------------------|
| Revenues: | | |
| Miscellaneous: | | |
| Recoveries and reimbursements: | | |
| Honolulu Authority for Rapid Transportation | \$ 6,961 | \$ 2,202 |
| Other: | | |
| Interest | 318 | -- |
| Total Revenues | 7,279 | 2,202 |
| Expenditures: | | |
| Tax exempt commercial paper: | | |
| Principal | 20,000 | 50,000 |
| Interest | 1,942 | 2,202 |
| Notes payable: | | |
| Principal | 237 | 230 |
| Interest | 42 | 51 |
| General obligation bonds: | | |
| Principal | 142,527 | 125,238 |
| Interest | 97,462 | 93,940 |
| Bond issuance costs | 1,785 | 687 |
| Total Expenditures | 263,995 | 272,348 |
| Revenues under Expenditures | (256,716) | (270,146) |
| Other Financing Sources (Uses): | | |
| Issuance of tax exempt commercial paper | 120,000 | 130,000 |
| Issuance of general obligation bonds | 350,000 | -- |
| Issuance of refunding bonds | 166,521 | 87,090 |
| Bond premium | 30,058 | 19,152 |
| Bond discount | (205) | -- |
| Transfers from other funds: | | |
| General Fund - Principal | 142,764 | 125,468 |
| General Fund - Interest | 93,038 | 93,991 |
| Payment to escrow agent for refunding of tax exempt commercial paper | (80,000) | -- |
| Payment to escrow agent for refunding of general obligation bonds | (152,819) | (105,555) |
| Total Other Financing Sources (Uses) | 669,357 | 350,146 |
| Revenues and Other Financing Sources over Expenditures and Other Uses | 412,641 | 80,000 |
| Fund Balances - July 1 | 80,000 | -- |
| Fund Balances - June 30 | \$ 492,641 | \$ 80,000 |

CITY AND COUNTY OF HONOLULU
IMPROVEMENT DISTRICT BOND AND INTEREST REDEMPTION FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| <u>ASSETS</u> | 2018 | 2017 |
|---|--------|--------|
| Cash and investments: | | |
| With Treasury | \$ 171 | \$ 171 |
| Receivables: | | |
| Special assessments - current | 3 | 3 |
| Special assessments - non-current | 1 | 2 |
| Total Assets | \$ 175 | \$ 176 |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Interest payable - matured | \$ 4 | \$ 4 |
| Bonds payable - matured | 5 | 5 |
| Total Liabilities | 9 | 9 |
| Deferred Inflow: | | |
| Deferred inflow | 1 | 2 |
| Total Deferred Inflow | 1 | 2 |
| Fund Balance: | | |
| Committed | 165 | 165 |
| Total Fund Balance | 165 | 165 |
| Total Liabilities, Deferred Inflow and Fund Balance | \$ 175 | \$ 176 |

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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|-------------------------------|--------|--------|
| Revenues: | | |
| Special assessments | \$ 1 | \$ 3 |
| Total Revenues | 1 | 3 |
| Other Financing Use: | | |
| Transfer to other fund: | | |
| Capital Projects Fund | (1) | (3) |
| Revenues over Other Use | -- | -- |
| Fund Balances - July 1 | 165 | 165 |
| Fund Balances - June 30 | \$ 165 | \$ 165 |

CITY AND COUNTY OF HONOLULU
GENERAL IMPROVEMENT BOND FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|-----------|-----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 11,932 | \$ 28,516 |
| Receivable: | | |
| Payroll advance | 11 | 11 |
| Total Assets | \$ 11,943 | \$ 28,527 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 17,677 | \$ 8,635 |
| Due to other fund: | | |
| General Fund | 20,000 | 30,000 |
| Accrued payroll | 6 | 6 |
| Total Liabilities | 37,683 | 38,641 |
| Fund Balance: | | |
| Unassigned | (25,740) | (10,114) |
| Total Fund Balance | (25,740) | (10,114) |
| Total Liabilities and Fund Balance | \$ 11,943 | \$ 28,527 |

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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--|-------------|-------------|
| Revenue: | | |
| Miscellaneous: | | |
| Other | \$ -- | \$ 31 |
| Total Revenue | -- | 31 |
| Expenditures: | | |
| Current: | | |
| General government | 709 | 534 |
| Public safety | 515 | 616 |
| Highways and streets | 142 | 137 |
| Human services | 133 | 720 |
| Culture-recreation | 942 | 853 |
| Capital outlay: | | |
| General government | 14,796 | 21,772 |
| Public safety | 19,675 | 12,682 |
| Highways and streets | 610 | 451 |
| Human services | 22,295 | 18,165 |
| Culture-recreation | 31,814 | 22,030 |
| Total Expenditures | 91,631 | 77,960 |
| Revenue under Expenditures | (91,631) | (77,929) |
| Other Financing Sources (Use): | | |
| Issuance of general obligation bonds | 65,458 | 62,965 |
| Bond premium | 10,547 | 7,114 |
| Bond discount | -- | (77) |
| Total Other Financing Sources (Use) | 76,005 | 70,002 |
| Revenue and Other Sources under Expenditures | (15,626) | (7,927) |
| Fund Balance - July 1 | (10,114) | (2,187) |
| Fund Balance - June 30 | \$ (25,740) | \$ (10,114) |

CITY AND COUNTY OF HONOLULU
HIGHWAY IMPROVEMENT BOND FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|--|-----------|-----------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 36,952 | \$ 40,813 |
| Total Asset | \$ 36,952 | \$ 40,813 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 28,685 | \$ 38,773 |
| Due to other fund: | | |
| General Fund | 30,000 | 70,000 |
| Accrued payroll | 4 | 7 |
| Total Liabilities | 58,689 | 108,780 |
| Fund Balance: | | |
| Unassigned | (21,737) | (67,967) |
| Total Fund Balance | (21,737) | (67,967) |
| Total Liabilities and Fund Balance | \$ 36,952 | \$ 40,813 |

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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--|-------------|-------------|
| Revenue: | | |
| Miscellaneous: | | |
| Other | \$ -- | \$ 94 |
| Total Revenue | -- | 94 |
| Expenditures: | | |
| Current: | | |
| General government | 3 | 368 |
| Public safety | 846 | 128 |
| Highways and streets | 2,235 | 1,070 |
| Utilities or other enterprises | 2,548 | 5,028 |
| Capital outlay: | | |
| General government | 1,932 | 1,935 |
| Public safety | 568 | 5,008 |
| Highways and streets | 115,908 | 127,044 |
| Utilities or other enterprises | 3,739 | 17,723 |
| Total Expenditures | 127,779 | 158,304 |
| Revenue under Expenditures | (127,779) | (158,210) |
| Other Financing Sources (Use): | | |
| Issuance of general obligation bonds | 149,863 | 71,960 |
| Bond premium | 24,146 | 8,132 |
| Bond discount | -- | (88) |
| Total Other Financing Sources (Use) | 174,009 | 80,004 |
| Revenue and Other Sources over (under) Expenditures and Other Use..... | 46,230 | (78,206) |
| Fund Balance - July 1 | (67,967) | 10,239 |
| Fund Balance - June 30 | \$ (21,737) | \$ (67,967) |

CITY AND COUNTY OF HONOLULU
FEDERAL GRANTS CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2018
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
(Amounts in thousands)

| | 2018 | 2017 |
|---|-----------|-----------|
| <u>ASSETS</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 12,513 | \$ 12,923 |
| Receivables: | | |
| Loans (net of allowance for uncollectibles) | 54,557 | 55,003 |
| Intergovernmental | 1,572 | 10,547 |
| Total Assets | \$ 68,642 | \$ 78,473 |
| <u>LIABILITIES, DEFERRED INFLOW AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 122 | \$ 11,696 |
| Due to other funds: | | |
| General Fund | -- | 33 |
| Federal Grants Fund | -- | 15 |
| Accrued payroll | 2 | -- |
| Total Liabilities | 124 | 11,744 |
| Deferred Inflow: | | |
| Deferred inflow | 54,557 | 55,003 |
| Total Deferred Inflow | 54,557 | 55,003 |
| Fund Balance: | | |
| Restricted | 13,961 | 11,726 |
| Total Fund Balance | 13,961 | 11,726 |
| Total Liabilities, Deferred Inflow and Fund Balance | \$ 68,642 | \$ 78,473 |

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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

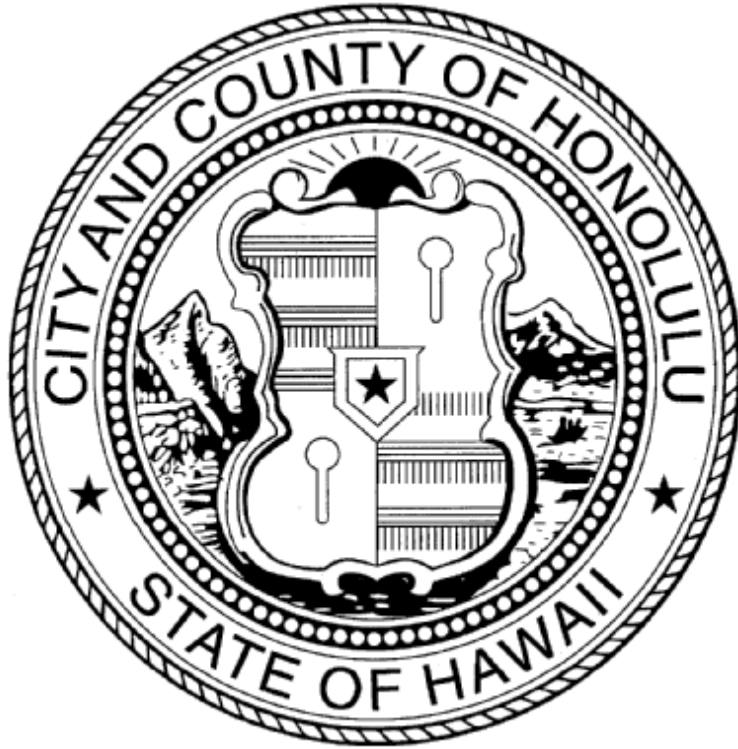
| | 2018 | 2017 |
|--|-----------|-----------|
| Revenues: | | |
| Intergovernmental | \$ 16,297 | \$ 31,303 |
| Miscellaneous: | | |
| Other | 1 | 16 |
| Total Revenues | 16,298 | 31,319 |
| Expenditures: | | |
| Current: | | |
| Public safety | 60 | 86 |
| Highways and streets | -- | 715 |
| Sanitation | -- | 3 |
| Human services | 2,973 | 2,236 |
| Utilities or other enterprises | 6,390 | 13,800 |
| Capital outlay: | | |
| Public safety | 378 | 1,948 |
| Highways and streets | 540 | 808 |
| Utilities or other enterprises | 3,722 | 11,900 |
| Total Expenditures | 14,063 | 31,496 |
| Revenues over (under) Expenditures | 2,235 | (177) |
| Fund Balance - July 1 | 11,726 | 11,903 |
| Fund Balance - June 30 | \$ 13,961 | \$ 11,726 |

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|--|-----------|-----------|
| <u>ASSET</u> | | |
| Cash and investments: | | |
| With Treasury | \$ 14,840 | \$ 14,836 |
| Total Asset | \$ 14,840 | \$ 14,836 |
| <u>LIABILITY AND FUND BALANCE</u> | | |
| Liability: | | |
| Due to other fund: | | |
| Parks and Playground Fund | \$ -- | \$ 185 |
| Total Liability | -- | 185 |
| Fund Balance: | | |
| Restricted | 14,840 | 14,651 |
| Total Fund Balance | 14,840 | 14,651 |
| Total Liability and Fund Balance | \$ 14,840 | \$ 14,836 |

CITY AND COUNTY OF HONOLULU
CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Amounts in thousands)

| | 2018 | 2017 |
|---|-----------|-----------|
| Revenues: | | |
| Intergovernmental | \$ 292 | \$ 36 |
| Miscellaneous: | | |
| Other | -- | 125 |
| Total Revenues | 292 | 161 |
| Expenditures: | | |
| Current: | | |
| Public Safety | 22 | -- |
| Highways and streets | -- | 172 |
| Sanitation | 82 | -- |
| Total Expenditures | 104 | 172 |
| Revenues over (under) Expenditures | 188 | (11) |
| Other Financing Source (Use): | | |
| Transfer from other fund: | | |
| Improvement District Bond and Interest Redemption Fund | 1 | 3 |
| Transfer to other fund: | | |
| Parks and Playgrounds Fund | -- | (210) |
| Total Other Financing Source (Use) | 1 | (207) |
| Revenues and Other Source over (under) Expenditures and Other Use..... | 189 | (218) |
| Fund Balance - July 1 | 14,651 | 14,869 |
| Fund Balance - June 30 | \$ 14,840 | \$ 14,651 |



**STATISTICAL SECTION
(Unaudited)**

STATISTICAL SECTION

(Unaudited)

The information in this section is not covered by the Report of Independent Auditors but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to better understand and assess the overall financial health of the City.

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Financial Trends261

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 Capacity266

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 Capacity270

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 Information277

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 Information282

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 2009 - 2018
(Amounts in thousands)
(Unaudited)

| | Fiscal Year | | | | | | | | | | | |
|---|--------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | | |
| Governmental activities | | | | | | | | | | | | |
| Net investment in capital assets | \$ 308,647 | \$ 325,818 | \$ 177,798 | \$ 161,115 | \$ 208,205 | \$ 101,107 | \$ 118,289 | \$ 500,169 | \$ 389,308 | \$ 214,214 | | |
| Restricted | 492,806 | 165 | 165 | 166 | 13 | 168 | 169 | 170 | 173 | 969 | | |
| Unrestricted | (3,211,958) | (1,503,882) | (1,171,866) | (1,094,601) | 21,467 | 145,412 | 69,474 | 551,180 | 523,206 | 474,354 | | |
| Total governmental activities net position | (2,410,505) | (1,177,899) | (993,903) | (933,320) | 229,685 | 246,687 | 187,932 | 1,051,519 | 912,687 | 689,537 | | |
| Business-type activities | | | | | | | | | | | | |
| Net investment in capital assets | 1,208,491 | 1,225,731 | 1,117,427 | 1,011,958 | 900,120 | 837,381 | 808,975 | 725,532 | 690,697 | 714,543 | | |
| Restricted | 260,091 | 165,226 | 174,514 | 181,029 | 178,187 | 177,890 | 171,010 | 158,662 | 144,307 | 131,469 | | |
| Unrestricted | 775,038 | 814,948 | 693,728 | 562,191 | 620,571 | 579,850 | 513,990 | 408,635 | 295,240 | 145,665 | | |
| Total business-type activities net position | 2,243,620 | 2,205,905 | 1,985,669 | 1,755,178 | 1,698,878 | 1,595,121 | 1,493,975 | 1,292,829 | 1,130,244 | 991,677 | | |
| Primary government | | | | | | | | | | | | |
| Net investment in capital assets | 1,517,138 | 1,551,549 | 1,295,225 | 1,173,073 | 1,108,325 | 938,488 | 927,264 | 1,225,701 | 1,080,005 | 928,757 | | |
| Restricted | 752,897 | 165,391 | 174,679 | 181,195 | 178,200 | 178,058 | 171,179 | 158,832 | 144,480 | 132,438 | | |
| Unrestricted | (2,436,920) | (688,934) | (478,138) | (532,410) | 642,038 | 725,262 | 583,464 | 959,815 | 818,446 | 620,019 | | |
| Total primary government net position | \$ (166,885) | \$ 1,028,006 | \$ 991,766 | \$ 821,858 | \$ 1,928,563 | \$ 1,841,808 | \$ 1,681,907 | \$ 2,344,348 | \$ 2,042,931 | \$ 1,681,214 | | |

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.

Amounts prior to fiscal year 2018 have not been restated for GASB 75.

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2009-2018
(Amounts in thousands)
(Unaudited)

| | Fiscal Year | | | | | | | | | |
|--|--------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government..... | 779,702 | 733,242 | 571,486 | 487,753 | 482,303 | 468,295 | 497,328 | 455,874 | 392,893 | 444,701 |
| Public safety..... | 492,692 | 482,925 | 455,908 | 442,822 | 418,904 | 393,224 | 407,275 | 390,780 | 374,791 | 372,843 |
| Highways and streets..... | 77,271 | 71,282 | 68,050 | 50,831 | 47,620 | 38,683 | 100,883 | 46,315 | 30,418 | 51,916 |
| Sanitation..... | 254 | 1,033 | 3,708 | 3,822 | 3,773 | 4,298 | 4,451 | 5,292 | 5,130 | 5,130 |
| Human services..... | 127,631 | 98,516 | 97,550 | 90,965 | 91,546 | 82,806 | 94,213 | 80,647 | 95,437 | 83,647 |
| Culture and recreation..... | 127,937 | 122,453 | 124,917 | 109,127 | 108,128 | 106,457 | 124,939 | 91,944 | 106,081 | 110,390 |
| Utilities or other enterprises..... | 34,531 | 45,333 | 55,311 | 60,032 | 35,876 | 84,856 | 36,847 | 79,969 | 52,700 | 52,166 |
| Interest..... | 86,956 | 72,528 | 90,219 | 80,126 | 85,774 | 76,914 | 93,079 | 91,583 | 88,959 | 83,048 |
| Total governmental activities expenses | 1,726,974 | 1,627,312 | 1,467,149 | 1,325,478 | 1,273,924 | 1,255,533 | 1,361,015 | 1,242,404 | 1,144,523 | 1,203,841 |
| Business-type activities: | | | | | | | | | | |
| Housing..... | 12,182 | 13,062 | 11,554 | 11,562 | 15,928 | 11,728 | 12,221 | 14,481 | 13,220 | 13,711 |
| Sewer..... | 281,183 | 248,825 | 239,711 | 252,448 | 276,958 | 260,806 | 237,673 | 209,625 | 197,643 | 178,944 |
| Solid Waste..... | 207,239 | 204,258 | 191,005 | 174,651 | 166,160 | 166,160 | 166,078 | 163,534 | 159,187 | 154,158 |
| Public Transportation..... | 276,209 | 262,997 | 255,718 | 250,925 | 238,832 | 239,351 | 226,614 | 221,211 | 209,847 | 209,645 |
| Total business-type activities expenses | 776,813 | 728,542 | 697,988 | 689,586 | 721,972 | 678,045 | 642,586 | 608,851 | 579,897 | 556,458 |
| Total primary government expenses | 2,503,787 | 2,355,854 | 2,165,137 | 2,015,064 | 1,995,896 | 1,933,578 | 2,003,601 | 1,851,255 | 1,724,420 | 1,760,299 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government..... | 230,852 | 201,583 | 200,705 | 199,034 | 194,435 | 194,451 | 191,634 | 165,620 | 139,925 | 130,688 |
| Public safety..... | 44,372 | 44,686 | 41,946 | 40,765 | 41,761 | 39,729 | 40,188 | 38,582 | 40,089 | 42,163 |
| Highways and streets..... | 88 | 169 | 195 | 183 | 1,541 | 347 | 1,077 | 2,205 | 2,447 | 2,738 |
| Sanitation..... | -- | -- | -- | 3 | 10 | 49 | 51 | 161 | 21 | 47 |
| Human services..... | 450 | 460 | 384 | 521 | 837 | 405 | 503 | 1,008 | 180 | 1,064 |
| Culture and recreation..... | 33,051 | 31,748 | 30,349 | 29,384 | 30,586 | 29,100 | 28,730 | 25,803 | 26,714 | 22,318 |
| Utilities..... | 3,816 | 3,183 | 1,925 | 1,922 | 1,066 | 863 | 946 | 201 | 17 | -- |
| Operating grants and contributions..... | 135,495 | 125,694 | 121,866 | 141,940 | 150,414 | 116,412 | 122,066 | 111,419 | 123,389 | 118,970 |
| Capital grants and contributions..... | 16,144 | 28,517 | 41,315 | 9,758 | 13,493 | 54,201 | 55,393 | 64,988 | 48,461 | 35,292 |
| Total governmental activities program revenues | 464,268 | 436,240 | 438,685 | 423,510 | 434,143 | 435,557 | 440,588 | 409,987 | 381,243 | 356,280 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Housing..... | 11,346 | 11,791 | 11,047 | 11,247 | 22,146 | 10,434 | 10,628 | 9,483 | 10,275 | 9,766 |
| Sewer..... | 459,636 | 463,862 | 426,540 | 402,472 | 395,333 | 377,970 | 378,199 | 347,038 | 308,407 | 251,953 |
| Solid Waste..... | 133,112 | 143,096 | 124,996 | 126,990 | 126,305 | 118,658 | 118,943 | 108,402 | 97,351 | 145,507 |
| Public Transportation..... | 56,967 | 54,057 | 55,472 | 57,199 | 57,167 | 57,049 | 56,796 | 53,657 | 47,638 | 44,245 |
| Operating grants and contributions..... | 21,000 | 21,000 | 21,000 | 26,862 | 21,525 | 27,279 | 21,026 | 21,441 | 21,017 | 21,108 |
| Capital grants and contributions..... | 7,201 | 18,332 | 39,914 | 25,754 | 14,810 | 26,894 | 58,643 | 33,067 | 32,329 | 25,307 |
| Total business-type activities program revenues | 669,262 | 712,138 | 678,969 | 650,524 | 637,306 | 618,284 | 644,235 | 573,088 | 517,017 | 497,886 |
| Total primary government program revenues | 1,153,530 | 1,148,378 | 1,117,654 | 1,074,034 | 1,071,449 | 1,053,841 | 1,084,823 | 983,075 | 898,260 | 854,166 |
| Net Revenue (Expense) | | | | | | | | | | |
| Governmental activities..... | (1,262,706) | (1,191,072) | (1,028,464) | (901,968) | (839,781) | (819,976) | (920,427) | (832,417) | (763,280) | (847,561) |
| Business-type activities..... | (87,551) | (16,404) | (19,019) | (39,062) | (84,666) | (59,761) | 1,649 | (35,763) | (62,880) | (58,572) |
| Total primary government net expense | (1,350,257) | (1,207,476) | (1,047,483) | (941,030) | (924,447) | (879,737) | (918,778) | (868,180) | (826,160) | (906,133) |

TABLE 2
CITY AND COUNTY OF HONOLULU
CHANGES IN NET POSITION
FISCAL YEARS 2009-2018
(Amounts in thousands)
(Unaudited)

(Page 2 of 2)

| | Fiscal Year | | | | | | | | | |
|---|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General revenues: | | | | | | | | | | |
| Property taxes..... | \$ 1,187,842 | \$ 1,099,848 | \$ 1,015,861 | \$ 950,387 | \$ 849,401 | \$ 825,518 | \$ 799,260 | \$ 804,311 | \$ 853,426 | \$ 802,571 |
| Public service company tax..... | 35,234 | 42,225 | 48,273 | 50,939 | 53,108 | 52,444 | 47,842 | 37,999 | 49,393 | 49,596 |
| Fuel tax..... | 51,790 | 51,992 | 52,764 | 50,503 | 51,424 | 53,825 | 49,220 | 52,298 | 47,639 | 50,316 |
| Public utility franchise tax..... | 45,207 | 36,056 | 40,967 | 57,555 | 55,259 | 57,514 | 60,475 | 44,801 | 34,312 | 54,804 |
| Investment earnings..... | 8,192 | 2,684 | 1,893 | 454 | 553 | 539 | 336 | 492 | 457 | 7,170 |
| Unrestricted grants and contributions..... | 45,494 | 45,429 | 45,413 | 45,521 | 41,060 | 41,062 | 41,042 | 224,506 | 197,519 | 202,598 |
| General Excise Tax Surcharge..... | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other..... | 7,546 | 8,232 | 8,442 | 6,359 | 5,526 | 7,095 | 6,287 | 3,960 | 4,053 | 3,162 |
| Special Item: | | | | | | | | | | |
| Contribution to component unit..... | -- | -- | -- | -- | (219,158) | -- | (749,306) | -- | -- | -- |
| Transfers..... | (242,869) | (233,326) | (245,732) | (229,939) | 837,173 | (159,266) | (198,316) | (197,118) | (200,369) | (198,532) |
| Total governmental activities | 1,138,436 | 1,053,240 | 967,881 | 931,779 | 837,173 | 878,731 | 56,840 | 971,249 | 986,430 | 971,685 |
| Business-type activities: | | | | | | | | | | |
| General revenues: | | | | | | | | | | |
| Investment earnings..... | 15,525 | 8,305 | 3,778 | 1,274 | 1,430 | 1,641 | 1,181 | 1,230 | 1,078 | 9,039 |
| Transfers..... | 242,869 | 233,326 | 245,732 | 229,939 | 219,158 | 159,266 | 198,316 | 197,118 | 200,369 | 198,532 |
| Total business-type activities | 258,394 | 241,631 | 249,510 | 231,213 | 220,588 | 160,907 | 199,497 | 198,348 | 201,447 | 207,571 |
| Total primary government | \$ 1,396,830 | \$ 1,294,871 | \$ 1,217,391 | \$ 1,162,992 | \$ 1,057,761 | \$ 1,039,638 | \$ 256,337 | \$ 1,169,597 | \$ 1,187,877 | \$ 1,179,256 |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Prior period adjustments: | | | | | | | | | | |
| General government..... | (1,108,336) | (46,164) | -- | -- | (13,247) | -- | -- | -- | -- | -- |
| Highways and streets..... | -- | -- | -- | -- | (1,052) | -- | -- | -- | -- | -- |
| Other governmental..... | -- | -- | -- | -- | (95) | -- | -- | -- | -- | -- |
| Total governmental activities | (1,232,606) | (183,996) | (60,583) | 29,811 | (17,002) | 58,755 | (863,587) | 138,832 | 223,150 | 124,124 |
| Business-type activities: | | | | | | | | | | |
| Prior period adjustments: | | | | | | | | | | |
| Housing..... | 170,843 | 225,227 | 230,491 | 192,151 | 135,922 | 101,146 | 201,146 | 162,585 | 138,567 | 148,999 |
| Sewer..... | (77,725) | (2,984) | -- | (92,919) | (158) | -- | -- | -- | -- | -- |
| Solid Waste..... | (52,927) | (1,922) | -- | (59,820) | (2,653) | -- | -- | -- | -- | -- |
| Public Transportation..... | (2,476) | (85) | -- | 16,888 | -- | -- | -- | -- | -- | -- |
| Total business-type activities | 37,715 | 220,236 | 230,491 | 56,300 | 103,757 | 101,146 | 201,146 | 162,585 | 138,567 | 148,999 |
| Total primary government changes in net position | \$ (1,194,891) | \$ 36,240 | \$ 169,908 | \$ 86,111 | \$ 86,755 | \$ 159,901 | \$ (662,441) | \$ 301,417 | \$ 361,717 | \$ 273,123 |

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.

Amounts prior to fiscal year 2018 have not been restated for GASB Statement No. 75.

TABLE 3
CITY AND COUNTY OF HONOLULU
FUND BALANCES, GOVERNMENTAL FUNDS
FISCAL YEARS 2009 - 2018
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

| | 2018 | 2017 | 2016 | 2015 | Post-GASB 54 Fiscal Year | | | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------|
| | | | | | 2014 | 2013 (a) | 2012 (a) | 2011 | 2010 | |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 25 |
| Restricted | | | | | | | | | | |
| Committed | 121,135 | 112,266 | 110,329 | 79,270 | 68,401 | 50,256 | 32,601 | 32,596 | 82,697 | |
| Assigned | 81,709 | 74,155 | 65,124 | 74,282 | 54,880 | 55,384 | 58,215 | 51,961 | 45,965 | |
| Unassigned | 172,376 | 139,925 | 140,022 | 170,024 | 185,568 | 228,382 | 159,042 | 158,668 | 104,053 | |
| Total General Fund | <u>\$ 375,220</u> | <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 | \$ 174,531 | 182,225 | 198,063 | 201,439 | 182,159 | 165,373 | 161,708 | 136,708 | 115,936 | |
| Committed | 510,761 | 20,185 | 28,532 | 231,614 | 16,662 | 138,158 | 18,752 | 482,563 | 413,640 | |
| Unassigned | (47,477) | (78,081) | (2,187) | -- | (66,836) | -- | (1,611) | (4,855) | -- | |
| Total all Other Governmental Funds | <u>\$ 637,815</u> | <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 - 2018 for comparison purposes.

| | Pre-GASB 54 Fiscal Year | |
|-------------------------------------|----------------------------|-------------------|
| | 2010 | 2009 |
| General Fund | | |
| Reserved | \$ 45,965 | \$ 48,868 |
| Unreserved | 104,053 | 67,824 |
| Total General Fund | <u>150,018</u> | <u>116,692</u> |
| All Other Governmental Funds | | |
| Reserved | 1,980,381 | 991,499 |
| Unreserved, reported in: | | |
| Special revenue funds | 122,166 | 112,164 |
| Capital projects funds | (1,490,249) | (462,557) |
| Total all other Governmental Funds | <u>612,298</u> | <u>641,106</u> |
| TOTAL FUND BALANCES | <u>\$ 762,316</u> | <u>\$ 757,798</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 2009 - 2018
(Modified accrual basis of accounting)
(Amounts in thousands)
(Unaudited)

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|------------------|------------------|-------------------|
| | 2018 | 2017 (c) | 2016 | 2015 | 2014 | 2013 (b) | 2012 (b) | 2011 | 2010 | 2009 |
| Revenues: | | | | | | | | | | |
| Taxes..... | \$ 1,317,905 | \$ 1,233,030 | \$ 1,162,021 | \$ 1,109,836 | \$ 1,011,072 | \$ 994,105 | \$ 964,167 | \$ 934,557 | \$ 986,828 | \$ 952,531 |
| Special assessments..... | 1 | 3 | 4 | 5 | 5 | 15 | 17 | 8 | 18 | 17 |
| Licenses and permits..... | 202,456 | 183,126 | 181,696 | 177,867 | 173,233 | 166,135 | 161,492 | 151,581 | 126,208 | 112,397 |
| Intergovernmental..... | 193,864 | 196,166 | 206,181 | 189,868 | 201,624 | 205,496 | 233,499 | 395,316 | 362,399 | 355,530 |
| Charges for services..... | 36,117 | 34,232 | 32,998 | 34,066 | 33,150 | 31,813 | 30,679 | 28,007 | 27,714 | 23,924 |
| Fines and forfeits..... | 968 | 920 | 970 | 973 | 927 | 831 | 541 | 766 | 755 | 932 |
| Miscellaneous: | | | | | | | | | | |
| Reimbursements and recoveries..... | 57,646 | 53,034 | 47,038 | 46,909 | 46,282 | 44,420 | 46,801 | 42,136 | 41,397 | 96,435 |
| Interest..... | 10,247 | 3,867 | 2,261 | 521 | 596 | 612 | 394 | 935 | 855 | 13,291 |
| Other..... | 29,783 | 26,434 | 24,337 | 27,313 | 30,033 | 28,133 | 30,790 | 37,064 | 26,029 | 29,576 |
| Total Revenues..... | 1,848,987 | 1,730,812 | 1,657,506 | 1,587,358 | 1,496,922 | 1,471,560 | 1,468,380 | 1,590,370 | 1,572,203 | 1,584,633 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government..... | 187,390 | 180,019 | 170,516 | 166,414 | 167,707 | 155,304 | 155,044 | 149,994 | 159,713 | 163,280 |
| Public safety..... | 467,036 | 456,401 | 426,883 | 410,702 | 390,443 | 371,294 | 386,145 | 371,627 | 357,148 | 359,277 |
| Highways and streets..... | 32,723 | 33,774 | 28,376 | 26,193 | 22,658 | 18,696 | 17,336 | 16,781 | 21,774 | 28,271 |
| Sanitation..... | 236 | 1,015 | 3,685 | 3,822 | 3,907 | 4,203 | 4,514 | 3,863 | 2,959 | 4,828 |
| Human services..... | 114,340 | 98,392 | 97,293 | 90,973 | 92,127 | 74,089 | 72,544 | 71,606 | 78,391 | 73,401 |
| Culture and recreation..... | 101,718 | 94,737 | 94,610 | 88,415 | 86,537 | 82,664 | 79,547 | 73,087 | 81,859 | 87,888 |
| Utilities or other enterprises..... | 32,919 | 43,282 | 62,775 | 58,420 | 37,329 | 29,380 | 23,201 | 27,758 | 27,122 | 28,857 |
| Miscellaneous: | | | | | | | | | | |
| Retirement and health benefits..... | 335,263 | 303,550 | 283,029 | 258,330 | 220,876 | 190,466 | 214,895 | 194,338 | 182,644 | 208,354 |
| Other..... | 35,430 | 30,802 | 27,884 | 26,013 | 29,687 | 61,228 | 27,146 | 23,792 | 23,806 | 27,493 |
| Capital Outlay: | | | | | | | | | | |
| General government..... | 18,961 | 25,829 | 22,762 | 17,268 | 16,224 | 17,912 | 21,810 | 18,894 | 23,853 | 36,247 |
| Public safety..... | 24,427 | 25,229 | 29,179 | 34,980 | 34,725 | 29,956 | 34,070 | 28,966 | 20,987 | 25,903 |
| Highways and streets..... | 117,691 | 130,802 | 99,643 | 84,609 | 130,613 | 91,720 | 68,636 | 65,534 | 89,857 | 55,985 |
| Sanitation..... | -- | -- | 5 | -- | (95) | 95 | -- | 827 | 121 | 302 |
| Human services..... | 32,932 | 18,453 | 14,839 | 5,622 | -- | 8,980 | 21,991 | 10,645 | 14,906 | 11,591 |
| Culture-recreation..... | 35,298 | 43,911 | 34,439 | 11,926 | 22,564 | 21,956 | 22,869 | 24,703 | 19,090 | 22,038 |
| Utilities or other enterprises..... | 7,461 | 29,623 | 18,081 | 3,107 | 2,452 | 31,265 | 49,337 | 181,012 | 127,681 | 73,597 |
| Debt service: | | | | | | | | | | |
| Principal..... | 162,764 | 175,468 | 116,249 | 97,055 | 115,925 | 88,276 | 84,906 | 89,615 | 93,015 | 122,273 |
| Interest..... | 99,446 | 96,193 | 99,244 | 88,106 | 97,765 | 97,580 | 99,713 | 95,549 | 93,225 | 104,980 |
| Bond issuance costs..... | 1,785 | 687 | -- | 2,052 | -- | 2,125 | -- | -- | -- | -- |
| Total Expenditures..... | 1,807,820 | 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 |
| Revenues over (under) Expenditures..... | 41,167 | (57,355) | 28,014 | 113,351 | 25,478 | 94,371 | 84,676 | 141,779 | 154,052 | 150,068 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of general obligation bonds..... | 565,321 | 134,925 | -- | 280,845 | 11,152 | 191,296 | 131,206 | 100,734 | 30,254 | 150,089 |
| Issuance of tax exempt commercial paper (TECP)..... | 120,000 | 130,000 | -- | 100,000 | -- | 45,000 | -- | 50,000 | 20,000 | 45,000 |
| Capital leases..... | -- | -- | -- | -- | -- | -- | 1,302 | -- | -- | 189 |
| Issuance of refunding bonds..... | 166,521 | 87,090 | -- | 517,146 | -- | 642,942 | 149,328 | 50,366 | 61,192 | 350,749 |
| Bond premium..... | 64,751 | 34,398 | -- | 125,943 | -- | 85,737 | 19,747 | -- | 5,122 | 18,071 |
| Bond discount..... | (205) | (165) | -- | (246) | -- | (71,391) | (14,268) | (1,096) | (1,996) | (78) |
| Refunding of bonds and commercial paper..... | (232,819) | (94,592) | -- | (546,799) | -- | (621,449) | (155,506) | (50,000) | (64,318) | (367,178) |
| Loss on refunding of bonds..... | -- | (10,963) | -- | (44,822) | -- | -- | -- | -- | -- | -- |
| Sales of capital assets..... | 493 | 780 | 972 | 316 | 203 | 1,606 | 181 | 660 | 581 | 661 |
| Transfers in..... | 423,502 | 400,233 | 415,385 | 338,450 | 371,055 | 340,224 | 320,463 | 495,790 | 477,351 | 573,642 |
| Transfers out..... | (666,371) | (633,559) | (661,117) | (568,389) | (590,213) | (499,490) | (518,779) | (692,908) | (677,720) | (772,174) |
| Total Other Financing Sources (Uses)..... | 441,193 | 48,147 | (244,760) | 202,444 | (207,803) | 114,475 | (66,326) | (46,454) | (149,534) | (1,029) |
| Special Item: | | | | | | | | | | |
| Contribution to component unit..... | -- | -- | -- | -- | -- | -- | (447,284) | -- | -- | -- |
| Net change in fund balances..... | \$ 482,360 | \$ (9,208) | \$ (216,746) | \$ 315,795 | \$ (182,325) | \$ 208,846 | \$ (428,934) | \$ 95,325 | \$ 4,518 | \$ 149,039 |
| Debt service as a percentage of noncapital expenditures (a)..... | | | | | | | | | | |
| | 16.8% | 18.0% | 15.3% | 14.2% | 16.9% | 16.2% | 17.5% | 16.1% | 15.6% | 18.4% |

(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.

(c) As of June 30, 2017, the advances and repayments from component units reported as other financing sources (uses) have been restated as balance sheet transactions which resulted as an adjustment to the 2017 net position.

TABLE 5
CITY AND COUNTY OF HONOLULU
REAL PROPERTY ASSESSED VALUES BY CLASSIFICATION AND TAX RATES
FISCAL YEARS 2009 - 2018
(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 | |
|-------------|--|--|--|-----------------------|
| 2018 | Residential | \$ 3.50 | \$ 151,308,633 | |
| | Hotel/Resort | 12.90 | 13,060,028 | |
| | Commercial | 12.40 | 18,525,784 | |
| | Industrial | 12.40 | 9,597,471 | |
| | Agricultural | 5.70 | 1,042,709 | |
| | Vacant Agricultural | 8.50 | 50,802 | |
| | Preservation..... | 5.70 | 523,317 | |
| | Public Service..... | 0.00 | 30 | |
| | Residential A..... | 4.50 | <u>17,461,143</u> | |
| | | Total | | <u>\$ 211,569,917</u> |
| | Fiscal year 2018 total direct tax rate | \$ 5.36 | | |
| 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 | |

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 2009 - 2018
(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 |
|--|--|------------------------------|------------------------------------|
| 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 | 2,284 |
| | Total | | <u>\$ 155,333,752</u> |
| | Fiscal year 2013 total direct tax rate | | \$ 5.21 |
| 2012 | Residential | \$ 3.50 | \$ 123,324,298 |
| | Hotel/Resort | 12.40 | 7,102,340 |
| | Commercial | 12.40 | 13,938,863 |
| | Industrial | 12.40 | 7,685,514 |
| | Agricultural | 5.70 | 1,004,164 |
| | Vacant Agricultural | 8.50 | 112,245 |
| | Preservation..... | 5.70 | 421,553 |
| | Public Service..... | 0.00 | 3,644 |
| | Total | | <u>\$ 153,592,621</u> |
| | Fiscal year 2012 total direct tax rate | | \$ 5.19 |
| 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 2011 total direct tax rate | | \$ 5.21 | |
| 2010 | Residential | \$ 3.42 | \$ 134,490,385 |
| | Hotel/Resort | 12.40 | 7,234,047 |
| | Commercial | 12.40 | 14,312,242 |
| | Industrial | 12.40 | 7,968,538 |
| | Agricultural | 5.70 | 1,248,062 |
| | Vacant Agricultural | 8.50 | 143,153 |
| | Preservation | 5.70 | 381,713 |
| | Public Service..... | 0.00 | 3,938 |
| | Total | | <u>\$ 165,782,078</u> |
| | Fiscal year 2010 total direct tax rate | | \$ 5.05 |
| 2009 | Residential | \$ 3.29 | \$ 136,983,348 |
| | Hotel/Resort | 12.40 | 6,979,025 |
| | Commercial | 12.40 | 13,505,161 |
| | Industrial | 12.40 | 7,249,188 |
| | Agricultural | 5.70 | 1,133,318 |
| | Vacant Agricultural | 8.50 | 110,808 |
| | Preservation | 5.70 | 377,099 |
| Total | | <u>\$ 166,337,947</u> | |
| Fiscal year 2009 total direct tax rate | | \$ 4.83 | |

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 2009-2018
(Values in thousands)
(Unaudited)

| Taxpayer | 2018 | | | 2017 | | | 2016 | | | 2015 | | | 2014 | | |
|-------------------------------|--------------------------|------|--|--------------------------|------|--|--------------------------|------|--|--------------------------|------|--|--------------------------|------|--|
| | 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 |
| Kyo-Ya Company | \$ 2,140,375 | 1 | 0.83 % | \$ 1,768,287 | 3 | 0.73 % | \$ 1,522,822 | 3 | 0.67 % | \$ 1,419,965 | 2 | 0.66 % | \$ 1,170,157 | 3 | 0.58 % |
| Hilton, et al | 2,023,422 | 2 | 0.78 | 1,653,601 | 4 | 0.69 | 1,392,317 | 4 | 0.61 | 1,236,073 | 4 | 0.58 | 1,064,257 | 4 | 0.53 |
| Bishop Estate | 2,005,976 | 3 | 0.78 | 1,858,950 | 2 | 0.77 | 1,783,849 | 1 | 0.78 | 1,652,984 | 1 | 0.77 | 1,733,572 | 1 | 0.86 |
| General Growth Properties (a) | 1,868,590 | 4 | 0.72 | -- | -- | -- | 1,757,566 | 2 | 0.77 | 1,408,576 | 3 | 0.66 | 1,294,204 | 2 | 0.64 |
| Disney | 1,313,804 | 5 | 0.51 | 1,055,883 | 5 | 0.44 | 890,364 | 5 | 0.43 | 951,585 | 5 | 0.44 | 936,803 | 5 | 0.47 |
| Outrigger Hotels Hawaii | 1,052,583 | 6 | 0.41 | 876,909 | 6 | 0.36 | 836,273 | 6 | 0.37 | 759,314 | 6 | 0.35 | 674,790 | 6 | 0.34 |
| Howard Hughes (a) | 906,386 | 7 | 0.35 | 3,315,613 | 1 | 1.37 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| A & B Properties Inc. | 658,422 | 8 | 0.26 | 791,178 | 9 | 0.33 | 618,381 | 8 | 0.27 | 564,923 | 8 | 0.26 | -- | -- | -- |
| Ko Olina Hotel | 648,236 | 9 | 0.25 | 816,052 | 7 | 0.34 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Halekulani Corp | 545,636 | 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 |
| First Hawaiian Bank | -- | -- | -- | 605,786 | 10 | 0.25 | 459,179 | 10 | 0.20 | 503,122 | 9 | 0.23 | 500,985 | 8 | 0.25 |
| Weinburg Foundation | -- | -- | -- | -- | -- | -- | 522,573 | 9 | 0.23 | -- | -- | -- | -- | -- | -- |
| Ko Olina Hotel | -- | -- | -- | -- | -- | -- | -- | -- | -- | 433,317 | 10 | 0.20 | 426,923 | 10 | 0.21 |
| Marriott Ownership Resorts | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 474,662 | 9 | 0.24 |

| Taxpayer | 2013 | | | 2012 | | | 2011 | | | 2010 | | | 2009 | | |
|----------------------------|--------------------------|------|--|--------------------------|------|--|--------------------------|------|--|--------------------------|------|--|--------------------------|------|--|
| | 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 | \$ 1,442,906 | 1 | 0.78 % | \$ 1,414,268 | 1 | 0.78 % | \$ 1,339,215 | 1 | 0.75 % | \$ 1,380,593 | 1 | 0.72 % | \$ 1,424,272 | 1 | 0.75 % |
| General Growth Properties | 1,232,114 | 2 | 0.67 | 1,205,287 | 2 | 0.67 | 1,243,751 | 2 | 0.69 | 1,254,081 | 2 | 0.66 | 1,218,932 | 3 | 0.64 |
| Kyo-Ya Co. Ltd | 1,067,362 | 3 | 0.58 | 1,022,052 | 3 | 0.57 | 1,007,129 | 3 | 0.57 | 1,129,265 | 3 | 0.59 | 1,223,150 | 2 | 0.64 |
| Hilton, et al | 986,906 | 4 | 0.54 | 917,634 | 4 | 0.51 | 906,020 | 4 | 0.51 | 911,200 | 4 | 0.48 | 994,340 | 4 | 0.52 |
| Disney | 925,996 | 5 | 0.50 | 839,910 | 5 | 0.47 | 593,278 | 5 | 0.33 | 596,438 | 5 | 0.31 | 648,897 | 5 | 0.34 |
| Outrigger Hotels Hawaii | 656,979 | 6 | 0.36 | 595,320 | 6 | 0.33 | 537,957 | 6 | 0.30 | 472,437 | 7 | 0.27 | 370,618 | 10 | 0.19 |
| DEG, LLC | 575,445 | 7 | 0.31 | 537,437 | 7 | 0.30 | 472,437 | 7 | 0.27 | -- | -- | -- | 518,909 | 6 | 0.27 |
| Marriott Ownership Resorts | 488,584 | 8 | 0.27 | 446,972 | 9 | 0.25 | 407,264 | 10 | 0.23 | 408,099 | 9 | 0.21 | 435,900 | 9 | 0.23 |
| First Hawaiian Bank | 483,185 | 9 | 0.26 | 484,969 | 8 | 0.27 | 415,608 | 9 | 0.23 | 441,501 | 8 | 0.23 | 435,900 | 9 | 0.23 |
| Weinburg Foundation | 396,166 | 10 | 0.21 | 442,878 | 10 | 0.25 | 449,340 | 8 | 0.25 | 451,420 | 7 | 0.24 | 503,211 | 7 | 0.26 |
| Reynolds/Shilder | -- | -- | -- | -- | -- | -- | -- | -- | -- | 406,156 | 10 | 0.21 | 440,104 | 8 | 0.23 |
| Ko Olina Hotel | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| James Campbell Corporation | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |

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 2018 was \$257,987,135,000.
(a) The Real Property Assessment Division recently discovered that General Growth Properties (GGP) and Howard Hughes Corporation are separate companies. Therefore, the assessment was updated for 2018.

TABLE 7
CITY AND COUNTY OF HONOLULU
PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2009 - 2018
(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 |
| 2018 | \$ 1,183,310 | \$ (2,601) | \$ 1,180,709 | \$ 1,173,742 | 99.4 % | \$ - | \$ 1,173,742 | 99.4 % |
| 2017 | 1,098,971 | (4,493) | 1,094,478 | 1,087,315 | 99.3 | 6,213 | 1,093,528 | 99.9 |
| 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 | 5,103 | 843,835 | 99.7 |
| 2013 | 824,798 | (2,521) | 822,277 | 813,704 | 99.0 | 6,134 | 819,838 | 99.7 |
| 2012 | 811,505 | (2,981) | 808,524 | 800,424 | 99.0 | 10,082 | 810,506 | 100.2 |
| 2011 | 812,604 | (8,570) | 804,034 | 795,313 | 98.9 | 9,859 | 805,172 | 100.1 |
| 2010 | 853,767 | (4,743) | 849,024 | 840,209 | 99.0 | 7,231 | 847,440 | 99.8 |
| 2009 | 798,703 | (680) | 798,023 | 788,301 | 98.8 | 8,189 | 796,490 | 99.8 |

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 2009 - 2018
(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 | Notes Payable | Capital Lease |
| 2018 | \$ 2,868,304 | \$ 100,000 | \$ 901 | \$ -- |
| 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 |

NOTES:

- (a) See TABLE 12 for personal income and population data.
 - (b) 2018 and 2017 Personal Income is not available. 2016 Personal Income was used instead.
 - (c) Revised from previous CAFR.
 - (d) 2018 Population is not available. 2017 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 2009 - 2018
(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) |
| \$ 548,898 | \$ 2,358,157 | \$ -- | \$ 229,398 | \$ 6,105,658 | 11.34 % (b) | \$ 6,176 (d) |
| 557,724 | 2,072,204 | -- | 252,769 | 5,357,774 | 9.95 (b) | 5,419 (c) |
| 577,376 | 1,868,779 | -- | 252,148 | 5,084,447 | 9.45 (c) | 5,122 (c) |
| 608,195 | 1,711,265 | -- | 245,287 | 5,093,741 | 9.74 (c) | 5,129 |
| 587,947 | 1,757,422 | -- | 245,345 | 4,757,956 | 9.54 (c) | 4,809 (c) |
| 618,713 | 1,800,072 | -- | 221,131 | 4,926,925 | 10.37 | 4,998 (c) |
| 601,245 | 1,664,206 | -- | 222,509 | 4,552,018 | 9.73 | 4,663 (c) |
| 599,909 | 1,513,751 | -- | 200,392 | 4,328,098 | 9.64 | 4,478 (c) |
| 405,784 | 1,324,666 | -- | 193,103 | 3,885,681 | 8.99 | 4,064 (c) |
| 279,848 | 1,222,519 | -- | 157,310 | 3,672,724 | 8.64 | 3,894 |

TABLE 9
CITY AND COUNTY OF HONOLULU
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
FISCAL YEARS 2009 - 2018
(Amounts in thousands, except per capita)
(Unaudited)

| Fiscal Year | General Obligation Bonds (d) | Percentage of Net Taxable Property Value (a) | Per Capita (b) |
|----------------|------------------------------------|---|-------------------|
| 2018 | \$ 2,924,396 | 1.38 % | \$ 2,958 (c) |
| 2017 | 2,951,498 (e) | 1.48 | 2,985 |
| 2016 | 2,961,986 (e) | 1.58 | 2,984 |
| 2015 | 3,134,911 (e) | 1.80 | 3,156 |
| 2014 | 2,751,981 (e) | 1.73 | 2,781 |
| 2013 | 2,901,301 (e) | 1.87 | 2,943 |
| 2012 | 2,659,842 (e) | 1.73 | 2,724 |
| 2011 | 2,608,777 (e) | 1.70 | 2,699 |
| 2010 | 2,362,271 (e) | 1.42 | 2,470 |
| 2009 | 2,285,446 (e) | 1.37 | 2,423 |

NOTES:

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

(b) See TABLE 12 for population data.

(c) 2018 Population not available. 2017 Population was used instead.

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

(e) Revised from the previous CAFR.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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TABLE 10
CITY AND COUNTY OF HONOLULU
LEGAL DEBT MARGIN INFORMATION
FISCAL YEARS 2009 - 2018
(Amounts in thousands)
(Unaudited)

(Page 1 of 2)

| | Fiscal Year | | | | |
|---|----------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Debt limit (a) | \$ 31,735,488 | \$ 29,943,987 | \$ 28,157,825 | \$ 26,150,333 | \$ 23,864,359 |
| Debt applicable to limit | <u>2,664,760</u> | <u>2,285,897</u> | <u>2,199,482</u> | <u>2,315,550</u> | <u>2,060,876</u> |
| Legal debt margin (b) | <u>\$ 29,070,728</u> | <u>27,658,090</u> | <u>25,958,343</u> | <u>23,834,783</u> | <u>21,803,483</u> |
| Debt applicable to the limit as a percentage of debt limit | 8.40% | 7.63% | 7.81% | 8.85% | 8.64% |

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.

TABLE 10
 CITY AND COUNTY OF HONOLULU
 LEGAL DEBT MARGIN INFORMATION
 FISCAL YEARS 2008 - 2017
 (Amounts in thousands)
 (Unaudited)

(Page 2 of 2)

| Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2013 | 2012 | 2011 | 2010 | 2009 |
| \$ 23,300,063 | \$ 23,038,893 | \$ 22,966,366 | \$ 24,867,312 | \$ 24,950,695 |
| <u>2,165,157</u> | <u>1,995,105</u> | <u>1,962,761</u> | <u>1,901,277</u> | <u>1,946,593</u> |
| <u>\$ 21,134,906</u> | <u>\$ 21,043,788</u> | <u>\$ 21,003,605</u> | <u>\$ 22,966,035</u> | <u>\$ 23,004,102</u> |
| 9.29% | 8.66% | 8.55% | 7.65% | 7.80% |

Legal Debt Margin Calculation for Fiscal Year 2018

| | |
|------------------------------------|-----------------------|
| Net assessed value | <u>\$ 211,569,917</u> |
| Debt limit (15% of assessed value) | 31,735,488 |
| Debt applicable to limit | <u>2,664,760</u> |
| Legal debt margin | <u>\$ 29,070,728</u> |

TABLE 11
CITY AND COUNTY OF HONOLULU
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2009-2018
(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 | | |
| 2018 | \$ 238,927 | \$ 148,821 | \$ 90,106 | \$ 8,550 | \$ 9,294 | \$ 17,844 | 5.05 |
| 2017 | 236,330 | 138,147 | (d) 98,183 | 8,365 | 9,422 | 17,787 | 5.52 |
| 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 |

DEPARTMENT OF ENVIRONMENTAL SERVICES

| Fiscal Year | Gross Revenues (c) | Less: Expenses (a) | Net Available Revenue | Debt Service | | Total Debt Service | Coverage (b) |
|-------------|--------------------|--------------------|-----------------------|--------------|-----------|--------------------|--------------|
| | | | | Principal | Interest | | |
| 2018 | \$ 465,271 | \$ 152,960 | \$ 312,311 | \$ 59,815 | \$ 85,108 | \$ 144,923 | 2.16 |
| 2017 | 453,959 | 146,036 | (d) 307,923 | 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 |

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) Revised from the previous CAFR.

TABLE 12
 CITY AND COUNTY OF HONOLULU
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FISCAL YEARS 2009 - 2018
 (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) |
|------------------------------------|--|--|---|--------------------------|--------------------------|
| 2018 | NA | NA | NA | 115,691 | NA |
| 2017 | 988,650 (c) | NA | NA | 117,203 | 2.2 (c) |
| 2016 | 992,761 (c) | \$ 53,828 (c) | \$ 54,229 (c) | 118,155 | 2.8 |
| 2015 | 993,716 (c) | 52,318 (c) | 52,678 (c) | 118,463 | 3.3 (c) |
| 2014 | 989,438 (c) | 49,881 (c) | 50,457 (c) | 122,195 | 4.1 |
| 2013 | 985,734 (c) | 47,505 | 48,241 (c) | 120,932 | 4.4 |
| 2012 | 976,299 (c) | 46,793 | 47,948 (c) | 119,477 | 5.4 |
| 2011 | 966,514 (c) | 44,900 | 46,466 (c) | 117,880 | 5.9 |
| 2010 | 956,193 (c) | 43,244 | 45,219 (c) | 118,534 | 6.0 |
| 2009 | 943,177 (c) | 42,500 | 45,061 | 117,990 | 6.0 |

NOTES:

(a) Per *The State of Hawaii Data Book 2017*.

(b) Enrollment figures for 2009-2018 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 2008 - 2017
(Unaudited)

| Employer (a) | 2017 | | | 2016 | | | 2015 | | | 2014 | | | 2013 | | |
|--------------------------------------|-----------|------|--------------------------------------|-----------|------|--|-----------|------|--|-----------|------|--|-----------|------|--|
| | 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 | 73,200 | 1 | 10.94% | 74,100 | 1 | 11.16% | 74,500 | 1 | 11.44% | 73,600 | 1 | 11.54% | 72,200 | 1 | 11.65% |
| Federal Government | 33,400 | 2 | 4.99% | 33,200 | 2 | 5.00% | 33,200 | 2 | 5.10% | 33,200 | 2 | 5.21% | 33,900 | 2 | 5.47% |
| Local Governments | 19,000 | 3 | 2.84% | 19,000 | 3 | 2.86% | 18,900 | 3 | 2.90% | 18,800 | 3 | 2.95% | 18,700 | 3 | 3.02% |
| The Queen's Health Systems | 7,187 | 4 | 1.07% | 7,455 | 4 | 1.12% | 7,278 | 4 | 1.12% | 6,485 | 5 | 1.02% | 5,587 | 6 | 0.90% |
| Hawaii Pacific Health | 6,961 | 5 | 1.04% | 6,641 | 6 | 1.00% | 6,617 | 5 | 1.02% | 6,485 | 5 | 1.02% | -- | -- | -- |
| Hawaii Health Systems Corp. | 4,133 | 6 | 0.62% | -- | -- | -- | -- | -- | -- | 6,942 | 4 | 1.09% | 6,307 | 4 | 1.02% |
| Kyo-ya Hotels and Resorts | 3,638 | 7 | 0.54% | -- | -- | -- | -- | -- | -- | 3,965 | 10 | 0.62% | 3,966 | 10 | 0.64% |
| Hawaiian Electric Co., Inc. | 2,745 | 8 | 0.41% | 2,662 | 9 | 0.40% | 3,918 | 10 | 0.60% | -- | -- | -- | -- | -- | -- |
| Securitas Security Services USA Inc. | 2,484 | 9 | 0.37% | 2,416 | 10 | 0.36% | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Kaiser Foundation Health Plan | 2,383 | 10 | 0.36% | 4,410 | 7 | 0.66% | 4,424 | 9 | 0.68% | 4,691 | 9 | 0.74% | 4,371 | 9 | 0.71% |
| Marriott Hawaii | -- | -- | -- | 6,929 | 5 | 1.04% | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Outrigger Enterprises Group | -- | -- | -- | 3,186 | 8 | 0.48% | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Hilton Hotels Hawaii Region | -- | -- | -- | -- | -- | -- | 5,400 | 8 | 0.83% | 5,400 | 7 | 0.85% | 5,400 | 7 | 0.87% |
| Hawaiian Airlines, Inc. | -- | -- | -- | -- | -- | -- | 5,548 | 6 | 0.85% | 5,380 | 8 | 0.84% | 5,249 | 8 | 0.85% |
| Stanwood Hotels & Resorts Hawaii | -- | -- | -- | -- | -- | -- | 5,507 | 7 | 0.85% | 5,659 | 6 | 0.89% | 6,150 | 5 | 0.99% |
| Total | 155,131 | -- | 23.18% | 159,999 | -- | 24.08% | 165,292 | -- | 25.39% | 164,122 | -- | 25.75% | 161,830 | -- | 26.12% |

| Employer (a) | 2012 | | | 2011 | | | 2010 | | | 2009 | | | 2008 | | |
|--|-----------|------|--------------------------------------|-----------|------|--------------------------------------|-----------|------|--------------------------------------|-----------|------|--------------------------------------|-----------|------|--------------------------------------|
| | 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 | 72,900 | 1 | 11.98% | 71,400 | 1 | 11.60% | 71,700 | 1 | 11.90% | 73,700 | 1 | 12.57% | 74,300 | 1 | 12.14% |
| Federal Government | 34,900 | 2 | 5.74% | 34,800 | 2 | 5.66% | 34,800 | 2 | 5.78% | 33,300 | 2 | 5.68% | 32,200 | 2 | 5.26% |
| Local Governments | 18,500 | 3 | 3.04% | 18,500 | 3 | 3.01% | 18,700 | 3 | 3.10% | 18,650 | 3 | 3.18% | 18,550 | 3 | 3.03% |
| Hawaii Pacific Health | 5,809 | 4 | 0.95% | 5,724 | 4 | 0.93% | 5,490 | 4 | 0.91% | 5,300 | 5 | 0.90% | 5,200 | 6 | 0.85% |
| Stanwood Hotels & Resorts Hawaii | 5,500 | 5 | 0.90% | 5,300 | 6 | 0.88% | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Hilton Hotels Hawaii Region | 5,400 | 6 | 0.89% | 5,400 | 5 | 0.90% | 5,400 | 5 | 0.90% | 5,059 | 6 | 0.86% | 4,903 | 7 | 0.80% |
| The Queen's Health Systems | 5,281 | 7 | 0.87% | 5,134 | 7 | 0.83% | 5,147 | 6 | 0.85% | -- | -- | -- | -- | -- | -- |
| Hawaiian Airlines Inc. | 4,906 | 8 | 0.81% | 4,314 | 9 | 0.67% | 4,019 | 9 | 0.67% | -- | -- | -- | -- | -- | -- |
| Kaiser Foundation Health Plan | 4,570 | 9 | 0.75% | 4,478 | 8 | 0.73% | 4,400 | 8 | 0.73% | 3,700 | 9 | 0.63% | 4,403 | 8 | 0.72% |
| Hawaiian Electric Co., Inc. | 3,870 | 10 | 0.64% | 3,654 | 10 | 0.59% | 3,400 | 10 | 0.56% | 3,560 | 10 | 0.61% | -- | -- | -- |
| Sherwood Hotels & Resorts Hawaii | -- | -- | -- | -- | -- | -- | 5,092 | 7 | 0.85% | -- | -- | -- | -- | -- | -- |
| Proservice Hawaii Business Development Corp. | -- | -- | -- | -- | -- | -- | -- | -- | -- | 9,000 | 4 | 1.53% | 8,000 | 5 | 1.31% |
| Kyo-ya Co. Ltd. | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3,851 | 7 | 0.66% | 3,639 | 10 | 0.59% |
| Altres Inc. | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3,839 | 8 | 0.65% | 9,869 | 4 | 1.61% |
| Hawaii Health Systems Corp. | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3,752 | 9 | 0.61% |
| Total | 161,636 | -- | 26.57% | 158,704 | -- | 25.79% | 158,148 | -- | 26.25% | 159,959 | -- | 27.27% | 164,616 | -- | 26.92% |

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

Hawaii Business, magazine various years.

Pacific Business News - 2017 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 2009 - 2018
 (Unaudited)

(Page 1 of 2)

| <u>Function</u> | <u>Full-time Equivalent Employees as of June 30</u> | | | | |
|----------------------------|---|--------------|--------------|--------------|--------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| General government | | | | | |
| Administration | 504 | 484 | 496 | 497 | 472 |
| Finance | 430 | 423 | 429 | 437 | 431 |
| Legal | 312 | 324 | 320 | 314 | 327 |
| Planning & Permitting | 274 | 267 | 274 | 267 | 258 |
| Design & Construction | 147 | 219 | 225 | 223 | 221 |
| Land Management | 5 | 1 | | | |
| Public Safety | | | | | |
| Police | 2,464 | 2,526 | 2,579 | 2,595 | 2,556 |
| Fire | 1,088 | 1,072 | 1,088 | 1,116 | 1,074 |
| Emergency Medical Services | 181 | 174 | 173 | 161 | 155 |
| Highways and Streets | 631 | 636 | 634 | 639 | 622 |
| Sanitation | | | | | |
| Solid Waste | 672 | 600 | 593 | 583 | 600 |
| Sewer | 247 | 257 | 262 | 267 | 274 |
| Health and Human Resources | 403 | 421 | 420 | 409 | 394 |
| Culture and Recreation | 1,044 | 1,031 | 1,016 | 1,008 | 1,005 |
| Total | <u>8,402</u> | <u>8,435</u> | <u>8,509</u> | <u>8,516</u> | <u>8,389</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 2009 - 2018
 (Unaudited)

(Page 2 of 2)

| <u>Function</u> | <u>Full-time Equivalent Employees as of June 30</u> | | | | |
|----------------------------|---|--------------|--------------|--------------|--------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| General government | | | | | |
| Administration | 461 | 480 | 478 | 491 | 547 |
| Finance | 410 | 405 | 398 | 419 | 475 |
| Legal | 325 | 308 | 304 | 314 | 314 |
| Planning & Permitting | 258 | 245 | 248 | 259 | 270 |
| Design & Construction | 226 | 228 | 227 | 226 | 228 |
| Land Management | | | | | |
| Public Safety | | | | | |
| Police | 2,574 | 2,519 | 2,551 | 2,570 | 2,625 |
| Fire | 1,089 | 1,114 | 1,099 | 1,083 | 1,092 |
| Emergency Medical Services | 146 | 151 | 147 | 145 | 144 |
| Highways and Streets | 598 | 596 | 585 | 604 | 651 |
| Sanitation | | | | | |
| Solid Waste | 572 | 622 | 585 | 302 | 145 |
| Sewer | 263 | 254 | 253 | 559 | 542 |
| Health and Human Resources | 403 | 397 | 403 | 411 | 404 |
| Culture and Recreation | 1,036 | 1,005 | 982 | 1,026 | 984 |
| Total | <u>8,361</u> | <u>8,324</u> | <u>8,260</u> | <u>8,409</u> | <u>8,421</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 2009 - 2018
(Unaudited)

(page 1 of 2)

| Function | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | |
| Police | | | | | |
| Part I number of arrests (a) | 3,249 | 4,101 | 4,990 | 5,100 | 5,820 |
| Part II number of arrests (a) | 35,921 | 37,857 | 36,220 | 34,900 | 34,860 |
| Parking violations | 136,789 (b) | 143,727 (b) | 116,774 (b) | 116,064 (b) | 111,720 (b) |
| Traffic violations | 237,528 (b) | 223,661 (b) | 233,142 (b) | 256,943 (b) | 181,750 (b) |
| Fire | | | | | |
| Fire department responses | 17,699 | 17,843 | 17,291 | 16,421 | 20,334 |
| Emergency medical responses | 38,255 | 36,564 | 35,566 | 35,345 | 30,355 |
| Inspections | 71,906 | 74,511 | 72,252 (j) | 53,419 (i) | 77,492 |
| Emergency Medical Services | | | | | |
| Ambulance responses | 96,267 (n) | 84,621 | 90,023 | 88,882 | 82,227 |
| Refuse Collection | | | | | |
| Refuse collected (tons per year) | 266,980 | 268,347 | 268,330 | 263,350 | 264,500 |
| Recyclables collected (tons per year) | 138,654 | 130,107 | 131,256 | 127,550 | 128,615 |
| Other Public Works | | | | | |
| Street resurfacing in-house (lane miles) | 16 (p) | 18 | 16 | 8 | 4 (g) |
| Street resurfacing contract (lane miles) | 358 | 412 (m) | 268 | 214 | 270 |
| First aid (tons of asphalt) | 6,472 (q) | 2,671 (k) | 501 | 1,747 | 2,122 |
| Potholes repaired | 20,987 (l) | 28,570 (l) | 42,656 | 32,976 | 39,951 |
| Parks and Recreation | | | | | |
| Park facility permits issued | 13,983 | 13,338 | 16,348 | 15,260 | 15,494 |
| Other Enterprise | | | | | |
| Rounds of golf | 376,895 | 371,744 | 375,710 | 400,869 | 416,356 |
| Zoo attendance | 579,302 | 560,479 | 564,114 | 592,780 | 606,566 |
| Water | | | | | |
| New connections | 855 (o) | 385 | 242 | 522 | 540 (h) |
| Water main breaks | 321 | 346 | 326 | 293 | 303 |
| Average daily pumpage (thousands of gallons) | 140 | 136 | 137 | 144 | 136 |
| Peak daily pumpage (thousands of gallons) | 165 | 155 | 169 | 159 | 161 |
| Wastewater | | | | | |
| Average daily sewage treatment (millions of gallons) | 114 | 117 | 113 | 105 | 105 |
| Transit | | | | | |
| Total bus directional route miles | 1,082 | 1,057 | 1,033 | 1,032 | 1,030 |
| Total bus revenue miles | 17,893,437 | 17,760,756 | 17,817,987 | 17,752,627 | 17,619,990 |
| Bus passengers | 64,058,836 | 65,216,212 | 68,274,031 | 71,094,063 | 66,285,449 |
| Total paratransit revenue miles | 6,436,220 | 6,384,051 | 6,404,590 | 5,565,742 | 5,193,703 |
| Paratransit passengers | 952,971 | 920,453 | 890,453 | 843,402 | 882,084 |

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 (HOSES) 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 the Department of Design & Constructio's 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.
- (n) The contributing factors of the increase includes increases in population, average age of population, tourism to Oahu, and obesity among younger populations contributing to higher incidences of serious health issues at earlier ages.
- (o) The increase is due to the new development at Hoopili.
- (p) First Aid assisting the Department of Design and Construction while waiting for projects delayed due to utility projects to complete.
- (q) The increase is due to the many first aid pavement repairs that are requested from the Department of Design & Construction, the Department of Transportation Services, and other departments.

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 2009 - 2018
(Unaudited)

(page 2 of 2)

| 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------|-------------|-------------|-------------|-------------|
| 5,870 | 5,517 | 5,120 | 5,430 | 4,011 |
| 36,060 | 34,695 | 31,930 | 33,940 | 35,315 |
| 105,164 (b) | 111,342 (b) | 115,171 (b) | 124,997 (b) | 133,216 (b) |
| 187,376 (b) | 189,591 (b) | 203,052 (b) | 197,820 (b) | 198,746 (b) |
| 19,830 | 19,923 | 18,436 | 16,254 | 16,152 |
| 29,608 | 28,871 | 27,953 | 24,808 | 24,930 |
| 68,888 | 63,424 (d) | 73,302 (c) | 67,542 (c) | 70,268 (c) |
| 78,872 | 75,500 | 67,477 | 69,253 | 60,412 |
| 284,070 | 255,400 | 273,040 | 290,064 | 312,360 |
| 116,200 | 118,400 | 121,442 | 84,046 | 69,188 |
| 18 (e) | 8 | 19 | 57 | 60 |
| 315 (f) | 180 | 149 | 319 | 76 |
| 1,258 | 2,314 | 753 | 4,277 | 2,560 |
| 51,647 | 52,071 | 67,714 | 41,505 | 68,816 |
| 16,696 | 12,029 | 16,549 | 15,520 | 18,611 |
| 442,362 | 464,708 | 475,663 | 534,508 | 563,589 |
| 663,699 | 665,940 | 603,677 | 580,265 | 623,034 |
| 875 (h) | 1,069 | 962 | 1,075 | 1,262 |
| 350 | 312 | 333 | 388 | 325 |
| 141 | 139 | 130 | 148 | 145 |
| 168 | 151 | 157 | 171 | 179 |
| 100 | 100 | 105 | 104 | 108 |
| 1,023 | 947 | 945 | 945 | 943 |
| 17,198,231 | 18,225,506 | 18,356,893 | 18,343,673 | 18,462,001 |
| 69,242,214 | 76,296,482 | 73,765,232 | 73,158,620 | 77,329,670 |
| 5,082,596 | 5,150,671 | 4,955,876 | 4,960,022 | 4,999,735 |
| 841,447 | 845,903 | 825,680 | 790,357 | 840,763 |

TABLE 16
CITY AND COUNTY OF HONOLULU
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2009 - 2018
(Unaudited)

page 1 of 2

| Function | Fiscal Year | | | | |
|--|-------------|--------|--------|--------|--------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Public Safety | | | | | |
| Police | | | | | |
| Stations | 12 | 12 | 12 | 12 | 12 |
| Patrol units - City owned | 358 | 414 | 324 | 406 | 325 |
| Patrol units - privately owned (a) | 1,303 | 1,339 | 1,354 | 1,356 | 1,329 |
| Fire stations (b) | 44 | 44 | 44 | 44 | 45 |
| Emergency medical services stations | 20 | 20 | 20 | 22 | 22 |
| Refuse collection trucks | 172 | 170 | 174 | 173 | 168 |
| Other Public Works | | | | | |
| Streets (linear mile) | 1,446 | 1,439 | 1,433 | 1,424 | 1,420 |
| Streetlights | 52,891 | 52,521 | 52,093 | 51,797 | 51,300 |
| Storm sewers (miles) | 885 | 747 | 741 | 732 | 728 |
| Parks and Recreation | | | | | |
| Parks and recreational areas | 293 (d) | 288 | 286 | 286 | 284 |
| Beach access/right of ways | 86 (e) | 90 | 90 | 90 | 70 |
| 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 | 201 | 200 |
| Basketball courts | 205 | 205 | 205 | 205 | 202 |
| Tennis courts | 208 | 208 | 208 | 208 | 208 |
| Volleyball courts | 173 | 173 | 173 | 173 | 171 |
| Soccer fields | 80 | 80 | 80 | 80 | 80 |
| Traffic related landscaped areas | 168 (f) | 151 | 150 | 150 | 150 |
| Other Enterprise | | | | | |
| Golf courses | 6 | 6 | 6 | 6 | 6 |
| Zoological parks | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | |
| Water mains (miles) | 2,156 | 2,144 | 2,131 | 2,123 | 2,114 |
| Fire hydrants | 21,636 | 21,605 | 21,414 | 21,399 | 21,384 |
| Storage capacity (thousands of gallons) | 197 | 197 | 197 | 197 | 190 |
| Wastewater | | | | | |
| Sanitary sewers (miles) | 2,024 | 2,024 | 2,024 | 2,010 | 2,010 |
| Treatment capacity (millions of gallons) | 158 | 158 | 158 | 152 | 152 |
| Transit | | | | | |
| Buses | 544 | 544 | 541 | 521 | 519 |
| Paratransit vehicles | 190 | 180 | 180 | 181 | 160 |
| Traffic signal intersections (c) | 845 | 844 | 840 | 837 | 834 |

SOURCE: City and County of Honolulu, various agencies.

NOTES:

(a) The number varies according to actual staffing of motorized patrol position.

(b) Includes one fireboat and one aircraft station.

(c) Includes State traffic signals on Oahu that the City maintains.

(d) The number of park and recreation area adjusted to include previously uncounted support park areas.

(e) The number of Beach Right of Ways reduced to conform to Ocean Safety Database.

(f) Traffic related landscaped areas now under the jurisdiction of the Department of Facilities Maintenance.

TABLE 16
CITY AND COUNTY OF HONOLULU
CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEARS 2009 - 2018
(Unaudited)

page 2 of 2

| Function | Fiscal Year | | | | |
|--|-------------|--------|--------|--------|--------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| Public Safety | | | | | |
| Police | | | | | |
| Stations | 12 | 12 | 11 | 12 | 12 |
| Patrol units - City owned | 333 | 346 | 473 | 328 | 331 |
| Patrol units - privately owned (a) | 1,311 | 1,334 | 1,312 | 1,357 | 1,276 |
| Fire stations (b) | 45 | 45 | 44 | 44 | 44 |
| Emergency medical services stations | 22 | 22 | 21 | 21 | 21 |
| Refuse collection trucks | 166 | 168 | 174 | 206 | 206 |
| Other Public Works | | | | | |
| Streets (paved mile) | 1,417 | 1,415 | 1,410 | 1,407 | 1,398 |
| Streetlights | 47,999 | 47,819 | 47,544 | 47,283 | 47,160 |
| Storm sewers (miles) | 725 | 723 | 718 | 715 | 706 |
| Parks and Recreation | | | | | |
| Parks and recreational areas | 284 | 283 | 288 | 288 | 287 |
| 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 | 25 | 24 | 24 | 24 | 24 |
| Swimming pools | 21 | 21 | 21 | 21 | 21 |
| Baseball/softball fields | 200 | 200 | 200 | 200 | 193 |
| Basketball courts | 205 | 200 | 200 | 220 | 220 |
| Tennis courts | 207 | 203 | 203 | 200 | 200 |
| Volleyball courts | 171 | 169 | 169 | 169 | 169 |
| Soccer fields | 80 | 80 | 80 | 80 | 80 |
| Traffic related landscaped areas | 149 | 149 | 149 | 149 | 149 |
| Other Enterprise | | | | | |
| Golf courses | 6 | 6 | 6 | 6 | 6 |
| Zoological parks | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | |
| Water mains (miles) | 2,106 | 2,101 | 2,095 | 2,079 | 2,043 |
| Fire hydrants | 21,290 | 21,130 | 21,045 | 21,006 | 20,950 |
| Storage capacity (thousands of gallons) | 190 | 184 | 182 | 182 | 182 |
| Wastewater | | | | | |
| Sanitary sewers (miles) | 2,010 | 2,087 | 2,100 | 2,143 | 2,152 |
| Treatment capacity (millions of gallons) | 152 | 152 | 152 | 152 | 152 |
| Transit | | | | | |
| Buses | 524 | 540 | 553 | 552 | 549 |
| Paratransit vehicles | 157 | 158 | 181 | 166 | 166 |
| Traffic signal intersections (c) | 830 | 827 | 825 | 823 | 819 |

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